

TWC ENTERPRISES LIMITED

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FINANCIAL HIGHLIGHTS

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

(thousands of Canadian dollars - except as indicated)	For the three months ended		For the nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
OPERATIONS				
Operating revenue	67,635	65,009	158,798	155,677
Net operating income ⁽¹⁾	20,371	22,322	36,561	40,467
Net earnings	17,690	11,920	17,753	14,421
OPERATING DATA				
Canadian full privilege golf members			15,530	16,014
Championship rounds - Canada ⁽²⁾	567,000	583,000	958,000	1,027,000
18-hole equivalent championship golf courses - Canada ^(2,3)			35.5	37.5
18-hole equivalent managed golf courses - Canada			2.0	2.0
Championship rounds - U.S. ⁽²⁾	33,000	32,000	202,000	199,000
18-hole equivalent championship golf courses - U.S. ^(2,3)			6.5	8.0
COMMON SHARE DATA (000)				
Shares outstanding	24,565	24,556	24,565	24,556
Weighted average shares outstanding	24,576	24,506	24,593	24,525
PER COMMON SHARE DATA (\$)				
Basic and diluted earnings	0.72	0.49	0.72	0.59
Eligible cash dividend	0.05	0.05	0.15	0.09
FINANCIAL POSITION				
Total assets			750,009	721,283
Gross borrowings			88,954	67,368
Shareholders' equity			537,182	520,937
Net book value per share ⁽¹⁾			21.87	21.21

(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 September 30.

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

This management's discussion and analysis of financial condition and results of operations ("MD&A") should be read in conjunction with TWC Enterprises Limited's ("TWC" or the "Company", formerly ClubLink Enterprises Limited) unaudited interim condensed consolidated financial statements and accompanying notes for the period ended September 30, 2023. This MD&A has been prepared as at November 3, 2023 and all amounts are in Canadian dollars unless otherwise indicated.

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

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

FORWARD-LOOKING STATEMENTS

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

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

SPECIFIED FINANCIAL MEASURES

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

NON-GAAP MEASURES

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

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

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

Net operating income = operating revenue - direct operating expenses

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

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

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

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

BUSINESS STRATEGY AND CORPORATE OVERVIEW

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

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

OVERVIEW OF BUSINESS SEGMENTS

Golf Club Operations Segment

TWC is engaged in golf club operations under the trademark "ClubLink One Membership More Golf" ("ClubLink"). ClubLink is Canada's largest owner, operator and manager of golf clubs with 44, 18-hole equivalent championship and 2, 18-hole equivalent academy courses, at 34 locations in two separate geographical Regions: (a) Ontario/Quebec (including two managed properties) and (b) Florida.

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

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

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

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

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

(a) Ontario/Quebec

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

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

Prestige: Greystone, King Valley, RattleSnake Point

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

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

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

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

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

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

Hybrid – Prestige: Glen Abbey

Hybrid – Gold: Cherry Downs

Hybrid – Silver: Bethesda Grange, Hidden Lake

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

OVERVIEW OF BUSINESS SEGMENTS (continued)

Golf Club Operations Segment (continued)

(a) Ontario/Quebec (continued)

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

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

Daily Fee: Rolling Hills

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

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

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

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

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

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

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

(b) United States

ClubLink's Florida Region includes 6½ 18-hole equivalent championship golf courses.

In 2023, 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.

SUMMARY OF CANADIAN/US EXCHANGE RATES USED FOR TRANSLATION PURPOSES

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

	September 30, 2023	December 31, 2022	September 30, 2022
Balance Sheet	1.3520	1.3544	1.3707
Statement of Earnings - First Quarter	1.3518	N/A	1.2663
Statement of Earnings - Second Quarter	1.3431	N/A	1.2765
Statement of Earnings - Third Quarter	1.3412	N/A	1.3061

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 September 30, 2023 and September 30, 2022. This financial data is derived from the Company's unaudited interim condensed consolidated financial statements, which are prepared in accordance with IFRS.

(thousands of Canadian dollars - except as indicated)	For the three months ended		
	September 30, 2023	September 30, 2022	% Change 2023/2022
OPERATING REVENUE	\$ 67,635	\$ 65,009	4.0%
DIRECT OPERATING EXPENSES	47,264	42,687	10.7%
NET OPERATING INCOME	20,371	22,322	(8.7%)
Amortization of membership fees	1,469	1,329	10.5%
Depreciation and amortization	(3,607)	(4,493)	(19.7%)
Interest, net and investment income	2,327	(1,510)	N/A
Other items	2,610	(1,517)	N/A
Income taxes	(5,480)	(4,211)	30.1%
NET EARNINGS	\$ 17,690	\$ 11,920	48.4%
BASIC AND DILUTED EARNINGS PER SHARE	\$ 0.72	\$ 0.49	46.9%

The breakdown of operating revenue is as follows:

(thousands of Canadian dollars)	For the three months ended		
	September 30, 2023	September 30, 2022	% Change 2023/2022
Annual dues	\$ 17,230	\$ 16,967	1.6%
Golf	18,570	17,965	3.4%
Corporate events	4,322	4,855	(11.0%)
Food and beverage	15,714	16,035	(2.0%)
Merchandise	5,611	5,760	(2.6%)
Real estate	3,291	-	N/A
Rooms and other	2,897	3,427	(15.5%)
	\$ 67,635	\$ 65,009	4.0%

The breakdown of direct operating expenses is as follows:

(thousands of Canadian dollars)	For the three months ended		
	September 30, 2023	September 30, 2022	% Change 2023/2022
Operating cost of sales	\$ 9,232	\$ 8,868	4.1%
Real estate cost of sales	3,816	-	N/A
Labour and employee benefits	22,429	22,092	1.5%
Utilities	2,193	2,506	(12.5%)
Selling, general and administrative	1,246	1,382	(9.8%)
Property taxes	463	441	5.0%
Insurance	1,099	924	18.9%
Repairs and maintenance	1,623	1,252	29.6%
Turf operating expenses	1,120	1,159	(3.4%)
Fuel and oil	676	681	(0.7%)
Other operating expenses	3,367	3,382	(0.4%)
Total direct operating expenses	\$ 47,264	\$ 42,687	10.7%

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

THIRD QUARTER 2023 CONSOLIDATED OPERATING HIGHLIGHTS

Operating revenue increased 4.0% to \$67,635,000 for the three month period ended September 30, 2023 from \$65,009,000 in 2022 due to the revenue from the two Highland Gate home sales in 2023 as compared to none in 2022.

Direct operating expenses increased 10.7% to \$47,264,000 for the three month period ended September 30, 2023 from \$42,687,000 in 2022 due to the cost of sales from the two Highland Gate home sales in 2023 as compared to none in 2022, as well as above normal increases in labour and certain operating expenses. It continues to be a challenging environment in being able to manage labour costs due to the above normal minimum wage increases and a competitive environment for hiring staff.

Net operating income for the Canadian golf club operations segment decreased to \$21,173,000 for the three month period ended September 30, 2023 from \$23,626,000 in 2022 due to the conclusion of ClubLink's lease of The Country Club which expired as of December 31, 2023, as well as above normal increases in labour and certain operating expenses. There has also been a noticeable decline in traffic in the Muskoka, Ontario tourist region this summer which has affected the results of the Company's resorts which operate in this area.

Depreciation and amortization decreased 19.7% to \$3,607,000 in 2023 from \$4,493,000 in 2022 due to the conclusion of The Country Club lease which has also resulted in a decline in depreciation of right-of-use assets.

Interest, net and investment income increased to \$2,327,000 for the three month period ended September 30, 2023 from an expense of \$1,510,000 in 2022 due to a decrease in borrowings and an increase in distributions from the Company's investment in Automotive Properties REIT. In 2022, the Company paid off several non-revolving mortgages in advance of their due dates resulting in an expense of \$2,604,000 which includes prepayment penalties and other costs.

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

(thousands of Canadian dollars)	For the three months ended September 30, 2023	September 30, 2022
Foreign exchange loss	\$ 165	\$ 440
Unrealized loss on investment in marketable securities	9,859	1,915
Contingent contractual obligation	(6,620)	-
Gain on sale of investments in joint ventures	(6,521)	-
Equity income from investments in joint ventures	(97)	(623)
Loss on real estate fund investments	679	-
Insurance proceeds	(188)	(220)
Other items	113	5
	\$ (2,610)	\$ 1,517

For the three month period ended September 30, 2023, the Company recorded unrealized losses of \$9,859,000 on its investment in marketable securities (September 30, 2022 - \$1,915,000). This loss is attributable to the fair market value adjustments of the Company's investment in Automotive Properties REIT.

The contingent contractual obligation of USD\$5,000,000 (CDN\$6,620,000) originating from the sale of White Pass in 2018 expired in July 2023 and as such has been reversed since it had not been expended.

On September 20, 2023, the Company completed the divestiture of its investment in the Geranium real estate management company along with other non-Highland Gate joint ventures in which it was a co-investor with the Geranium Group. These assets were purchased by the Company's co-investors with Geranium. Total proceeds for the transaction were \$12,500,000 including deferred proceeds of \$5,300,000. A gain of \$6,521,000 was recorded as a result of the transaction.

Net earnings increased to \$17,690,000 for the three month period ended September 30, 2023 from \$11,920,000 in 2022 due to the change in other items described above. Basic and diluted earnings per share increased to 72 cents per share in 2023, compared to basic and diluted earnings per share of 49 cents in 2022.

