TWC ENTERPRISES LIMITED

FOR IMMEDIATE RELEASE
KING CITY, ONTARIO
TSX: TWC **August 6, 2020**

TWC ENTERPRISES LIMITED ANNOUNCES SECOND QUARTER 2020 RESULTS, ELIGIBLE CASH DIVIDEND AND PROVIDES COVID-19 UPDATE

Consolidated Financial Highlights (unaudited)

(in thousands of dollars except per share amounts)	Three months ended		Six months ended	
	June 30, 2020	**June 30, 2019**	**June 30, 2020**	**June 30, 2019**
Net earnings (loss)	**2,605**	(3,291)	**(29,815)**	(7,277)
Basic and diluted earnings (loss) per share	**0.10**	(0.12)	**(1.13)**	(0.27)

Operating Data

	Three months ended		Six months ended	
	June 30, 2020	**June 30, 2019**	**June 30, 2020**	**June 30, 2019**
ClubLink				
Canadian Full Privilege Golf Members			**13,819**	14,316
Championship rounds – Canada	**302,000**	346,000	**302,000**	347,000
18-hole equivalent championship golf courses – Canada			**39.5**	41.5
18-hole equivalent managed championship golf courses – Canada			**1.0**	1.0
Championship rounds – U.S.	**36,000**	75,000	**148,000**	211,000
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 **June 30, 2020**		June 30, 2019
Net operating income (loss) by segment				
Canadian golf club operations	**$**	**1,790**	$	6,324
US golf club operations				
(2020 - US loss $375,000; 2019 - US loss $74,000)		**(526)**		(98)
Corporate operations		**(731)**		(878)
Net operating income [1]	**$**	**533**	$	5,348

(thousands of Canadian dollars)		For the six months ended **June 30, 2020**		June 30, 2019
Net operating income (loss) by segment				
Canadian golf club operations	**$**	**2,947**	$	8,322
US golf club operations				
(2020 - US $543,000; 2019 - US $1,758,000)		**708**		2,337
Corporate operations		**(1,502)**		(1,734)
Net operating income [1]	**$**	**2,153**	$	8,925

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

(thousands of Canadian dollars)		For the three months ended **June 30, 2020**		June 30, 2019
Operating revenue	**$**	**21,696**	$	46,202
Direct operating expenses [1]		**21,163**		40,854
Net operating income [1]		**533**		5,348
Amortization of membership fees		**1,241**		1,306
Depreciation and amortization		**(4,890)**		(5,085)
Interest, net and investment income		**(1,212)**		(1,435)
Other items		**6,635**		(3,686)
Income taxes		**298**		261
Net earnings (loss)	**$**	**2,605**	$	(3,291)

[1] Please see Non-IFRS Measures

(thousands of Canadian dollars)		For the six months ended **June 30, 2020**		June 30, 2019
Operating revenue	**$**	**41,766**	$	69,236
Direct operating expenses [1]		**39,613**		60,311
Net operating income [1]		**2,153**		8,925
Amortization of membership fees		**2,245**		2,553
Depreciation and amortization		**(9,843)**		(10,184)
Interest, net and investment income		**(1,802)**		(2,809)
Other items		**(27,863)**		(7,951)
Income taxes		**5,295**		2,189
Net earnings (loss)	**$**	**(29,815)**	$	(7,277)

[1] Please see Non-IFRS Measures

Second Quarter 2020 Consolidated Operating Highlights

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to contain the spread of the virus which have led to prolonged voluntary or mandatory building closures, business closures, government restrictions on travel and gatherings, quarantines, self-isolation and physical distancing. As a result, the Company closed all golf clubs in order to adhere to these restrictions and ensure the health and wellbeing of members and staff alike. This has and will continue to impact revenue streams such as corporate events, banquets, weddings and food and beverage. As government closure orders were lifted, Ontario courses were re-opened on May 16th, 2020 and Quebec courses were re-opened on May 20th, 2020, but social distancing requirements continue to prohibit certain revenue streams such as corporate events, banquets, weddings, meetings and other large gatherings. All Florida courses were re-opened by May 2nd. The Company will continue to adhere to guidance provided by governments and regulatory authorities.

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, annual dues revenue was not recognized during course closures. Canadian annual dues revenue decreased 35.6% to $8,063,000 for the three month period ended June 30, 2020 from $12,525,000 in 2019. The adjustment made based on course closures will be recognized into revenue throughout the remainder of the year on a straight-line basis.

Consolidated operating revenue decreased 53.0% to $21,696,000 for the three month period ended June 30, 2020 from $46,202,000 in 2019 due to the decline in revenue from the closure of golf properties. This decline is due in part to the aforementioned annual dues revenue recognition adjustment, along with streams of revenue that have been lost due to regulations surrounding COVID-19. Group business has been minimal, including corporate events, weddings, banquets or resort stays, as social distancing measures remain in place.

