

TWC ENTERPRISES LIMITED

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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		For the sixth months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
OPERATIONS				
Operating revenue	64,653	52,736	91,163	90,668
Net operating income ⁽¹⁾	10,819	13,167	16,190	18,145
Net earnings	8,114	3,594	63	2,501
OPERATING DATA				
Canadian full privilege golf members			15,156	15,583
Championship rounds - Canada ⁽²⁾	391,000	444,000	391,000	444,000
18-hole equivalent championship golf courses - Canada ^(2,3)			35.5	37.5
18-hole equivalent managed golf courses - Canada			2.0	2.0
Championship rounds - U.S. ⁽²⁾	55,000	55,000	169,000	167,000
18-hole equivalent championship golf courses - U.S. ^(2,3)			8.0	8.0
COMMON SHARE DATA (000)				
Shares outstanding	24,595	24,496	24,595	24,496
Weighted average shares outstanding	24,602	24,521	24,601	24,535
PER COMMON SHARE DATA (\$)				
Basic and diluted earnings	0.33	0.15	0.00	0.10
Eligible cash dividend	0.05	0.02	0.10	0.04
FINANCIAL POSITION				
Total assets			753,438	766,134
Gross borrowings			82,876	105,628
Shareholders' equity			519,758	505,098
Net book value per share ⁽¹⁾			21.13	20.62

(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 June 30.

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", formerly ClubLink Enterprises Limited) unaudited interim condensed consolidated financial statements and accompanying notes for the period ended June 30, 2023. This MD&A has been prepared as at August 4, 2023 and all amounts are in Canadian dollars unless otherwise indicated.

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

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

FORWARD-LOOKING STATEMENTS

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

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

SPECIFIED FINANCIAL MEASURES

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

NON-GAAP MEASURES

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

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

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

Net operating income = operating revenue - direct operating expenses

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

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

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

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

BUSINESS STRATEGY AND CORPORATE OVERVIEW

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

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

OVERVIEW OF BUSINESS SEGMENTS

Golf Club Operations Segment

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

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

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

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

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

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

(a) Ontario/Quebec

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

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

Prestige:	Greystone, King Valley, RattleSnake Point
Platinum:	Blue Springs, DiamondBack, Eagle Creek, Emerald Hills, Glencairn, Grandview, Heron Point, Islesmere, Kanata, King's Riding, Lake Joseph, Le Maître, Rocky Crest, Wyndance
Gold:	Caledon Woods, Georgetown, Glendale, GreyHawk, Hautes Plaines, National Pines, Station Creek

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

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

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

In 2023, ClubLink is operating 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

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

OVERVIEW OF BUSINESS SEGMENTS (continued)

Golf Club Operations Segment (continued)

(a) Ontario/Quebec (continued)

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

In 2023, ClubLink is operating 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 1,800 Players Club memberships. The Players Club memberships have varying degrees of access to ClubLink's daily fee golf clubs at different price points.

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

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

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

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

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

(b) United States

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

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

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

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

Corporate Operations and Other 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.

	June 30, 2023	December 31, 2022	June 30, 2022
Balance Sheet	1.3240	1.3544	1.2886
Statement of Earnings - First Quarter	1.3518	N/A	1.2663
Statement of Earnings - Second Quarter	1.3431	N/A	1.2765

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

THREE MONTH CONSOLIDATED OPERATING HIGHLIGHTS

The table below sets forth selected financial data relating to the Company's three month periods ended June 30, 2023 and June 30, 2022. This financial data is derived from the Company's unaudited interim condensed consolidated financial statements, which are prepared in accordance with IFRS.

(thousands of Canadian dollars - except as indicated)	For the three months ended		
	June 30, 2023	June 30, 2022	% Change 2023/2022
OPERATING REVENUE	\$ 64,653	\$ 52,736	22.6%
DIRECT OPERATING EXPENSES	53,834	39,569	36.1%
NET OPERATING INCOME	10,819	13,167	(17.8%)
Amortization of membership fees	1,137	1,081	5.2%
Depreciation and amortization	(3,492)	(4,458)	(21.7%)
Interest, net and investment income	2,201	422	421.6%
Other items	176	(3,582)	N/A
Income taxes	(2,727)	(3,036)	(10.2%)
NET EARNINGS	\$ 8,114	\$ 3,594	125.8%
BASIC AND DILUTED EARNINGS PER SHARE	\$ 0.33	\$ 0.15	120.0%

The breakdown of operating revenue is as follows:

(thousands of Canadian dollars)	For the three months ended		
	June 30, 2023	June 30, 2022	% Change 2023/2022
Annual dues	\$ 17,766	\$ 17,286	2.8%
Golf	13,252	13,842	(4.3%)
Corporate events	2,591	2,573	0.7%
Food and beverage	10,011	10,382	(3.6%)
Merchandise	4,528	4,301	5.3%
Real estate	15,530	3,037	411.4%
Rooms and other	975	1,315	(25.9%)
	\$ 64,653	\$ 52,736	22.6%

The breakdown of direct operating expenses is as follows:

(thousands of Canadian dollars)	For the three months ended		
	June 30, 2023	June 30, 2022	% Change 2023/2022
Operating cost of sales	\$ 6,235	\$ 5,974	4.4%
Real estate cost of sales	15,277	2,370	544.6%
Labour and employee benefits	19,818	18,822	5.3%
Utilities	1,841	1,966	(6.4%)
Selling, general and administrative	1,327	1,460	(9.1%)
Property taxes	685	695	(1.4%)
Insurance	1,124	903	24.5%
Repairs and maintenance	1,502	1,556	(3.5%)
Turf operating expenses	2,057	2,108	(2.4%)
Fuel and oil	401	621	(35.4%)
Other operating expenses	3,567	3,094	15.3%
Total direct operating expenses	\$ 53,834	\$ 39,569	36.1%

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

SECOND QUARTER 2023 CONSOLIDATED OPERATING HIGHLIGHTS

Operating revenue increased 22.6% to \$64,653,000 for the three month period ended June 30, 2023 from \$52,736,000 in 2022 due to the revenue from the eight Highland Gate home sales in 2023 as compared to two in 2022.

Direct operating expenses increased 36.1% to \$53,834,000 for the three month period ended June 30, 2023 from \$39,569,000 in 2022 due to the cost of sales from the eight Highland Gate home sales in 2023 as compared to two in 2022.

Net operating income for the Canadian golf club operations segment decreased to \$10,289,000 for the three month period ended June 30, 2023 from \$12,675,000 in 2022 due to the conclusion of ClubLink's lease of The Country Club which expired as of December 31, 2023.

Depreciation and amortization decreased 21.7% to \$3,492,000 in 2023 from \$4,458,000 in 2022 due to the conclusion of The Country Club lease which has also resulted in a decline in depreciation of right-of-use assets.

Interest, net and investment income increased to \$2,201,000 for the three month period ended June 30, 2023 from \$422,000 in 2022 due to a decrease in borrowings and an increase in distributions from the Company's investment in Automotive Properties REIT.

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

(thousands of Canadian dollars)	For the three months ended June 30, 2023	June 30, 2022
Foreign exchange gain	\$ (453)	\$ (481)
Unrealized loss on investment in marketable securities	474	8,366
Equity loss (income) from investments in joint ventures	(260)	62
Gain on real estate fund investments	-	(4,370)
Other loss	63	5
	\$ (176)	\$ 3,582

At June 30, 2023, the Company recorded unrealized losses of \$474,000 on its investment in marketable securities (June 30, 2022 - \$8,366,000). This loss is attributable to the fair market value adjustments of the Company's investment in Automotive Properties REIT.

The exchange rate used for translating US denominated assets has changed from 1.3544 at December 31, 2022 to 1.3240 at June 30, 2023. This has resulted in a foreign exchange gain of \$453,000 for the three month period ended June 30, 2023 on the translation of the Company's US denominated financial instruments.

Net earnings increased to \$8,114,000 for the three month period ended June 30, 2023 from \$3,594,000 in 2022 due to an unrealized loss on the Company's investment in Automotive Properties REIT in the amount of \$8,366,000 recorded in 2022 as compared to \$474,000 in 2023. Basic and diluted earnings per share increased to 33 cents per share in 2023, compared to basic and diluted earnings per share of 15 cents in 2022.

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

SIX MONTH CONSOLIDATED OPERATING HIGHLIGHTS

The table below sets forth selected financial data relating to the Company's six month periods ended June 30, 2023 and June 30, 2022. This financial data is derived from the Company's unaudited interim condensed consolidated financial statements, which are prepared in accordance with IFRS.