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

NINE MONTH CONSOLIDATED OPERATING HIGHLIGHTS

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

(thousands of Canadian dollars - except as indicated)	For the nine months ended		
	September 30, 2023	September 30, 2022	% Change 2023/2022
OPERATING REVENUE	\$ 158,798	\$ 155,677	2.0%
DIRECT OPERATING EXPENSES	122,237	115,210	6.1%
NET OPERATING INCOME	36,561	40,467	(9.7%)
Amortization of membership fees	3,582	3,349	7.0%
Depreciation and amortization	(10,561)	(13,375)	(21.0%)
Interest, net and investment income	6,608	(812)	N/A
Other items	(10,962)	(7,669)	42.9%
Income taxes	(7,475)	(7,539)	0.8%
NET EARNINGS	\$ 17,753	\$ 14,421	23.1%
BASIC AND DILUTED EARNINGS PER SHARE	\$ 0.72	\$ 0.59	22.0%
TOTAL ASSETS	\$ 750,009	\$ 721,283	4.0%
GROSS BORROWINGS	\$ 88,954	\$ 67,368	32.0%
SHAREHOLDERS' EQUITY	\$ 537,182	\$ 520,937	3.1%

The breakdown of operating revenue is as follows:

(thousands of Canadian dollars)	For the nine months ended		
	September 30, 2023	September 30, 2022	% Change 2023/2022
Annual dues	\$ 51,906	\$ 51,055	1.7%
Golf	38,343	37,645	1.9%
Corporate events	6,939	7,452	(6.9%)
Food and beverage	27,153	27,360	(0.8%)
Merchandise	11,531	11,281	2.2%
Real estate	18,821	15,811	19.0%
Rooms and other	4,105	5,073	(19.0%)
Total operating revenue	\$ 158,798	\$ 155,677	2.0%

The breakdown of direct operating expenses is as follows:

(thousands of Canadian dollars)	For the nine months ended		
	September 30, 2023	September 30, 2022	% Change 2023/2022
Operating cost of sales	\$ 17,012	\$ 16,170	5.2%
Real estate cost of sales	19,093	16,394	16.5%
Labour and employee benefits	51,807	49,590	4.5%
Utilities	5,771	6,146	(6.1%)
Selling, general and administrative	4,058	4,266	(4.9%)
Property taxes	2,999	2,776	8.0%
Insurance	3,298	2,705	21.9%
Repairs and maintenance	4,456	3,878	14.9%
Turf operating expenses	3,484	3,517	(0.9%)
Fuel and oil	1,215	1,416	(14.2%)
Other operating expenses	9,044	8,352	8.3%
Total direct operating expenses	\$ 122,237	\$ 115,210	6.1%

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

RESULTS OF OPERATIONS BY BUSINESS SEGMENT

The results of operations by business segment should be read in conjunction with the segmented information contained in note 21 of the unaudited interim condensed consolidated financial statements for the period ended September 30, 2023.

(thousands of Canadian dollars)	For the nine months ended		% Change
	September 30, 2023	September 30, 2022	
Operating revenue by segment			
<i>Canadian golf club operations</i>	\$ 121,312	\$ 123,213	(1.5%)
<i>US golf club operations</i>	18,665	16,653	12.1%
<i>Other (Highland Gate)</i>	18,821	15,811	19.0%
Operating revenue	\$ 158,798	\$ 155,677	2.0%
Net operating income (loss) by segment			
<i>Canadian golf club operations</i>	\$ 34,314	\$ 40,209	(14.7%)
<i>US golf club operations</i>	4,585	3,120	47.0%
<i>Corporate and other</i>	(2,338)	(2,862)	(18.3%)
Net operating income	\$ 36,561	\$ 40,467	(9.7%)

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

Summary of Canadian Golf Club Operations

(statistics)	For the nine months ended		% Change
	September 30, 2023	September 30, 2022	
18-hole equivalent championship golf courses	35.5	37.5	(5.3%)
18-hole equivalent managed golf courses	2.0	2.0	-
Championship golf rounds	958,000	1,027,000	(6.7%)

(thousands of Canadian dollars)	For the nine months ended		% Change
	September 30, 2023	September 30, 2022	
Operating revenue	\$ 121,312	\$ 123,213	(1.5%)
Direct operating expenses	86,998	83,004	4.8%
Net operating income	34,314	40,209	(14.7%)
Amortization of membership fees	3,435	3,190	7.7%
Depreciation and amortization	(9,402)	(12,337)	(23.8%)
Other items	1,130	(223)	N/A
Segment earnings before interest and income taxes	\$ 29,477	\$ 30,839	(4.4%)

The decrease in Championship golf rounds, net operating income and depreciation and amortization are all a result of the conclusion of ClubLink's lease of The Country Club which expired as of December 31, 2022. There has also been above normal increases in labour and certain operating expenses. It continues to be a challenging environment in being able to manage labour costs due to the above normal minimum wage increases and a competitive environment for hiring staff. There has also been a noticeable decline in traffic in the Muskoka, Ontario tourist region this summer which has affected the results of the Company's resorts which operate in this area.

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 September 30, 2023 (continued)

Canadian Golf Club Operating Revenue

Canadian golf club operating revenue is recorded as follows:

(thousands of Canadian dollars)	For the nine months ended		% Change
	September 30, 2023	September 30, 2022	
Annual dues	\$ 46,485	\$ 46,080	0.9%
Corporate events	6,808	7,317	(7.0%)
Golf	27,874	28,321	(1.6%)
Food and beverage	25,059	25,636	(2.3%)
Merchandise, rooms and other	15,086	15,859	(4.9%)
Total operating revenue	\$ 121,312	\$ 123,213	(1.5%)

Canadian Golf Club Direct Operating Expenses

Canadian golf club direct operating expenses are recorded as follows:

(thousands of Canadian dollars)	For the nine months ended		% Change
	September 30, 2023	September 30, 2022	
Cost of sales	\$ 15,694	\$ 15,062	4.2%
Labour and employee benefits	45,295	42,897	5.6%
Utilities	4,656	5,120	(9.1%)
Selling, general and administrative	2,696	2,762	(2.4%)
Property taxes	1,841	1,836	0.3%
Insurance	2,369	1,856	27.6%
Repairs and maintenance	3,587	3,265	9.9%
Turf operating expenses	3,101	2,913	6.5%
Fuel and oil	986	1,112	(11.3%)
Other operating expenses	6,773	6,181	9.6%
Total direct operating expenses	\$ 86,998	\$ 83,004	4.8%

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

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Canadian Membership Fees

Full privilege golf members decreased 3.0% to 15,530 on September 30, 2023 from 16,014 on September 30, 2022 due to the conclusion of The Country Club lease as of December 31, 2022 and the resignation/termination of 273 Country Club members.

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

(thousands of Canadian dollars)	Nine months ended September 30, 2023		Year ended December 31, 2022		Nine months ended September 30, 2022	
	Golf Members	Future Membership Fee Instalments	Golf Members	Future Membership Fee Instalments	Golf Members	Future Membership Fee Instalments
Balance, beginning of period	15,417	\$ 33,907	15,545	\$ 32,306	15,545	\$ 32,306
Sales to new members	1,052	7,537	1,197	6,861	1,019	6,251
Reinstated members	252	430	201	397	180	356
Category changes	(3)	-	12	-	(2)	-
Transfer and upgrade fees from existing members	-	1,873	-	2,136	-	1,521
Resignations and terminations	(1,188)	(3,291)	(1,265)	(3,742)	(728)	(2,117)
Country Club resignations and terminations	-	-	(273)	(603)	-	-
Instalments received in cash	-	(3,896)	-	(3,448)	-	(3,336)
Balance, end of period	15,530	\$ 36,560	15,417	\$ 33,907	16,014	\$ 34,981

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

	For the nine months ended		% Change
	September 30, 2023	September 30, 2022	
Corporate/Principal/Spousal	575	801	(28.2%)
Intermediate	293	103	184.5%
Senior	6	2	200.0%
Junior	67	3	2,133.3%
Social and other	111	110	0.9%
Total	1,052	1,019	3.2%

Full privilege members are broken down into categories as follows:

	For the nine months ended		% Change
	September 30, 2023	September 30, 2022	
Corporate/Principal/Spousal	7,976	8,663	(7.9%)
Intermediate	1,559	1,520	2.6%
Junior	217	211	2.8%
Senior	1,658	1,603	3.4%
Social and other	4,120	4,017	2.6%
Total	15,530	16,014	(3.0%)

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 September 30, 2023

(statistics)	For the nine months ended		% Change
	September 30, 2023	September 30, 2022	
18-hole equivalent championship golf courses	6.5	8.0	(18.8%)
Championship golf rounds	202,000	199,000	1.5%

(thousands of dollars)	For the nine months ended		% Change
	September 30, 2023	September 30, 2022	
Operating revenue	\$ 13,855	\$ 13,038	6.3%
Direct operating expenses	10,457	10,556	(0.9%)
Net operating income	3,398	2,482	36.9%
Amortization of membership fees	109	124	(12.1%)
Depreciation and amortization	(861)	(809)	6.4%
Other items	(359)	(11)	3,163.6%
Segment earnings before interest and income taxes (US dollars)	2,287	1,786	28.1%
Exchange	788	420	87.6%
Segment earnings before interest and income taxes (Cdn dollars)	\$ 3,075	\$ 2,206	39.4%

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

Highland Gate Sales

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

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

(thousands of dollars)	For the nine months ended		% Change
	September 30, 2023	September 30, 2022	
Phase 1 units closed	8	10	(20.0%)
Phase 2A units closed	2	-	-
Operating revenue	\$ 18,821	\$ 15,811	19.0%
Operating cost of goods sold	(17,683)	(14,984)	18.0%
Subtotal - project earnings	1,138	827	37.6%
Cost of goods sold - amortization	(1,410)	(1,410)	-
Total	\$ (272)	\$ (583)	(53.3%)

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

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

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

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

Real Estate Fund Investments

The Company has the following real estate fund investments:

(thousands of dollars)	September 30, 2023	December 31, 2022	September 30, 2022
Investment in Mount Auburn	\$ 1,555	\$ 2,243	\$ 2,022
Investment in Real Estate Investment Fund IV (13th Floor)	8,627	8,642	5,929
Investment in Real Estate Investment Fund V (13th Floor)	946	-	-
	\$ 11,128	\$ 10,885	\$ 7,951

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. The majority of the return of capital/liquidation payments have been made. There is one remaining payment that is still expected to be received. TWC was advised by the manager that a valuation adjustment on its remaining investment in Mount Auburn was appropriate and represents a decline in value of its two remaining residential assets. This adjustment is \$679,000 (US\$506,000).

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

Investments included in Fund IV include:

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

The Company has also invested \$946,000 (US\$700,000) in capital calls (US\$10,000,000 total commitment) in a US-based real estate investment fund managed by 13th Floor (Fund V). Fund V's pipeline of deals consist of mainly multi-family and mixed use opportunities in Florida and South Carolina.

