



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, 2024	March 31, 2023
OPERATIONS		
Operating revenue	65,346	26,510
Net operating income ⁽¹⁾	4,457	5,371
Net loss	(701)	(8,051)
OPERATING DATA		
Canadian full privilege golf members	14,960	15,034
Championship rounds - Canada ⁽²⁾	-	-
18-hole equivalent championship golf courses - Canada ^(2,3)	35.5	35.5
18-hole equivalent managed golf courses - Canada	3.5	2.0
Championship rounds - U.S. ⁽²⁾	90,000	111,000
18-hole equivalent championship golf courses - U.S. ^(2,3)	6.5	8.0
COMMON SHARE DATA (000)		
Shares outstanding	24,503	24,605
Weighted average shares outstanding	24,499	24,601
PER COMMON SHARE DATA (\$)		
Basic and diluted loss	(0.03)	(0.33)
Eligible cash dividend	0.075	0.05
FINANCIAL POSITION		
Total assets	727,315	754,001
Gross borrowings	43,002	83,627
Shareholders' equity	536,862	514,639
Net book value per share ⁽¹⁾	21.91	20.92

(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, 2024. This MD&A has been prepared as at April 26, 2024 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, 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 45 ½, 18-hole equivalent championship and 2, 18-hole equivalent academy courses, at 35 locations in two separate geographical Regions: (a) Ontario/Quebec (including three 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.

(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 2024, ClubLink will operate 24 Ontario/Quebec Region Member Golf Clubs of its own 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

In 2024, ClubLink will be managing three 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 the Mont-Tremblant area.

In 2024, ClubLink is proud to introduce Vespra Hills into the fold as a managed property. Established in 2003, it is situated in close proximity to Barrie, one of Ontario's fastest growing urban markets and 45 minutes from the Highway 407 and 400 interchange making it an attractive option for GTA golfers. Vespra Hills boasts 27 holes across scenic vistas, rolling greens and has a professional, friendly staff. It will add an exciting new flavor to the ClubLink roster of clubs, integrated as a Gold Level Member Club managed by ClubLink.

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)

In 2024, 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

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 2024, 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 1,300 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 2024, 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 2024, ClubLink is operating five Florida Region Golf Clubs as follows:

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

In May 2023, due to years of sustained operational and financial challenges, Sandpiper Golf Club was closed.

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, 2024	December 31, 2023	March 31, 2023
Balance Sheet	1.3550	1.3226	1.3533
Statement of Earnings	1.3488	1.3619	1.3518

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, 2024 and March 31, 2023. 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, 2024	March 31, 2023	% Change 2024/2023
OPERATING REVENUE	\$ 65,346	\$ 26,510	146.5%
DIRECT OPERATING EXPENSES	60,889	21,139	188.0%
NET OPERATING INCOME	4,457	5,371	(17.0%)
Amortization of membership fees	959	976	(1.7%)
Depreciation and amortization	(3,515)	(3,462)	1.5%
Interest, net and investment income	2,785	2,080	33.9%
Other items	(4,601)	(13,748)	(66.5%)
Income taxes	(786)	732	(207.4%)
NET LOSS	\$ (701)	\$ (8,051)	(91.3%)
BASIC AND DILUTED LOSS PER SHARE	\$ (0.03)	\$ (0.33)	(90.9%)
TOTAL ASSETS	\$ 727,315	\$ 754,001	(3.5%)
GROSS BORROWINGS	\$ 43,002	\$ 83,627	(48.6%)
SHAREHOLDERS' EQUITY	\$ 536,862	\$ 514,639	4.3%

The breakdown of operating revenue is as follows:

(thousands of Canadian dollars)	For the three months ended		
	March 31, 2024	March 31, 2023	% Change 2024/2023
Annual dues	\$ 17,507	\$ 16,910	3.5%
Golf	6,002	6,521	(8.0%)
Corporate events	18	26	(30.8%)
Food and beverage	1,267	1,428	(11.3%)
Merchandise	1,755	1,392	26.1%
Real estate sales	38,509	-	N/A
Rooms and other	288	233	23.6%
Total operating revenue	\$ 65,346	\$ 26,510	146.5%

The breakdown of direct operating expenses is as follows:

(thousands of Canadian dollars)	For the three months ended		
	March 31, 2024	March 31, 2023	% Change 2024/2023
Operating cost of sales	\$ 1,847	\$ 1,545	19.5%
Real estate cost of sales	39,722	-	N/A
Labour and employee benefits	9,708	9,560	1.5%
Utilities	1,700	1,737	(2.1%)
Selling, general and administrative	1,476	1,485	(0.6%)
Property taxes	1,883	1,851	1.7%
Insurance	1,154	1,075	7.3%
Repairs and maintenance	1,000	1,331	(24.9%)
Turf operating expenses	313	307	2.0%
Fuel and oil	100	138	(27.5%)
Other operating expenses	1,986	2,110	(5.9%)
Total direct operating expenses	\$ 60,889	\$ 21,139	188.0%

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

FIRST QUARTER 2024 CONSOLIDATED OPERATING HIGHLIGHTS

Operating revenue increased 146.5% to \$65,346,000 for the three month period ended March 31, 2024 from \$26,510,000 in 2023 due to the revenue from 21 Highland Gate home sales (2023 - nil).

Direct operating expenses increased 188.0% to \$60,890,000 for the three month period ended March 31, 2024 from \$21,139,000 in 2023 due to the cost of sales from 21 Highland Gate home sales (2023 - nil), as well as higher merchandise cost of sales from off season merchandise sales.

Net operating income for the Canadian golf club operations segment increased to \$3,554,000 for the three month period ended March 31, 2024 from \$2,852,000 in 2023 due to higher annual dues revenue and the timing of certain expenses.

Interest, net and investment income increased to income of \$2,785,000 for the three month period ended March 31, 2024 from \$2,080,000 in 2023 due to a decrease in borrowings.

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

(thousands of Canadian dollars)	For the three months ended	
	March 31, 2024	March 31, 2023
Foreign exchange loss (gain)	\$ 167	\$ (78)
Unrealized loss on investment in marketable securities	4,551	13,558
Demolition of Woodlands clubhouse	308	-
Equity loss from investments in joint ventures	-	480
Other	(425)	(212)
	\$ 4,601	\$ 13,748

At March 31, 2024, the Company recorded unrealized losses of \$4,551,000 on its investment in marketable securities (March 31, 2023 - \$13,558,000). 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 amounts has changed from 1.3226 at December 31, 2023 to 1.3550 at March 31, 2024. This has resulted in a foreign exchange loss of \$167,000 for the three month period ended March 31, 2024 on the translation of the Company's US denominated financial instruments.

Net loss in the amount of \$701,000 for the three month period ended March 31, 2024 changed from \$8,051,000 in 2023 due to the large unrealized loss on the Company's investment in Automotive Properties REIT recorded in 2023. Basic and diluted loss per share decreased to \$0.03 per share in 2024, compared to basic and diluted loss per share of \$0.33 cents in 2023.

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 20 of the unaudited interim condensed consolidated financial statements for the period ended March 31, 2024.

