

TWC ENTERPRISES LIMITED

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CLUBLINK

one membership. more golf.



FINANCIAL HIGHLIGHTS

The following table summarizes the consolidated financial results of the Company:

(thousands of Canadian dollars - except as indicated)	For the three months ended	
	March 31, 2023	March 31, 2022
OPERATIONS		
Operating revenue	26,510	37,932
Net operating income ⁽¹⁾	5,371	4,978
Net loss	(8,051)	(1,093)
OPERATING DATA		
Canadian full privilege golf members	15,034	15,302
Championship rounds - Canada ⁽²⁾	-	-
18-hole equivalent championship golf courses - Canada ^(2,3)	35.5	37.5
18-hole equivalent managed golf courses - Canada	2.0	2.0
Championship rounds - U.S. ⁽²⁾	135,000	112,000
18-hole equivalent championship golf courses - U.S. ^(2,3)	8.0	8.0
COMMON SHARE DATA (000)		
Shares outstanding	24,605	24,548
Weighted average shares outstanding	24,601	24,548
PER COMMON SHARE DATA (\$)		
Basic and diluted loss	(0.33)	(0.04)
Eligible cash dividend	0.05	0.02
FINANCIAL POSITION		
Total assets	754,001	772,485
Gross borrowings	83,627	109,366
Shareholders' equity	514,639	500,679
Net book value per share ⁽¹⁾	20.92	20.40

(1) Net operating income and net book value per share are not recognized measures under International Financial Reporting Standards ("IFRS"). Management believes that, in addition to net earnings, these measures are useful supplemental information to provide investors with an indication of the Company's performance. Investors should be cautioned, however, that these measures should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of the Company's performance. TWC's method of calculating these measures is consistent from year to year, but may be different than those used by other companies (see "Management's Discussion and Analysis of Financial Condition and Results of Operations").

(2) Excluding academy courses.

(3) 18-hole equivalent championship golf courses operating during the period ended March 31.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This management's discussion and analysis of financial condition and results of operations ("MD&A") should be read in conjunction with TWC Enterprises Limited's ("TWC" or the "Company") unaudited interim condensed consolidated financial statements and accompanying notes for the period ended March 31, 2023. This MD&A has been prepared as at April 28, 2023 and all amounts are in Canadian dollars unless otherwise indicated.

In this document, unless otherwise indicated, all financial data are prepared in accordance with International Financial Reporting Standards ("IFRS").

This interim financial quarterly report has been prepared in compliance with IAS 34.

FORWARD-LOOKING STATEMENTS

Statements contained herein that are not based on historical or current fact, including without limitation, statements containing the words "anticipate", "believe", "may", "continue", "estimate", "expects", "will" and words of similar expression, constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions, both nationally and in the regions in which the Company operates; inflation risk; foreign currency risk; financing risk; risks and uncertainties relating to public health crises (including risks and uncertainties relating to the novel coronavirus ("COVID-19") pandemic), natural disaster and climate change risks; renewal rate risk relating to maturing borrowings; risk associated with information systems; competition; risk related to the Company's dependence on key management; risk related to significant ownership interests in the Company; risk related to potential conflicts of interest with directors and executive officers of the Company; risk related to the Company's reliance on Morguard Corporation for management services; employment laws; environmental exposures and environment regulations; risks relating to the broader regulatory environment; reputational risks; risks intrinsic to the hospitality industry; real estate risk; insurance-related risk; the Company's ability to integrate and align Company processes; the maintenance of certain land leases; certain liabilities and potential claims asserted against the Company; and other factors referred to in the Company's filings with Canadian securities regulators. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not assume the obligation to update or revise any forward-looking statements.

The above list of important factors affecting forward-looking information is not exhaustive, and reference should be made to the other risks discussed in TWC's filings with Canadian securities regulatory authorities. TWC undertakes no obligation, except as required by law, to update publicly or otherwise any forward-looking information, whether as a result of new information, future events or otherwise, or the above list of factors affecting this information.

SPECIFIED FINANCIAL MEASURES

The Company reports its financial results in accordance with IFRS. However, this MD&A also uses specified financial measures that are not defined by IFRS, which follow the disclosure requirements established by National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure*. Specified financial measures are categorized as non-GAAP financial measures, non-GAAP ratios, and other financial measures, which are capital management measures, supplementary financial measures, and total of segments measures.

NON-GAAP MEASURES

Non-GAAP financial measures do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other reporting issuers in similar or different industries. These measures should be considered as supplemental in nature and not as substitutes for related financial information prepared in accordance with IFRS. The Company's management uses these measures to aid in assessing the Company's underlying core performance and provides these additional measures so that investors may do the same. Management believes that the non-GAAP financial measures described below, which supplement the IFRS measures, provide readers with a more comprehensive understanding of management's perspective on the Company's operating results and performance.

The following discussion describes the non-GAAP financial measures the Company uses in evaluating operating results:

Direct operating expenses = expenses that are directly attributable to the Company's business units and are used by management in the assessment of their performance. These exclude expenses which are attributable to corporate decisions such as impairment.

Net operating income = operating revenue - direct operating expenses

Operating property, plant and equipment expenditures = capital expenditures to maintain existing operations

Expansion property, plant and equipment expenditures = capital expenditures which expand existing operations

Net operating income is an important metric used by management in evaluating the Company's operating performance as it represents the revenue and expense items that can be directly attributable to the specific business unit's ongoing operations. It is not a measure of financial performance under IFRS and should not be considered as an alternative to measures of performance under IFRS. The most directly comparable measure specified under IFRS is net earnings.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

BUSINESS STRATEGY AND CORPORATE OVERVIEW

TWC operates in the golf club operations business segment. In addition, the corporate operations segment oversees the golf operations segment and considers investment opportunities.

TWC's strategic objective is to grow long-term shareholder value by improving net operating income of its underlying business as well as considering options to unlocking long-term value from its investment in land.

OVERVIEW OF BUSINESS SEGMENTS

Golf Club Operations Segment

TWC is engaged in golf club operations under the trademark "ClubLink One Membership More Golf" ("ClubLink"). ClubLink is Canada's largest owner, operator and manager of golf clubs with 45½, 18-hole equivalent championship and 2, 18-hole equivalent academy courses, at 35 locations in two separate geographical Regions: (a) Ontario/Quebec (including two managed properties) and (b) Florida.

ClubLink's golf clubs are strategically organized in clusters that are located in densely populated metropolitan areas and resort destinations frequented by those who live and work in these areas. By operating in Regions, ClubLink is able to offer golfers in their Region a wide variety of unique membership, daily fee, corporate event and resort opportunities. ClubLink is also able to obtain the benefit of operating synergies to maximize revenue and achieve economies of scale to reduce costs.

Revenue at all golf club properties is enhanced by cross-marketing, as the demographics of target markets for each are substantially similar. Revenue is further improved by corporate golf events, business meetings and social events that utilize golf capacity and related facilities at times that are not in high demand by ClubLink's members. Due to challenges in hiring and fulfilling golf obligations, ClubLink has put less emphasis on social events without any golf aspect.

Member and Hybrid Golf Club revenue is maximized by the sale of flexible personal and corporate memberships that offer reciprocal playing privileges at ClubLink golf clubs. In recent years, ClubLink has been focusing on providing enhanced value for its memberships as well as cultivating a family-type atmosphere at its golf clubs.

Daily fee golf club revenue is maximized through unique and innovative marketing programs in conjunction with dynamic pricing.

ClubLink also has annual membership programs, which are unique to each Region. These product offerings include Players Card and Players Club in the Ontario/Quebec Region; as well as the ClubLink Card in the Florida Region.

(a) Ontario/Quebec

ClubLink's Ontario/Quebec Region is organized into two clusters: the major metropolitan areas of Southern Ontario and Muskoka, Ontario's premier resort area, extending from Hamilton to Huntsville to Pickering, with a particularly strong presence in the Greater Toronto Area; and Quebec/Eastern Ontario, extending from the National Capital Region to Montreal, including Mont-Tremblant, Quebec's premier resort area.

In 2023, ClubLink will operate 24 Ontario/Quebec Region Member Golf Clubs in three categories as follows:

Prestige: Greystone, King Valley, RattleSnake Point

Platinum: Blue Springs, DiamondBack, Eagle Creek, Emerald Hills, Glencairn, Grandview, Heron Point, Islesmere, Kanata, King's Riding, Lake Joseph, Le Maître, Rocky Crest, Wyndance

Gold: Caledon Woods, Georgetown, Glendale, GreyHawk, Hautes Plaines, National Pines, Station Creek

ClubLink's lease of the Country Club property in Woodbridge, Ontario (36 holes) concluded as of December 31, 2022.

In 2023, ClubLink will be managing two golf clubs on behalf of other owners as follows:

Club de Golf Le Fontainebleau was purchased by Club de Golf Rosemère on December 14, 2018 and changed its name to Club de Golf Rosemère. ClubLink retains a management fee arrangement of Fontainebleau. ClubLink is also involved with the La Bête Golf Club property which is being run as a managed property associated with Le Maître.

In 2023, ClubLink will operate four Ontario/Quebec Region Hybrid Golf Clubs in three categories as follows:

Hybrid – Prestige: Glen Abbey

Hybrid – Gold: Cherry Downs

Hybrid – Silver: Bethesda Grange, Hidden Lake

It is anticipated that Cherry Downs will see less Daily Fee play in 2023 as it will be utilized for increased member tee times to help with member demand.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW OF BUSINESS SEGMENTS (continued)

Golf Club Operations Segment (continued)

(a) Ontario/Quebec (continued)

Hybrid Golf Clubs are available for daily fee (public) play, reciprocal access by other ClubLink Members and provide a home club for Members with reciprocal access to the ClubLink system.

In 2023, ClubLink will operate one Ontario/Quebec Region Daily Fee Golf Club as follows:

Daily Fee: Rolling Hills

ClubLink has approximately 300 Players Card memberships. Players Card annual memberships allow golfers unlimited access to Rolling Hills during spring and fall shoulder seasons in addition to twilight golf during the summer season. A fixed number of rounds certificates are also included with each Players Card.

ClubLink has approximately 1,600 Players Club memberships. The Players Club memberships have varying degrees of access to ClubLink's daily fee golf clubs at different price points.

Players Card and Players Club member databases also provide ClubLink an opportunity to cultivate these relationships into a full privilege golf membership.

ClubLink owns sufficient land to develop an additional 18 holes at Cherry Downs Golf Club in Pickering, Grandview Golf Club in Muskoka and Rocky Crest Golf Club in Muskoka.

In 2023, ClubLink will operate The Lake Joseph Club, Rocky Crest Resort and Sherwood Inn, all located in Muskoka.

The Lake Joseph Club and Rocky Crest Resort operate seasonally from May to October while Sherwood Inn is available during the off season for group and weekend bookings.

ClubLink's remaining Muskoka land holdings, excluding golf course development sites, include zoned and serviced land that are capable of supporting a substantial number of resort rooms/villas, conference facilities and residential homes.

(b) United States

ClubLink's Florida Region includes eight 18-hole equivalent championship golf courses.

In 2023, ClubLink is operating six Florida Region Golf Clubs as follows:

TPC Eagle Trace, Club Renaissance, Scepter, Sandpiper, Palm Aire (Cypress/Oaks), Palm Aire (Palms)

In 2020, Woodlands Golf and Country Club was closed as part of the mandated closures from the COVID-19 pandemic. Due to years of declining performance, it was not re-opened.

