



TDB Restructuring Limited
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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF NATIONAL TRAFFIC SAFETY MANAGEMENT INC.

IN THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

FIRST REPORT OF THE PROPOSAL TRUSTEE

JUNE 13, 2026

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1.0 INTRODUCTION

1. This report is being submitted by TDB Restructuring Limited in its capacity as proposal trustee (the “**Proposal Trustee**”) of National Traffic Safety Management Inc. (“**NTSM**” or the “**Company**”) in connection with a Notice of Intention to Make a Proposal filed by NTSM on April 24, 2026 (the “**Second NOI**”), pursuant to Section 50.4(1) of the Bankruptcy and Insolvency Act. A copy of the certificate of filing issued by the Office of the Superintendent of Bankruptcy is attached as **Appendix “A”** to this report.
2. The Second NOI was filed by the Company to create a stabilized environment for NTSM to continue to operate in the ordinary course, while allowing the Company the opportunity to restructure its financial affairs.
3. The Certificate of Filing, together with Court documents related to the Second NOI proceeding has been posted on the Proposal Trustee’s website (the “**Case Website**”) which can be found at:

<https://tdbadvisory.ca/insolvency-case/NTSM/>

1.1 Purpose of the First Report to Court

4. The purpose of this report to Court (the “**First Report**”) is to provide the Court with information and, where applicable, the Proposal Trustee’s views in connection with the motion by the Company for the following relief as set out in its Notice of Motion, including:
 - a) the Company’s cash flow forecast for the period June 5, 2026 to September 4, 2026 (the “**Cash Flow Forecast**”)
 - b) an administration charge in the amount of \$80,000 (the “**Administration Charge**”) to secure payment of the fees and disbursements of the Proposal Trustee, its counsel and the Company’s counsel (collectively, the “**Professionals**”);

- c) a 45-day extension of the deadline for the Company to file a proposal, from June 17, 2026 to August 1, 2026 (the “**Stay Extension**”).

1.2 Terms of Reference

5. In preparing this First Report and making the comments herein, the Proposal Trustee has relied upon information from third-party sources (collectively, the “**Information**”), including the Company’s management. Certain of the information contained in the First Report may refer to, or is based on, the Information. As the Information has been provided by other parties or obtained from documents filed with the Court in this matter, the Proposal Trustee has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance in respect of the Information.
6. Capitalized terms not defined herein have the meanings ascribed to them in the previous reports of the Proposal Trustee.
7. Unless otherwise stated, all dollar amounts contained in the First Report are expressed in Canadian dollars.

2.0 BACKGROUND

8. The details of NTSM’s background and the events leading up to the filing of the Initial NOI (as defined below) can be found in the affidavit of Michael Spencley sworn April 11, 2024 (the “**Spencley Affidavit**”). A copy of the Spencley Affidavit, without exhibits, is attached hereto as **Appendix “B”**.
9. The details regarding the events leading up to the filing of the Second NOI can be found in the affidavit of Antonio Bruno sworn on May 21, 2026 (the “**Bruno Affidavit**”). A copy of the Bruno Affidavit, without exhibits, is attached hereto as **Appendix “C”**.