(thousands of Canadian dollars)	For the three months ended March 31, 2024	March 31, 2023	% Change
Operating revenue by segment			
<i>Canadian golf club operations</i>	\$ 17,889	\$ 16,909	5.8%
<i>US golf club operations</i>	8,948	9,601	(6.8%)
<i>Other (Highland Gate)</i>	38,509	-	N/A
Operating revenue	\$ 65,346	\$ 26,510	146.5%
Net operating income (loss) by segment			
<i>Canadian golf club operations</i>	\$ 3,554	\$ 2,852	24.6%
<i>US golf club operations</i>	2,916	3,237	(9.9%)
<i>Corporate and other</i>	(2,013)	(718)	180.4%
Net operating income	\$ 4,457	\$ 5,371	(17.0%)

Review of Canadian Golf Club Operations for the Period Ended March 31, 2024

Summary of Canadian Golf Club Operations

(statistics)	For the three months ended March 31, 2024	March 31, 2023	% Change
18-hole equivalent championship golf courses	35.5	35.5	-
18-hole equivalent managed golf courses	3.5	2	75.0%
Championship rounds	-	-	-

(thousands of Canadian dollars)	For the three months ended March 31, 2024	March 31, 2023	% Change
Operating revenue	\$ 17,889	\$ 16,909	5.8%
Direct operating expenses	14,335	14,057	2.0%
Net operating income	3,554	2,852	24.6%
Amortization of membership fees	929	929	-
Depreciation and amortization	(3,193)	(3,083)	3.6%
Other items	146	247	(40.9%)
Segment earnings before interest and income taxes	\$ 1,436	\$ 945	52.0%

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, 2024	March 31, 2023	% Change
Annual dues	\$ 15,681	\$ 15,035	4.3%
Golf	3	-	N/A
Food and beverage	300	471	(36.3%)
Merchandise, rooms and other	1,905	1,403	35.8%
Total operating revenue	\$ 17,889	\$ 16,909	5.8%

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, 2024 (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, 2024	March 31, 2023	
Cost of sales	\$ 1,306	\$ 950	37.5%
Labour and employee benefits	7,122	6,901	3.2%
Utilities	1,378	1,360	1.3%
Selling, general and administrative	912	1,016	(10.2%)
Property taxes	704	690	2.0%
Insurance	814	765	6.4%
Repairs and maintenance	841	1,043	(19.4%)
Turf operating expenses	143	134	6.7%
Fuel and oil	42	54	(22.2%)
Other operating expenses	1,073	1,144	(6.2%)
Total direct operating expenses	\$ 14,335	\$ 14,057	2.0%

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 0.5% to 14,960 on March 31, 2024 from 15,034 on March 31, 2023 due to higher resignations in 2023 resulting from an expected decrease in demand for golf membership outside of 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, 2024		Year ended December 31, 2023		Three months ended March 31, 2023	
	Golf Members	Future Membership Fee Instalments	Golf Members	Future Membership Fee Instalments	Golf Members	Future Membership Fee Instalments
Balance, beginning of period	15,256	\$ 35,728	15,417	\$ 33,907	15,417	\$ 33,907
Sales to new members	302	2,246	1,267	7,888	276	1,885
Reinstated members	61	163	278	532	92	96
Category changes	3	-	(12)	-	(15)	-
Transfer and upgrade fees from existing members	-	601	-	2,524	-	390
Resignations and terminations	(662)	(2,005)	(1,694)	(5,002)	(736)	(2,043)
Instalments received in cash	-	(181)	-	(4,121)	-	(193)
Balance, end of period	14,960	\$ 36,552	15,256	\$ 35,728	15,034	\$ 34,042

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

	For the three months ended March 31, 2024	March 31, 2023	% Change
Corporate/Principal/Spousal	150	148	1.4%
Intermediate	78	88	(11.4%)
Senior	-	5	N/A
Junior	29	17	70.6%
Social and other	45	18	150.0%
Total	302	276	9.4%

Full privilege members are broken down into categories as follows:

	For the three months ended March 31, 2024	March 31, 2023	% Change
Corporate/Principal/Spousal	7,529	7,638	(1.4%)
Intermediate	1,282	1,429	(10.3%)
Senior	1,809	1,703	6.2%
Junior	187	158	18.4%
Social and other	4,153	4,106	1.1%
Total	14,960	15,034	(0.5%)

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, 2024

(statistics)	For the three months ended		% Change
	March 31, 2024	March 31, 2023	
18-hole equivalent championship golf courses	6.5	8.0	(18.8%)
Championship rounds	90,000	111,000	(18.9%)

(thousands of dollars)	For the three months ended		% Change
	March 31, 2024	March 31, 2023	
Operating revenue	\$ 6,635	\$ 7,103	(6.6%)
Direct operating expenses	4,472	4,708	(5.0%)
Net operating income	2,163	2,395	(9.7%)
Amortization of membership fees	22	35	(37.1%)
Depreciation and amortization	(238)	(280)	(15.0%)
Other items	(96)	125	(176.8%)
Segment earnings before interest and income taxes (US dollars)	1,851	2,275	(18.6%)
Exchange	572	722	(20.8%)
Segment earnings before interest and income taxes (Cdn dollars)	\$ 2,423	\$ 2,997	(19.1%)

Review of Corporate Items for the Period Ended March 31, 2024

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, 2024	March 31, 2023	
Phase 1 units closed	1	-	N/A
Phase 2 units closed	20	-	N/A
Operating revenue	\$ 38,509	\$ -	N/A
Operating cost of goods sold	(36,761)	-	N/A
Subtotal - project income	1,748	-	N/A
Amortization of cost of goods sold	(2,961)	-	N/A
Total	\$ (1,213)	\$ -	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. Specifically, Phase 2 units were sold during COVID and were especially impacted by trade shortages and material escalations such as lumber which caused both delays in closing these units and profitability of these units.

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, 2024 (continued)

Real Estate Fund Investments

The Company has the following real estate fund investments:

(thousands of dollars)	March 31, 2024	December 31, 2023	March 31, 2023
Investment in Mount Auburn	\$ 759	\$ 1,234	\$ 2,241
Investment in Real Estate Investment Fund IV	9,038	8,822	8,636
Investment in Real Estate Investment Fund V	1,184	1,156	947
	\$ 10,981	\$ 11,212	\$ 11,824

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 \$5,952,000 (US\$4,500,000) on March 1, 2021. Mount Auburn was purchased by a third party real estate company and the investment was substantially liquidated in 2022. The majority of the return of capital/liquidation payments have been made. A payment was received in January 2024 for US\$373,000, and there is one remaining payment that is still expected to be received.

The Company has invested \$9,920,000 (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). TWC has an approximate 9% interest in this fund. This fund primarily invests in Florida real estate projects.

Investments included in Fund IV include:

Investment	Location	Asset Type
Mt. Auburn	Various	Multi-family
1817 Industrial	Olive Branch, MS	Industrial
Marina Landings	Fort Lauderdale, FL	Home building
The Davis	Davie, FL	Multi-family
Cold Storage Deals	Various	Industrial
WPB Fern	Palm Beach, FL	Multi-family
On The Trail	Greenville, SC	Land
36 Collins	Miami Beach, FL	Condominium
Build-For-Rent Portfolio	Sarasota, FL	Home building

The Company has invested \$1,323,000 (US\$1,000,000) in capital calls (US\$10,000,000 total commitment) in a US-based real estate investment fund managed by 13th Floor (Fund V). TWC has an approximate 5% interest in this fund. Fund V's pipeline of deals is expected to consist of mainly multi-family and mixed use opportunities in Florida and South Carolina.

