

**IN THE MATTER OF THE BANKRUPTCY OF  
TAMWOOD CAREERS LTD.**

**TRUSTEE'S REPORT TO THE FIRST MEETING OF CREDITORS  
ON PRELIMINARY ADMINISTRATION**

**BACKGROUND**

Tamwood Careers Ltd. ("**Tamwood Careers**" or the "**Company**") was incorporated in 2014 under the *Business Corporations Act* (British Columbia) and is a 100% indirectly owned subsidiary of The International Language Academy of Canada Inc. ("**ILAC**").

The Company provided career-focused certificate and diploma education, primarily for international students, particularly in Vancouver, with the majority of diploma programs combining classroom instruction with a co-op work component.

Tamwood Careers Ltd. had no employees as shared services, such as sales, operations, finance, information technology ("**IT**"), and marketing were provided by ILAC and Tamwood International College Ltd. ("**Tamwood College**"). The Company's registered head office was at 300-688 Hastings Street West, Vancouver but Tamwood Careers was not a named tenant at the leased premises.

**BANKRUPTCY PROCEEDINGS**

On September 23, 2026 (the "**Bankruptcy Date**"), Tamwood Careers filed an assignment in bankruptcy (the "**Bankruptcy Proceedings**") and KPMG Inc. ("**KPMG**") was appointed as trustee of the estate of the bankruptcy (the "**Trustee**") by the Official Receiver, subject to affirmation by the creditors at the first meeting of creditors.

As at the Bankruptcy Date, Tamwood Careers immediately ceased operations, with all classes and programming being cancelled with immediate effect.

Tamwood Careers indirect parent company, ILAC, filed an assignment in bankruptcy on September 18, 2026. Four affiliates of Tamwood Careers filed assignments in bankruptcy on the dates set out below:

- ILAC International College Ltd. and ILAC International College (BC) Ltd. on September 22, 2026;
- Canadian Edge International Corp. on September 25, 2026; and
- Tamwood College on October 1, 2026.

KPMG was appointed as Trustee by the Official Receiver for each of the subsidiaries, subject to affirmation by the creditors at the first meeting of creditors.

On September 29, 2026, a notice of the first meeting of creditors, a list of creditors, proof of claim form and proxy were sent to all known creditors of Tamwood Careers, and on September 30, 2026, a notice of

the bankruptcy and the first meeting of creditors was published in The National Post. The first meeting of creditors will be convened on October 8, 2026, at 3:30 p.m. EST.

The activities of the Trustee since its appointment have primarily consisted of the following:

- taking possession and control of the Company's cash on hand at the Bankruptcy Date; and
- statutory work in accordance with the provisions of the *Bankruptcy and Insolvency Act* ("BIA").

## CAUSES OF INSOLVENCY

Tamwood Careers internal financial results for fiscal years 2023 ("FY23"), 2024, 2025, as well as unaudited and internal interim operating results for the 11-month period to August, 2026 ("YTD26"), are summarized in the table below. Note that ILAC's financial performance was historically managed and tracked on a total company basis across all entities. As such, viewing the financial results of a single entity on a standalone basis can be misleading due to differences from year-to-year in how company-wide expenses were allocated to specific entities within the overall organization.

| <b>Tamwood Careers Ltd.<br/>Historical Operating Results Summary<br/>(in \$000s CAD)</b> |             |             |             |              |
|------------------------------------------------------------------------------------------|-------------|-------------|-------------|--------------|
|                                                                                          | <b>FY23</b> | <b>FY24</b> | <b>FY25</b> | <b>YTD26</b> |
| Revenue                                                                                  | 3,986       | 3,173       | 1,919       | 1,056        |
| Operating Costs                                                                          | (3,160)     | (2,491)     | (1,764)     | (797)        |
| <b>EBITDA</b>                                                                            | <b>827</b>  | <b>682</b>  | <b>155</b>  | <b>258</b>   |
| Other Income and Expenses                                                                | (0)         | (0)         | (0)         | (0)          |
| <b>Net Profit / Loss</b>                                                                 | <b>827</b>  | <b>682</b>  | <b>155</b>  | <b>258</b>   |

As indicated in the table above, while Tamwood Careers made a small net profit on an annual basis, the Company had experienced a material reduction in revenue from \$4 million in FY23 to \$1.1 million in YTD26. The Trustee understands that this is the result of reduced British Columbia provincial attestation letter allocations which materially constrained new international enrolment and tuition revenue. The Trustee also understands that no overhead allocation for shared services has been accounted for in YTD26 whereas FY25 operating costs include an allocation of overall corporate spend, meaning that YTD26 costs are understated relative to FY25's presentation.

Set out below is an unaudited balance sheet summary of Tamwood Careers as at August 31, 2026:

| <b>Tamwood Careers Ltd.<br/>Summary of Assets and Liabilities as at August 31, 2026 - Unaudited<br/>(in \$000s CAD)</b> |              |
|-------------------------------------------------------------------------------------------------------------------------|--------------|
| <b>Total Assets</b>                                                                                                     | <b>29</b>    |
| <b>Total Liabilities</b>                                                                                                | <b>413</b>   |
| <b>Shareholders Equity (Deficiency)</b>                                                                                 | <b>(385)</b> |
| <b>Total Liabilities and Shareholders' Equity</b>                                                                       | <b>29</b>    |

As at August 31, 2026, the book value of Tamwood Careers total liabilities was approximately \$413,000 and the book value of Tamwood Careers total assets was approximately \$29,000. As a result, Tamwood Careers had negative equity (i.e. the book value of liabilities exceeded the book value of assets) of approximately \$385,000. In addition, pursuant to a credit agreement between ILAC and the Lending Syndicate (as defined below), Tamwood Careers was a guarantor to a secured debt facility with an outstanding balance of approximately \$133.1 million as at August 31, 2026.

