

TWC ENTERPRISES LIMITED

FOR IMMEDIATE RELEASE
KING CITY, ONTARIO
TSX: TWC

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TWC ENTERPRISES LIMITED ANNOUNCES FIRST QUARTER 2021 RESULTS AND ELIGIBLE CASH DIVIDEND

Consolidated Financial Highlights (unaudited)

(in thousands of dollars except per share amounts)	Three months ended	
	March 31, 2021	March 31, 2020
Net earnings (loss)	455	(32,420)
Basic and diluted earnings (loss) per share	0.02	(1.22)

Operating Data

	Three months ended	
	March 31, 2021	March 31, 2020
ClubLink		
Canadian Full Privilege Golf Members	14,658	13,545
Championship rounds – Canada	-	-
18-hole equivalent championship golf courses – Canada	39.5	40.5
18-hole equivalent managed championship golf courses – Canada	1.0	1.0
Championship rounds – U.S.	93,000	112,000
18-hole equivalent championship golf courses – U.S.	8.0	11.0

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

(thousands of Canadian dollars)	For the three months ended	
	March 31, 2021	March 31, 2020
Net operating income (loss) by segment		
Canadian golf club operations	\$ (2,887)	\$ 1,157
US golf club operations (2021 - US \$1,131,000; 2020 - US \$918,000)	1,433	1,234
Corporate operations	(803)	(771)
Net operating income (loss) ⁽¹⁾	\$ (2,257)	\$ 1,620

The following is an analysis of net earnings (loss):

(thousands of Canadian dollars)	For the three months ended	
	March 31, 2021	March 31, 2020
Operating revenue	\$ 14,109	\$ 20,070
Direct operating expenses ⁽¹⁾	16,366	18,450
Net operating income (loss) ⁽¹⁾	(2,257)	1,620
Amortization of membership fees	958	1,004
Depreciation and amortization	(4,755)	(4,953)
Interest, net and investment income	(436)	(590)
Other items	5,640	(34,498)
Income taxes	1,305	4,997
Net earnings (loss)	\$ 455	\$ (32,420)

⁽¹⁾ Please see Non-IFRS Measures

First Quarter 2021 Consolidated Operating Highlights

Revenue consists of the following:

(thousands of Canadian dollars)	For the three months ended	
	March 31, 2021	March 31, 2020
Annual dues	\$ 7,942	\$ 12,213
Golf and corporate events	4,261	5,149
Membership fees	958	1,004
Food and beverage	573	1,664
Merchandise	1,063	728
Rooms and other	270	316
	\$ 15,067	\$ 21,074

As required by IFRS, ClubLink recognizes its annual dues revenue on a straight-line basis throughout the year based on when its properties are open and services are provided. As a result of COVID-19 lockdowns in both 2020 and 2021, annual dues revenue was not recognized during certain periods. There was an average of 39 days (2020 – 79 days) in the first quarter that ClubLink was allowed to operate in Canada. Canadian annual dues revenue decreased 38.6% to \$6,501,000 for the three month period ended March 31, 2021 from \$10,595,000 in 2020 due to this policy. This deferral will be recognized into revenue throughout the remainder of the year on a straight-line basis.

Annual dues is analyzed as follows for Canadian golf operations:

(thousands of Canadian dollars)	March 31, 2021	March 31, 2020
Number of days in quarter	87	89
Number of lockdown days in quarter (not allowed to operate)	48	10
Number of days in quarter which ClubLink was allowed to operate	39	79
Annual dues revenue recognized during quarter	\$ 6,501	\$ 10,595

Consolidated operating revenue decreased 29.7% to \$14,109,000 for the three month period ended March 31, 2021 from \$20,070,000 in 2020 due to the decline in annual dues revenue.

Direct operating expenses decreased 11.3% to \$16,366,000 for the three month period ended March 31, 2021 from \$18,450,000 in 2020 due to the fact that certain revenue streams were reduced which all had costs associated with them. There has also been a reduction in operating expenses due to the sale of Greenhills Golf Club, Club de Golf Val des Lacs and the closure of Woodlands Country Club in the first quarter of 2020.

Net operating loss for the Canadian golf club operations segment decreased to a loss of \$2,887,000 for the three month period ended March 31, 2021 from income of \$1,157,000 in 2020 due to the shift in the recognition of annual dues revenue.

Amortization of membership fees decreased 4.6% to \$958,000 from \$1,004,000 in 2020.

Interest, net and investment income decreased 26.1% to an expense of \$436,000 for the three month period ended March 31, 2021 from \$590,000 in 2020 due to a decrease in borrowings and an increase in investment income from the Company's investment in Automotive Properties REIT.

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

(thousands of Canadian dollars)	March 31, 2021	March 31, 2020
Unrealized foreign exchange gain (loss)	\$ (326)	\$ 7,731
Unrealized gain (loss) on investment in marketable securities	4,990	(25,871)
Loss on sale of common shares in Carnival plc	-	(16,240)
Insurance proceeds	754	-
Equity income (loss) from investments in joint ventures	229	(193)
Other	(7)	75
Other items	\$ 5,640	\$ (34,498)

The exchange rate used for translating US denominated assets has changed from 1.2732 at December 31, 2020 to 1.2575 at March 31, 2021. This has resulted in a foreign exchange loss of \$326,000 for the three month period ended March 31, 2021 on the translation of the Company's US denominated financial instruments.

Net earnings is \$455,000 for the three month period ended March 31, 2021 from a loss of \$32,420,000 in 2020 due to the loss on the sale of Carnival shares in 2020. Basic and diluted earnings per share increased to \$0.02 per share in 2021, compared to a loss of \$1.22 cents in 2020.

Currently, ClubLink's Ontario golf clubs are closed due to Provincial lockdown orders which are applicable until May 20th.

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 2 cents per common share to be paid on June 15, 2021 to shareholders of record as at May 31, 2021.

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 48.5 18-hole equivalent championship and 3.5 18-hole equivalent academy courses (including one managed property) at 37 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 and on the Company website at www.twcenterprises.ca