(thousands of Canadian dollars - except as indicated)	For the six months ended		
	June 30, 2023	June 30, 2022	% Change 2023/2022
OPERATING REVENUE	\$ 91,163	\$ 90,668	0.5%
DIRECT OPERATING EXPENSES	74,973	72,523	3.4%
NET OPERATING INCOME	16,190	18,145	(10.8%)
Amortization of membership fees	2,113	2,020	4.6%
Depreciation and amortization	(6,954)	(8,882)	(21.7%)
Interest, net and investment income	4,281	698	513.3%
Other items	(13,572)	(6,152)	120.6%
Income taxes	(1,995)	(3,328)	(40.1%)
NET EARNINGS	\$ 63	\$ 2,501	(97.5%)
BASIC AND DILUTED EARNINGS PER SHARE	\$ 0.00	\$ 0.10	(100.0%)
TOTAL ASSETS	\$ 753,438	\$ 766,134	(1.7%)
GROSS BORROWINGS	\$ 82,876	\$ 105,628	(21.5%)
SHAREHOLDERS' EQUITY	\$ 519,758	\$ 505,098	2.9%

The breakdown of operating revenue is as follows:

(thousands of Canadian dollars)	For the six months ended		
	June 30, 2023	June 30, 2022	% Change 2023/2022
Annual dues	\$ 34,676	\$ 34,088	1.7%
Golf	19,773	19,680	0.5%
Corporate events	2,617	2,597	0.8%
Food and beverage	11,439	11,325	1.0%
Merchandise	5,920	5,521	7.2%
Real estate	15,530	15,811	(1.8%)
Rooms and other	1,208	1,646	(26.6%)
Total operating revenue	\$ 91,163	\$ 90,668	0.5%

The breakdown of direct operating expenses is as follows:

(thousands of Canadian dollars)	For the six months ended		
	June 30, 2023	June 30, 2022	% Change 2023/2022
Operating cost of sales	\$ 7,780	\$ 7,302	6.5%
Real estate cost of sales	15,277	16,394	(6.8%)
Labour and employee benefits	29,378	27,498	6.8%
Utilities	3,578	3,640	(1.7%)
Selling, general and administrative	2,812	2,884	(2.5%)
Property taxes	2,536	2,335	8.6%
Insurance	2,199	1,781	23.5%
Repairs and maintenance	2,833	2,626	7.9%
Turf operating expenses	2,364	2,358	0.3%
Fuel and oil	539	735	(26.7%)
Other operating expenses	5,677	4,970	14.2%
Total direct operating expenses	\$ 74,973	\$ 72,523	3.4%

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 June 30, 2023.

(thousands of Canadian dollars)	For the six months ended		% Change
	June 30, 2023	June 30, 2022	
Operating revenue by segment			
<i>Canadian golf club operations</i>	\$ 60,735	\$ 61,693	(1.6%)
<i>US golf club operations</i>	14,898	13,164	13.2%
<i>Other (Highland Gate)</i>	15,530	15,811	(1.8%)
Operating revenue	\$ 91,163	\$ 90,668	0.5%
Net operating income (loss) by segment			
<i>Canadian golf club operations</i>	\$ 13,141	\$ 16,583	(20.8%)
<i>US golf club operations</i>	4,238	3,613	17.3%
<i>Corporate and other</i>	(1,189)	(2,051)	(42.0%)
Net operating income	\$ 16,190	\$ 18,145	(10.8%)

Review of Canadian Golf Club Operations for the Period Ended June 30, 2023

Summary of Canadian Golf Club Operations

(statistics)	For the six months ended		% Change
	June 30, 2023	June 30, 2022	
18-hole equivalent championship golf courses	35.5	37.5	(5.3%)
18-hole equivalent managed golf courses	2.0	2.0	-
Championship golf rounds	391,000	444,000	(11.9%)

(thousands of Canadian dollars)	For the six months ended		% Change
	June 30, 2023	June 30, 2022	
Operating revenue	\$ 60,735	\$ 61,693	(1.6%)
Direct operating expenses	47,594	45,110	5.5%
Net operating income	13,141	16,583	(20.8%)
Amortization of membership fees	2,016	1,914	5.3%
Depreciation and amortization	(6,193)	(8,206)	(24.5%)
Other items	716	108	563.0%
Segment earnings before interest and income taxes	\$ 9,680	\$ 10,399	(6.9%)

The decrease in Championship golf rounds, net operating income and depreciation and amortization are all a result of the conclusion of ClubLink's lease of The Country Club which expired as of December 31, 2022.

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 June 30, 2023 (continued)

Canadian Golf Club Operating Revenue

Canadian golf club operating revenue is recorded as follows:

(thousands of Canadian dollars)	For the six months ended		% Change
	June 30, 2023	June 30, 2022	
Annual dues	\$ 31,012	\$ 30,763	0.8%
Corporate events	2,514	2,493	0.8%
Golf	10,672	11,637	(8.3%)
Food and beverage	9,820	9,989	(1.7%)
Merchandise, rooms and other	6,717	6,811	(1.4%)
Total operating revenue	\$ 60,735	\$ 61,693	(1.6%)

Canadian Golf Club Direct Operating Expenses

Canadian golf club direct operating expenses are recorded as follows:

(thousands of Canadian dollars)	For the six months ended		% Change
	June 30, 2023	June 30, 2022	
Cost of sales	\$ 6,753	\$ 6,447	4.7%
Labour and employee benefits	24,318	22,992	5.8%
Utilities	2,832	2,966	(4.5%)
Selling, general and administrative	1,870	1,927	(3.0%)
Property taxes	1,378	1,395	(1.2%)
Insurance	1,579	1,220	29.4%
Repairs and maintenance	2,377	2,201	8.0%
Turf operating expenses	2,070	1,953	6.0%
Fuel and oil	389	547	(28.9%)
Other operating expenses	4,028	3,462	16.3%
Total direct operating expenses	\$ 47,594	\$ 45,110	5.5%

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 2.7% to 15,156 on June 30, 2023 from 15,583 on June 30, 2022 due to the conclusion of The Country Club lease as of December 31, 2022. This membership level has been maintained due to the strong demand for golf as part of the public reaction to the pandemic.

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

(thousands of Canadian dollars)	Six months ended June 30, 2023		Year ended December 31, 2022		Six months ended June 30, 2022	
	Golf Members	Future Membership Fee Instalments	Golf Members	Future Membership Fee Instalments	Golf Members	Future Membership Fee Instalments
Balance, beginning of period	15,417	\$ 33,907	15,545	\$ 32,306	15,545	\$ 32,306
Sales to new members	661	4,791	1,197	6,861	574	3,819
Reinstated members	213	350	201	397	158	304
Category changes	(6)	-	12	-	(2)	-
Transfer and upgrade fees from existing members	-	1,055	-	2,136	-	1,157
Resignations and terminations	(1,129)	(3,055)	(1,265)	(3,742)	(692)	(1,967)
Country Club resignations and terminations	-	-	(273)	(603)	-	-
Instalments received in cash	-	(897)	-	(3,448)	-	(817)
Balance, end of period	15,156	\$ 36,151	15,417	\$ 33,907	15,583	\$ 34,802

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

	For the six months ended		% Change
	June 30, 2023	June 30, 2022	
Corporate/Principal/Spousal	317	482	(34.2%)
Intermediate	198	3	6500.0%
Senior	6	2	200.0%
Junior	58	3	1833.3%
Social and other	82	84	(2.4%)
Total	661	574	15.2%

Full privilege members are broken down into categories as follows:

	For the six months ended		% Change
	June 30, 2023	June 30, 2022	
Corporate/Principal/Spousal	7,731	8,358	(7.5%)
Intermediate	1,467	1,420	3.3%
Junior	206	215	(4.2%)
Senior	1,675	1,622	3.3%
Social and other	4,077	3,968	2.7%
Total	15,156	15,583	(2.7%)

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 June 30, 2023

(statistics)	For the six months ended		% Change
	June 30, 2023	June 30, 2022	
18-hole equivalent championship golf courses	8.0	8.0	-
Championship golf rounds	169,000	167,000	1.2%

(thousands of dollars)	For the six months ended		% Change
	June 30, 2023	June 30, 2022	
Operating revenue	\$ 11,046	\$ 10,370	6.5%
Direct operating expenses	7,907	7,513	5.2%
Net operating income	3,139	2,857	9.9%
Amortization of membership fees	72	84	(14.3%)
Depreciation and amortization	(564)	(532)	6.0%
Other items	(50)	82	N/A
Segment earnings before interest and income taxes (US dollars)	2,597	2,491	4.3%
Exchange	860	614	40.1%
Segment earnings before interest and income taxes (Cdn dollars)	\$ 3,457	\$ 3,105	11.3%

Review of Corporate Items for the Period Ended June 30, 2023

Highland Gate Sales

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

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

(thousands of dollars)	For the six months ended		% Change
	June 20, 2023	June 30, 2022	
Phase 1 units closed	8	10	(20.0%)
Operating revenue	\$ 15,530	\$ 15,811	(1.8%)
Operating cost of goods sold	(14,149)	(14,984)	(5.6%)
Subtotal - project earnings	1,381	827	67.0%
Cost of goods sold - amortization	(1,128)	(1,410)	(20.0%)
Total	\$ 253	\$ (583)	N/A

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

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

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Corporate Items for the Period Ended June 30, 2023 (continued)

Real Estate Fund Investments

The Company has the following real estate fund investments:

(thousands of dollars)	June 30, 2023	December 31, 2022	June 30, 2022
Investment in Mount Auburn	\$ 2,193	\$ 2,243	\$ 1,901
Investment in Real Estate Investment Fund IV (13th Floor)	8,448	8,642	5,574
Investment in Real Estate Investment Fund V (13th Floor)	927	-	-
	\$ 11,568	\$ 10,885	\$ 7,475

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

The Company has also invested \$9,930,000 (US\$7,500,000) in capital calls (US\$10,000,000 total commitment) in a US-based real estate investment fund managed by 13th Floor (Fund IV). This fund primarily invests in Florida real estate projects and also included an investment in the Mount Auburn portfolio.

