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

THIRD REPORT OF THE PROPOSAL TRUSTEE

SEPTEMBER 11, 2026

Contents

APPENDICES

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 which can be found at:

   https://tdbadvisory.ca/insolvency-case/NTSM/ (the "**Case Webpage**").

1.1 Purpose of the Third Report to Court

4. The purpose of this report to Court (the "**Third 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 a 45-day extension of the deadline for the Company to file a proposal, from September 15, 2026 to October 26, 2026 (the "**Fifth Stay Extension**").

1.2 Terms of Reference

5. In preparing this Third 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 Third 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 Third Report are expressed in Canadian dollars.

2.0 BACKGROUND

8. 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, and Second Report dated July 30, 2026 (the "**Second Report**"), both of which were previously filed with the Court and are available on the Case Webpage.

9. Additional details regarding the Company's background and the events following the filing of the Second NOI can be found in the affidavit of Antonio Bruno sworn September 10, 2026 (the "**Fourth Bruno Affidavit**"), which is included in the Company's motion materials.

3.0 CASH FLOW FORECAST

10. As noted in Section 3.0 of the Second Report, the Company prepared a 13-week cash flow forecast for the period July 24, 2026, to October 23, 2026 (the "**Cash Flow Forecast**"). The Cash Flow Forecast was prepared by the Company with the assistance of the Proposal Trustee and contemplated that the Company would have sufficient liquidity to fund its operations during the forecast period.

11. As described in the Second Report, the Company experienced liquidity constraints during the previous stay period and did not remain current with certain of its post-filing obligations. In particular, the Company was in arrears in the approximate amounts of $40,000 in respect of its May 2026 HST remittance and $16,000 in respect of post-filing source deductions relating to certain non-unionized employees (collectively, the "**Post-Filing CRA Arrears**").

12. In connection with the Company's previous request for an extension of the stay of proceedings, management advised the Proposal Trustee that the Company intended to pay the Post-Filing CRA Arrears, with source deductions being paid during the week of July 31, 2026 and the HST arrears being paid during the week of August 14, 2026. These payments were incorporated into the Cash Flow Forecast.

13. The Proposal Trustee understands from management that as of the date of this Third Report, the Company has not paid any of the Post-Filing CRA Arrears as contemplated in the Cash Flow Forecast. Further, an additional balance of approximately $215,000 in HST arrears has accrued in respect of June, July and August, 2026 operations, as well as a balance of approximately $25,000 in respect of source deductions for non-unionized empoloyees. Accordingly, as of the date of this Third Report, the Company has approximately $280,000 in outstanding post-filing obligations to the Canada Revenue Agency, comprising approximately $255,000 in HST arrears and $25,000 in source deduction arrears. Management has advised that the Company's liquidity was adversely affected by increased short-term expenditures associated with completing eight annual vehicle safety certifications, together with the related repairs and maintenance required to keep the vehicles compliant and operational.

14. Notwithstanding the foregoing liquidity constraints, the Proposal Trustee understands from management that the Company has continued to experience improvements in its operating performance. Management has advised that the Company has surpassed its forecast weekly revenue for several consecutive weeks and that its most recent results represent its strongest weekly performance since the filing of the Second NOI.

15. As discussed in further detail below and in the fourth Bruno Affidavit, a company related to Mr. Bruno has obtained a financing commitment that management advises is sufficient to, among other things, pay the Post-Filing CRA Arrears should a stalking horse bid ultimately be approved and closed.

4.0 PROPOSED FINANCING AND SALE PROCESS

16. On September 4, 2026, CORFinancial Corp. (the "**Lender**"), issued a commitment letter (the "**Commitment Letter**") to A2 Environmental Group Inc. ("**A2**"), pursuant to which the Lender committed to provide A2 with a loan facility in the aggregate principal amount of $2.1 million (the "**Facility**"). A copy of the Commitment Letter is attached as **Appendix "B"** to this report.

17. Mr. Bruno has advised that the Facility will be used to finance the proposed stalking horse bid from A2 in an amount sufficient to repay:

    a) the indebtedness owing to Oxygen Working Capital Corp. ("**Oxygen**"), in full;

    b) the leased vehicle fleet with Emkay Fleet Management ("**Emkay**"), or alternatively, assume the obligations of the Emkay lease and pay cure costs;

    c) priority payables, including the professional costs associated with the court-supervised restructuring; and

    d) the existing accounts receivable factoring loan.