Change in the real estate fund investments is as follows:

(thousands of dollars)	September 30, 2023			December 31, 2022		September 30, 2022	
	Mount Auburn	Investment in Real Estate Fund IV	Real Estate Investment Fund V	Investment in Mount Auburn	Investment in Real Estate Fund IV	Investment in Mount Auburn	Investment in Real Estate Fund IV
Balance, beginning of period (US dollars)	\$ 1,656	\$ 6,381	\$ -	\$ 10,362	\$ 4,841	\$ 10,362	\$ 4,841
Cash call	-	-	700	-	4,075	-	3,300
Valuation adjustment	(506)	-	-	3,591	1,280	3,410	-
Return of capital/liquidation	-	-	-	(12,297)	(3,815)	(12,297)	(3,815)
Balance, end of period (US dollars)	1,150	6,381	700	1,656	6,381	1,475	4,326
Exchange	405	2,246	246	587	1,808	547	1,603
Balance, end of period (Cdn dollars)	\$ 1,555	\$ 8,627	\$ 946	\$ 2,243	\$ 8,642	\$ 2,022	\$ 5,929

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

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Interest, Net and Investment Income

Interest, net and investment income increased to \$2,327,000 for the three month period ended September 30, 2023 from an expense of \$1,510,000 in 2022 due to a decrease in borrowings and an increase in distributions from the Company's investment in Automotive Properties REIT. In 2022, the Company paid off several non-revolving mortgages in advance of their due dates resulting in an expense of \$2,604,000 which includes prepayment penalties and other costs.

Other Items

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

(thousands of Canadian dollars)	For the nine months ended September 30, 2023	September 30, 2022
Foreign exchange loss (gain)	\$ (366)	\$ 42
Unrealized loss on investment in marketable securities	23,891	13,100
Contingent contractual obligation	(6,620)	-
Gain on sale of investments in joint ventures	(6,521)	-
Equity loss (income) from investments in joint ventures	123	(758)
Loss (gain) on real estate fund investments	679	(4,370)
Insurance proceeds	(188)	(220)
Other items	(36)	(125)
	\$ 10,962	\$ 7,669

At September 30, 2023, the Company recorded an unrealized loss of \$23,891,000 on its investment in marketable securities (September 30, 2022 - \$13,100,000). This loss is attributable to the fair market value adjustments of the Company's investment in Automotive Properties REIT.

FINANCIAL CONDITION

Assets

Total assets increased 3.1% to \$750,009,000 at September 30, 2023 from \$727,343,000 at December 31, 2022. This compares to \$721,283,000 at September 30, 2022.

Liabilities

Total liabilities increased 4.7% to \$212,827,000 at September 30, 2023 from \$203,294,000 at December 31, 2022. This compares to \$200,346,000 at September 30, 2022.

Shareholders' Equity

Consolidated shareholders' equity at September 30, 2023 totaled \$537,182,000 or \$21.87 per share, compared to \$524,049,000 or \$21.30 per share at December 31, 2022 and \$520,937,000 or \$21.21 per share at September 30, 2022. The following is a summary of the common share activity:

(number of shares)	For the nine months ended September 30, 2023	September 30, 2022
Balance, beginning of period	24,609,280	24,547,924
Shares issued pursuant to dividend reinvestment plan	12,862	59,779
Shares cancelled through NCIB	(57,200)	(52,200)
Balance, end of period	24,564,942	24,555,503

The Company has recorded a negative adjustment to its accumulated other comprehensive earnings account of \$128,000 due to the translation of one US dollar into 1.3520 Canadian dollars at September 30, 2023 compared to 1.3544 at December 31, 2022. This change has a corresponding impact of the assets and liabilities having a base currency of US dollars.

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

LIQUIDITY AND CAPITAL RESOURCES

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

A summarized statement of cash flows is as follows:

(thousands of Canadian dollars)	For the nine months ended	
	September 30, 2023	September 30, 2022
Cash provided by operating activities	\$ 17,230	\$ 27,099
Proceeds on sale of investments in joint ventures	4,800	-
Operating property, plant and equipment expenditures	(10,434)	(7,795)
Real estate fund investments, net	(946)	17,561
Mortgages and loans receivable	(11,965)	(3,853)
Revolving borrowings	11,302	11,495
Non-revolving borrowings – amortization payments	(6,194)	(61,480)
Lease liabilities	(605)	(3,438)
Dividends paid	(3,689)	(1,194)
Common shares repurchased for cancellation	(803)	(968)
Investment in Automotive Properties REIT and marketable securities	-	(25,628)
Other	1,181	4,268
Net change in cash during the period	(123)	(43,933)
Cash, beginning of period	44,149	91,395
Cash, end of period	\$ 44,026	\$ 47,462

The analysis of TWC's liquidity is as follows:

(thousands of Canadian dollars)	Availability as at September 30, 2023		Availability as at December 31, 2022		Availability as at September 30, 2022	
	Maximum	Available	Maximum	Available	Maximum	Available
Cash and cash equivalents (CDN)	\$ 15,663	\$ 15,663	\$ 5,189	\$ 5,189	\$ 4,185	\$ 4,185
Cash and cash equivalents (USD)	28,363	28,363	38,960	38,960	43,277	43,277
Restricted cash	5,579	5,579	2,239	2,239	1,182	1,182
Revolving line of credit (corporate)	50,000	48,982	50,000	33,238	50,000	41,740
Related party revolving line of credit	50,000	50,000	50,000	50,000	50,000	50,000
Subtotal	149,605	148,587	146,388	129,626	148,644	140,384
Highland Gate	108,000	37,708	108,000	67,814	107,000	77,937
Total	\$ 257,605	\$ 186,295	\$ 254,388	\$ 197,440	\$ 255,644	\$ 218,321

At September 30, 2023, there is \$5,579,000 (2022 - \$1,182,000) of restricted cash from the Highland Gate project, representing deposits on future home sales held by external counsel.

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

LIQUIDITY AND CAPITAL RESOURCES (continued)

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

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

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

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

(thousands of Canadian dollars)	Interest Rate September 30, 2023	Interest Rate December 31, 2022	Total Indebtedness September 30, 2023	Total Indebtedness December 31, 2022	Average Term to Maturity (Yrs) September 30, 2023	Average Term to Maturity (Yrs) December 31, 2022
Non-revolving	8.0%	8.0%	\$ 7,848	\$ 8,578	6.00	6.75
Revolving (a)	9.5%	8.5%	-	2,123	2.00	1.75
Exchange	-	-	2,763	3,783	-	-
Subtotal US borrowings	8.0%	8.1%	10,611	14,484		
Revolving (corporate)	7.7%	6.7%	-	15,938	2.00	1.75
Non-revolving	8.1%	8.1%	6,204	11,468	0.75	1.50
Other	-	5.0%	-	2,265		0.67
Subtotal CDN borrowings	7.9%	7.1%	6,204	29,671		
Gross borrowings	7.9%	7.4%	16,815	44,155		
Lease liabilities	6.5%	6.0%	1,847	2,452	1.78	2.18
Highland Gate borrowings (a)	8.2%	7.4%	70,292	40,186	1.37	2.31
Total			\$ 88,954	\$ 86,793		

(a) These borrowings are variable interest rate debt

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

(thousands of Canadian dollars)	Highland Gate	Corporate Borrowings	Lease Liabilities	Total
Balance of 2023	\$ 27,524	\$ 2,162	\$ 301	\$ 29,987
2024	-	5,823	1,285	7,108
2025	42,768	1,559	64	44,391
2026	-	1,689	69	1,758
2027	-	1,828	73	1,901
2028 and thereafter	-	3,754	55	3,809
	\$ 70,292	\$ 16,815	\$ 1,847	\$ 88,954

Operating Activities

Cash provided by operating activities were \$17,230,000 in 2023 compared to \$27,099,000 in 2022.

Investing Activities

Cash from investing activities was \$5,408,000 in 2023 compared to cash used in investing activities of \$15,984,000 in 2022 due to proceeds from the sale of investments in joint ventures.

Financing Activities

Financing activities repayments were \$12,061,000 in 2023 compared to \$59,498,000 in 2022 due to the repayment of Pacific Life mortgages in 2022.

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

RELATED PARTY TRANSACTIONS

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

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

The Company has provided an unsecured revolving demand credit facility to Morguard in the amount of \$50,000,000 with no fixed maturity date. Morguard has provided an unsecured revolving demand credit facility to TWC in the amount of \$50,000,000 with no fixed maturity date. These facilities bear interest on a basis which is consistent with the entity's borrowing costs. During the quarter, the Company advanced US\$10,000,000 to Morguard.

Summarized information regarding these facilities is as follows:

(thousands of Canadian dollars)	For the three months ended		For the nine months ended		For the year ended
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	December 31, 2022
Loan receivable from Morguard	18,520	5,000	18,520	5,000	5,000
Net interest receivable (payable)	145	22	145	22	51
Net interest earned (incurred)	283	37	283	37	112

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

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

The Company previously provided an unsecured revolving demand credit facility to an investment in joint venture in the amount of \$3,000,000, which has now expired. This facility bears interest at prime plus 1.25%. As at September 30, 2023, the amount receivable on this facility was nil (December 31, 2022 - \$600,000; September 30, 2022 - nil). Interest receivable at September 30, 2023 was nil (December 31, 2022 - \$2,000; September 30, 2022 - nil), and interest earned was nil for the nine month period ended September 30, 2023 (September 30, 2022 - nil). For the three months ended September 30, 2023, interest earned was nil (three months ended September 30, 2022 - nil).

The Company receives managerial and consulting services from Morguard. The Company paid a management fee of \$521,000 for the nine month period ended September 30, 2023 (September 30, 2022 - \$521,000), under a contractual agreement, which is included in operating expenses. For the three months ended September 30, 2023, the Company paid a management fee of \$174,000 (three months ended September 30, 2022 - \$173,000). Morguard also provides back-office services to ClubLink US LLC. The Company paid a management fee of US\$345,000 (CDN\$463,000) for the nine month period ended September 30, 2023 (September 30, 2022 - US\$345,000; CDN\$443,000) under a contractual agreement, which is included in direct operating expenses. For the three months ended September 30, 2023, the Company paid US\$115,000 (CDN\$154,000) in management fees (three months ended September 30, 2022 - US\$115,000; CDN\$150,000).

The Highland Gate project receives managerial services from Geranium Homes management companies. The project paid a management fee of \$788,000 for the nine month period ended September 30, 2023 (September 30, 2022 - 1,407,000) under a contractual agreement, which is capitalized to residential inventory. For the three months ended September 30, 2023, the project paid a management fee of \$208,000 (three months ended September 30, 2022 - \$337,000).