Investments included in Fund IV include:

Investment	Location	Asset Type
Mt. Auburn	Various	Multi-family
Olive Branch	Olive Branch, MS	Industrial
The Davis	Davie, FL	Multi-family
Cold Storage Deals	Various	Industrial
Fern & Gardenia	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 also invested \$927,000 (US\$700,000) in capital calls (US\$10,000,000 total commitment) in a US-based real estate investment fund managed by 13th Floor (Fund V). Fund V's pipeline of deals consist of mainly multi-family and mixed use opportunities in Florida and South Carolina.

Change in the real estate fund investments is as follows:

(thousands of dollars)	June 30, 2023			December 31, 2022		June 30, 2022	
	Mount Auburn	Investment in Real Estate Fund IV	Real Estate Investment Fund V	Mount Auburn	Investment in Real Estate Fund IV	Mount Auburn	Investment in Real Estate Fund IV
Balance, beginning of period (US dollars)	\$ 1,656	\$ 6,381	\$ -	\$ 10,362	\$ 4,841	\$ 10,362	\$ 4,841
Cash call	-	-	700	-	4,075	-	3,300
Valuation adjustment	-	-	-	3,591	1,280	3,410	-
Return of capital/liquidation	-	-	-	(12,297)	(3,815)	(12,297)	(3,815)
Balance, end of period (US dollars)	1,656	6,381	700	1,656	6,381	1,475	4,326
Exchange	537	2,067	227	587	1,808	426	1,248
Balance, end of period (Cdn dollars)	\$ 2,193	\$ 8,448	\$ 927	\$ 2,243	\$ 8,642	\$ 1,901	\$ 5,574

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

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Interest, Net and Investment Income

Interest, net and investment income increased to income of \$4,281,000 for the six month period ended June 30, 2023 from \$698,000 in 2022 due to a decrease in borrowings and an increase in distributions from the Company's investment in Automotive Properties REIT.

Other Items

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

(thousands of Canadian dollars)	For the six months ended	
	June 30, 2023	June 30, 2022
Foreign exchange gain	\$ (531)	\$ (398)
Unrealized loss on investment in marketable securities	14,032	11,185
Equity loss (income) from investments in joint ventures	220	(135)
Gain on real estate fund investments	-	(4,370)
Other income	(149)	(130)
	\$ 13,572	\$ 6,152

At June 30, 2023, the Company recorded unrealized loss of \$14,032,000 on its investment in marketable securities (June 30, 2022 - \$11,185,000). This loss is attributable to the fair market value adjustments of the Company's investment in Automotive Properties REIT.

The exchange rate used for translating US denominated assets has changed from 1.3544 at December 31, 2022 to 1.3240 at June 30, 2023. This has resulted in a foreign exchange gain of \$531,000 for the six month period ended June 30, 2023 on the translation of the Company's US denominated financial instruments.

FINANCIAL CONDITION

Assets

Total assets increased 3.6% to \$753,438,000 at June 30, 2023 from \$727,343,000 at December 31, 2022. This compares to \$766,134,000 at June 30, 2022.

Liabilities

Total liabilities increased 14.9% to \$233,680,000 at June 30, 2023 from \$203,294,000 at December 31, 2022. This compares to \$261,036,000 at June 30, 2022.

Shareholders' Equity

Consolidated shareholders' equity at June 30, 2023 totaled \$519,758,000 or \$21.13 per share, compared to \$524,049,000 or \$21.30 per share at December 31, 2022 and \$505,098,000 or \$20.62 per share at June 30, 2022. The following is a summary of the common share activity:

(number of shares)	For the six months ended	
	June 30, 2023	June 30, 2022
Balance, beginning of period	24,609,280	24,547,924
Shares issued pursuant to dividend reinvestment plan	9,038	-
Shares cancelled through NCIB	(22,900)	(52,200)
Balance, end of period	24,595,418	24,495,724

The Company has recorded a negative adjustment to its accumulated other comprehensive earnings account of \$1,639,000 due to the translation of one US dollar into 1.3240 Canadian dollars at June 30, 2023 compared to 1.3544 at December 31, 2022. This change has a corresponding impact of the assets and liabilities having a base currency of US dollars.

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

LIQUIDITY AND CAPITAL RESOURCES

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

A summarized statement of cash flows is as follows:

(thousands of Canadian dollars)	For the six months ended	
	June 30, 2023	June 30, 2022
Cash provided by operating activities	\$ 23,963	\$ 36,301
Operating property, plant and equipment expenditures	(6,051)	(3,541)
Real estate fund investments, net	(927)	16,510
Mortgages and loans receivable	1,563	1,162
Revolving borrowings	704	(906)
Non-revolving borrowings – amortization payments	(4,318)	(11,215)
Lease liabilities	(303)	(2,314)
Dividends paid	(2,303)	(982)
Common shares repurchased for cancellation	(412)	(968)
Investment in Automotive Properties REIT and marketable securities	-	(9,597)
Other	(163)	1,579
Net change in cash during the period	11,753	26,029
Cash, beginning of period	44,149	91,395
Cash, end of period	\$ 55,902	\$ 117,424

The analysis of TWC's liquidity is as follows:

(thousands of Canadian dollars)	Availability as at June 30, 2023		Availability as at December 31, 2022		Availability as at June 30, 2022	
	Maximum	Available	Maximum	Available	Maximum	Available
Cash and cash equivalents (CDN)	\$ 14,140	\$ 14,140	\$ 5,189	\$ 5,189	\$ 29,898	\$ 29,898
Cash and cash equivalents (USD)	41,762	41,762	38,960	38,960	87,526	87,526
Restricted cash	3,747	3,747	2,239	2,239	1,525	1,525
Revolving line of credit (corporate)	50,000	48,433	50,000	33,238	50,000	48,982
Related party revolving line of credit	50,000	50,000	50,000	50,000	50,000	50,000
Subtotal	159,649	158,082	146,388	129,626	218,949	217,931
Highland Gate	108,000	48,855	108,000	67,814	107,000	83,096
Total	\$ 267,649	\$ 206,937	\$ 254,388	\$ 197,440	\$ 325,949	\$ 301,027

At June 30, 2023, there is \$3,747,000 (2022 - \$1,525,000) of restricted cash from the Highland Gate project, representing deposits on future home sales held by counsel.

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

LIQUIDITY AND CAPITAL RESOURCES (continued)

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

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

Based on TWC's financial position at June 30, 2023, and projected future earnings, management expects to be able to fund its working capital requirements, and meet its other obligations including debt repayments.

The following is an analysis of the Company's net borrowings and their characteristics on June 30, 2023 compared to December 31, 2022:

(thousands of Canadian dollars)	Interest Rate June 30, 2023	Interest Rate December 31, 2022	Total Indebtedness June 30, 2023	Total Indebtedness December 31, 2022	Average Term to Maturity (Yrs) June 30, 2023	Average Term to Maturity (Yrs) December 31, 2022
Non-revolving	8.0%	8.0%	\$ 8,097	\$ 8,578	6.25	6.75
Revolving (a)	9.2%	8.5%	415	2,123	1.25	1.75
Exchange	-	-	2,757	3,783	-	-
Subtotal US borrowings	8.1%	8.1%	11,269	14,484		
Revolving (corporate)	7.4%	6.7%	-	15,938	1.25	1.75
Non-revolving	8.1%	8.1%	7,991	11,468	1.00	1.50
Other	5.0%	5.0%	2,322	2,265	0.17	0.67
Subtotal CDN borrowings	7.4%	7.1%	10,313	29,671		
Gross borrowings	7.8%	7.4%	21,582	44,155		
Lease liabilities	6.5%	6.0%	2,149	2,452	0.33	0.83
Highland Gate borrowings (a)	7.9%	7.4%	59,145	40,186	1.49	2.31
Total			\$ 82,876	\$ 86,793		

(a) These borrowings are variable interest rate debt

TWC's consolidated borrowings include revolving lines of credit and non-revolving mortgages. The following table illustrates future maturities and amortization payments of consolidated borrowings for the next five years and thereafter as at June 30, 2023:

(thousands of Canadian dollars)	Highland Gate	Corporate Borrowings	Lease Liabilities	Total
Balance of 2023	\$ 19,085	\$ 5,432	\$ 603	\$ 25,120
2024	-	7,503	1,285	8,788
2025	40,060	1,527	64	41,651
2026	-	1,654	69	1,723
2027	-	1,790	73	1,863
2028 and thereafter	-	3,676	55	3,731
	\$ 59,145	\$ 21,582	\$ 2,149	\$ 82,876

Operating Activities

Cash provided by operating activities were \$23,963,000 in 2023 compared to \$36,301,000 in 2022.

Investing Activities

Cash from investing activities was \$6,573,000 in 2023 compared to cash used in investing activities of \$3,598,000 in 2022 due to investments made in Automotive Properties REIT in 2022.

Financing Activities

Financing activities repayments were \$5,129,000 in 2023 compared to \$15,223,000 in 2022.

