INDEPENDENT AUDITOR'S REPORT

To the Shareholders and the Board of Directors of TWC Enterprises Limited

Opinion

We have audited the consolidated financial statements of TWC Enterprises Limited (the "Company"), which comprise the consolidated balance sheets as at December 31, 2025 and 2024, and the consolidated statements of earnings and comprehensive earnings, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the financial statements for the year ended December 31, 2025. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Property, Plant and Equipment – Assessment of Indicators of Impairment – Refer to Notes 10 and 11 to the financial statements

Key Audit Matter Description

The Company reviews property, plant and equipment for indicators of impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. As at December 31, 2025, management assessed internal and external factors, and concluded that there were no events or changes in circumstances that indicated a potential impairment.

Auditing the Company's assessment of whether an indicator of impairment existed as at December 31, 2025 required increased auditor attention due to the judgments made by management when determining whether events or changes in circumstances could indicate a potential impairment which resulted in an increased extent of audit effort.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the assessment of whether an indicator of impairment existed in property, plant and equipment included the following, among others:

- Evaluated management's indicator assessment of internal or external factors that could result in an impairment charge or impairment reversal, specifically the analysis around changes of the Company's projected operating performance by:
  - Evaluating the change in the Company's projected operating performance by comparing key assumptions to historical operating performance, taking into consideration known changes in operations or the industry in which it operates, and internal communications with management and the Board of Directors, as appropriate; and
  - Evaluated publicly available source information with respect to industry metrics as well as real estate valuations.
- Evaluated management's assessment to determine whether the Company omitted any significant internal or external factors.

INDEPENDENT AUDITOR'S REPORT (continued)

Other Information

Management is responsible for the other information. The other information comprises:

• Management’s Discussion and Analysis of Financial Condition and Results of Operations; and

• The information, other than the financial statements and our auditor’s report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual Report and Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor’s Responsibilities for the Audit of the Financial Statements (continued)

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is David Craig Irwin.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario

March 10, 2026

(thousands of Canadian dollars)	Notes	December 31, 2025	December 31, 2024
ASSETS			
Current			
Cash and cash equivalents		**$ 48,857**	$ 55,578
Restricted cash		**157**	3,043
Accounts receivable		**7,759**	6,251
Mortgages and loans receivable	5	**2,901**	22,310
Inventories and prepaid expenses	6	**6,154**	5,777
Other assets	7	**113,972**	103,245
Residential inventory	8	**51,344**	70,826
Asset held for sale	4	**2,764**	—
		233,908	267,030
Mortgages and loans receivable	5	**38**	513
Other assets	7	**25,867**	24,418
Right-of-use assets	9	**1,014**	484
Property, plant and equipment	10	**450,736**	404,539
Intangible assets	11	**10,977**	10,036
Total assets		**$ 722,540**	$ 707,020
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	12	**$ 24,387**	$ 23,017
Lease liabilities	13	**331**	115
Borrowings	14	**12,769**	20,435
Prepaid annual dues and deposits	15	**21,814**	25,462
		59,301	69,029
Lease liabilities	13	**726**	395
Borrowings	14	**19,017**	7,713
Deferred membership fees	16	**3,554**	3,254
Deferred income tax liabilities	18	**26,997**	51,199
Total liabilities		**109,595**	131,590
Share capital	19	**101,370**	101,917
Retained earnings		**496,007**	451,739
Accumulated other comprehensive earnings		**10,008**	14,318
Non-controlling interest	20	**5,560**	7,456
Total shareholders' equity		**612,945**	575,430
Total liabilities and shareholders' equity		**$ 722,540**	$ 707,020

See Accompanying Notes

On behalf of the Board of Directors

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

Donald Turple
Director

Consolidated Statements of Earnings and Comprehensive Earnings

For the years ended December 31, 2025 and 2024

(thousands of Canadian dollars, except per share amounts)	Notes	2025	2024
REVENUE			
Operating revenue		$ 227,525	$ 241,560
Amortizaton of membership fees	16	4,859	4,540
	17	232,384	246,100
EXPENSES			
Cost of sales		50,294	87,396
Labour and employee benefits		76,083	68,261
Utilities		8,313	7,433
Selling, general and administrative		5,815	5,044
Property taxes		3,290	2,954
Repairs and maintenance		5,402	5,605
Insurance		3,893	4,516
Turf operating expenses		4,881	4,381
Fuel and oil		1,355	1,468
Other operating expenses		12,351	10,446
Depreciation of right-of-use assets	9	348	1,134
Depreciation of property, plant and equipment	10	13,035	12,341
Amortization of intangible assets	11	709	796
Interest, net and investment income	21	(9,757)	(11,767)
Other items	22	11,800	(9,735)
		187,812	190,273
Earnings before income taxes		44,572	55,827
Income tax provision (recovery)			
Current		12,992	11,241
Deferred		(24,049)	3,989
	18	(11,057)	15,230
Net earnings		55,629	40,597
Unrealized foreign exchange gain (loss) in respect of foreign operations		(4,310)	6,815
Total comprehensive earnings		$ 51,319	$ 47,412
Weighted average shares outstanding (000)	19	24,281	24,439
Earnings per share - basic and diluted	19	$ 2.29	$ 1.66

(thousands of Canadian dollars)	Notes	2025	2024
Net earnings (loss) attributable to:			
Shareholders		$ 57,525	$ 40,845
Non-controlling interest	20	(1,896)	(248)
		$ 55,629	$ 40,597

See Accompanying Notes

For the years ended December 31, 2025 and 2024

(thousands of Canadian except per share amounts)	Notes	Common Shares		Share Capital		Retained Earnings		Accumulated Other Comprehensive Earnings (Loss)		Non-Controlling Interest		Total Shareholders' Equity
Balance, January 1, 2024		**24,500,649**	**$**	**102,090**	**$**	**420,290**	**$**	**7,503**	**$**	**7,704**	**$**	**537,587**
Activity during 2024												
Comprehensive earnings (loss)		—		—		40,845		6,815		(248)		47,412
Dividends	19B	25,500		453		(7,333)		—		—		(6,880)
Shares cancelled subject to normal course issuer bid	19C	(150,100)		(626)		(2,063)		—		—		(2,689)
Balance, December 31, 2024		**24,376,049**		**101,917**		**451,739**		**14,318**		**7,456**		**575,430**
Activity during 2025												
Comprehensive earnings (loss)		—		—		57,525		(4,310)		(1,896)		51,319
Dividends	19B	23,198		492		(8,744)		—		—		(8,252)
Shares cancelled subject to normal course issuer bid	19C	(248,183)		(1,039)		(4,513)		—		—		(5,552)
Balance, December 31, 2025		**24,151,064**	**$**	**101,370**	**$**	**496,007**	**$**	**10,008**	**$**	**5,560**	**$**	**612,945**

See Accompanying Notes

For the years ended December 31, 2025 and 2024

(thousands of Canadian dollars)	Notes	2025	2024
OPERATING ACTIVITIES			
Net earnings		**$ 55,629**	$ 40,597
Items not affecting cash:			
Amortization of membership fees	16	**(4,859)**	(4,540)
Depreciation of right-of-use assets	9	**348**	1,134
Depreciation of property, plant and equipment	10	**13,035**	12,341
Amortization of intangible assets	11	**709**	796
Interest, net and investment income	21	**(9,757)**	(11,767)
Unrealized foreign exchange loss (gain)	22	**(779)**	487
Unrealized gain on investment in marketable securities	22	**(1,051)**	(1,043)
Loss (gain) on real estate fund investments	22	**(1,470)**	203
Impairment of residential inventory	8, 22	**15,000**	—
Gain on sale of property, plant and equipment	22	**(370)**	(8,209)
Equity loss (income) from investment in joint ventures	22	**(58)**	53
Income tax provision	18	**(11,057)**	15,230
Collection of membership fee instalments	16	**5,159**	4,753
Interest received, net		**9,755**	11,800
Income taxes paid		**(15,822)**	(10,388)
Restricted cash		**2,886**	2,844
Accounts receivable		**(1,508)**	(1,115)
Inventories and prepaid expenses		**(35)**	548
Residential inventory, net		**4,482**	28,067
Accounts payable and accrued liabilities		**3,372**	3,393
Prepaid annual dues and deposits		**(5,649)**	(5,411)
Cash and cash equivalents provided by operating activities		**57,960**	79,773
INVESTING ACTIVITIES			
Operating property, plant and equipment expenditures	10	**(16,924)**	(15,314)
Expansion property, plant and equipment expenditures	10	**(2,335)**	(1,535)
Business combination	3	**(43,525)**	—
Proceeds on sale of property, plant and equipment	10	**888**	4,718
Right-of-use assets	9	**—**	(311)
Net investment in marketable securities	7	**(9,677)**	—
Real estate fund investments, net	7	**(1,213)**	(873)
Investment in joint venture	7	**—**	(3,597)
Other		**113**	(14)
Cash used in investing activities		**(72,673)**	(16,926)
FINANCING ACTIVITIES			
Revolving borrowings	14	**5,655**	(30,073)
Non-revolving borrowings - amortization payments	14	**(1,617)**	(5,834)
Mortgages and loans receivable		**19,884**	(18,456)
Common shares repurchased for cancellation	19	**(5,552)**	(2,689)
Dividends paid	19	**(8,252)**	(6,880)
Other		**(331)**	(1,019)
Cash provided by (used in) financing activities		**9,787**	(64,951)
Net effect of currency translation adjustment on cash and cash equivalents		**(1,795)**	3,937
Net increase (decrease) in cash and cash equivalents during the year		**(6,721)**	1,833
Cash and cash equivalents, beginning of year		**55,578**	53,745
Cash and cash equivalents, end of year		**$ 48,857**	$ 55,578

