TWC ENTERPRISES LIMITED

Q2 2022

CLUBLINK

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FINANCIAL HIGHLIGHTS

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

	For the three months ended		For the sixth months ended	
(thousands of Canadian dollars - except as indicated)	**June 30, 2022**	June 30, 2021	**June 30, 2022**	June 30, 2021
OPERATIONS				
Operating revenue	**52,736**	34,059	**90,668**	48,168
Net operating income[1]	**13,167**	9,036	**18,145**	6,779
Net earnings	**3,594**	4,472	**2,501**	4,927
OPERATING DATA				
Canadian full privilege golf members			**15,583**	15,097
Championship rounds - Canada[2]	**444,000**	362,000	**444,000**	362,000
18-hole equivalent championship golf courses - Canada[2,3]			**37.5**	39.5
18-hole equivalent managed golf courses - Canada			**2.0**	2.0
Championship rounds - U.S.[2]	**55,000**	63,000	**167,000**	156,000
18-hole equivalent championship golf courses - U.S.[2,3]			**8.0**	8.0
COMMON SHARE DATA (000)				
Shares outstanding	**24,496**	24,548	**24,496**	24,548
Weighted average shares outstanding	**24,521**	24,573	**24,535**	24,745
PER COMMON SHARE DATA ($)				
Basic and diluted earnings	**0.15**	0.18	**0.10**	0.20
Eligible cash dividend	**0.02**	0.02	**0.04**	0.04
FINANCIAL POSITION				
Total assets			**766,134**	710,720
Gross borrowings			**105,628**	146,279
Shareholders' equity			**505,098**	418,367
Net book value per share [1]			**20.62**	17.04

(1) Net operating income (loss) and net book value per share are not recognized measures under International Financial Reporting Standards ("IFRS"). Management believes that, in addition to net earnings, these measures are useful supplemental information to provide investors with an indication of the Company's performance. Investors should be cautioned, however, that these measures should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of the Company's performance. TWC's method of calculating these measures is consistent from year to year, but may be different than those used by other companies (see "Management's Discussion and Analysis of Financial Condition and Results of Operations").
(2) Excluding academy courses.
(3) 18-hole equivalent championship golf courses operating during the period ended June 30.

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

This management's discussion and analysis of financial condition and results of operations ("MD&A") should be read in conjunction with TWC Enterprises Limited's ("TWC" or the "Company", formerly ClubLink Enterprises Limited) unaudited interim condensed consolidated financial statements and accompanying notes for the period ended June 30, 2022. This MD&A has been prepared as at August 5, 2022 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; changes in business strategy or development/ acquisition plans; environmental exposures; financing risk; existing governmental regulations and changes in, or the failure to comply with, governmental regulations; liability and other claims asserted against the Company; and other factors including risks and uncertainties relating to the COVID-19 pandemic 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.

Given the impact of the changing circumstances surrounding the COVID-19 pandemic and the related response from the Company, governments (federal, provincial and municipal), regulatory authorities, businesses and customers, there is inherently more uncertainty associated with the Company's assumptions as compared to prior periods. These assumptions and related risks, many of which are confidential, include but are not limited to management expectations with respect to the factors above as well as general economic conditions, which includes the impact on the economy and financial markets of the COVID-19 pandemic and other health risks.

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

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

NON-GAAP MEASURES (continued)

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

BUSINESS STRATEGY AND CORPORATE OVERVIEW

TWC operates in the golf 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.

TWC is also involved with considering investment opportunities.

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 47½, 18-hole equivalent championship and 2½, 18-hole equivalent academy courses, at 36 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. This supplemental revenue which typically involves gatherings of people has been significantly reduced since the start of COVID-19 but has increased in 2022 as less restrictions have been imposed by the provincial governments.

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 2022, ClubLink is operating 25 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, Country Club, Georgetown, Glendale, GreyHawk, Hautes Plaines, National Pines, Station Creek

In 2022, 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 run as a managed property associated with Le Maître in Quebec.

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)

In 2022, 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

ClubLink's lease of the of the Bond Head property in Bond Head, Ontario (36 holes) concluded as of December 31, 2021.

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 2022, ClubLink is operating one Ontario/Quebec Region Daily Fee Golf Club as follows:

Daily Fee: Rolling Hills

ClubLink has approximately 350 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 2,300 Players Club memberships. The Players Club memberships have varying degrees of access to ClubLink's daily fee golf clubs at different price points.

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

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 2022, ClubLink is operating The Lake Joseph Club, Rocky Crest Resort and Sherwood Inn, all located in Muskoka.

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

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

(b) United States

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

In 2022, ClubLink is operating six Florida Region Golf Clubs as follows:

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

In 2019, Heron Bay Golf Club was closed and on October 8, 2021 was sold for proceeds of US$32,000,000.