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, 2024 (continued)

Real Estate Fund Investments (continued)

Change in the real estate fund investments is as follows:

(thousands of dollars)	March 31, 2024			December 31, 2023			March 31, 2023		
	Investment in Real Estate Mount Auburn	Real Estate Investment Fund IV	Real Estate Investment Fund V	Investment in Real Estate Mount Auburn	Real Estate Investment Fund IV	Real Estate Investment Fund V	Investment in Real Estate Mount Auburn	Real Estate Investment Fund IV	Real Estate Investment Fund V
Balance, beginning of period (US dollars)	\$ 933	\$ 6,670	\$ 874	\$ 1,656	\$ 6,381	\$ -	\$ 1,656	\$ 6,381	\$ -
Cash call	-	-	-	-	-	1,000	-	-	700
Valuation adjustment	-	-	-	(587)	331	(126)	-	-	-
Distribution in kind	-	-	-	(136)	(42)	-	-	-	-
Return of capital/liquidation	(373)	-	-	-	-	-	-	-	-
Balance, end of period (US dollars)	560	6,670	874	933	6,670	874	1,656	6,381	700
Exchange	199	2,368	310	301	2,152	282	585	2,255	247
Balance, end of period (Cdn dollars)	\$ 759	\$ 9,038	\$ 1,184	\$ 1,234	\$ 8,822	\$ 1,156	\$ 2,241	\$ 8,636	\$ 947

Interest, Net and Investment Income

Interest, net and investment income increased to income of \$2,785,000 for the three month period ended March 31, 2024 from \$2,080,000 in 2023 due to a decrease in borrowings.

Other Items

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

(thousands of Canadian dollars)	For the three months ended March 31, 2024	March 31, 2023
Foreign exchange loss (gain)	\$ 167	\$ (78)
Unrealized loss on investment in marketable securities	4,551	13,558
Demolition of Woodlands clubhouse	308	-
Equity loss from investments in joint ventures	-	480
Other	(425)	(212)
	\$ 4,601	\$ 13,748

At March 31, 2024, the Company recorded unrealized losses of \$4,551,000 on its investment in marketable securities (March 31, 2023 - \$13,558,000). 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 amounts has changed from 1.3226 at December 31, 2023 to 1.3550 at March 31, 2024. This has resulted in a foreign exchange loss of \$167,000 for the three month period ended March 31, 2024 on the translation of the Company's US denominated financial instruments.

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

FINANCIAL CONDITION

Assets

Total assets increased 3.6% to \$727,315,000 at March 31, 2024 from \$702,076,000 at December 31, 2023. This compares to \$754,001,000 at March 31, 2023.

Liabilities

Total liabilities increased 15.8% to \$190,453,000 at March 31, 2024 from \$164,489,000 at December 31, 2023. This compares to \$239,362,000 at March 31, 2023.

Shareholders' Equity

Consolidated shareholders' equity at March 31, 2024 totaled \$536,862,000 or \$21.91 per share, compared to \$537,587,000 or \$21.94 per share at December 31, 2023 and \$514,639,000 or \$20.92 per share at March 31, 2023.

The following is a summary of the common share activity:

(number of shares)	For the three months ended	
	March 31, 2024	March 31, 2023
Balance, beginning of period	24,500,649	24,609,280
Shares issued pursuant to dividend reinvestment plan	6,789	4,807
Shares cancelled through NCIB	(4,000)	(9,000)
Balance, end of period	24,503,438	24,605,087

During 2024, the Company purchased 4,000 (2023 - 9,000) shares for cancellation at a total price in the amount of \$69,000 (2023 - \$159,000).

The company has recorded a positive adjustment to its accumulated other comprehensive earnings account of \$1,767,000 due to the translation of one US dollar into 1.3550 Canadian dollars at March 31, 2024 compared to 1.3226 at December 31, 2023. 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, 2024	March 31, 2023
Cash provided by operating activities	\$ 63,918	\$ 25,609
Operating property, plant and equipment expenditures	(3,487)	(2,042)
Real estate fund investments, net	505	(947)
Mortgages and loans receivable	(54)	(26,485)
Revolving borrowings	(19,843)	(252)
Non-revolving borrowings – amortization payments	(2,201)	(2,625)
Lease liabilities	(2)	(279)
Dividends paid	(1,722)	(1,148)
Common shares repurchased for cancellation	(69)	(159)
Other	827	186
Net change in cash during the period	37,872	(8,142)
Cash, beginning of year	53,745	44,149
Cash, end of period	\$ 91,617	\$ 36,007

The analysis of TWC's liquidity is as follows:

(thousands of Canadian dollars)	Availability as at March 31, 2024		Availability as at December 31, 2023		Availability as at March 31, 2023	
	Maximum	Available	Maximum	Available	Maximum	Available
Cash and cash equivalents (CDN)	\$ 45,056	\$ 45,056	\$ 9,793	\$ 9,793	\$ 18,356	\$ 18,356
Cash and cash equivalents (US)	46,561	46,561	43,952	43,952	17,651	17,651
Revolving line of credit (corporate)	50,000	49,196	50,000	49,196	50,000	48,982
Related party revolving line of credit	50,000	50,000	50,000	50,000	50,000	50,000
Subtotal	191,617	190,813	153,745	152,941	136,007	134,989
Highland Gate	109,544	80,538	108,000	59,151	108,000	52,128
Total	\$ 301,161	\$ 271,351	\$ 261,745	\$ 212,092	\$ 244,007	\$ 187,117

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

LIQUIDITY AND CAPITAL RESOURCES (continued)

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, 2024, 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, 2024 compared to December 31, 2023:

(thousands of Canadian dollars)	Interest Rate March 31, 2024	Interest Rate December 31, 2023	Total Indebtedness March 31, 2024	Total Indebtedness December 31, 2023	Average Term to Maturity (Yrs) March 31, 2024	Average Term to Maturity (Yrs) December 31, 2023
Non-revolving Exchange	8.0%	8.0%	\$ 7,337	\$ 7,595	5.50	5.75
	-	-	2,605	2,450	-	-
Subtotal US borrowings	8.0%	8.0%	9,942	10,045		
Non-revolving CDN borrowings	8.1%	8.1%	2,527	4,383	0.25	0.50
Gross borrowings	8.0%	8.0%	12,469	14,428		
Lease liabilities	7.3%	6.5%	1,527	1,529	2.27	1.77
Highland Gate borrowings (a)	7.9%	8.0%	29,006	48,849	1.58	1.83
Total			\$ 43,002	\$ 64,806		

(a) These borrowings are variable interest rate debt

TWC operates the National Pines Golf Club which is subject to a land lease that expires on November 15, 2024.