Corporate Operations Segment

TWC's objective at the corporate level is to identify opportunities to generate incremental returns and cash flow. Historically, the nature of these investments included debt and equity instruments in both public and private organizations.

SUMMARY OF CANADIAN/US EXCHANGE RATES USED FOR TRANSLATION PURPOSES

The following exchange rates translate one US dollar into the Canadian dollar equivalent.

	March 31, 2023	December 31, 2022	March 31, 2022
Balance Sheet	1.3533	1.3544	1.2496
Statement of Earnings	1.3518	1.3017	1.2663

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SELECTED FINANCIAL INFORMATION

The table below sets forth selected financial data relating to the Company's three month periods ended March 31, 2023 and March 31, 2022. This financial data is derived from the Company's unaudited interim condensed consolidated financial statements, which are prepared in accordance with IFRS.

(thousands of Canadian dollars - except as indicated)	For the three months ended		
	March 31, 2023	March 31, 2022	% Change 2023/2022
OPERATING REVENUE	\$ 26,510	\$ 37,932	(30.1%)
DIRECT OPERATING EXPENSES	21,139	32,954	(35.9%)
NET OPERATING INCOME	5,371	4,978	7.9%
Amortization of membership fees	976	939	3.9%
Depreciation and amortization	(3,462)	(4,424)	(21.7%)
Interest, net and investment income	2,080	276	653.6%
Other items	(13,748)	(2,570)	434.9%
Income taxes	732	(292)	N/A
NET LOSS	\$ (8,051)	\$ (1,093)	636.6%
BASIC AND DILUTED LOSS PER SHARE	\$ (0.33)	\$ (0.04)	725.0%
TOTAL ASSETS	\$ 754,001	\$ 772,485	(2.4%)
GROSS BORROWINGS	\$ 83,627	\$ 109,366	(23.5%)
SHAREHOLDERS' EQUITY	\$ 514,639	\$ 500,679	2.8%

The breakdown of operating revenue is as follows:

(thousands of Canadian dollars)	For the three months ended		
	March 31, 2023	March 31, 2022	% Change 2023/2022
Annual dues	\$ 16,910	\$ 16,802	0.6%
Golf	6,521	5,838	11.7%
Corporate events	26	24	8.3%
Food and beverage	1,428	943	51.4%
Merchandise	1,392	1,220	14.1%
Real estate sales	-	12,774	(100.0%)
Rooms and other	233	331	(29.6%)
	\$ 26,510	\$ 37,932	(30.1%)

The breakdown of direct operating expenses is as follows:

(thousands of Canadian dollars)	For the three months ended		
	March 31, 2023	March 31, 2022	% Change 2023/2022
Operating cost of sales	\$ 1,545	\$ 1,328	16.3%
Real estate cost of sales	-	14,024	(100.0%)
Labour and employee benefits	9,560	8,676	10.2%
Utilities	1,737	1,674	3.8%
Selling, general and administrative	1,485	1,424	4.3%
Property taxes	1,851	1,640	12.9%
Insurance	1,075	878	22.4%
Repairs and maintenance	1,331	1,070	24.4%
Turf operating expenses	307	250	22.8%
Fuel and oil	138	114	21.1%
Other operating expenses	2,110	1,876	12.5%
Total direct operating expenses	\$ 21,139	\$ 32,954	(35.9%)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FIRST QUARTER 2023 CONSOLIDATED OPERATING HIGHLIGHTS

Operating revenue decreased 30.1% to \$26,510,000 for the three month period ended March 31, 2023 from \$37,932,000 in 2022 due to the revenue from the eight Highland Gate home sales in 2022.

Direct operating expenses decreased 35.9% to \$21,139,000 for the three month period ended March 31, 2023 from \$32,954,000 in 2022 due to the cost of sales from the eight Highland Gate home sales in 2022.

Net operating income for the Canadian golf club operations segment decreased to \$2,852,000 for the three month period ended March 31, 2023 from \$3,908,000 in 2022 due to increased operating expenses from both inflation and timing of expenditure.

Interest, net and investment income increased to income of \$2,080,000 for the three month period ended March 31, 2023 from \$276,000 in 2022 due to a decrease in borrowings and an increase in distributions from the Company's investment in Automotive Properties REIT.

Other items consist of the following loss (income) items:

(thousands of Canadian dollars)	For the three months ended March 31, 2023	March 31, 2022
Foreign exchange loss (gain)	\$ (78)	\$ 83
Unrealized loss on investment in marketable securities	13,558	2,819
Equity loss (income) from investments in joint ventures	480	(197)
Other income	(212)	(135)
	\$ 13,748	\$ 2,570

At March 31, 2023, the Company recorded unrealized losses of \$13,558,000 on its investment in marketable securities (March 31, 2022 - \$2,819,000). This loss is attributable to the fair market value adjustments of the Company's investment in Automotive Properties REIT.

The exchange rate used for translating US denominated assets has changed from 1.3544 at December 31, 2022 to 1.3533 at March 31, 2023. This has resulted in a foreign exchange gain of \$78,000 for the three month period ended March 31, 2023 on the translation of the Company's US denominated financial instruments.

Net loss in the amount of \$8,051,000 for the three month period ended March 31, 2023 changed from \$1,093,000 in 2022 due to an unrealized loss on the Company's investment in Automotive Properties REIT. Basic and diluted loss per share decreased to \$0.33 cents per share in 2023, compared to basic and diluted loss per share of \$0.04 cents in 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS BY BUSINESS SEGMENT

The results of operations by business segment should be read in conjunction with the segmented information contained in note 19 of the unaudited interim condensed consolidated financial statements for the period ended March 31, 2023.

(thousands of Canadian dollars)	For the three months ended March 31, 2023	March 31, 2022	% Change
Operating revenue by segment			
<i>Canadian golf club operations</i>	\$ 16,909	\$ 16,663	1.5%
<i>US golf club operations</i>	9,601	8,495	13.0%
<i>Other (Highland Gate)</i>	-	12,774	(100.0%)
Operating revenue	\$ 26,510	\$ 37,932	(30.1%)
Net operating income (loss) by segment			
<i>Canadian golf club operations</i>	\$ 2,852	\$ 3,908	(27.0%)
<i>US golf club operations</i>	3,237	3,084	5.0%
<i>Corporate and other</i>	(718)	(2,014)	(64.3%)
Net operating income	\$ 5,371	\$ 4,978	7.9%

Review of Canadian Golf Club Operations for the Period Ended March 31, 2023

Summary of Canadian Golf Club Operations

(statistics)	For the three months ended March 31, 2023	March 31, 2022	% Change
18-hole equivalent championship golf courses	35.5	37.5	(5.3%)
18-hole equivalent managed golf courses	2	2	-
Championship golf rounds	-	-	-

(thousands of Canadian dollars)	For the three months ended March 31, 2023	March 31, 2022	% Change
Operating revenue	\$ 16,909	\$ 16,663	1.5%
Direct operating expenses	14,057	12,755	10.2%
Net operating income	2,852	3,908	(27.0%)
Amortization of membership fees	929	886	4.9%
Depreciation and amortization	(3,083)	(4,091)	(24.6%)
Other items	247	271	(8.9%)
Segment earnings before interest and income taxes	\$ 945	\$ 974	(3.0%)

Canadian Golf Club Operating Revenue

Canadian golf club operating revenue is recorded as follows:

(thousands of Canadian dollars)	For the three months ended March 31, 2023	March 31, 2022	% Change
Annual dues	\$ 15,035	\$ 15,114	(0.5%)
Golf	-	10	N/A
Food and beverage	471	168	180.4%
Merchandise, rooms and other	1,403	1,371	2.3%
Total operating revenue	\$ 16,909	\$ 16,663	1.5%

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Canadian Golf Club Operations for the Period Ended March 31, 2023 (continued)

Canadian Golf Club Direct Operating Expenses

Canadian golf club direct operating expenses are recorded as follows:

(thousands of Canadian dollars)	For the three months ended		% Change
	March 31, 2023	March 31, 2022	
Cost of sales	\$ 950	\$ 840	13.1%
Labour and employee benefits	6,901	6,359	8.5%
Utilities	1,360	1,352	0.6%
Selling, general and administrative	1,016	920	10.4%
Property taxes	690	699	(1.3%)
Insurance	765	599	27.7%
Repairs and maintenance	1,043	840	24.2%
Turf operating expenses	134	89	50.6%
Fuel and oil	54	38	42.1%
Other operating expenses	1,144	1,019	12.3%
Total direct operating expenses	\$ 14,057	\$ 12,755	10.2%

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Canadian Membership Fees

Full privilege golf members decreased 1.8% to 15,034 on March 31, 2023 from 15,302 on March 31, 2022. This membership level has been maintained due to the strong demand for golf as part of the public reaction to the pandemic.

Changes in full privilege golf members and future membership fee instalments are as follows:

(thousands of Canadian dollars)	Three months ended March 31, 2023		Year ended December 31, 2022		Three months ended March 31, 2022	
	Golf Members	Future Membership Fee Instalments	Golf Members	Future Membership Fee Instalments	Golf Members	Future Membership Fee Instalments
Balance, beginning of period	15,417	\$ 33,907	15,545	\$ 32,306	15,545	\$ 32,306
Sales to new members	276	1,885	1,197	6,861	234	1,459
Reinstated members	92	96	201	397	62	157
Category changes	(15)	-	12	-	(3)	-
Transfer and upgrade fees from existing members	-	390	-	2,136	-	631
Resignations and terminations	(736)	(2,043)	(1,265)	(3,742)	(536)	(1,535)
Country Club resignations and terminations	-	-	(273)	(603)	-	-
Instalments received in cash	-	(193)	-	(3,448)	-	(307)
Balance, end of period	15,034	\$ 34,042	15,417	\$ 33,907	15,302	\$ 32,711

Sales to new members are broken down into categories as follows:

	For the three months ended		% Change
	March 31, 2023	March 31, 2022	
Corporate/Principal/Spousal	148	203	(27.2%)
Intermediate	88	1	8,700.0%
Senior	5	1	400.0%
Junior	17	1	1,600.0%
Social and other	18	28	(35.7%)
Total	276	234	17.9%

Full privilege members are broken down into categories as follows:

	For the three months ended		% Change
	March 31, 2023	March 31, 2022	
Corporate/Principal/Spousal	7,638	8,054	(5.2%)
Intermediate	1,429	1,418	0.8%
Senior	1,703	1,629	4.5%
Junior	158	205	(22.9%)
Social and other	4,106	3,996	2.8%
Total	15,034	15,302	(1.8%)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of US Golf Club Operations for the Period Ended March 31, 2023

(statistics)	For the three months ended		% Change
	March 31, 2023	March 31, 2022	
18-hole equivalent championship golf courses	8.0	8.0	-
Championship golf rounds	135,000	112,000	20.5%

(thousands of dollars)	For the three months ended		% Change
	March 31, 2023	March 31, 2022	
Operating revenue	\$ 7,103	\$ 6,708	5.9%
Direct operating expenses	4,708	4,272	10.2%
Net operating income	2,395	2,436	(1.7%)
Amortization of membership fees	35	42	(16.7%)
Depreciation and amortization	(280)	(263)	6.5%
Other items	125	169	(26.0%)
Segment earnings before interest and income taxes (US dollars)	2,275	2,384	(4.6%)
Exchange	722	582	24.1%
Segment earnings before interest and income taxes (Cdn dollars)	\$ 2,997	\$ 2,966	1.0%

Review of Corporate Items for the Period Ended March 31, 2023

Highland Gate Sales

The Company's investment in Highland Gate is managed by Geranium Homes. Highland Gate is the development of a former golf course in Aurora, Ontario and includes 157 single family detached homes and a seven story multi-unit residential building with 114 units.