In 2020, Woodlands Golf and Country Club was closed as part of the mandated closures from the COVID-19 pandemic. Due to years of declining performance, it was not re-opened.

Corporate Operations 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.

	June 30, 2022	December 31, 2021	June 30, 2021
Balance Sheet	**1.2886**	1.2678	1.2394
Statement of Earnings - First Quarter	**1.2663**	N/A	1.2666
Statement of Earnings - Second Quarter	**1.2765**	N/A	1.2219

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

THREE MONTH CONSOLIDATED OPERATING HIGHLIGHTS

The table below sets forth selected financial data relating to the Company's three month periods ended June 30, 2022 and June 30, 2021. This financial data is derived from the Company's unaudited interim condensed consolidated financial statements, which are prepared in accordance with IFRS.

	For the three months ended		
(thousands of Canadian dollars - except as indicated)	**June 30, 2022**	June 30, 2021	% Change 2022/2021
OPERATING REVENUE	**$ 52,736**	$ 34,059	54.8%
DIRECT OPERATING EXPENSES	**39,569**	25,023	58.1%
NET OPERATING INCOME	**13,167**	9,036	45.7%
Amortization of membership fees	**1,081**	1,037	4.2%
Depreciation and amortization	**(4,458)**	(4,788)	(6.9%)
Interest, net and investment income	**422**	(384)	N/A
Other items	**(3,582)**	(303)	1,082.2%
Income taxes	**(3,036)**	(126)	2,309.5%
NET EARNINGS	**$ 3,594**	$ 4,472	(19.6%)
BASIC AND DILUTED EARNINGS PER SHARE	**$ 0.15**	$ 0.18	(16.7%)

The breakdown of operating revenue is as follows:

	For the three months ended		
(thousands of Canadian dollars - except as indicated)	**June 30, 2022**	June 30, 2021	% Change 2022/2021
Annual dues	**$ 17,286**	$ 13,992	23.5%
Golf	**13,842**	12,299	12.5%
Corporate events	**2,573**	426	504.0%
Food and beverage	**10,382**	3,577	190.2%
Merchandise	**4,301**	2,945	46.0%
Real estate	**3,037**	-	N/A
Rooms and other	**1,315**	820	60.4%
	$ 52,736	$ 34,059	54.8%

The breakdown of direct operating expenses is as follows:

	For the three months ended		
(thousands of Canadian dollars - except as indicated)	**June 30, 2022**	June 30, 2021	% Change 2022/2021
Operating cost of sales	**$ 5,974**	$ 3,350	78.3%
Real estate cost of sales	**2,370**	-	N/A
Labour and employee benefits	**18,822**	11,568	62.7%
Utilities	**1,966**	1,716	14.6%
Selling, general and administrative	**1,460**	1,312	11.3%
Property taxes	**695**	724	(4.0%)
Insurance	**903**	802	12.6%
Repairs and maintenance	**1,556**	1,253	24.2%
Turf operating expenses	**2,108**	1,883	11.9%
Fuel and oil	**621**	335	85.4%
Other operating expenses	**3,094**	2,080	48.8%
Total direct operating expenses	**$ 39,569**	$ 25,023	58.1%

SECOND QUARTER 2022 CONSOLIDATED OPERATING HIGHLIGHTS

As required by IFRS, ClubLink recognizes its annual dues revenue on a straight-line basis throughout the year based on when its properties are allowed to open and services are provided. As a result of COVID-19 lockdowns in 2021, annual dues revenue was not recognized during certain periods. There were 56 days in the second quarter of 2021 that ClubLink was allowed to operate in Ontario. There have been no COVID-19 lockdowns to date in 2022. Canadian annual dues revenue increased 24.7% to $15,649,000 for the three month period ended June 30, 2022 from $12,547,000 in 2021 due to this policy and the increase in members. This deferral in 2021 was recognized into revenue throughout the remainder of the year on a straight-line basis.

Operating revenue increased 54.8% to $52,736,000 for the three month period ended June 30, 2022 from $34,059,000 in 2021 due to closures in 2021 as a result of COVID-19 lockdowns and less COVID-19 operating restrictions in 2022, allowing the Company to operate on a more normal pace.

Direct operating expenses increased 58.1% to $39,569,000 for the three month period ended June 30, 2022 from $25,023,000 in 2021 due to the fact that certain activities were reduced in 2021 due to lockdowns and restrictions. High inflation is also impacting most expense categories.

Net operating income for the Canadian golf club operations segment increased to $12,675,000 for the three month period ended June 30, 2022 from $9,065,000 in 2021 due to the change in annual dues revenue described above.

Net operating income for the US golf club operations decreased to US$421,000 for the three month period ended June 30, 2022 from US$585,000 in 2021 due to decreased rounds.

Interest, net and investment income increased to income of $422,000 for the three month period ended June 30, 2022 from an expense of $384,000 in 2021 due to a decrease in borrowings and an increase in distributions from the Company's investment in Automotive Properties REIT.