See Accompanying Notes

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" ("ClubLink"). ClubLink is Canada's largest owner, operator and manager of golf clubs with 47, 18-hole equivalent championship and two and a half, 18-hole equivalent academy courses, at 35 locations in two separate geographical Regions: (a) Ontario/Quebec (including three managed properties) and (b) Florida.

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 consolidated financial statements.

2. BASIS OF PRESENTATION

(A) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

These financial statements were authorized for issuance by the Board of Directors on March 10, 2026.

(B) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

(C) Material accounting judgments and estimates

The preparation of financial statements that conform with IFRS Accounting Standards requires management to make judgments and estimates and form assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The following section discusses the accounting estimates, judgments and assumptions that the Company has made and how they affect the amounts reported in the consolidated financial statements.

Judgment is commonly used in determining whether a balance or transaction should be recognized in the financial statements and estimates and assumptions are more commonly used in determining the measurement of recognized transactions and balances. However, judgments and estimates are often interrelated.

On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from management's judgments and estimates.

The following are the significant accounting judgements that management has identified:

Amortization of membership fees

The weighted average remaining life of memberships sold by join year is used to recognize membership fee revenue. The membership fee revenue is amortized over the weighted average remaining membership life by year joined. The amortization period is reviewed annually and any adjustments are made prospectively. Subsequent to this amortization period, membership fees are recorded as revenue upon receipt. These amortization periods should decline each year by one year as each group gets one year older, producing a relatively uniform revenue stream from membership fees over the average remaining life of memberships sold by join year. However, these average ages may not decline on a consistent basis if a disproportionate amount of older or younger members decide to resign at any particular time or if there was a significant change in the demographic of new members. This could result in a deferral or acceleration of membership fee revenue, the amount of which would be dependent on the variability of the change in average ages.

2. BASIS OF PRESENTATION (continued)

(C) Material accounting judgments and estimates (continued)

Property, plant and equipment

Property, plant and equipment are depreciated over their useful lives on a straight-line basis. The Company assesses on an annual basis the useful life and residual value of these assets, which are used in the calculation of depreciation expense. The useful lives assigned are disclosed in the list of accounting policies. Due to the relatively large proportion of these assets to total assets, the selection of the method of depreciation and the length of depreciation period could have a material impact on depreciation expense and net book value of property, plant and equipment.

When determining whether an asset is property, plant and equipment or an investment property, the original intent of the acquisition is considered in order to conclude as to which category is used.

Intangible assets

Intangible assets includes amounts assigned to the membership base from past business combinations of member golf courses. These are amortized over a thirty year time frame. Inherent in this useful life is the estimate of the weighted average life of a member which is fifteen years, as well as the practice of our current members referring colleagues and family members as new ClubLink members. As part of the thirty year useful life amortization period, it is estimated that the average member (which typically has a fifteen year average life) will refer one other member for a combined thirty year useful life.

Impairment

Property, plant and equipment and intangible assets are reviewed for impairment at each reporting date or whenever events or changes in the circumstances indicate that the carrying amount of an asset may not be recoverable. Estimates are made in the assessment of any impairment calculation, which are described more fully in the accounting policy note.

The impairment process begins with the identification of the appropriate asset or cash-generating unit for purposes of impairment testing. Identification and measurement of any impairments are based on the asset's recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Value in use is generally based on an estimate of discounted future cash flows. Judgment is required in determining the appropriate discount rate. In determining fair value less costs to sell, recent market transactions are considered. If no such comparable transaction could be identified, an appropriate valuation model was used. Assumptions must also be made about development potential of the land, future sales and market conditions over the long-term life of the assets or cash-generating unit. At December 31, 2025, the Company performed an analysis and assessed whether an indicator of impairment existed, and concluded that there was none.

The Company cannot predict if an event that triggers impairment will occur, when it will occur or how it will affect reported asset amounts. Although estimates are reasonable and consistent with current conditions, internal planning and expected future operations, such estimates are subject to significant uncertainties and judgments. As a result, it is reasonably possible that the amounts reported for asset impairments could be different if different assumptions were used or if market and other conditions were to change. The changes could result in non-cash charges that could materially affect the Company's consolidated financial statements.

Income taxes

TWC records income taxes using the balance sheet liability method of accounting. Under this method, deferred income tax assets and liabilities are determined according to differences between the carrying amounts and tax bases of the assets and liabilities. Management uses judgment and estimates in determining the appropriate rates and amounts to record for deferred income taxes, giving consideration to timing and probability. Previously recorded tax assets and liabilities are remeasured using tax rates in effect when these differences are expected to reverse in accordance with enacted laws or those substantively enacted as at the date of the consolidated financial statements.

2. BASIS OF PRESENTATION (continued)

(C) Material accounting judgments and estimates (continued)

Income taxes (continued)

The Company operates in several tax jurisdictions. As a result, its income is subject to various rates of taxation. The complexity of tax regulations require assessments of uncertainties and judgments in estimating the taxes the Company will ultimately pay. While the Company believes that its positions and filings are appropriate and supportable, certain matters are periodically challenged by tax authorities. The final taxes paid are dependent upon many factors, including negotiations with taxing authorities in various jurisdictions and resolution of disputes arising from federal, provincial, state and local tax audits. The resolution of these uncertainties and the associated final taxes may result in adjustments to the Company's tax assets and tax liabilities and have a corresponding impact to net earnings.

Contingencies

The Company is exposed to possible losses and gains related to environmental matters and other various claims and lawsuits pending for and against it in the ordinary course of business. Prediction of the outcome of such uncertain events (i.e., being virtually certain, probable, remote or undeterminable), determination of whether recognition or disclosure in the consolidated financial statements is required and estimation of potential financial effects are matters for judgment. Where no amounts are recognized, such amounts are contingent and disclosure may be appropriate. While the amount disclosed in the consolidated financial statements may not be material, the potential for large liabilities exists and therefore these estimates could have a material impact on the Company's consolidated financial statements.

(D) Accounting policies

The following are the Company's accounting policies under IFRS Accounting Standards:

Scope of consolidation

The consolidated financial statements of TWC, as the parent company, include the accounts of all entities that are controlled directly or indirectly by the Company. This includes the following wholly-owned major operating subsidiaries: ClubLink Corporation ULC and ClubLink US LLC and their respective subsidiaries including the Highland Gate project. Control is achieved when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Intercompany transactions between subsidiaries are eliminated on consolidation.

Accounts receivable

Amounts are recorded at amortized cost less an allowance for doubtful accounts. In assessing the allowance, consideration is given to the financial solvency of specific customers and performing an evaluation of the remaining receivables according to their default risk primarily based on the age of the receivable and historical loss experience. Account balances are written off against the allowance after all collection efforts have been exhausted and the likelihood of recovery is considered remote. Recoveries are credited back to the allowance account.

Inventories

Inventories are stated at the lower of cost and net realizable value and consist of food, beverages and merchandise. Cost of sales represents the amount of inventories expensed during the year. Cost of sales are determined on a weighted-average basis.

2. BASIS OF PRESENTATION (continued)

(D) Accounting policies (continued)

Residential inventory

Residential inventory, which is developed for sale in the ordinary course of business within the normal operating cycle, is stated at the lower of cost and estimated net realizable value and includes land acquisition, development and construction costs. Residential inventory is reviewed for impairment at each reporting date. An impairment loss is recognized as an expense when the carrying value of the property exceeds its net realizable value. Net realizable value is based on projections of future cash flows, which take into account the development plans for each project and management's best estimate of the most probable set of anticipated economic conditions. At December 31, 2025, the Company performed impairment testing and identified that an impairment existed. An impairment of $15,000,000 has been expensed. The impairment loss recorded at December 31, 2025 is a result of the downturn in residential market prices in the Greater Toronto Area.

