



TWC ENTERPRISES LIMITED

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CLUBLINK
one membership. more golf.

FINANCIAL HIGHLIGHTS

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

	For the three months ended		For the six months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
(thousands of Canadian dollars - except as indicated)				
OPERATIONS				
Operating revenue	62,183	64,653	127,529	91,163
Net operating income ⁽¹⁾	9,134	10,819	13,591	16,190
Net earnings	3,159	8,114	2,458	63
OPERATING DATA				
Canadian full privilege golf members			15,063	15,156
Championship rounds - Canada ⁽²⁾	399,000	391,000	399,000	391,000
18-hole equivalent championship golf courses - Canada ^(2,3)			35.5	35.5
18-hole equivalent managed golf courses - Canada			3.5	2.0
Championship rounds - U.S. ⁽²⁾	46,000	55,000	136,000	169,000
18-hole equivalent championship golf courses - U.S. ^(2,3)			6.5	8.0
COMMON SHARE DATA (000)				
Shares outstanding	24,463	24,595	24,463	24,595
Weighted average shares outstanding	24,482	24,602	24,490	24,601
PER COMMON SHARE DATA (\$)				
Basic and diluted earnings	0.13	0.33	0.10	—
Eligible cash dividend	0.075	0.05	0.15	0.10
FINANCIAL POSITION				
Total assets			709,239	753,438
Gross borrowings			36,299	80,727
Shareholders' equity			538,235	519,758
Net book value per share ⁽¹⁾			22.00	21.13

(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") unaudited interim condensed consolidated financial statements and accompanying notes for the period ended June 30, 2024. This MD&A has been prepared as at August 2, 2024 and all amounts are in Canadian dollars unless otherwise indicated.

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

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

FORWARD-LOOKING STATEMENTS

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

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

SPECIFIED FINANCIAL MEASURES

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

NON-GAAP MEASURES

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

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

NON-GAAP MEASURES (continued)

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 or enhance 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.

BUSINESS STRATEGY AND CORPORATE OVERVIEW

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

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

OVERVIEW OF BUSINESS SEGMENTS

Golf Club Operations Segment

TWC is engaged in golf club operations under the trademark "ClubLink One Membership More Golf" ("ClubLink"). ClubLink is Canada's largest owner, operator and manager of golf clubs with 45 1/2, 18-hole equivalent championship and two, 18-hole equivalent academy courses, at 35 locations in two separate geographical Regions: (a) Ontario/Quebec (including three managed properties) and (b) Florida.

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

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

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

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

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

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

Golf Club Operations Segment (continued)

(a) Ontario/Quebec

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

In 2024, ClubLink is operating 24 Ontario/Quebec Region Member Golf Clubs of its own in three categories as follows:

Prestige: Greystone, King Valley, RattleSnake Point

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

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

In 2024, ClubLink is managing three golf clubs on behalf of other owners as follows:

Club de Golf Le Fontainebleau was purchased by Club de Golf Rosemère on December 14, 2018 and changed its name to Club de Golf Rosemère. ClubLink retains a management fee arrangement of Fontainebleau.

ClubLink is also involved with the La Bête Golf Club property which is being run as a managed property associated with Le Maître in the Mont-Tremblant area.

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

In 2024, 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

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

In 2024, ClubLink 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 1,300 Players Club memberships. The Players Club memberships have varying degrees of access to ClubLink's daily fee golf clubs at different price points.

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

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

Golf Club Operations Segment (continued)

(a) Ontario/Quebec (continued)

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

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

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

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

Corporate Operations 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.

This segment includes the Company's investment in Highland Gate which is managed by Geranium Homes, a third party home builder. 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.

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, 2024	December 31 2023	June 30, 2023
Balance Sheet	1.3687	1.3226	1.3240
Statement of Earnings - First Quarter	1.3488	N/A	1.3518
Statement of Earnings - Second Quarter	1.3684	N/A	1.3431

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, 2024 and June 30, 2023. This financial data is derived from the Company's unaudited interim condensed consolidated financial statements, which are prepared in accordance with IFRS.

(thousands of Canadian dollars - except as indicated)	For the three months ended		
	June 30, 2024	June 30, 2023	% Change 2024/2023
OPERATING REVENUE	\$ 62,183	\$ 64,653	(3.8)%
DIRECT OPERATING EXPENSES	53,049	53,834	(1.5)%
NET OPERATING INCOME	9,134	10,819	(15.6)%
Amortization of membership fees	1,126	1,137	(1.0)%
Depreciation and amortization	(3,681)	(3,492)	5.4 %
Interest, net and investment income	2,813	2,201	27.8 %
Other items	(3,902)	176	(2317.1)%
Income taxes	(2,331)	(2,727)	(14.5)%
NET EARNINGS	\$ 3,159	\$ 8,114	(61.1)%
BASIC AND DILUTED EARNINGS PER SHARE	\$ 0.13	\$ 0.33	(60.6)%

The breakdown of operating revenue is as follows:

(thousands of Canadian dollars)	For the three months ended		
	June 30, 2024	June 30, 2023	% Change 2024/2023
Annual dues	\$ 18,246	\$ 17,766	2.7 %
Golf	13,407	13,252	1.2 %
Corporate events	2,770	2,591	6.9 %
Food and beverage	9,798	10,011	(2.1)%
Merchandise	4,581	4,528	1.2 %
Real estate	12,381	15,530	(20.3)%
Rooms and other	1,000	975	2.6 %
	\$ 62,183	\$ 64,653	(3.8)%

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

THREE MONTH CONSOLIDATED OPERATING HIGHLIGHTS (continued)

The breakdown of direct operating expenses is as follows:

(thousands of Canadian dollars)	For the three months ended		% Change 2024/2023
	June 30, 2024	June 30, 2023	
Operating cost of sales	\$ 6,284	\$ 6,235	0.8 %
Real estate cost of sales	13,488	15,277	(11.7)%
Labour and employee benefits	20,661	19,818	4.3 %
Utilities	1,884	1,841	2.3 %
Selling, general and administrative	1,367	1,327	3.0 %
Property taxes	665	685	(2.9)%
Insurance	1,114	1,124	(0.9)%
Repairs and maintenance	1,789	1,502	19.1 %
Turf operating expenses	2,215	2,057	7.7 %
Fuel and oil	484	401	20.7 %
Other operating expenses	3,098	3,567	(13.2)%
Total direct operating expenses	\$ 53,049	\$ 53,834	(1.5)%

SECOND QUARTER 2024 CONSOLIDATED OPERATING HIGHLIGHTS

Operating revenue decreased 3.8% to \$62,183,000 for the three month period ended June 30, 2024 from \$64,653,000 in 2023 due to the decline in real estate revenue from seven Highland Gate home sales compared to eight in 2023.

Direct operating expenses decreased 1.5% to \$53,049,000 for the three month period ended June 30, 2024 from \$53,834,000 in 2023 due to the decline in real estate cost of sales from less home sales in 2024.

Net operating income for the Canadian golf club operations segment increased to \$10,361,000 for the three month period ended June 30, 2024 from \$10,289,000 in 2023.

Interest, net and investment income increased to income of \$2,813,000 for the three month period ended June 30, 2024 from \$2,201,000 in 2023 due to higher cash balances and the income earned on these balances.

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

(thousands of Canadian dollars)	For the three months ended	
	June 30, 2024	June 30, 2023
Foreign exchange loss (gain)	\$ 22	\$ (453)
Unrealized loss on investment in marketable securities	5,119	474
Insurance	(621)	—
Equity income from investments in joint ventures	—	(260)
Other	(618)	63
	\$ 3,902	\$ (176)

At June 30, 2024, the Company recorded unrealized losses of \$5,119,000 on its investment in marketable securities (June 30, 2023 - \$474,000). This loss is attributable to the fair market value adjustments of the Company's investment in Automotive Properties REIT.

Net earnings in the amount of \$3,159,000 for the three month period ended June 30, 2024 changed from \$8,114,000 in 2023 due to the unrealized loss in the amount of \$5,119,000 on the Company's investment in Automotive Properties REIT recorded in 2024. Basic and diluted earnings per share decreased to \$0.13 per share in 2024, compared to basic and diluted earnings per share of \$0.33 cents in 2023.

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, 2024 and June 30, 2023. This financial data is derived from the Company's unaudited interim condensed consolidated financial statements, which are prepared in accordance with IFRS.

(thousands of Canadian dollars - except as indicated)	For the six months ended		
	June 30, 2024	June 30, 2023	% Change 2024/2023
OPERATING REVENUE	\$ 127,529	\$ 91,163	39.9 %
DIRECT OPERATING EXPENSES	113,938	74,973	52.0 %
NET OPERATING INCOME	13,591	16,190	(16.1)%
Amortization of membership fees	2,085	2,113	(1.3)%
Depreciation and amortization	(7,196)	(6,954)	3.5 %
Interest, net and investment income	5,598	4,281	30.8 %
Other items	(8,503)	(13,572)	(37.4)%
Income taxes	(3,117)	(1,995)	56.2 %
NET EARNINGS	\$ 2,458	\$ 63	3800.0 %
BASIC AND DILUTED EARNINGS PER SHARE	\$ 0.10	\$ —	—
TOTAL ASSETS	\$ 709,239	\$ 753,438	(5.9)%
GROSS BORROWINGS	\$ 36,299	\$ 80,727	(55.0)%
SHAREHOLDERS' EQUITY	\$ 538,235	\$ 519,758	3.6 %

The breakdown of operating revenue is as follows:

(thousands of Canadian dollars)	For the six months ended		
	June 30, 2024	June 30, 2023	% Change 2024/2023
Annual dues	\$ 35,753	\$ 34,676	3.1 %
Golf	19,409	19,773	(1.8)%
Corporate events	2,788	2,617	6.5 %
Food and beverage	11,065	11,439	(3.3)%
Merchandise	6,336	5,920	7.0 %
Real estate	50,890	15,530	227.7 %
Rooms and other	1,288	1,208	6.6 %
Total operating revenue	\$ 127,529	\$ 91,163	39.9 %

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

SIX MONTH CONSOLIDATED OPERATING HIGHLIGHTS (continued)

The breakdown of direct operating expenses is as follows:

(thousands of Canadian dollars)	For the six months ended		% Change 2024/2023
	June 30, 2024	June 30, 2023	
Operating cost of sales	\$ 8,131	\$ 7,780	4.5 %
Real estate cost of sales	53,210	15,277	248.3 %
Labour and employee benefits	30,369	29,378	3.4 %
Utilities	3,584	3,578	0.2 %
Selling, general and administrative	2,843	2,812	1.1 %
Property taxes	2,548	2,536	0.5 %
Insurance	2,268	2,199	3.1 %
Repairs and maintenance	2,789	2,833	(1.6)%
Turf operating expenses	2,528	2,364	6.9 %
Fuel and oil	584	539	8.4 %
Other operating expenses	5,084	5,677	(10.5)%
Total direct operating expenses	\$ 113,938	\$ 74,973	52.0 %

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, 2024.