18. The Commitment Letter remains subject to several conditions, including, among other things:

    a) completion of the Lender's due diligence to its satisfaction, including with respect to the terms of the proposed stalking horse bid, the proposed vesting order and the amounts to be paid to creditors;

    b) the granting of a vesting order on terms satisfactory to the Lender;

c) confirmation that the Facility is sufficient secure clean title to the acquired assets; and

d) the execution and delivery of definitive loan documentation in form and substance satisfactory to the Lender.

19. The Proposal Trustee understands that, if the Fifth Stay Extension is granted, the Company intends to return to Court shortly to seek approval of a sale process, to be administered by the Proposal Trustee, pursuant to which A2 would act as a stalking horse bidder. The proposed sale process would provide the market with an opportunity to submit competing offers for the Company's business and assets, while the proposed transaction with A2 would establish a baseline bid against which any competing offers could be assessed.

20. The Proposal Trustee is of the view that the Commitment Letter represents a significant development in the Company's restructuring efforts. The Facility would provide funding for A2's proposed stalking horse bid. As noted above, the contemplated transaction is expected to address certain of the Company's obligations, including amounts owing to Oxygen, amounts relating to the Emkay fleet, and the Post-Filing CRA Arrears.

5.0 EXTENSION OF THE STAY OF PROCEEDINGS

21. The Company is seeking the Court's approval for the Fifth Stay Extension.

22. The Company believes that, in order to advance its restructuring efforts and maximize recoveries for its stakeholders, it requires additional time. In particular, and as set out in the Fourth Bruno Affidavit, the Company requires additional time to prepare and seek Court approval of the proposed stalking horse sale process described above, and, if approved, to commence the sale process under the supervision of the Proposal Trustee.

23. Since the granting of the previous stay extension, the Company has continued to operate its business and advance its restructuring efforts. In particular, the Company has obtained the Commitment Letter described above and has continued its efforts to

improve its operations. Management has advised that the Company has surpassed its forecast weekly revenue for several consecutive weeks and that its most recent results represent its strongest weekly performance since the filing of the Second NOI.

24. Based on the information presently available, the Proposal Trustee supports the Fifth Stay Extension for the following reasons:

   a) the Company has acted, and is acting, in good faith and with due diligence;

   b) the Fifth Stay Extension will provide the Company and the Proposal Trustee with additional time to prepare and seek Court approval of the proposed stalking horse sale process and, if approved, conduct such sale process;

   c) the Commitment Letter represents a material advancement in the Company's restructuring efforts and provides a source of funding to support the stalking horse transaction;

   d) the proposed sale process is intended to provide an opportunity to preserve the Company's business as a going concern and maximize value for stakeholders;

   e) the Company's recent operating results indicate that the Company's restructuring efforts have resulted in improvements to its operations and revenue; and

   f) the Proposal Trustee does not believe that the Fifth Stay Extension will materially prejudice the Company's creditors.

25. Accordingly, the Proposal Trustee is of the view that the Fifth Stay Extension is appropriate in these circumstances and will provide the Company with the time necessary to advance its restructuring efforts and pursue a potential going-concern transaction for the benefit of its stakeholders.

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6.0 PROPOSAL TRUSTEE'S REQUEST OF THE COURT

26. Based on the foregoing, the Proposal Trustee respectfully recommends 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 11th day of September 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

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 aforenamed 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 aforenamed 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

APPENDIX B

September 4, 2026

A2 Environmental Group Inc.

Attention: Antonio Bruno, Sponsor and Guarantor

Dear Mr. Bruno:

CAD$2,100,000 Senior Secured Bridge Loan Facility to Fund the Court-Supervised Acquisition of the Operating Assets of National Traffic Safety Management Inc.

This letter supersedes and replaces our non-binding letter of intent dated August 26, 2026 (the "LOI"), which has lapsed. On the terms and subject to the conditions set out in this letter, CORFinancial Corp. ("CORFinancial", "we" or the "Lender's Agent"), acting on behalf of the lender(s) hereby commits, subject to satisfaction or waiver of the conditions precedent set out in Section 8, to advance to A2 Environmental Group Inc. (the "Borrower" or "you") the senior secured bridge loan facility described below, with the support of Antonio Bruno as sponsor and guarantor (the "Guarantor").