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, 2024:

(thousands of Canadian dollars)	Highland Gate	Corporate Borrowings	Lease Liabilities	Total
Balance of 2024	\$ -	\$ 3,619	\$ 1,017	\$ 4,636
2025	29,006	1,563	115	30,684
2026	-	1,692	126	1,818
2027	-	1,832	139	1,971
2028	-	1,984	88	2,072
2029 and thereafter	-	1,779	42	1,821
	\$ 29,006	\$ 12,469	\$ 1,527	\$ 43,002

Operating Activities

Cash provided by operating activities were \$63,918,000 in 2024 compared to \$25,609,000 in 2023 due to 21 Highland Gate home sales in 2024 (2023 - nil).

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 \$3,136,000 in 2024 compared to \$2,815,000 in 2023.

Financing Activities

Financing activities repayments were \$23,891,000 in 2024 compared to \$30,968,000 in 2023.

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, 2024	For the period ended December 31, 2023	March 31, 2023
Loan receivable from Morguard	-	-	32,066
Net interest receivable	-	-	95
Net interest earned	-	712	148

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 2024 and 2023, 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 receives managerial and consulting services from Morguard. The Company paid a management fee of \$174,000 for the period ended March 31, 2024 (March 31, 2023 - \$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, 2024 (March 31, 2023 - US\$115,000; CDN\$155,000) 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 \$298,000 for the period ended March 31, 2024 (March 31, 2023 - \$261,000) 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, 2024 (March 31, 2023 - \$69,000) under a contractual agreement.

A total of US\$13,000 of rental revenue was earned by TWC for the period ended March 31, 2024 (March 31, 2023 - 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, 2024. 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)	2024 Mar. 31	2023				2022			
		Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31
Total assets	\$727,315	\$702,076	\$750,009	\$753,438	\$ 754,001	\$727,343	\$721,283	\$ 766,134	\$ 772,485
Operating revenue	65,346	67,067	67,635	64,653	26,510	30,835	65,009	52,736	37,932
Net operating income (loss)	4,457	3,500	20,371	10,819	5,371	8,109	22,322	13,167	4,978
Net earnings (loss)	(701)	4,289	17,690	8,114	(8,051)	4,245	11,920	3,594	(1,093)
Basic earnings (loss) per share	(0.03)	0.18	0.72	0.33	(0.33)	0.17	0.49	0.15	(0.04)
Eligible cash dividends per share	0.075	0.05	0.05	0.05	0.05	0.05	0.05	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, 2023.

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	25	35	157
Closings up to December 2022	(32)	-	-	-	(32)
Closings transpired in 2023	(8)	(23)	-	-	(31)
Closings transpired in 2024	(1)	(20)	-	-	(21)
Closings expected in 2024	-	(8)	(12)	-	(20)
Closings expected in 2025	-	-	-	(4)	(4)
Unreleased/unsold lots	3	2	13	31	49

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 September 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 meant 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 was remitted to the Superior Court and a hearing on this matter was conducted on September 13, 2022. On Friday, October 13, 2023, the September 2022 decision was released – the result of which removes the development restrictions included in the 40% agreement. This decision has been appealed by the city.

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. In March 2023, ClubLink brought a motion to dismiss this application.

Kanata Golf Club remains open for play in 2024.

Woodlands Golf Club

The Company is working with 13th Floor (a local real estate developer based in south Florida) to explore development options at the former 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, land use, development agreement and site plan have all been approved. 13th Floor has now conveyed to the Company that it has waived on due diligence and the Company is intending to proceed to closing – anticipated in summer 2024. The Company has the option of participating in this project by way of a joint venture.

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

OUTLOOK (continued)

Sun City Center

The Company is considering strategic options for its underutilized land at Sun City. Sandpiper Golf Club has now been closed due to financial and operational reasons. Development options are being considered specifically for the Sandpiper Golf Club.

Vespra Hills Golf Club

For the 2024 golfing season, ClubLink is proud to introduce Vespra Hills into the fold as a managed property. Established in 2003, it is situated in close proximity to Barrie, one of Ontario's fastest growing urban markets and 45 minutes from the Highway 407 and 400 interchange making it an attractive option for GTA golfers. Vespra Hills boasts 27 holes across scenic vistas, rolling greens and has a professional, friendly staff. It will add an exciting new flavor to the ClubLink roster of clubs, integrated as a Gold Level Member Club managed by ClubLink.

ADDITIONAL INFORMATION

Additional information concerning the Company, as well as the Company's Annual Information Form is available on SEDAR (www.sedarplus.ca) 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 26, 2024



Andrew Tamlin
Chief Financial Officer

TWC ENTERPRISES LIMITED

Interim Condensed Consolidated Balance Sheets (Unaudited)

(thousands of Canadian dollars)	Notes	March 31, 2024	December 31, 2023	March 31, 2023
ASSETS				
Current				
Cash and cash equivalents		\$ 91,617	\$ 53,745	\$ 36,007
Restricted cash		6,152	5,887	2,465
Accounts receivable		17,788	5,136	14,472
Mortgages and loans receivable		1,616	1,589	33,233
Inventories and prepaid expenses		12,259	6,325	11,401
Other assets	4	98,410	103,436	111,648
Residential inventory	5	71,327	98,893	116,121
Assets held for sale	3	3,286	3,250	-
		302,455	278,261	325,347
Mortgages and loans receivable		2,805	2,778	718
Other assets	4	10,610	10,424	15,122
Right-of-use assets	6	1,334	1,306	1,848
Property, plant and equipment	7	399,516	398,537	399,577
Intangible assets	8	10,595	10,770	11,389
Total assets		\$ 727,315	\$ 702,076	\$ 754,001
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	9	\$ 23,842	\$ 18,805	\$ 23,924
Lease liabilities	10	1,031	1,279	1,156
Borrowings	11	3,999	5,791	24,589
Prepaid annual dues and deposits	12	74,686	30,873	81,436
		103,558	56,748	131,105
Lease liabilities	10	496	250	1,017
Borrowings	11	37,411	57,394	56,701
Deferred membership fees	13	2,312	3,043	2,590
Deferred income tax liabilities		46,676	47,054	47,949
Total liabilities		190,453	164,489	239,362
Share capital	15	102,188	102,090	102,365
Retained earnings		417,903	420,290	394,519
Accumulated other comprehensive earnings		9,270	7,503	9,167
Non-controlling interest	16	7,501	7,704	8,588
Total shareholders' equity		536,862	537,587	514,639
Total liabilities and shareholders' equity		\$ 727,315	\$ 702,076	\$ 754,001

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, 2024	March 31, 2023
REVENUE			
Operating revenue		\$ 65,346	\$ 26,510
Amortization of membership fees	13	959	976
	14	66,305	27,486
EXPENSES			
Cost of sales		41,569	1,545
Labour and employee benefits		9,708	9,560
Utilities		1,700	1,737
Selling, general and administrative		1,476	1,485
Property taxes		1,883	1,851
Repairs and maintenance		1,000	1,331
Insurance		1,154	1,075
Turf operating expenses		313	307
Fuel and oil		100	138
Other operating expenses		1,986	2,110
Depreciation of right-of-use assets	6	283	254
Depreciation of property, plant and equipment	7	3,039	3,009
Amortization of intangible assets	8	193	199
Interest, net and investment income	17	(2,785)	(2,080)
Other items	18	4,601	13,748
		66,220	36,269
Earnings (loss) before income taxes		85	(8,783)
Income tax provision (recovery)			
Current		1,179	967
Deferred		(393)	(1,699)
		786	(732)
Net loss		(701)	(8,051)
Unrealized foreign exchange gain (loss) in respect of foreign operations		1,767	(52)
Total comprehensive earnings (loss)		\$ 1,066	\$ (8,103)
Weighted average shares outstanding (000)	15	24,499	24,601
Loss per share - basic and diluted	15	\$ (0.03)	\$ (0.33)
(thousands of Canadian dollars)			
Net loss attributable to:		March 31, 2024	March 31, 2023
Shareholders		\$ (498)	\$ (8,051)
Non-controlling interest (Note 16)		(203)	-
		\$ (701)	\$ (8,051)