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

(thousands of Canadian dollars)	For the three months ended **June 30, 2022**	June 30, 2021
Unrealized foreign exchange loss (gain)	**$ (481)**	$ 432
Unrealized loss (gain) on investment in marketable securities	**8,366**	(6,808)
Gain on real estate fund investments	**(4,370)**	-
Insurance proceeds	**-**	(2,603)
Equity loss (income) from investments in joint ventures	**62**	(404)
Glen Abbey redevelopment charge	**-**	9,500
Other	**5**	186
	$ 3,582	$ 303

The exchange rate used for translating US denominated assets has changed from 1.2496 at March 31, 2022 to 1.2886 at June 30, 2022. This has resulted in a foreign exchange gain of $481,000 for the three month period ended June 30, 2022 on the translation of the Company's US denominated financial instruments.

Net earnings decreased to $3,594,000 for the three month period ended June 30, 2022 from $4,472,000 in 2021 due to an unrealized loss on the Company's investment in Automotive Properties REIT. Basic and diluted earnings per share decreased to 15 cents per share in 2022, compared to basic and diluted earnings per share of 18 cents in 2021.

SIX MONTH CONSOLIDATED OPERATING HIGHLIGHTS

The table below sets forth selected financial data relating to the Company's six month periods ended June 30, 2022 and June 30, 2021. This financial data is derived from the Company's unaudited interim condensed consolidated financial statements, which are prepared in accordance with IFRS.

	For the six months ended		
(thousands of Canadian dollars - except as indicated)	**June 30, 2022**	June 30, 2021	% Change 2022/2021
OPERATING REVENUE	**$ 90,668**	$ 48,168	88.2%
DIRECT OPERATING EXPENSES	**72,523**	41,389	75.2%
NET OPERATING INCOME	**18,145**	6,779	167.7%
Amortization of membership fees	**2,020**	1,995	1.3%
Depreciation and amortization	**(8,882)**	(9,543)	(6.9%)
Interest, net and investment income	**698**	(820)	N/A
Other items	**(6,152)**	5,337	N/A
Income taxes	**(3,328)**	1,179	N/A
NET EARNINGS	**$ 2,501**	$ 4,927	(49.2%)
BASIC AND DILUTED EARNINGS PER SHARE	**$ 0.10**	$ 0.20	(50.0%)
TOTAL ASSETS	**$ 766,134**	$ 710,720	7.8%
GROSS BORROWINGS INCLUDING LEASE LIABILITIES	**$ 105,628**	$ 146,279	(27.8%)
SHAREHOLDERS' EQUITY	**$ 505,098**	$ 418,367	20.7%

The breakdown of operating revenue is as follows:

	For the six months ended		
(thousands of Canadian dollars - except as indicated)	**June 30, 2022**	June 30, 2021	% Change 2022/2021
Annual dues	**$ 34,088**	$ 21,934	55.4%
Golf	**19,680**	16,489	19.4%
Corporate events	**2,597**	497	422.5%
Food and beverage	**11,325**	4,150	172.9%
Merchandise	**5,521**	4,008	37.7%
Real estate	**15,811**	-	N/A
Rooms and other	**1,646**	1,090	51.0%
	$ 90,668	$ 48,168	88.2%

The breakdown of direct operating expenses is as follows:

	For the six months ended		
(thousands of Canadian dollars - except as indicated)	**June 30, 2022**	June 30, 2021	% Change 2022/2021
Operating cost of sales	**$ 7,302**	$ 4,303	69.7%
Real estate cost of sales	**16,394**	-	N/A
Labour and employee benefits	**27,498**	19,392	41.8%
Utilities	**3,640**	3,171	14.8%
Selling, general and administrative	**2,884**	2,402	20.1%
Property taxes	**2,335**	2,652	(12.0%)
Insurance	**1,781**	1,602	11.2%
Repairs and maintenance	**2,626**	1,974	33.0%
Turf operating expenses	**2,358**	1,980	19.1%
Fuel and oil	**735**	418	75.8%
Other operating expenses	**4,970**	3,495	42.2%
Total direct operating expenses	**$ 72,523**	$ 41,389	75.2%

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 19 of the unaudited interim condensed consolidated financial statements for the period ended June 30, 2022.

