

**IN THE MATTER OF THE BANKRUPTCY OF
TAMWOOD INTERNATIONAL COLLEGE LTD.**

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

BACKGROUND

Tamwood International College Ltd. ("**Tamwood**" or the "**Company**") was incorporated in 1993 under the *Business Corporations Act* (British Columbia) and is a 100% indirectly owned subsidiary of The International Language Academy of Canada Inc. ("**ILAC**").

Tamwood's core businesses were (i) seasonal youth education and camps through the trading name Tamwood Camps ("**Camps**"); and (ii) international work and travel programs through the trading name Go International ("**GO**"). Camps ran educational and language-oriented camps for children and teenagers, combining English instruction with accommodation, activities, and excursions, from June through August. GO facilitated participants coming to Canada and outbound Canadians participating in overseas work and travel programs, including working holiday and International Experience Canada arrangements.

Tamwood had approximately 16 salaried employees and two hourly employees, while also hiring a number of seasonal workers to support Camps. Shared services, such as sales, operations, finance, information technology ("**IT**"), and marketing were provided by ILAC. Tamwood occupied one leased premises in Whistler, BC under a retail lease agreement while Tamwood's head office was at 300 – 688 Hastings Street West, Vancouver, although Tamwood was not a party to the lease.

BANKRUPTCY PROCEEDINGS

On October 1, 2026 (the "**Bankruptcy Date**"), Tamwood 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, Camps immediately ceased operations, while the Trustee has retained GO's two employees with the intention of pursuing a going concern sale for this business unit.

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

- ILAC International College (BC) Ltd. and ILAC International College Ltd. on September 22, 2026;
- Tamwood Careers Ltd. on September 23, 2026; and
- Canadian Edge International Corp. on September 25, 2026.

KPMG was appointed as Trustee by the Official Receiver for each of the subsidiaries and KPMG's appointment was affirmed at each of the respective first meeting of creditors held on October 8 and 9, 2026.

On October 5, 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, and on October 8, 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 19, 2026, at 2:00 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;
- executing a Stalking Horse Purchase Agreement Term Sheet ("**Term Sheet**") for the sale of the GO business unit;
- responding to due diligence requests from the proposed purchaser and negotiating a stalking horse asset purchase agreement ("**SHAPA**"); and
- statutory work in accordance with the provisions of the *Bankruptcy and Insolvency Act* ("**BIA**").

CAUSES OF INSOLVENCY

Tamwood's internal financial results for fiscal years 2023 ("**FY23**"), 2024 ("**FY24**"), 2025 ("**FY25**"), 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.

Tamwood International College Ltd. Historical Operating Results Summary (in \$000s CAD)				
	FY23	FY24	FY25	YTD26
Revenue	11,820	12,621	11,119	12,721
Operating Costs	(10,138)	(11,621)	(11,228)	(10,223)
EBITDA	1,682	1,000	(110)	2,498
Other Income and Expenses	(254)	(139)	(143)	31
Net Profit / Loss	1,428	861	(253)	2,528

As indicated in the table above, Tamwood generated a net profit in FY23, FY24 and in YTD26, however, the Company generated a net loss in FY25. The Trustee understands that FY25 was the only year in that period for which Tamwood was allocated overhead expenses from its ultimate parent ILAC, in the amount of approximately \$1 million.

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

Tamwood International College Ltd. Summary of Assets and Liabilities as at August 31, 2026 - Unaudited (in \$000s CAD)	
Total Assets	593
Total Liabilities	3,339
Shareholders Equity (Deficiency)	(2,745)
Total Liabilities and Shareholders' Equity	593

As at August 31, 2026, the book value of Tamwood's total assets was approximately \$593,000 and the book value of Tamwood's total liabilities was approximately \$3.3 million. As a result, Tamwood had negative equity (i.e. the book value of liabilities exceeded the book value of assets) of approximately \$2.7 million. In addition, pursuant to a credit agreement between ILAC and the Lending Syndicate (as defined below), Tamwood 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, the estimated book value of the assets as at August 31, 2026 is set out below.

Tamwood International College Ltd. Summary of Assets as at August 31, 2026 - Unaudited (in \$000s CAD)	
Cash	245
Prepays	93
Fixed Assets	96
Other Assets	160
Total Assets	593

Cash on Hand

As at the Bankruptcy Date, Tamwood's cash on hand was approximately \$29,000 for which the Trustee has taken possession of the cash.