The cost of goods sold (amortization) represents the non-cash amortization of the purchase price of both the 2019 and 2021 tranches purchased by ClubLink in this project in addition to the amortization of the recorded minority interest. The following is a breakdown of earnings recorded on this project:

(thousands of dollars)	For the three months ended		% Change
	March 31, 2023	March 31, 2022	
Phase 1 units closed	-	8	N/A
Operating revenue	\$ -	\$ 12,774	N/A
Operating cost of goods sold	-	(12,896)	N/A
Subtotal - project loss	-	(122)	N/A
Cost of goods sold - amortization	-	(1,128)	N/A
Total	\$ -	\$ (1,250)	N/A

Higher than expected commodity and material costs as well as significantly higher labour rates and construction delays have impacted the results to date of Highland Gate closings.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Corporate Items for the Period Ended March 31, 2023 (continued)

Real Estate Fund Investments

The Company has the following real estate fund investments:

(thousands of dollars)	March 31, 2023	December 31, 2022	March 31, 2022
Investment in Mount Auburn	\$ 2,241	\$ 2,243	\$ 12,948
Investment in Real Estate Investment Fund IV	8,636	8,642	10,173
Investment in Real Estate Investment Fund V	947	-	-
	\$ 11,824	\$ 10,885	\$ 23,121

The investment in Mount Auburn represented an approximate 2% ownership interest in a portfolio of 34 residential garden-style assets consisting of approximately 8,400 units located primarily in Texas and Southeast United States. This investment was purchased for \$5,705,000 (US\$4,500,000) on March 1, 2021. Mount Auburn was purchased by a third party real estate company and the investment was liquidated. The majority of the return of capital/liquidation payments have been made. There is one remaining payment that is still expected to be received.

The Company has also invested \$10,150,000 (US\$7,500,000) in capital calls (US\$10,000,000 total commitment) in a US-based real estate investment fund managed by 13th Floor (Fund IV). This fund primarily invests in Florida real estate projects and also included an investment in the Mount Auburn portfolio.

The Company has also invested \$947,000 (US\$700,000) in capital calls (US\$10,000,000 total commitment) in a US-based real estate investment fund managed by 13th Floor (Fund V). This fund primarily invests in Florida real estate projects.

All three of these investments are revalued once a year on December 31st.

Change in the real estate fund investments is as follows:

(thousands of dollars)	March 31, 2023			December 31, 2022		March 31, 2022	
	Mount Auburn	Investment in Real Estate Fund IV	Real Estate Investment Fund V	Investment in Mount Auburn	Real Estate Investment Fund IV	Investment in Mount Auburn	Real Estate Investment Fund IV
Balance, beginning of period (US dollars)	\$ 1,656	\$ 6,381	\$ -	\$ 10,362	\$ 4,841	\$ 10,362	\$ 4,841
Cash call	-	-	700	-	4,075	-	3,300
Valuation adjustment	-	-	-	3,591	1,280	-	-
Return of capital/liquidation	-	-	-	(12,297)	(3,815)	-	-
Balance, end of period (US dollars)	1,656	6,381	700	1,656	6,381	10,362	8,141
Exchange	585	2,255	247	587	1,808	2,586	2,032
Balance, end of period (Cdn dollars)	\$ 2,241	\$ 8,636	\$ 947	\$ 2,243	\$ 8,642	\$ 12,948	\$ 10,173

Interest, Net and Investment Income

Interest, net and investment income increased to income of \$2,080,000 for the three month period ended March 31, 2023 from \$276,000 in 2022 due to a decrease in borrowings and an increase in distributions from the Company's investment in Automotive Properties REIT.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Other Items

Other items consist of the following loss (income) items:

(thousands of Canadian dollars)	For the three months ended	
	March 31, 2023	March 31, 2022
Foreign exchange loss (gain)	\$ (78)	\$ 83
Unrealized loss on investment in marketable securities	13,558	2,819
Equity loss (income) from investments in joint ventures	480	(197)
Other income	(212)	(135)
	\$ 13,748	\$ 2,570

At March 31, 2023, the Company recorded unrealized losses of \$13,558,000 on its investment in marketable securities (March 31, 2022 - \$2,819,000). This loss is attributable to the fair market value adjustments of the Company's investment in Automotive Properties REIT.

The exchange rate used for translating US denominated assets has changed from 1.3544 at December 31, 2022 to 1.3533 at March 31, 2023. This has resulted in a foreign exchange gain of \$78,000 for the three month period ended March 31, 2023 on the translation of the Company's US denominated financial instruments.

FINANCIAL CONDITION

Assets

Total assets increased 3.7% to \$754,001,000 at March 31, 2023 from \$727,343,000 at December 31, 2022. This compares to \$772,485,000 at March 31, 2022.

Liabilities

Total liabilities increased 17.7% to \$239,362,000 at March 31, 2023 from \$203,294,000 at December 31, 2022. This compares to \$271,806,000 at March 31, 2022.

Shareholders' Equity

Consolidated shareholders' equity at March 31, 2023 totaled \$514,639,000 or \$20.92 per share, compared to \$524,049,000 or \$21.30 per share at December 31, 2022 and \$500,679,000 or \$20.40 per share at March 31, 2022. The following is a summary of the common share activity:

(number of shares)	For the three months ended	
	March 31, 2023	March 31, 2022
Balance, beginning of period	24,609,280	24,547,924
Shares issued pursuant to dividend reinvestment plan	4,807	-
Shares cancelled through NCIB	(9,000)	-
Balance, end of period	24,605,087	24,547,924

The company has recorded a negative adjustment to its accumulated other comprehensive earnings account of \$52,000 due to the translation of one US dollar into 1.3533 Canadian dollars at March 31, 2023 compared to 1.3544 at December 31, 2022. This change has a corresponding impact of the assets and liabilities having a base currency of US dollars.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

TWC's objective is to ensure that capital resources are readily available to meet obligations as they become due, to complete its approved capital expenditure program and to take advantage of attractive acquisitions as they arise. TWC's capital availability and demonstrated ability to execute transactions give it a competitive advantage in corporate development opportunities.

A summarized statement of cash flows is as follows:

(thousands of Canadian dollars)	For the three months ended	
	March 31, 2023	March 31, 2022
Cash provided by operating activities	\$ 25,609	\$ 41,513
Operating property, plant and equipment expenditures	(2,042)	(1,256)
Real estate fund investments, net	(947)	(4,124)
Mortgages and loans receivable	(26,485)	289
Revolving borrowings	(252)	(1,688)
Non-revolving borrowings – amortization payments	(2,625)	(7,446)
Lease liabilities	(279)	(1,210)
Dividends paid	(1,148)	(491)
Common shares repurchased for cancellation	(159)	-
Investment in Automotive Properties REIT and marketable securities	-	(2,941)
Other	186	(747)
Net change in cash during the period	(8,142)	21,899
Cash, beginning of year	44,149	91,395
Cash, end of period	\$ 36,007	\$ 113,294

During the period ended March 31, 2023, US\$20,000,000 was advanced to Morguard, a related party. This has been recorded as a loan receivable.

The analysis of TWC's liquidity is as follows:

(thousands of Canadian dollars)	Availability as at March 31, 2023		Availability as at December 31, 2022		Availability as at March 31, 2022	
	Maximum	Available	Maximum	Available	Maximum	Available
Cash and cash equivalents (CDN)	\$ 18,356	\$ 18,356	\$ 5,189	\$ 5,189	\$ 38,630	\$ 38,630
Cash and cash equivalents (USD)	17,651	17,651	38,960	38,960	74,664	74,664
Restricted cash	2,465	2,465	2,239	2,239	1,318	1,318
Revolving line of credit (corporate)	50,000	48,982	50,000	33,238	50,000	48,982
Related party revolving line of credit	50,000	50,000	50,000	50,000	50,000	50,000
Subtotal	138,472	137,454	146,388	129,626	214,612	213,594
Highland Gate	108,000	52,128	108,000	67,814	107,000	83,878
Total	\$ 246,472	\$ 189,582	\$ 254,388	\$ 197,440	\$ 321,612	\$ 297,472

At March 31, 2023, there is \$2,465,000 (March 31, 2022 - \$1,318,000) of restricted cash from the Highland Gate project, representing deposits on future home sales held by counsel.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES (continued)

Funds will be used during 2023 for operating capital expenditures and to pay debt obligations as they become due.

Liquidity risk arises from general funding needs and in the management of assets, liabilities and optimal capital structure. TWC manages liquidity risk to maintain sufficient liquid financial resources to meet its commitments and obligations in the most cost-effective manner possible.

Based on TWC's financial position at March 31, 2023, and projected future earnings, management expects to be able to fund its working capital requirements, and meet its other obligations including debt repayments.

The following is an analysis of the Company's net borrowings and their characteristics on March 31, 2023 compared to December 31, 2022:

(thousands of Canadian dollars)	Interest Rate March 31, 2023	Interest Rate December 31, 2022	Total Indebtedness March 31, 2023	Total Indebtedness December 31, 2022	Average Term to Maturity (Yrs) March 31, 2023	Average Term to Maturity (Yrs) December 31, 2022
Non-revolving	8.0%	8.0%	\$ 8,340	\$ 8,578	6.50	6.75
Revolving (a)	9.0%	8.5%	1,667	2,123	1.50	1.75
Exchange	-	-	3,536	3,783	-	-
Subtotal US borrowings	8.2%	8.1%	13,543	14,484		
Revolving (corporate)	7.5%	6.7%	-	15,938	1.50	1.75
Non-revolving	8.1%	8.1%	9,746	11,468	1.25	1.50
Other	5.0%	5.0%	2,293	2,265	0.42	0.67
Subtotal CDN borrowings	7.5%	7.1%	12,039	29,671		
Gross borrowings	7.6%	7.4%	25,582	44,155		
Lease liabilities	6.0%	6.0%	2,173	2,452	0.58	0.83
Highland Gate borrowings (a)	7.5%	7.4%	55,872	40,186	1.96	2.31
Total			\$ 83,627	\$ 86,793		

None of the above non-revolving mortgages have any prepayment options without a corresponding yield maintenance payment.

(a) These borrowings are variable interest rate debt

TWC's consolidated borrowings include revolving lines of credit and non-revolving mortgages. The following table illustrates future maturities and amortization payments of consolidated borrowings for the next five years and thereafter as at March 31, 2023:

(thousands of Canadian dollars)	Highland Gate	Corporate Borrowings	Lease Liabilities	Total
Balance of 2023	\$ 14,896	\$ 7,502	\$ 850	\$ 23,248
2024	-	9,241	1,234	10,475
2025	40,976	1,561	10	42,547
2026	-	1,690	11	1,701
2027	-	1,830	12	1,842
2028 and thereafter	-	3,758	56	3,814
	\$ 55,872	\$ 25,582	\$ 2,173	\$ 83,627

Operating Activities

Cash provided by operating activities were \$25,609,000 in 2023 compared to \$41,513,000 in 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES (continued)

Investing Activities

Cash used in investing activities were \$2,815,000 in 2023 compared to \$8,292,000 in 2022.