(thousands of Canadian dollars)	For the six months ended		% Change 2024/2023
	June 30, 2024	June 30, 2023	
Operating revenue by segment			
<i>Canadian golf club operations</i>	\$ 62,447	\$ 60,735	2.8 %
<i>US golf club operations</i>	14,192	14,898	(4.7)%
<i>Other (Highland Gate)</i>	50,890	15,530	227.7 %
Operating revenue	\$ 127,529	\$ 91,163	39.9 %
Net operating income (loss) by segment			
<i>Canadian golf club operations</i>	\$ 13,915	\$ 13,141	5.9 %
<i>US golf club operations</i>	3,552	4,238	(16.2)%
<i>Corporate and other</i>	(3,876)	(1,189)	226.0 %
Net operating income	\$ 13,591	\$ 16,190	(16.1)%

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, 2024

Summary of Canadian Golf Club Operations

	For the six months ended		
(statistics)	June 30, 2024	June 30, 2023	% Change 2024/2023
18-hole equivalent championship golf courses	35.5	35.5	— %
18-hole equivalent managed golf courses	3.5	2.0	75.0 %
Championship golf rounds	399,000	391,000	2.1 %

	For the six months ended		
(thousands of Canadian dollars)	June 30, 2024	June 30, 2023	% Change 2024/2023
Operating revenue	\$ 62,447	\$ 60,735	2.8 %
Direct operating expenses	48,532	47,594	2.0 %
Net operating income	13,915	13,141	5.9 %
Amortization of membership fees	2,006	2,016	(0.5)%
Depreciation and amortization	(6,410)	(6,193)	3.5 %
Other items	1,017	716	42.0 %
Segment earnings before interest and income taxes	\$ 10,528	\$ 9,680	8.8 %

Canadian Golf Club Operating Revenue

Canadian golf club operating revenue is recorded as follows:

	For the six months ended		
(thousands of Canadian dollars)	June 30, 2024	June 30, 2023	% Change 2024/2023
Annual dues	\$ 32,123	\$ 31,012	3.6 %
Corporate events	2,715	2,514	8.0 %
Golf	10,869	10,672	1.9 %
Food and beverage	9,448	9,820	(3.8)%
Merchandise, rooms and other	7,292	6,717	8.6 %
Total operating revenue	\$ 62,447	\$ 60,735	2.8 %

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

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Canadian Golf Club Operations for the Period Ended June 30, 2024 (continued)

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		
	June 30, 2024	June 30, 2023	% Change 2024/2023
Cost of sales	\$ 7,168	\$ 6,753	6.2 %
Labour and employee benefits	25,252	24,318	3.8 %
Utilities	2,895	2,832	2.2 %
Selling, general and administrative	1,702	1,870	(9.0)%
Property taxes	1,406	1,378	2.0 %
Insurance	1,616	1,579	2.3 %
Repairs and maintenance	2,427	2,377	2.1 %
Turf operating expenses	2,192	2,070	5.9 %
Fuel and oil	447	389	14.9 %
Other operating expenses	3,427	4,028	(14.9)%
Total direct operating expenses	\$ 48,532	\$ 47,594	2.0 %

Canadian Membership Fees

Full privilege golf members decreased slightly to 15,063 on June 30, 2024 from 15,156 on June 30, 2023.

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

(thousands of Canadian dollars)	Six months ended June 30, 2024		Year ended December 31, 2023		Six months ended June 30, 2023	
	Golf Members	Future Membership Fee Instalments	Golf Members	Future Membership Fee Instalments	Golf Members	Future Membership Fee Instalments
Balance, beginning of period	15,256	\$ 35,728	15,417	\$ 33,907	15,417	\$ 33,907
Sales to new members	665	4,871	1,267	7,888	661	4,791
Reinstated members	131	316	278	532	213	350
Other	(1)	—	(12)	—	(6)	—
Transfer and upgrade fees from existing members	—	1,154	—	2,524	—	1,055
Resignations and terminations	(988)	(2,950)	(1,694)	(5,002)	(1,129)	(3,055)
Instalments received in cash	—	(642)	—	(4,121)	—	(897)
Balance, end of period	15,063	\$ 38,477	15,256	\$ 35,728	15,156	\$ 36,151

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, 2024 (continued)

Canadian Membership Fees (continued)

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

	For the six months ended		
	June 30, 2024	June 30, 2023	% Change 2024/2023
Corporate/Principal/Spousal	308	317	(2.8)%
Intermediate	185	198	(6.6)%
Senior	—	6	(100.0)%
Junior	75	58	29.3 %
Social and other	97	82	18.3 %
Total	665	661	0.6 %

Full privilege members are broken down into categories as follows:

	For the six months ended		
	June 30, 2024	June 30, 2023	% Change 2024/2023
Corporate/Principal/Spousal	7,606	7,731	(1.6)%
Intermediate	1,363	1,467	(7.1)%
Senior	1,801	1,675	7.5 %
Junior	228	206	10.7 %
Social and other	4,065	4,077	(0.3)%
Total	15,063	15,156	(0.6)%

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, 2024

	For the six months ended		
(statistics)	June 30, 2024	June 30, 2023	% Change 2024/2023
18-hole equivalent championship golf courses	6.5	8.0	(18.8)%
Championship golf rounds	136,000	169,000	(19.5)%

	For the six months ended		
(thousands of dollars)	June 30, 2024	June 30, 2023	% Change 2024/2023
Operating revenue	\$ 10,468	\$ 11,046	(5.2)%
Direct operating expenses	7,838	7,907	(0.9)%
Net operating income	2,630	3,139	(16.2)%
Amortization of membership fees	58	72	(19.4)%
Depreciation and amortization	(577)	(564)	2.3 %
Other items	143	(50)	(386.0)%
Segment earnings before interest and income taxes (US dollars)	2,254	2,597	(13.2)%
Exchange	735	860	(14.5)%
Segment earnings before interest and income taxes (Cdn dollars)	\$ 2,989	\$ 3,457	(13.5)%

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, 2024

Highland Gate Sales

The Company's investment in Highland Gate is managed by Geranium Homes, a third party home builder. 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 Canadian dollars)	For the six months ended		
	June 30, 2024	June 30, 2023	% Change 2024/2023
Phase 1 units closed	1	8	(87.5)%
Phase 2 units closed	27	—	— %
Operating revenue	\$ 50,890	\$ 15,530	227.7 %
Operating cost of goods sold	(49,262)	(14,149)	248.2 %
Subtotal - project income	1,628	1,381	17.9 %
Amortization of cost of goods sold	(3,948)	(1,128)	250.0 %
Total	\$ (2,320)	\$ 253	(1017.0)%

Higher than expected commodity and material costs as well as significantly higher labour rates and construction delays have impacted the results to date of Highland Gate closings. Specifically, Phase 2 units were sold during COVID and were especially impacted by trade shortages and material escalations such as lumber which caused both delays in closing these units and profitability of these units.

Real Estate Fund Investments

The Company has the following real estate fund investments:

(thousands of dollars)	June 30, 2024	December 31 2023	June 30, 2023
Investment in Mount Auburn	\$ 767	\$ 1,234	\$ 2,193
Investment in Real Estate Investment Fund IV	9,129	8,822	8,448
Investment in Real Estate Investment Fund V	1,196	1,156	927
	\$ 11,092	\$ 11,212	\$ 11,568

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 substantially liquidated in 2022. The majority of the return of capital/liquidation payments have been made. A payment was received in January 2024 for US\$373,000, and there is one final payment outstanding.

The Company has invested \$9,920,000 (US\$7,500,000) in capital calls (US\$10,000,000 total commitment) in a US-based real estate investment fund managed by 13th Floor (Fund IV). TWC has an approximate 9% interest in this fund. This fund primarily invests in Florida real estate projects.

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, 2024 (continued)

Real Estate Fund Investments (continued)

Investments included in Fund IV include:

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

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

Change in the real estate fund investments is as follows:

	June 30, 2024			December 31, 2023			June 30, 2023		
	Mount	Investment	Real Estate Investment	Mount	Investment	Real Estate Investment	Mount	Investment	Real Estate Investment
(thousands of)	Auburn	Fund IV	Fund V	Auburn	Fund IV	Fund V	Auburn	Fund IV	Fund V
Balance, beginning of period (US dollars)	\$ 933	\$ 6,670	\$ 874	\$ 1,656	\$ 6,381	\$ —	\$ 1,656	\$ 6,381	\$ —
Cash call	—	—	—	—	—	1,000	—	—	700
Valuation adjustment	—	—	—	(587)	331	(126)	—	—	—
Distribution in kind	—	—	—	(136)	(42)	—	—	—	—
Return of capital/liquidation	(373)	—	—	—	—	—	—	—	—
Balance, end of period (US dollars)	560	6,670	874	933	6,670	874	1,656	6,381	700
Exchange	207	2,459	322	301	2,152	282	537	2,067	227
Balance, end of period (Cdn dollars)	\$ 767	\$ 9,129	\$ 1,196	\$ 1,234	\$ 8,822	\$ 1,156	\$ 2,193	\$ 8,448	\$ 927

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, 2024 (continued)

Interest, Net and Investment Income

Interest, net and investment income increased to income of \$5,598,000 for the six month period ended June 30, 2024 from \$4,281,000 in 2023 due to higher cash balances and the income earned on these balances. This line item also includes 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, 2024	June 30, 2023
Foreign exchange loss (gain)	\$ 189	\$ (531)
Unrealized loss on investment in marketable securities	9,670	14,032
Insurance	(857)	—
Equity loss from investments in joint ventures	—	220
Other	(499)	(149)
	\$ 8,503	\$ 13,572

At June 30, 2024, the Company recorded unrealized losses of \$9,670,000 on its investment in marketable securities (June 30, 2023 - \$14,032,000). This loss is attributable to the fair market value adjustments of the Company's investment in Automotive Properties REIT.