(thousands of Canadian dollars)	For the six months ended June 30, 2022	June 30, 2021	% Change
Operating revenue by segment			
Canadian golf club operations	**$ 61,693**	$ 37,419	64.9%
US golf club operations	**13,164**	10,749	22.5%
Other (Highland Gate)	**15,811**	-	N/A
Operating revenue	**$ 90,668**	$ 48,168	88.2%
Net operating income (loss) by segment			
Canadian golf club operations	**$ 16,583**	$ 6,178	168.4%
US golf club operations	**3,613**	2,156	67.6%
Corporate and other	**(2,051)**	(1,555)	31.9%
Net operating income	**$ 18,145**	$ 6,779	167.7%

Review of Canadian Golf Club Operations for the Period Ended June 30, 2022

Summary of Canadian Golf Club Operations

(statistics)	For the six months ended June 30, 2022	June 30, 2021	% Change
18-hole equivalent championship golf courses	**37.5**	39.5	(5.1%)
18-hole equivalent managed golf courses	**2.0**	2.0	-
Championship golf rounds	**444,000**	362,000	22.7%

(thousands of Canadian dollars)	For the six months ended June 30, 2022	June 30, 2021	% Change
Operating revenue	**$ 61,693**	$ 37,419	64.9%
Direct operating expenses	**45,110**	31,241	44.4%
Net operating income	**16,583**	6,178	168.4%
Amortization of membership fees	**1,914**	1,859	3.0%
Depreciation and amortization	**(8,206)**	(8,841)	(7.2%)
Other items	**108**	(5,217)	N/A
Segment earnings (loss) before interest and income taxes	**$ 10,399**	$ (6,021)	N/A

Operating revenue increased 64.9% to $61,693,000 for the six month period ended June 30, 2022 from $37,419,000 in 2021 due to closures in 2021 as a result of COVID-19 lockdowns and less COVID-19 operating restrictions in 2022, allowing the Company to operate on a more normal pace.

Direct operating expenses increased 44.4% to $45,110,000 for the six month period ended June 30, 2022 from $31,241,000 in 2021 due to the fact that certain activities were reduced in 2021 due to lockdowns and restrictions. High inflation is also impacting most expense categories.

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Canadian Golf Club Operations for the Period Ended June 30, 2022 (continued)

Canadian Golf Club Operating Revenue

Canadian golf club operating revenue is recorded as follows:

(thousands of Canadian dollars)	For the six months ended June 30, 2022	June 30, 2021	% Change
Annual dues	**$ 30,763**	$ 19,048	61.5%
Corporate events	**2,493**	383	550.9%
Golf	**11,637**	10,061	15.7%
Food and beverage	**9,989**	3,187	213.4%
Merchandise, rooms and other	**6,811**	4,740	43.7%
Total operating revenue	**$ 61,693**	$ 37,419	64.9%

ClubLink's second quarter 2022 period end date was Sunday, July 3, 2022 as compared to Sunday, June 27, 2021 in the prior year. However, there were 91 days of activity in the standalone second quarter in both years.

As required by IFRS, ClubLink recognizes its annual dues revenue on a straight-line basis throughout the year based on when its properties are allowed to operate and services are provided. During the winter and spring lockdowns in Ontario and Quebec in 2021, it was concluded that the Company's golf clubs were not allowed to operate.

Lockdown days are analyzed as follows for golf operations in Ontario:

(thousands of Canadian dollars)	For the three months ended June 30, 2022	June 30, 2021
Number of days in period	**91**	91
Number of lockdown days in quarter (not allowed to operate)	**-**	35
Number of days in quarter which ClubLink was allowed to operate	**91**	56

(thousands of Canadian dollars)	For the six months ended June 30, 2022	June 30, 2021
Number of days in period	**184**	178
Number of lockdown days in quarter (not allowed to operate)	**-**	83
Number of days in quarter which ClubLink was allowed to operate	**184**	95

Canadian Golf Club Direct Operating Expenses

Canadian golf club direct operating expenses are recorded as follows:

(thousands of Canadian dollars)	For the six months ended June 30, 2022	June 30, 2021	% Change
Cost of sales	**$ 6,447**	$ 3,610	78.6%
Labour and employee benefits	**22,992**	15,381	49.5%
Utilities	**2,966**	2,574	15.2%
Selling, general and administrative	**1,927**	1,496	28.8%
Property taxes	**1,395**	1,427	(2.2%)
Insurance	**1,220**	1,008	21.0%
Repairs and maintenance	**2,201**	1,581	39.2%
Turf operating expenses	**1,953**	1,697	15.1%
Fuel and oil	**547**	302	81.1%
Other operating expenses	**3,462**	2,165	59.9%
Total direct operating expenses	**$ 45,110**	$ 31,241	44.4%

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Canadian Membership Fees

Full privilege golf members increased 3.2% to 15,583 on June 30, 2022 from 15,097 on June 30, 2021 due to the large amount of demand for golf as part of the public reaction to the pandemic.