The cost of residential inventory includes borrowing costs directly attributable to projects under active development. Residential inventory is presented separately on the consolidated balance sheets as current assets, as the Company intends to sell these assets in the ordinary course of business within the normal operating cycle.

The revenue generated from contracts with customers on the sale of residential units is recognized at a point in time when control of the asset has transferred to the purchaser (i.e., generally, when the purchaser takes possession of the home) as the purchaser has the ability to direct the use of and obtain substantially all of the remaining benefits from the asset. The amount of revenue recognized is based on the transaction price included in the purchasers' contracts. Any funds received prior to the purchasers taking possession of their respective assets are recognized as prepaid deposits (contractual liability).

Property, plant and equipment

Property, plant and equipment ("PP&E") is recorded at cost less impairment and accumulated depreciation.

PP&E include land and improvements thereto, buildings and related equipment. Operating PP&E, including assets under finance lease, are depreciated on a straight-line basis over their estimated useful lives as follows:

Land .... Not depreciated

Buildings and land improvements .... 25 - 60 years

Bunkers, cart paths and irrigation................................. 20 years

Equipment .... 5 - 30 years

PP&E include properties under construction or held for future development. TWC capitalizes all direct costs relating to the development and construction of these properties. TWC also capitalizes interest and direct project development and management costs during construction of qualifying assets.

Intangible assets

Purchased intangible assets with finite useful lives are recorded at acquisition cost and amortized on a straight-line basis over their estimated useful life. All of TWC's intangible assets have estimable useful lives and are therefore subject to amortization.

Intangible assets are amortized on a straight-line basis over thirty years with the exception of license amounts that have an indefinite life.

2. BASIS OF PRESENTATION (continued)

(D) Accounting policies (continued)

Business combinations and acquisition of property

At the time of acquisition of property, whether through a controlling share investment or directly, the Company considers whether the acquisition represents the acquisition of a business. The Company accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired. If no significant processes, or only insignificant processes, are acquired, the acquisition is treated as an asset acquisition rather than a business combination.

The Company has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met and the acquisition can be treated as an asset acquisition, if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the acquisition date. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. The difference between the purchase price and the Company's net fair value of the acquired identifiable net assets and liabilities is goodwill. Goodwill is not amortized and must be tested for impairment at least annually, or more frequently, if events or changes in circumstances indicate that impairment has occurred. The Company expenses transaction costs associated with business combinations in the period incurred.

When an acquisition does not meet the criteria for a business combination, it is accounted for as an acquisition of a group of assets and liabilities, the cost of which includes transaction costs that are allocated to the assets and liabilities acquired based upon their relative fair values. No goodwill is recognized for asset acquisitions.

Impairment of long-lived assets

The Company reviews long-lived assets such as property, plant and equipment and acquired intangible assets, for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable.

The Company assesses recoverability of these assets by comparing their carrying amount to the recoverable amount, which is the higher of value in use and fair value less costs to sell. Where the carrying amount of an asset or a group of assets exceeds its recoverable amount, the asset is considered to be impaired, and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or group of assets' recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

Accounts payable, borrowings and other liabilities

Trade payables and other non-derivative financial liabilities are recognized initially at fair value and in the case of borrowings include attributable transaction costs.

2. BASIS OF PRESENTATION (continued)

(D) Accounting policies (continued)

Deferred income taxes

The Company uses the balance sheet liability method of accounting for deferred income taxes. Temporary differences arising from the difference between the tax base of an asset or liability and its carrying amount on the consolidated balance sheets and unutilized tax losses are used to calculate deferred income tax liabilities or assets. Deferred income tax liabilities and assets are calculated using the substantively enacted tax rates and laws that are expected to be in effect in the periods that the temporary differences are expected to reverse. The effect of changes in tax rates is included in earnings in the period, which includes the substantive enactment.

Foreign currency translation

(a) Functional currency and currency translation account

The functional currency of TWC and its subsidiaries is the local currency. The assets and liabilities of TWC's foreign 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. The accumulated balance of the foreign currency translation reserve reflects the differences since January 1, 2010, the transition date to IFRS Accounting Standards. When a foreign operation is disposed of, the foreign currency translation adjustment applicable to that entity is recognized in the consolidated statement of earnings.

(b) Local currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the entity at the applicable exchange rate on the date of each transaction. Monetary assets and liabilities that are denominated in foreign currencies other than the functional local currency are translated at the year-end closing rate with the resulting gains and losses reflected in the consolidated statement of earnings.

(c) Cash flow statement

Operating, investing and financing cash flows are translated using average exchange rates during the respective periods. The effects on cash due to fluctuations in exchange rates are shown in a separate line in the consolidated statement of cash flows.

Financial instruments

Financial assets must be classified and measured based on three categories: amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL"). Financial liabilities are classified and measured based on two categories: amortized cost and FVTPL. Initially, all financial assets and financial liabilities are recorded in the consolidated balance sheets at fair value. After initial recognition, the effective interest related to financial assets and liabilities measured at amortized cost and the gain or loss arising from the change in the fair value of financial assets or liabilities classified as FVTPL are included in net income for the year in which they arise. At each consolidated balance sheet date, financial assets measured at amortized cost or at FVTOCI, except for investment in equity instruments, require an impairment analysis using the expected credit loss model ("ECL model") to determine the expected credit losses using judgment determined on a probability weighting basis. The following is a summary of the accounting model the Company applies to each of its significant categories of financial instruments:

Balance Sheet Classification	Financial Instrument Designation
Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Investments	FVTPL
Mortgages and loans receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Borrowings	Amortized cost

2. BASIS OF PRESENTATION (continued)

(D) Accounting policies (continued)

Financial instruments (continued)

Transaction costs related to the Company's borrowings are netted against the related liability and are expensed using the effective interest method.

The fair value of financial instruments that are not quoted in an active market is determined by applying various valuation techniques with maximum use of observable market inputs. The valuation techniques used are discounted cash flows, option pricing models, valuations with reference to recent transactions in the same instrument and valuation with reference to other financial instruments that are substantially the same.

An item may only be designated in a hedging relationship if changes in fair value of the hedging item are expected to offset virtually all changes in fair value of the hedged item attributable to the hedged risk. This offsetting must be expected at inception of the hedge and throughout the hedging period.

The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents and assesses, both at hedge inception and on an ongoing basis, whether the derivative financial instruments that are used in hedging transactions are highly effective in offsetting expected changes in the hedged items.

Gains and losses on derivative financial instruments that are not designated in a hedging relationship and gains and losses related to the "ineffective" portion of effective hedges are recognized in other operating income and expenses.

Hedge accounting is discontinued prospectively if the hedging instrument or hedged item is terminated or sold, or if it is determined that the hedging instrument is no longer effective.

The Company had no hedges in either 2024 or 2025.

Share capital

Repurchased common shares are recorded at acquisition cost and are presented as a deduction from shareholders' equity. On retirement of treasury shares, any excess over the calculated average issue price is charged to retained earnings.

Revenue recognition

Golf club operations revenue includes annual dues (recognized on a daily basis as earned) and sales to members and customers of green fees, cart rentals, food and beverage, merchandise and room rentals, which are all recognized when the service is provided. The Company recognizes its annual dues revenue on a straight-line basis throughout the year. Membership fee revenue is amortized over the estimated weighted average remaining membership life by year joined. Subsequent to this amortization period, membership fees are recorded as revenue upon receipt.

Non-monetary transactions

The Company records non-monetary transactions at the fair value of the assets or services exchanged unless the exchange transaction lacks commercial substance or the fair value of neither the asset or service received nor the asset or service given up is reliably measurable.

The Company has recorded $892,000 (2024 – $848,000) of operating revenue relating to non-monetary transactions.

Lease payments

The Company has been a lessee of property, plant and equipment, including leased golf clubs, under leases that do not transfer the substantive risks and rewards of ownership. At the commencement date of a lease, a lessee will recognize a liability to make lease payments and an asset representing the right-of-use to use the underlying asset during the lease term. Lessees are required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Earnings per share

Basic earnings per share is calculated by dividing net earnings by the weighted average number of common shares outstanding during the year. Diluted earnings per share is calculated using the treasury stock method.

2. BASIS OF PRESENTATION (continued)

(D) Accounting policies (continued)

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the joint venture since the acquisition date. The consolidated statement of income reflects the Company's share of the results of operations of the joint venture. Any change in other comprehensive income of the joint venture is presented as part of the Company's consolidated statement of comprehensive earnings.