The exchange rate used for translating US denominated amounts has changed from 1.3226 at December 31, 2023 to 1.3687 at June 30, 2024. This has resulted in a foreign exchange loss of \$189,000 for the six month period ended June 30, 2024 on the translation of the Company's US denominated financial instruments.

FINANCIAL CONDITION

Assets

Total assets increased 1.0% to \$709,239,000 at June 30, 2024 from \$702,076,000 at December 31, 2023. This compares to \$753,438,000 at June 30, 2023.

Liabilities

Total liabilities increased 4.0% to \$171,004,000 at June 30, 2024 from \$164,489,000 at December 31, 2023. This compares to \$233,680,000 at June 30, 2023.

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

FINANCIAL CONDITION (continued)

Shareholders' Equity

Consolidated shareholders' equity at June 30, 2024 totaled \$538,235,000 or \$22.00 per share, compared to \$537,587,000 or \$21.94 per share at December 31, 2023 and \$519,758,000 or \$21.13 per share at June 30, 2023.

The following is a summary of the common share activity:

(number of shares)	For the six months ended	
	June 30, 2024	June 30, 2023
Balance, beginning of period	24,500,649	24,609,280
Shares issued pursuant to dividend reinvestment plan	13,006	9,038
Shares cancelled through NCIB	(50,900)	(22,900)
Balance, end of period	24,462,755	24,595,418

During 2024, the Company purchased 50,900 (2023 - 22,900) shares for cancellation at a total price in the amount of \$898,000 (2023 - \$412,000).

The company has recorded a positive adjustment to its accumulated other comprehensive earnings account of \$2,535,000 due to the translation of one US dollar into 1.3687 Canadian dollars at June 30, 2024 compared to 1.3226 at December 31, 2023. This change has a corresponding impact of the assets and liabilities having a base currency of US dollars.

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, 2024	June 30, 2023
Cash provided by operating activities	\$ 64,085	\$ 23,963
Operating property, plant and equipment expenditures	(9,924)	(5,839)
Expansion property, plant and equipment expenditures	(1,327)	(212)
Real estate fund investments, net	511	(927)
Mortgages and loans receivable	130	1,563
Revolving borrowings	(22,870)	704
Non-revolving borrowings – amortization payments	(4,450)	(4,318)
Lease liabilities	(339)	(303)
Dividends paid	(3,447)	(2,303)
Common shares repurchased for cancellation	(898)	(412)
Other	1,660	(163)
Net change in cash during the period	23,131	11,753
Cash, beginning of year	53,745	44,149
Cash, end of period	\$ 76,876	\$ 55,902

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

LIQUIDITY AND CAPITAL RESOURCES (continued)

The analysis of TWC's liquidity is as follows:

(thousands of Canadian dollars)	Availability as at June 30, 2024		Availability at as December 31, 2023		Availability as at June 30, 2023	
	Maximum	Available	Maximum	Available	Maximum	Available
Cash and cash equivalents (CDN)	\$ 32,184	\$ 32,184	\$ 9,793	\$ 9,793	\$ 14,140	\$ 14,140
Cash and cash equivalents (US)	44,692	44,692	43,952	43,952	41,762	41,762
Revolving line of credit (corporate)	50,000	49,196	50,000	49,196	50,000	48,433
Related party revolving line of credit	50,000	50,000	50,000	50,000	50,000	50,000
Subtotal	176,876	176,072	153,745	152,941	155,902	154,335
Highland Gate	108,000	78,021	108,000	59,151	108,000	48,855
Total	\$ 284,876	\$ 254,093	\$ 261,745	\$ 212,092	\$ 263,902	\$ 203,190

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, 2024, and projected future earnings, management expects to be able to fund its working capital requirements, and meet its other obligations including debt repayments.

The following is an analysis of the Company's net borrowings and their characteristics on June 30, 2024 compared to December 31, 2023:

(thousands of Canadian dollars)	Interest Rate June 30, 2024	Interest Rate December 31, 2023	Total Indebtedness June 30, 2024	Total Indebtedness December 31, 2023	Average Term to Maturity (Years) June 30, 2024	Average Term to Maturity (Years) December 31, 2023
Non-revolving	8.0 %	8.0 %	\$ 7,074	\$ 7,595	5.25	5.75
Exchange	—	—	2,608	2,450	—	—
Subtotal US borrowings	8.0 %	8.0 %	9,682	10,045		
Non-revolving CDN borrowings	8.1 %	8.1 %	638	4,383	—	0.50
Gross borrowings	8.0 %	8.0 %	10,320	14,428		
Lease liabilities	7.6 %	6.5 %	1,190	1,529	1.27	1.77
Highland Gate borrowings (a)	8.0 %	8.0 %	25,979	48,849	1.33	1.83
Total			\$ 37,489	\$ 64,806		

(a) These borrowings are variable interest rate debt

Highland Gate had 28 closings on homes for the six month period ended June 30, 2024, which has resulted in a significant reduction in Highland Gate borrowings from 2023.

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

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

LIQUIDITY AND CAPITAL RESOURCES (continued)

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, 2024:

(thousands of Canadian dollars)	Highland Gate	Corporate Borrowings	Lease Liabilities	Total
Balance of 2024	\$ —	\$ 1,381	\$ 680	\$ 2,061
2025	25,979	1,578	115	27,672
2026	—	1,710	126	1,836
2027	—	1,850	139	1,989
2028	—	2,004	88	2,092
2029 and thereafter	—	1,797	42	1,839
	\$ 25,979	\$ 10,320	\$ 1,190	\$ 37,489

Operating Activities

Cash provided by operating activities were \$64,085,000 in 2024 compared to \$23,963,000 in 2023 due to 28 Highland Gate home sales in 2024 (2023 - eight).

Investing Activities

Cash used in investing activities were \$10,558,000 in 2024 compared to \$6,573,000 in 2023.

Financing Activities

Financing activities repayments were \$31,874,000 in 2024 compared to \$5,129,000 in 2023 due to the repayment of Highland Gate borrowings.

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)	June 30, 2024	June 30, 2023	December 31, 2023
Loan receivable from Morguard	—	5,000	—
Loan payable to Morguard	—	—	—
Net interest receivable (payable)	—	28	—

(thousands of Canadian dollars)	For the three months ended June 30, 2024	June 30, 2023	For the six months ended June 30, 2024	June 30, 2023
Net interest earned (incurred) - Morguard	—	84	—	166

The Company has provided an unsecured revolving demand credit facility to Paros in the amount of \$5,000,000, with no fixed maturity date. Paros has provided an unsecured revolving demand credit facility to TWC in the amount of \$5,000,000 with no fixed maturity date. These facilities bear interest at prime plus 1%. During 2024 and 2023, there were no advances or repayments under this facility.

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

The Company receives managerial and consulting services from Morguard. The Company paid a management fee of \$348,000 for the six month period ended June 30, 2024 (June 30, 2023 - \$348,000), under a contractual agreement, which is included in other operating expenses. For the three months ended June 30, 2024, the Company paid a management fee of \$174,000 (three months ended June 30, 2023 - \$174,000). Morguard also provides back-office services to ClubLink US LLC. The Company paid a management fee of US\$230,000 (CDN\$312,000) for the period ended June 30, 2024 (June 30, 2023 - US\$230,000; CDN\$309,000) under a contractual agreement, which is included in other operating expenses. For the three months ended June 30, 2024, the Company paid US\$115,000 (CDN\$157,000) in management fees (three months ended June 30, 2023 - US\$115,000; CDN\$154,000).

The Company provides landscaping services for certain Morguard assets. The Company received a fee of \$94,000 for the six month period ended June 30, 2024 (June 30, 2023 - \$96,000) under a contractual agreement. For the three months ended June 30, 2024, the Company received a fee of \$25,000 (three months ended June 30, 2023 - \$27,000).

A total of US\$26,000 of rental revenue was earned by TWC for the six month period ended June 30, 2024 (June 30, 2023 - US\$26,000) from Morguard relating to a shared office facility in Florida. For the three months ended June 30, 2024, rental revenue earned was US\$13,000 (three months ended June 30, 2023 - 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, 2024. The financial data is derived from the Company's unaudited interim condensed consolidated financial statements, which are prepared in accordance with IFRS as follows:

(thousands of Canadian dollars, except per share amounts)	2024		2023				2022		
	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30
Total assets	\$709,239	\$727,315	\$702,076	\$750,009	\$753,438	\$754,001	\$727,343	\$721,283	\$766,134
Operating revenue	62,183	65,346	67,067	67,635	64,653	26,510	30,835	65,009	52,736
Net operating income	9,134	4,457	3,500	20,371	10,819	5,371	8,109	22,322	13,167
Net earnings (loss)	3,159	(701)	4,289	17,690	8,114	(8,051)	4,245	11,920	3,594
Basic earnings (loss) per share	0.13	(0.03)	0.18	0.72	0.33	(0.33)	0.17	0.49	0.15
Eligible cash dividends per share	0.075	0.075	0.05	0.05	0.05	0.05	0.05	0.05	0.02

SEASONALITY

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

RISKS AND UNCERTAINTIES

The Company is exposed to risks as further analyzed and described in the annual MD&A for December 31, 2023.