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

RELATED PARTY TRANSACTIONS

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

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

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

Summarized information regarding these facilities is as follows:

(thousands of Canadian dollars)	For the three months ended		For the six months ended		For the year ended
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	December 31, 2022
Loan receivable from Morguard	5,000	-	5,000	-	5,000
Net interest receivable (payable)	28	-	28	-	51
Net interest earned (incurred)	84	-	166	-	112

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

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

The Company has provided an unsecured revolving demand credit facility to an investment in joint venture in the amount of \$3,000,000, with no fixed maturity date. This facility bears interest at prime plus 1.25%. As at June 30, 2023, the amount receivable on this facility was nil (December 31, 2022 - \$600,000; June 30, 2022 - nil). Interest receivable at June 30, 2023 was nil (December 31, 2022 - \$2,000; June 30, 2022 - nil), and interest earned was nil for the six month period ended June 30, 2023 (June 30, 2022 - nil). For the three months ended June 30, 2023, interest earned was nil (three months ended June 30, 2022 - nil).

The Company receives managerial and consulting services from Morguard. The Company paid a management fee of \$348,000 for the six month period ended June 30, 2023 (June 30, 2022 - \$348,000), under a contractual agreement, which is included in operating expenses. For the three months ended June 30, 2023, the Company paid a management fee of \$174,000 (three months ended June 30, 2022 - \$174,000). Morguard also provides back-office services to ClubLink US Corporation. The Company paid a management fee of US\$230,000 (CDN\$309,000) for the six month period ended June 30, 2023 (June 30, 2022 - US\$230,000; CDN\$293,000) under a contractual agreement, which is included in direct operating expenses. For the three months ended June 30, 2023, the Company paid US\$115,000 (CDN\$154,000) in management fees (three months ended June 30, 2022 - US\$115,000; CDN\$147,000).

The Highland Gate project receives managerial services from Geranium Homes management companies. The project paid a management fee of \$580,000 for the six month period ended June 30, 2023 (June 30, 2022 - 1,070,000) under a contractual agreement, which is capitalized to residential inventory. For the three months ended June 30, 2023, the project paid a management fee of \$319,000 (three months ended June 30, 2022 - \$706,000).

The Company provides landscaping services for certain Morguard assets. The Company received a fee of \$96,000 for the six month period ended June 30, 2023 (June 30, 2022 - \$81,000) under a contractual agreement. For the three months ended June 30, 2023, the Company received a fee of \$27,000 (three months ended June 30, 2022 - \$21,000).

A total of US\$26,000 of rental revenue was earned by TWC for the six month period ended June 30, 2023 (June 30, 2022 - US\$26,000) from Morguard relating to a shared office facility in Florida. For the three months ended June 30, 2023, rental revenue earned was US\$13,000 (three months ended June 30, 2022 - US\$13,000).

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 June 30, 2023. The financial data is derived from the Company's unaudited interim condensed consolidated financial statements, which are prepared in accordance with IFRS as follows:

(thousands of Canadian dollars, except per share amounts)	2023		2022				2021		
	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30
Total assets	\$753,438	\$ 754,001	\$727,343	\$721,283	\$ 766,134	\$ 772,485	\$746,806	\$720,505	\$ 710,720
Operating revenue	64,653	26,510	30,835	65,009	52,736	37,932	62,600	63,245	34,059
Net operating income	10,819	5,371	8,109	22,322	13,167	4,978	18,680	26,953	9,036
Net earnings (loss)	8,114	(8,051)	4,245	11,920	3,594	(1,093)	61,963	22,757	4,472
Basic earnings (loss) per share	0.33	(0.33)	0.17	0.49	0.15	(0.04)	2.52	0.93	0.18
Eligible cash dividends per share	0.05	0.05	0.05	0.05	0.02	0.02	0.02	0.02	0.02

SEASONALITY

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

RISKS AND UNCERTAINTIES

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

DISCLOSURE CONTROLS AND PROCEDURES

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

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

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

OUTLOOK

Geranium

ClubLink is currently considering options to divest its 50% interest in the Geranium management company along with other non-Highland Gate joint ventures in which it is co-investor with the Geranium group.

Highland Gate Development

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

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

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

	Phase 1	Phase 2	Phase 3	Phase 4/5	Total
Total lots	44	53	24	36	157
Closings up to December 2022	(32)	-	-	-	(32)
Closings transpired in 2023	(8)	-	-	-	(8)
Closings expected in 2023	(1)	(48)	-	-	(49)
Closings expected in 2024	-	(3)	(12)	-	(15)
Unreleased/unsold lots	3	2	12	36	53

Kanata Development

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

Woodlands Golf Club

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 and land use have been approved. The development agreement and site plan were approved at first reading, and the second reading is expected later in 2023. 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 early 2024.

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.

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

OUTLOOK (continued)

South Florida

An application has been made in May 2023 to replace the existing clubhouse at the Palms course at Palm Aire Country Club with a combined clubhouse/multi-family residential project with 270 units. The Palms golf course will remain in play, after this project.

ADDITIONAL INFORMATION

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

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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



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

August 4, 2023



Andrew Tamlin
Chief Financial Officer

TWC ENTERPRISES LIMITED
Interim Condensed Consolidated Balance Sheets (Unaudited)

(thousands of Canadian dollars)	Notes	June 30, 2023	December 31, 2022	June 30, 2022
ASSETS				
Current				
Cash and cash equivalents		\$ 55,902	\$ 44,149	\$ 117,424
Restricted cash		3,747	2,239	1,525
Accounts receivable		19,345	13,015	14,471
Mortgages and loans receivable		5,188	7,024	1,679
Inventories and prepaid expenses		14,246	5,153	11,988
Other assets	4	111,126	125,208	113,404
Residential inventory	5	115,093	101,193	81,245
Assets held for sale	3	8,621	-	-
		333,268	297,981	341,736
Mortgages and loans receivable		715	442	156
Other assets	4	9,819	14,660	11,653
Right-of-use assets	6	1,866	2,102	4,125
Property, plant and equipment	7	396,599	400,569	396,212
Intangible assets	8	11,171	11,589	12,252
Total assets		\$ 753,438	\$ 727,343	\$ 766,134
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	9	\$ 34,310	\$ 28,969	\$ 38,969
Lease liabilities	10	1,230	1,129	2,817
Borrowings	11	28,910	17,433	45,631
Prepaid annual dues and deposits	12	65,751	34,747	62,612
		130,201	82,278	150,029
Lease liabilities	10	919	1,323	1,894
Borrowings	11	51,661	66,718	55,073
Deferred membership fees	13	2,208	3,326	2,869
Deferred income tax liabilities		48,691	49,649	51,171
Total liabilities		233,680	203,294	261,036
Share capital	15	102,382	102,320	100,317
Retained earnings		401,166	403,922	390,279
Accumulated other comprehensive earnings		7,580	9,219	5,916
Non-controlling interest	16	8,630	8,588	8,586
Total shareholders' equity		519,758	524,049	505,098
Total liabilities and shareholders' equity		\$ 753,438	\$ 727,343	\$ 766,134

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

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

(thousands of Canadian dollars, except per share amounts)	Notes	For the three months ended		For the six months ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
REVENUE					
Operating revenue		\$ 64,653	\$ 52,736	\$ 91,163	\$ 90,668
Amortization of membership fees	13	1,137	1,081	2,113	2,020
	14	65,790	53,817	93,276	92,688
EXPENSES					
Cost of sales		21,512	8,344	23,057	23,696
Labour and employee benefits		19,818	18,822	29,378	27,498
Utilities		1,841	1,966	3,578	3,640
Selling, general and administrative		1,327	1,460	2,812	2,884
Property taxes		685	695	2,536	2,335
Repairs and maintenance		1,502	1,556	2,833	2,626
Insurance		1,124	903	2,199	1,781
Turf operating expenses		2,057	2,108	2,364	2,358
Fuel and oil		401	621	539	735
Other operating expenses		3,567	3,094	5,677	4,970
Depreciation of right-of-use assets	6	259	1,012	513	2,033
Depreciation of property, plant and equipment	7	3,031	3,098	6,040	6,157
Amortization of intangible assets	8	202	348	401	692
Interest, net and investment income	17	(2,201)	(422)	(4,281)	(698)
Other items	18	(176)	3,582	13,572	6,152
		54,949	47,187	91,218	86,859
Earnings before income taxes		10,841	6,630	2,058	5,829
Income tax provision (recovery)					
Current		1,932	2,028	2,899	2,711
Deferred		795	1,008	(904)	617
		2,727	3,036	1,995	3,328
Net earnings		8,114	3,594	63	2,501
Unrealized foreign exchange gain (loss) in respect of foreign operations		(1,587)	2,284	(1,639)	1,159
Total comprehensive earnings (loss)		\$ 6,527	\$ 5,878	\$ (1,576)	\$ 3,660
Weighted average shares outstanding (000)	15	24,602	24,521	24,601	24,535
Earnings per share - basic and diluted	15	\$ 0.33	\$ 0.15	\$ 0.00	\$ 0.10

(thousands of Canadian dollars)	Notes	For the three months ended		For the six months ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Net earnings (loss) attributable to:					
Shareholders		\$ 8,072	\$ 3,483	\$ 21	\$ 2,598
Non-controlling interest	16	42	111	42	(97)
		\$ 8,114	\$ 3,594	\$ 63	\$ 2,501