When the Company's share of losses of a joint venture exceeds the Company's interest in that joint venture, the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture.

When the Company transacts with a joint venture, profits and losses resulting from the transactions are recognized in the Company's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Company.

Subsidies

As per IAS 20, Government Grants, the Company recognizes government assistance, in the form of grants or forgivable loans, when there is reasonable assurance that the Company will be able to comply with the conditions attached to the assistance and that the assistance will be received. Government assistance that compensates the Company for expenses incurred is recognized in the Consolidated Statements of Earnings and Comprehensive Earnings, as a reduction of the related expense, in the periods in which the expenses are recognized.

(E) Accounting changes

Future accounting pronouncements

The following standard has been released by the IASB but not yet been adopted.

IFRS Accounting Standards 18, Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued IFRS Accounting Standards 18 that will replace IAS 1 - Presentation of Financial Statements. The objective of IFRS Accounting Standards 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

IFRS Accounting Standards 18 is effective for annual reporting periods beginning on or after January 1, 2027. The standard is applied retrospectively, with specific transition provisions, and early adoption is permitted.

IFRS Accounting Standards 18 introduces the following:

- Introduction of defined subtotals and categories in the statement of profit or loss.
- Introduction of requirements to improve aggregation and disaggregation.
- Introduction of disclosures about Management-defined Performance Measures in the notes to the financial statements.
- Targeted improvements to the statement of cash flows by amending IAS 7 - Statement of Cash Flows.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued "Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7". The amendments clarify the requirements related to the date of recognition and derecognition of financial assets and financial liabilities with an exception for derecognition of financial liabilities settled via an electronic transfer. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Company is currently assessing the impact this new standard will have on its consolidated financial statements.

3. BUSINESS COMBINATION

On February 3, 2025, the Company acquired Deer Creek Golf Club ("Deer Creek"), one of Canada's largest golf and event complexes, located in Ajax, Ontario, for a cash purchase price of $43,525,000 (which includes working capital items assumed). Established in 1989, Deer Creek has evolved into a destination that offers 45-holes of championship golf, a nine-hole short course, large driving range and performance academy, all anchored by a stunning 57,000 square foot clubhouse and event centre that provides tremendous hospitality to hundreds of families, businesses, associations and charities annually. This acquisition expands ClubLink's portfolio of premium golf and event properties in the Greater Toronto Area, and enhances its ability to provide a premier destination for corporate and social events.

The following table summarizes the purchase price allocation which details the estimated fair value of the assets and liabilities acquired.

(thousands of Canadian dollars)	February 3, 2025
Land	$ 28,266
Buildings	10,881
Bunkers, cart paths and irrigation	2,899
Equipment	2,177
Intangible assets	1,800
Right of use assets	878
Subtotal	46,901
Lease liabilities assumed	(878)
Working capital items assumed	(2,098)
Other liabilities assumed	(400)
Total cash consideration	$ 43,525

4. ASSET HELD FOR SALE

ClubLink has previously announced that it was exploring potential development options for Kanata Golf Club, near Ottawa, Ontario. These development options were contingent on settling litigation with the City of Ottawa and would result in the sale of the property to Minto Communities Inc. and Richcraft Homes Ltd.. On March 22, 2022, the Ontario Land Tribunal approved the Zoning Bylaw Amendments and Draft Plan Approval, together with the draft plan conditions in relation to the development application for Kanata Golf Club. This represents approximately 1,480 residential units with associated parks, storm ponds, and public greenspaces.

On September 18, 2025, it was announced that the Supreme Court of Canada would not hear an application from the City of Ottawa to appeal the Ontario Court of Appeal's ruling. That ruling had the impact of removing development restrictions and ends the litigation on this matter and clears a path for the property's sale and development. The close of the 2025 season permanently ended golf at the Kanata Golf Club.

As a result, the Company has classified the assets from Kanata Golf & Country Club as held for sale on the Consolidated Balance Sheet as at December 31, 2025. 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 December 31, 2025 and no adjustment is warranted to book value.

At December 31, 2025, the assets held for sale are comprised of the following:

(thousands of Canadian dollars)	Notes	December 31, 2025
Property, plant and equipment	10	$ 2,650
Intangible assets	11	114
		$ 2,764

5. MORTGAGES AND LOANS RECEIVABLE

Mortgages and loans receivable consist of the following:

(thousands of dollars)		2025		2024
Vendor take-back mortgages	**$**	**39**	$	44
Promissory note receivable		**2,900**		2,779
Related party receivable (note 23)		**—**		20,000
		2,939		22,823
Less: current portion		**2,901**		22,310
	$	**38**	$	513

The vendor take-back mortgages have maturity dates to November 2028 and have an average fixed interest rate of 8.44% (2024 – 8.44%).

The promissory note is a result of the Company’s 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 and bears interest at prime + 1%. This note previously had a maturity date of September 2026. A new agreement was reached following December 31, 2025 for an amended maturity date of December 2027 with principal payments required starting November 2026.

6. INVENTORIES AND PREPAID EXPENSES

Inventories and prepaid expenses consist of the following:

(thousands of dollars)		2025		2024
Merchandise and supplies	**$**	**4,113**	$	3,919
Food and beverage		**940**		762
Other		**1,101**		1,096
	$	**6,154**	$	5,777

7. OTHER ASSETS

Other assets consist of the following:

(thousands of Canadian dollars)		2025		2024
Investment in joint venture	$	**10,682**	$	11,154
Investment in Automotive Properties REIT (10,351,698 units; December 31, 2024 - 9,480,712 units)		**113,972**		103,245
Investment in Real Estate Investment Fund IV (US$6,357,000; December 31, 2024 - US$7,180,000)		**8,713**		10,331
Investment in Real Estate Investment Fund V (US$4,520,000; December 31, 2024 - US$1,758,000)		**6,195**		2,530
Other		**277**		403
		139,839		127,663
Less: current portion		**113,972**		103,245
	$	**25,867**	$	24,418

On October 21, 2025, the Company purchased 870,986 units of Automotive Properties REIT for $9,677,000. The ownership in this investment remains below 20%.

The Company's investment in joint venture consists of the following:

(thousands of dollars)		2025		2024
Balance, beginning of year	$	**7,752**	$	—
Equity credit in joint venture		**—**		11,000
Company's share of gain on sale elimination		**—**		(5,711)
Equity income (loss)		**42**		(37)
Capital call		**—**		2,500
Balance, end of year (US dollars)		**7,794**		7,752
Exchange		**2,888**		3,402
Balance, end of year (Cdn dollars)	$	**10,682**	$	11,154

On July 3, 2024, the Company closed the sale of the former Woodlands Golf Club to a joint venture managed by 13th Floor Homes. TWC is a 50/50 partner in the joint venture along with 13th Floor Homes. The investment in joint venture consists of US$11,000,000 (CDN$14,929,000) in equity credit, less US$5,711,000 (CDN$7,788,000) which is the Company's portion of the gain on sale and a US$2,500,000 (CDN$3,375,000) capital call towards the joint venture.

7. OTHER ASSETS (continued)

Summarized financial information for the Woodlands joint venture at 100% and TWC's ownership interest is provided below:

(thousands of dollars)		2025		2024
Current assets	**$**	**1,978**	$	3,154
Land		**25,525**		24,231
Liabilities		**(494)**		(460)
Net assets of Woodlands joint venture at 100%		**27,009**		26,925
Net assets of Woodlands joint venture at Company's share (50%)		**13,505**		13,463
Company's share of gain on sale		**(5,711)**		(5,711)
Net assets of Woodlands joint venture at Company's share (50%) (US dollars)		**7,794**		7,752
Exchange		**2,888**		3,402
Net assets of Woodlands joint venture at Company's share (50%) (Cdn dollars)	**$**	**10,682**	$	11,154
Selling, general and administrative		**(36)**		(107)
Interest, net and investment income		**119**		32
Equity income (loss) of Woodlands joint venture at 100%		**83**		(75)
Equity income (loss) of Woodland's joint venture at Company's share (50%) (US dollars)	**$**	**42**	$	(37)

TWC has committed US$10,000,000 towards a real estate fund based out of Florida (Fund IV). As at December 31, 2025, there has been US$8,000,000 (CDN$10,595,000) 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 December 31, 2025, there has been US$4,700,000 (CDN$6,442,000) in capital calls paid towards this commitment.

