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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

FIFTH REPORT OF THE PROPOSAL TRUSTEE

OCTOBER 12, 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.
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 which can be found at:

<https://tdbadvisory.ca/insolvency-case/NTSM/> (the “**Case Webpage**”).
4. The Proposal Trustee has retained Paliare Roland Rosenberg Rothstein LLP as its independent legal counsel in connection with these proceedings.

1.1 Purpose of the Fifth Report to Court

5. The purpose of this report to Court (the “**Fifth Report**”) is to provide the Court with information and, where applicable, the Proposal Trustee's views in connection with:
 - a) the Company's motion for a final extension of the deadline to file a proposal from October 14, 2026 to October 26, 2026 (the “**Seventh Stay Extension**”);
 - b) the Proposal Trustee's ongoing process for evaluation of the interest received in respect of the Company's business and assets, including the consideration of offers from interested parties; and
 - c) the Proposal Trustee's request to increase the existing Administration Charge from \$80,000 to \$200,000 (the “**Amended Administration Charge**”).

1.2 Terms of Reference

6. In preparing this Fifth 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 Fifth 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.
7. Capitalized terms not defined herein have the meanings ascribed to them in the previous reports of the Proposal Trustee.
8. Unless otherwise stated, all dollar amounts contained in the Fifth Report are expressed in Canadian dollars.

2.0 BACKGROUND

9. The details of NTSM's background, the events leading up to the filing of the Second NOI, and the developments in these proceedings to date are set out in the Proposal Trustee's First Report dated June 13, 2026, Second Report dated July 30, 2026, Third Report dated September 11, 2026, and Fourth Report dated October 4, 2026 (the **“Fourth Report”**), all of which were previously filed with the Court and are available on the Case Webpage.
10. On October 5, 2026, the Court granted an Order extending the time for the Company to file a proposal to October 14, 2026, to provide the Proposal Trustee with additional time to review the proposed transaction with A2 Environmental Group Inc. (**“A2”**) and further discussions with other interested parties.

11. As set out in previous reports of the Proposal Trustee, and affidavits of Mr. Antonio Bruno, A2 is a related company, which is owned by Mr. Bruno, who is also the sole director and officer of the Company. Mr. Bruno has provided funding to the Company since the commencement of the Second NOI, and has been active in the Company's restructuring efforts. A copy of the Affidavit of Antonio Bruno sworn October 2, 2026 (without exhibits) is attached hereto as **Appendix "A"**.
12. Since the Fourth Report, the Proposal Trustee has received expressions of interest from two parties (in addition to A2) regarding a potential acquisition of the Company's business and assets. The Proposal Trustee is seeking brief additional time to evaluate these expressions of interest, with a view to determining which transaction, if any, can be recommended to the Court for approval. These developments are discussed further in Section 4.0 of this Fifth Report.

3.0 CASH FLOW FORECAST AND CURRENT OPERATIONS

13. As described in Section 3.0 of the Fourth Report, the Company has continued to experience liquidity constraints and has not remained current with certain of its post-filing obligations. The Proposal Trustee understands from management that the Company's financial position and operations remain generally unchanged since the Fourth Report.

4.0 POSSIBLE SALE TRANSACTIONS

4.1 Proposed Transaction with A2

14. As described in Section 4.1 of the Fourth Report, A2 prepared and submitted an asset purchase agreement (the "**APA**") pursuant to which A2 proposes to acquire substantially all of the Company's business and assets as a going concern (the "**A2 Transaction**").
15. As noted in the Fourth Report, the Proposal Trustee had not completed its review and assessment of the APA and the A2 Transaction and was not in a position to make a recommendation to the Court regarding its approval, particularly given that, at that

time, other interested parties had contacted the Proposal Trustee. As described in more detail below, since the filing of the Fourth Report, the Proposal Trustee has continued its consideration of the A2 Transaction as well as consideration of expressions of interest from the other two parties.

