

COURT FILE NUMBER 2301-16982
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, RSC 1985, c.
C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
CANDESTO ENTERPRISES CORP., D3
INFRASTRUCTURE SERVICES INC. and SAFE
ROADS ALBERTA LTD.

APPLICANTS CANDESTO ENTERPRISES CORP., D3 INFRASTRUCTURE SERVICES
INC. and SAFE ROADS ALBERTA LTD.

DOCUMENT AFFIDAVIT NO. 4 OF JAN VAN BRUGGEN

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION
OF PARTY
FILING THIS
DOCUMENT

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Attention: Jeffrey Oliver / Natalie Thompson

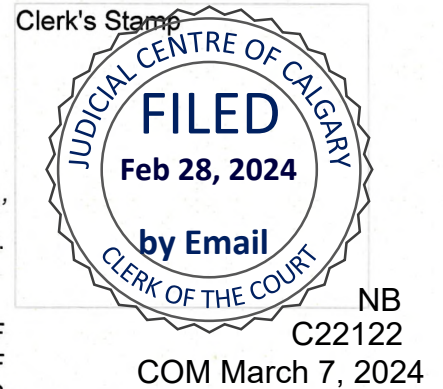
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File No.: 58965-1

AFFIDAVIT OF: JAN VAN BRUGGEN

SWORN ON: February 26, 2024

I, JAN VAN BRUGGEN, of the City of St. Albert, in the Province of Alberta, SWEAR AND SAY THAT:

1. I am a director and President of Safe Roads Alberta Ltd. ("**Safe Roads**"), D3 Infrastructure Services Inc. ("**D3**") and Candesto Enterprises Corp. ("**CEC**" and together with Safe Roads and D3, the "**Applicants**"). I am also a director and Chief Executive Officer of Barricades and Signs Ltd. ("**Barricades**") and a 50% shareholder and director of Batavi Venture Group Inc. ("**Batavi**"), which in turn is a shareholder of CEC, D3 and Safe Roads. Barricades and Batavi are non-applicant related companies.
2. As a result of the foregoing, I have personal knowledge of the matters hereinafter deposed to except where stated to be based upon information and belief, and where so stated I do verily believe the same to be true.



3. In preparing this affidavit, I consulted with the Applicants' management teams and advisors and reviewed relevant documents and information concerning the Applicants' operations and financial affairs.
4. I have been authorized to swear this affidavit as the corporate representative of the Applicants.

Background

5. On December 20, 2023, this Honourable Court concurrently granted the Applicants' originating application for an initial order (the "**Initial Order**") and an amended and restated initial order (the "**ARIO**"), both pursuant to the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**").
6. Pursuant to the Initial Order and ARIO, among other things:
 - (a) Alvarez & Marsal Canada Inc. was appointed as monitor (in such capacity, the "**Monitor**") of the Applicants;
 - (b) The Stay Period (as defined at paragraph 14 of the ARIO) was set for December 30, 2023 by the Initial Order and then extended to January 12, 2024 by the ARIO;
 - (c) the Applicants were authorized to, among other items:
 - (i) remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**");
 - (ii) carry on business in a manner consistent with the preservation of the business (the "**Business**") and the Property;
 - (iii) continue to pay and retain and employ their employees, consultants, agents, experts, accountants, counsel and such other persons with liberty to retain such others as they deem necessary or desirable;
 - (iv) continue to utilize their cash management system or replace it;
 - (v) pay all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable after the date of the ARIO; and
 - (vi) with the consent of the Monitor, pay amounts owing for goods and services supplied to the Applicants prior to the Initial Order, if necessary or desirable to avoid disruption of the Applicants' operation of the Business, maximize recoveries or to preserve the Property or Business.

7. On January 12, 2024, upon application (the "**January Application**") by the Applicants, this Honourable Court granted an Order (the "**Extension Order**") for, among other things, the following:
- (a) extending the Stay Period to March 15, 2024 (the "**Initial Stay Extension**");
 - (b) increasing the Administration Charge (as defined at paragraph 33 of the ARIO) from \$350,000 to \$500,000; and
 - (c) increasing the Authorized Borrowings (as defined in the Second van Bruggen Affidavit) under the Interim Credit Facility (as set out at paragraph 34 of the ARIO and defined at paragraph 37 of the Pre-Filing Report of the Monitor dated December 19, 2023) and the corresponding Interim Lender's Charge (as defined at paragraph 37 of the ARIO) from \$450,000 to \$1,400,000.