DISCLOSURE CONTROLS AND PROCEDURES

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

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

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

OUTLOOK

Highland Gate Development

TWC has been pursuing the development of its Highland Gate property in Aurora, Ontario with Geranium Homes which is also the manager. The development plan contains 157 single family detached homes, a seven storey multi-unit residential building with 114 units, a 10-metre landscaped buffer between existing rear yards and adjacent new streets, 7.6 kilometres of off-street trails resulting in a total pedestrian network consisting of 10.2 kilometres, and building a major new 21-acre park.

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

	Phase 1	Phase 2	Phase 3	Phase 4/5	Total
Total lots	44	53	25	35	157
Closings up to December 2022	(32)	—	—	—	(32)
Closings transpired in 2023	(8)	(23)	—	—	(31)
Closings transpired in 2024	(1)	(27)	—	—	(28)
Closings expected in 2024	—	(1)	(11)	—	(12)
Closings expected in 2025	—	—	(1)	(7)	(8)
Closings expected in 2026	—	—	—	(1)	(1)
Unreleased/unsold lots	3	2	13	27	45

Kanata Development

ClubLink has been working with two local developers to explore potential development options at Kanata Golf and Country Club in Ottawa. Development applications were submitted to the City of Ottawa on October 8, 2019 and deemed complete on October 17, 2019. On October 25, 2019, the City of Ottawa filed a Superior Court application seeking a declaration that certain agreements assumed by ClubLink remain valid and enforceable, and requesting an order that ClubLink either withdraw its development applications or offer to convey the golf course lands to the City at no cost under the terms of an agreement known as the 40% Agreement. On February 19, 2021, ClubLink was notified that the Superior Court granted the City's application in part, but did not order ClubLink to withdraw its development applications. An expedited appeal by ClubLink was held on September 17, 2021 and on November 26, 2021, the Ontario Court of Appeal overturned the decision, concluding that certain provisions of the 40% Agreement were void and unenforceable. In summary, this meant that ClubLink would not be required to give the golf course to the City of Ottawa if it ceased to operate it. The extent to which the Court of Appeal's decision affects other provisions of the 40% Agreement and related agreements was remitted to the Superior Court and a hearing on this matter was conducted on September 13, 2022. On Friday, October 13, 2023, the September 2022 decision was released – the result of which removes the development restrictions included in the 40% agreement. This decision has been appealed by the city which will be conducted on November 13, 2024.

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.

Kanata Golf Club remains open for play in 2024 and is expected to be open for play in 2025.

RattleSnake Point Golf Club

In accordance with Bill 162, the Halton Regional Official Plan was amended by the Province to include RattleSnake Point Golf Club for future development to the year 2051 urban area. RattleSnake was added to the Urban Area as New Community Area. New Community Area lands are intended to accommodate a range of retail, commercial and residential developments to support the achievement of complete communities.

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

OUTLOOK (continued)

Woodlands Golf Club

The Company has announced the closing of the sale of the former Woodlands Golf Club to a joint venture managed by 13th Floor Homes. 13th Floor Homes is the home building division of Miami-based 13th Floor Investments. TWC will be a 50% partner in the joint venture along with 13th Floor. The selling price to the joint venture is \$14M USD and is a result of a previously agreed upon formula based on the expected profit of the shared joint venture. 13th Floor Homes has been working since 2017 on obtaining the housing entitlements which will now be executed on by the joint venture. The transaction represents 270 acres of land in South Florida's City of Tamarac, and involves plans to develop a gated luxury residential community. The Woodlands, located at 4600 Woodlands Boulevard, will consist of 335 single family homes built on the site of the former Woodlands Country Club. Construction is expected to commence in early 2025, with the completion of the community's first homes estimated to begin delivering in early 2026.

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.

South Florida

An application has been made in May 2023 to replace the existing clubhouse at the Oaks/Cypress course at Palm Aire Country Club with a combined clubhouse/multi-family residential project with 270 units. All Palm Aire golf courses 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.sedarplus.ca) and the investor relations section of the Company's website (www.twcenterprises.ca).

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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



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

August 2, 2024



Andrew Tamlin
Chief Financial Officer

TWC ENTERPRISES LIMITED

Interim Condensed Consolidated Balance Sheets (Unaudited)

(thousands of Canadian dollars)	Notes	June 30, 2024	December 31, 2023	June 30, 2023
ASSETS				
Current				
Cash and cash equivalents		\$ 76,876	\$ 53,745	\$ 55,902
Restricted cash		6,719	5,887	3,747
Accounts receivable		18,698	5,136	19,345
Mortgages and loans receivable		1,471	1,589	5,188
Inventories and prepaid expenses		13,959	6,325	14,246
Other assets	4	93,299	103,436	111,126
Residential inventory	5	65,839	98,893	115,093
Assets held for sale	3	3,319	3,250	8,621
		280,180	278,261	333,268
Mortgages and loans receivable		2,766	2,778	715
Other assets	4	10,562	10,424	9,819
Right-of-use assets	6	1,051	1,306	1,866
Property, plant and equipment	7	404,278	398,537	396,599
Intangible assets	8	10,402	10,770	11,171
Total assets		\$ 709,239	\$ 702,076	\$ 753,438
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	9	\$ 26,505	\$ 18,805	\$ 34,310
Lease liabilities	10	730	1,279	1,230
Borrowings	11	2,154	5,791	28,910
Prepaid annual dues and deposits	12	58,526	30,873	65,751
		87,915	56,748	130,201
Lease liabilities	10	460	250	919
Borrowings	11	34,102	57,394	51,661
Deferred membership fees	13	1,696	3,043	2,208
Deferred income tax liabilities		46,831	47,054	48,691
Total liabilities		171,004	164,489	233,680
Share capital	15	102,105	102,090	102,382
Retained earnings		418,775	420,290	401,166
Accumulated other comprehensive earnings		10,038	7,503	7,580
Non-controlling interest	16	7,317	7,704	8,630
Total shareholders' equity		538,235	537,587	519,758
Total liabilities and shareholders' equity		\$ 709,239	\$ 702,076	\$ 753,438

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 (Loss) (Unaudited)

		For the three months ended		For the six months ended	
(thousands of Canadian dollars except per share amounts)	Notes	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
REVENUE					
Operating revenue		\$ 62,183	\$ 64,653	\$ 127,529	\$ 91,163
Amortizaton of membership fees	13	1,126	1,137	2,085	2,113
	14	63,309	65,790	129,614	93,276
EXPENSES					
Cost of sales		19,772	21,512	61,341	23,057
Labour and employee benefits		20,661	19,818	30,369	29,378
Utilities		1,884	1,841	3,584	3,578
Selling, general and administrative		1,367	1,327	2,843	2,812
Property taxes		665	685	2,548	2,536
Repairs and maintenance		1,789	1,502	2,789	2,833
Insurance		1,114	1,124	2,268	2,199
Turf operating expenses		2,215	2,057	2,528	2,364
Fuel and oil		484	401	584	539
Other operating expenses		3,098	3,567	5,084	5,677
Depreciation of right-of-use assets	6	284	259	567	513
Depreciation of property, plant and equipment	7	3,196	3,031	6,235	6,040
Amortization of intangible assets	8	201	202	394	401
Interest, net and investment income	17	(2,813)	(2,201)	(5,598)	(4,281)
Other items	18	3,902	(176)	8,503	13,572
		57,819	54,949	124,039	91,218
Earnings before income taxes		5,490	10,841	5,575	2,058
Income tax provision (recovery)					
Current		2,204	1,932	3,383	2,899
Deferred		127	795	(266)	(904)
		2,331	2,727	3,117	1,995
Net earnings		3,159	8,114	2,458	63
Unrealized foreign exchange gain (loss) in respect of foreign operations		768	(1,587)	2,535	(1,639)
Total comprehensive earnings (loss)		\$ 3,927	\$ 6,527	\$ 4,993	\$ (1,576)
Weighted average shares outstanding (000)	15	24,482	24,602	24,490	24,601
Earnings per share - basic and diluted	15	\$ 0.13	\$ 0.33	\$ 0.10	\$ —

		For the three months ended		For the six months ended	
(thousands of Canadian dollars)	Notes	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Net earnings (loss) attributable to:					
Shareholders		\$ 3,343	\$ 8,072	\$ 2,845	\$ 21
Non-controlling interest	16	(184)	42	(387)	42
		\$ 3,159	\$ 8,114	\$ 2,458	\$ 63

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 except per share amounts)		Common Shares	Share Capital	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)	Non- Controlling Interest	Total Shareholder Equity
Notes							
Balance, January 1, 2023		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	15B	9,038	157	(157)	—	—	—
Balance, June 30, 2023		24,595,418	102,382	401,166	7,580	8,630	519,758
Comprehensive earnings (loss)		—	—	22,905	(77)	(926)	21,902
Cash dividend	15B	—	—	(2,322)	—	—	(2,322)
Shares cancelled subject to normal course issuer bid	15C	(102,700)	(428)	(1,323)	—	—	(1,751)
Shares issued pursuant to dividend reinvestment plan	15B	7,931	136	(136)	—	—	—
Balance, December 31, 2023		24,500,649	102,090	420,290	7,503	7,704	537,587
Comprehensive earnings (loss)		—	—	2,845	2,535	(387)	4,993
Cash dividend	15B	—	—	(3,447)	—	—	(3,447)
Shares cancelled subject to normal course issuer bid	15C	(50,900)	(213)	(685)	—	—	(898)
Shares issued pursuant to dividend reinvestment plan	15B	13,006	228	(228)	—	—	—
Balance, June 30, 2024		24,462,755	\$ 102,105	\$ 418,775	\$ 10,038	\$ 7,317	\$ 538,235