10. Additional information regarding the Company, the Court-ordered charges, and the proposal proceedings is contained in the prior reports of the Proposal Trustee filed in connection with both the Initial NOI proceedings (as defined below) and the Second NOI proceedings, all of which have been posted to the Case Website.
11. On April 5, 2024, the Company filed a Notice of Intention to Make a Proposal pursuant to subsection 50.4(1) of the BIA (the “**Initial NOI**”). TDB consented to act as proposal trustee of the Initial NOI proceedings.
12. The Initial NOI proceedings were commenced to create a stabilized environment to permit the Company to continue operating while it restructured its financial affairs for the benefit of its stakeholders.
13. During the Initial NOI proceedings, the Company obtained interim financing and additional working capital financing pursuant to, among other things, a term sheet dated June 18, 2024 between FundThrough Inc., as lender, and the Company, as borrower, (the “**FundThrough Loan**”) which permitted the Company to continue operating its business in the ordinary course while pursuing a restructuring of its affairs. The FundThrough Loan was later refinanced by Oxygen Working Capital Corp. (“**Oxygen**”) pursuant to a Factoring Agreement dated January 13, 2025 between Oxygen and the Company.
14. On September 19, 2024, the Company, through the Proposal Trustee, filed a proposal with the Official Receiver (the “**First Proposal**”). On October 10, 2024, the first meeting of creditors (the “**First Meeting**”) was convened virtually and at the office of the Proposal Trustee. At the First Meeting, Canada Revenue Agency (“**CRA**”) sought an adjournment to further consider the First Proposal.
15. Subsequent to the adjournment of the First Meeting, the Proposal Trustee and CRA held several discussions regarding the terms of the First Proposal, following which the Company prepared an amended proposal dated January 6, 2025 (the “**Amended Proposal**”).
16. The Amended Proposal provided for, among other things, an increase to the total funds to be paid to the Proposal Trustee for the benefit of unsecured creditors, and

the requirement for the Company to remain current with its tax filings for payroll, HST and T2 income tax returns and make any payments as they come due.

17. The First Meeting was reconvened on January 22, 2025, at which time the Amended Proposal was reviewed and voted on by the Company's creditors. At the reconvened First Meeting, the Amended Proposal was accepted by the required majority in number of creditors and two-thirds in value of claims voting.
18. On February 20, 2025, the Honourable Justice Kimmel approved the Amended Proposal.
19. Following approval of the Amended Proposal, the Company continued operating and made payments pursuant to the terms of the Amended Proposal. However, the Company subsequently defaulted under the terms of the Amended Proposal due to non-payment of certain post-filing obligations owing to CRA.
20. In addition to the CRA arrears, other amounts were owing to certain vendors and equipment lessors, who threatened enforcement proceedings, including the repossession of vehicles and equipment necessary for the Company's ongoing operations.
21. On April 12, 2026, a letter of intent between A2 Environmental Group, as purchaser (the "**Purchaser**") and the directors and shareholders of the Company, as seller, was entered into, pursuant to which the Purchaser agreed to acquire the shares of the Company (the "**Share Purchase**").
22. The Proposal Trustee understands that the Share Purchase contemplated the transition of management and operational control of the Company.
23. On April 13, 2026, Michael Spencley resigned as the sole officer and director of the Company and Antonio Bruno was appointed as the sole officer and director.
24. The Company filed the Second NOI in order to obtain a stay of proceedings and preserve the going-concern operations of the business and employment of the Company's approximately sixty (60) employees. TDB consented to act as proposal trustee in the Second NOI proceedings.

25. On May 22, 2026, the Honourable Justice Cavanagh granted an Order extending the time for the Company to file a proposal pursuant to the Second NOI to June 3, 2026.
26. On June 3, 2026 the Honourable Justice Black granted an Order
 - a) extending the time for the Company to file a proposal pursuant to the Second NOI to June 17, 2026; and
 - b) granting an Administration Charge in favour of the Proposal Trustee, the Company's counsel, in the maximum amount of \$50,000 (exclusive of HST and disbursements), which charge ranks in priority to all Encumbrances, save and except for Oxygen's interest in the Company's factored accounts receivable.
27. The Company is continuing to operate during the Second NOI proceedings while it works to stabilize operations, obtain additional working capital and complete the Share Purchase or an alternative transaction.

3.0 CASH FLOW FORECAST

28. NTSM has prepared the Cash Flow Forecast for the period June 5, 2026, to September 4, 2026 (the "**Forecast Period**").
29. The Cash Flow Forecast was prepared by the Company with the assistance of the Proposal Trustee. NTSM's net cash receipts during the Forecast Period consist primarily of factored account receivables collected from the sale of its services in the normal course, as well as funds advanced as working capital. The Company's disbursements in the Forecast Period are comprised mostly of payroll, rent, professional fees and general operating expenses.
30. The Proposal Trustee understands that, since Antonio Bruno assumed operational control of the Company in April 2026, management has undertaken a number of initiatives focused on improving profitability, liquidity and overall operational performance. These initiatives have included reductions in overhead costs, enhanced labour management practices, improved fleet utilization and increased business development efforts.