Relief Sought

8. I swear this Affidavit in support of the Applicants' application (the "**Application**") for an order extending the Stay Period to April 26, 2024 (the "**Second Stay Extension**").
9. I also rely on my previous Affidavits sworn December 18, 2023 (the "**First van Bruggen Affidavit**"), January 2, 2024 (the "**Second van Bruggen Affidavit**") and January 5, 2024 (the "**Third van Bruggen Affidavit**"), in support of the aforementioned relief being sought by the Applicants.

Actions of the Applicants since the January Application

10. Since the Initial Order and ARIO were pronounced on December 20, 2023 (the "**Filing Date**"), the Applicants have been working diligently and in good faith to identify a path forward to efficiently wind up their operations in a manner that will maximize value for their stakeholders.
11. The Second van Bruggen Affidavit provides details about the activities of the Applicants from the Filing Date to the date of the Comeback.
12. Since the Extension Order was granted, the Applicants have:
- (a) issued communications to their employees advising of these CCAA proceedings and answered their questions with respect to the process and next steps;
 - (b) engaged with certain creditors, suppliers, customers, and contractual counterparties with respect to the commencement of these CCAA proceedings;
 - (c) reviewed the economics associated with various non-bonded jobs and taken steps to mitigate exposure;

- (d) continued to consult with legal counsel and the Monitor to discuss operational issues, cashflow requirements, staffing issues, and options available to most efficiently pursue the winding up of the Applicants given the issues described in First van Bruggen Affidavit;
- (e) engaged in productive discussions with the surety under the Applicants' labour and material and performance bonds, Trisura Guarantee Insurance Company and Trisura Insurance Company (collectively "**Trisura**") to mitigate the Applicants' exposure under the Indemnity Agreement (as defined in paragraph 6(a)(iv) of the First van Bruggen Affidavit). Trisura has requested, and the Applicants have provided, a significant amount of information and data to facilitate these discussions. Discussions with Trisura are ongoing but are taking more time than anticipated;
- (f) entered into an Employee Services Agreement with Barricades to facilitate the transfer of employee services for the completion of ongoing projects;
- (g) consulted with legal counsel and the Monitor for the continued collection of accounts receivable;
- (h) obtained a valuation of various pieces equipment owned by the Applicants;
- (i) reviewed the Applicants' actual cash flow results and their forecasted cash flow forecast; and
- (j) provided ongoing updates to Durisol Ltd. (the "**Interim Lender**").

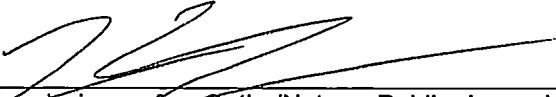
Stay Extension

- 13. The Applicants are seeking the Second Stay Extension for an additional period of approximately 6 weeks.
- 14. The Applicants require the Second Stay Extension to explore options with Trisura and other relevant stakeholders which would allow for the most efficient wind down of the Applicants' business.
- 15. The Second Stay Extension is necessary and appropriate in the circumstances to enable the Applicants to move forward with their winding up efforts in an efficient manner with the protections afforded to it by the CCAA proceedings.
- 16. We have secured court time on April 17, 2024 in which we anticipate we will be returning to court to seek further relief with respect to a potential path forward.
- 17. I understand that the Monitor and Interim Lender, are supportive of the Second Stay Extension.

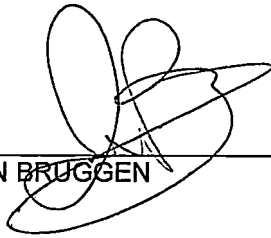
Conclusion

18. I swear this affidavit in support of the relief sought by the Applicants and for no improper purpose.

SWORN BEFORE ME at the City of Calgary, in the)
Province of Alberta, this 26th day of February, 2024)



Commissioner for Oaths/Notary Public in and for)
Alberta)



JAN VAN BRUGGEN

NATALIE ELISE THOMPSON
Barrister and Solicitor
Commissioner for Oaths in and for Alberta