Financing Activities

Financing activities repayments were \$30,968,000 in 2023 compared to \$10,546,000 in 2022 due to a US\$20,000,000 loan receivable from Morguard.

RELATED PARTY TRANSACTIONS

The immediate parent and controlling party of the Company is Paros Enterprises Limited ("Paros") and its parent – S.N.A. Management Limited. These companies are privately-owned companies whose shareholder is the Chairman, President and Chief Executive Officer of the Company – K. (Rai) Sahi.

K. (Rai) Sahi, the Chairman, President and Chief Executive Officer of the Company is also the controlling shareholder of Morguard Corporation ("Morguard").

The Company has provided an unsecured revolving demand credit facility to Morguard in the amount of \$50,000,000 with no fixed maturity date. Morguard has provided an unsecured revolving demand credit facility to TWC in the amount of \$50,000,000 with no fixed maturity date. These facilities bear interest on a basis which is consistent with the entity's borrowing costs.

Summarized information regarding these facilities is as follows:

(thousands of Canadian dollars)	For the period ended		
	March 31, 2023	December 31, 2022	March 31, 2022
Loan receivable from Morguard	32,066	5,000	-
Net interest receivable	95	51	-
Net interest earned	148	112	-

The Company has provided an unsecured revolving demand credit facility to Paros in the amount of \$5,000,000, with no fixed maturity date. Paros has provided an unsecured revolving demand credit facility to TWC in the amount of \$5,000,000 with no fixed maturity date. These facilities bear interest at prime plus 1%. During 2023 and 2022, there were no advances or repayments under this facility.

The purpose of these credit facilities is to allow each of the above entities to manage its financing activities in the most effective manner.

The Company has provided an unsecured revolving demand credit facility to an investment in joint venture in the amount of \$3,000,000, with no fixed maturity date. This facility bears interest at prime plus 1.25%. As at March 31, 2023, the amount receivable on this facility was nil (December 31, 2022 - \$600,000; March 31, 2022 - nil). Interest receivable at March 31, 2023 was nil (December 31, 2022 - \$2,000; March 31, 2022 - nil), and interest earned was \$3,000 for the period ended March 31, 2023 (March 31, 2022 - nil).

The Company receives managerial and consulting services from Morguard. The Company paid a management fee of \$174,000 for the period ended March 31, 2023 (March 31, 2022 - \$174,000), under a contractual agreement, which is included in operating expenses. Morguard also provides back-office services to ClubLink US LLC. The Company paid a management fee of US\$115,000 (CDN\$155,000) for the period ended March 31, 2023 (March 31, 2022 - US\$115,000; CDN\$146,000) under a contractual agreement, which is included in direct operating expenses.

The Highland Gate project receives managerial services from Geranium Homes management companies. The project paid a management fee of \$261,000 for the period ended March 31, 2023 (March 31, 2022 - \$364,000) under a contractual agreement, which is capitalized to residential inventory.

The Company provides landscaping services for certain Morguard assets. The Company received a fee of \$69,000 for the period ended March 31, 2023 (March 31, 2022 - \$60,000) under a contractual agreement.

A total of US\$13,000 of rental revenue was earned by TWC for the period ended March 31, 2023 (March 31, 2022 - US\$13,000) from Morguard relating to a shared office facility in Florida.

All related party transactions were made in the ordinary course of business and on substantially the same terms including interest rates and security as for comparable transactions with parties of a similar standing.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SUMMARY OF FINANCIAL RESULTS BY QUARTER

The table below sets forth selected financial data for the most recent nine quarters ending March 31, 2023. The financial data is derived from the Company's unaudited interim condensed consolidated financial statements, which are prepared in accordance with IFRS as follows:

(thousands of Canadian dollars, except per share amounts)	2023 Mar. 31	2022				2021			
		Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31
Total assets	\$ 754,001	\$727,343	\$721,283	\$ 766,134	\$ 772,485	\$746,806	\$720,505	\$ 710,720	\$ 651,511
Operating revenue	26,510	30,835	65,009	52,736	37,932	62,600	63,245	34,059	14,109
Net operating income (loss)	5,371	8,109	22,322	13,167	4,978	18,680	26,953	9,036	(2,257)
Net earnings (loss)	(8,051)	4,245	11,920	3,594	(1,093)	61,963	22,757	4,472	455
Basic earnings (loss) per share	(0.33)	0.17	0.49	0.15	(0.04)	2.52	0.93	0.18	0.02
Eligible cash dividends per share	0.05	0.05	0.05	0.02	0.02	0.02	0.02	0.02	0.02

SEASONALITY

The quarterly earnings performance of the Company reflects the highly seasonal nature of the business segments. The majority of revenue and earnings from the Canadian golf operations occur during the second and third quarters of the year. Accordingly, the quarterly reported net earnings of the Company will fluctuate with those of the underlying business segments.

RISKS AND UNCERTAINTIES

The Company is exposed to risks as further analyzed and described in the annual MD&A for December 31, 2022.

DISCLOSURE CONTROLS AND PROCEDURES

TWC's Chairman, President and Chief Executive Officer ("CEO") and its Chief Financial Officer ("CFO") are responsible for establishing and maintaining the Company's disclosure controls and procedures. Our disclosure controls are designed to provide reasonable assurance that information required to be disclosed by TWC is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws, and include controls and procedures that are designed to ensure that information is accumulated and communicated to management, including the CEO and CFO, to allow timely decisions regarding required disclosure.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting.

The Company's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of TWC's assets; (ii) provide reasonable assurance that transactions are recorded appropriately to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorization of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

There were no changes in internal control over financial reporting that occurred during the Company's most recent year that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OUTLOOK

Highland Gate Development

TWC has been pursuing the development of its Highland Gate property in Aurora, Ontario with Geranium Homes which is also the manager.

The development plan contains 157 single family detached homes, a seven storey multi-unit residential building with 114 units, a 10-metre landscaped buffer between existing rear yards and adjacent new streets, 7.6 kilometres of off-street trails resulting in a total pedestrian network consisting of 10.2 kilometres, and building a major new 21-acre park.

The following is an analysis of Highland Gate homes available for sale and scheduled closings:

	Phase 1	Phase 2	Phase 3	Phase 4/5	Total
Total lots	44	53	24	36	157
Closings to date	(32)	-	-	-	(32)
Closings expected in 2023	(9)	(48)	-	-	(57)
Closings expected in 2024	-	(3)	(11)	-	(14)
Unreleased/unsold lots	3	2	13	36	54

Kanata Development

ClubLink has been working with two local developers to explore potential development options at Kanata Golf and Country Club in Ottawa. Development applications were submitted to the City of Ottawa on October 8, 2019 and deemed complete on October 17, 2019. On October 25, 2019, the City of Ottawa filed a Superior Court application seeking a declaration that certain agreements assumed by ClubLink remain valid and enforceable, and requesting an order that ClubLink either withdraw its development applications or offer to convey the golf course lands to the City at no cost under the terms of an agreement known as the 40% Agreement. On February 19, 2021, ClubLink was notified that the Superior Court granted the City's application in part, but did not order ClubLink to withdraw its development applications. An expedited appeal by ClubLink was held on June 17, 2021 and on November 26, 2021, the Ontario Court of Appeal overturned the decision, concluding that certain provisions of the 40% Agreement were void and unenforceable. In summary, this means that ClubLink would not be required to give the golf course to the City of Ottawa if it ceased to operate it. The extent to which the Court of Appeal's decision affects other provisions of the 40% Agreement and related agreements has been remitted to the Superior Court and a hearing on this matter was conducted on September 13, 2022, the conclusion of which is still outstanding. An Ontario Land Tribunal hearing for ClubLink's appeals of the development applications was conducted starting on January 17, 2022, concluding on February 14, 2022. On March 22, 2022, the Ontario Land Tribunal decision was rendered approving the Zoning Bylaw Amendments and Draft Plan Approval, together with the draft plan conditions. Approximately 1,480 residential units with associated parks, storm ponds and public greenspaces were approved. On February 22, 2022, the Kanata Greenspace Protection Coalition filed a separate Superior Court application seeking orders that the 40% Agreement and another agreement constitute valid and enforceable restrictive covenants and that ClubLink's development applications contravene these instruments. Kanata Golf Club remains open for play in 2023.

Woodlands Golf Club

ClubLink is working with 13th Floor (a local real estate developer based in south Florida) to explore development options at Woodlands Country Club in Tamarac, Florida. This process has been managed by Morguard as part of its management services arrangement. The development plan that has been submitted includes approximately 335 single family homes. Zoning and first reading of the development plan have now been approved. The second reading of the development plan and site plan review is expected later in 2023.

Sun City Center

The Company is considering strategic options for its remaining Florida land holdings including underutilized land at Sun City.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

ADDITIONAL INFORMATION

Additional information concerning the Company, as well as the Company's Annual Information Form is available on SEDAR (www.sedar.com) and the investor relations section of the Company's website (www.twcenterprises.ca).

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The condensed consolidated interim financial statements (the "financial statements") and management's discussion and analysis of operations contained in this quarterly report are the responsibility of the Company's management. To fulfill this responsibility, the Company maintains a system of internal controls to ensure that its reporting practices and accounting and administrative procedures are appropriate and provide assurance that relevant and reliable financial information is produced. The financial statements have been prepared in conformity with International Financial Reporting Standards and, where appropriate, reflect estimates based on management's best judgment in the circumstances. The financial information presented throughout this quarterly report is consistent with the information contained in the financial statements.

The financial statements have been further examined by the Board of Directors and by its Audit Committee, which meets regularly with the auditors and management to review the activities of each. The Audit Committee, which is comprised of three independent directors, who are not officers of the Company, reports to the Board of Directors.