31. Based on information provided by management, the Company has identified and implemented approximately \$555,598 in annualized cost savings through staffing reductions, insurance savings, office consolidation and other operating efficiencies. The Proposal Trustee further understands that management has implemented measures to better manage labour costs and improve the recovery of premium and overtime charges from customers.
32. The Proposal Trustee also understands that the Company has substantially increased the utilization of its truck fleet, reducing its reliance on subcontractors and improving operating margins. In addition, management has reported increased revenues resulting from improved fleet availability, stronger customer relationships and enhanced business development activities.
33. The Proposal Trustee understands that the combination of these cost-saving measures, operational improvements and revenue growth has materially improved the Company's cash flow position, as reflected in the updated cash flow forecast filed in support of the requested extension of the stay period.
34. The Proposal Trustee has reviewed the Cash Flow Forecast and NTSM's underlying assumptions, and it is the Proposal Trustee's view that the Cash Flow Forecast and the assumptions contained therein are reasonable. A copy of the Cash Flow Forecast is attached as **Appendix "D"** to this report.

4.0 ADMINISTRATION CHARGE

35. The Administration Charge that the Company is seeking is to secure the fees and disbursements of the Professionals, including any unpaid pre-filing fees and disbursements relating to the commencement of these proceedings.
36. The Proposal Trustee has considered the Company's request, and supports the request on the basis that:
 - a) these charges are typical in restructuring proceedings pursuant to the BIA and the *Companies' Creditors Arrangement Act*, as the charges facilitate an orderly restructuring process;

- b) the Administration Charge is required to protect the Professionals who have been retained in these proceedings for their fees and disbursements, given NTSM's current financial challenges and insolvency; and
 - c) The Professionals require the protection afforded by the Administration Charge in order to continue in their respective roles throughout the NOI proceedings.
37. The Administration Charge is intended to rank in priority to all other charges and encumbrances, with the exception of Oxygen's interest in the factored accounts receivables.

5.0 EXTENSION OF THE STAY OF PROCEEDINGS

38. The Company is seeking the Court's approval for the Stay Extension.
39. The Company believes that in order to formulate a plan for the restructuring process and maximize recoveries for all stakeholders, it will require additional time. Furthermore, and as set out in the affidavit of Antonio Bruno sworn June 11, 2026, the Company requires additional time to prepare a sale process for the business and the assets of the Company.
40. The Proposal Trustee has considered the Company's request for the Stay Extension and is supportive of this request for the following reasons:
- a) The Company is acting in good faith and with due diligence;
 - b) The Stay Extension will provide the Company with an appropriate period in which to conduct the restructuring to the benefit of its creditors;
 - c) If the requested 45-day stay extension is granted until August 1, 2026, the Company expects to be able to make a viable proposal to its creditors; and
 - d) The Stay Extension does not appear to materially prejudice any of the Company's creditors.

6.0 PROPOSAL TRUSTEE'S REQUEST OF THE COURT

41. Based on the foregoing, the Proposal Trustee respectfully requests that the Court grant the relief sought by the Company, as described in paragraph 4 above.

All of which is respectfully submitted to this Court as of this 13th day of June 2026.

TDB RESTRUCTURING LIMITED, solely in its capacity
as Proposal Trustee of National Traffic Safety Management
Inc. and not in its personal or corporate capacity

Per:



Jeffrey Berger, CPA, CA, CIRP, LIT
Managing Director

APPENDIX A



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of: Ontario
Division No.: 07 - Hamilton
Court No.: 32-3364251
Estate No.: 32-3364251

In the Matter of the Notice of Intention to make a proposal of:

National Traffic Safety Management Inc.