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

TWC ENTERPRISES LIMITED

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

(thousands of Canadian dollars except common shares)	Note	Common Shares	Share Capital	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)	Non- Controlling Interest	Total Shareholders' Equity
Balance, January 1, 2022		24,547,924	\$ 100,530	\$ 389,418	\$ 4,757	\$ 8,683	\$ 503,388
Comprehensive earnings (loss)		-	-	2,598	1,159	(97)	3,660
Cash dividend	15B	-	-	(982)	-	-	(982)
Shares cancelled subject to normal course issuer bid	15C	(52,200)	(213)	(755)	-	-	(968)
Balance, June 30, 2022		24,495,724	100,317	390,279	5,916	8,586	505,098
Comprehensive earnings		-	-	16,163	3,303	2	19,468
Cash dividend	15B	-	-	(428)	-	-	(428)
Shares cancelled subject to normal course issuer bid	15C	(5,100)	(21)	(68)	-	-	(89)
Shares issued pursuant to dividend reinvestment plan	15C	118,656	2,024	(2,024)	-	-	-
Balance, December 31, 2022		24,609,280	102,320	403,922	9,219	8,588	524,049
Comprehensive earnings (loss)		-	-	21	(1,639)	42	(1,576)
Cash dividend	15B	-	-	(2,303)	-	-	(2,303)
Shares cancelled subject to normal course issuer bid	15C	(22,900)	(95)	(317)	-	-	(412)
Shares issued pursuant to dividend reinvestment plan	15C	9,038	157	(157)	-	-	-
Balance, June 30, 2023		24,595,418	\$ 102,382	\$ 401,166	\$ 7,580	\$ 8,630	\$ 519,758

TWC ENTERPRISES LIMITED

Interim Condensed Consolidated Statements of Cash Flow (Unaudited)

(thousands of Canadian dollars)	Notes	For the three months ended		For the six months ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
OPERATING ACTIVITIES					
Net earnings		\$ 8,114	\$ 3,594	\$ 63	\$ 2,501
Items not affecting cash:					
Amortization of membership fees	13	(1,137)	(1,081)	(2,113)	(2,020)
Depreciation of right-of-use assets	6	259	1,012	513	2,033
Depreciation of property, plant and equipment	7	3,031	3,098	6,040	6,157
Amortization of intangible assets	8	202	348	401	692
Interest, net and investment income	17	(2,201)	(422)	(4,281)	(698)
Unrealized foreign exchange gain	18	(453)	(481)	(531)	(398)
Unrealized loss on investment in marketable securities	18	474	8,366	14,032	11,185
Gain on real estate fund investments		-	(4,370)	-	(4,370)
Equity loss (income) from investments in joint ventures	18	(260)	62	220	(135)
Gain on sale of property, plant and equipment		(354)	(179)	(525)	(223)
Income tax provision		2,727	3,036	1,995	3,328
Collection of membership fee instalments	13	752	559	994	914
Interest received		2,221	883	4,300	707
Income taxes paid		(2,040)	(8,529)	(4,005)	(14,190)
Restricted cash		(1,282)	(207)	(1,508)	(581)
Accounts receivable		(4,848)	(4,052)	(6,340)	(9,328)
Inventories and prepaid expenses		(2,845)	(3,223)	(9,093)	(7,777)
Residential inventory, net		1,028	(1,735)	(13,900)	4,849
Accounts payable and accrued liabilities		10,651	12,682	6,697	14,062
Prepaid annual dues and deposits		(15,685)	(14,573)	31,004	29,593
Cash and cash equivalents provided by (used in) operating activities		(1,646)	(5,212)	23,963	36,301
INVESTING ACTIVITIES					
Operating property, plant and equipment expenditures	7	(4,009)	(2,285)	(6,051)	(3,541)
Proceeds on sale of property, plant and equipment		418	206	595	234
Right-of-use assets		(277)	-	(277)	103
Net investment in marketable securities	4	-	(6,656)	-	(9,597)
Real estate fund investments, net	4	20	20,634	(927)	16,510
Other long-term assets		90	(9)	87	(111)
Cash provided by (used in) investing activities		(3,758)	11,890	(6,573)	3,598
FINANCING ACTIVITIES					
Deferred financing costs		(40)	-	(60)	-
Revolving borrowings		956	782	704	(906)
Non-revolving borrowings - amortization payments		(1,693)	(3,769)	(4,318)	(11,215)
Lease liabilities		(24)	(1,104)	(303)	(2,314)
Mortgages and loans receivable		28,048	873	1,563	1,162
Shares repurchased for cancellation	15	(253)	(968)	(412)	(968)
Dividends paid	15	(1,155)	(491)	(2,303)	(982)
Cash provided by (used in) financing activities		25,839	(4,677)	(5,129)	(15,223)
Net effect of currency translation adjustment on cash and cash equivalents		(540)	2,129	(508)	1,353
Net increase in cash and cash equivalents during the period		19,895	4,130	11,753	26,029
Cash and cash equivalents, beginning of period		36,007	113,294	44,149	91,395
Cash and cash equivalents, end of period		\$ 55,902	\$ 117,424	\$ 55,902	\$ 117,424

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)

June 30, 2023 and 2022

1. NATURE OF OPERATIONS

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

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

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

2. BASIS OF PRESENTATION

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

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

These financial statements were authorized for issuance by the Board of Directors on August 4, 2022.

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

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

Due to the seasonal nature of the golf club operations in which the Company currently operates, the second and third quarters of the fiscal year account for, and are expected to account for, a greater portion of revenue and earnings than do the first and fourth quarters of each fiscal year. This seasonal pattern may cause the Company’s operating revenue and net operating income to vary significantly from quarter to quarter with consequential impacts on related working capital balances. Due to this seasonality, an interim condensed consolidated balance sheet as at June 30, 2022 has been presented for comparative purposes.

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

3. ASSETS HELD FOR SALE

The Company is currently considering options to divest its investment in joint ventures in which it is co-investor with the Geranium group. As a result, the investment in joint ventures are presented as held for sale on the Consolidated Balance Sheet as at June 30, 2023.

Additionally, 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 early 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 June 30, 2023.

These assets held for sale are measured at the lower of book value and fair value less costs to sell. This has been assessed at June 30, 2023 and no adjustment is warranted to book value.

TWC ENTERPRISES LIMITED
Notes to Interim Condensed Consolidated Financial Statements (Unaudited)
June 30, 2023 and 2022

3. ASSETS HELD FOR SALE (continued)

At June 30, 2023, the assets held for sale are comprised of the following:

(thousands of Canadian dollars)	Notes	June 30, 2023
Investment in joint ventures	4	\$ 5,234
Property, plant and equipment	7	3,387
Total assets held for sale		\$ 8,621

4. OTHER ASSETS

Other assets consist of the following:

(thousands of Canadian dollars)	June 30, 2023	December 31, 2022	June 30, 2022
Investment in joint ventures	\$ -	\$ 5,454	\$ 5,612
Investment in Automotive Properties REIT (9,480,712 units; December 31, 2022 - 9,480,712 units; June 30, 2022 - 8,266,526 units)	108,933	122,965	111,503
Investment in Mount Auburn (US\$1,656,000; December 31, 2022 - US\$1,656,000; June 30, 2022 - US\$1,475,000)	2,193	2,243	1,901
Investment in Real Estate Investment Fund IV (US\$6,381,000; December 31, 2022 - US\$6,381,000; June 30, 2022 - US\$4,326,000)	8,448	8,642	5,574
Investment in Real Estate Investment Fund V (US\$700,000; December 31, 2022 - nil; June 30, 2022 - nil)	927	-	-
Other	444	564	467
	120,945	139,868	\$ 125,057
Less: current portion	111,126	125,208	113,404
	\$ 9,819	\$ 14,660	\$ 11,653

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

(thousands of Canadian dollars)	June 30, 2023	December 31, 2022	June 30, 2022
Balance, beginning of period	\$ 5,454	\$ 5,422	\$ 5,422
Equity income (loss)	(220)	457	135
Dividend	-	(500)	-
Cash calls	-	75	55
Transfer - asset held for sale (Note 3)	(5,234)	-	-
Balance, end of period	\$ -	\$ 5,454	\$ 5,612

The Company is currently considering options to divest its investment in joint ventures in which it is co-investor with the Geranium group. As a result, the Company has classified the investment in joint ventures as held for sale on the Consolidated Balance Sheet as at June 30, 2023.

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

June 30, 2023 and 2022

4. OTHER ASSETS (continued)

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

			June 30, 2023	December 31, 2022
(thousands of Canadian dollars)	Real Estate Management Company	Real Estate Housing Investments	Total	Total
Current assets	\$ 4,997	\$ 7,925	\$ 12,922	\$ 10,363
Related party	(2)	4	2	(2)
Land and other long-term assets	1,115	55,252	56,367	55,004
Secured project debt	-	(28,803)	(28,803)	(18,947)
Liabilities	(1,366)	(15,063)	(16,429)	(20,095)
Net assets at 100%	4,744	19,315	24,059	26,323
Net assets at Company's share	2,372	2,783	5,155	5,375
Return of capital investments to date	-	79	79	79
Net assets attributable to TWC	\$ 2,372	\$ 2,862	\$ 5,234	\$ 5,454
Net assets attributable to partners	\$ 2,372	\$ 16,453	\$ 18,825	\$ 20,869
Equity income (loss)	\$ 57	\$ (277)	\$ (220)	\$ 457

TWC has committed US\$10,000,000 towards a real estate fund based out of Florida (Fund IV). As at June 30, 2023, there has been US\$7,500,000 (CDN\$9,930,000) 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 June 30, 2023, there has been US\$700,000 (CDN\$927,000) 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.