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

	Six months ended June 30, 2022		Year ended December 31, 2021		Six months ended June 30, 2021	
(thousands of Canadian dollars)	**Golf Members**	**Future Membership Fee Instalments**	Golf Members	Future Membership Fee Instalments	Golf Members	Future Membership Fee Instalments
Balance, beginning of period	**15,545**	**$ 32,306**	14,861	$ 24,379	14,861	$ 24,379
Sales to new members	**574**	**3,819**	1,728	11,161	931	5,320
Reinstated members	**158**	**304**	373	469	281	1,232
Category changes	**(2)**	**-**	(16)	-	(23)	-
Transfer and upgrade fees from existing members	**-**	**1,157**	-	2,508	-	354
Resignations and terminations	**(692)**	**(1,967)**	(1,401)	(3,243)	(953)	(2,119)
Instalments received in cash	**-**	**(817)**	-	(2,968)	-	(724)
Balance, end of period	**15,583**	**$ 34,802**	15,545	$ 32,306	15,097	$ 28,442

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

	For the six months ended **June 30, 2022**	June 30, 2021	% Change
Corporate/Principal/Spousal	**482**	743	(35.1%)
Intermediate	**3**	8	(62.5%)
Junior	**3**	6	(50.0%)
Other	**86**	174	(50.6%)
Total	**574**	931	(38.3%)

Full privilege members are broken down into categories as follows:

	For the six months ended **June 30, 2022**	June 30, 2021	% Change
Corporate/Principal/Spousal	**8,358**	7,594	10.1%
Intermediate	**1,420**	1,757	(19.2%)
Junior	**215**	318	(32.4%)
Other	**5,590**	5,428	3.0%
Total	**15,583**	15,097	3.2%

The strong demand for golf as a reaction to the pandemic resulted in ClubLink not accepting trial (intermediate) memberships since late 2020 and has continued into 2022. This demand has also resulted in membership caps implemented at certain Golf Clubs.

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of US Golf Club Operations for the Period Ended June 30, 2022

Summary of US Golf Club Operations

(statistics)	For the six months ended June 30, 2022	June 30, 2021	% Change
18-hole equivalent championship golf courses	**8.0**	8.0	-
Championship golf rounds	**167,000**	156,000	7.1%

(thousands of dollars)	For the six months ended June 30, 2022	June 30, 2021	% Change
Operating revenue	**$ 10,370**	$ 8,591	20.7%
Direct operating expenses	**7,513**	6,875	9.3%
Net operating income	**2,857**	1,716	66.5%
Amortization of membership fees	**84**	109	(22.9%)
Depreciation and amortization	**(532)**	(564)	(5.7%)
Other items	**82**	(61)	N/A
Segment earnings before interest and income taxes (US dollars)	**2,491**	1,200	107.6%
Exchange	**614**	317	93.7%
Segment earnings before interest and income taxes (Cdn dollars)	**$ 3,105**	$ 1,517	104.7%

Review of Corporate Items for the Period Ended June 30, 2022

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 158 single family detached homes and a seven story multi-unit residential building with 114 units. For the six month period ended June 30, 2022, there were ten closings of the first phase of this project (six months ended June 30, 2021 - nil).

The 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. The following is a breakdown of earnings recorded on this project:

(thousands of dollars)	For the six months ended June 30, 2022	June 30, 2021	% Change
Operating revenue	**$ 15,811**	$ -	-
Operating cost of goods sold	**(14,984)**	-	-
Cost of goods sold - amortization	**(1,410)**	-	-
Total	**$ (583)**	$ -	-

Higher than expected commodity, material and trade prices along with construction delays have impacted the results to date of Highland Gate closings.

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Corporate Items for the Period Ended June 30, 2022 (continued)

Real Estate Fund Investments

The Company has the following real estate fund investments:

(thousands of dollars)	**June 30, 2022**	December 31, 2021	June 30, 2021
Investment in Mount Auburn	**$ 1,901**	$ 13,137	$ 5,577
Investment in Real Estate Investment Fund	**5,574**	6,137	2,882
	$ 7,475	$ 19,274	$ 8,459

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 and distributions in the amount of $205,000 (US$162,000) has been received for the six month period ended June 30, 2022 (June 30, 2021 - nil). Mount Auburn was purchased by a third party real estate company and the investment was liquidated. The majority of the return of capital/liquidation payments have been made. There is one remaining payment to be received later in 2022. This investment was revalued during the six months ended June 30, 2022.

The Company has also invested $8,666,000 (US$6,725,000) in capital calls (US$10,000,000 total commitment) in a US-based real estate investment fund managed by 13th Floor. This fund primarily invests in Florida real estate projects and also included an investment in the Mount Auburn portfolio. This investment is revalued once a year at December 31st.