Insolvent Person

TDB Restructuring Limited

Licensed Insolvency Trustee

Date of the Notice of Intention:

April 24, 2026

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: April 24, 2026, 13:40

E-File/Dépôt Electronique

Official Receiver

Canada

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

APPENDIX B

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
NATIONAL TRAFFIC SAFETY MANAGEMENT INC.
IN THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**AFFIDAVIT OF MICHAEL SPENCLEY
(sworn April 11, 2024)**

I, Michael Spencley, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the President and Chief Executive Officer of National Traffic Safety Management Inc. (the “**Company**”). As such, I have knowledge of the matters to which I depose in this affidavit, save and except for such facts or matters which are stated to be based on information and belief, and where so stated, I believe same to be true.

2. This affidavit is sworn in support of a motion by the Company seeking an order approving the DIP Facility and granting the DIP Charge in favour of J9 Investments Inc.

OVERVIEW OF THE COMPANY AND OPERATIONS

The Company

3. The Company is a private company incorporated under the Ontario *Business Corporations Act* whose registered head office is located in Toronto, Ontario. Attached hereto as **Exhibit “A”** is a copy of the Corporate Profile Search.

The Business

4. The Company is in the business of providing end-to-end traffic management solutions including traffic management solutions to ensure construction and infrastructure workers are safe at job sites. The Company operates throughout the province of Ontario.

5. The Company currently has 3 long-term multi-year contracts with Aecon, Ellis-Don and West Quarter to provide traffic control services. In addition to these long-term contracts, the Company has several short-term contracts (lasting a year or less). The Company usually has 4-8 of these short-term contracts going on at any one time.

Employees

6. The Company currently employs approximately 25 hourly employees. Of these employees, only 5 are non-unionized. The Company also employs 8 salaried employees.

7. Unionized employees are members of Laborers' International Union of North America (“LIUNA”) and four local branches: Local 837; Local 183; Local 1059 and Local 506. On the 15th day of each month, the Company remits health benefits, pension benefits, 10% vacation pay and administrative fees to the respective Local, in arrears. Union dues are deducted from the wages of each employee and are remitted to the corresponding Local.

8. For the past two months, the Company’s weekly payroll for its hourly employees has been approximately \$20,000 to \$25,000. As the Company enters its busier time of year, it anticipates this payroll will increase to approximately \$80,000 per week. The Company’s payroll for its salaried employees is \$30,000, and is due every two weeks.

THE COMPANY’S CREDITORS

PPSA Registrations

9. I am advised by the Company’s insolvency counsel, Chaitons LLP, that a search of the Personal Property Security Registration System in Ontario (“PPRS”) as of March 31, 2024 shows that there are registrations against the Company as follows:

- (a) Neli Financial Incorporated registered a financing statement on June 22, 2018, listing collateral classified as “inventory”, “equipment”, “accounts”, “other” and “motor vehicle included” in respect of certain vehicles and freightliners. The amount owing to Neli Financial Incorporated in connection with this registration has been paid off in full;
- (b) Mercedes-Benz Financial Services Canada Corporation registered a financing statement of July 5, 2019 listing collateral classified as “equipment”, “other” and “motor vehicle included” in respect of certain motor vehicles and related equipment financed by Mercedes-Benz;
- (c) J9 Investments Ltd. registered a financing statement on July 23, 2020 listing collateral classified as “inventory”, “equipment”, “accounts”, “other” and “motor vehicle included”. J9 Investments Ltd. is owed \$807,000 in respect of a secured loan;
- (d) Royal Bank of Canada registered a financing statement on May 6, 2021 listing collateral classified as “inventory”, “equipment”, “accounts”, “other” and “motor vehicle included”. Royal Bank is owed \$199,000 secured in respect of a Highly Affected Sectors Credit Availability Program (“**HASCAP**”) loan;
- (e) 1555207 Ontario Inc. registered a financing statement on February 7, 2022 listing collateral classified as “inventory”, “equipment”, “accounts”, “other” and “motor vehicle included” 1555207 Ontario Inc. is owed \$335,000;
- (f) Betty Copeland registered a financing statement on April 17, 2023 listing collateral classified as “inventory”, “equipment”, “accounts”, “other” and “motor vehicle included”. Betty Copeland is owed \$200,000 in respect of a secured loan. Ms. Copeland is also owed approximately \$77,000 in unsecured debt.