The Company provides landscaping services for certain Morguard assets. The Company received a fee of \$128,000 for the nine month period ended September 30, 2023 (September 30, 2022 - \$102,000) under a contractual agreement. For the three months ended September 30, 2023, the Company received a fee of \$32,000 (three months ended September 30, 2022 - \$21,000).

A total of US\$39,000 of rental revenue was earned by TWC for the nine month period ended September 30, 2023 (September 30, 2022 - US\$39,000) from Morguard relating to a shared office facility in Florida. For the three months ended September 30, 2023, rental revenue earned was US\$13,000 (three months ended September 30, 2022 - US\$13,000).

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

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

SUMMARY OF FINANCIAL RESULTS BY QUARTER

The table below sets forth selected financial data for the most recent nine quarters ending September 30, 2023. The financial data is derived from the Company's unaudited interim condensed consolidated financial statements, which are prepared in accordance with IFRS as follows:

(thousands of Canadian dollars, except per share amounts)	2023			2022				2021	
	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30
Total assets	\$750,009	\$753,438	\$ 754,001	\$727,343	\$721,283	\$ 766,134	\$ 772,485	\$746,806	\$720,505
Operating revenue	67,635	64,653	26,510	30,835	65,009	52,736	37,932	62,600	63,245
Net operating income	20,371	10,819	5,371	8,109	22,322	13,167	4,978	18,680	26,953
Net earnings (loss)	17,690	8,114	(8,051)	4,245	11,920	3,594	(1,093)	61,963	22,757
Basic earnings (loss) per share	0.72	0.33	(0.33)	0.17	0.49	0.15	(0.04)	2.52	0.93
Eligible cash dividends per share	0.05	0.05	0.05	0.05	0.05	0.02	0.02	0.02	0.02

SEASONALITY

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

RISKS AND UNCERTAINTIES

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

DISCLOSURE CONTROLS AND PROCEDURES

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

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

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

OUTLOOK

Highland Gate Development

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

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

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

	Phase 1	Phase 2	Phase 3	Phase 4/5	Total
Total lots	44	53	25	35	157
Closings up to December 2022	(32)	-	-	-	(32)
Closings transpired in 2023	(8)	(2)	-	-	(10)
Closings expected in Q4 2023	(1)	(23)	-	-	(24)
Closings expected in 2024	-	(26)	(11)	(1)	(38)
Closings expected in 2025	-	-	-	(1)	(1)
Unreleased/unsold lots	3	2	14	33	52

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.

An Ontario Land Tribunal hearing for ClubLink's appeals of the development applications was conducted starting on January 17, 2022, concluding on February 14, 2022. On March 22, 2022, the Ontario Land Tribunal decision was rendered approving the Zoning Bylaw Amendments and Draft Plan Approval, together with the draft plan conditions. Approximately 1,480 residential units with associated parks, storm ponds and public greenspaces were approved.

On February 22, 2022, the Kanata Greenspace Protection Coalition filed a separate Superior Court application seeking orders that the 40% Agreement and another agreement constitute valid and enforceable restrictive covenants and that ClubLink's development applications contravene these instruments. In March 2023, ClubLink brought a motion to dismiss this application.

Kanata Golf Club remains open for play in 2024.

Woodlands Golf Club

The Company is working with 13th Floor (a local real estate developer based in south Florida) to explore development options at the former Woodlands Country Club in Tamarac, Florida. This process has been managed by Morguard as part of its management services arrangement. The development plan that has been submitted includes approximately 335 single family homes. Zoning and land use have been approved. The development agreement and site plan were approved at first reading, and the second reading is expected later in 2023. 13th Floor has now conveyed to the Company that it has waived on due diligence and the Company is intending to proceed to closing – anticipated in spring 2024.

Sun City Center

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

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

OUTLOOK (continued)

South Florida

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

RattleSnake Point

In November 2022, the Province of Ontario amended Halton Region Official Plan Amendment 49 – the result of which added RattleSnake Point Golf Club to the urban boundary. On October 23, 2023, the Province of Ontario announced its intention to reverse this decision.

The legislation to implement the recent October 23rd announcement has not been tabled or passed by Legislature yet, although it is expected to be tabled before the Christmas break. The municipalities have 45 days from October 23rd to comment to the Province on the future of urban growth in each respective affected municipality. Region of Halton Council has not deliberated yet on their position/comment to the Province.

ADDITIONAL INFORMATION

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

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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



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

November 3, 2023



Andrew Tamlin
Chief Financial Officer

TWC ENTERPRISES LIMITED
Interim Condensed Consolidated Balance Sheets (Unaudited)

(thousands of Canadian dollars)	Notes	September 30, 2023	December 31, 2022	September 30, 2022
ASSETS				
Current				
Cash and cash equivalents		\$ 44,026	\$ 44,149	\$ 47,462
Restricted cash		5,579	2,239	1,182
Accounts receivable		17,215	13,015	14,793
Mortgages and loans receivable		21,701	7,024	6,704
Inventories and prepaid expenses		9,894	5,153	8,835
Other assets	5	100,628	125,208	125,619
Residential inventory	6	124,425	101,193	88,625
Assets held for sale	4	3,389	-	-
		326,857	297,981	293,220
Mortgages and loans receivable		2,568	442	146
Other assets	5	10,057	14,660	14,110
Right-of-use assets	7	1,597	2,102	3,112
Property, plant and equipment	8	397,948	400,569	398,750
Intangible assets	9	10,982	11,589	11,945
Total assets		\$ 750,009	\$ 727,343	\$ 721,283
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	10	\$ 26,676	\$ 28,969	\$ 33,536
Lease liabilities	11	1,258	1,129	1,978
Borrowings	12	35,139	17,433	38,382
Prepaid annual dues and deposits	13	44,013	34,747	42,575
		107,086	82,278	116,471
Lease liabilities	11	589	1,323	1,611
Borrowings	12	51,823	66,718	25,270
Deferred membership fees	14	3,787	3,326	4,108
Deferred income tax liabilities		49,542	49,649	52,886
Total liabilities		212,827	203,294	200,346
Share capital	16	102,307	102,320	101,330
Retained earnings		417,241	403,922	400,974
Accumulated other comprehensive earnings		9,091	9,219	10,047
Non-controlling interest	17	8,543	8,588	8,586
Total shareholders' equity		537,182	524,049	520,937
Total liabilities and shareholders' equity		\$ 750,009	\$ 727,343	\$ 721,283

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

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

(thousands of Canadian dollars, except per share amounts) Notes	For the three months ended		For the nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
REVENUE				
Operating revenue	\$ 67,635	\$ 65,009	\$158,798	\$ 155,677
Amortization of membership fees	14 1,469	1,329	3,582	3,349
	15 69,104	66,338	162,380	159,026
EXPENSES				
Cost of sales	13,048	8,868	36,105	32,564
Labour and employee benefits	22,429	22,092	51,807	49,590
Utilities	2,193	2,506	5,771	6,146
Selling, general and administrative	1,246	1,382	4,058	4,266
Property taxes	463	441	2,999	2,776
Repairs and maintenance	1,623	1,252	4,456	3,878
Insurance	1,099	924	3,298	2,705
Turf operating expenses	1,120	1,159	3,484	3,517
Fuel and oil	676	681	1,215	1,416
Other operating expenses	3,367	3,382	9,044	8,352
Depreciation of right-of-use assets	7 269	1,012	782	3,045
Depreciation of property, plant and equipment	8 3,134	3,125	9,174	9,282
Amortization of intangible assets	9 204	356	605	1,048
Interest, net and investment income	18 (2,327)	1,510	(6,608)	812
Other items	19 (2,610)	1,517	10,962	7,669
		45,934	50,207	137,152
Earnings before income taxes		23,170	16,131	25,228
Income tax provision (recovery)				
Current		4,680	2,731	7,579
Deferred		800	1,480	(104)
		5,480	4,211	7,475
Net earnings		17,690	11,920	17,753
Unrealized foreign exchange gain (loss) in respect of foreign operations		1,511	4,131	(128)
Total comprehensive earnings		\$ 19,201	\$ 16,051	\$ 17,625
Weighted average shares outstanding (000)	16	24,576	24,506	24,525
Earnings per share - basic and diluted	16	\$ 0.72	\$ 0.49	\$ 0.72

(thousands of Canadian dollars) Notes	For the three months ended		For the nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net earnings (loss) attributable to:				
Shareholders	\$ 17,777	\$ 11,920	\$ 17,798	\$ 14,518
Non-controlling interest	17 (87)	-	(45)	(97)
		\$ 17,690	\$ 11,920	\$ 17,753

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

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

(thousands of Canadian dollars except common shares)	Note	Common Shares	Share Capital	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)	Non- Controlling Interest	Total Shareholders' Equity
Balance, January 1, 2022		24,547,924	\$ 100,530	\$ 389,418	\$ 4,757	\$ 8,683	\$ 503,388
Comprehensive earnings (loss)		-	-	14,518	5,290	(97)	19,711
Cash dividend	16B	-	-	(1,194)	-	-	(1,194)
Shares cancelled subject to normal course issuer bid	16C	(52,200)	(213)	(755)	-	-	(968)
Shares issued pursuant to dividend reinvestment plan		59,779	1,013	(1,013)	-	-	-
Balance, September 30, 2022		24,555,503	101,330	400,974	10,047	8,586	520,937
Comprehensive earnings (loss)		-	-	4,243	(828)	2	3,417
Cash dividend	16B	-	-	(216)	-	-	(216)
Shares cancelled subject to normal course issuer bid	16C	(5,100)	(21)	(68)	-	-	(89)
Shares issued pursuant to dividend reinvestment plan	16C	58,877	1,011	(1,011)	-	-	-
Balance, December 31, 2022		24,609,280	102,320	403,922	9,219	8,588	524,049
Comprehensive earnings (loss)		-	-	17,798	(128)	(45)	17,625
Cash dividend	16B	-	-	(3,464)	-	-	(3,464)
Shares cancelled subject to normal course issuer bid	16C	(57,200)	(238)	(790)	-	-	(1,028)
Shares issued pursuant to dividend reinvestment plan	16B	12,862	225	(225)	-	-	-
Balance, September 30, 2023		24,564,942	\$ 102,307	\$ 417,241	\$ 9,091	\$ 8,543	\$ 537,182

TWC ENTERPRISES LIMITED

Interim Condensed Consolidated Statements of Cash Flow (Unaudited)