Change in the real estate fund investments is as follows:

	Year ended December 31, 2025		Year ended December 31, 2024	
	Investment in		Investment in	
(thousands of dollars)	**Real Estate Investment Fund IV**	**Real Estate Investment Fund V**	Real Estate Investment Fund IV	Real Estate Investment Fund V
Balance, beginning of year (US dollars)	**$ 7,180**	**$ 1,758**	$ 6,670	$ 874
Cash call	**—**	**2,700**	500	1,000
Valuation adjustment	**992**	**62**	10	(116)
Distributions	**(1,815)**	**—**	—	—
Balance, end of year (US dollars)	**6,357**	**4,520**	7,180	1,758
Exchange	**2,356**	**1,675**	3,151	772
Balance, end of year (Cdn dollars)	**$ 8,713**	**$ 6,195**	$ 10,331	$ 2,530

8. 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 in Aurora, Ontario and consists of the following:

(thousands of Canadian dollars)		Total
At January 1, 2024	**$**	**98,893**
Additions		**38,855**
Operating cost of goods sold		**(62,128)**
Cost of goods sold - amortization		**(4,794)**
At December 31, 2024		**70,826**
Additions		**23,068**
Operating cost of goods sold		**(25,999)**
Cost of goods sold - amortization		**(1,551)**
Impairment		**(15,000)**
At December 31, 2025	**$**	**51,344**

The Company's investment in Highland Gate is managed by Geranium Homes, a third party home builder. 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 year ended ended December 31, 2025, there were eleven closings. There were 34 closings for the year ended ended December 31, 2024.

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.

For the year ended December 31, 2025, the Company recorded an impairment of $15,000,000 (December 31, 2024 - nil) of residential inventory. An impairment loss is recognized when the carrying value of the property exceeds its net realizable value. The impairment loss recorded at December 31, 2025 is a result of the downturn in residential market prices in the Greater Toronto Area.

9. RIGHT-OF-USE ASSETS

Right-of-use assets consists of the following:

(thousands of Canadian dollars)		Land and Buildings		Equipment		Total
At January 1, 2024	$	1,087	$	219	**$**	**1,306**
Additions		—		312		**312**
Depreciation		(1,016)		(118)		**(1,134)**
At December 31, 2024		71		413		**484**
Business combination (note 3)		265		613		**878**
Depreciation		(60)		(288)		**(348)**
At December 31, 2025	$	276	$	738	**$**	**1,014**

On February 3, 2025, the Company acquired Deer Creek. As part of this acquisition, the Company has assumed leases including both land and equipment totalling $878,000 (note 3).

10. 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, 2024	$ 283,496	$ 164,520	$ 113,192	$ 97,230	**$ 658,438**
Additions	607	3,141	5,026	8,075	**16,849**
Disposals	—	(1,044)	(1,556)	(9,721)	**(12,321)**
Foreign exchange difference	819	665	778	769	**3,031**
At December 31, 2024	284,922	167,282	117,440	96,353	**665,997**
Additions	2,100	1,450	3,687	12,022	**19,259**
Business combination (note 3)	28,266	10,881	2,899	2,177	**44,223**
Disposals	—	(1,103)	(29)	(3,736)	**(4,868)**
Transfer - asset held for sale (note 4)	(1,492)	(2,403)	(1,086)	(822)	**(5,803)**
Foreign exchange difference	(483)	(382)	(486)	(466)	**(1,817)**
At December 31, 2025	$ 313,313	$ 175,725	$ 122,425	$ 105,528	**$ 716,991**
Accumulated Depreciation					
At January 1, 2024	$ —	$ 92,756	$ 92,013	$ 75,132	**$ 259,901**
Depreciation	—	4,427	3,058	4,856	**12,341**
Disposals	—	(1,044)	(1,556)	(9,355)	**(11,955)**
Foreign exchange difference	—	182	507	482	**1,171**
At December 31, 2024	—	96,321	94,022	71,115	**261,458**
Depreciation	—	4,567	2,845	5,623	**13,035**
Disposals	—	(537)	(600)	(3,213)	**(4,350)**
Transfer - asset held for sale (note 4)	—	(1,524)	(913)	(716)	**(3,153)**
Foreign exchange difference	—	(128)	(327)	(280)	**(735)**
At December 31, 2025	$ —	$ 98,699	$ 95,027	$ 72,529	**$ 266,255**
Net book value at December 31, 2024	$ 284,922	$ 70,961	$ 23,418	$ 25,238	**$ 404,539**
Net book value at December 31, 2025	$ 313,313	$ 77,026	$ 27,398	$ 32,999	**$ 450,736**

Certain property, plant and equipment have been assigned as collateral for borrowings (note 14).

On February 3, 2025, the Company acquired Deer Creek. As part of this acquisition, the Company has allocated $44,223,000 of the purchase price to property, plant and equipment (note 3).

The Company has classified the assets from Kanata Golf & Country Club as held for sale on the Consolidated Balance Sheet as at December 31, 2025 (note 4).

Proceeds collected on the sale of various pieces of miscellaneous equipment amounted to $888,000 (2024 - $787,000).

11. INTANGIBLE ASSETS

Intangible assets consist of the following:

(thousands of Canadian dollars)	Membership Base	Brand	License	Total Intangible Assets
Cost				
At January 1, 2024	$ 12,208	$ 13,477	$ —	**$ 25,685**
Foreign exchange difference	180	—	—	**180**
At December 31, 2024	12,388	13,477	—	**25,865**
Business combination (note 3)	—	900	900	**1,800**
Transfer - asset held for sale (note 4)	(280)	—	—	**(280)**
Foreign exchange difference	(107)	—	—	**(107)**
At December 31, 2025	$ 12,001	$ 14,377	$ 900	**$ 27,278**
Accumulated Depreciation				
At January 1, 2024	$ 7,330	$ 7,585	$ —	**$ 14,915**
Amortization	380	416	—	**796**
Foreign exchange difference	118	—	—	**118**
At December 31, 2024	7,828	8,001	—	**15,829**
Amortization	329	380	—	**709**
Transfer - asset held for sale (note 4)	(166)	—	—	**(166)**
Foreign exchange difference	(71)	—	—	**(71)**
At December 31, 2025	$ 7,920	$ 8,381	$ —	**$ 16,301**
Net book value at December 31, 2024	$ 4,560	$ 5,476	$ —	**$ 10,036**
Net book value at December 31, 2025	$ 4,081	$ 5,996	$ 900	**$ 10,977**

On February 3, 2025, the Company acquired Deer Creek. As part of this acquisition, the Company has allocated $1,800,000 of the purchase price to intangible assets (note 3).

The Company has classified the assets from Kanata Golf & Country Club as held for sale on the Consolidated Balance Sheet as at December 31, 2025 (note 4).

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

(thousands of Canadian dollars)	2025	2024
Trade payables	**$ 16,650**	$ 14,374
Accrued payroll costs	**3,591**	3,917
Income taxes payable	**136**	1,304
Accrued liabilities and other	**4,010**	3,422
	$ 24,387	$ 23,017

13. 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, 2024	$ 1,323	$ 206	**$ 1,529**
Additions	—	312	**312**
Interest expense	41	45	**86**
Lease payments	(1,276)	(141)	**(1,417)**
At December 31, 2024	88	422	**510**
Business combination (note 3)	265	613	**878**
Interest expense	14	66	**80**
Lease payments	(69)	(342)	**(411)**
At December 31, 2025	298	$ 759	**1,057**
Less: current portion	62	269	**331**
	$ 236	$ 490	**$ 726**

On February 3, 2025, the Company acquired Deer Creek. As part of this acquisition, the Company has allocated $878,000 of the purchase price to lease liabilities (note 3).

Future minimum payments of lease liabilities are as follows:

(thousands of Canadian dollars)	Lease Liabilities	Interest	**Total Minimum Lease Payments**
2026	$ 331	$ 63	**$ 394**
2027	327	39	**366**
2028	250	17	**267**
2029	117	5	**122**
2030	32	3	**35**
2031 and thereafter	0	0	**0**
	$ 1,057	$ 127	**$ 1,184**

The above lease liabilities have a weighted average interest rate of 6.5% (2024 - 9.3%).

Land Lease Rent

During 2025, the Company paid $468,000 (2024 - $321,000) in percentage rent.