4.2 Other Interested Parties

16. As described in Section 4.2 of the Fourth Report, the Proposal Trustee was aware of two other parties that had expressed an interest in acquiring the Company's business and/or assets.
17. Since the Fourth Report, the Proposal Trustee has had ongoing communication with these parties and/or their counsel.
18. Each of these parties entered into a Confidentiality Agreement and was given access to a data room prepared by the Proposal Trustee. Additionally, the Proposal Trustee has assisted in answering inquiries from, or on behalf, of these parties.
19. The Proposal Trustee has now received the following:
 - a) an expression of interest from a group comprised of certain shareholders of the Company (the “**Shareholder Group**”), which outlines the general terms of a potential transaction (the “**Expression of Interest**”); and
 - b) a non-binding letter of intent from an arm's-length third party (the “**Interested Party**”), which contemplates, among other things, the payment of a deposit, a short due diligence period and the completion of a transaction prior to October 26, 2026 (the “**Letter of Intent**”).
20. The Proposal Trustee notes that neither the Expression of Interest nor the Letter of Intent constitutes a binding offer capable of acceptance at this time. However, the Proposal Trustee considers it appropriate to provide these parties with an opportunity to conduct further due diligence and submit binding offers before making a recommendation to the Court regarding any of the offers.

4.3 Finalizing a Potential Sale Transaction

21. Given the Expression of Interest and the Letter of Intent, and considering the limited time remaining in the Second NOI proceedings, the Proposal Trustee intends, subject to Court approval, to afford the Shareholder Group and Interested Party with an opportunity to submit binding offers for the Company's business and assets. At the same time, A2 may submit a revised offer if it wishes.
22. The Proposal Trustee proposes that A2, the Shareholder Group and the Interested Party be invited to submit binding offers (“**Offers**”) by no later than 12:00 p.m. (noon) on October 16, 2026 (the “**Bid Deadline**”). In order to be considered by the Proposal Trustee, Offers must be:
 - a) submitted in writing and set out the material terms of the proposed transaction, including the purchaser, purchase price, assets to be acquired, treatment of assumed liabilities (if any), proposed closing date and any other material terms necessary for the Proposal Trustee to evaluate the offer;
 - b) unconditional, other than the requirement to obtain Court approval of the transaction and a vesting order; and
 - c) accompanied by a deposit in the minimum amount of \$100,000, payable to the Proposal Trustee prior to the next Court attendance seeking approval of the sale.
23. Following the Bid Deadline, the Proposal Trustee intends to review and evaluate any Offers received, having regard to, among other things, the purchase price, the proposed treatment of creditors and other stakeholders, the certainty of closing and the ability of the proposed purchaser to complete the transaction.
24. The Proposal Trustee intends to report to the Court at the next appearance about the Offers received and, if appropriate, make a recommendation regarding the approval of a transaction.
25. The Proposal Trustee acknowledges that the timing and format of this solicitation and consideration of offers is abbreviated, but believes that it is appropriate in the circumstances as it provides interested parties with an opportunity to submit binding

Offers within a defined timeframe, while recognizing the Company's ongoing liquidity constraints and the limited time remaining in the Second NOI proceedings.

4.4 Timing of Next Steps

26. As described in the Fourth Report, October 26, 2026 represents the expiry of the six-month period following the filing of the Second NOI and is the final date to which the proposal filing period may be extended pursuant to the *Bankruptcy and Insolvency Act*.
27. The Proposal Trustee recognizes that, should a transaction be recommended to and approved by the Court, the successful purchaser may require additional time to satisfy closing requirements and complete the transaction.
28. The Proposal Trustee intends to address any such relief, if required, at a subsequent Court attendance, once the Offers are received and the anticipated timing for completion of any transaction are known.

5.0 INCREASE TO THE ADMINISTRATION CHARGE

29. As described in the First Report, the Court previously approved an Administration Charge in the amount of \$80,000 to secure the fees and disbursements of the Proposal Trustee, its counsel and the Company's counsel (collectively, the **"Professionals"**).
30. Since the Administration Charge was established, the Professionals have undertaken significant additional work in connection with these proceedings, including several Court attendances, the review and assessment of the Company's restructuring efforts and the consideration of potential transactions involving the Company's business and assets.
31. As discussed in Section 4.0 above, the Proposal Trustee intends to continue these efforts and then consider any Offers, which will require additional work by the Professionals, including the review and evaluation of offers, negotiations with

interested parties, preparation of Court materials and, if approved, the completion of a sale transaction.

