Division of: **Ontario**
Division No.: **09- Toronto**
Estate Number: **31-3393551**
Court Number: **31-3393551**

IN THE MATTER OF THE BANKRUPTCY OF
NANOPAY CORPORATION
OF THE CITY OF TORONTO
IN THE PROVINCE OF ONTARIO

REPORT OF THE TRUSTEE'S PRELIMINARY ADMINISTRATION OF THE ESTATE OF NANOPAY CORPORATION.

Introduction

1) Nanopay Corporation (the "**Debtor**") operated an embedded payment solutions company in Toronto, Ontario. The Debtor carried on business for approximately ten years prior to ceasing operations. On December 31, 2025 it ceased operations.

2) On July 2, 2026, the Debtor was assigned into bankruptcy ("**Date of Bankruptcy**") and Dodick Landau Inc. (the "**Trustee**") was appointed as Trustee in Bankruptcy of the estate.

Background

3) The Debtor carried on business from leased premises located at 1050 King Street Floor 5, Ontario, (the "**Premises**") until January 2026.

4) On August 21, 2023, the Debtor filed with the Official Receiver a Division 1 proposal to its creditors and Dodick Landau Inc. was appointed as a proposal trustee. The Debtor completed the terms of its proposal and obtained a Certificate of Full Performance, with the proposal reflected in the Office of the Superintendent of Bankruptcy record as fully performed effective March 11, 2024. Dodick Landau Inc. was subsequently discharged as proposal trustee on March 19, 2026.

5) The Debtor continued to experience financial and operational challenges following its Proposal proceeding when further investor funding was withdrawn, which resulted in an immediate liquidity shortfall and cessation of operations.

5) As a result of there not being sufficient funding to pay ongoing obligations, the Debtor assigned the corporation into bankruptcy.

Insolvency Proceeding

6) Following its appointment, the Trustee distributed a Notice of Bankruptcy, a copy of the Statement of Affairs and a Proof of Claim form with instructions to approximately forty-nine

known creditors on July 2, 2026, as well as placed a Notice of Bankruptcy ad in The Financial Post on July 7, 2026.

Assets

7) The principal asset of the estate is the Debtor's investment in its subsidiary, namely its 100% share interest in nanopay x-border Corporation. Pursuant to a Share Purchase Agreement dated April 10, 2026, the Debtor agreed to sell all the issued and outstanding shares of nanopay x-border Corporation for USD $199,999, payable in two tranches. The Statement of Affairs reflects this asset at an estimated realizable value of approximately CAD $284,127.58. The Trustee is in contact with the Purchaser in order to close the transaction.

8) The Debtor maintained bank accounts with Royal Bank of Canada ("RBC") with combined cash on deposit totaling approximately $11,947.66. The Trustee provided instructions to RBC to transfer the funds on deposit to the estate bank account.

9) The Debtor has other property assets including various furniture in storage, outdated computer equipment and software and source code. The value of these assets is unknown currently.

Liabilities

10) The Debtor's liabilities as set out in the Statement of Affairs total $334,023 and include preferred or secured liabilities of $29,923, unsecured liabilities of $242,099 and deemed trust claim with the Canada Revenue Agency estimated at $62,000.

Employees

11) The Debtor had 13 employees on the date it ceased operations and the Trustee has been advised that there are arrears of wages owing to the employees. The Trustee will be assisting the former employees to access the Wage Earner Protection Program ("**WEPP**") by making WEPP submissions on their behalf.

Books and Records

12) The Trustee has received certain books and records, and the Trustee reviewed a portion of them.

Conservatory and Protective Measures

13) The Trustee contacted the Royal Bank of Canada ("RBC") to arrange for closure of the Debtor's bank account and requested that all cash on hand be transferred to the Estate bank account. This process remains ongoing.

Provable Claims

14) At the date of this report, the Trustee has received: eight employee proofs of claim totalling $120,656.40 and three unsecured creditor claims totalling $67,548.52.

Anticipated Realizations and Projected Distribution

15) Based on the information currently available, the Trustee anticipates realizing the funds on hand in the bank accounts. The Trustee is also corresponding with the purchaser of the shares of nanopay x-border Corporation with regards to the closing of the sale of the shares.

Transfers at Undervalue and Preferential Payments

16) To date, the Trustee has not commenced a review of Debtor's records in the Trustee`s possession to determine if there are any potential transfers at undervalue or preferential transactions.

Dated at Toronto, Ontario, this 20th day of July, 2026.

DODICK LANDAU INC.
Acting solely as Trustee in Bankruptcy
of the Estate of Nanopay Corporation
and not in its personal or corporate capacity.

Per:

____
Rahn Dodick CPA, CA, CIRP, LIT
President

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Final Audit Report 2026-07-21

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