14. BORROWINGS

Borrowings consist of the following:

(thousands of Canadian dollars)		2025		2024
Highland Gate credit facilities (a)				
Servicing facility to a maximum of $21,613 - due on demand - maturing December 31, 2026				
Prime rate loan (Prime + 1.00%)	**$**	**1,587**	$	651
BA/CORRA loan (Stamping fees @ 2.795% or 5.57%)		**6,920**		13,100
Construction facility to a maximum of $5,100 - due on demand - maturing December 31, 2026				
Prime rate loan (Prime + 1.00%)		**850**		25
BA/CORRA loan (CORRA + 2.795% or 5.57%)		**3,770**		5,000
		13,127		18,776
Mortgages with blended monthly payments of principal and interest				
8.000% Mortgage due October 1, 2029		**7,371**		9,397
(US$5,378; December 31, 2024 - US$6,531)				
		7,371		9,397
Secured revolving operating line of credit to a maximum of $50,000				
due September 11, 2026 (b)		**11,304**		—
Gross borrowings		**31,802**		28,173
Less: deferred financing costs		**(16)**		(25)
Borrowings		**31,786**		28,148
Less: current portion		**12,769**		20,435
	$	**19,017**	$	7,713

(a) In addition to the maximum availability of these credit facilities, there is availability for $20,684,000 in letters of credit. As at December 31, 2025, there are $15,870,000 in letters of credit issued.

(b) As at December 31, 2025, there are $507,000 (2024 – $857,000) in letters of credit issued, representing unavailable funds and there is availability of $38,189,000 (2024 – $49,143,000) under this facility. This is a revolving operating line of credit with a two-year term and provisions for annual one-year extensions. This facility bears interest at CORRA rates plus 1.60% or 4.93% (2024 – 5.39%).

Borrowings are collateralized by certain property, plant and equipment assets (note 10).

Minimum principal debt repayments over the next five years and thereafter as at December 31, 2025 are as follows:

(thousands of Canadian dollars)		Highland Gate		Corporate Borrowings		**Total Borrowings**
2026	$	11,057	$	1,712	**$**	**12,769**
2027		2,070		13,156		**15,226**
2028		—		2,007		**2,007**
2029		—		1,800		**1,800**
	$	13,127	$	18,675	**$**	**31,802**

14. BORROWINGS (continued)

The components of changes in gross borrowings are summarized in the table below:

(thousands of Canadian dollars)	**2025**	2024
Gross borrowings, beginning of year	**$ 28,173**	$ 63,277
Non-revolving borrowings repayments - Mortgage	**(1,617)**	(5,834)
Revolving borrowings - Secured revolving operating line of credit	**11,304**	—
Revolving borrowings repayments - Highland Gate credit facilities	**(5,649)**	(30,073)
Unrealized foreign exchange	**(409)**	803
Gross borrowings, end of year	**$ 31,802**	$ 28,173

15. PREPAID ANNUAL DUES AND DEPOSITS

Prepaid annual dues and deposits consist of the following:

(thousands of Canadian dollars)	**2025**	2024
Member deposits	**$ 13,146**	$ 10,578
Prepaid cart plan deposits	**610**	671
Highland Gate real estate deposits	**1,452**	6,986
Event deposits	**2,656**	3,425
Other	**3,950**	3,802
	$ 21,814	$ 25,462

16. DEFERRED MEMBERSHIP FEES

Deferred membership fees consist of the following:

(thousands of Canadian dollars)		2025		2024
Unamortized membership fees (note 16A)	**$**	**42,609**	$	41,529
Future membership fee instalments (note 16B)		**(39,055)**		(38,275)
Deferred membership fees	**$**	**3,554**	$	3,254

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)		2025		2024
Balance, beginning of year	**$**	**41,529**	$	39,664
Sales to new members		**8,677**		8,632
Transfer and reinstatement fees		**2,106**		2,574
Resignations and terminations		**(4,628)**		(4,524)
Kanata resignations and terminations		**(216)**		—
National Pines resignations and terminations		**—**		(276)
Amortization of membership fees to revenue		**(4,859)**		(4,540)
Exchange difference		**—**		(1)
Balance, end of year	**$**	**42,609**	$	41,529

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

(thousands of Canadian dollars)		2025		2024
Balance, beginning of year	**$**	**38,275**	$	36,621
Sales to new members		**8,677**		8,632
Transfer and reinstatement fees		**2,106**		2,574
Resignations and terminations		**(4,628)**		(4,524)
Kanata resignations and terminations		**(216)**		—
National Pines resignations and terminations		**—**		(276)
Instalments received in cash		**(5,159)**		(4,753)
Exchange difference		**—**		1
Balance, end of year	**$**	**39,055**	$	38,275

17. REVENUE

Revenue consists of the following:

	Year ended December 31, 2025				Year ended December 31, 2024			
(thousands of Canadian	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	$ 67,117	$ 7,632	$ —	**$ 74,749**	$ 65,024	$ 7,295	$ —	**$ 72,319**
Golf	40,316	13,682	—	**53,998**	33,225	12,901	—	**46,126**
Corporate events	9,644	335	—	**9,979**	7,617	282	—	**7,899**
Membership fees	4,657	202	—	**4,859**	4,365	175	—	**4,540**
Food and beverage	37,176	3,119	—	**40,295**	27,957	2,841	—	**30,798**
Merchandise	14,372	988	—	**15,360**	13,830	911	—	**14,741**
Real estate sales	—	—	28,248	**28,248**	—	—	65,435	**65,435**
Rooms and other	5,271	(375)	—	**4,896**	4,564	(322)	—	**4,242**
	$ 178,553	$ 25,583	$ 28,248	**$ 232,384**	$ 156,582	$ 24,083	$ 65,435	**$ 246,100**

18. INCOME TAXES

(A) Income tax provision

The provision for income taxes differs from the expected amount calculated by applying the Canadian combined federal and provincial corporate income tax rates to earnings before income taxes. The major components of these differences are explained as follows:

(thousands of Canadian dollars)	**2025**	2024
Earnings before income taxes	**$ 44,572**	$ 55,827
Expected corporate tax rate	**26.5 %**	26.5 %
Calculated income tax provision	**11,812**	14,794
Capital items	**934**	(802)
Foreign exchange	**(103)**	66
Permanent differences	**1,396**	1,184
Change in estimate	**(25,200)**	—
Other	**104**	(12)
Total tax expense (recovery)	**$ (11,057)**	$ 15,230

The tax rate used for the 2025 and 2024 reconciliations above is the corporate rate of 26.50% payable by corporate entities in Ontario, Canada.

During the year, the Company reassessed certain previously recorded tax estimates related to historical international tax matters based on updated information. This amount is presented as a reconciling item in the effective tax rate.

18. INCOME TAXES (continued)

(B) Deferred income tax liabilities

The tax effects of temporary differences that give rise to the deferred income tax assets and liabilities are summarized as below:

(thousands of Canadian dollars)	Capital/ Intangible Assets and Other	Investments	Foreign Exchange	Total
Balance, January 1, 2024	$ 44,287	$ 3,387	$ (620)	**$ 47,054**
Recognized in earnings	6,483	(2,028)	142	**4,597**
Recognized in equity through comprehensive earnings	(452)	—	—	**(452)**
As at December 31, 2024	50,318	1,359	(478)	**51,199**
Recognized in earnings	(23,633)	(525)	102	**(24,056)**
Recognized in equity through comprehensive earnings	(146)	—	—	**(146)**
As at December 31, 2025	$ 26,539	$ 834	$ (376)	**$ 26,997**

There are no unused tax losses on which the deferred tax assets have been recognized as at December 31, 2025 (2024 - nil).

19. SHARE CAPITAL

(A) Authorized and issued share capital

The authorized share capital is an unlimited number of common shares and preferred shares. As at December 31, 2025, there are 24,151,064 common shares outstanding (December 31, 2024 - 24,376,049). As at December 31, 2025, no preferred shares have been issued. Please refer to the 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 1, 2024	March 15, 2024	April 1, 2024	0.075	$ 1,722,000	$ 115,000	**$ 1,837,000**
April 25, 2024	May 31, 2024	June 17, 2024	0.075	1,725,000	113,000	**1,838,000**
August 2, 2024	August 31, 2024	September 16, 2024	0.075	1,716,000	113,000	**1,829,000**
November 7, 2024	December 2, 2024	December 16, 2024	0.075	1,717,000	112,000	**1,829,000**
				$ 6,880,000	$ 453,000	**$ 7,333,000**
March 6, 2025	March 17, 2025	March 31, 2025	0.09	$ 2,069,000	$ 124,000	**$ 2,193,000**
May 1, 2025	May 30, 2025	June 16, 2025	0.09	2,069,000	125,000	**2,194,000**
August 7, 2025	August 29, 2025	September 15, 2025	0.09	2,058,000	125,000	**2,183,000**
October 31, 2025	December 1, 2025	December 15, 2025	0.09	2,056,000	118,000	**2,174,000**
				$ 8,252,000	$ 492,000	**$ 8,744,000**

19. SHARE CAPITAL (continued)

(C) Shares repurchased and cancelled

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,218,000 shares which expired on September 19, 2025. From September 20, 2024 to December 31, 2024, the Company repurchased for cancellation 13,300 common shares for a total purchase price of $245,000 or $18.41 per share, including commissions. From January 1, 2025 to September 19, 2025, the Company repurchased for cancellation 220,183 common shares for a total purchase price of $4,874,000 or $22.14 per share, including commissions.