A copy of the PPRS search results is attached hereto as **Exhibit “B”**.

Other Liabilities

10. The Company is not current in respect of HST remittances. Approximately \$1,000,000 is owed to Canada Revenue Agency for HST arrears.
11. The Company owes \$17,000 to LIUNA Local 837 in respect of unremitted union dues.
12. The Company is current in respect of source deduction remittances.

CURRENT FINANCIAL POSITION

13. The Company has suffered financially in the following respects:
 - (a) working condition constraints from the Covid-19 pandemic significantly reduced sales for 2021-2022; and
 - (b) the diversion of approximately \$2,000,000 in sales and other assets by the Company's former Vice-President Operations, and his operations manager to a new company. Both are currently being investigated by Niagara Police Services.
14. The Company is addressing these financial challenges by hiring a new commissioned, Sales Onboarding Manager. The Company has also offered a commission referral policy for all National employees as a way to incentivize current employees to stay with the business.
15. Despite these measures, the Company has incurred losses since the start of fiscal 2024, totalling approximately \$200,000. The Company's year end loss for 2023 is estimated to be \$500,000.
16. The Company currently owes a total of \$2,406,000 in secured debt and \$4,753,627.39 in unsecured debt.
17. Within the past two weeks, the Company was engaged by:
 - (a) the City of Hamilton to provide traffic services; and
 - (b) Aecon to provide traffic safety services at the Eglinton Crosstown LRT project.

THE NOI PROCEEDING

18. As a result of the Company's financial difficulties, on April 5, 2024 (the "**Filing Date**"), the Company filed a Notice of Intention to File a Proposal ("**NOI**") under the Bankruptcy and Insolvency Act (the "**NOI Proceeding**"). The NOI filing was necessary to provide stability to the allow the Company to restructure.

19. TDB Restructuring Limited ("**TDB**") is the trustee in the NOI Proceeding (the "**Proposal Trustee**").

Cash Flows

20. The Proposal Trustee has assisted the Company in preparing a cash flow forecast (the "**Cash Flow Forecast**") which sets out projected cash flows for the period ending July 5, 2024, 2024 (the "**Cash Flow Period**"), a copy of which I understand will be filed with the Court by the Trustee in connection with the Company's motion.

21. As set out in the Cash Flow Forecast, the Company is expected to have sufficient liquidity to operate to the end of the Cash Flow Period provided that it has access to interim financing. As reflected in the Cash Flow Forecast, without interim financing, the Company will run out of money by the week of April 15, 2024.

DIP and Interim Financing

22. I have reviewed a term sheet for debtor-in-possession ("**DIP**") financing from a third party lender. The proposed terms pursuant to the term sheet are acceptable to the Company.

23. The proposed DIP lender is completing its due diligence process.

24. In the meantime, the Company requires additional funds to pay critical operating expenses including: payroll, fuel and rent.

25. J9 Investments Inc., an investor in the Company, has agreed to provide bridge DIP financing (the "**Interim DIP Loan**") which is to be repaid once the third party lender completes its due diligence, and the DIP facility from the third party lender is approved by the Court and

becomes available to the Company. A copy of the term sheet in respect of the Interim DIP Loan is attached hereto as **Exhibit “C”**.