TWC ENTERPRISES LIMITED

Interim Condensed Consolidated Statements of Cash Flow (Unaudited)

		For the three months ended		For the six months ended	
		June 30,	June 30,	June 30,	June 30,
		2024	2023	2024	2023
(thousands of Canadian dollars)	Notes				
OPERATING ACTIVITIES					
Net earnings		\$ 3,159	\$ 8,114	\$ 2,458	\$ 63
Items not affecting cash:					
Amortization of membership fees	13	(1,126)	(1,137)	(2,085)	(2,113)
Depreciation of right-of-use assets	6	284	259	567	513
Depreciation of property, plant and equipment	7	3,196	3,031	6,235	6,040
Amortization of intangible assets	8	201	202	394	401
Interest, net and investment income	17	(2,813)	(2,201)	(5,598)	(4,281)
Unrealized foreign exchange loss (gain)	18	22	(453)	189	(531)
Unrealized loss on investment in marketable securities	18	5,119	474	9,670	14,032
Equity loss (income) from investments in joint ventures		—	(260)	—	220
Gain on sale of property, plant and equipment	18	(162)	(354)	(246)	(525)
Income tax provision		2,331	2,727	3,117	1,995
Collection of membership fee instalments	13	510	752	740	994
Interest received		2,821	2,221	5,620	4,300
Income taxes paid		(3,467)	(2,040)	(6,222)	(4,005)
Restricted cash		(567)	(1,282)	(832)	(1,508)
Accounts receivable		(910)	(4,848)	(13,562)	(6,340)
Inventories and prepaid expenses		(1,700)	(2,845)	(7,634)	(9,093)
Residential inventory, net		5,488	1,028	33,054	(13,900)
Accounts payable and accrued liabilities		3,941	10,651	10,567	6,697
Prepaid annual dues and deposits		(16,160)	(15,685)	27,653	31,004
Cash and cash equivalents provided by (used in) operating activities		167	(1,646)	64,085	23,963
INVESTING ACTIVITIES					
Operating property, plant and equipment expenditures	7	(6,445)	(3,858)	(9,924)	(5,839)
Expansion property, plant and equipment expenditures	7	(1,319)	(151)	(1,327)	(212)
Proceeds on sale of property, plant and equipment		187	418	276	595
Right-of-use assets	6	(1)	(277)	(312)	(277)
Real estate fund investments, net		6	20	511	(927)
Other long-term assets		150	90	218	87
Cash used in investing activities		(7,422)	(3,758)	(10,558)	(6,573)
FINANCING ACTIVITIES					
Deferred financing costs		—	(40)	—	(60)
Revolving borrowings		(3,027)	956	(22,870)	704
Non-revolving borrowings - amortization payments		(2,249)	(1,693)	(4,450)	(4,318)
Lease liabilities		(337)	(24)	(339)	(303)
Mortgages and loans receivable		184	28,048	130	1,563
Shares repurchased for cancellation	15	(829)	(253)	(898)	(412)
Dividends paid	15	(1,725)	(1,155)	(3,447)	(2,303)
Cash provided by (used in) financing activities		(7,983)	25,839	(31,874)	(5,129)
Net effect of currency translation adjustment on cash and cash equivalents		497	(540)	1,478	(508)
Net increase (decrease) in cash and cash equivalents during the period		(14,741)	19,895	23,131	11,753
Cash and cash equivalents, beginning of period		91,617	36,007	53,745	44,149
Cash and cash equivalents, end of period		\$ 76,876	\$ 55,902	\$ 76,876	\$ 55,902

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

June 30, 2024 and 2023

1. NATURE OF OPERATIONS

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

TWC is engaged in golf club operations under the trademark “ClubLink One Membership More Golf”(“ClubLink”). ClubLink is Canada’s largest owner, operator and manager of golf clubs with 45 1/2, 18-hole equivalent championship and two, 18-hole equivalent academy courses at 35 locations in Ontario, Quebec and Florida (including three managed properties) throughout 2024.

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

2. BASIS OF PRESENTATION

The interim condensed consolidated financial statements (the “financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (IASB).

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

These financial statements were authorized for issuance by the Board of Directors on August 2, 2024.

These financial statements have been prepared on a basis consistent with the Company’s annual audited consolidated financial statements for the year ended December 31, 2023. Accordingly, certain information and disclosures normally required to be included in notes to annual financial statements have been condensed or omitted. Accordingly, these financial statements should be read in conjunction with the annual consolidated financial statements and the notes thereto for the year ended December 31, 2023. These financial statements were prepared on a going concern basis, under the historical cost model.

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

Due to the seasonal nature of the golf club operations in which the Company currently operates, the second and third quarters of the fiscal year account for, and are expected to account for, a greater portion of revenue and earnings than do the first and fourth quarters of each fiscal year. This seasonal pattern may cause the Company’s operating revenue and net operating income to vary significantly from quarter to quarter with consequential impacts on related working capital balances. Due to this seasonality, a consolidated balance sheet as at June 30, 2023 has been presented for comparative purposes.

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

Accounting changes

Future accounting pronouncements

The following standard has been released by the IASB but not yet been adopted.

IFRS 18, Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued IFRS 18 that will replace IAS 1 - Presentation of Financial Statements. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity’s assets, liabilities, equity, income and expenses.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The standard is applied retrospectively, with specific transition provisions, and early adoption is permitted.

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited) June 30, 2024 and 2023

2. BASIS OF PRESENTATION (continued)

Accounting changes (continued)

IFRS 18 introduces the following:

- Introduction of defined subtotals and categories in the statement of profit or loss.
- Introduction of requirements to improve aggregation and disaggregation.
- Introduction of disclosures about Management-defined Performance Measures in the notes to the financial statements.
- Targeted improvements to the statement of cash flows by amending IAS 7 - Statement of Cash Flows.

The Company is currently assessing the impact this new standard will have on its consolidated financial statements.

3. ASSETS HELD FOR SALE

On July 3, 2024, the Company announced the closing of the sale of the former Woodlands Golf Club to a joint venture managed by 13th Floor Homes. 13th Floor Homes is the home building division of Miami-based 13th Floor Investments. TWC will be a 50% partner in the joint venture along with 13th Floor. The selling price to the joint venture is \$14M USD and is a result of a previously agreed upon formula based on the expected profit of the shared joint venture. 13th Floor Homes has been working since 2017 on obtaining the housing entitlements which will now be executed on by the joint venture. The transaction represents 270 acres of land in South Florida's City of Tamarac, and involves plans to develop a gated luxury residential community. The Woodlands, located at 4600 Woodlands Boulevard, will consist of 335 single family homes built on the site of the former Woodlands Country Club. 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, 2024.

The assets held for sale are measured at the lower of book value and fair value less costs to sell. This has been assessed at June 30, 2024 and no adjustment is warranted to book value. At June 30, 2024, the assets held for sale are comprised of the following:

(thousands of Canadian dollars)	Note	June 30, 2024	December 31, 2023
Property, plant and equipment	7	\$ 3,319	\$ 3,250

4. OTHER ASSETS

Other assets consist of the following:

(thousands of Canadian dollars)	June 30, 2024	December 31, 2023	June 30, 2023
Investment in joint ventures	\$ —	\$ —	\$ —
Investment in Automotive Properties REIT (9,480,712 units; December 31, 2023 - 9,480,712 units; June 30, 2023 - 9,480,712 units)	92,532	102,202	108,933
Investment in Mount Auburn (US\$560,000; December 31, 2023 - US\$933,000; June 30, 2023 - US\$1,656,000)	767	1,234	2,193
Investment in Real Estate Investment Fund IV (US\$6,670,000; December 31, 2023 - US\$6,670,000; June 30, 2023 - US\$6,381,000)	9,129	8,822	8,448
Investment in Real Estate Investment Fund V (US\$874,000; December 31, 2023 - US\$874,000; June 30, 2023 - US\$700,000)	1,196	1,156	927
Other	237	446	444
	103,861	113,860	120,945
Less: current portion	93,299	103,436	111,126
	\$ 10,562	\$ 10,424	\$ 9,819

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

June 30, 2024 and 2023

4. OTHER ASSETS (continued)

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

(thousands of Canadian dollars)	June 30, 2024	December 31, 2023	June 30, 2023
Balance, beginning of period	\$ —	\$ 5,454	\$ 5,454
Equity income (loss)	—	(123)	(220)
Divestiture	—	(5,331)	—
Transfer - asset held for sale	—	—	(5,234)
Balance, end of period	\$ —	\$ —	\$ —

TWC has committed US\$10,000,000 towards a real estate fund based out of Florida (Fund IV). As at June 30, 2024, there has been US\$7,500,000 (CDN\$9,920,000) in capital calls paid towards this commitment. TWC has committed another US\$10,000,000 towards a real estate fund based out of Florida (Fund V). As at June 30, 2024, there has been US\$1,000,000 (CDN\$1,323,000) in capital calls paid towards this commitment. Outside of the fund, the Company had also previously made an investment in Mount Auburn (comprising of garden style real estate in the southern United States). This investment has now been mostly liquidated.