K. (Rai) Sahi
Chairman, President and Chief Executive Officer

April 28, 2023



Andrew Tamlin
Chief Financial Officer

TWC ENTERPRISES LIMITED
Interim Condensed Consolidated Balance Sheets (Unaudited)

(thousands of Canadian dollars)	Notes	March 31, 2023	December 31, 2022	March 31, 2022
ASSETS				
Current				
Cash and cash equivalents		\$ 36,007	\$ 44,149	\$ 113,294
Restricted cash		2,465	2,239	1,318
Accounts receivable		14,472	13,015	10,296
Mortgages and loans receivable		33,233	7,024	1,695
Inventories and prepaid expenses		11,401	5,153	8,765
Other assets	3	111,648	125,208	113,214
Residential inventory	4	116,121	101,193	79,510
		325,347	297,981	328,092
Mortgages and loans receivable		718	442	1,013
Other assets	3	15,122	14,660	29,284
Right-of-use assets	5	1,848	2,102	5,138
Property, plant and equipment	6	399,577	400,569	396,382
Intangible assets	7	11,389	11,589	12,576
Total assets		\$ 754,001	\$ 727,343	\$ 772,485
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	8	\$ 23,924	\$ 28,969	\$ 32,034
Lease liabilities	9	1,156	1,129	3,643
Borrowings	10	24,589	17,433	32,370
Prepaid annual dues and deposits	11	81,436	34,747	77,185
		131,105	82,278	145,232
Lease liabilities	9	1,017	1,323	2,174
Borrowings	10	56,701	66,718	70,929
Deferred membership fees	12	2,590	3,326	3,392
Deferred income tax liabilities		47,949	49,649	50,079
Total liabilities		239,362	203,294	271,806
Share capital	14	102,365	102,320	100,530
Retained earnings		394,519	403,922	388,042
Accumulated other comprehensive earnings		9,167	9,219	3,632
Non-controlling interest	15	8,588	8,588	8,475
Total shareholders' equity		514,639	524,049	500,679
Total liabilities and shareholders' equity		\$ 754,001	\$ 727,343	\$ 772,485

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

TWC ENTERPRISES LIMITED
Interim Condensed Consolidated Statements of Earnings (Loss)
and Comprehensive Earnings (Loss) (Unaudited)

For the three months ended

(thousands of Canadian dollars, except per share amounts)	Notes	March 31, 2023	March 31, 2022
REVENUE			
Operating revenue		\$ 26,510	\$ 37,932
Amortization of membership fees	12	976	939
	13	27,486	38,871
EXPENSES			
Cost of sales		1,545	15,352
Labour and employee benefits		9,560	8,676
Utilities		1,737	1,674
Selling, general and administrative		1,485	1,424
Property taxes		1,851	1,640
Repairs and maintenance		1,331	1,070
Insurance		1,075	878
Turf operating expenses		307	250
Fuel and oil		138	114
Other operating expenses		2,110	1,876
Depreciation of right-of-use assets	5	254	1,021
Depreciation of property, plant and equipment	6	3,009	3,059
Amortization of intangible assets	7	199	344
Interest, net and investment income	16	(2,080)	(276)
Other items	17	13,748	2,570
		36,269	39,672
Loss before income taxes		(8,783)	(801)
Income tax provision (recovery)			
Current		967	683
Deferred		(1,699)	(391)
		(732)	292
Net loss		(8,051)	(1,093)
Unrealized foreign exchange loss in respect of foreign operations		(52)	(1,125)
Total comprehensive loss		\$ (8,103)	\$ (2,218)
Weighted average shares outstanding (000)	14	24,601	24,548
Loss per share - basic and diluted	14	\$ (0.33)	\$ (0.04)
(thousands of Canadian dollars)			
Net loss attributable to:		March 31, 2023	March 31, 2022
Shareholders		\$ (8,051)	\$ (885)
Non-controlling interest (Note 15)		-	(208)
		\$ (8,051)	\$ (1,093)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

TWC ENTERPRISES LIMITED

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Unaudited)

(thousands of Canadian dollars except common shares)	Note	Common Shares	Share Capital	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)	Non- Controlling Interest	Total Shareholders' Equity
Balance, January 1, 2022		24,547,924	\$ 100,530	\$ 389,418	\$ 4,757	\$ 8,683	\$ 503,388
Comprehensive loss		-	-	(885)	(1,125)	(208)	(2,218)
Cash dividend	14B	-	-	(491)	-	-	(491)
Balance, March 31, 2022		24,547,924	100,530	388,042	3,632	8,475	500,679
Comprehensive earnings		-	-	19,646	5,587	113	25,346
Cash dividend	14B	-	-	(919)	-	-	(919)
Shares cancelled subject to normal course issuer bid	14C	(57,300)	(234)	(823)	-	-	(1,057)
Shares issued pursuant to dividend reinvestment plan		118,656	2,024	(2,024)	-	-	-
Balance, December 31, 2022		24,609,280	102,320	403,922	9,219	8,588	524,049
Comprehensive loss		-	-	(8,051)	(52)	-	(8,103)
Cash dividend	14B	-	-	(1,148)	-	-	(1,148)
Shares cancelled subject to normal course issuer bid		(9,000)	(37)	(122)	-	-	(159)
Shares issued pursuant to dividend reinvestment plan		4,807	82	(82)	-	-	-
Balance, March 31, 2023		24,605,087	\$ 102,365	\$ 394,519	\$ 9,167	\$ 8,588	\$ 514,639

TWC ENTERPRISES LIMITED
Interim Condensed Consolidated Statements of Cash Flow (Unaudited)
For the three months ended

(thousands of Canadian dollars)	Notes	March 31, 2023	March 31, 2022
OPERATING ACTIVITIES			
Net loss		\$ (8,051)	\$ (1,093)
Items not affecting cash:			
Amortization of membership fees	12	(976)	(939)
Depreciation of right-of-use assets	5	254	1,021
Depreciation of property, plant and equipment	6	3,009	3,059
Amortization of intangible assets	7	199	344
Interest, net and investment income	16	(2,080)	(276)
Unrealized foreign exchange loss (gain)	17	(78)	83
Unrealized loss on investment in marketable securities	17	13,558	2,819
Equity loss (income) from investments in joint ventures		480	(197)
Income tax provision (recovery)		(732)	292
Collection of membership fee instalments	12	242	355
Interest paid (income), net		2,079	(176)
Income taxes paid		(1,965)	(5,661)
Restricted cash	15	(226)	(374)
Accounts receivable		(1,492)	(5,276)
Inventories and prepaid expenses		(6,248)	(4,554)
Residential inventory, net		(14,928)	6,584
Accounts payable and accrued liabilities		(4,125)	1,336
Prepaid annual dues and deposits		46,689	44,166
Cash and cash equivalents provided by operating activities		25,609	41,513
INVESTING ACTIVITIES			
Operating property, plant and equipment expenditures	6	(2,042)	(1,256)
Proceeds on sale of property, plant and equipment		177	28
Right-of-use assets		-	103
Net investment in marketable securities	3	-	(2,941)
Real estate fund investments, net	3	(947)	(4,124)
Other long-term assets		(3)	(102)
Cash and cash equivalents used in investing activities		(2,815)	(8,292)
FINANCING ACTIVITIES			
Deferred financing costs		(20)	-
Revolving borrowings		(252)	(1,688)
Non-revolving borrowings - amortization payments		(2,625)	(7,446)
Lease liabilities		(279)	(1,210)
Mortgages and loans receivable		(26,485)	289
Shares repurchased for cancellation	14	(159)	-
Dividends paid	14	(1,148)	(491)
Cash and cash equivalents used in financing activities		(30,968)	(10,546)
Net effect of currency translation adjustment on cash and cash equivalents		32	(776)
Net increase (decrease) in cash and cash equivalents during the period		(8,142)	21,899
Cash and cash equivalents, beginning of period		44,149	91,395
Cash and cash equivalents, end of period		\$ 36,007	\$ 113,294

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

March 31, 2023 and 2022

1. NATURE OF OPERATIONS

TWC Enterprises Limited (the “Company” or “TWC”) was formed under the laws of Canada. The Company’s executive office is located at 15675 Dufferin Street, King City, Ontario L7B 1K5. TWC is a publicly traded company on the Toronto Stock Exchange (“TSX”) under the symbol “TWC.”

TWC is engaged in golf club operations under the trademark “ClubLink One Membership More Golf.” TWC is Canada’s largest owner, operator and manager of golf clubs with 45½, 18-hole equivalent championship and 2, 18-hole equivalent academy courses at 35 locations in Ontario, Quebec and Florida (including two managed properties).

The golf club operations located in the United States have a functional currency in United States (“US”) dollars, which are translated into Canadian dollars for reporting purposes in these interim condensed consolidated financial statements.

2. BASIS OF PRESENTATION

The interim condensed consolidated financial statements (the “financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

This interim financial quarterly report has been prepared in compliance with IAS 34.

These financial statements were authorized for issuance by the Board of Directors on April 28, 2023.

These financial statements have been prepared on a basis consistent with the Company’s annual audited consolidated financial statements for the year ended December 31, 2022. Accordingly, certain information and disclosures normally required to be included in notes to annual financial statements have been condensed or omitted. Accordingly, these financial statements should be read in conjunction with the annual consolidated financial statements and the notes thereto for the year ended December 31, 2022. These financial statements were prepared on a going concern basis, under the historical cost model.

ClubLink recognizes its annual dues revenue on a straight-line basis throughout the year based on when its properties are open and the services are delivered.

Due to the seasonal nature of the golf club operations in which the Company currently operates, the second and third quarters of the fiscal year account for, and are expected to account for, a greater portion of revenue and earnings than do the first and fourth quarters of each fiscal year. This seasonal pattern may cause the Company’s operating revenue and net operating income to vary significantly from quarter to quarter with consequential impacts on related working capital balances. Due to this seasonality, a consolidated balance sheet as at March 31, 2022 has been presented for comparative purposes.

The functional currency of TWC and its subsidiaries is the local currency. The assets and liabilities of TWC’s foreign operations (specifically the US golf operations) where the functional currency is not the Canadian dollar are translated using the rate of exchange at the balance sheet date, whereas revenue and expenses are translated using average exchange rates during the respective periods. The resulting foreign currency translation adjustments are included in accumulated other comprehensive earnings or loss. This is the only component in this category.

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

March 31, 2023 and 2022

3. OTHER ASSETS

Other assets consist of the following:

(thousands of Canadian dollars)	March 31, 2023	December 31, 2022	March 31, 2022
Investment in joint ventures	\$ 4,974	\$ 5,454	\$ 5,665
Investment in Automotive Properties REIT (9,480,712 units; December 31, 2022 - 9,480,712 units; March 31, 2022 - 7,770,326 units)	109,407	122,965	113,214
Investment in Mount Auburn (US\$1,656,000; December 31, 2022 - US\$1,656,000; March 31, 2022 - US\$10,362,000)	2,241	2,243	12,948
Investment in Real Estate Investment Fund IV (US\$6,381,000; December 31, 2022 - US\$6,381,000; March 31, 2022 - US\$8,141,000)	8,636	8,642	10,173
Investment in Real Estate Investment Fund V (US\$700,000; December 31, 2022 - nil; March 31, 2022 - nil)	947	-	-
Other	565	564	498
	126,770	139,868	\$ 142,498
Less: current portion	111,648	125,208	113,214
	\$ 15,122	\$ 14,660	\$ 29,284

The Company's investment in joint ventures consist of the following:

(thousands of Canadian dollars)	March 31, 2023	December 31, 2022	March 31, 2022
Balance, beginning of period	\$ 5,454	\$ 5,422	\$ 5,422
Equity income (loss)	(480)	457	197
Dividend	-	(500)	-
Cash calls	-	75	46
Balance, end of period	\$ 4,974	\$ 5,454	\$ 5,665

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

March 31, 2023 and 2022

3. OTHER ASSETS (continued)

Summarized financial information for the real estate management company and the real estate housing investments at 100% and TWC's ownership interest is provided below:

			March 31, 2023	December 31, 2022
(thousands of Canadian dollars)	Real Estate Management Company	Real Estate Housing Investments	Total	Total
Current assets	\$ 3,694	\$ 3,115	\$ 6,809	\$ 10,363
Related party	(18)	(44)	(62)	(2)
Land and other long-term assets	1,121	65,975	67,096	55,004
Secured project debt	-	(33,047)	(33,047)	(18,947)
Liabilities	(877)	(15,377)	(16,254)	(20,095)
Net assets at 100%	3,920	20,622	24,542	26,323
Net assets at Company's share	1,960	2,935	4,895	5,375
Return of capital investments to date	-	79	79	79
Net assets attributable to TWC	\$ 1,960	\$ 3,014	\$ 4,974	\$ 5,454
Net assets attributable to partners	\$ 1,960	\$ 17,608	\$ 19,568	\$ 20,869
Equity income (loss)	\$ (355)	\$ (125)	\$ (480)	\$ 457

TWC has committed US\$10,000,000 towards a real estate fund based out of Florida (Fund IV). As at March 31, 2023, there has been US\$7,500,000 (CDN\$10,150,000) in capital calls paid towards this commitment. TWC has committed another US\$10,000,000 towards a real estate fund based out of Florida (Fund V). As at March 31, 2023, there has been US\$700,000 (CDN\$947,000) in capital calls paid towards this commitment. Outside of the fund, the Company had also previously made an investment in Mount Auburn (comprising of garden style real estate in the southern United States). This investment has now been mostly liquidated.

