

# TWC ENTERPRISES LIMITED

FOR IMMEDIATE RELEASE  
KING CITY, ONTARIO  
TSX: TWC

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## TWC ENTERPRISES LIMITED ANNOUNCES FIRST QUARTER 2024 RESULTS AND ELIGIBLE DIVIDEND

### Consolidated Financial Highlights (unaudited)

(in thousands of dollars except per share amounts)	Three months ended	
	March 31, 2024	March 31, 2023
Net loss	(701)	(8,051)
Basic and diluted loss per share	(0.03)	(0.33)

### Operating Data

	Three months ended	
	March 31, 2024	March 31, 2023
Canadian Full Privilege Golf Members	14,960	15,034
Championship rounds – Canada	-	-
18-hole equivalent championship golf courses – Canada	35.5	35.5
18-hole equivalent managed championship golf courses – Canada	3.5	2.0
Championship rounds – U.S.	90,000	111,000
18-hole equivalent championship golf courses – U.S.	6.5	8.0

The following is an analysis of net loss:

<b>(thousands of Canadian dollars)</b>	For the three months ended	
	<b>March 31, 2024</b>	March 31, 2023
Operating revenue	\$ 65,346	\$ 26,510
Direct operating expenses <sup>(1)</sup>	60,889	21,139
Net operating income <sup>(1)</sup>	4,457	5,371
Amortization of membership fees	959	976
Depreciation and amortization	(3,515)	(3,462)
Interest, net and investment income	2,785	2,080
Other items	(4,601)	(13,748)
Income taxes	(786)	732
Net loss	\$ (701)	\$ (8,051)

The following is a breakdown of net operating income (loss) by segment:

<b>(thousands of Canadian dollars)</b>	For the three months ended	
	<b>March 31, 2024</b>	March 31, 2023
Net operating income (loss) by segment		
Canadian golf club operations	\$ 3,554	\$ 2,852
US golf club operations (2024 - US \$2,163,000; 2023 - US \$2,395,000)	2,916	3,237
Corporate operations and other	(2,013)	(718)
Net operating income <sup>(1)</sup>	\$ 4,457	\$ 5,371

Operating revenue is calculated as follows:

<b>(thousands of Canadian dollars)</b>	For the three months ended	
	<b>March 31, 2024</b>	March 31, 2023
Annual dues	\$ 17,507	\$ 16,910
Golf	6,002	6,521
Corporate events	18	26
Food and beverage	1,267	1,428
Merchandise	1,755	1,392
Real estate sales	38,509	-
Rooms and other	288	233
	\$ 65,346	\$ 26,510

Direct operating expenses are calculated as follows:

(thousands of Canadian dollars)	For the three months ended	
	March 31, 2024	March 31, 2023
Operating cost of sales	\$ 1,847	\$ 1,545
Real estate cost of sales	39,722	-
Labour and employee benefits	9,708	9,560
Utilities	1,700	1,737
Selling, general and administrative expenses	1,476	1,485
Property taxes	1,883	1,851
Repairs and maintenance	1,154	1,075
Insurance	1,000	1,331
Turf operating expenses	313	307
Fuel and oil	100	138
Other operating expenses	1,986	2,110
<b>Direct Operating Expenses <sup>(1)</sup></b>	<b>\$ 60,889</b>	<b>\$ 21,139</b>

<sup>(1)</sup> Please see Non-IFRS Measures on following page

### First Quarter 2024 Consolidated Operating Highlights

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

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

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

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

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

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

At March 31, 2024, the Company recorded unrealized losses of \$4,551,000 on its investment in marketable securities (March 31, 2023 - \$13,558,000). This loss is attributable to the fair market value adjustments of the Company's investment in Automotive Properties REIT.

The exchange rate used for translating US denominated amounts has changed from 1.3226 at December 31, 2023 to 1.3550 at March 31, 2024. This has resulted in a foreign exchange loss of \$167,000 for the three month period ended March 31, 2024 on the translation of the Company's US denominated financial instruments.

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

## Non-IFRS Measures

TWC uses non-IFRS measures as a benchmark measurement of our own operating results and as a benchmark relative to our competitors. We consider these non-IFRS measures to be a meaningful supplement to net earnings. We also believe these non-IFRS measures are commonly used by securities analysts, investors and other interested parties to evaluate our financial performance. These measures, which included direct operating expenses and net operating income do not have standardized meaning under IFRS. While these non-IFRS measures have been disclosed herein to permit a more complete comparative analysis of the Company's operating performance and debt servicing ability relative to other companies, readers are cautioned that these non-IFRS measures as reported by TWC may not be comparable in all instances to non-IFRS measures as reported by other companies.

The glossary of financial terms is as follows:

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

**Net operating income** = operating revenue – direct operating expenses

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.

## Eligible Dividend

Today, TWC Enterprises Limited announced an eligible cash dividend of 7.5 cents per common share to be paid on June 17, 2024 to shareholders of record as at May 31, 2024.

## Corporate Profile

TWC is engaged in golf club operations under the trademark, "ClubLink One Membership More Golf." TWC is Canada's largest owner, operator and manager of golf clubs with 45.5 18-hole equivalent championship and 2 18-hole equivalent academy courses (including three managed properties) at 35 locations in Ontario, Quebec and Florida.

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Management's discussion and analysis, financial statements and other disclosure information relating to the Company is available through SEDAR and at [www.sedar.com](http://www.sedar.com) and on the Company website at [www.twcenterprises.ca](http://www.twcenterprises.ca)