Change in the real estate fund investments is as follows:

	June 30, 2024			December 31, 2023			June 30, 2023		
	Investment in			Investment in			Investment in		
	Mount	Real Estate	Real Estate	Mount	Real Estate	Real Estate	Mount	Real Estate	Real Estate
(thousands of dollars)	Auburn	Investment	Investment	Auburn	Investment	Investment	Auburn	Investment	Investment
		Fund IV	Fund V		Fund IV	Fund V		Fund IV	Fund V
Balance, beginning of period (US dollars)	\$ 933	\$ 6,670	\$ 874	\$ 1,656	\$ 6,381	\$ —	\$ 1,656	\$ 6,381	\$ —
Cash call	—	—	—	—	—	1,000	—	—	700
Valuation adjustment	—	—	—	(587)	331	(126)	—	—	—
Distribution in kind	—	—	—	(136)	(42)	—	—	—	—
Return of capital/liquidation	(373)	—	—	—	—	—	—	—	—
Balance, end of period (US dollars)	560	6,670	874	933	6,670	874	1,656	6,381	700
Exchange	207	2,459	322	301	2,152	282	537	2,067	227
Balance, end of period (Cdn dollars)	\$ 767	\$ 9,129	\$ 1,196	\$ 1,234	\$ 8,822	\$ 1,156	\$ 2,193	\$ 8,448	\$ 927

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited) June 30, 2024 and 2023

5. RESIDENTIAL INVENTORY

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

(thousands of Canadian dollars)	Total
At January 1, 2023	\$ 101,193
Additions	57,595
Operating cost of goods sold	(55,524)
Cost of goods sold - amortization	(4,371)
At December 31, 2023	98,893
Additions	20,156
Operating cost of goods sold	(49,262)
Cost of goods sold - amortization	(3,948)
At June 30, 2024	\$ 65,839

The Company's investment in Highland Gate is managed by Geranium Homes, a third party home builder. 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 six month period ended June 30, 2024, there were 28 closings. There were eight closings for the six month period ended June 30, 2023 and 31 closings for the year ended December 31, 2023.

The amortization of cost of goods sold represents the non-cash amortization of the purchase price of both the 2019 and 2021 tranches purchased by ClubLink in this project in addition to the recorded minority interest. This is being expensed at the rate of \$141,000 per closing. At June 30, 2024 there was \$10,155,000 (June 30, 2023 - \$17,346,000) in the unamortized balance.

6. RIGHT-OF-USE ASSETS

Right-of-use assets consists of the following:

(thousands of Canadian dollars)	Land and Buildings	Equipment	Total
At January 1, 2023	\$ 2,102	\$ —	\$ 2,102
Additions	—	254	254
Depreciation	(1,015)	(35)	(1,050)
At December 31, 2023	1,087	219	1,306
Additions	—	312	312
Depreciation	(508)	(59)	(567)
At June 30, 2024	\$ 579	\$ 472	\$ 1,051

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited) June 30, 2024 and 2023

7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

(thousands of Canadian dollars)	Land	Buildings and Land Improvements	Bunkers, Cart Paths and Irrigation	Equipment	Total
Cost					
At January 1, 2023	\$ 285,539	\$ 162,764	\$ 110,853	\$ 97,023	\$ 656,179
Additions	188	4,681	4,289	5,557	14,715
Disposals	—	—	—	(4,058)	(4,058)
Transfer - asset held for sale (Note 3)	(1,960)	(2,680)	(1,701)	(1,084)	(7,425)
Foreign exchange difference	(271)	(245)	(249)	(208)	(973)
At December 31, 2023	283,496	164,520	113,192	97,230	658,438
Additions	608	1,729	2,201	6,713	11,251
Disposals	—	—	—	(805)	(805)
Foreign exchange difference	325	263	303	297	1,188
At June 30, 2024	\$ 284,429	\$ 166,512	\$ 115,696	\$ 103,435	\$ 670,072
Accumulated Depreciation					
At January 1, 2023	\$ —	\$ 90,608	\$ 89,742	\$ 75,260	\$ 255,610
Depreciation	—	4,533	3,237	4,571	12,341
Disposals	—	—	—	(3,454)	(3,454)
Transfer - asset held for sale (Note 3)	—	(2,280)	(812)	(1,083)	(4,175)
Foreign exchange difference	—	(105)	(154)	(162)	(421)
At December 31, 2023	—	92,756	92,013	75,132	259,901
Depreciation	—	2,231	1,609	2,395	6,235
Disposals	—	—	—	(775)	(775)
Foreign exchange difference	—	53	180	200	433
At June 30, 2024	\$ —	\$ 95,040	\$ 93,802	\$ 76,952	\$ 265,794
Net book value at December 31, 2023	\$ 283,496	\$ 71,764	\$ 21,179	\$ 22,098	\$ 398,537
Net book value at June 30, 2024	\$ 284,429	\$ 71,472	\$ 21,894	\$ 26,483	\$ 404,278

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

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

June 30, 2024 and 2023

8. INTANGIBLE ASSETS

Intangible assets consist of the following:

	Membership		Brand	Total
(thousands of Canadian dollars)	Base			Intangible
				Assets
Cost				
At January 1, 2023	\$	12,257	\$ 13,477	\$ 25,734
Foreign exchange difference		(49)	—	(49)
At December 31, 2023		12,208	13,477	25,685
Foreign exchange difference		71	—	71
At June 30, 2024	\$	12,279	\$ 13,477	\$ 25,756
Accumulated Depreciation				
At January 1, 2023	\$	6,979	\$ 7,166	\$ 14,145
Amortization		382	419	801
Foreign exchange difference		(31)	—	(31)
At December 31, 2023		7,330	7,585	14,915
Amortization		187	207	394
Foreign exchange difference		45	—	45
At June 30, 2024	\$	7,562	\$ 7,792	\$ 15,354
Net book value at December 31, 2023	\$	4,878	\$ 5,892	\$ 10,770
Net book value at June 30, 2024	\$	4,717	\$ 5,685	\$ 10,402

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

(thousands of Canadian dollars)	June 30, 2024	December 31, 2023	June 30, 2023
Trade payables	\$ 14,157	\$ 10,904	\$ 14,933
Accrued payroll costs	4,928	3,138	4,368
Accrued interest	66	94	127
Income taxes payable	390	243	2,059
Contingent contractual obligation	—	—	6,620
Accrued liabilities and other	6,964	4,426	6,203
	\$ 26,505	\$ 18,805	\$ 34,310

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

June 30, 2024 and 2023

10. LEASE LIABILITIES

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

(thousands of Canadian dollars)	Land and Buildings		Equipment	Total
At January 1, 2023	\$	2,452	\$ —	\$ 2,452
Additions		—	254	254
Interest expense		112	15	127
Lease payments		(1,241)	(63)	(1,304)
At December 31, 2023		1,323	206	1,529
Additions		—	311	311
Interest expense		29	22	51
Lease payments		(639)	(62)	(701)
At June 30, 2024		713	477	1,190
Less: current portion		631	99	730
	\$	82	\$ 378	\$ 460

Future minimum payments of lease liabilities are as follows:

(thousands of Canadian dollars)	Lease Liabilities		Interest	Total Minimum Lease Payments
Balance of 2024	\$	680	\$ 27	\$ 707
2025		115	42	157
2026		126	31	157
2027		139	18	157
2028		88	6	94
2029 and thereafter		42	5	47
	\$	1,190	\$ 129	\$ 1,319

The above lease liabilities have a weighted average interest rate of 7.6% (2023 - 6.5%).

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

June 30, 2024 and 2023

11. BORROWINGS

Borrowings consist of the following:

(thousands of Canadian dollars)	June 30, 2024	December 31, 2023	June 30, 2023
Highland Gate credit facilities to a maximum of \$109,544,000			
Servicing facility - due on demand - maturing October 31, 2025			
Prime rate loan (Prime + 1.00%)	\$ 13,893	\$ 5,271	\$ 4,460
BA loan (Stamping fees @ 2.50% or 7.79%)	—	24,400	35,600
Construction facility - due on demand - maturing October 31, 2025			
Prime rate loan (Prime + 1.00%)	12,086	3,678	7,885
BA loan (Stamping fees @2.50% or 7.79%)	—	15,500	11,200
	25,979	48,849	59,145
Mortgages with blended monthly payments of principal and interest			
8.060% Mortgage due July 1, 2024	638	4,383	7,991
8.000% Mortgage due October 1, 2029	9,682	10,045	10,720
(US\$7,074,000; December 31, 2023 - US\$7,595,000; June 30, 2023 - US\$8,097,000)			
Other	—	—	2,322
	10,320	14,428	21,033
Secured revolving operating line of credit to a maximum of \$50,000,000 due September 11, 2025	—	—	549
Gross borrowings	36,299	63,277	80,727
Less: deferred financing costs	(43)	(92)	(156)
Borrowings	36,256	63,185	80,571
Less: current portion	2,154	5,791	28,910
	\$ 34,102	\$ 57,394	\$ 51,661

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

Minimum principal debt repayments over the next five years and thereafter as at June 30, 2024 are as follows:

(thousands of Canadian dollars)	Highland Gate	Corporate Borrowings	Total Borrowings
Balance of 2024	\$ —	\$ 1,381	\$ 1,381
2025	25,979	1,578	27,557
2026	—	1,710	1,710
2027	—	1,850	1,850
2028	—	2,004	2,004
2029 and thereafter	—	1,797	1,797
	\$ 25,979	\$ 10,320	\$ 36,299

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

June 30, 2024 and 2023

12. PREPAID ANNUAL DUES AND DEPOSITS

Prepaid annual dues and deposits consist of the following:

(thousands of Canadian dollars)	June 30, 2024	December 31, 2023	June 30, 2023
Prepaid annual dues	\$ 32,469	\$ —	\$ 31,110
Member deposits	6,812	9,907	7,489
Prepaid cart plan deposits	2,524	624	2,470
Highland Gate real estate deposits	7,937	13,905	17,665
Event deposits	3,368	3,433	3,854
Other	5,416	3,004	3,163
	\$ 58,526	\$ 30,873	\$ 65,751

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

June 30, 2024 and 2023

13. DEFERRED MEMBERSHIP FEES

Deferred membership fees consist of the following:

(thousands of Canadian dollars)	June 30, 2024	December 31, 2023	June 30, 2023
Unamortized membership fees (note 13A)	\$ 41,002	\$ 39,664	\$ 39,312
Future membership fee instalments (note 13B)	(39,306)	(36,621)	(37,104)
Deferred membership fees	\$ 1,696	\$ 3,043	\$ 2,208