32. The Proposal Trustee notes that a significant amount of professional fees remain unpaid and continue to accrue. Given the Company's ongoing liquidity constraints and the additional work anticipated in connection with the Offers, the Proposal Trustee is seeking an increase to the Administration Charge.
33. The Proposal Trustee is of the view that the proposed amendment to the Administration Charge is reasonable and appropriate in the circumstances for the following reasons:
 - a) the Professionals have incurred significant fees and disbursements in connection with these proceedings, including multiple Court attendances, which remain unpaid;
 - b) the proposed process for obtaining and considering Offers and any resulting transaction will require further involvement of the Professionals and the incurrence of additional fees and disbursements;
 - c) the Company's ongoing liquidity constraints create uncertainty regarding its ability to satisfy the fees and disbursements of the Professionals; and
 - d) the increased Administration Charge will provide the Professionals with the protection necessary to continue performing their respective roles and facilitate an orderly completion of these proceedings.
34. Accordingly, the Proposal Trustee respectfully requests that the Court increase the Administration Charge from \$80,000 to \$200,000, with the existing \$80,000 retaining its current priority and the additional \$120,000 ranking subordinate to Oxygen's security interests (the "**Additional Administration Charge**").
35. For clarity, the proposed priority and ranking of the Administration Charge relative to Oxygen's and other security interests would be as follows:
 - a) First, Oxygen's interest in the Company's factored accounts receivable;

- b) Second, the existing Administration Charge of \$80,000, which retains its current priority and ranking;
- c) Third, Oxygen's other security interests, including its security in respect of the term loan;
- d) Fourth, the Additional Administration Charge of \$120,000; and
- e) Fifth, the security held by J9, if any.

6.0 EXTENSION OF THE STAY OF PROCEEDINGS

- 36. The Company is seeking the Court's approval for the Seventh Stay Extension.
- 37. As discussed in Section 4.0 above, the Proposal Trustee has received expressions of interest from parties interested in acquiring the Company's business and assets and intends to receive Offers by this Friday October 16, 2026 and then evaluate these Offers promptly.
- 38. The Proposal Trustee is of the view that the Seventh Stay Extension is appropriate in the circumstances for the following reasons:
 - a) the Company has acted, and is acting, in good faith and with due diligence;
 - b) a sale in the NOI proceeding represents the only path to a viable proposal being filed by the Company;
 - c) the extension will provide the Proposal Trustee with additional time to evaluate any Offers and, if appropriate, seek Court approval of a transaction;
 - d) the extension will provide an opportunity to pursue a going-concern transaction, which is very likely to result in a better outcome for creditors and other stakeholders than an immediate bankruptcy and liquidation;
 - e) the Proposal Trustee is not aware of any material prejudice to creditors arising solely from the requested extension; and

- f) the extension is limited to October 26, 2026, being the maximum period permitted under the *Bankruptcy and Insolvency Act*.
39. The Proposal Trustee notes that the Seventh Stay Extension represents the final extension available under the *Bankruptcy and Insolvency Act*. As discussed in Section 4.4 above, should a transaction be approved but require additional time to close, further relief from the Court may be necessary to facilitate its completion.
40. Based on the foregoing, the Proposal Trustee supports the Company's request for the Seventh Stay Extension to October 26, 2026.

7.0 PROPOSAL TRUSTEE'S REQUEST OF THE COURT

41. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court grant the relief sought, as described in paragraph 5 above.

All of which is respectfully submitted to this Court as of this 12th day of October 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: 
Signer ID: Q4QY457GIA...
Jeffrey Berger, CPA, CA, CIRP, LIT
Managing Director

APPENDIX "A"

Court File No. BK-26-03364251-0032

**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 October 2, 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 have held these roles since 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, among other things, an order extending the time to file its proposal to and including October 14, 2026 to provide adequate notice to the Company’s creditors of the Company’s motion to approve a sale transaction of the Company’s business and assets.