The Company was approved by the Toronto Stock Exchange for a normal course issuer bid to purchase up to 1,208,000 of its common shares which expires on September 19, 2026. From September 20, 2025 to December 31, 2025, the Company repurchased for cancellation 28,000 common shares for a total purchase price of $678,000 or $24.20 per share, including commissions.

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.

20. NON-CONTROLLING INTEREST

As a result of the Highland Gate acquisition on April 14, 2021, ClubLink is 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)		2025		2024
Cash and cash equivalents	$	**1,034**	$	258
Restricted cash		**157**		3,043
Other current assets		**—**		34
Residential inventory (note 8)		**51,344**		70,826
Inventories and prepaid expenses		**11**		11
Total assets	$	**52,546**	$	74,172
Accounts payable and accrued liabilities	$	**14,931**	$	13,023
Prepaid annual dues and deposits		**1,451**		6,986
Loan from parent		**6,131**		4,179
Borrowings		**13,127**		18,776
Total liabilities		**35,640**		42,964
Partner capital		**31,352**		31,352
Retained deficit		**(20,006)**		(7,600)
Non-controlling interest		**5,560**		7,456
Total shareholders' equity		**16,906**		31,208
Total liabilities and shareholders' equity	$	**52,546**	$	74,172

20. NON-CONTROLLING INTEREST (continued)

(thousands of Canadian dollars)		2025		2024
Revenue	$	**28,248**	$	65,435
Operating cost of goods sold		**(25,999)**		(62,128)
Cost of goods sold - amortization (note 8)		**(1,551)**		(4,794)
Impairment of residential inventory (note 8)		**(15,000)**		—
Loss for the year	$	**(14,302)**	$	(1,487)
Loss attributable to shareholders	$	**(12,406)**	$	(1,239)
Loss attributable to non-controlling interests		**(1,896)**		(248)
Loss for the year	$	**(14,302)**	$	(1,487)

(thousands of Canadian dollars)		2025		2024
Balance, beginning of year	$	**7,456**	$	7,704
Share of loss for the year		**(1,896)**		(248)
Balance, end of year	$	**5,560**	$	7,456

21. INTEREST, NET AND INVESTMENT INCOME

Interest, net and investment income consists of the following:

(thousands of Canadian dollars)		2025		2024
Revolving line of credit	$	**65**	$	13
Non-revolving mortgages		**1,040**		1,166
Revolving credit facility - construction (Highland Gate)		**1,425**		1,816
Lease liabilities (note 13)		**80**		86
Line of credit to related party		**(84)**		(70)
Amortization of deferred financing costs		**9**		67
Distributions from investment in marketable securities		**(7,873)**		(8,390)
Interest revenue		**(2,994)**		(4,639)
Capitalized interest (Highland Gate)		**(1,425)**		(1,816)
	$	**(9,757)**	$	(11,767)

22. OTHER ITEMS

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

(thousands of Canadian dollars)		**2025**		2024
Foreign exchange loss (gain)	**$**	**(779)**	$	487
Impairment of residential inventory (note 8)		**15,000**		—
Unrealized gain on investment in marketable securities		**(1,051)**		(1,043)
Business combination transaction costs		**716**		—
Gain on sale of property, plant and equipment		**(370)**		(8,209)
Unrealized loss (gain) on real estate fund investments		**(1,470)**		203
Equity loss (income) from investment in joint ventures		**(58)**		53
Insurance		**—**		(857)
Other		**(188)**		(369)
	$	**11,800**	$	(9,735)

Net gain on property, plant and equipment consists of the following:

(thousands of Canadian dollars)		**2025**		2024
Gain on disposal of miscellaneous equipment	**$**	**(370)**	$	(421)
Gain on sale of Woodlands Golf Club		**—**		(7,788)
	$	**(370)**	$	(8,209)

23. 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. During 2024 there was a maximum amount outstanding of CDN$20,000,000 under this facility which was repaid on January 20, 2025. Morguard has provided an unsecured revolving demand credit facility to TWC in the amount of $50,000,000 with no fixed maturity date. This facility was not utilized during 2025 or 2024. 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 year ended	
(thousands of Canadian dollars)	**December 31, 2025**	December 31, 2024
Loan receivable from Morguard	**—**	20,000
Loan payable to Morguard	**—**	—
Net interest receivable (payable)	**—**	70
Net interest earned (incurred) - Morguard	**84**	70

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 2025 and 2024, 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 receives managerial and consulting services from Morguard. The Company paid a management fee of $695,000 for the year ended ended December 31, 2025 (December 31, 2024 - $695,000), under a contractual agreement, which is included in other operating expenses. Morguard also provides back-office services to ClubLink US LLC. The Company paid a management fee of US$520,000 (CDN$726,000) for the year ended December 31, 2025 (December 31, 2024 - US$460,000; CDN$630,000) under a contractual agreement, which is included in other operating expenses.

The Company provides landscaping services for certain Morguard assets. The Company received a fee of $173,000 for the year ended ended December 31, 2025 (December 31, 2024 - $173,000) under a contractual agreement.

A total of US$53,000 of rental revenue was earned by TWC for the year ended ended December 31, 2025 (December 31, 2024 - US$53,000) from Morguard relating to a shared office facility in Florida.

During 2025, the Company earned $841,000 (2024 - $780,000) in operating revenue (primarily food and beverage and corporate events) from related parties controlled by the Chairman, President and Chief Executive Officer of the Company.

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.

24. 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" ("ClubLink"). ClubLink is Canada's largest owner, operator and manager of golf clubs with 47, 18-hole equivalent championship and two and a half, 18-hole equivalent academy courses, at 35 locations in two separate geographical Regions: (a) Ontario/Quebec (including three managed properties) and (b) Florida.

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.

For the year ended December 31, 2025				
(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations and Other	**Total**
Operating revenue	$ 173,896	$ 25,381	$ 28,248	**$ 227,525**
Direct operating expenses	(120,417)	(20,541)	(30,719)	**(171,677)**
Net operating income (loss)	53,479	4,840	(2,471)	**55,848**
Amortization of membership fees	4,657	202	—	**4,859**
Depreciation and amortization	(12,456)	(1,636)	—	**(14,092)**
Other items	472	215	(12,487)	**(11,800)**
Segment earnings (loss) before interest and income taxes	$ 46,152	$ 3,621	$ (14,958)	**34,815**
Interest, net and investment income (unallocated)				**9,757**
Recovery for income taxes (unallocated)				**11,057**
Net earnings				**$ 55,629**
Capital expenditures	$ 16,859	$ 2,400	$ —	**$ 19,259**

For the year ended December 31, 2024				
(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations and Other	**Total**
Operating revenue	$ 152,217	$ 23,908	$ 65,435	**$ 241,560**
Direct operating expenses	(107,912)	(19,710)	(69,882)	**(197,504)**
Net operating income (loss)	44,305	4,198	(4,447)	**44,056**
Amortization of membership fees	4,365	175	—	**4,540**
Depreciation and amortization	(12,706)	(1,565)	—	**(14,271)**
Other items	1,167	7,721	847	**9,735**
Segment earnings (loss) before interest and income taxes	$ 37,131	$ 10,529	$ (3,600)	**44,060**
Interest, net and investment income (unallocated)				**11,767**
Provision for income taxes (unallocated)				**(15,230)**
Net earnings				**$ 40,597**
Capital expenditures	$ 14,285	$ 2,564	$ —	**$ 16,849**

24. SEGMENTED INFORMATION (continued)

December 31, 2025

(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations and Other	**Total**
Segment assets	$ 492,147	$ 84,395	$ 145,998	**$ 722,540**
Segment liabilities	$ 55,657	$ 11,472	$ 42,466	**$ 109,595**

December 31, 2024

(thousands of Canadian dollars)	Canadian Golf Club Operations	US Golf Club Operations	Corporate Operations and Other	**Total**
Segment assets	$ 440,645	$ 86,764	$ 179,611	**$ 707,020**
Segment liabilities	$ 51,880	$ 12,683	$ 67,027	**$ 131,590**

25. CAPITAL MANAGEMENT

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 these opportunities arise.

Certain secured debt obligations of the Company have restrictive covenants that require maintenance of certain financial ratios. These covenants include debt service ratios, borrowings to adjusted equity/asset ratios and a minimum total equity requirement. For all of 2025 and 2024, the Company was in compliance with these borrowings covenants.