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, 2023		24,609,280	\$ 102,320	\$ 403,922	\$ 9,219	\$ 8,588	\$ 524,049
Comprehensive loss		-	-	(8,051)	(52)	-	(8,103)
Cash dividend	15B	-	-	(1,148)	-	-	(1,148)
Shares cancelled subject to normal course issuer bid	15C	(9,000)	(37)	(122)	-	-	(159)
Shares issued pursuant to dividend reinvestment plan	15B	4,807	82	(82)	-	-	-
Balance, March 31, 2023		24,605,087	102,365	394,519	9,167	8,588	514,639
Comprehensive earnings (loss)		-	-	30,977	(1,664)	(884)	28,429
Cash dividend	15B	-	-	(3,477)	-	-	(3,477)
Shares cancelled subject to normal course issuer bid	15C	(116,600)	(486)	(1,518)	-	-	(2,004)
Shares issued pursuant to dividend reinvestment plan	15B	12,162	211	(211)	-	-	-
Balance, December 31, 2023		24,500,649	102,090	420,290	7,503	7,704	537,587
Comprehensive earnings (loss)		-	-	(498)	1,767	(203)	1,066
Cash dividend	15B	-	-	(1,722)	-	-	(1,722)
Shares cancelled subject to normal course issuer bid	15C	(4,000)	(17)	(52)	-	-	(69)
Shares issued pursuant to dividend reinvestment plan	15B	6,789	115	(115)	-	-	-
Balance, March 31, 2024		24,503,438	\$ 102,188	\$ 417,903	\$ 9,270	\$ 7,501	\$ 536,862

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

(thousands of Canadian dollars)	Notes	March 31, 2024	March 31, 2023
OPERATING ACTIVITIES			
Net loss		\$ (701)	\$ (8,051)
Items not affecting cash:			
Amortization of membership fees	13	(959)	(976)
Depreciation of right-of-use assets	6	283	254
Depreciation of property, plant and equipment	7	3,039	3,009
Amortization of intangible assets	8	193	199
Interest, net and investment income	17	(2,785)	(2,080)
Unrealized foreign exchange loss (gain)	18	167	(78)
Unrealized loss on investment in marketable securities	18	4,551	13,558
Gain on property, plant and equipment		(84)	(171)
Equity loss from investments in joint ventures		-	480
Income tax provision (recovery)		786	(732)
Collection of membership fee instalments	13	230	242
Interest paid (income), net		2,799	2,079
Income taxes paid		(2,755)	(1,965)
Restricted cash		(265)	(226)
Accounts receivable		(12,652)	(1,492)
Inventories and prepaid expenses		(5,934)	(6,248)
Residential inventory, net		27,566	(14,928)
Accounts payable and accrued liabilities		6,626	(3,954)
Prepaid annual dues and deposits		43,813	46,689
Cash and cash equivalents provided by operating activities		63,918	25,609
INVESTING ACTIVITIES			
Operating property, plant and equipment expenditures	7	(3,487)	(2,042)
Proceeds on sale of property, plant and equipment		89	177
Right-of-use assets	6	(311)	-
Real estate fund investments, net	4	505	(947)
Other long-term assets		68	(3)
Cash and cash equivalents used in investing activities		(3,136)	(2,815)
FINANCING ACTIVITIES			
Deferred financing costs		-	(20)
Revolving borrowings		(19,843)	(252)
Non-revolving borrowings - amortization payments		(2,201)	(2,625)
Lease liabilities		(2)	(279)
Mortgages and loans receivable		(54)	(26,485)
Shares repurchased for cancellation	15	(69)	(159)
Dividends paid	15	(1,722)	(1,148)
Cash and cash equivalents used in financing activities		(23,891)	(30,968)
Net effect of currency translation adjustment on cash and cash equivalents		981	32
Net increase (decrease) in cash and cash equivalents during the period		37,872	(8,142)
Cash and cash equivalents, beginning of period		53,745	44,149
Cash and cash equivalents, end of period		\$ 91,617	\$ 36,007

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, 2024 and 2023

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” (“ClubLink”). ClubLink is Canada’s largest owner, operator and manager of golf clubs with 45 ½, 18-hole equivalent championship and 2, 18-hole equivalent academy courses at 35 locations in Ontario, Quebec and Florida (including three managed properties) throughout 2024.

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”) as issued by the International Accounting Standards Board (IASB).

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 26, 2024.

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, 2023. 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, 2023. 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, 2023 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, 2024 and 2023

3. ASSETS HELD FOR SALE

The Company 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. 13th Floor has now conveyed to the Company that it has waived on due diligence and is intending to proceed to closing – anticipated in summer 2024. The Company has the option of participating in this project by way of a joint venture. As a result, the Company has classified the property, plant and equipment from Woodlands Country Club as held for sale on the Consolidated Balance Sheet as at March 31, 2024.

The assets held for sale are measured at the lower of book value and fair value less costs to sell. This has been assessed at March 31, 2024 and no adjustment is warranted to book value.

At March 31, 2024, the assets held for sale are comprised of the following:

(thousands of Canadian dollars)	Notes	March 31, 2024	December 31, 2023
Property, plant and equipment	7	\$ 3,286	\$ 3,250

4. OTHER ASSETS

Other assets consist of the following:

(thousands of Canadian dollars)	March 31, 2024	December 31, 2023	March 31, 2023
Investment in joint ventures	\$ -	\$ -	\$ 4,974
Investment in Automotive Properties REIT (9,480,712 units; December 31, 2023 - 9,480,712 units; March 31, 2023 - 9,480,712 units)	97,651	102,202	109,407
Investment in Mount Auburn (US\$560,000; December 31, 2023 - US\$933,000; March 31, 2023 - US\$1,656,000)	759	1,234	2,241
Investment in Real Estate Investment Fund IV (US\$6,670,000; December 31, 2023 - US\$6,670,000; March 31, 2023 - US\$6,381,000)	9,038	8,822	8,636
Investment in Real Estate Investment Fund V (US\$874,000; December 31, 2023 - \$874,000; March 31, 2023 - \$700,000)	1,184	1,156	947
Other	388	446	565
	109,020	113,860	\$ 126,770
Less: current portion	98,410	103,436	111,648
	\$ 10,610	\$ 10,424	\$ 15,122

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

(thousands of Canadian dollars)	March 31, 2024	December 31, 2023	March 31, 2023
Balance, beginning of period	\$ -	\$ 5,454	\$ 5,454
Equity income (loss)	-	(123)	(480)
Divestiture	-	(5,331)	-
Balance, end of period	\$ -	\$ -	\$ 4,974

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

March 31, 2024 and 2023

4. OTHER ASSETS (continued)

TWC has committed US\$10,000,000 towards a real estate fund based out of Florida (Fund IV). As at March 31, 2024, there has been US\$7,500,000 (CDN\$9,920,000) 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, 2024, there has been US\$1,000,000 (CDN\$1,323,000) 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.