Change in the real estate fund investments is as follows:

	Six months ended June 30, 2022		Year ended December 31, 2021		Six months ended June 30, 2021	
(thousands of dollars)	**Investment in Mount Auburn**	**Investment in Real Estate Investment Fund**	Investment in Mount Auburn	Investment in Real Estate Investment Fund	Investment in Mount Auburn	Investment in Real Estate Investment Fund
Balance, beginning of period (US dollars)	**$ 10,362**	**$ 4,841**	$ -	$ -	$ -	$ -
Cash call	**-**	**3,300**	4,500	3,425	4,500	2,325
Valuation adjustment	**3,410**	**-**	5,862	1,416	-	-
Return of capital/liquidation	**(12,297)**	**(3,815)**	-	-	-	-
Balance, end of period (US dollars)	**1,475**	**4,326**	10,362	4,841	4,500	2,325
Exchange	**426**	**1,248**	2,775	1,296	1,077	557
Balance, end of period (Cdn dollars)	**$ 1,901**	**$ 5,574**	$ 13,137	$ 6,137	$ 5,577	$ 2,882

Interest, Net and Investment Income

Interest, net and investment income increased to income of $698,000 for the six month period ended June 30, 2022 from an expense of $820,000 in 2021 due to a decrease in borrowings and an increase in distributions from the Company's investment in Automotive Properties REIT.

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

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Other Items

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

	For the six months ended	
(thousands of Canadian dollars)	**June 30, 2022**	June 30, 2021
Unrealized foreign exchange loss (gain)	**$ (398)**	$ 758
Unrealized loss (gain) on investment in marketable securities	**11,185**	(11,809)
Gain on real estate fund investments	**(4,370)**	-
Insurance proceeds	**-**	(3,357)
Equity income from investments in joint ventures	**(135)**	(633)
Glen Abbey redevelopment charge	**-**	9,500
Other	**(130)**	204
	$ 6,152	$ (5,337)

FINANCIAL CONDITION

Assets

Total assets increased 2.6% to $766,134,000 at June 30, 2022 from $746,806,000 at December 31, 2021. This compares to $710,720,000 at June 30, 2021.

Liabilities

Total liabilities increased 7.2% to $261,036,000 at June 30, 2022 from $243,418,000 at December 31, 2021. This compares to $292,353,000 at June 30, 2021.

Shareholders' Equity

Consolidated shareholders' equity at June 30, 2022 totaled $505,098,000 or $20.62 per share, compared to $503,388,000 or $20.51 per share at December 31, 2021 and $418,367,000 or $17.04 per share at June 30, 2021. The following is a summary of the common share activity:

	For the six months ended	
(number of shares)	**June 30, 2022**	June 30, 2021
Balance, beginning of period	**24,547,924**	25,017,442
Shares cancelled through NCIB	**(52,200)**	(469,518)
Balance, end of period	**24,495,724**	24,547,924

The Company has recorded a positive adjustment to its accumulated other comprehensive earnings account of $1,159,000 due to the translation of one US dollar into 1.2886 Canadian dollars at June 30, 2022 compared to 1.2678 at December 31, 2021. 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 six months ended **June 30, 2022**	June 30, 2021
Cash provided by operating activities	**$ 36,301**	$ 42,052
Operating property, plant and equipment expenditures	**(3,541)**	(4,633)
Expansion property, plant and equipment expenditures	**-**	(1,547)
Investment in Automotive Properties REIT and marketable securities	**(9,597)**	(2,282)
Real estate fund investments, net	**16,510**	(8,459)
Mortgages and loans receivable	**1,162**	2,064
Revolving borrowings	**(906)**	(5,841)
Non-revolving borrowings – amortization payments	**(11,215)**	(10,406)
Lease liabilities	**(2,314)**	(2,636)
Dividends paid	**(982)**	(993)
Common shares repurchased for cancellation	**(968)**	(8,302)
Asset acquisition cost	**-**	(12,444)
Other	**1,579**	3,130
Net change in cash during the period	**26,029**	(10,297)
Cash, beginning of period	**91,395**	57,217
Cash, end of period	**$ 117,424**	$ 46,920

The analysis of TWC's liquidity is as follows:

(thousands of Canadian dollars)	**Availability as at June 30, 2022**		Availability as at December 31, 2021		Availability as at June 30, 2021	
	Maximum	**Available**	Maximum	Available	Maximum	Available
Cash and cash equivalents (CDN)	**$ 29,898**	**$ 29,898**	$ 12,993	$ 12,993	$ 6,351	$ 6,351
Cash and cash equivalents (USD)	**87,526**	**87,526**	78,402	78,402	40,569	40,569
Restricted cash	**1,525**	**1,525**	944	944	2,030	2,030
Revolving line of credit (corporate)	**50,000**	**48,982**	50,000	48,982	50,000	48,982
Related party revolving line of credit	**50,000**	**50,000**	50,000	50,000	50,000	50,000
Subtotal	**218,949**	**217,931**	192,339	191,321	148,950	147,932
Highland Gate	**107,000**	**83,096**	107,000	82,190	107,000	70,213
Total	**$ 325,949**	**$ 301,027**	$ 299,339	$ 273,511	$ 255,950	$ 218,145

At June 30, 2022, there is $1,525,000 (2021 - $2,030,000) of restricted cash from the Highland Gate project, representing deposits on future home sales held by counsel.