BACKGROUND

3. 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 details of the Company and its operations are more fully set out in my affidavit

sworn on May 21, 2026 (the “**May 21 Affidavit**”). Attached hereto and marked as **Exhibit “A”** is a copy of the May 21 Affidavit without exhibits.

4. An initial Notice of Intention to Make a Proposal was filed by the Company on April 5, 2024 and an amended proposal was subsequently accepted by the creditors and approved by Justice Kimmel of the Ontario Superior Court of Justice (Commercial List) on February 20, 2025 (the “**Initial Proposal**”). Attached hereto and marked as **Exhibit “B”** is a copy of the Order dated February 20, 2025.

5. Under the Initial Proposal, J9 Investments Ltd. (“**J9**”) retained its security against the property of the Company.

6. Subsequent to the approval of the Initial Proposal, Oxygen Working Capital Corp. (“**Oxygen**”) advanced funds and extended credit to the Company pursuant to a loan agreement dated April 28, 2025 and an accounts receivable Factoring Agreement to refinance certain existing indebtedness and fund ongoing working capital requirements of the Company. In connection with the financing, J9 subordinated its security against the Company in favour of Oxygen.

7. Certain shareholders of the Company and my company, A2 Environmental Group Inc. (“**A2**”) entered into a Letter of Intent dated April 12, 2026, pursuant to which A2 agreed to purchase the shares of those shareholders.

8. In anticipation of the share sale to A2, Michael Spencley, the sole officer and director of the Company at the time, resigned on April 13, 2026 and I immediately replaced him as the sole officer and director of the Company.

9. Since then, certain of the shareholders disputed that they agreed to transfer all of their shares in the Company to A2 and the share transaction fell apart.

10. The Company defaulted under the Initial Proposal, which occurred prior to my involvement with the Company. As a result of a threat by Emkay Canada Leasing Corp. ("**Emkay**"), the lessor of vehicles used by the Company and without which the Company could not continue to operate its business, the Company filed a second Notice of Intention to Make a Proposal on April 24, 2026 (the "**Filing Date**") in order to obtain a stay of proceedings and preserve the going-concern operations of the business and the employment of approximately 60 unionized employees at the time. TDB Restructuring Limited ("**TDB**") is the proposal trustee in these proceedings (in such capacity, the "**Proposal Trustee**").

PREVIOUS COURT ATTENDANCES

11. Since my appointment as the sole director of the Company, I have taken steps to improve profitability, strengthen cash flow, maximize asset utilization and restore confidence among employees, customers and stakeholders. These activities were described in detail in my previous affidavits filed with this Court and have enabled the Company to increase its workforce and revenues.

12. As I described in my previous affidavits, I have been committed to acquiring the business and assets of the Company and have invested substantial funds, time and energy into restructuring the Company's business to allow it to emerge from this process as a going-concern business.

13. As advised in my last affidavit sworn on September 10, 2026 (the "**September 10 Affidavit**"), a copy of which is attached hereto without exhibits as **Exhibit "C"**, I obtained a

Commitment Letter from COR Financial Corp. (the “**Lender**”) dated September 4, 2026, a copy of which is attached hereto as **Exhibit “D”**. Pursuant to the Commitment Letter, the Lender has agreed to advance \$2.1 million to A2 to finance the purchase of the Company’s business and assets.

14. On September 14, 2026, the Court granted an Order extending the time for the Company to file a proposal to October 5, 2026, to allow the Company time to negotiate and enter into a sale agreement and return to the Court to seek approval of the agreement.

THE APA

15. The Company has prepared an Asset Purchase Agreement dated October 2, 2026 (the “**APA**”) with A2 (the “**Purchaser**”) for the sale of the Purchased Assets (as defined in the APA).