Change in the real estate fund investments is as follows:

(thousands of dollars)	March 31, 2024			December 31, 2023			March 31, 2023		
	Investment in Real Estate Mount Auburn	Real Estate Investment Fund IV	Real Estate Investment Fund V	Investment in Real Estate Mount Auburn	Real Estate Investment Fund IV	Real Estate Investment Fund V	Investment in Real Estate Mount Auburn	Real Estate Investment Fund IV	Real Estate Investment Fund V
Balance, beginning of period (US dollars)	\$ 933	\$ 6,670	\$ 874	\$ 1,656	\$ 6,381	\$ -	\$ 1,656	\$ 6,381	\$ -
Cash call	-	-	-	-	-	1,000	-	-	700
Valuation adjustment	-	-	-	(587)	331	(126)	-	-	-
Distribution in kind	-	-	-	(136)	(42)	-	-	-	-
Return of capital/liquidation	(373)	-	-	-	-	-	-	-	-
Balance, end of period (US dollars)	560	6,670	874	933	6,670	874	1,656	6,381	700
Exchange	199	2,368	310	301	2,152	282	585	2,255	247
Balance, end of period (Cdn dollars)	\$ 759	\$ 9,038	\$ 1,184	\$ 1,234	\$ 8,822	\$ 1,156	\$ 2,241	\$ 8,636	\$ 947

5. 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 in Aurora, Ontario and consists of the following:

(thousands of Canadian dollars)	Total
At January 1, 2023	\$ 101,193
Additions	57,595
Operating cost of goods sold	(55,524)
Cost of goods sold - amortization	(4,371)
At December 31, 2023	98,893
Additions	12,156
Operating cost of goods sold	(36,761)
Cost of goods sold - amortization	(2,961)
At March 31, 2024	\$ 71,327

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, 2024, there were 21 closings. There were no closings for the period ended March 31, 2023 and 31 closings for the year ended December 31, 2023.

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. This is being expensed at the rate of \$141,000 per closing. At March 31, 2024 there was \$11,142,000 (March 31, 2023 - \$18,474,000) in the unamortized balance.

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

March 31, 2024 and 2023

6. RIGHT-OF-USE ASSETS

Right-of-use assets consists of the following:

(thousands of Canadian dollars)	Land and Buildings	Equipment	Total
At January 1, 2023	\$ 2,102	\$ -	\$ 2,102
Additions	-	254	254
Depreciation	(1,015)	(35)	(1,050)
At December 31, 2023	1,087	219	1,306
Additions	-	311	311
Depreciation	(254)	(29)	(283)
At March 31, 2024	\$ 833	\$ 501	\$ 1,334

7. 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, 2023	\$ 285,539	\$ 162,764	\$ 110,853	\$ 97,023	\$ 656,179
Additions	188	4,681	4,289	5,557	14,715
Disposals	-	-	-	(4,058)	(4,058)
Transfer - asset held for sale (Note 3)	(1,960)	(2,680)	(1,701)	(1,084)	(7,425)
Foreign exchange difference	(271)	(245)	(249)	(208)	(973)
At December 31, 2023	283,496	164,520	113,192	97,230	658,438
Additions	536	139	383	2,429	3,487
Disposals	-	-	-	(325)	(325)
Foreign exchange difference	228	185	212	200	825
At March 31, 2024	\$ 284,260	\$ 164,844	\$ 113,787	\$ 99,534	\$ 662,425
Accumulated Depreciation					
At January 1, 2023	\$ -	\$ 90,608	\$ 89,742	\$ 75,260	\$ 255,610
Depreciation	-	4,533	3,237	4,571	12,341
Disposals	-	-	-	(3,454)	(3,454)
Transfer - asset held for sale (Note 3)	-	(2,280)	(812)	(1,083)	(4,175)
Foreign exchange difference	-	(105)	(154)	(162)	(421)
At December 31, 2023	-	92,756	92,013	75,132	259,901
Depreciation	-	1,117	785	1,137	3,039
Disposals	-	-	-	(320)	(320)
Foreign exchange difference	-	31	120	138	289
At March 31, 2024	\$ -	\$ 93,904	\$ 92,918	\$ 76,087	\$ 262,909
Net book value					
at December 31, 2023	\$ 283,496	\$ 71,764	\$ 21,179	\$ 22,098	\$ 398,537
at March 31, 2024	\$ 284,260	\$ 70,940	\$ 20,869	\$ 23,447	\$ 399,516

Certain property, plant and equipment have been assigned as collateral for borrowings (Note 11).

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

March 31, 2024 and 2023

8. INTANGIBLE ASSETS

Intangible assets consist of the following:

(thousands of Canadian dollars)	Membership Base	Brand	Other	Total Intangible Assets
Cost				
At January 1, 2023	\$ 12,257	\$ 13,477	\$ 2,445	\$ 28,179
Foreign exchange difference	(49)	-	(5)	(54)
At December 31, 2023	12,208	13,477	2,440	28,125
Foreign exchange difference	50	-	-	50
At March 31, 2024	\$ 12,258	\$ 13,477	\$ 2,440	\$ 28,175
Accumulated amortization				
At January 1, 2023	\$ 6,979	\$ 7,166	\$ 2,445	\$ 16,590
Amortization	382	419	-	801
Foreign exchange difference	(31)	-	(5)	(36)
At December 31, 2023	7,330	7,585	2,440	17,355
Amortization	92	101	-	193
Foreign exchange difference	32	-	-	32
At March 31, 2024	\$ 7,454	\$ 7,686	\$ 2,440	\$ 17,580
Net book value at December 31, 2023	\$ 4,878	\$ 5,892	\$ -	\$ 10,770
Net book value at March 31, 2024	\$ 4,804	\$ 5,791	\$ -	\$ 10,595

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

(thousands of Canadian dollars)	March 31, 2024	December 31, 2023	March 31, 2023
Trade payables	\$ 15,015	\$ 10,904	\$ 10,694
Accrued payroll costs	991	3,138	846
Accrued interest	81	94	155
Income taxes payable	663	243	56
Contingent contractual obligation (a)	-	-	6,767
Accrued liabilities and other	7,092	4,426	12,173
	\$ 23,842	\$ 18,805	\$ 23,924

(a) The contingent contractual obligation originating from the sale of White Pass in 2018 expired in July 2023 unexpended and as such was recorded in net earnings in 2023.

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

March 31, 2024 and 2023

10. 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, 2023	\$ 2,452	\$ -	\$ 2,452
Additions	-	254	254
Interest expense	112	15	127
Lease payments	(1,241)	(63)	(1,304)
At December 31, 2023	1,323	206	1,529
Additions	-	311	311
Interest expense	17	10	27
Lease payments	(321)	(19)	(340)
At March 31, 2024	1,019	508	1,527
Less: current portion	935	96	1,031
	\$ 84	\$ 412	\$ 496

Future minimum payments of lease liabilities are as follows:

(thousands of Canadian dollars)	Lease Liabilities	Interest	Total Minimum Lease Payments
Balance of 2024	\$ 1,017	\$ 59	\$ 1,076
2025	115	42	157
2026	126	31	157
2027	139	18	157
2028	88	6	94
2029 and thereafter	42	5	47
	\$ 1,527	\$ 161	\$ 1,688

The above lease liabilities have a weighted average interest rate of 7.3% (2023 - 6.5%).