1. The Facility

The Lender commits to providing a senior secured bridge loan facility in the aggregate principal amount of CAD$2,100,000 (the "Facility"), Broken down as follows:

(a) CAD$1,661,684 in senior secured acquisition financing; and

(b) CAD$438,316 by way of a revolving operating line.

The two tranches together total CAD$2,100,000. The Facility has a term of twenty-four (24) months. Its purpose is to fund the Borrower's court-supervised acquisition, by way of a Stalking Horse Bid (the “SHB”) and Court Vesting Order (the "Court Vesting Order"), of substantially all of the operating assets of National Traffic Safety Management Inc. ("NTSM").

2. Use of Proceeds

The proceeds of the Facility are to be applied to: (a) retire the indebtedness owing to Oxygen Working Capital Corp., the incumbent secured lender; (b) buy out the leased fleet held under the Emkay lease arrangements; (c) fund court-supervised and professional restructuring costs associated with the acquisition; and (d) replace the Borrower's existing receivables factoring arrangements with the operating line described in Section 1(b)-see Source/Use of funds chart below:

Source/Use of Funds		
Receipts		
Single loan advance		2,100,000
Disbursements		
Oxygen Working Capital Corp Term Loan	718,448	
Lease Buyouts	623,000	
Lease payments owing	143,559	
Addback diff. re residual value	(282,323)	
HST outstanding	175,000	
Closing costs estimated (legals, lender fees)	284,000	
Working capital	438,316	-
	$ 2,100,000	**$ 2,100,000**

3. Interest

Interest on the outstanding principal will accrue at the rate of 12% per annum, calculated monthly and compounded annually. The Facility is interest-only, with accrued interest payable on the last day of each month.

4. Commitment Fee

The Borrower will pay a commitment fee equal to 4% of the Facility. The commitment fee will be deducted from the first advance.

5. Deposit

The Borrower has paid, or will pay, a deposit of CAD$20,000 (the "Deposit") to be applied against due-diligence costs. If the Borrower elects not to close, or fails to close due to no fault of the Agent or Lender within thirty (30) days of credit approval, the Deposit will be retained by CORFinancial as a fee. The provisions of this Section 5 are binding on the Borrower, as set out in Section 12.

6. Advance and Funding

The Facility will be made available by way of a single advance upon satisfaction or waiver of all conditions precedent. We anticipate funding within a reasonable time following the granting of the Court Vesting Order, in order to complete all security documentation.

7. Security

As security for the Facility, the Borrower will grant a first-ranking priority charge by way of a general security agreement supported by appropriate PPSA registrations and assignments over all present and after-acquired assets funded by the Facility and owned by the Borrower. Such security is to be delivered clean, free of prior encumbrances, through the Court Vesting Order. The Facility is further supported by the guarantee of Antonio Bruno as Guarantor. Security documents attached as Schedule “A”

8. Conditions Precedent

The Lender's obligation to advance the Facility is subject to the satisfaction (or waiver by the Lender in its discretion) of the following conditions precedent:

(a) completion of due diligence, to the Lender's satisfaction, of the following outstanding issues not yet received/reviewed:

i. the terms of the Stalking Horse Bid,

ii. the terms of the Vesting Order,

iii. confirmation of amounts to be paid to creditors, and

iv. documents pertaining to AML and KYC, including ID of the guarantor and Articles of Incorporation of the Borrower;

(b) granting of the Court Vesting Order, on terms satisfactory to the Lender;

(c) confirmation, to the Lender's satisfaction, that the Borrower's use of the proceeds of the Facility is as specified in Section 2 and is sufficient to secure clean title to all of the assets of the Borrower following the issuance of the vesting Order, in order to allow the Lender to register and perfect the Security being offered in support of this Facility;

(d) execution and delivery of final loan documentation in form and substance satisfactory to the Lender;

(e) completion of a site inspection, or waiver thereof by the Lender-Lender has waived this;

(f) completion of all anti-money-laundering, "know-your-client", client-identification and beneficial-ownership checks in respect of the Borrower and the Guarantor to the Lender's satisfaction, as further provided in Section 9; and

(g) no Event of Default having occurred and continuing.