(thousands of Canadian dollars)	Notes	For the three months ended		For the nine months ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
OPERATING ACTIVITIES					
Net earnings		\$ 17,690	\$ 11,920	\$ 17,753	\$ 14,421
Items not affecting cash:					
Amortization of membership fees	14	(1,469)	(1,329)	(3,582)	(3,349)
Depreciation of right-of-use assets	7	269	1,012	782	3,045
Depreciation of property, plant and equipment	8	3,134	3,125	9,174	9,282
Amortization of intangible assets	9	204	356	605	1,048
Interest, net and investment income	18	(2,327)	1,510	(6,608)	812
Unrealized foreign exchange loss (gain)	19	165	440	(366)	42
Unrealized loss on investment in marketable securities	19	9,859	1,915	23,891	13,100
Loss (gain) on real estate fund investments	19	679	-	679	(4,370)
Gain on sale of investments in joint ventures	3, 19	(6,521)	-	(6,521)	-
Equity loss (income) from investments in joint ventures	19	(97)	(623)	123	(758)
Contractual contingent liability	19	(6,620)	-	(6,620)	-
Gain on sale of property, plant and equipment		(364)	(104)	(889)	(327)
Income tax provision		5,480	4,211	7,475	7,539
Collection of membership fee instalments	14	3,049	2,567	4,043	3,481
Interest received (paid)		2,369	(1,624)	6,669	(917)
Income taxes paid		(1,748)	(5,475)	(5,753)	(19,665)
Restricted cash		(1,832)	343	(3,340)	(238)
Accounts receivable		1,949	(322)	(4,391)	(9,650)
Inventories and prepaid expenses		4,358	3,153	(4,735)	(4,624)
Residential inventory, net		(9,332)	(7,380)	(23,232)	(2,531)
Accounts payable and accrued liabilities		(3,890)	(2,860)	2,807	11,202
Prepaid annual dues and deposits		(21,738)	(20,037)	9,266	9,556
Cash and cash equivalents provided by (used in) operating activities		(6,733)	(9,202)	17,230	27,099
INVESTING ACTIVITIES					
Operating property, plant and equipment expenditures	8	(4,383)	(4,254)	(10,434)	(7,795)
Proceeds on sale of investments in joint ventures	3	4,800	-	4,800	-
Proceeds on sale of property, plant and equipment		745	122	1,340	356
Right-of-use assets		-	-	(277)	103
Net investment in marketable securities	5	-	(16,031)	-	(25,628)
Real estate fund investments, net	5	(19)	1,051	(946)	17,561
Other long-term assets		22	(470)	109	(581)
Cash provided by (used in) investing activities		1,165	(19,582)	(5,408)	(15,984)
FINANCING ACTIVITIES					
Deferred financing costs		(47)	(60)	(107)	(60)
Revolving borrowings		10,598	12,401	11,302	11,495
Non-revolving borrowings - amortization payments		(1,876)	(50,265)	(6,194)	(61,480)
Lease liabilities		(302)	(1,124)	(605)	(3,438)
Mortgages and loans receivable		(13,528)	(5,015)	(11,965)	(3,853)
Shares repurchased for cancellation	16	(616)	-	(1,028)	(968)
Dividends paid	16	(1,161)	(212)	(3,464)	(1,194)
Cash used in financing activities		(6,932)	(44,275)	(12,061)	(59,498)
Net effect of currency translation adjustment on cash and cash equivalents		624	3,097	116	4,450
Net decrease in cash and cash equivalents during the period		(11,876)	(69,962)	(123)	(43,933)
Cash and cash equivalents, beginning of period		55,902	117,424	44,149	91,395
Cash and cash equivalents, end of period		\$ 44,026	\$ 47,462	\$ 44,026	\$ 47,462

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

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

September 30, 2023 and 2022

1. NATURE OF OPERATIONS

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

TWC is engaged in golf club operations under the trademark “ClubLink One Membership More Golf.” TWC is Canada’s largest owner, operator and manager of golf clubs with 44, 18-hole equivalent championship and 2, 18-hole equivalent academy courses at 34 locations in Ontario, Quebec and Florida (including two managed properties).

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

2. BASIS OF PRESENTATION

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

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

These financial statements were authorized for issuance by the Board of Directors on November 3, 2023.

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

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

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

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

3. DIVESTITURE

On September 20, 2023, the Company completed the divestiture of its investment in the Geranium real estate management company along with other non-Highland Gate joint ventures in which it was a co-investor with the Geranium Group. These assets were purchased by the Company’s co-investors with Geranium. Total proceeds for the transaction were \$12,500,000 including deferred proceeds of \$5,300,000. The payment terms on this promissory note (which is interest-free until January 1, 2025 and prime plus 1% thereafter) are as follows:

- September 21, 2024: \$2,400,000
- September 21, 2025: \$2,400,000
- September 21, 2026: \$500,000

The following is a calculation of the gain on this transaction:

(thousands of Canadian dollars)	September 30, 2023
Cash proceeds	\$ 4,800
Assumption of debt	2,341
Promissory note (discounted)	4,838
Book value of assets sold (Note 5)	(5,331)
Transaction costs and other	(127)
Net gain on sale of investments in joint ventures	\$ 6,521

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

September 30, 2023 and 2022

4. ASSETS HELD FOR SALE

The Company is working with 13th Floor (a local real estate developer based in south Florida) to explore development options at Woodlands Country Club in Tamarac, Florida. 13th Floor has now conveyed to the Company that it has waived on due diligence and is intending to proceed to closing – anticipated in spring 2024. The Company has the option of participating in this project by way of a joint venture. As a result, the Company has classified the property, plant and equipment from Woodlands Country Club as held for sale on the Consolidated Balance Sheet as at September 30, 2023.

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 September 30, 2023 and no adjustment is warranted to book value.

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

(thousands of Canadian dollars)	Notes	September 30, 2023
Property, plant and equipment	8	\$ 3,389

5. OTHER ASSETS

Other assets consist of the following:

(thousands of Canadian dollars)	September 30, 2023	December 31, 2022	September 30, 2022
Investments in joint ventures	\$ -	\$ 5,454	\$ 5,754
Investment in Automotive Properties REIT (9,480,712 units; December 31, 2022 - 9,480,712 units; September 30, 2022 - 9,480,712 units)	99,073	122,965	125,619
Investment in Mount Auburn (US\$1,150,000; December 31, 2022 - US\$1,656,000; September 30, 2022 - US\$1,475,000)	1,555	2,243	2,022
Investment in Real Estate Investment Fund IV (US\$6,381,000; December 31, 2022 - US\$6,381,000; September 30, 2022 - US\$4,326,000)	8,627	8,642	5,929
Investment in Real Estate Investment Fund V (US\$700,000; December 31, 2022 - nil; September 30, 2022 - nil)	946	-	-
Other	484	564	405
	110,685	139,868	\$ 139,729
Less: current portion	100,628	125,208	125,619
	\$ 10,057	\$ 14,660	\$ 14,110

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

(thousands of Canadian dollars)	September 30, 2023	December 31, 2022	September 30, 2022
Balance, beginning of period	\$ 5,454	\$ 5,422	\$ 5,422
Equity income (loss)	(123)	457	758
Dividend	-	(500)	(500)
Cash calls	-	75	74
Divestiture (Note 3)	(5,331)	-	-
Balance, end of period	\$ -	\$ 5,454	\$ 5,754

On September 20, 2023, the Company completed the divestiture of its investment in the Geranium real estate management company along with other non-Highland Gate joint ventures in which it was a co-investor with the Geranium Group. These assets were purchased by the Company's co-investors with Geranium.

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

September 30, 2023 and 2022

5. OTHER ASSETS (continued)

Summarized equity income (loss) for the real estate management company and the real estate housing investments prior to the divestiture is provided below:

			September 30, 2023	December 31, 2022
(thousands of Canadian dollars)	Real Estate Management Company	Real Estate Housing Investments	Total	Total
Equity income (loss)	\$ 325	\$ (448)	\$ (123)	\$ 457

TWC has committed US\$10,000,000 towards a real estate fund based out of Florida (Fund IV). As at September 30, 2023, there has been US\$7,500,000 (CDN\$9,930,000) in capital calls paid towards this commitment. TWC has committed another US\$10,000,000 towards a real estate fund based out of Florida (Fund V). As at September 30, 2023, there has been US\$700,000 (CDN\$946,000) 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.

	September 30, 2023			December 31, 2022		September 30, 2022	
(thousands of dollars)	Mount Auburn	Investment in Real Estate Fund IV	Real Estate Investment Fund V	Investment in Mount Auburn	Investment in Real Estate Fund IV	Investment in Mount Auburn	Investment in Real Estate Fund IV
Balance, beginning of period (US dollars)	\$ 1,656	\$ 6,381	\$ -	\$ 10,362	\$ 4,841	\$ 10,362	\$ 4,841
Cash call	-	-	700	-	4,075	-	3,300
Valuation adjustment	(506)	-	-	3,591	1,280	3,410	-
Return of capital/liquidation	-	-	-	(12,297)	(3,815)	(12,297)	(3,815)
Balance, end of period (US dollars)	1,150	6,381	700	1,656	6,381	1,475	4,326
Exchange	405	2,246	246	587	1,808	547	1,603
Balance, end of period (Cdn dollars)	\$ 1,555	\$ 8,627	\$ 946	\$ 2,243	\$ 8,642	\$ 2,022	\$ 5,929

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

6. RESIDENTIAL INVENTORY

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

(thousands of Canadian dollars)	Total
At January 1, 2022	\$ 86,094
Additions	31,493
Operating cost of goods sold	(14,984)
Cost of goods sold - amortization	(1,410)
At December 31, 2022	101,193
Additions	42,325
Operating cost of goods sold	(17,683)
Cost of goods sold - amortization	(1,410)
At September 30, 2023	\$ 124,425

The Company's investment in Highland Gate is managed by Geranium Homes. Highland Gate is the development of a former golf course in Aurora, Ontario and includes 157 single family detached homes and a seven story multi-unit residential building with 114 units. For the nine month period ended September 30, 2023, there were ten closings. There were eight closings for the nine month period ended September 30, 2022 and ten closings for the year ended December 31, 2022.

The amortization of cost of goods sold represents the non-cash amortization of the purchase price of both the 2019 and 2021 tranches purchased by ClubLink in this project in addition to the recorded minority interest. This is being expensed at the rate of \$141,000 per closing. At September 30, 2023 there was \$17,064,000 (September 30, 2022 - \$18,474,000) in the unamortized balance.