	March 31, 2023			December 31, 2022		March 31, 2022	
(thousands of dollars)	Mount Auburn	Investment Real Estate Fund IV	Investment Real Estate Fund V	Investment in Mount Auburn	Investment Real Estate Fund IV	Investment in Mount Auburn	Investment in Real Estate Fund IV
Balance, beginning of period (US dollars)	\$ 1,656	\$ 6,381	\$ -	\$ 10,362	\$ 4,841	\$ 10,362	\$ 4,841
Cash call	-	-	700	-	4,075	-	3,300
Valuation adjustment	-	-	-	3,591	1,280	-	-
Return of capital/liquidation	-	-	-	(12,297)	(3,815)	-	-
Balance, end of period (US dollars)	1,656	6,381	700	1,656	6,381	10,362	8,141
Exchange	585	2,255	247	587	1,808	2,586	2,032
Balance, end of period (Cdn dollars)	\$ 2,241	\$ 8,636	\$ 947	\$ 2,243	\$ 8,642	\$ 12,948	\$ 10,173

TWC ENTERPRISES LIMITED
Notes to Interim Condensed Consolidated Financial Statements (Unaudited)
March 31, 2023 and 2022

4. RESIDENTIAL INVENTORY

Residential inventory is comprised of land, development, servicing and construction costs in relation to the construction of homes in the Highland Gate project and consists of the following:

(thousands of Canadian dollars)	Total
At January 1, 2022	\$ 86,094
Additions	31,493
Operating cost of goods sold	(14,984)
Cost of goods sold - amortization	(1,410)
At December 31, 2022	101,193
Additions	14,928
At March 31, 2023	\$ 116,121

The Company's investment in Highland Gate is managed by Geranium Homes. Highland Gate is the development of a former golf course in Aurora, Ontario and includes 157 single family detached homes and a seven story multi-unit residential building with 114 units. For the period ended March 31, 2023, there were no closings. There were eight closings for the period ended March 31, 2022 and ten closings for the year ended December 31, 2022.

The amortization of cost of goods sold represents the non-cash amortization of the purchase price of both the 2019 and 2021 tranches purchased by ClubLink in this project in addition to the recorded minority interest.

5. RIGHT-OF-USE ASSETS

Right-of-use assets consists of the following:

(thousands of Canadian dollars)	Land and Buildings	Equipment	Total
At January 1, 2022	\$ 6,069	\$ 193	\$ 6,262
Disposals	-	(103)	(103)
Depreciation	(3,967)	(88)	(4,055)
Foreign exchange	-	(2)	(2)
At December 31, 2022	2,102	-	2,102
Depreciation	(254)	-	(254)
At March 31, 2023	\$ 1,848	\$ -	\$ 1,848

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

March 31, 2023 and 2022

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

(thousands of Canadian dollars)	Land	Buildings and Land Improvements	Bunkers, Cart Paths and Irrigation	Equipment	Total
Cost					
At January 1, 2022	\$ 282,907	\$ 159,871	\$ 107,214	\$ 93,113	\$ 643,105
Additions	1,949	2,613	3,110	5,428	13,100
Disposals	(55)	(373)	(68)	(2,066)	(2,562)
Foreign exchange difference	738	653	597	548	2,536
At December 31, 2022	285,539	162,764	110,853	97,023	656,179
Additions	110	1,108	145	679	2,042
Disposals	-	(4)	-	(209)	(213)
Foreign exchange difference	(9)	(8)	(8)	(6)	(31)
At March 31, 2023	\$ 285,640	\$ 163,860	\$ 110,990	\$ 97,487	\$ 657,977
Accumulated Depreciation					
At January 1, 2022	\$ -	\$ 86,194	\$ 86,037	\$ 72,392	\$ 244,623
Depreciation	-	4,524	3,404	4,478	12,406
Disposals	-	(373)	(68)	(2,014)	(2,455)
Foreign exchange difference	-	263	369	404	1,036
At December 31, 2022	\$ -	\$ 90,608	\$ 89,742	\$ 75,260	\$ 255,610
Depreciation	-	1,126	774	1,109	3,009
Disposals	-	(4)	-	(203)	(207)
Foreign exchange difference	-	(3)	(5)	(4)	(12)
At March 31, 2023	\$ -	\$ 91,727	\$ 90,511	\$ 76,162	\$ 258,400
Net book value at December 31, 2022	\$ 285,539	\$ 72,156	\$ 21,111	\$ 21,763	\$ 400,569
Net book value at March 31, 2023	\$ 285,640	\$ 72,133	\$ 20,479	\$ 21,325	\$ 399,577

Certain property, plant and equipment have been assigned as collateral for borrowings (Note 10).

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

March 31, 2023 and 2022

7. INTANGIBLE ASSETS

Intangible assets consist of the following:

(thousands of Canadian dollars)	Membership base	Brand	Other	Total Intangible Assets
Cost				
At January 1, 2022	\$ 12,122	\$ 13,477	\$ 2,432	\$ 28,031
Foreign exchange difference	135	-	13	148
At December 31, 2022	12,257	13,477	2,445	28,179
Foreign exchange difference	(2)	-	-	(2)
At March 31, 2023	\$ 12,255	\$ 13,477	\$ 2,445	\$ 28,177
Accumulated amortization				
At January 1, 2022	\$ 6,260	\$ 6,408	\$ 2,432	\$ 15,100
Amortization	637	758	-	1,395
Foreign exchange difference	82	-	13	95
At December 31, 2022	6,979	7,166	2,445	16,590
Amortization	95	104	-	199
Foreign exchange difference	(1)	-	-	(1)
At March 31, 2023	\$ 7,073	\$ 7,270	\$ 2,445	\$ 16,788
Net book value at December 31, 2022	\$ 5,278	\$ 6,311	\$ -	\$ 11,589
Net book value at March 31, 2023	\$ 5,182	\$ 6,207	\$ -	\$ 11,389

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

(thousands of Canadian dollars)	March 31, 2023	December 31, 2022	March 31, 2022
Trade payables	\$ 10,694	\$ 9,907	\$ 8,495
Accrued payroll costs	846	3,094	882
Accrued interest	155	151	-
Income taxes payable	56	3,591	7,468
Accrued liabilities and other	12,173	12,226	15,189
	\$ 23,924	\$ 28,969	\$ 32,034

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

March 31, 2023 and 2022

9. LEASE LIABILITIES

The following table represents the change in the balance of the Company's lease liabilities:

(thousands of Canadian dollars)	Land and Buildings	Equipment	Total
At January 1, 2022	\$ 6,817	\$ 210	\$ 7,027
Disposals	-	(105)	(105)
Interest expense	268	6	274
Lease payments	(4,633)	(111)	(4,744)
At December 31, 2022	2,452	-	2,452
Interest expense	34	-	34
Lease payments	(313)	-	(313)
At March 31, 2023	2,173	-	2,173
Less: current portion	1,156	-	1,156
	\$ 1,017	\$ -	\$ 1,017

Future minimum payments of lease liabilities are as follows:

(thousands of Canadian dollars)	Lease Liabilities	Interest	Total Minimum Lease Payments
Balance of 2023	\$ 850	\$ 78	\$ 928
2024	1,234	41	1,275
2025	10	5	15
2026	11	4	15
2027	12	4	16
2028 and thereafter	56	8	64
	\$ 2,173	\$ 140	\$ 2,313

The above lease liabilities have a weighted average interest rate of 6.0% (2022 - 6.1%).

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

March 31, 2023 and 2022

10. BORROWINGS

Borrowings consist of the following:

(thousands of Canadian dollars)	March 31, 2023	December 31, 2022	March 31, 2022
Secured revolving operating line of credit to a maximum of \$50,000,000 due September 11, 2024	\$ 2,256	\$ 18,804	\$ -
	2,256	18,804	-
Highland Gate syndicated credit facilities to a maximum of \$108,000,000			
Servicing facility - due on demand - maturing October 31, 2025			
Prime rate loan (Prime + 1.00%)	4,676	773	955
BA loan (Stamping fees @ 2.50% or 7.45%)	36,300	31,500	9,200
Servicing facility - Phase 2: due on demand - maturing June 30, 2023			
Prime rate loan (Prime + 1.25%)	-	-	67
BA loan (Stamping fees @ 2.50% or 7.45%)	-	-	12,900
Construction facility - due on demand - maturing October 31, 2023			
Prime rate loan (Prime + 1.00%)	2,696	13	-
BA loan (Stamping fees @2.50% or 7.45%)	12,200	7,900	-
	55,872	40,186	23,122
Mortgages with blended monthly payments of principal and interest			
8.345% Mortgages due July 1, 2022	-	-	686
7.550% Mortgage due July 1, 2022	-	-	81
7.416% Mortgages due September 1, 2023	-	-	4,894
7.268% Mortgage due July 1, 2024	-	-	2,949
8.060% Mortgage due July 1, 2024	9,746	11,468	15,908
6.194% Mortgage due March 1, 2026	-	-	19,694
6.315% Mortgage due December 1, 2027	-	-	21,373
8.000% Mortgage due October 1, 2029 (US\$8,340,000; December 31, 2022 - US\$8,578,000; March 31, 2022 - US\$9,191,000)	11,287	11,618	11,485
Other - maturing August 16, 2024	2,293	2,265	3,357
	23,326	25,351	80,427
Gross borrowings	81,454	84,341	103,549
Less: deferred financing costs	(164)	(190)	(250)
Borrowings	81,290	84,151	103,299
Less: current portion	24,589	17,433	32,370
	\$ 56,701	\$ 66,718	\$ 70,929

On September 1, 2022, the Company paid off several non-revolving mortgages in advance of their due dates resulting in an expense of \$2,604,000 which includes prepayment penalties and other costs.

Borrowings are collateralized by certain property, plant and equipment assets (note 6).

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

March 31, 2023 and 2022

10. BORROWINGS (continued)

Minimum principal debt repayments over the next five years and thereafter as at March 31, 2023 are as follows:

(thousands of Canadian dollars)	Highland Gate	Corporate Borrowings	Total Borrowings
Balance of 2023	\$ 14,896	\$ 7,502	\$ 22,398
2024	-	9,241	9,241
2025	40,976	1,561	42,537
2026	-	1,690	1,690
2027	-	1,830	1,830
2028 and thereafter	-	3,758	3,758
	\$ 55,872	\$ 25,582	\$ 81,454

11. PREPAID ANNUAL DUES AND DEPOSITS

Prepaid annual dues and deposits consist of the following:

(thousands of Canadian dollars)	March 31, 2023	December 31, 2022	March 31, 2022
Prepaid annual dues	\$ 45,949	\$ -	\$ 44,303
Member deposits	8,949	10,781	8,731
Prepaid cart plan deposits	3,564	497	3,273
Highland Gate real estate deposits	18,783	18,414	15,083
Event deposits	3,048	3,239	3,458
Other	1,143	1,816	2,337
	\$ 81,436	\$ 34,747	\$ 77,185

TWC ENTERPRISES LIMITED
Notes to Interim Condensed Consolidated Financial Statements (Unaudited)
March 31, 2023 and 2022

12. DEFERRED MEMBERSHIP FEES

Deferred membership fees consist of the following:

(thousands of Canadian dollars)	March 31, 2023	December 31, 2022	March 31, 2022
Unamortized membership fees (note 12A)	\$ 37,582	\$ 38,223	\$ 37,096
Future membership fee instalments (note 12B)	(34,992)	(34,897)	(33,704)
Deferred membership fees	\$ 2,590	\$ 3,326	\$ 3,392

Unamortized membership fees represents the portion of collected or committed membership fees that have not been booked as revenue.