9. Anti-Money-Laundering and Know-Your-Client

Each of the Borrower and the Guarantor represents and warrants to, and covenants with, the Lender that: (a) it is, and will remain, in compliance in all material respects with all applicable anti-money-laundering, anti-terrorist-financing and economic sanctions laws, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and the regulations thereunder, and any comparable laws applicable to it; (b) none of it, and, to the best of its knowledge, none of its directors, officers, beneficial owners or persons for whom it acts, is a person that is the target of economic sanctions or is otherwise designated under any applicable sanctions law; and (c) the funds and assets used or to be used by it in connection with the Facility, and all sources of repayment of the Facility, are derived from legitimate sources and no part of the proceeds of the Facility, or of any repayment of the Facility, is or will be derived from, or used to further, any unlawful activity.

Each of the Borrower and the Guarantor will provide to the Lender, promptly upon request and both prior to the first advance and from time to time thereafter, all “know-your-client”, client-identification, beneficial-ownership and source-of-funds information and documentation that the Lender may reasonably require in order to comply with its obligations under applicable anti-money-laundering, anti-terrorist-financing and sanctions laws, or with its internal compliance policies, and will promptly notify the Lender of any change that would make any such information previously provided inaccurate or incomplete.

Notwithstanding any other provision of this letter, the Lender may, in its sole discretion and without liability to the Borrower, the Guarantor or any other person, withhold, delay, suspend or decline to make any advance (or any portion of any advance), and may decline to proceed with the Facility, if: (a) any information or documentation required under this Section 9 has not been provided to, or verified to the satisfaction of, the Lender; or (b) the Lender determines that making the advance would, or might, cause the Lender to breach, or fail to comply with, any applicable anti-money-laundering, anti-terrorist-financing or sanctions law or its internal compliance policies. Any such action by the Lender does not constitute a breach by the Lender of its commitment under this letter, and the representations, warranties and covenants in this Section 9 survive the making of each advance.

10. Confidentiality

Each party will keep confidential the existence and terms of this letter and all information exchanged in connection with the Facility and will use such information solely for the purpose of evaluating and advancing the transaction. This mutual obligation of confidentiality survives for a period of three (3) years following the funding of the Facility or the termination of discussions, whichever occurs. The provisions of this Section 10 are binding on both parties, as set out in Section 12.

11. Expenses

Whether or not the Facility closes, the Borrower and the Guarantor will pay all of the Lender’s costs and expenses incurred in connection with the Facility, including legal fees, registration costs, search fees, and filing fees, together with the Lender’s itemized processing expenses. The provisions of this Section 11 are binding on the Borrower and the Guarantor, as set out in Section 12.

12. Binding Effect

This letter is a commitment by the Lender to advance the Facility, subject to the satisfaction or waiver of the conditions precedent set out in Section 8. Upon acceptance of this letter by the Borrower and the Guarantor, the Borrower and the Guarantor are bound to the terms of this letter.

For the avoidance of doubt, and in addition to the binding commitment described above, the following provisions are, and are intended to be, legally binding and enforceable upon acceptance of this letter, and survive regardless of whether the Facility closes: (a) Section 5 (Deposit); (b) Section 10 (Confidentiality); and (c) Section 11 (Expenses). Section 13 (Governing Law) applies to this letter and to those binding provisions.

Nothing in this letter obliges the Lender to advance the Facility if any condition precedent set out in Section 8 is not satisfied or waived by the Lender. This letter does not grant the Borrower any exclusivity or period of exclusive dealing and imposes no "no-shop" or standstill obligation on either party.

13. Governing Law

This letter, including the binding commitment and the binding provisions identified in Section 12, is governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

14. Acceptance and Expiry

This letter is open for acceptance until [•], being [five (5) business days] from the date of this letter. To accept, please have both the Borrower and the Guarantor sign and return the enclosed counterpart of this letter to us on or before that date. If we have not received your signed acceptance by then, this commitment will lapse and be of no further effect.

We look forward to working with you to complete this transaction.

Yours truly,

____

CORFinancial Corp, as Lender's Agent

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Acceptance

We acknowledge and accept the terms set out in this letter, including the binding commitment and the binding provisions identified in Section 12.

Accepted for and on behalf of **A2 Environmental Group Inc. (Borrower)**

____
Name: ANTONIO BRUNO
Title: PRESIDENT & CEO
Date: SEPT 3/26

Accepted by **Antonio Bruno (Sponsor and Guarantor)**

____
Name: Antonio Bruno
Date: SEPT 3/26

Schedules to Attach

1. Stalking Horse Bid
2. Vesting Order
3. Definitive Loan Agreement
4. General Security Agreement (“GSA”)
5. PPSA
6. Personal Guarantee