	June 30, 2023			December 31, 2022		June 30, 2022	
(thousands of dollars)	Mount Auburn	Investment Real Estate Fund IV	Real Estate Investment Fund V	Investment in Mount Auburn	Investment in Real Estate Fund IV	Investment in Mount Auburn	Investment in Real Estate Fund IV
Balance, beginning of period (US dollars)	\$ 1,656	\$ 6,381	\$ -	\$ 10,362	\$ 4,841	\$ 10,362	\$ 4,841
Cash call	-	-	700	-	4,075	-	3,300
Valuation adjustment	-	-	-	3,591	1,280	3,410	-
Return of capital/liquidation	-	-	-	(12,297)	(3,815)	(12,297)	(3,815)
Balance, end of period (US dollars)	1,656	6,381	700	1,656	6,381	1,475	4,326
Exchange	537	2,067	227	587	1,808	426	1,248
Balance, end of period (Cdn dollars)	\$ 2,193	\$ 8,448	\$ 927	\$ 2,243	\$ 8,642	\$ 1,901	\$ 5,574

TWC ENTERPRISES LIMITED
Notes to Interim Condensed Consolidated Financial Statements (Unaudited)
June 30, 2023 and 2022

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 and consists of the following:

(thousands of Canadian dollars)	Total
At January 1, 2022	\$ 86,094
Additions	31,493
Operating cost of goods sold	(14,984)
Cost of goods sold - amortization	(1,410)
At December 31, 2022	101,193
Additions	29,177
Operating cost of goods sold	(14,149)
Cost of goods sold - amortization	(1,128)
At June 30, 2023	\$ 115,093

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 June 30, 2023, there were eight closings. There were eight closings for the period ended June 30, 2022 and ten closings for the year ended December 31, 2022.

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

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, 2022	\$ 6,069	\$ 193	\$ 6,262
Disposals	-	(103)	(103)
Depreciation	(3,967)	(88)	(4,055)
Foreign exchange	-	(2)	(2)
At December 31, 2022	2,102	-	2,102
Additions	-	277	277
Depreciation	(508)	(5)	(513)
At June 30, 2023	\$ 1,594	\$ 272	\$ 1,866

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

June 30, 2023 and 2022

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, 2022	\$ 282,907	\$ 159,871	\$ 107,214	\$ 93,113	\$ 643,105
Additions	1,949	2,613	3,110	5,428	13,100
Disposals	(55)	(373)	(68)	(2,066)	(2,562)
Foreign exchange difference	738	653	597	548	2,536
At December 31, 2022	285,539	162,764	110,853	97,023	656,179
Additions	322	1,581	853	3,295	6,051
Disposals	-	-	-	(1,452)	(1,452)
Transfer - asset held for sale (Note 3)	(1,962)	(2,682)	(1,703)	(1,085)	(7,432)
Foreign exchange difference	(259)	(235)	(221)	(197)	(912)
At June 30, 2023	\$ 283,640	\$ 161,428	\$ 109,782	\$ 97,584	\$ 652,434
Accumulated Depreciation					
At January 1, 2022	\$ -	\$ 86,194	\$ 86,037	\$ 72,392	\$ 244,623
Depreciation	-	4,524	3,404	4,478	12,406
Disposals	-	(373)	(68)	(2,014)	(2,455)
Foreign exchange difference	-	263	369	404	1,036
At December 31, 2022	\$ -	\$ 90,608	\$ 89,742	\$ 75,260	\$ 255,610
Depreciation	-	2,253	1,558	2,229	6,040
Disposals	-	-	-	(1,382)	(1,382)
Transfer - asset held for sale (Note 3)	-	(1,671)	(1,300)	(1,074)	(4,045)
Foreign exchange difference	-	(98)	(140)	(150)	(388)
At June 30, 2023	\$ -	\$ 91,092	\$ 89,860	\$ 74,883	\$ 255,835
Net book value					
at December 31, 2022	\$ 285,539	\$ 72,156	\$ 21,111	\$ 21,763	\$ 400,569
Net book value					
at June 30, 2023	\$ 283,640	\$ 70,336	\$ 19,922	\$ 22,701	\$ 396,599

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

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 early 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 June 30, 2023.

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

June 30, 2023 and 2022

8. INTANGIBLE ASSETS

Intangible assets consist of the following:

(thousands of Canadian dollars)	Membership base	Brand	Other	Total Intangible Assets
Cost				
At January 1, 2022	\$ 12,122	\$ 13,477	\$ 2,432	\$ 28,031
Foreign exchange difference	135	-	13	148
At December 31, 2022	12,257	13,477	2,445	28,179
Foreign exchange difference	(47)	-	(4)	(51)
At June 30, 2023	\$ 12,210	\$ 13,477	\$ 2,441	\$ 28,128
Accumulated amortization				
At January 1, 2022	\$ 6,260	\$ 6,408	\$ 2,432	\$ 15,100
Amortization	637	758	-	1,395
Foreign exchange difference	82	-	13	95
At December 31, 2022	6,979	7,166	2,445	16,590
Amortization	189	212	-	401
Foreign exchange difference	(30)	-	(4)	(34)
At June 30, 2023	\$ 7,138	\$ 7,378	\$ 2,441	\$ 16,957
Net book value at December 31, 2022	\$ 5,278	\$ 6,311	\$ -	\$ 11,589
Net book value at June 30, 2023	\$ 5,072	\$ 6,099	\$ -	\$ 11,171

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

(thousands of Canadian dollars)	June 30, 2023	December 31, 2022	June 30, 2022
Trade payables	\$ 14,933	\$ 9,907	\$ 17,344
Accrued payroll costs	4,368	3,094	4,750
Accrued interest	127	151	424
Income taxes payable	2,059	3,591	1,228
Contingent contractual obligation (a)	6,620	6,772	6,443
Accrued liabilities and other	6,203	5,454	8,780
	\$ 34,310	\$ 28,969	\$ 38,969

(a) The obligation expired July 2023.

TWC ENTERPRISES LIMITED
Notes to Interim Condensed Consolidated Financial Statements (Unaudited)
June 30, 2023 and 2022

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, 2022	\$ 6,817	\$ 210	\$ 7,027
Disposals	-	(105)	(105)
Interest expense	268	6	274
Lease payments	(4,633)	(111)	(4,744)
At December 31, 2022	2,452	-	2,452
Additions	-	277	277
Interest expense	64	3	67
Lease payments	(622)	(25)	(647)
At June 30, 2023	1,894	255	2,149
Less: current portion	1,181	49	1,230
	\$ 713	\$ 206	\$ 919

Future minimum payments of lease liabilities are as follows:

(thousands of Canadian dollars)	Lease Liabilities	Interest	Total Minimum Lease Payments
Balance of 2023	\$ 603	\$ 65	\$ 668
2024	1,285	53	1,338
2025	64	14	78
2026	69	10	79
2027	73	6	79
2028 and thereafter	55	8	63
	\$ 2,149	\$ 156	\$ 2,305

The above lease liabilities have a weighted average interest rate of 6.5% (2022 - 6.1%).

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

June 30, 2023 and 2022

11. BORROWINGS

Borrowings consist of the following:

(thousands of Canadian dollars)	June 30, 2023	December 31, 2022	June 30, 2022
Secured revolving operating line of credit to a maximum of \$50,000,000 due September 11, 2025	\$ 549	\$ 18,804	\$ -
	549	18,804	-
Highland Gate syndicated credit facilities to a maximum of \$108,000,000			
Servicing facility - due on demand - maturing October 31, 2025			
Prime rate loan (Prime + 1.00%)	4,460	773	234
BA loan (Stamping fees @ 2.50% or 7.46%)	35,600	31,500	8,500
Servicing facility - Phase 2: due on demand - maturing June 30, 2023			
Prime rate loan (Prime + 1.25%)	-	-	2,270
BA loan (Stamping fees @ 2.50% or 7.46%)	-	-	12,900
Construction facility - due on demand - maturing October 31, 2023			
Prime rate loan (Prime + 1.00%)	7,885	13	-
BA loan (Stamping fees @2.50% or 7.46%)	11,200	7,900	-
	59,145	40,186	23,904
Mortgages with blended monthly payments of principal and interest			
8.345% Mortgages due July 1, 2022	-	-	230
7.550% Mortgage due July 1, 2022	-	-	27
7.416% Mortgages due September 1, 2023	-	-	4,344
7.268% Mortgage due July 1, 2024	-	-	2,747
8.060% Mortgage due July 1, 2024	7,991	11,468	14,819
6.194% Mortgage due March 1, 2026	-	-	18,950
6.315% Mortgage due December 1, 2027	-	-	20,847
8.000% Mortgage due October 1, 2029 (US\$8,097,000; December 31, 2022 - US\$8,578,000; June 30, 2022 - US\$9,041,000)	10,720	11,618	11,650
Other - maturing August 16, 2024	2,322	2,265	3,399
	21,033	25,351	77,013
Gross borrowings	80,727	84,341	100,917
Less: deferred financing costs	(156)	(190)	(213)
Borrowings	80,571	84,151	100,704
Less: current portion	28,910	17,433	45,631
	\$ 51,661	\$ 66,718	\$ 55,073