Future membership fee instalments represents the amount of uncollected committed membership fee instalments. The Company forgives future instalments upon resignation of a member.

The net deferred membership fees represents the excess of membership fees collected over membership fee revenue recognized.

(A) Changes in unamortized membership fees are as follows:

(thousands of Canadian dollars)	For the three months ended March 31, 2023	For the year ended December 31, 2022	For the three months ended March 31, 2022
Balance, beginning of period	\$ 38,223	\$ 37,258	\$ 37,258
Sales to new members	1,908	7,021	1,519
Transfer and reinstatement fees	479	2,519	808
Resignations and terminations	(2,050)	(3,742)	(1,535)
Amortization of membership fees to revenue	(976)	(4,294)	(939)
Country Club resignations and terminations	-	(603)	-
Exchange difference	(2)	64	(15)
Balance, end of period	\$ 37,582	\$ 38,223	\$ 37,096

(B) Changes in future membership fee instalments are as follows:

(thousands of Canadian dollars)	For the three months ended March 31, 2023	For the year ended December 31, 2022	For the three months ended March 31, 2022
Balance, beginning of period	\$ 34,897	\$ 33,282	\$ 33,282
Sales to new members	1,908	7,021	1,519
Transfer and reinstatement fees	479	2,519	808
Resignations and terminations	(2,050)	(3,742)	(1,535)
Instalments received in cash	(242)	(3,646)	(355)
Country Club resignations and terminations	-	(603)	-
Exchange difference	-	66	(15)
Balance, end of period	\$ 34,992	\$ 34,897	\$ 33,704

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

March 31, 2023 and 2022

13. REVENUE

Revenue consists of the following:

(thousands of Canadian dollars)	Three months ended March 31, 2023				Three months ended March 31, 2022			
	Canadian Golf Club Operations	US Golf Club Operations	Other (Highland Gate)	Total	Canadian Golf Club Operations	US Golf Club Operations	Other (Highland Gate)	Total
Annual dues	\$ 15,035	\$ 1,875	\$ -	\$ 16,910	\$ 15,114	\$ 1,688	\$ -	\$ 16,802
Golf	(5)	6,526	-	6,521	10	5,828	-	5,838
Corporate events	-	26	-	26	-	24	-	24
Membership fees	929	47	-	976	886	53	-	939
Food and beverage	471	957	-	1,428	168	775	-	943
Merchandise	1,050	342	-	1,392	945	275	-	1,220
Real estate sales	-	-	-	-	-	-	12,774	12,774
Rooms and other	358	(125)	-	233	426	(95)	-	331
	\$ 17,838	\$ 9,648	\$ -	\$ 27,486	\$ 17,549	\$ 8,548	\$ 12,774	\$ 38,871

14. SHARE CAPITAL

(A) Authorized and issued share capital

The authorized share capital is an unlimited number of common shares and preferred shares. As at March 31, 2023, there are 24,605,087 common shares outstanding (December 31, 2022 - 24,609,280). As at March 31, 2023, no preferred shares have been issued. Please refer to the consolidated statements of changes in shareholders' equity for details.

(B) Dividends

Dividends consist of the following:

Date of declaration	Record date	Distribution date	Amount per share	Payment amount	Share amount	Total amount
March 9, 2022	March 15, 2022	March 31, 2022	0.02	\$ 491,000	\$ -	\$ 491,000
May 2, 2022	May 31, 2022	June 15, 2022	0.02	491,000	-	491,000
August 4, 2022	August 31, 2022	September 15, 2022	0.05	212,000	1,013,000	1,225,000
October 31, 2022	November 30, 2022	December 15, 2022	0.05	216,000	1,011,000	1,227,000
				\$ 1,410,000	\$ 2,024,000	\$ 3,434,000
February 24, 2023	March 15, 2023	March 31, 2023	0.05	\$ 1,148,000	\$ 82,000	\$ 1,230,000
				\$ 1,148,000	\$ 82,000	\$ 1,230,000

(C) Shares repurchased and cancelled

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,227,000 of its common shares which expired on September 19, 2022. From January 1, 2022 to September 19, 2022, the Company repurchased for cancellation 52,200 common shares for a total purchase price of \$968,000 or \$18.55 per share, including commissions.

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,225,000 of its common shares which expires on September 19, 2023. From September 20, 2022 to December 31, 2022, the Company repurchased for cancellation 5,100 common shares for a total purchase price of \$89,000 or \$17.48 per share, including commissions. From January 1, 2023 to March 31, 2023, the Company repurchased for cancellation 9,000 common shares for a total purchase price of \$159,000 or \$17.69 per share, including commissions.

In recording the repurchase and cancellation of shares, share capital is reduced by the weighted average issue price of the outstanding common shares with the differential to the purchase price being credited or charged to retained earnings.

TWC ENTERPRISES LIMITED
Notes to Interim Condensed Consolidated Financial Statements (Unaudited)
March 31, 2023 and 2022

14. SHARE CAPITAL (continued)

(D) Earnings per share

Diluted earnings per share is the same as basic earnings per share as the Company has no dilutive instruments.

15. NON-CONTROLLING INTEREST

As a result of the Highland Gate acquisition on April 14, 2021, ClubLink is now entitled to 83.33% of the project's profits and is consolidating the Highland Gate results. The remaining 16.67% profit participation interest is attributable to non-controlling interests. Summarized financial information in respect of the non-controlling interest in Highland Gate is as follows:

(thousands of Canadian dollars)	March 31, 2023	March 31, 2022
Cash and cash equivalents	\$ -	\$ 3,277
Restricted cash	2,465	1,318
Accounts receivable	1,838	90
Residential inventory (Note 4)	116,121	79,510
Inventories and prepaid expenses	11	5
Total assets	\$ 120,435	\$ 84,200
Accounts payable and accrued liabilities	\$ 7,784	\$ 8,681
Prepaid annual dues and deposits	18,783	15,083
Borrowings	55,872	23,122
Total liabilities	82,439	46,886
Partner capital	31,352	31,352
Retained deficit	(1,944)	(2,513)
Non-controlling interest	8,588	8,475
Total shareholders' equity	37,996	37,314
Total liabilities and shareholders' equity	\$ 120,435	\$ 84,200
	For the three months ended	
(thousands of Canadian dollars)	March 31, 2023	March 31, 2022
Revenue	\$ -	\$ 12,774
Operating cost of goods sold	-	(12,896)
Cost of goods sold - amortization (Note 4)	-	(1,128)
Loss for the period	\$ -	\$ (1,250)
Loss attributable to shareholders	\$ -	(1,042)
Loss attributable to non-controlling interests	-	(208)
Loss for the period	\$ -	(1,250)
	March 31, 2023	March 31, 2022
(thousands of Canadian dollars)	March 31, 2023	March 31, 2022
Balance, beginning of year	\$ 8,588	\$ 8,683
Share of loss for the period	-	(208)
Balance, end of period	\$ 8,588	\$ 8,475

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

March 31, 2023 and 2022

16. INTEREST, NET AND INVESTMENT INCOME

Interest, net and investment income consists of the following:

(thousands of Canadian dollars)	For the three months ended	
	March 31, 2023	March 31, 2022
Revolving lines of credit	\$ 128	\$ 29
Non-revolving mortgages	498	1,475
Construction line of credit (Highland Gate)	686	256
Lease liabilities (note 9)	34	95
Line of credit to related party	(148)	-
Amortization of deferred financing costs	46	40
Other	29	42
Interest revenue and investment income	(2,667)	(1,957)
Capitalized interest (Highland Gate)	(686)	(256)
	\$ (2,080)	\$ (276)

17. OTHER ITEMS

Other items consist of the following loss (income) items:

(thousands of Canadian dollars)	For the three months ended	
	March 31, 2023	March 31, 2022
Foreign exchange loss (gain)	\$ (78)	\$ 83
Unrealized loss on investment in marketable securities	13,558	2,819
Equity loss (income) from investments in joint ventures	480	(197)
Other income	(212)	(135)
	\$ 13,748	\$ 2,570

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

March 31, 2023 and 2022

18. RELATED PARTY TRANSACTIONS

The immediate parent and controlling party of the Company is Paros Enterprises Limited (“Paros”) and its parent – S.N.A. Management Limited. These companies are privately-owned companies whose shareholder is the Chairman, President and Chief Executive Officer of the Company – K. (Rai) Sahi.

K. (Rai) Sahi, the Chairman, President and Chief Executive Officer of the Company is also the controlling shareholder of Morguard Corporation (“Morguard”).

The Company has provided an unsecured revolving demand credit facility to Morguard in the amount of \$50,000,000 with no fixed maturity date. Morguard has provided an unsecured revolving demand credit facility to TWC in the amount of \$50,000,000 with no fixed maturity date. These facilities bear interest on a basis which is consistent with the entity’s borrowing costs.

Summarized information regarding these facilities is as follows:

(thousands of Canadian dollars)	March 31, 2023	For the period ended December 31, 2022	March 31, 2022
Loan receivable from Morguard	32,066	5,000	-
Net interest receivable	95	51	-
Net interest earned	148	112	-

The Company has provided an unsecured revolving demand credit facility to Paros in the amount of \$5,000,000, with no fixed maturity date. Paros has provided an unsecured revolving demand credit facility to TWC in the amount of \$5,000,000 with no fixed maturity date. These facilities bear interest at prime plus 1%. During 2023 and 2022, there were no advances or repayments under this facility.

The purpose of these credit facilities is to allow each of the above entities to manage its financing activities in the most effective manner.

The Company has provided an unsecured revolving demand credit facility to an investment in joint venture in the amount of \$3,000,000, with no fixed maturity date. This facility bears interest at prime plus 1.25%. As at March 31, 2023, the amount receivable on this facility was nil (December 31, 2022 - \$600,000; March 31, 2022 - nil). Interest receivable at March 31, 2023 was nil (December 31, 2022 - \$2,000; March 31, 2022 - nil), and interest earned was \$3,000 for the period ended March 31, 2023 (March 31, 2022 - nil).

The Company receives managerial and consulting services from Morguard. The Company paid a management fee of \$174,000 for the period ended March 31, 2023 (March 31, 2022 - \$174,000), under a contractual agreement, which is included in operating expenses. Morguard also provides back-office services to ClubLink US LLC. The Company paid a management fee of US\$115,000 (CDN\$155,000) for the period ended March 31, 2023 (March 31, 2022 - US\$115,000; CDN\$146,000) under a contractual agreement, which is included in direct operating expenses.

The Highland Gate project receives managerial services from Geranium Homes management companies. The project paid a management fee of \$261,000 for the period ended March 31, 2023 (March 31, 2022 - \$364,000) under a contractual agreement, which is capitalized to residential inventory.