Direct operating expenses decreased 48.2% to $21,163,000 for the three month period ended June 30, 2020 from $40,854,000 in 2019 due to the fact that our golf clubs were closed for a portion of the second quarter and certain revenue streams were reduced. Cost saving measures have been enacted in order to help offset the revenue declines. Labour and employee benefits for the Canadian golf operations have decreased 49.0% to $9,951,000 for the three months ended June 30, 2020 from $18,818,000 in 2019.

Net operating income for the Canadian golf club operations segment decreased to $1,790,000 for the three month period ended June 30, 2020 from income of $6,324,000 in 2019 due to the impact of COVID-19 on the recognition of annual dues revenue. This non-cash adjustment delayed recognition of revenue of $3,947,000 for the three month period ended June 30, 2020.

Interest, net and investment income decreased 15.5% to an expense of $1,212,000 for the three month period ended June 30, 2020 from $1,435,000 in 2019 due to enhanced income earned on funds from the sale of White Pass and a decrease in borrowings.

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

	For the three months ended	
(thousands of Canadian dollars)	**June 30, 2020**	June 30, 2019
Foreign exchange loss	**$ (3,444)**	$ (1,572)
Unrealized gain on investment in Automotive Properties REIT	**10,308**	-
Unrealized loss on common shares in Carnival plc	**-**	(2,766)
Equity loss from investments in joint ventures	**(324)**	-
Insurance proceeds	**-**	466
Other	**95**	186
Other items	**$ 6,635**	**$ (3,686)**

The exchange rate used for translating US denominated assets has changed from 1.4187 at March 31, 2020 to 1.3628 at June 30, 2020. This has resulted in a foreign exchange loss of $3,444,000 for the three month period ended June 30, 2020 on the translation of the Company’s US denominated financial instruments.

Net earnings is $2,605,000 for the three month period ended June 30, 2020 from a net loss of $3,291,000 in 2019 due to the gain on investment in Automotive Properties REIT in other items. Basic and diluted earnings per share increased to 10 cents per share in 2020, compared to a basic and diluted loss of 12 cents in 2019.

Operating Update - COVID-19 Pandemic and 2020 Golf Season

The Company recognizes the impact COVID-19 has on its properties along with its operations. All of our properties were closed on March 20th. Renaissance and Scepter re-opened on April 15th and the rest of the Florida properties re-opened on May 2nd. Ontario properties re-opened on May 16th and Quebec properties re-opened on May 20th as governmental orders were lifted. This has and will continue to impact certain revenue streams such as corporate events, banquets, weddings, and food and beverage.

In March, ClubLink activated its Crisis Management Team which was mandated to maintain a safe environment for our members, customers and employees, coordinating efforts across our portfolio, standardizing communications and responding as circumstances demand.

With the guidance of public health authorities, and at the direction of various levels of government, ClubLink has implemented measures to help reduce the spread of COVID-19 including:

- temporarily eliminating services deemed to be risky;
- intensified cleaning, focusing staff efforts on cleaning high-touch point areas at all our properties using approved cleaning products;
- management offices are staffed but doors are locked;
- non critical maintenance work has been deferred;
- added additional hand sanitizers to help customers and employees maintain recommended practices for hand washing; and
- posted health and safety best practice reminders to increase awareness of the most current guidelines.

The Company has modified property access to limit the number of people at large, reduce group gatherings and maintain physical distance between customers. As restrictions have been lifted and more services have been re-introduced, access to the property still requires an appointment (for example, pre-booked tee times). A “greeter” position has been created and stationed at the entrance to each property, with the sole responsibility being to approve access to the property and educate incoming customers on current COVID-19 operating procedures and expectations.

The Company has adopted a mandatory mask or face covering policy for all indoor public spaces at all properties. This includes all staff, customers and visitors entering the bathrooms, golf shops, halfway houses, bistros, and all other common areas.

The Company is actively monitoring the ongoing developments with regards to COVID-19 and are committed in ensuring a healthy and safe environment, adjusting our service model as necessary.

Out of an abundance of caution for the safety of our guests and employees, ClubLink is not accepting new bookings for 2020 group events. ClubLink has been working with customers and clients to move their weddings, events and functions to dates next year. In some cases, the customer has chosen to cancel. It is expected that the revenue from these business streams will be minimal for 2020.

While the decline in activity from group bookings has resulted in decreased revenue, it has enabled ClubLink to accommodate the overwhelming demand for tee times from members and customers.

As restaurant patios and indoor dining has been allowed to resume, the Company has implemented safety measures to maintain physical distancing. It is expected that there will continue to be restrictions on food and beverage services for most of 2020.

In order to mitigate the impact of these expected revenue shortfalls, ClubLink is working through the application process for the Canada Emergency Wage Subsidy and plans to file in the third quarter.

Eligible Dividend

Today, TWC Enterprises Limited announced an eligible cash dividend of 2 cents per common share to be paid on September 15, 2020 to shareholders of record as at August 31, 2020.

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.

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 40 locations in Ontario, Quebec and Florida.

For further information please contact:

Andrew Tamlin
Chief Financial Officer
15675 Dufferin Street
King City, Ontario L7B 1K5
Tel: 905-841-5372 Fax: 905-841-8488
atamlin@clublink.ca

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