## FINANCIAL POSITION/ASSETS

### *Assets*

Based on the books and records of Tamwood Careers, the estimated book value of the assets as at August 31, 2026, is set out below.

| <b>Tamwood Careers Ltd.</b><br><b>Summary of Assets as at August 31, 2026 - Unaudited</b><br><b>(in \$000s CAD)</b> |           |
|---------------------------------------------------------------------------------------------------------------------|-----------|
| Cash                                                                                                                | 13        |
| Other Assets                                                                                                        | 17        |
| <b>Total Assets</b>                                                                                                 | <b>29</b> |

### *Cash on Hand*

As at the Bankruptcy Date, Tamwood Careers cash on hand was approximately \$10,000 for which the Trustee has taken possession of the cash.

### *Other Assets*

The Trustee does not believe there is any realizable value from the other assets.

## BOOKS AND RECORDS OF THE BANKRUPT

The Trustee has made arrangements to safeguard the books and records of the Company, including historical financial information, bank statements, general ledgers, and tax information.

## CREDITORS

### *Secured Creditors*

The Company's Statement of Affairs indicates there is one secured creditor as at the Bankruptcy Date (the "**Lending Syndicate**"). The Bank of Nova Scotia, acting as the Agent of the Lending Syndicate, which also includes Federation des Caisses Desjardins Du Quebec, and National Bank of Canada, had a total aggregate amount owing of approximately \$133.1 million as at August 31, 2026.

The Trustee has not obtained an independent legal opinion with respect to the validity and enforceability of the security granted in favour of the Lending Syndicate at this time.

#### *Preferred Creditors*

#### *Security for Unpaid Wages – S.81.3 Claims*

Tamwood Careers had no employees.

#### *Unsecured Creditors*

The Company's Statement of Affairs indicates that there are approximately 112 unsecured creditors with claims totaling approximately \$363,000 as follows:

| <b>Tamwood Careers<br/>Unsecured Creditors<br/>(in \$000s CAD)</b> |            |            |
|--------------------------------------------------------------------|------------|------------|
|                                                                    | <b>#</b>   | <b>\$</b>  |
| Agents                                                             | 73         | 141        |
| Students                                                           | 39         | 222        |
| <b>Total</b>                                                       | <b>112</b> | <b>363</b> |

### **PROVABLE CLAIMS**

As at 3:00 p.m. on the date of this report, the Trustee has recorded Proof of Claims filed, as follows:

| <b>Recorded Proof of Claims Summary - Tamwood Careers</b> |                             |                    |                                             |                    |
|-----------------------------------------------------------|-----------------------------|--------------------|---------------------------------------------|--------------------|
|                                                           | <b>Claims Filed<br/>(#)</b> | <b>Amount (\$)</b> | <b>Proxies in Favour<br/>of Trustee (#)</b> | <b>Amount (\$)</b> |
| <b>Secured</b>                                            | 1                           | 25,000,000         | 1                                           | 25,000,000         |
| <b>Preferred</b>                                          | Nil                         | Nil                | Nil                                         | Nil                |
| <b>Unsecured</b>                                          | 5                           | 112,794,554        | 1                                           | 112,770,355        |
| <b>Total</b>                                              | <b>6</b>                    | <b>137,794,554</b> | <b>2</b>                                    | <b>137,770,355</b> |

**Note 1:** The Trustee received a total of 6 proof of claims against Tamwood Careers. One of the proof of claims contained both an unsecured claim and secured claim. The Trustee has received 1 unsecured proxy in favour of the Trustee totaling approximately \$112.8 million.

### **PREFERENCE PAYMENTS AND TRANSFERS AT UNDER VALUE**

The Trustee has not performed a review at this time of Tamwood Careers books and records, with respect to potential fraudulent preferences, settlements or transfers at undervalue, as defined in the BIA. It is the intention of the Trustee to discuss the scope of its review with the Inspectors, if so appointed at the first meeting of creditors.

## TRUSTEE'S FEES

The Trustee of ILAC is in possession of a third-party guarantee in the amount of \$455,000 (the “**Guarantee**”) to guarantee payment of the professional fees and disbursements of the Trustee of ILAC and any other subsidiaries that have made an assignment into bankruptcy like Tamwood Careers, including legal counsel, for statutory work in accordance with the provisions of the BIA, should insufficient funds be available from the Company’s estate. The Trustee intends to seek retroactive approval of the appointment of Gowlings WLG, as legal counsel to the Trustee, from the inspectors, if so appointed at the first meeting of creditors. Any payments made to the Trustee under the Guarantee are being held by the Trustee of ILAC in an account segregated from the funds of the estates of ILAC and its subsidiaries (including Tamwood Careers).

## PROJECTED DISTRIBUTION AND ANTICIPATED ASSET REALIZATION

The Trustee does not anticipate any distribution to creditors in the Bankruptcy Proceedings.

## OTHER

Further information related to Tamwood Careers bankruptcy proceedings may be obtained from the Trustee’s website at [www.kpmg.com/ca/ILAC](http://www.kpmg.com/ca/ILAC).

Dated at Toronto, Ontario this 8<sup>th</sup> day of October, 2026.

KPMG Inc.,  
in its capacity as Trustee of  
the estate of Tamwood Careers Ltd.  
and not in its personal capacity



Per: \_\_\_\_\_

**Tim Montgomery, LIT**  
Senior Vice-President