26. The material terms of the Interim DIP Loan are as follows:

Key Terms	Description
Borrower	National Traffic Safety Management Inc.
Lender	J9 Investments Inc.
Facility	A super-priority, debtor-in-possession non-revolving demand credit facility up to a maximum principal amount of one hundred fifty thousand dollars \$150,000 (the “Facility”).
Interest Rate	Interest on the principal amount of the Facility outstanding from time to time shall be calculated at a rate of fifteen percent (15%) per annum, which interest shall be calculated on the daily outstanding balance owing under the Facility, not in advance, and shall accrue and be paid on the Maturity Date.
Facility Fee	A Facility fee equal to \$7,500, which shall be fully earned Court approval of this Term Sheet, and secured by the Interim Financing Charge, shall be due and payable on the Maturity Date.
Repayment	The Borrower shall repay all principal, interest, fees and other amounts owing under the Facility on the earlier of (the “Maturity Date”): (i) demand; (ii) the date the Facility is refinanced; (iii) the day on which the stay of proceedings has been terminated; (iv) the date on which the Borrower becomes bankrupt. The Borrower is entitled to repay all or any part of the Facility at any time without notice or penalty.

27. There is a serious risk that the Company will not be able to provide safety services or a viable proposal if it does not receive interim financing. Employees may seek alternative employment if they are not paid on a timely basis.

SWORN remotely by Michael Spencley of the City of Toronto in the Regional Municipality of the Metropolitan of Toronto, before me at the City of Toronto in the Regional Municipality of Metropolitan Toronto, on April 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits
(or as may be)

Michael Spencley

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF NATIONAL TRAFFIC SAFETY
MANAGEMENT INC.,
IN THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

Estate/Court File No. 31-3064916

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY**

Proceedings commenced at TORONTO

**AFFIDAVIT OF MICHAEL SPENCLEY
(SWORN APRIL 11, 2024)**

CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

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**Lawyers for National Traffic Safety
Management Inc.**

APPENDIX C

Estate No. 32-3364251

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
NATIONAL TRAFFIC SAFETY MANAGEMENT INC.**

**AFFIDAVIT OF ANTONIO BRUNO
(sworn May 21, 2026)**

I, Antonio Bruno, of the City of Hamilton, in the Province of Ontario, MAKE OATH
AND SAY AS FOLLOWS:

1. I am the sole officer and director of National Traffic Safety Management Inc. (the “**Company**”) and became involved with the Company in any capacity on or about April 13, 2026. As such, I have knowledge of the matters to which I depose in this affidavit, save and except for such facts or matters which are stated to be based on information and belief, and where so stated, I believe same to be true.

2. This affidavit is sworn in support of a motion by the Company seeking an order extending the time to file its proposal from May 24, 2026, the date the current stay expires, to June 3, 2026 in order to provide creditors with reasonable notice of the motion for a further extension of time to file its proposal.

OVERVIEW OF THE COMPANY AND OPERATIONS

3. The Company is a private company incorporated under the *Ontario Business Corporations Act* whose registered head office was previously located in Toronto, Ontario and is now located in

Niagara Falls, Ontario. Attached hereto and collectively marked as **Exhibit “A”** are copies of the Corporate Profile Searches for the Company.

4. The Company is in the business of providing end-to-end traffic management solutions including traffic management solutions to ensure construction and infrastructure workers are safe at job sites. The Company operates throughout the province of Ontario.

INITIAL NOI PROCEEDINGS

5. On April 5, 2024, the Company filed a Notice of Intention to Make a Proposal (“**Initial NOI**”) under the *Bankruptcy and Insolvency Act* (the “**NOI Proceeding**”). TDB Restructuring Inc. (“**TDB**”) was the trustee in the NOI Proceeding (“**Proposal Trustee**”).

6. A proposal in connection with the Initial NOI was filed on September 19, 2024. An amended proposal dated January 6, 2026 was accepted by the creditors and approved by Justice Kimmel of the Ontario Superior Court of Justice (Commercial List) on February 20, 2025 (the “**Amended Proposal**”). Attached hereto and marked as **Exhibit “B”** is a copy of the Order of Justice Kimmel dated February 20, 2025.