7. RIGHT-OF-USE ASSETS

Right-of-use assets consists of the following:

(thousands of Canadian dollars)	Land and Buildings	Equipment	Total
At January 1, 2022	\$ 6,069	\$ 193	\$ 6,262
Disposals	-	(103)	(103)
Depreciation	(3,967)	(88)	(4,055)
Foreign exchange	-	(2)	(2)
At December 31, 2022	2,102	-	2,102
Additions	-	277	277
Depreciation	(762)	(20)	(782)
At September 30, 2023	\$ 1,340	\$ 257	\$ 1,597

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

September 30, 2023 and 2022

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

(thousands of Canadian dollars)	Land	Buildings and Land Improvements	Bunkers, Cart Paths and Irrigation	Equipment	Total
Cost					
At January 1, 2022	\$ 282,907	\$ 159,871	\$ 107,214	\$ 93,113	\$ 643,105
Additions	1,949	2,613	3,110	5,428	13,100
Disposals	(55)	(373)	(68)	(2,066)	(2,562)
Foreign exchange difference	738	653	597	548	2,536
At December 31, 2022	285,539	162,764	110,853	97,023	656,179
Additions	110	2,893	2,688	4,743	10,434
Disposals	-	-	-	(2,827)	(2,827)
Transfer - asset held for sale (Note 4)	(2,004)	(2,739)	(1,739)	(1,108)	(7,590)
Foreign exchange difference	(20)	(18)	(15)	(10)	(63)
At September 30, 2023	\$ 283,625	\$ 162,900	\$ 111,787	\$ 97,821	\$ 656,133
Accumulated Depreciation					
At January 1, 2022	\$ -	\$ 86,194	\$ 86,037	\$ 72,392	\$ 244,623
Depreciation	-	4,524	3,404	4,478	12,406
Disposals	-	(373)	(68)	(2,014)	(2,455)
Foreign exchange difference	-	263	369	404	1,036
At December 31, 2022	\$ -	\$ 90,608	\$ 89,742	\$ 75,260	\$ 255,610
Depreciation	-	3,395	2,382	3,397	9,174
Disposals	-	-	-	(2,376)	(2,376)
Transfer - asset held for sale (Note 4)	-	(1,740)	(1,358)	(1,103)	(4,201)
Foreign exchange difference	-	(5)	(8)	(9)	(22)
At September 30, 2023	\$ -	\$ 92,258	\$ 90,758	\$ 75,169	\$ 258,185
Net book value					
at December 31, 2022	\$ 285,539	\$ 72,156	\$ 21,111	\$ 21,763	\$ 400,569
at September 30, 2023	\$ 283,625	\$ 70,642	\$ 21,029	\$ 22,652	\$ 397,948

Certain property, plant and equipment have been assigned as collateral for borrowings (Note 12).

The Company is working with 13th Floor (a local real estate developer based in south Florida) to explore development options at Woodlands Country Club in Tamarac, Florida. 13th Floor has now conveyed to the Company that it has waived on due diligence and is intending to proceed to closing – anticipated in early 2024. The Company has the option of participating in this project by way of a joint venture. As a result, the Company has classified the property, plant and equipment from Woodlands Country Club as held for sale on the Consolidated Balance Sheet as at September 30, 2023.

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

September 30, 2023 and 2022

9. INTANGIBLE ASSETS

Intangible assets consist of the following:

(thousands of Canadian dollars)	Membership base	Brand	Other	Total Intangible Assets
Cost				
At January 1, 2022	\$ 12,122	\$ 13,477	\$ 2,432	\$ 28,031
Foreign exchange difference	135	-	13	148
At December 31, 2022	12,257	13,477	2,445	28,179
Foreign exchange difference	(4)	-	-	(4)
At September 30, 2023	\$ 12,253	\$ 13,477	\$ 2,445	\$ 28,175
Accumulated amortization				
At January 1, 2022	\$ 6,260	\$ 6,408	\$ 2,432	\$ 15,100
Amortization	637	758	-	1,395
Foreign exchange difference	82	-	13	95
At December 31, 2022	6,979	7,166	2,445	16,590
Amortization	288	317	-	605
Foreign exchange difference	(2)	-	-	(2)
At September 30, 2023	\$ 7,265	\$ 7,483	\$ 2,445	\$ 17,193
Net book value at December 31, 2022	\$ 5,278	\$ 6,311	\$ -	\$ 11,589
Net book value at September 30, 2023	\$ 4,988	\$ 5,994	\$ -	\$ 10,982

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

(thousands of Canadian dollars)	September 30, 2023	December 31, 2022	September 30, 2022
Trade payables	\$ 11,664	\$ 9,907	\$ 12,404
Accrued payroll costs	5,078	3,094	5,260
Accrued interest	111	151	163
Income taxes payable	1,622	3,591	469
Contingent contractual obligation (a)	-	6,772	6,854
Accrued liabilities and other	8,201	5,454	8,386
	\$ 26,676	\$ 28,969	\$ 33,536

(a) The contingent contractual obligation originating from the sale of White Pass in 2018 expired in July 2023 unexpended and as such has been reversed (Note 19).

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

11. LEASE LIABILITIES

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

(thousands of Canadian dollars)	Land and Buildings	Equipment	Total
At January 1, 2022	\$ 6,817	\$ 210	\$ 7,027
Disposals	-	(105)	(105)
Interest expense	268	6	274
Lease payments	(4,633)	(111)	(4,744)
At December 31, 2022	2,452	-	2,452
Additions	-	277	277
Interest expense	91	6	97
Lease payments	(932)	(47)	(979)
At September 30, 2023	1,611	236	1,847
Less: current portion	1,208	50	1,258
	\$ 403	\$ 186	\$ 589

Future minimum payments of lease liabilities are as follows:

(thousands of Canadian dollars)	Lease Liabilities	Interest	Total Minimum Lease Payments
Balance of 2023	\$ 301	\$ 34	\$ 335
2024	1,285	53	1,338
2025	64	14	78
2026	69	10	79
2027	73	6	79
2028 and thereafter	55	8	63
	\$ 1,847	\$ 125	\$ 1,972

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

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

September 30, 2023 and 2022

12. BORROWINGS

Borrowings consist of the following:

(thousands of Canadian dollars)	September 30, 2023	December 31, 2022	September 30, 2022
Secured revolving operating line of credit to a maximum of \$50,000,000 due September 11, 2025	\$ -	\$ 18,804	\$ 7,242
	-	18,804	7,242
Highland Gate syndicated credit facilities to a maximum of \$108,000,000			
Servicing facility - due on demand - maturing October 31, 2025			
Prime rate loan (Prime + 1.00%)	861	773	14
BA loan (Stamping fees @ 2.50% or 7.46%)	41,907	31,500	9,400
Servicing facility - Phase 2: due on demand - matured June 30, 2023			
Prime rate loan (Prime + 1.25%)	-	-	533
BA loan (Stamping fees @ 2.50% or 7.46%)	-	-	17,600
Construction facility - due on demand - maturing October 31, 2023			
Prime rate loan (Prime + 1.00%)	2,934	13	1,516
BA loan (Stamping fees @2.50% or 7.46%)	24,590	7,900	-
	70,292	40,186	29,063
Mortgages with blended monthly payments of principal and interest			
8.060% Mortgage due July 1, 2024	6,204	11,468	13,158
8.000% Mortgage due October 1, 2029 (US\$7,848,000; December 31, 2022 - US\$8,578,000; September 30, 2022 - US\$8,812,000)	10,611	11,618	12,079
Other - maturing August 16, 2024	-	2,265	2,237
	16,815	25,351	27,474
Gross borrowings	87,107	84,341	63,779
Less: deferred financing costs	(145)	(190)	127
Borrowings	86,962	84,151	63,652
Less: current portion	35,139	17,433	38,382
	\$ 51,823	\$ 66,718	\$ 25,270

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

Borrowings are collateralized by certain property, plant and equipment assets (note 8).

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

(thousands of Canadian dollars)	Highland Gate	Corporate Borrowings	Total Borrowings
Balance of 2023	\$ 27,524	\$ 2,162	\$ 29,686
2024	-	5,823	5,823
2025	42,768	1,559	44,327
2026	-	1,689	1,689
2027	-	1,828	1,828
2028 and thereafter	-	3,754	3,754
	\$ 70,292	\$ 16,815	\$ 87,107

TWC ENTERPRISES LIMITED

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September 30, 2023 and 2022

13. PREPAID ANNUAL DUES AND DEPOSITS

Prepaid annual dues and deposits consist of the following:

(thousands of Canadian dollars)	September 30, 2023	December 31, 2022	September 30, 2022
Prepaid annual dues	\$ 16,333	\$ -	\$ 15,350
Member deposits	3,758	10,781	4,649
Prepaid cart plan deposits	584	497	580
Highland Gate real estate deposits	17,821	18,414	17,212
Event deposits	2,083	3,239	2,289
Other	3,434	1,816	2,495
	\$ 44,013	\$ 34,747	\$ 42,575

14. DEFERRED MEMBERSHIP FEES

Deferred membership fees consist of the following:

(thousands of Canadian dollars)	September 30, 2023	December 31, 2022	September 30, 2022
Unamortized membership fees (note 14A)	\$ 41,298	\$ 38,223	\$ 40,117
Future membership fee instalments (note 14B)	(37,511)	(34,897)	(36,009)
Deferred membership fees	\$ 3,787	\$ 3,326	\$ 4,108

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 nine months ended September 30, 2023	For the year ended December 31, 2022	For the nine months ended September 30, 2022
Balance, beginning of period	\$ 38,223	\$ 37,258	\$ 37,258
Sales to new members	7,663	7,021	6,362
Transfer and reinstatement fees	2,304	2,519	1,884
Resignations and terminations	(3,310)	(3,742)	(2,117)
Amortization of membership fees to revenue	(3,582)	(4,294)	(3,349)
Country Club resignations and terminations	-	(603)	-
Exchange difference	-	64	79
Balance, end of period	\$ 41,298	\$ 38,223	\$ 40,117