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, 2024	For the year ended December 31, 2023	For the six months ended June 30, 2023
Balance, beginning of period	\$ 39,664	\$ 38,223	\$ 38,223
Sales to new members	4,901	8,068	4,877
Transfer and reinstatement fees	1,474	3,060	1,409
Resignations and terminations	(2,951)	(5,084)	(3,063)
Amortization of membership fees to revenue	(2,085)	(4,604)	(2,113)
Exchange difference	(1)	1	(21)
Balance, end of period	\$ 41,002	\$ 39,664	\$ 39,312

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

(thousands of Canadian dollars)	For the six months ended June 30, 2024	For the year ended December 31, 2023	For the six months ended June 30, 2023
Balance, beginning of period	\$ 36,621	\$ 34,897	\$ 34,897
Sales to new members	4,901	8,068	4,877
Transfer and reinstatement fees	1,474	3,060	1,409
Resignations and terminations	(2,951)	(5,084)	(3,063)
Instalments received in cash	(740)	(4,319)	(994)
Exchange difference	1	(1)	(22)
Balance, end of period	\$ 39,306	\$ 36,621	\$ 37,104

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

June 30, 2024 and 2023

14. REVENUE

Revenue consists of the following:

(thousands of Canadian)	Three months ended June 30, 2024				Three months ended June 30, 2023			
	Canadian Golf Club Operations	US Golf Club Operations	Other (Highland Gate)	Total	Canadian Golf Club Operations	US Golf Club Operations	Other (Highland Gate)	Total
Annual dues	\$ 16,442	\$ 1,804	\$ —	\$ 18,246	\$ 15,977	\$ 1,789	\$ —	\$ 17,766
Golf	10,866	2,541	—	13,407	10,677	2,575	—	13,252
Corporate events	2,717	53	—	2,770	2,514	77	—	2,591
Membership fees	1,077	49	—	1,126	1,087	50	—	1,137
Food and beverage	9,148	650	—	9,798	9,349	662	—	10,011
Merchandise	4,354	227	—	4,581	4,294	234	—	4,528
Real estate sales	—	—	12,381	12,381	—	—	15,530	15,530
Rooms and other	1,031	(31)	—	1,000	1,015	(40)	—	975
	\$ 45,635	\$ 5,293	\$ 12,381	\$ 63,309	\$ 44,913	\$ 5,347	\$ 15,530	\$ 65,790

(thousands of Canadian)	Six months ended June 30, 2024				Six months ended June 30, 2023			
	Canadian Golf Club Operations	US Golf Club Operations	Other (Highland Gate)	Total	Canadian Golf Club Operations	US Golf Club Operations	Other (Highland Gate)	Total
Annual dues	\$ 32,123	\$ 3,630	\$ —	\$ 35,753	\$ 31,012	\$ 3,664	\$ —	\$ 34,676
Golf	10,869	8,540	—	19,409	10,672	9,101	—	19,773
Corporate events	2,715	73	—	2,788	2,514	103	—	2,617
Membership fees	2,006	79	—	2,085	2,016	97	—	2,113
Food and beverage	9,448	1,617	—	11,065	9,820	1,619	—	11,439
Merchandise	5,827	509	—	6,336	5,344	576	—	5,920
Real estate sales	—	—	50,890	50,890	—	—	15,530	15,530
Rooms and other	1,465	(177)	—	1,288	1,373	(165)	—	1,208
	\$ 64,453	\$ 14,271	\$ 50,890	\$ 129,614	\$ 62,751	\$ 14,995	\$ 15,530	\$ 93,276

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited) June 30, 2024 and 2023

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, 2024, there are 24,462,755 common shares outstanding (December 31, 2023 - 24,500,649). As at June 30, 2024, no preferred shares have been issued. Please refer to the consolidated statements of changes in shareholders' equity for details.

(B) Dividends

Dividends consist of the following:

Date of declaration	Record date	Distribution date	Amount per share	Payment amount	Share amount	Total amount
February 24, 2023	March 15, 2023	March 31, 2023	0.05	\$ 1,148,000	\$ 82,000	\$ 1,230,000
April 27, 2023	May 31, 2023	June 15, 2023	0.05	1,155,000	75,000	1,230,000
August 2, 2023	August 31, 2023	September 15, 2023	0.05	1,161,000	68,000	1,229,000
November 2, 2023	November 30, 2023	December 15, 2023	0.05	1,161,000	68,000	1,229,000
				\$ 4,625,000	\$ 293,000	\$ 4,918,000
February 23, 2024	March 15, 2024	April 1, 2024	0.075	\$ 1,722,000	\$ 115,000	\$ 1,837,000
April 25, 2024	May 31, 2024	June 17, 2024	0.075	1,725,000	113,000	1,838,000
				\$ 3,447,000	\$ 228,000	\$ 3,675,000

(C) Shares repurchased and cancelled

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,225,000 of its common shares which expired on September 19, 2023. From September 20, 2022 to December 31, 2022, the Company repurchased for cancellation 5,100 common shares for a total purchase price of \$89,000 or \$17.48 per share, including commissions. From January 1, 2023 to September 19, 2023, the Company repurchased for cancellation 57,200 common shares for a total purchase price of \$1,028,000 or \$17.97 per share, including commissions.

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,228,000 of its common shares which expires on September 19, 2024. From September 20, 2023 to December 31, 2023, the Company repurchased for cancellation 68,400 common shares for a total purchase price of \$1,134,000 or \$16.58 per share, including commissions. From January 1, 2024 to June 30, 2024, the Company repurchased for cancellation 50,900 common shares for a total purchase price of \$898,000 or \$17.62 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, 2024 and 2023

16. NON-CONTROLLING INTEREST

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

(thousands of Canadian dollars)	June 30, 2024	December 31, 2023	June 30, 2023
Cash and cash equivalents	\$ —	\$ —	\$ 3,153
Restricted cash	6,719	5,887	3,747
Other current assets	240	126	2,876
Residential inventory (Note 5)	65,839	98,893	115,234
Inventories and prepaid expenses	11	10	—
Total assets	\$ 72,809	\$ 104,916	\$ 125,010
Accounts payable and accrued liabilities	\$ 8,518	\$ 9,467	\$ 9,810
Prepaid annual dues and deposits	7,937	13,905	17,665
Borrowings	25,979	48,849	59,145
Total liabilities	42,434	72,221	86,620
Partner capital	31,352	31,352	31,352
Retained deficit	(8,294)	(6,361)	(1,592)
Non-controlling interest	7,317	7,704	8,630
Total shareholders' equity	30,375	32,695	38,390
Total liabilities and shareholders' equity	\$ 72,809	\$ 104,916	\$ 125,010

	For the three months ended		For the six months ended	
(thousands of Canadian dollars)	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Revenue	\$ 12,381	\$ 15,530	\$ 50,890	\$ 15,530
Operating cost of goods sold	(12,501)	(14,149)	(49,262)	(14,149)
Cost of goods sold - amortization (Note 5)	(987)	(1,128)	(3,948)	(1,128)
Earnings (loss) for the period	\$ (1,107)	\$ 253	\$ (2,320)	\$ 253
Earnings (loss) attributable to shareholders	\$ (923)	\$ 211	\$ (1,933)	\$ 211
Earnings (loss) attributable to non-controlling interests	(184)	42	(387)	42
Earnings (loss) for the period	\$ (1,107)	\$ 253	\$ (2,320)	\$ 253

(thousands of Canadian dollars)	June 30, 2024	December 31, 2023	June 30, 2023
Balance, beginning of period	7,704	\$ 8,588	\$ 8,588
Share of earnings (loss) for the period	(387)	(884)	42
Balance, end of period	\$ 7,317	\$ 7,704	\$ 8,630

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited) June 30, 2024 and 2023

17. INTEREST, NET AND INVESTMENT INCOME

Interest, net and investment income consists of the following:

(thousands of Canadian dollars)	For the three months ended		For the six months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Revolving line of credit	\$ 1	\$ (33)	\$ 7	\$ 95
Non-revolving mortgages	299	459	630	957
Construction line of credit (Highland Gate)	207	543	669	1,229
Lease liabilities (note 10)	24	33	51	67
Line of credit to related party	—	(204)	—	(352)
Amortization of deferred financing costs	23	48	50	94
Interest revenue and investment income	(3,160)	(2,537)	(6,336)	(5,204)
Capitalized interest (Highland Gate)	(207)	(543)	(669)	(1,229)
Other	—	33	—	62
	\$ (2,813)	\$ (2,201)	\$ (5,598)	\$ (4,281)

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, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Foreign exchange loss (gain)	\$ 22	\$ (453)	\$ 189	\$ (531)
Unrealized loss on investment in marketable securities	5,119	474	9,670	14,032
Insurance	(621)	—	(857)	—
Equity loss (income) from investments in joint ventures	—	(260)	—	220
Other	(618)	63	(499)	(149)
	\$ 3,902	\$ (176)	\$ 8,503	\$ 13,572

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

June 30, 2024 and 2023

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)	June 30, 2024	June 30, 2023	December 31, 2023
Loan receivable from Morguard	—	5,000	—
Loan payable to Morguard	—	—	—
Net interest receivable (payable)	—	28	—

(thousands of Canadian dollars)	For the three months ended June 30, 2024	June 30, 2023	For the six months ended June 30, 2024	June 30, 2023
Net interest earned (incurred) - Morguard	—	84	—	166

The Company has provided an unsecured revolving demand credit facility to Paros in the amount of \$5,000,000, with no fixed maturity date. Paros has provided an unsecured revolving demand credit facility to TWC in the amount of \$5,000,000 with no fixed maturity date. These facilities bear interest at prime plus 1%. During 2024 and 2023, there were no advances or repayments under this facility.