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

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

Minimum principal debt repayments over the next five years and thereafter as at June 30, 2023 are as follows:

(thousands of Canadian dollars)	Highland Gate	Corporate Borrowings	Total Borrowings
Balance of 2023	\$ 19,085	\$ 5,432	\$ 24,517
2024	-	7,503	7,503
2025	40,060	1,527	41,587
2026	-	1,654	1,654
2027	-	1,790	1,790
2028 and thereafter	-	3,676	3,676
	\$ 59,145	\$ 21,582	\$ 80,727

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

June 30, 2023 and 2022

12. PREPAID ANNUAL DUES AND DEPOSITS

Prepaid annual dues and deposits consist of the following:

(thousands of Canadian dollars)	June 30, 2023	December 31, 2022	June 30, 2022
Prepaid annual dues	\$ 31,110	\$ -	\$ 30,261
Member deposits	7,489	10,781	7,257
Prepaid cart plan deposits	2,470	497	2,440
Highland Gate real estate deposits	17,665	18,414	15,929
Event deposits	3,854	3,239	4,234
Other	3,163	1,816	2,491
	\$ 65,751	\$ 34,747	\$ 62,612

13. DEFERRED MEMBERSHIP FEES

Deferred membership fees consist of the following:

(thousands of Canadian dollars)	June 30, 2023	December 31, 2022	June 30, 2022
Unamortized membership fees (note 12A)	\$ 39,312	\$ 38,223	\$ 38,675
Future membership fee instalments (note 12B)	(37,104)	(34,897)	(35,806)
Deferred membership fees	\$ 2,208	\$ 3,326	\$ 2,869

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 six months ended June 30, 2023	For the year ended December 31, 2022	For the six months ended June 30, 2022
Balance, beginning of period	\$ 38,223	\$ 37,258	\$ 37,258
Sales to new members	4,877	7,021	3,916
Transfer and reinstatement fees	1,409	2,519	1,472
Resignations and terminations	(3,063)	(3,742)	(1,967)
Amortization of membership fees to revenue	(2,113)	(4,294)	(2,020)
Country Club resignations and terminations	-	(603)	-
Exchange difference	(21)	64	16
Balance, end of period	\$ 39,312	\$ 38,223	\$ 38,675

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

(thousands of Canadian dollars)	For the six months ended June 30, 2023	For the year ended December 31, 2022	For the six months ended June 30, 2022
Balance, beginning of period	\$ 34,897	\$ 33,282	\$ 33,282
Sales to new members	4,877	7,021	3,916
Transfer and reinstatement fees	1,409	2,519	1,472
Resignations and terminations	(3,063)	(3,742)	(1,967)
Instalments received in cash	(994)	(3,646)	(914)
Country Club resignations and terminations	-	(603)	-
Exchange difference	(22)	66	17
Balance, end of period	\$ 37,104	\$ 34,897	\$ 35,806

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

June 30, 2023 and 2022

14. REVENUE

Revenue consists of the following:

(thousands of Canadian dollars)	Three months ended June 30, 2023				Three months ended June 30, 2022			
	Canadian Golf Club Operations	US Golf Club Operations	Other (Highland Gate)	Total	Canadian Golf Club Operations	US Golf Club Operations	Other (Highland Gate)	Total
Annual dues	\$ 15,977	\$ 1,789	\$ -	\$ 17,766	\$ 15,649	\$ 1,637	\$ -	\$ 17,286
Golf	10,677	2,575	-	13,252	11,627	2,215	-	13,842
Corporate events	2,514	77	-	2,591	2,493	80	-	2,573
Membership fees	1,087	50	-	1,137	1,028	53	-	1,081
Food and beverage	9,349	662	-	10,011	9,821	561	-	10,382
Merchandise	4,294	234	-	4,528	4,118	183	-	4,301
Real estate	-	-	15,530	15,530	-	-	3,037	3,037
Rooms and other	1,015	(40)	-	975	1,322	(7)	-	1,315
	\$ 44,913	\$ 5,347	\$ 15,530	\$ 65,790	\$ 46,058	\$ 4,722	\$ 3,037	\$ 53,817

(thousands of Canadian dollars)	Six months ended June 30, 2023				Six months ended June 30, 2022			
	Canadian Golf Club Operations	US Golf Club Operations	Other (Highland Gate)	Total	Canadian Golf Club Operations	US Golf Club Operations	Other (Highland Gate)	Total
Annual dues	\$ 31,012	\$ 3,664	\$ -	\$ 34,676	\$ 30,763	\$ 3,325	\$ -	\$ 34,088
Golf	10,672	9,101	-	19,773	11,637	8,043	-	19,680
Corporate events	2,514	103	-	2,617	2,493	104	-	2,597
Membership fees	2,016	97	-	2,113	1,914	106	-	2,020
Food and beverage	9,820	1,619	-	11,439	9,989	1,336	-	11,325
Merchandise	5,344	576	-	5,920	5,063	458	-	5,521
Real estate	-	-	15,530	15,530	-	-	15,811	15,811
Rooms and other	1,373	(165)	-	1,208	1,748	(102)	-	1,646
	\$ 62,751	\$ 14,995	\$ 15,530	\$ 93,276	\$ 63,607	\$ 13,270	\$ 15,811	\$ 92,688

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

June 30, 2023 and 2022

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 June 30, 2023, there are 24,595,418 common shares outstanding (December 31, 2022 - 24,609,280). As at June 30, 2023, no preferred shares have been issued. Please refer to the condensed interim consolidated statements of changes in shareholders' equity for details.

(B) Dividends

Dividends consist of the following:

Date of declaration	Record date	Distribution date	Amount per share	Payment amount	Share amount	Total amount
March 9, 2022	March 15, 2022	March 31, 2022	0.02	\$ 491,000	\$ -	\$ 491,000
May 2, 2022	May 31, 2022	June 15, 2022	0.02	491,000	-	491,000
August 4, 2022	August 31, 2022	September 15, 2022	0.05	212,000	1,013,000	1,225,000
October 31, 2022	November 30, 2022	December 15, 2022	0.05	216,000	1,011,000	1,227,000
				\$ 1,410,000	\$ 2,024,000	\$ 3,434,000
February 24, 2023	March 15, 2023	March 31, 2023	0.05	\$ 1,148,000	\$ 82,000	\$ 1,230,000
April 27, 2023	May 31, 2023	June 15, 2023	0.05	1,155,000	75,000	1,230,000
				\$ 2,303,000	\$ 157,000	\$ 2,460,000

(C) Shares repurchased and cancelled

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

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,225,000 of its common shares which expires on September 19, 2023. From September 20, 2022 to December 31, 2022, the Company repurchased for cancellation 5,100 common shares for a total purchase price of \$89,000 or \$17.48 per share, including commissions. From January 1, 2023 to June 30, 2023, the Company repurchased for cancellation 22,900 common shares for a total purchase price of \$412,000 or \$17.98 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.

(D) Earnings per share

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

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

June 30, 2023 and 2022

16. NON-CONTROLLING INTEREST

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

(thousands of Canadian dollars)	June 30, 2023	June 30, 2022
Cash and cash equivalents	\$ 3,153	\$ 2,145
Restricted cash	3,747	1,525
Other current assets	2,876	5
Residential inventory (Note 5)	115,234	81,245
Total assets	\$ 125,010	\$ 84,920
Accounts payable and accrued liabilities	\$ 9,810	\$ 7,106
Prepaid annual dues and deposits	17,665	15,929
Borrowings	59,145	23,904
Total liabilities	86,620	46,939
Partner capital	31,352	31,352
Retained deficit	(1,592)	(1,957)
Non-controlling interest	8,630	8,586
Total shareholders' equity	38,390	37,981
Total liabilities and shareholders' equity	\$ 125,010	\$ 84,920

(thousands of Canadian dollars)	For the three months ended		For the six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Revenue	\$ 15,530	\$ 3,037	\$ 15,530	\$ 15,811
Operating cost of goods sold	(14,149)	(2,088)	(14,149)	(14,984)
Cost of goods sold - amortization (Note 5)	(1,128)	(282)	(1,128)	(1,410)
Earnings (loss) for the period	\$ 253	\$ 667	\$ 253	\$ (583)
Earnings (loss) attributable to shareholders	\$ 211	\$ 556	\$ 211	\$ (486)
Earnings (loss) attributable to non-controlling interests	42	111	42	(97)
Earnings (loss) for the period	\$ 253	\$ 667	\$ 253	\$ (583)

(thousands of Canadian dollars)	June 30, 2023	June 30, 2022
Balance, beginning of period	\$ 8,588	\$ 8,683
Share of earnings (loss) for the period	42	(97)
Balance, end of period	\$ 8,630	\$ 8,586

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

June 30, 2023 and 2022

17. INTEREST, NET AND INVESTMENT INCOME

Interest, net and investment income consists of the following:

(thousands of Canadian dollars)	For the three months ended		For the six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Revolving lines of credit	\$ (33)	\$ 1	\$ 95	\$ 30
Non-revolving mortgages	459	1,350	957	2,825
Construction line of credit (Highland Gate)	543	182	1,229	438
Lease liabilities (note 9)	33	76	67	171
Line of credit to related party	(204)	-	(352)	-
Amortization of deferred financing costs	48	37	94	77
Other	33	41	62	83
Interest revenue and investment income	(2,537)	(1,927)	(5,204)	(3,884)
Capitalized interest (Highland Gate)	(543)	(182)	(1,229)	(438)
	\$ (2,201)	\$ (422)	\$ (4,281)	\$ (698)