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

(thousands of Canadian dollars)	For the nine months ended September 30, 2023	For the year ended December 31, 2022	For the nine months ended September 30, 2022
Balance, beginning of period	\$ 34,897	\$ 33,282	\$ 33,282
Sales to new members	7,663	7,021	6,362
Transfer and reinstatement fees	2,304	2,519	1,884
Resignations and terminations	(3,310)	(3,742)	(2,117)
Instalments received in cash	(4,043)	(3,646)	(3,481)
Country Club resignations and terminations	-	(603)	-
Exchange difference	-	66	79
Balance, end of period	\$ 37,511	\$ 34,897	\$ 36,009

TWC ENTERPRISES LIMITED

Notes to Interim Condensed Consolidated Financial Statements (Unaudited)

September 30, 2023 and 2022

15. REVENUE

Revenue consists of the following:

(thousands of Canadian dollars)	Three months ended September 30, 2023				Three months ended September 30, 2022			
	Canadian Golf Club Operations	US Golf Club Operations	Other (Highland Gate)	Total	Canadian Golf Club Operations	US Golf Club Operations	Other (Highland Gate)	Total
Annual dues	\$ 15,473	\$ 1,757	\$ -	\$ 17,230	\$ 15,317	\$ 1,650	\$ -	\$ 16,967
Golf	17,202	1,368	-	18,570	16,684	1,281	-	17,965
Corporate events	4,294	28	-	4,322	4,824	31	-	4,855
Membership fees	1,419	50	-	1,469	1,276	53	-	1,329
Food and beverage	15,239	475	-	15,714	15,647	388	-	16,035
Merchandise	5,477	134	-	5,611	5,649	111	-	5,760
Real estate	-	-	3,291	3,291	-	-	-	-
Rooms and other	2,892	5	-	2,897	3,399	28	-	3,427
	\$ 61,996	\$ 3,817	\$ 3,291	\$ 69,104	\$ 62,796	\$ 3,542	\$ -	\$ 66,338

(thousands of Canadian dollars)	Nine months ended September 30, 2023				Nine months ended September 30, 2022			
	Canadian Golf Club Operations	US Golf Club Operations	Other (Highland Gate)	Total	Canadian Golf Club Operations	US Golf Club Operations	Other (Highland Gate)	Total
Annual dues	\$ 46,485	\$ 5,421	\$ -	\$ 51,906	\$ 46,080	\$ 4,975	\$ -	\$ 51,055
Golf	27,874	10,469	-	38,343	28,321	9,324	-	37,645
Corporate events	6,808	131	-	6,939	7,317	135	-	7,452
Membership fees	3,435	147	-	3,582	3,190	159	-	3,349
Food and beverage	25,059	2,094	-	27,153	25,636	1,724	-	27,360
Merchandise	10,821	710	-	11,531	10,712	569	-	11,281
Real estate	-	-	18,821	18,821	-	-	15,811	15,811
Rooms and other	4,265	(160)	-	4,105	5,147	(74)	-	5,073
	\$ 124,747	\$ 18,812	\$ 18,821	\$ 162,380	\$ 126,403	\$ 16,812	\$ 15,811	\$ 159,026

TWC ENTERPRISES LIMITED

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September 30, 2023 and 2022

16. SHARE CAPITAL

(A) Authorized and issued share capital

The authorized share capital is an unlimited number of common shares and preferred shares. As at September 30, 2023, there are 24,564,942 common shares outstanding (December 31, 2022 - 24,609,280). As at September 30, 2023, no preferred shares have been issued. Please refer to the condensed interim consolidated statements of changes in shareholders' equity for details.

(B) Dividends

Dividends consist of the following:

Date of declaration	Record date	Distribution date	Amount per share	Payment amount	Share amount	Total amount
March 9, 2022	March 15, 2022	March 31, 2022	0.02	\$ 491,000	\$ -	\$ 491,000
May 2, 2022	May 31, 2022	June 15, 2022	0.02	491,000	-	491,000
August 4, 2022	August 31, 2022	September 15, 2022	0.05	212,000	1,013,000	1,225,000
October 31, 2022	November 30, 2022	December 15, 2022	0.05	216,000	1,011,000	1,227,000
				\$ 1,410,000	\$ 2,024,000	\$ 3,434,000
February 24, 2023	March 15, 2023	March 31, 2023	0.05	\$ 1,148,000	\$ 82,000	\$ 1,230,000
April 27, 2023	May 31, 2023	June 15, 2023	0.05	1,155,000	75,000	1,230,000
August 2, 2023	August 31, 2023	September 15, 2023	0.05	1,161,000	68,000	1,229,000
				\$ 3,464,000	\$ 225,000	\$ 3,689,000

(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.

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

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September 30, 2023 and 2022

17. NON-CONTROLLING INTEREST

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

(thousands of Canadian dollars)	September 30, 2023	September 30, 2022
Cash and cash equivalents	\$ 223	\$ 37
Restricted cash	5,579	1,182
Other current assets	4,561	532
Residential inventory (Note 6)	124,425	88,625
Total assets	\$ 134,788	\$ 90,376
Accounts payable and accrued liabilities	\$ 8,951	\$ 6,120
Prepaid annual dues and deposits	17,821	17,212
Borrowings	70,292	29,063
Total liabilities	97,064	52,395
Partner capital	31,352	31,352
Retained deficit	(2,171)	(1,957)
Non-controlling interest	8,543	8,586
Total shareholders' equity	37,724	37,981
Total liabilities and shareholders' equity	\$ 134,788	\$ 90,376

(thousands of Canadian dollars)	For the three months ended		For the nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Revenue	\$ 3,291	\$ -	\$ 18,821	\$ 15,811
Operating cost of goods sold	(3,534)	-	(17,683)	(14,984)
Cost of goods sold - amortization (Note 6)	(282)	-	(1,410)	(1,410)
Loss for the period	\$ (525)	\$ -	\$ (272)	\$ (583)
Loss attributable to shareholders	\$ (438)	\$ -	\$ (227)	\$ (486)
Loss attributable to non-controlling interests	(87)	-	(45)	(97)
Loss for the period	\$ (525)	\$ -	\$ (272)	\$ (583)

(thousands of Canadian dollars)	September 30, 2023	September 30, 2022
Balance, beginning of period	\$ 8,588	\$ 8,683
Share of loss for the period	(45)	(97)
Balance, end of period	\$ 8,543	\$ 8,586

TWC ENTERPRISES LIMITED

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September 30, 2023 and 2022

18. 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 nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Revolving lines of credit	\$ (79)	\$ 43	\$ 16	\$ 73
Non-revolving mortgages	412	1,042	1,369	3,867
Non-revolving mortgages (prepayment penalty)	-	2,491	-	2,491
Construction line of credit (Highland Gate)	655	385	1,884	823
Lease liabilities (note 11)	30	61	97	232
Line of credit to related party	(117)	(37)	(469)	(37)
Amortization of deferred financing costs	58	34	152	111
Amortization of deferred financing costs (mortgage payoff)	-	113	-	113
Other	25	109	87	192
Interest revenue and investment income	(2,656)	(2,346)	(7,860)	(6,230)
Capitalized interest (Highland Gate)	(655)	(385)	(1,884)	(823)
	\$ (2,327)	\$ 1,510	\$ (6,608)	\$ 812

19. OTHER ITEMS

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

(thousands of Canadian dollars)	For the three months ended		For the nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Foreign exchange loss (gain)	\$ 165	\$ 440	\$ (366)	\$ 42
Unrealized loss on investment in marketable securities	9,859	1,915	23,891	13,100
Contingent contractual obligation	(6,620)	-	(6,620)	-
Gain on sale of investments in joint ventures	(6,521)	-	(6,521)	-
Equity loss (income) from investments in joint ventures	(97)	(623)	123	(758)
Loss (gain) on real estate fund investments	679	-	679	(4,370)
Insurance proceeds	(188)	(220)	(188)	(220)
Other items	113	5	(36)	(125)
	\$ (2,610)	\$ 1,517	\$ 10,962	\$ 7,669

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Notes to Interim Condensed Consolidated Financial Statements (Unaudited)
September 30, 2023 and 2022

20. 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. During the quarter, the Company advanced US\$10,000,000 to Morguard.

Summarized information regarding these facilities is as follows:

(thousands of Canadian dollars)	For the three months ended		For the nine months ended		For the year ended
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	December 31, 2022
Loan receivable from Morguard	18,520	5,000	18,520	5,000	5,000
Net interest receivable (payable)	145	22	145	22	51
Net interest earned (incurred)	283	37	283	37	112

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

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

The Company previously provided an unsecured revolving demand credit facility to an investment in joint venture in the amount of \$3,000,000, which has now expired. This facility bears interest at prime plus 1.25%. As at September 30, 2023, the amount receivable on this facility was nil (December 31, 2022 - \$600,000; September 30, 2022 - nil). Interest receivable at September 30, 2023 was nil (December 31, 2022 - \$2,000; September 30, 2022 - nil), and interest earned was nil for the nine month period ended September 30, 2023 (September 30, 2022 - nil). For the three months ended September 30, 2023, interest earned was nil (three months ended September 30, 2022 - nil).

The Company receives managerial and consulting services from Morguard. The Company paid a management fee of \$521,000 for the nine month period ended September 30, 2023 (September 30, 2022 - \$521,000), under a contractual agreement, which is included in operating expenses. For the three months ended September 30, 2023, the Company paid a management fee of \$174,000 (three months ended September 30, 2022 - \$173,000). Morguard also provides back-office services to ClubLink US LLC. The Company paid a management fee of US\$345,000 (CDN\$463,000) for the nine month period ended September 30, 2023 (September 30, 2022 - US\$345,000; CDN\$443,000) under a contractual agreement, which is included in direct operating expenses. For the three months ended September 30, 2023, the Company paid US\$115,000 (CDN\$154,000) in management fees (three months ended September 30, 2022 - US\$115,000; CDN\$150,000).

The Highland Gate project receives managerial services from Geranium Homes management companies. The project paid a management fee of \$788,000 for the nine month period ended September 30, 2023 (September 30, 2022 - 1,407,000) under a contractual agreement, which is capitalized to residential inventory. For the three months ended September 30, 2023, the project paid a management fee of \$208,000 (three months ended September 30, 2022 - \$337,000).

The Company provides landscaping services for certain Morguard assets. The Company received a fee of \$128,000 for the nine month period ended September 30, 2023 (September 30, 2022 - \$102,000) under a contractual agreement. For the three months ended September 30, 2023, the Company received a fee of \$32,000 (three months ended September 30, 2022 - \$21,000).