LIQUIDITY AND CAPITAL RESOURCES (continued)

Funds will be used during 2022 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 June 30, 2022, and projected future earnings, management expects to be able to fund its working capital requirements, and meet its other obligations including debt repayments.

The following is an analysis of the Company's net borrowings and their characteristics on June 30, 2022 compared to December 31, 2021:

(thousands of Canadian dollars)	**Interest Rate June 30, 2022**	Interest Rate December 31, 2021	**Total Indebtedness June 30, 2022**	Total Indebtedness December 31, 2021	**Average Term to Maturity (Yrs) June 30, 2022**	Average Term to Maturity (Yrs) December 31, 2021
Non-revolving	**8.0%**	8.0%	**$ 9,041**	$ 9,486	**7.25**	7.75
Exchange	**-**	-	**2,609**	2,540	**-**	-
Subtotal US borrowings	**8.0%**	8.0%	**11,650**	12,026		
Revolving (corporate)	**4.2%**	2.9%	**-**	-	**1.25**	1.75
Non-revolving	**6.8%**	6.9%	**61,964**	72,699	**3.52**	3.92
Other	**5.0%**	5.0%	**3,399**	3,316	**0.91**	1.41
Subtotal CDN borrowings	**6.8%**	6.6%	**65,363**	76,015		
Gross borrowings	**6.0%**	7.0%	**77,013**	88,041		
Lease liabilities	**6.0%**	6.1%	**4,711**	7,027	**1.33**	1.83
Subtotal			**81,724**	95,068		
Highland Gate borrowings	**5.4%**	3.0%	**23,904**	24,810	**0.73**	1.23
Total			**$105,628**	$ 119,878		

None of the above non-revolving mortgages have any prepayment options without a corresponding yield maintenance payment.

TWC's consolidated borrowings include revolving lines of credit and non-revolving mortgages. The following table illustrates future maturities and amortization payments of consolidated borrowings for the next five years and thereafter as at June 30, 2022:

(thousands of Canadian dollars)	Highland Gate	Corporate Borrowings	Lease Liabilities	**Total**
Balance of 2022	$ 8,734	$ 11,542	$ 2,259	**$ 22,535**
2023	15,170	21,581	1,129	**37,880**
2024	-	16,406	1,234	**17,640**
2025	-	10,724	10	**10,734**
2026	-	7,094	11	**7,105**
2027 and thereafter	-	9,666	68	**9,734**
	$ 23,904	$ 77,013	$ 4,711	**$ 105,628**

Operating Activities

Cash provided by operating activities were $36,301,000 in 2022 compared to $42,052,000 in 2021.

Investing Activities

Cash provided by investing activities were $3,598,000 in 2022 compared to cash used of $25,540,000 in 2021.

Financing Activities

Financing activities repayments were $15,223,000 in 2022 compared to $26,114,000 in 2021.

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. During 2021, Morguard fully repaid to the Company the $20,000,000 loan receivable. These facilities bear interest on a basis which is consistent with the entity's borrowing costs.

Summarized information regarding these facilities is as follows:

	For the three months ended		For the six months ended		For the year ended
(thousands of Canadian dollars)	**June 30, 2022**	June 30, 2021	**June 30, 2022**	June 30, 2021	December 31, 2021
Loan payable to Morguard	**-**	-	**-**	-	-
Loan receivable from Morguard	**-**	20,000	**-**	20,000	-
Net interest receivable (payable)	**-**	36	**-**	36	-
Net interest earned (incurred)	**-**	134	**-**	220	390

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 2022 and 2021, 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 has provided an unsecured revolving demand credit facility to an investment in joint venture in the amount of $3,000,000, with no fixed maturity date. This facility bears interest at prime plus 1.25%. As at June 30, 2022, the amount receivable on this facility was nil (December 31, 2021 - nil; June 30, 2021 - nil). Interest receivable at June 30, 2022 was nil (December 31, 2021 - nil; June 30, 2021 - nil), and interest earned was nil for the six month period ended June 30, 2022 (June 30, 2021 - $4,000). For the three months ended June 30, 2022, interest earned was nil (three months ended June 30, 2021 - nil).

The Company receives managerial and consulting services from Morguard. The Company paid a management fee of $348,000 for the six month period ended June 30, 2022 (June 30, 2021 - $348,000), under a contractual agreement, which is included in operating expenses. For the three months ended June 30, 2022, the Company paid a management fee of $174,000 (three months ended June 30, 2021 - $175,000). Morguard also provides back-office services to ClubLink US Corporation. The Company paid a management fee of US$230,000 (CDN$293,000) for the six month period ended June 30, 2022 (June 30, 2021 - US$230,000; CDN$287,000) under a contractual agreement, which is included in direct operating expenses. For the three months ended June 30, 2022, the Company paid US$115,000 (CDN$147,000) in management fees (three months ended June 30, 2021 - US$115,000; CDN$141,000).