Prepaid Expenses

The prepaid expenses relate to two security deposits at Tamwood's leased premises, for which we understand one lease expired on August 31, 2026. The Trustee is gathering the necessary information to follow-up with the landlord on the return of the security deposit. For the lease that had not expired at the Bankruptcy Date, the Trustee has sent a notice to the landlord at the leased premise advising that the Trustee

intends to issue a notice disclaiming Tamwood's lease in respect of the premises after the first meeting of creditors and requesting the return of any security deposit.

Other Assets

The Trustee does not believe there is any realizable value in the other assets, which primarily relates to aged accounts receivable, fixed assets, and intangible assets, except as noted below in relation to GO.

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 Creditor

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 secured creditors at this time.

Preferred Creditors

Security for Unpaid Wages – S.81.3 Claims

The Trustee is in the process of reviewing Tamwood's records to determine what amounts are owed to the Company's terminated employees that would rank as secured claims pursuant to section 81.3 of the BIA. The Trustee, however, is aware that there were wages and vacation pay due to employees prior to the Bankruptcy Date that were not paid in full.

The Trustee is complying with the requirements of the *Wage Earner Protection Program Act* and will be advising Service Canada of all amounts owed by Tamwood to its terminated employees, including any amounts owed for termination and severance pay.

Unsecured Creditors

The Company's Statement of Affairs indicates that there are approximately 445 unsecured creditors with claims totaling approximately \$2.5 million, excluding unsecured amounts that may be owed to the Company's former landlord in respect of the disclaimed lease, as follows:

Tamwood International College Ltd.		
Unsecured Creditors		
(in \$000s CAD)	#	\$
Trade and Other AP	21	1,747
Agents	176	414
Students	230	337
Employees / Terminated Employees	18	TBD
Total	445	2,498

PROVABLE CLAIMS

As at 1:00 p.m. on the date of this report, the Trustee has recorded Proof of Claims filed, as follows:

Recorded Proof of Claims Summary - Tamwood International College				
	Claims Filed (#)	Amount (\$)	Proxies in Favour of Trustee (#)	Amount (\$)
Secured	1	25,000,000	1	25,000,000.00
Preferred	Nil	Nil	Nil	Nil
Unsecured	3	112,782,979	1	112,770,355
Total	4	137,782,979	2	137,770,355

Note 1: The Trustee received a total of 4 proof of claims against Tamwood. One of those 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's 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.

CONSERVATORY AND PROTECTIVE MEASURES

Following the bankruptcy of ILAC, the Trustee received a number of inbound queries from interested parties in relation to Camps and GO. The Trustee executed four non-disclosure agreements with interested parties and provided those parties with certain financial information. The Trustee of ILAC requested non-binding letters of intent ("LOIs") on an expedited basis and received three LOIs for the GO business and one informal LOI for both the GO and Camps business unit.

On October 2, 2026, the Trustee entered into a Term Sheet with the proposed purchaser (the "Purchaser") for the business and assets of GO. The Term Sheet indicates that the Purchaser will act as a stalking horse bidder within a formal sales process ("SISP"), pursuant to the terms of a SHAPA, to be entered into between the Trustee and the Purchaser. The Trustee and the Purchaser are currently working through financial and legal diligence while negotiating the SHAPA. At the appropriate time, the Trustee will make an application

to Court to approve the SISP, among other things. The Trustee intends to seek retroactive approval of the Term Sheet from 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, 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).

PROJECTED DISTRIBUTION AND ANTICIPATED ASSET REALIZATION

The Trustee anticipates that the secured creditors will suffer a material shortfall in the Bankruptcy Proceedings and that there will be no distribution to unsecured creditors.

OTHER

Further information related to Tamwood’s bankruptcy proceedings may be obtained from the Trustee’s website at www.kpmg.com/ca/ILAC.

Dated at Toronto, Ontario this 19th day of October, 2026.

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

A handwritten signature in dark ink, appearing to read "T. Montgomery". The signature is fluid and cursive, with the first name "T." and the last name "Montgomery" clearly distinguishable.

Per: _____
Tim Montgomery, LIT
Senior Vice-President