18. OTHER ITEMS

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

(thousands of Canadian dollars)	For the three months ended		For the six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Foreign exchange gain	\$ (453)	\$ (481)	\$ (531)	\$ (398)
Unrealized loss on investment in marketable securities	474	8,366	14,032	11,185
Equity loss (income) from investments in joint ventures	(260)	62	220	(135)
Gain on real estate fund investments	-	(4,370)	-	(4,370)
Other loss (income)	63	5	(149)	(130)
	\$ (176)	\$ 3,582	\$ 13,572	\$ 6,152

TWC ENTERPRISES LIMITED
Notes to Interim Condensed Consolidated Financial Statements (Unaudited)
June 30, 2023 and 2022

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)	For the three months ended		For the six months ended		For the year ended
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	December 31, 2022
Loan receivable from Morguard	5,000	-	5,000	-	5,000
Net interest receivable (payable)	28	-	28	-	51
Net interest earned (incurred)	84	-	166	-	112

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

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

The Company has provided an unsecured revolving demand credit facility to an investment in joint venture in the amount of \$3,000,000, with no fixed maturity date. This facility bears interest at prime plus 1.25%. As at June 30, 2023, the amount receivable on this facility was nil (December 31, 2022 - \$600,000; June 30, 2022 - nil). Interest receivable at June 30, 2023 was nil (December 31, 2022 - \$2,000; June 30, 2022 - nil), and interest earned was nil for the six month period ended June 30, 2023 (June 30, 2022 - nil). For the three months ended June 30, 2023, interest earned was nil (three months ended June 30, 2022 - nil).

The Company receives managerial and consulting services from Morguard. The Company paid a management fee of \$348,000 for the six month period ended June 30, 2023 (June 30, 2022 - \$348,000), under a contractual agreement, which is included in operating expenses. For the three months ended June 30, 2023, the Company paid a management fee of \$174,000 (three months ended June 30, 2022 - \$174,000). Morguard also provides back-office services to ClubLink US Corporation. The Company paid a management fee of US\$230,000 (CDN\$309,000) for the six month period ended June 30, 2023 (June 30, 2022 - US\$230,000; CDN\$293,000) under a contractual agreement, which is included in direct operating expenses. For the three months ended June 30, 2023, the Company paid US\$115,000 (CDN\$154,000) in management fees (three months ended June 30, 2022 - US\$115,000; CDN\$147,000).

The Highland Gate project receives managerial services from Geranium Homes management companies. The project paid a management fee of \$580,000 for the six month period ended June 30, 2023 (June 30, 2022 - 1,070,000) under a contractual agreement, which is capitalized to residential inventory. For the three months ended June 30, 2023, the project paid a management fee of \$319,000 (three months ended June 30, 2022 - \$706,000).

The Company provides landscaping services for certain Morguard assets. The Company received a fee of \$96,000 for the six month period ended June 30, 2023 (June 30, 2022 - \$81,000) under a contractual agreement. For the three months ended June 30, 2023, the Company received a fee of \$27,000 (three months ended June 30, 2022 - \$21,000).

A total of US\$26,000 of rental revenue was earned by TWC for the six month period ended June 30, 2023 (June 30, 2022 - US\$26,000) from Morguard relating to a shared office facility in Florida. For the three months ended June 30, 2023, rental revenue earned was US\$13,000 (three months ended June 30, 2022 - US\$13,000).

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)

June 30, 2023 and 2022

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 June 30, 2023

(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations and Other	Total
Operating revenue	\$ 43,826	\$ 5,297	\$ 15,530	\$ 64,653
Direct operating expenses	(33,537)	(4,296)	(16,001)	(53,834)
Net operating income (loss)	10,289	1,001	(471)	10,819
Amortization of membership fees	1,087	50	-	1,137
Depreciation and amortization	(3,110)	(382)	-	(3,492)
Other items	1,453	(209)	(1,068)	176
Segment earnings (loss) before interest and income taxes	\$ 9,719	\$ 460	\$ (1,539)	8,640
Interest, net (unallocated)				2,201
Provision for income taxes (unallocated)				(2,727)
Net earnings				\$ 8,114
Capital expenditures	\$ 3,687	\$ 322	\$ -	\$ 4,009

For the Three Months Ended June 30, 2022

(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations and Other	Total
Operating revenue	\$ 45,030	\$ 4,669	\$ 3,037	\$ 52,736
Direct operating expenses	(32,355)	(4,140)	(3,074)	(39,569)
Net operating income (loss)	12,675	529	(37)	13,167
Amortization of membership fees	1,028	53	-	1,081
Depreciation and amortization	(4,115)	(343)	-	(4,458)
Other items	(163)	(100)	(3,319)	(3,582)
Segment earnings (loss) before interest and income taxes	\$ 9,425	\$ 139	\$ (3,356)	6,208
Interest, net (unallocated)				422
Provision for income taxes (unallocated)				(3,036)
Net earnings				\$ 3,594
Capital expenditures	\$ 1,931	\$ 354	\$ -	\$ 2,285

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June 30, 2023 and 2022

20. SEGMENTED INFORMATION (continued)

For the Six Months Ended June 30, 2023				
(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations and Other	Total
Operating revenue	\$ 60,735	\$ 14,898	\$ 15,530	\$ 91,163
Direct operating expenses	(47,594)	(10,660)	(16,719)	(74,973)
Net operating income (loss)	13,141	4,238	(1,189)	16,190
Amortization of membership fees	2,016	97	-	2,113
Depreciation and amortization	(6,193)	(761)	-	(6,954)
Other items	716	(117)	(14,171)	(13,572)
Segment earnings (loss) before interest and income taxes	\$ 9,680	\$ 3,457	\$ (15,360)	(2,223)
Interest, net (unallocated)				4,281
Provision for income taxes (unallocated)				(1,995)
Net earnings				\$ 63
Capital expenditures	\$ 5,519	\$ 532	\$ -	\$ 6,051

For the Six Months Ended June 30, 2022				
(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations and Other	Total
Operating revenue	\$ 61,693	\$ 13,164	\$ 15,811	\$ 90,668
Direct operating expenses	(45,110)	(9,551)	(17,862)	(72,523)
Net operating income (loss)	16,583	3,613	(2,051)	18,145
Amortization of membership fees	1,914	106	-	2,020
Depreciation and amortization	(8,206)	(676)	-	(8,882)
Other items	108	62	(6,322)	(6,152)
Segment earnings (loss) before interest and income taxes	\$ 10,399	\$ 3,105	\$ (8,373)	5,131
Interest, net (unallocated)				698
Provision for income taxes (unallocated)				(3,328)
Net earnings				\$ 2,501
Capital expenditures	\$ 2,931	\$ 610	\$ -	\$ 3,541

21. COMMITMENTS/CONTINGENCIES

TWC has committed US\$10,000,000 towards a real estate fund based out of Florida (Fund IV). As at June 30, 2023 there has been US\$7,500,000 (CDN\$9,930,000) 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 June 30, 2023, there has been US\$700,000 (CDN\$927,000) in capital calls paid towards this commitment (see Note 3).

As at June 30, 2022, December 31, 2022 and June 30, 2023, TWC has \$1,018,000 outstanding in letters of credit against its corporate credit facility.

As at June 30, 2022 and June 30, 2023, TWC has \$2,000,000 outstanding in letters of credit issued in its name with a Morguard credit facility.

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

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

22. SUBSEQUENT EVENT

On August 4, 2023, the Company declared a 5 cents per common share cash dividend, payable September 15, 2023 to shareholders of record on August 31, 2023.

GOLF CLUB AND RESORT PROPERTY LISTING

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

Notes: (a) Operated by ClubLink under long-term leases. (b) Property managed by ClubLink (formerly known as Club de Golf Le Fontainebleau). (c) Includes 18 holes managed by ClubLink (La Bête Golf Club). (d) Rocky Crest Resort consists of 65 units and Lakeside at Rocky Crest consists of 19 units. (e) Closed in May 2023. (f) These properties are closed.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

FRASER BERRILL (c)

PATRICK S. BRIGHAM (b, c)

PAUL CAMPBELL (b, c)

SAMUEL J.B. POLLOCK (a, b)

ANGELA SAHI

K. (RAI) SAHI

DONALD TURPLE (a, d)

JACK D. WINBERG (a, b, c)

(a) Audit Committee

(b) Corporate Governance and Compensation Committee

(c) Environmental, Health and Safety Committee

(d) Lead director

OFFICERS

TWC ENTERPRISES LIMITED

K. (RAI) SAHI

Chairman, President and Chief Executive Officer

ANDREW TAMLIN

Chief Financial Officer

JOHN A. FINLAYSON

Chief Operations Officer, Canadian Golf Operations

Vice President, Florida Golf Operations

JAMIE KING

Vice President, Sales, Canadian Golf Operations

BRENT MILLER

Vice President, Business Development

CORPORATE INFORMATION

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HSBC Bank USA

AUDITORS

Deloitte LLP

STOCK EXCHANGE LISTING

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TRANSFER AGENT

TSX Trust Company

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