A total of US\$39,000 of rental revenue was earned by TWC for the nine month period ended September 30, 2023 (September 30, 2022 - US\$39,000) from Morguard relating to a shared office facility in Florida. For the three months ended September 30, 2023, rental revenue earned was US\$13,000 (three months ended September 30, 2022 - US\$13,000).

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

TWC ENTERPRISES LIMITED

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21. 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 44, 18-hole equivalent championship and 2, 18-hole equivalent academy courses (including two managed properties), at 34 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.

(thousands of Canadian dollars)	For the Three Months Ended September 30, 2023			Total
	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations and Other	
Operating revenue	\$ 60,577	\$ 3,767	\$ 3,291	\$ 67,635
Direct operating expenses	(39,404)	(3,420)	(4,440)	(47,264)
Net operating income (loss)	21,173	347	(1,149)	20,371
Amortization of membership fees	1,419	50	-	1,469
Depreciation and amortization	(3,209)	(398)	-	(3,607)
Other items	414	(381)	2,577	2,610
Segment earnings (loss) before interest and income taxes	\$ 19,797	\$ (382)	\$ 1,428	20,843
Interest, net (unallocated)				2,327
Provision for income taxes (unallocated)				(5,480)
Net earnings				\$ 17,690
Capital expenditures	\$ 3,887	\$ 496	\$ -	\$ 4,383

(thousands of Canadian dollars)	For the Three Months Ended September 30, 2022			Total
	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations and Other	
Operating revenue	\$ 61,520	\$ 3,489	\$ -	\$ 65,009
Direct operating expenses	(37,894)	(3,982)	(811)	(42,687)
Net operating income (loss)	23,626	(493)	(811)	22,322
Amortization of membership fees	1,276	53	-	1,329
Depreciation and amortization	(4,131)	(362)	-	(4,493)
Other items	(201)	(97)	(1,219)	(1,517)
Segment earnings (loss) before interest and income taxes	\$ 20,570	\$ (899)	\$ (2,030)	17,641
Interest, net (unallocated)				(1,510)
Provision for income taxes (unallocated)				(4,211)
Net earnings				\$ 11,920
Capital expenditures	\$ 3,779	\$ 475	\$ -	\$ 4,254

TWC ENTERPRISES LIMITED

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September 30, 2023 and 2022

21. SEGMENTED INFORMATION (continued)

For the Nine Months Ended September 30, 2023				
(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations and Other	Total
Operating revenue	\$ 121,312	\$ 18,665	\$ 18,821	\$ 158,798
Direct operating expenses	(86,998)	(14,080)	(21,159)	(122,237)
Net operating income (loss)	34,314	4,585	(2,338)	36,561
Amortization of membership fees	3,435	147	-	3,582
Depreciation and amortization	(9,402)	(1,159)	-	(10,561)
Other items	1,130	(498)	(11,594)	(10,962)
Segment earnings (loss) before interest and income taxes	\$ 29,477	\$ 3,075	\$ (13,932)	18,620
Interest, net (unallocated)				6,608
Provision for income taxes (unallocated)				(7,475)
Net earnings				\$ 17,753
Capital expenditures	\$ 9,406	\$ 1,028	\$ -	\$ 10,434

For the Nine Months Ended September 30, 2022				
(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations and Other	Total
Operating revenue	\$ 123,213	\$ 16,653	\$ 15,811	\$ 155,677
Direct operating expenses	(83,004)	(13,533)	(18,673)	(115,210)
Net operating income (loss)	40,209	3,120	(2,862)	40,467
Amortization of membership fees	3,190	159	-	3,349
Depreciation and amortization	(12,337)	(1,038)	-	(13,375)
Other items	(223)	(35)	(7,411)	(7,669)
Segment earnings (loss) before interest and income taxes	\$ 30,839	\$ 2,206	\$ (10,273)	22,772
Interest, net (unallocated)				(812)
Provision for income taxes (unallocated)				(7,539)
Net earnings				\$ 14,421
Capital expenditures	\$ 6,710	\$ 1,085	\$ -	\$ 7,795

22. COMMITMENTS/CONTINGENCIES

TWC has committed US\$10,000,000 towards a real estate fund based out of Florida (Fund IV). As at September 30, 2023 there has been US\$7,500,000 (CDN\$9,930,000) in capital calls towards this commitment. TWC has committed another US\$10,000,000 towards a real estate fund based out of Florida (Fund V). As at September 30, 2023, there has been US\$700,000 (CDN\$946,000 in capital calls paid towards this commitment (see Note 5).

As at September 30, 2022, December 31, 2022 and September 30, 2023, TWC has \$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.

23. SUBSEQUENT EVENT

On November 2, 2023, the Company declared a 5 cents per common share cash dividend, payable December 15, 2023 to shareholders of record on November 30, 2023.

GOLF CLUB AND RESORT PROPERTY LISTING

	Championship Golf Holes	Academy Golf Holes	Future Golf Holes	Current Rooms	Surplus Land in Acres
ONTARIO/QUEBEC REGION					
Prestige					
1. Greystone Golf Club, Milton, Ontario	18	–	–	–	–
2. King Valley Golf Club, The Township of King, Ontario	18	–	–	–	–
3. RattleSnake Point Golf Club, Milton, Ontario	36	9	–	–	–
Hybrid – Prestige					
4. Glen Abbey Golf Club, Oakville, Ontario	18	–	–	–	–
Platinum					
5. Blue Springs Golf Club, Acton, Ontario	18	9	–	–	–
6. Club de Golf Islesmere, Laval, Quebec (a)	27	–	–	–	–
7. Club de Golf Rosemère, Blainville, Quebec (b)	18	–	–	–	–
8. DiamondBack Golf Club, Richmond Hill, Ontario	18	–	–	–	–
9. Eagle Creek Golf Club, Dunrobin, Ontario	18	–	–	–	–
10. Emerald Hills Golf Club, Whitchurch-Stouffville, Ontario	27	–	–	–	–
11. Glencairn Golf Club, Milton, Ontario	27	–	–	–	–
12. Grandview Golf Club, Huntsville, Ontario	18	–	18	–	–
13. Heron Point Golf Links, Ancaster, Ontario	18	–	–	–	–
14. Kanata Golf & Country Club, Kanata, Ontario	18	–	–	–	–
15. King's Riding Golf Club, The Township of King, Ontario	18	–	–	–	–
16. Le Maître de Mont-Tremblant, Mont-Tremblant, Quebec (c)	36	–	–	–	–
17. Rocky Crest Golf Club, Mactier, Ontario	18	–	18	–	–
18. The Lake Joseph Club, Port Carling, Ontario	18	9	–	–	–
19. Wyndance Golf Club, Uxbridge, Ontario	18	9	–	–	–
Gold					
20. Caledon Woods Golf Club, Bolton, Ontario	18	–	–	–	–
21. Club de Golf Hautes Plaines, Gatineau, Quebec	18	–	–	–	–
22. Georgetown Golf Club, Georgetown, Ontario	18	–	–	–	–
23. Glendale Golf and Country Club, Hamilton, Ontario	18	–	–	–	–
24. GreyHawk Golf Club, Ottawa, Ontario	36	–	–	–	–
25. National Pines Golf Club, Innisfil, Ontario (a)	18	–	–	–	–
26. Station Creek Golf Club, Whitchurch-Stouffville, Ontario	36	–	–	–	–
Hybrid – Gold					
27. Cherry Downs Golf & Country Club, Pickering, Ontario	18	–	18	–	–
Hybrid – Silver					
28. Bethesda Grange, Whitchurch-Stouffville, Ontario	18	–	–	–	–
29. Hidden Lake Golf Club, Burlington, Ontario	36	–	–	–	–
Daily Fee					
30. Rolling Hills Golf Club, Whitchurch-Stouffville, Ontario	36	–	–	–	–
Muskoka, Ontario Resorts					
31. The Lake Joseph Club, Port Carling, Ontario	–	–	–	–	–
32. Rocky Crest Resort/Lakeside at Rocky Crest, Mactier, Ontario (d)	–	–	–	84	–
33. Sherwood Inn, Port Carling, Ontario	–	–	–	49	–
FLORIDA REGION					
Hybrid – Prestige					
1. TPC Eagle Trace, Coral Springs, Florida	18	–	–	–	–
Hybrid – Platinum					
2. Club Renaissance, Sun City Center, Florida	18	–	–	–	–
Gold					
3. Scepter Golf Club, Sun City Center, Florida	27	–	–	–	–
Daily Fee					
4. Palm Aire Country Club (Oaks, Cypress), Pompano Beach, Florida	36	–	–	–	–
5. Palm Aire Country Club (Palms), Pompano Beach, Florida	18	–	–	–	–
OTHER					
Kings Point Golf Club, Sun City Center, Florida (e)	–	–	–	–	51
Caloosa Greens Golf Club, Sun City Center, Florida (e)	–	–	–	–	70
Falcon Watch Golf Club, Sun City Center, Florida (e)	–	–	–	–	116
North Lakes Golf Club, Sun City Center, Florida (e)	–	–	–	–	170
King Haven, The Township of King, Ontario	–	–	–	–	278
Woodlands Country Club, Tamarac, Florida (e)	–	–	–	–	279
Sandpiper Golf Club, Sun City Center, Florida (e)	–	–	–	–	–
Total 18-hole Equivalent Courses, Rooms, Acres	44.0	2.0	3.0	133	964

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

CORPORATE DIRECTORY

BOARD OF DIRECTORS

FRASER BERRILL (c)

PATRICK S. BRIGHAM (b, c)

PAUL CAMPBELL (b, c)

SAMUEL J.B. POLLOCK (a, b)

ANGELA SAHI

K. (RAI) SAHI

DONALD TURPLE (a, d)

JACK D. WINBERG (a, b, c)

(a) Audit Committee

(b) Corporate Governance and Compensation Committee

(c) Environmental, Health and Safety Committee

(d) Lead director

OFFICERS

TWC ENTERPRISES LIMITED

K. (RAI) SAHI

Chairman, President and Chief Executive Officer

ANDREW TAMLIN

Chief Financial Officer

JOHN A. FINLAYSON

Chief Operations Officer, Canadian Golf Operations

Vice President, Florida Golf Operations

JAMIE KING

Vice President, Sales, Canadian Golf Operations

BRENT MILLER

Vice President, Business Development

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HSBC Bank USA

AUDITORS

Deloitte LLP

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