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

March 31, 2024 and 2023

11. BORROWINGS

Borrowings consist of the following:

(thousands of Canadian dollars)	March 31, 2024	December 31, 2023	March 31, 2023
Highland Gate credit facilities to a maximum of \$109,544,000			
Servicing facility - due on demand - maturing October 31, 2025			
Prime rate loan (Prime + 1.00%)	\$ 1,590	\$ 5,271	\$ 4,676
BA loan (Stamping fees @ 2.50% or 7.79%)	17,163	24,400	36,300
Construction facility - due on demand - maturing October 31, 2025			
Prime rate loan (Prime + 1.00%)	1,260	3,678	2,696
BA loan (Stamping fees @2.50% or 7.79%)	8,993	15,500	12,200
	29,006	48,849	55,872
Mortgages with blended monthly payments of principal and interest			
8.060% Mortgage due July 1, 2024	2,527	4,383	9,746
8.000% Mortgage due October 1, 2029 (US\$7,337,000; December 31, 2023 - US\$7,595,000; March 31, 2023 - US\$8,340,000)	9,942	10,045	11,287
Other	-	-	2,293
	12,469	14,428	23,326
Secured revolving operating line of credit to a maximum of \$50,000,000 due September 11, 2025	-	-	2,256
	-	-	2,256
Gross borrowings	41,475	63,277	81,454
Less: deferred financing costs	(65)	(92)	(164)
Borrowings	41,410	63,185	81,290
Less: current portion	3,999	5,791	24,589
	\$ 37,411	\$ 57,394	\$ 56,701

Borrowings are collateralized by certain property, plant and equipment assets (note 7).

Minimum principal debt repayments over the next five years and thereafter as at March 31, 2024 are as follows:

(thousands of Canadian dollars)	Highland Gate	Corporate Borrowings	Total Borrowings
Balance of 2024	\$ -	\$ 3,619	\$ 3,619
2025	29,006	1,563	30,569
2026	-	1,692	1,692
2027	-	1,832	1,832
2028	-	1,984	1,984
2029 and thereafter	-	1,779	1,779
	\$ 29,006	\$ 12,469	\$ 41,475

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

March 31, 2024 and 2023

12. PREPAID ANNUAL DUES AND DEPOSITS

Prepaid annual dues and deposits consist of the following:

(thousands of Canadian dollars)	March 31, 2024	December 31, 2023	March 31, 2023
Prepaid annual dues	\$ 47,946	\$ -	\$ 45,949
Member deposits	8,616	9,907	8,949
Prepaid cart plan deposits	3,598	624	3,564
Highland Gate real estate deposits	8,943	13,905	18,783
Event deposits	2,604	3,433	3,048
Other	2,979	3,004	1,143
	\$ 74,686	\$ 30,873	\$ 81,436

TWC ENTERPRISES LIMITED
Notes to Interim Condensed Consolidated Financial Statements (Unaudited)
March 31, 2024 and 2023

13. DEFERRED MEMBERSHIP FEES

Deferred membership fees consist of the following:

(thousands of Canadian dollars)	March 31, 2024	December 31, 2023	March 31, 2023
Unamortized membership fees (note 13A)	\$ 39,742	\$ 39,664	\$ 37,582
Future membership fee instalments (note 13B)	(37,430)	(36,621)	(34,992)
Deferred membership fees	\$ 2,312	\$ 3,043	\$ 2,590

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, 2024	For the year ended December 31, 2023	For the three months ended March 31, 2023
Balance, beginning of period	\$ 39,664	\$ 38,223	\$ 38,223
Sales to new members	2,276	8,068	1,908
Transfer and reinstatement fees	768	3,060	479
Resignations and terminations	(2,006)	(5,084)	(2,050)
Amortization of membership fees to revenue	(959)	(4,604)	(976)
Exchange difference	(1)	1	(2)
Balance, end of period	\$ 39,742	\$ 39,664	\$ 37,582

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

(thousands of Canadian dollars)	For the three months ended March 31, 2024	For the year ended December 31, 2023	For the three months ended March 31, 2023
Balance, beginning of period	\$ 36,621	\$ 34,897	\$ 34,897
Sales to new members	2,276	8,068	1,908
Transfer and reinstatement fees	768	3,060	479
Resignations and terminations	(2,006)	(5,084)	(2,050)
Instalments received in cash	(230)	(4,319)	(242)
Exchange difference	1	(1)	-
Balance, end of period	\$ 37,430	\$ 36,621	\$ 34,992

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

March 31, 2024 and 2023

14. REVENUE

Revenue consists of the following:

(thousands of Canadian dollars)	Three months ended March 31, 2024				Three months ended March 31, 2023			
	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	\$ 15,681	\$ 1,826	\$ -	\$ 17,507	\$ 15,035	\$ 1,875	\$ -	\$ 16,910
Golf	3	5,999	-	6,002	(5)	6,526	-	6,521
Corporate events	(2)	20	-	18	-	26	-	26
Membership fees	929	30	-	959	929	47	-	976
Food and beverage	300	967	-	1,267	471	957	-	1,428
Merchandise	1,473	282	-	1,755	1,050	342	-	1,392
Real estate sales	-	-	38,509	38,509	-	-	-	-
Rooms and other	434	(146)	-	288	358	(125)	-	233
	\$ 18,818	\$ 8,978	\$ 38,509	\$ 66,305	\$ 17,838	\$ 9,648	\$ -	\$ 27,486

15. 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, 2024, there are 24,503,438 common shares outstanding (December 31, 2023 - 24,500,649). As at March 31, 2024, 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
February 24, 2023	March 15, 2023	March 31, 2023	0.05	\$ 1,148,000	\$ 82,000	\$ 1,230,000
April 27, 2023	May 31, 2023	June 15, 2023	0.05	1,155,000	75,000	1,230,000
August 2, 2023	August 31, 2023	September 15, 2023	0.05	1,161,000	68,000	1,229,000
November 2, 2023	November 30, 2023	December 15, 2023	0.05	1,161,000	68,000	1,229,000
				\$ 4,625,000	\$ 293,000	\$ 4,918,000
February 23, 2024	March 15, 2024	April 1, 2024	0.075	\$ 1,722,000	\$ 115,000	\$ 1,837,000
				\$ 1,722,000	\$ 115,000	\$ 1,837,000

(C) Shares repurchased and cancelled

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,225,000 of its common shares which expired 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 September 19, 2023, the Company repurchased for cancellation 57,200 common shares for a total purchase price of \$1,028,000 or \$17.97 per share, including commissions.

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,228,000 of its common shares which expires on September 19, 2024. From September 20, 2023 to December 31, 2023, the Company repurchased for cancellation 68,400 common shares for a total purchase price of \$1,134,000 or \$16.58 per share, including commissions. From January 1, 2024 to March 31, 2024, the Company repurchased for cancellation 4,000 common shares for a total purchase price of \$69,000 or \$17.25 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, 2024 and 2023

15. 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.