The Company provides landscaping services for certain Morguard assets. The Company received a fee of \$69,000 for the period ended March 31, 2023 (March 31, 2022 - \$60,000) under a contractual agreement.

A total of US\$13,000 of rental revenue was earned by TWC for the period ended March 31, 2023 (March 31, 2022 - US\$13,000) from Morguard relating to a shared office facility in Florida.

All related party transactions were made in the ordinary course of business and on substantially the same terms including interest rates and security as for comparable transactions with parties of a similar standing.

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

March 31, 2023 and 2022

19. SEGMENTED INFORMATION

TWC's reportable segments are strategic business units that offer different services and/or products. The Company's operating segments have been determined based on reports reviewed that are used to make strategic decisions by the President and CEO, the Company's chief operating decision maker.

TWC is engaged in golf club operations under the trademark "ClubLink One Membership More Golf". TWC is Canada's largest owner, operator and manager of golf clubs with 45½, 18-hole equivalent championship and 2, 18-hole equivalent academy courses (including two managed properties), at 35 locations in two separate geographic Regions: (a) Canada and (b) United States.

TWC's golf clubs are strategically organized in clusters that are located in densely populated metropolitan areas and resort destinations frequented by those who live and work in these areas. By operating in regions, TWC is able to offer golfers a wide variety of unique membership, corporate event and resort opportunities. TWC is also able to obtain the benefit of operating synergies to maximize revenue and achieve economies of scale to reduce costs.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Any inter-segment transfers are recorded at cost.

Geographical information is not separately presented as the industry segments operate in separate and distinct geographical segments on their own.

For the Three Months Ended March 31, 2023

(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations and Other	Total
Operating revenue	\$ 16,909	\$ 9,601	\$ -	\$ 26,510
Direct operating expenses	(14,057)	(6,364)	(718)	(21,139)
Net operating income (loss)	2,852	3,237	(718)	5,371
Amortization of membership fees	929	47	-	976
Depreciation and amortization	(3,083)	(379)	-	(3,462)
Other items	247	92	(14,087)	(13,748)
Segment earnings (loss) before interest and income taxes	\$ 945	\$ 2,997	\$ (14,805)	(10,863)
Interest, net (unallocated)				2,080
Recovery of income taxes (unallocated)				732
Net loss				\$ (8,051)
Capital expenditures	\$ 1,832	\$ 210	\$ -	\$ 2,042

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

March 31, 2023 and 2022

19. SEGMENTED INFORMATION (continued)

(thousands of Canadian dollars)	For the Three Months Ended March 31, 2022			Total
	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations and Other	
Operating revenue	\$ 16,663	\$ 8,495	\$ 12,774	\$ 37,932
Direct operating expenses	(12,755)	(5,411)	(14,788)	(32,954)
Net operating income (loss)	3,908	3,084	(2,014)	4,978
Amortization of membership fees	886	53	-	939
Depreciation and amortization	(4,091)	(333)	-	(4,424)
Other items	271	162	(3,003)	(2,570)
Segment earnings (loss) before interest and income taxes	\$ 974	\$ 2,966	\$ (5,017)	(1,077)
Interest, net (unallocated)				276
Provision for income taxes (unallocated)				(292)
Net loss				\$ (1,093)
Capital expenditures	\$ 1,000	\$ 256	\$ -	\$ 1,256

20. COMMITMENTS/CONTINGENCIES

TWC has committed US\$10,000,000 towards a real estate fund based out of Florida (Fund IV). As at March 31, 2023 there has been US\$7,500,000 (CDN\$10,150,000) in capital calls towards this commitment. TWC has committed another US\$10,000,000 towards a real estate fund based out of Florida (Fund V). As at March 31, 2023, there has been US\$700,000 (CDN\$947,000 in capital calls paid towards this commitment (see Note 3).

As at March 31, 2022, December 31, 2022 and March 31, 2023, TWC has \$1,018,000 outstanding in letters of credit against its corporate credit facility.

As at March 31, 2022 and March 31, 2023, TWC has \$2,000,000 outstanding in letters of credit issued in its name with a Morguard credit facility.

From time to time, TWC and certain of its subsidiaries, employees, officers and/or directors are defendants in a number of legal actions arising in the ordinary course of operations. In the opinion of management, it is expected that the ultimate resolution of such pending legal proceedings will not have a material effect on TWC's consolidated financial position.

In the normal course of operations, the Company executes agreements that provide for indemnification and guarantees to third parties in transactions such as business dispositions, business acquisitions, sales of assets and sales of services.

21. SUBSEQUENT EVENT

On April 27, 2023, the Company declared a 5 cents per common share cash dividend, payable June 15, 2023 to shareholders of record on May 31, 2023.

GOLF CLUB AND RESORT PROPERTY LISTING

	Championship Golf Holes	Academy Golf Holes	Future Golf Holes	Current Rooms	Surplus Land in Acres
ONTARIO/QUEBEC REGION					
Prestige					
1. Greystone Golf Club, Milton, Ontario	18	–	–	–	–
2. King Valley Golf Club, The Township of King, Ontario	18	–	–	–	–
3. RattleSnake Point Golf Club, Milton, Ontario	36	9	–	–	–
Hybrid – Prestige					
4. Glen Abbey Golf Club, Oakville, Ontario	18	–	–	–	–
Platinum					
5. Blue Springs Golf Club, Acton, Ontario	18	9	–	–	–
6. Club de Golf Islesmere, Laval, Quebec (a)	27	–	–	–	–
7. Club de Golf Rosemère, Blainville, Quebec (b)	18	–	–	–	–
8. DiamondBack Golf Club, Richmond Hill, Ontario	18	–	–	–	–
9. Eagle Creek Golf Club, Dunrobin, Ontario	18	–	–	–	–
10. Emerald Hills Golf Club, Whitchurch-Stouffville, Ontario	27	–	–	–	–
11. Glencairn Golf Club, Milton, Ontario	27	–	–	–	–
12. Grandview Golf Club, Huntsville, Ontario	18	–	18	–	–
13. Heron Point Golf Links, Ancaster, Ontario	18	–	–	–	–
14. Kanata Golf & Country Club, Kanata, Ontario	18	–	–	–	–
15. King's Riding Golf Club, The Township of King, Ontario	18	–	–	–	–
16. Le Maître de Mont-Tremblant, Mont-Tremblant, Quebec (c)	36	–	–	–	–
17. Rocky Crest Golf Club, Mactier, Ontario	18	–	18	–	–
18. The Lake Joseph Club, Port Carling, Ontario	18	9	–	–	–
19. Wyndance Golf Club, Uxbridge, Ontario	18	9	–	–	–
Gold					
20. Caledon Woods Golf Club, Bolton, Ontario	18	–	–	–	–
21. Club de Golf Hautes Plaines, Gatineau, Quebec	18	–	–	–	–
22. Georgetown Golf Club, Georgetown, Ontario	18	–	–	–	–
23. Glendale Golf and Country Club, Hamilton, Ontario	18	–	–	–	–
24. GreyHawk Golf Club, Ottawa, Ontario	36	–	–	–	–
25. National Pines Golf Club, Innisfil, Ontario (a)	18	–	–	–	–
26. Station Creek Golf Club, Whitchurch-Stouffville, Ontario	36	–	–	–	–
Hybrid – Gold					
27. Cherry Downs Golf & Country Club, Pickering, Ontario	18	–	18	–	–
Hybrid – Silver					
28. Bethesda Grange, Whitchurch-Stouffville, Ontario	18	–	–	–	–
29. Hidden Lake Golf Club, Burlington, Ontario	36	–	–	–	–
Daily Fee					
30. Rolling Hills Golf Club, Whitchurch-Stouffville, Ontario	36	–	–	–	–
Muskoka, Ontario Resorts					
31. The Lake Joseph Club, Port Carling, Ontario	–	–	–	–	–
32. Rocky Crest Resort/Lakeside at Rocky Crest, Mactier, Ontario (d)	–	–	–	84	–
33. Sherwood Inn, Port Carling, Ontario	–	–	–	49	–
FLORIDA REGION					
Hybrid – Prestige					
1. TPC Eagle Trace, Coral Springs, Florida	18	–	–	–	–
Hybrid – Platinum					
2. Club Renaissance, Sun City Center, Florida	18	–	–	–	–
Gold					
3. Scepter Golf Club, Sun City Center, Florida	27	–	–	–	–
Hybrid – Silver					
4. Sandpiper Golf Club, Sun City Center, Florida	27	–	–	–	–
Daily Fee					
5. Palm Aire Country Club (Oaks, Cypress), Pompano Beach, Florida	36	–	–	–	–
6. Palm Aire Country Club (Palms), Pompano Beach, Florida	18	–	–	–	–
OTHER					
Kings Point Golf Club, Sun City Center, Florida (e)	–	–	–	–	51
Caloosa Greens Golf Club, Sun City Center, Florida (e)	–	–	–	–	70
Falcon Watch Golf Club, Sun City Center, Florida (e)	–	–	–	–	116
North Lakes Golf Club, Sun City Center, Florida (e)	–	–	–	–	170
King Haven, The Township of King, Ontario	–	–	–	–	278
Woodlands Country Club, Tamarac, Florida (e)	–	–	–	–	279
Total 18-hole Equivalent Courses, Rooms, Acres	45.5	2.0	3.0	133	964

Notes: (a) Operated by ClubLink under long-term leases. (b) Property managed by ClubLink (formerly known as Club de Golf Le Fontainebleau). (c) Includes 18 holes managed by ClubLink (La Bête Golf Club). (d) Rocky Crest Resort consists of 65 units and Lakeside at Rocky Crest consists of 19 units. (e) These properties are closed.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

FRASER BERRILL (c)

PATRICK S. BRIGHAM (b, c)

PAUL CAMPBELL (b, c)

SAMUEL J.B. POLLOCK (a, b)

ANGELA SAHI

K. (RAI) SAHI

DONALD TURPLE (a, d)

JACK D. WINBERG (a, b, c)

(a) Audit Committee

(b) Corporate Governance and Compensation Committee

(c) Environmental, Health and Safety Committee

(d) Lead director

OFFICERS

TWC ENTERPRISES LIMITED

K. (RAI) SAHI

Chairman, President and Chief Executive Officer

ANDREW TAMLIN

Chief Financial Officer

JOHN A. FINLAYSON

Chief Operations Officer, Canadian Golf Operations

Vice President, Florida Golf Operations

JAMIE KING

Vice President, Sales, Canadian Golf Operations

BRENT MILLER

Vice President, Corporate Operations and Member Services,
Canadian Golf Operations

CORPORATE INFORMATION

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King City, Ontario L7B 1K5

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Contact: Andrew Tamlin

Tel: 905-841-5372

Email: atamlin@clublink.ca

BANKERS

HSBC Bank Canada

HSBC Bank USA

AUDITORS

Deloitte LLP

STOCK EXCHANGE LISTING

Common shares: TSX: TWC

TRANSFER AGENT

TSX Trust Company

P.O. Box 700, Postal Station B, Montreal, QC H3B 3K3

Tel: 416-682-3860

Tel: 1-800-387-0825 (toll free North America)

Fax: 1-888-249-6189

Email: shareholderinquiries@tmx.com

To change your address, eliminate multiple mailings, transfer shares or for any other inquiry, please contact TSX Trust Company at the above co-ordinates.