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

The Company receives managerial and consulting services from Morguard. The Company paid a management fee of \$348,000 for the six month period ended June 30, 2024 (June 30, 2023 - \$348,000), under a contractual agreement, which is included in other operating expenses. For the three months ended June 30, 2024, the Company paid a management fee of \$174,000 (three months ended June 30, 2023 - \$174,000). Morguard also provides back-office services to ClubLink US LLC. The Company paid a management fee of US\$230,000 (CDN\$312,000) for the period ended June 30, 2024 (June 30, 2023 - US\$230,000; CDN\$309,000) under a contractual agreement, which is included in other operating expenses. For the three months ended June 30, 2024, the Company paid US\$115,000 (CDN\$157,000) in management fees (three months ended June 30, 2023 - US\$115,000; CDN\$154,000).

The Company provides landscaping services for certain Morguard assets. The Company received a fee of \$94,000 for the six month period ended June 30, 2024 (June 30, 2023 - \$96,000) under a contractual agreement. For the three months ended June 30, 2024, the Company received a fee of \$25,000 (three months ended June 30, 2023 - \$27,000).

A total of US\$26,000 of rental revenue was earned by TWC for the six month period ended June 30, 2024 (June 30, 2023 - US\$26,000) from Morguard relating to a shared office facility in Florida. For the three months ended June 30, 2024, rental revenue earned was US\$13,000 (three months ended June 30, 2023 - 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, 2024 and 2023

20. SEGMENTED INFORMATION

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

TWC is engaged in golf club operations under the trademark "ClubLink One Membership More Golf". TWC is Canada's largest owner, operator and manager of golf clubs with 45 1/2, 18-hole equivalent championship and two, 18-hole equivalent academy courses (including three 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, 2024					
(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations and Other	Total	
Operating revenue	\$ 44,558	\$ 5,244	\$ 12,381	\$	62,183
Direct operating expenses	(34,197)	(4,608)	(14,244)		(53,049)
Net operating income (loss)	10,361	636	(1,863)		9,134
Amortization of membership fees	1,077	49	—		1,126
Depreciation and amortization	(3,217)	(464)	—		(3,681)
Other items	871	345	(5,118)		(3,902)
Segment earnings (loss) before interest and income taxes	\$ 9,092	\$ 566	\$ (6,981)		2,677
Interest, net (unallocated)					2,813
Provision for income taxes (unallocated)					(2,331)
Net earnings				\$	3,159
Capital expenditures	\$ 7,347	\$ 417	\$ —	\$	7,764

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

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited) June 30, 2024 and 2023

20. SEGMENTED INFORMATION (continued)

For the six months ended June 30, 2024							
	Canadian Golf Club Operations		US Golf Club Operations		Corporate Operations and Other		
(thousands of Canadian dollars)						Total	
Operating revenue	\$	62,447	\$	14,192	\$	50,890	\$ 127,529
Direct operating expenses		(48,532)		(10,640)		(54,766)	(113,938)
Net operating income (loss)		13,915		3,552		(3,876)	13,591
Amortization of membership fees		2,006		79		—	2,085
Depreciation and amortization		(6,410)		(786)		—	(7,196)
Other items		1,017		144		(9,664)	(8,503)
Segment earnings (loss) before interest and income taxes	\$	10,528	\$	2,989	\$	(13,540)	(23)
Interest, net (unallocated)							5,598
Provision for income taxes (unallocated)							(3,117)
Net earnings							\$ 2,458
Capital expenditures	\$	9,182	\$	2,069	\$	—	\$ 11,251

For the six months ended June 30, 2023								
		Canadian Golf Club Operations		US Golf Club Operations		Corporate Operations and Other		Total
(thousands of Canadian dollars)								
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

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited) June 30, 2024 and 2023

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, 2024 there has been US\$7,500,000 (CDN\$9,923,000) 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, 2024, there has been US\$1,000,000 (CDN\$1,323,000 in capital calls paid towards this commitment (see Note 3).

As at December 31, 2023 and June 30, 2024, TWC has \$804,000 (June 30, 2023 - \$1,018,000) outstanding in letters of credit against its corporate credit facility.

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

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

22. SUBSEQUENT EVENT

On August 2, 2024, the Company declared a 7.5 cents per common share cash dividend, payable September 16, 2024 to shareholders of record on August 30, 2024.

GOLF CLUB AND RESORT PROPERTY LISTING

		Championship Golf Holes	Academy Golf Holes	Future Golf Holes	Current Rooms	Surplus Land in Acres
ONTARIO/QUEBEC REGION						
Prestige	1. Greystone Golf Club, Milton, Ontario	18	-	-	-	-
	2. King Valley Golf Club, The Township of King, Ontario	18	-	-	-	-
	3. RattleSnake Point Golf Club, Milton, Ontario	36	9	-	-	-
Hybrid – Prestige	4. Glen Abbey Golf Club, Oakville, Ontario	18	-	-	-	-
Platinum	5. Blue Springs Golf Club, Acton, Ontario	18	9	-	-	-
	6. Club de Golf Islesmere, Laval, Quebec (a)	27	-	-	-	-
	7. Club de Golf Rosemère, Blainville, Quebec (b)	18	-	-	-	-
	8. DiamondBack Golf Club, Richmond Hill, Ontario	18	-	-	-	-
	9. Eagle Creek Golf Club, Dunrobin, Ontario	18	-	-	-	-
	10. Emerald Hills Golf Club, Whitchurch-Stouffville, Ontario	27	-	-	-	-
	11. Glencairn Golf Club, Milton, Ontario	27	-	-	-	-
	12. Grandview Golf Club, Huntsville, Ontario	18	-	18	-	-
	13. Heron Point Golf Links, Ancaster, Ontario	18	-	-	-	-
	14. Kanata Golf & Country Club, Kanata, Ontario	18	-	-	-	-
	15. King's Riding Golf Club, The Township of King, Ontario	18	-	-	-	-
	16. Le Maître de Mont-Tremblant, Mont-Tremblant, Quebec (c)	36	-	-	-	-
	17. Rocky Crest Golf Club, Mactier, Ontario	18	-	18	-	-
	18. The Lake Joseph Club, Port Carling, Ontario	18	9	-	-	-
	19. Wyndance Golf Club, Uxbridge, Ontario	18	9	-	-	-
Gold	20. Caledon Woods Golf Club, Bolton, Ontario	18	-	-	-	-
	21. Club de Golf Hautes Plaines, Gatineau, Quebec	18	-	-	-	-
	22. Georgetown Golf Club, Georgetown, Ontario	18	-	-	-	-
	23. Glendale Golf and Country Club, Hamilton, Ontario	18	-	-	-	-
	24. GreyHawk Golf Club, Ottawa, Ontario	36	-	-	-	-
	25. National Pines Golf Club, Innisfil, Ontario (a)	18	-	-	-	-
	26. Station Creek Golf Club, Whitchurch-Stouffville, Ontario	36	-	-	-	-
	27. Vespra Hills Golf Club, Minesing, Ontario (b)	27	-	-	-	-
Hybrid – Gold	28. Cherry Downs Golf & Country Club, Pickering, Ontario	18	-	18	-	-
Hybrid – Silver	29. Bethesda Grange, Whitchurch-Stouffville, Ontario	18	-	-	-	-
	30. Hidden Lake Golf Club, Burlington, Ontario	36	-	-	-	-
Daily Fee	31. Rolling Hills Golf Club, Whitchurch-Stouffville, Ontario	36	-	-	-	-
Muskoka, Ontario Resorts	32. The Lake Joseph Club, Port Carling, Ontario	-	-	-	-	-
	33. Rocky Crest Resort/Lakeside at Rocky Crest, Mactier, Ontario (d)	-	-	-	84	-
	34. Sherwood Inn, Port Carling, Ontario	-	-	-	49	-
FLORIDA REGION						
Hybrid – Prestige	1. TPC Eagle Trace, Coral Springs, Florida	18	-	-	-	-
Hybrid – Platinum	2. Club Renaissance, Sun City Center, Florida	18	-	-	-	-
Gold	3. Scepter Golf Club, Sun City Center, Florida	27	-	-	-	-
Daily Fee	4. Palm Aire Country Club (Oaks, Cypress), Pompano Beach, Florida	36	-	-	-	-
	5. Palm Aire Country Club (Palms), Pompano Beach, Florida	18	-	-	-	-
Other	Cherry Downs, Pickering, Ontario	-	-	-	-	360
	King Haven, The Township of King, Ontario	-	-	-	-	278
	Kings Point Golf Club, Sun City Center, Florida (e)	-	-	-	-	51
	Caloosa Greens Golf Club, Sun City Center, Florida (e)	-	-	-	-	70
	Falcon Watch Golf Club, Sun City Center, Florida (e)	-	-	-	-	116
	North Lakes Golf Club, Sun City Center, Florida (e)	-	-	-	-	170
	Sandpiper Golf Club, Sun City Center, Florida (e)	-	-	-	-	250
	Woodlands Country Club, Tamarac, Florida (e)	-	-	-	-	279
Total 18-hole Equivalent Courses, Rooms, Acres		45.5	2.0	3.0	133	1,574

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

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

ANGELA SAHI

Senior Vice President, Strategy

ANDREW TAMLIN

Chief Financial Officer

JOHN A. FINLAYSON

Chief Operations Officer, Canadian Golf Operations

Vice President, Florida Golf Operations

JAMIE KING

Vice President, Sales and Marketing/Business Development

BRENT MILLER

Vice President, Business Development

CORPORATE INFORMATION

EXECUTIVE OFFICE

15675 Dufferin Street

King City, Ontario L7B 1K5

TEL: (905) 841-3730

FAX: (905) 841-1134

WEB SITES

twcenterprises.ca

clublink.ca

INVESTOR RELATIONS

Contact: Andrew Tamlin

Tel: (905) 841-5372

Email: atamlin@clublink.ca

BANKERS

Royal Bank of Canada

AUDITORS

Deloitte LLP

STOCK EXCHANGE LISTING

Common shares: TSX: TWC

TRANSFER AGENT

TSX Trust Company

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

Tel: (416) 682-3860

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

Fax: 1-888-249-6189

Email: shareholderinquiries@tmx.com

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