16. NON-CONTROLLING INTEREST

As a result of the Highland Gate acquisition on April 14, 2021, ClubLink is 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, 2024	March 31, 2023
Cash and cash equivalents	\$ 2,796	\$ -
Restricted cash	6,152	2,465
Accounts receivable	2,352	1,838
Residential inventory (Note 5)	71,327	116,121
Inventories and prepaid expenses	10	11
Total assets	\$ 82,637	\$ 120,435
Accounts payable and accrued liabilities	\$ 13,206	\$ 7,784
Prepaid annual dues and deposits	8,943	18,783
Borrowings	29,006	55,872
Total liabilities	51,155	82,439
Partner capital	31,352	31,352
Retained deficit	(7,371)	(1,944)
Non-controlling interest	7,501	8,588
Total shareholders' equity	31,482	37,996
Total liabilities and shareholders' equity	\$ 82,637	\$ 120,435
	For the three months ended	
(thousands of Canadian dollars)	March 31, 2024	March 31, 2023
Revenue	\$ 38,509	\$ -
Operating cost of goods sold	(36,761)	-
Cost of goods sold - amortization (Note 5)	(2,961)	-
Loss for the period	\$ (1,213)	\$ -
Loss attributable to shareholders	\$ (1,010)	\$ -
Loss attributable to non-controlling interests	(203)	-
Loss for the period	\$ (1,213)	\$ -
	March 31, 2024	March 31, 2023
(thousands of Canadian dollars)	March 31, 2024	March 31, 2023
Non-controlling interest, beginning of year	\$ 7,704	\$ 8,588
Share of loss for the period	(203)	-
Non-controlling interest, end of period	\$ 7,501	\$ 8,588

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

March 31, 2024 and 2023

17. 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, 2024	March 31, 2023
Revolving line of credit	\$ 6	\$ 128
Non-revolving mortgages	331	498
Construction line of credit (Highland Gate)	462	686
Lease liabilities (note 10)	27	34
Line of credit to related party	-	(148)
Amortization of deferred financing costs	27	46
Interest revenue and investment income	(3,176)	(2,667)
Capitalized interest (Highland Gate)	(462)	(686)
Other	-	29
	\$ (2,785)	\$ (2,080)

18. OTHER ITEMS

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

(thousands of Canadian dollars)	For the three months ended	
	March 31, 2024	March 31, 2023
Foreign exchange loss (gain)	\$ 167	\$ (78)
Unrealized loss on investment in marketable securities	4,551	13,558
Demolition of Woodlands clubhouse	308	-
Equity loss from investments in joint ventures	-	480
Other	(425)	(212)
	\$ 4,601	\$ 13,748

TWC ENTERPRISES LIMITED
Notes to Interim Condensed Consolidated Financial Statements (Unaudited)
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19. 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, 2024	For the period ended December 31, 2023	March 31, 2023
Loan receivable from Morguard	-	-	32,066
Net interest receivable	-	-	95
Net interest earned	-	712	148

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 2024 and 2023, 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 receives managerial and consulting services from Morguard. The Company paid a management fee of \$174,000 for the period ended March 31, 2024 (March 31, 2023 - \$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, 2024 (March 31, 2023 - US\$115,000; CDN\$155,000) 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 \$298,000 for the period ended March 31, 2024 (March 31, 2023 - \$261,000) 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, 2024 (March 31, 2023 - \$69,000) under a contractual agreement.

A total of US\$13,000 of rental revenue was earned by TWC for the period ended March 31, 2024 (March 31, 2023 - 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, 2024 and 2023

20. 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, 2024

(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations and Other	Total
Operating revenue	\$ 17,889	\$ 8,948	\$ 38,509	\$ 65,346
Direct operating expenses	(14,335)	(6,032)	(40,522)	(60,889)
Net operating income (loss)	3,554	2,916	(2,013)	4,457
Amortization of membership fees	929	30	-	959
Depreciation and amortization	(3,193)	(322)	-	(3,515)
Other items	146	(201)	(4,546)	(4,601)
Segment earnings (loss) before interest and income taxes	\$ 1,436	\$ 2,423	\$ (6,559)	(2,700)
Interest, net (unallocated)				2,785
Provision of income taxes (unallocated)				(786)
Net loss				\$ (701)
Capital expenditures	\$ 1,835	\$ 1,652	\$ -	\$ 3,487

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

March 31, 2024 and 2023

20. SEGMENTED INFORMATION (continued)

(thousands of Canadian dollars)	For the Three Months Ended March 31, 2023			Total
	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations and Other	
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

21. COMMITMENTS/CONTINGENCIES

TWC has committed US\$10,000,000 towards a real estate investment fund based out of Florida (Fund IV). As at March 31, 2024, there has been US\$7,500,000 (CDN\$9,920,000) 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, 2024, there has been US\$1,000,000 (CDN\$1,323,000) in capital calls paid towards this commitment (see Note 4).

As at December 31, 2023 and March 31, 2024, TWC has \$804,000 (March 31, 2023 - \$1,018,000) outstanding in letters of credit against its corporate 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.

22. SUBSEQUENT EVENT

On April 25, 2024, the Company declared a 7.5 cents per common share cash dividend, payable June 17, 2024 to shareholders of record on May 31, 2024.

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	–	–	–	–
27. Vespra Hills Golf Club, Minesing, Ontario (b)	27	–	–	–	–
Hybrid – Gold					
28. Cherry Downs Golf & Country Club, Pickering, Ontario	18	–	18	–	–
Hybrid – Silver					
29. Bethesda Grange, Whitchurch-Stouffville, Ontario	18	–	–	–	–
30. Hidden Lake Golf Club, Burlington, Ontario	36	–	–	–	–
Daily Fee					
31. Rolling Hills Golf Club, Whitchurch-Stouffville, Ontario	36	–	–	–	–
Muskoka, Ontario Resorts					
32. The Lake Joseph Club, Port Carling, Ontario	–	–	–	–	–
33. Rocky Crest Resort/Lakeside at Rocky Crest, Mactier, Ontario (d)	–	–	–	84	–
34. 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	–	–	–	–
Daily Fee					
4. Palm Aire Country Club (Oaks, Cypress), Pompano Beach, Florida	36	–	–	–	–
5. Palm Aire Country Club (Palms), Pompano Beach, Florida	18	–	–	–	–
OTHER					
King Haven, The Township of King, Ontario	–	–	–	–	278
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
Sandpiper Golf Club, Sun City Center, Florida (e)	–	–	–	–	250
Woodlands Country Club, Tamarac, Florida (e)	–	–	–	–	279
Total 18-hole Equivalent Courses, Rooms, Acres	45.5	2.0	3.0	133	1,214

Notes: (a) Operated by ClubLink under long-term leases. (b) Property managed by ClubLink. (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 and Marketing/Business Development

BRENT MILLER
Vice President, Business Development

CORPORATE INFORMATION

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King City, Ontario L7B 1K5
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INVESTOR RELATIONS

Contact: Andrew Tamlin
Tel: (905) 841-5372
Email: atamlin@clublink.ca

BANKERS

HSBC Bank Canada

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.