DEFAULT UNDER THE AMENDED PROPOSAL

7. The Company subsequently defaulted under the terms of the Amended Proposal due to non-payment of post-filing amounts owing to the Canada Revenue Agency within the stipulated grace period of three (3) months. Further, an equipment lessor for the Company threatened to repossess its leased trucks which are required by the Company to operate its business.

8. On April 12, 2026, a Letter of Intent between A2 Environmental Group, as purchaser (the “**Purchaser**”) and the directors and shareholders of the Company, as seller, was entered into, pursuant to which the Purchaser agreed to purchase the shares of these shareholders, who would immediately cease to have any further involvement in the management or control of the Company’s business (the “**Share Purchase**”). Attached hereto and marked as **Exhibit “C**” is a copy of the Letter of Intent for the Share Purchase.

9. On April 13, 2026, Michael Spencley, the sole officer and director of the Company at the time, resigned and was subsequently replaced by me. Attached hereto and marked as **Exhibit “D**” is a copy of the resolutions of the shareholders of the Company.

EXTENSION SOUGHT TO MAKE A SECOND PROPOSAL

10. Following consultation with the Proposal Trustee and the inspectors, the Company filed a Notice of Intention to Make a Proposal on April 24, 2026 (the “**Second NOI**”) to obtain a stay of proceedings and preserve the going-concern operations of the business and employment of the approximately 60 employees of the Company. Attached hereto and marked as **Exhibit “E**” is a copy of the Certificate of Filing of a Notice of Intention to Make a Proposal dated April 24, 2026.

11. Notice of the Second NOI has been sent to all creditors including the Company’s secured creditors.

12. The Purchaser has arranged the provision of working capital and refinancing for the Company, which is conditional on the completion of the Share Purchase. The Share Purchase has not yet been completed for reasons unrelated to and beyond the control of the Purchaser.

13. The Company is expected to have sufficient liquidity and cash flow to operate to the end of the extended stay period to June 3, 2026 requested herein. Attached hereto and marked as **Exhibit “F”** is a copy of the Company’s Cash Flow Forecast for the period ended July 31, 2026.

14. Once the Share Purchase is completed and the required funding is provided, the Company will be able to make a proposal to its creditors.

15. The Company is acting in good faith and with due diligence. No creditor would be materially prejudiced by the short extension sought herein.

SWORN REMOTELY by Antonio Bruno of the City of Toronto, in the Province of Ontario, before me via videoconference at the City of Toronto, in the Province of Ontario, on this 21st day of May, 2026



Signed by:
Maleeha Anwar
13D099BA19D8449...

A Commissioner for Taking Affidavits, *etc.*

Signed by:
Antonio Bruno
E6054C06B74A4BA...

ANTONIO BRUNO

APPENDIX D

National Traffic Safety Management Inc.
13-Week Cash Flow Forecast
For the 13 Weeks ended September 4, 2026