The Highland Gate project receives managerial services from Geranium Homes management companies. The project paid a management fee of $1,070,000 for the six month period ended June 30, 2022 (June 30, 2021 - 1,020,000) under a contractual agreement, which is capitalized to residential inventory. For the three months ended June 30, 2022, the project paid a management fee of $706,000 (three months ended June 30, 2021 - $482,000).

The Company provides landscaping services for certain Morguard assets. The Company received a fee of $81,000 for the six month period ended June 30, 2022 (June 30, 2021 - nil) under a contractual agreement. For the three months ended June 30, 2022, the Company received a fee of $21,000 (three months ended June 30, 2021 - nil).

A total of US$26,000 of rental revenue was earned by TWC for the six month period ended June 30, 2022 (June 30, 2021 - US$26,000) from Morguard relating to a shared office facility in Florida. For the three months ended June 30, 2022, rental revenue earned was US $13,000 (three months ended June 30, 2021 - US$13,000).

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

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

SUMMARY OF FINANCIAL RESULTS BY QUARTER

The table below sets forth selected financial data for the most recent nine quarters ending June 30, 2022. 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,	**2022**		2021				2020		
except per share amounts)	**Jun. 30**	**Mar. 31**	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30
Total assets	**$ 766,134**	**$ 772,485**	$746,806	$720,505	$ 710,720	$ 651,511	$ 632,382	$ 651,987	$ 655,406
Operating revenue	**52,736**	**37,932**	62,600	63,245	34,059	14,109	30,157	55,293	21,696
Net operating income (loss)	**13,167**	**4,978**	18,680	26,953	9,036	(2,257)	10,768	30,990	533
Net earnings (loss)	**3,594**	**(1,093)**	61,963	22,757	4,472	455	8,359	22,427	2,605
Basic earnings (loss) per share	**0.15**	**(0.04)**	2.52	0.93	0.18	0.02	0.33	0.87	0.10
Eligible cash dividends per share	**0.02**	**0.02**	0.02	0.02	0.02	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, 2021.

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.

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.

	Phase 1	Phase 2	Phase 3	Phase 4/5	**Total**
Total lots	44	53	24	36	**157**
Closings to date	(30)	-	-	-	**(30)**
Closings expected in 2022	(11)	-	-	-	**(11)**
Closings expected in 2023	-	(51)	-	-	**(51)**
Closings expected in 2024	-	-	(10)	-	**(10)**
Unreleased/unsold lots	3	2	14	36	**55**

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 June 17, 2021 and on November 26, 2021, the Ontario Court of Appeal overturned the decision, concluding that certain provisions of the 40% Agreement are void and unenforceable. In summary, this means 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 has been remitted to the Superior Court. On January 25, 2022, the City of Ottawa filed an application for leave to appeal the Ontario Court of Appeal's decision to the Supreme Court of Canada and on February 28, 2022, ClubLink filed its response and a conditional cross-application. 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. On August 4, 2022, the Supreme Court of Canada denied the City of Ottawa's application for leave to appeal.

Woodlands Golf Club

ClubLink 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. This process has been managed by Morguard as part of its management services arrangement. The development plan that has been submitted includes approximately 400 single family homes. The plan also contains over 160 acres of permanently preserved open space, including 40 new acres of lakes, a new community centre and gated entry ways among other features. This plan has been initially approved by the City of Tamarac, has obtained final approval of Broward County and the State of Florida and is awaiting final approval by the City of Tamarac. There is currently a dispute between the City of Tamarac and 13th Floor about the form of the meeting to conduct a final review and approval. It is unclear when this final meeting will be scheduled.

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

OUTLOOK

Club de golf Islesmere

ClubLink and its partner (a group of former members/shareholders of Islesmere), which together currently own Club de Golf Islesmere in Laval, Quebec, have conditionally agreed to sell the property to a Quebec developer for proceeds of approximately $70 million. TWC is entitled to approximately 45% of these proceeds on closing. This transaction is subject to a due diligence condition and a condition for a change in zoning.

Sun City Center

The Company is considering strategic options for its remaining Florida land holdings including underutilized land at Sun City.

2022 REVENUE TRENDS

Due to less operating restrictions, certain event driven revenue streams have returned in 2022, such as food and beverage and corporate events. These revenue streams are expected to exceed results from 2020-2021, but still fall short of pre-COVID activities. Staffing issues and supply constraints are impacting these revenue streams.

Canadian annual dues revenue for 2022 is expected to be in the range of $61 million as compared to $56.5 million recorded in 2021.

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

Andrew Tamlin
Chief Financial Officer

August 5, 2022