16. The terms of the APA have been settled with the Proposal Trustee.

17. The salient terms and conditions of the APA are summarized below:

(a) **Purchased Assets:** substantially all of the Company’s business and assets as a going concern;

(b) **Employees:** the Purchaser intends to retain the employment of all current 49 unionized and 18 non-unionized employees;

(c) **Purchase Price:** the purchase price is equal to the sum of the following:

- i. all amounts owing to Oxygen as of the Closing Date on account of the term loan;
- ii. all amounts owing by the Company to Canada Revenue Agency on account of source deductions;

- iii. all amounts owing by the Company to Canada Revenue Agency on account of HST obligations incurred by the Company after the Filing Date;
 - iv. the amount of Pre-Filing Employee Claims (as defined in the APA);
 - v. all amounts owing by the Company under the Collective Agreement after the Filing Date;
 - vi. the amount payable to Emkay for the buyout of the vehicles leased by Emkay;
 - vii. all amounts owing by the Company to the Proposal Trustee and the Company's legal counsel, Chaitons LLP, as at the Closing Date, plus the amount payable to the Proposal Trustee in order to finalize the Company's insolvency and bankruptcy proceedings;
- (d) **Deposit:** a deposit in the amount of \$100,000 to be paid prior to the return of the Company's motion to approve the APA; and
- (e) **Material Conditions:** material conditions include, among other things:
- i. the Court granting an approval and vesting order; and
 - ii. the Company, the Purchaser and Labourers' International Union of North America ("**LIUNA**") union locals 837, 183 and 506, (collectively, the "**Union**") reaching an agreement with respect to payment of Pre-Filing Employee Claims.

EMPLOYEE CLAIMS

18. The Collective Agreement (as defined in the APA) requires the Company to make certain pension contributions based on hours worked per employee. As at the Filing Date, the Company's pension contribution arrears were approximately \$167,000.

19. During these proposal proceedings, the Company has failed to remit the pension contribution amounts when due. The Company has been remitting pension contributions in the amount of \$10,000 weekly to LIUNA local 837, of which the majority of the unionized employees are members.

20. On behalf of the Purchaser, I have been in discussions with representatives of LIUNA local 837 with a view to reaching an agreement with respect to payment of pre-filing and post-filing pension and vacation pay arrears and payment arrangements for such amounts. These discussions have been positive to date. I am confident that an agreement can be reached with the Union with respect to payment of the pre-filing and post-filing vacation pay and pension arrears.

EMKAY

21. I have also had discussions with Emkay for the purchase of their leased vehicles and have reached an agreement with them to pay an amount on closing of the APA to purchase the leased vehicles.

EXTENSION SOUGHT TO MAKE A PROPOSAL

22. The time for the Company to file a proposal expires on October 5, 2026. The Company requires an extension to provide the Proposal Trustee with time to seek approval of the APA and, if approved, complete the transaction contemplated thereby.

23. The Company is acting in good faith and with due diligence. In my view no creditor or other stakeholder will be materially prejudiced if the extension sought is granted.

24. I believe that the completion of the APA is in the best interest of creditors and others as it will maximize value for its stakeholders and will preserve employment for 67 employees. If the requested stay extension is not approved the Company will be bankrupt and its assets liquidated, to the material prejudice of the Company's creditors, employees, customers and other stakeholders.

25. The Company intends to return to the Court before October 14, 2026 to seek a final stay extension to October 26, 2026. The six-month period for the Company to file a proposal under the notice of intention will expire on October 26, 2026 and accordingly, no further extensions are available under the *Bankruptcy and Insolvency Act* or the *Companies' Creditors Arrangement Act* ("CCAA") as the Company does not qualify for CCAA protection.

26. I swear this affidavit in support of the Company's motion and for no other or improper purpose.

- 8 -

SWORN REMOTELY by Antonio Bruno of the City of Hamilton, in the Province of Ontario, before me via videoconference at the City of Toronto, in the Province of Ontario, on this 2nd day of October, 2026

Signed by:

Maleeha Anwar

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MALEEHA ANWAR (92961B)

Signed by:

Antonio Bruno

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ANTONIO BRUNO