	Note	12-Jun-26	19-Jun-26	26-Jun-26	3-Jul-26	10-Jul-26	17-Jul-26	24-Jul-26	31-Jul-26	7-Aug-26	14-Aug-26	21-Aug-26	28-Aug-26	4-Sep-26	Total
Cash Receipts															
Term Loan/Lender Advances	1	-	-	-	250,000	-	-	-	-	-	-	-	-	-	250,000
Post-Filing A/R Collections	2	50,000	50,000	50,000	52,000	79,000	62,000	136,000	182,000	145,000	160,000	160,000	175,000	175,000	1,476,000
A/R Factoring	3	123,000	153,680	153,680	153,680	168,088	168,088	168,088	168,088	153,680	179,614	179,614	179,614	192,100	2,141,011
Total Receipts		173,000	203,680	203,680	455,680	247,088	230,088	304,088	350,088	298,680	339,614	339,614	354,614	367,100	3,867,011
Cash Disbursements															
Rent	4	-	-	-	11,290	-	-	-	-	11,290	-	-	-	11,290	33,870
Insurance	5	-	-	-	-	15,000	-	-	-	-	15,000	-	-	-	30,000
Vehicle Leases	6	-	-	-	29,000	-	-	-	-	29,000	-	-	-	29,000	87,000
Payroll & Benefits	7	91,822	94,000	141,800	97,200	93,000	101,500	176,300	110,047	80,000	113,000	93,500	191,500	107,700	1,491,369
Operating Costs	8	29,400	25,600	25,600	25,600	28,000	28,000	28,000	28,000	25,600	29,920	29,920	29,920	32,000	365,560
Professional Fees	9	-	10,000	-	10,000	-	10,000	-	10,000	-	10,000	-	10,000	-	60,000
Repayment - A/R Factoring	10	50,000	50,000	50,000	52,000	79,000	62,000	136,000	182,000	145,000	160,000	160,000	175,000	175,000	1,476,000
Interest - Working Capital Loan	11	-	-	-	-	-	-	-	-	2,500	-	-	-	2,500	5,000
HST	12	-	-	-	70,905	-	-	-	76,493	-	-	-	-	86,009	233,407
Total Disbursements		171,222	179,600	217,400	295,995	215,000	201,500	340,300	406,540	293,390	327,920	283,420	406,420	443,499	3,782,206
Cash - Opening		43,956	45,734	69,814	56,094	215,779	247,867	276,454	240,242	183,789	189,079	200,773	256,966	205,160	43,956
Net cash inflow/(outflow)		1,778	24,080	(13,720)	159,685	32,088	28,588	(36,213)	(56,453)	5,290	11,694	56,194	(51,807)	(76,399)	84,804
Cash - Closing		45,734	69,814	56,094	215,779	247,867	276,454	240,242	183,789	189,079	200,773	256,966	205,160	128,760	128,760

Notes

- Management anticipates that a working capital facility of up to \$250,000 will be made available during the first week of July 2026 by a private investor group comprised of parties related to the Company.
- Management estimates that accounts receivable from post filing sales will be collected approximately 60 days after invoices are issued to customers.
- The Company has an accounts receivable factoring facility from Oxygen Working Capital Corp (the "Factor") that will lend based on 85% of all post-filing accounts receivable balances. This forecast assumes that Factor will extend funds one-week subsequent to the week in which the respective sales are generated and invoices are issued to customers.
- Rent is comprised of lease payments for the Company's remaining operating location.
- Insurance is comprised of Fleet, Property & Liability insurance premiums payable by the Company during the forecast period, as well as Accounts Receivable insurance as required by the Factor.
- Vehicle leases are for the Company's fleet of service vehicles that are used in operations, specifically Emkay Canada Inc.
- Payroll includes head office salaries as well as hourly/contract worker wages. Benefits and union dues are also included in these amounts.
- Operating costs include fuel charges as well as a provision equal to 6% of sales. The provision of 6% is management's best estimate for costs incurred by employees in carrying out their duties for items including meals and hotels, maintenance for vehicles, as well as regular vendor accounts payable. The forecast assumes that fuel charges and reimbursement of employee out-of-pocket costs will be recovered through the regular invoicing cycle.
- Professional Fees includes estimated fees and disbursements payable to the Proposal Trustee and its counsel, as well as the Company's counsel.
- As at June 9 2026 the amount outstanding to the Factor is approximately \$700,000. It is assumed this will be paid back through the collection of Accounts Receivable by the Factor. The Company will not be receiving the difference between the amount collected less Factor fees, as those funds will be applied to interest on Oxygen's outstanding Term Loan. Interest fees of approximately 3% will be covered through the A/R factoring repayments.
- Represents interest on the Term Loan at a rate of 12% annually.
- HST represents the net of all HST collected on sales, less the input tax credits relating to the company's expenses. It is assumed that HST payments will be made during the last week of each month, relating to amounts owing for the prior month.