The Company sets its capital structure in proportion to risk. It manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, purchase and cancel shares pursuant to issuer bids, issue new shares, or sell assets to reduce borrowings.

TWC has a revolving credit arrangement, which is used to fund operations. This allows the flexibility to manage its highly seasonal cash inflows and regular year round disbursements while providing appropriate returns to the shareholders. Cash flows considered surplus to the long-term needs of the business segment are generally utilized in corporate operations.

TWC may access financing from related party companies such as Morguard and Paros, as needed.

26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial assets and liabilities

Pursuant to IFRS Accounting Standards, financial instruments are classified into one of the following three categories: amortized cost, FVTOCI, FVTPL. The carrying values of the Company's financial instruments on the consolidated balance sheets are classified into the following categories:

(thousands of Canadian dollars)	**2025**	2024
Assets - Amortized cost (a)	**$ 59,712**	$ 87,695
Assets - FVTPL - Automotive Properties REIT units and Investment in Real Estate Investment Funds	**128,880**	116,106
Liabilities - Amortized cost (b)	**57,230**	51,675

(a) Includes cash and cash equivalents, restricted cash, accounts receivable and mortgages and loans receivable.
(b) Includes accounts payable and accrued liabilities, lease liabilities and borrowings.

A portion of the accounts receivable balance has been pledged in conjunction with the assignment of certain property, plant and equipment as collateral for borrowings.

26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Fair values

The Company has determined, using considerable judgment, the estimated fair values of its financial instruments based on the valuation methodologies which are described below. The fair values of TWC's financial instruments approximate their carrying values for financial statement purposes.

The methods and assumptions used to estimate the fair value of each type of financial instrument are as follows:

The fair values of cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities, and revolving lines of credit approximate their carrying values given their short-term maturities.

The carrying value of mortgages and loans receivable is assumed to approximate fair value as they bear interest at current market rates.

The fair value of non-revolving borrowings was estimated based on the discounted cash flows of the borrowings at the Company's estimated incremental interest rates for borrowings of the same remaining maturities. It is estimated that the fair value of borrowings is equal to their carrying value due to the short-term and variable nature of the majority of the borrowings.

Financial instruments recorded at fair value on the consolidated balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.

Level 2 – valuation techniques based on inputs that are quoted prices of similar instruments in active markets; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – valuation techniques with inputs not based on observable market inputs.

Risks arising from financial instruments and risk management

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange and interest rate risks), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is the responsibility of the corporate finance department whose function is to identify, evaluate and, where appropriate, hedge financial risks. The Company's overall risk management program focuses on establishing policies to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company aims to develop a disciplined control environment in which all employees understand their roles and obligations. Risks are monitored and are regularly discussed with the board of directors.

Foreign exchange risk

As discussed in note 1, the United States golf club operations have a reporting currency in US dollars. Therefore, fluctuations in the US dollar exchange rate will impact the earnings of TWC.

For the year ended December 31, 2025, if the Canadian dollar had weakened (strengthened) 10% against the US dollar, all other variables held constant, the after tax earnings would have increased (declined) by $412,000 (2024 - $914,000).

26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Interest rate risk

The following debt instruments have variable interest rates:

(thousands of Canadian dollars)	2025	2024
Revolving lines of credit - corporate		
(December 31, 2025 - CORRA rate plus 160 basis points or 4.93%)	**$ 11,304**	$ —
(December 31, 2024 - CORRA rate plus 160 basis points or 5.39%)	**—**	—
Revolving facility - Highland Gate		
(December 31, 2025 - CORRA rate plus 2.795% or 5.57%; prime plus 1.00% of 5.95%)	**$ 13,127**	—
(December 31, 2024 - CORRA rate plus 2.795% or 6.09%; prime plus 1.00% of 7.45%)	**—**	18,776
	$ 24,431	$ 18,776

The objective of the Company's interest rate management activities is to minimize the volatility of the Company's earnings.

Credit risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to trade accounts receivable and mortgages and loans receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

The objective of managing credit risk is to prevent losses in financial assets. It is TWC's experience that the credit worthiness of its member accounts receivable balances is very good because it has the ability to suspend the playing and charging privileges of members who have overdue accounts in order to manage credit risk exposure to its members.

Further, the Company collects deposits on group functions such as corporate events, banquets and resort stays to help reduce this risk.

The credit risk associated with mortgages and loans receivable is considered minimal as they are adequately secured. Collateral for mortgages and loans receivable include a charge on the underlying asset for vendor take-back mortgages and loans and the underlying security for share purchase loans.

The carrying amount of accounts receivable is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of earnings within operating expenses. When a receivable balance is considered uncollectible, it is written off against the allowance for doubtful accounts receivable. Subsequent recoveries of amounts previously written off are credited to the allowance account.

The following table describes the changes in the allowance for doubtful accounts receivable:

(thousands of Canadian dollars)	2025	2024
Balance, beginning of year	**$ 118**	$ 165
Increase in allowance through bad debt expense	**50**	—
Bad debt write-offs	**(81)**	(47)
Balance, end of year	**$ 87**	$ 118

26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit risk (continued)

The following table sets forth details of the age of receivables that are not overdue, as well as an analysis of overdue amounts and related allowance for doubtful accounts:

(thousands of Canadian dollars)	**2025**	2024
Accounts receivable		
Current - including accruals	**$ 6,530**	$ 5,482
Past due for more than one day but not more than 60 days	**630**	402
Past due for more than 60 days	**686**	485
Less: allowance for doubtful accounts	**(87)**	(118)
Subtotal	**7,759**	6,251
Mortgages and loans receivable		
Current	**39**	22,823
Past due	**2,900**	—
Less: allowance for doubtful accounts	**—**	—
Subtotal	**2,939**	22,823
Total loans and receivables	**$ 10,698**	$ 29,074

Liquidity risk

Liquidity risk arises through excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available cash reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and through the availability of funding from committed credit facilities.

The Company and its subsidiaries are subject to risks associated with borrowings, including the possibility that existing mortgages may not be refinanced or may not be refinanced on as favorable terms or with interest rates as favourable as those of the existing facilities. The Company and its subsidiaries reduce these risks by its continued efforts to stagger and to extend the maturity profile of its borrowings, enhance the value of its real estate properties and foster excellent relations with its lenders.

The Company believes that cash on hand, future free cash flows generated by operations and availability under its revolving operating facility will be adequate to meet its financial obligations.

The Company has financial liabilities with varying contractual maturity dates. Total financial liabilities at December 31, 2025, based on contractual undiscounted payments are as follows:

(thousands of Canadian dollars)	2026	2027	2028	2029	2030	2031 and beyond	**Total**
Accounts payable and accrued liabilities	$ 24,387	$ —	$ —	$ —	$ —	$ —	**$ 24,387**
Revolving line of credit	—	11,304	—	—	—	—	**11,304**
Revolving credit facility - Highland Gate	11,057	2,070	—	—	—	—	**13,127**
Non-revolving mortgages - principal	1,712	1,852	2,007	1,800	—	—	**7,371**
Non-revolving mortgages - interest	528	386	232	66	—	—	**1,212**
Lease liabilities - principal	331	327	250	117	32	—	**1,057**
Lease liabilities - interest	63	39	17	5	3	—	**127**
	$ 38,078	$ 15,978	$ 2,506	$ 1,988	$ 35	$ —	**$ 58,585**

26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Liquidity risk (continued)

Total financial liabilities at December 31, 2024, based on contractual undiscounted payments are as follows:

(thousands of Canadian dollars)	2025	2026	2027	2028	2029	2030 and beyond	**Total**
Accounts payable and accrued liabilities	$ 23,017	$ —	$ —	$ —	$ —	$ —	**$ 23,017**
Revolving credit facility - Highland Gate	18,776	—	—	—	—	—	**18,776**
Non-revolving mortgages - principal	1,659	1,797	1,945	2,107	1,889	—	**9,397**
Non-revolving mortgages - interest	692	554	405	243	70	—	**1,964**
Lease liabilities - principal	115	126	139	88	10	32	**510**
Lease liabilities - interest	42	31	18	6	2	3	**102**
	$ 44,301	$ 2,508	$ 2,507	$ 2,444	$ 1,971	$ 35	**$ 53,766**

27. COMMITMENTS/CONTINGENCIES

TWC has committed US$10,000,000 towards a real estate fund based out of Florida (13th Floor Fund IV). As at December 31, 2025 there has been US$8,000,000 (CDN$10,595,000) in capital calls towards this commitment. TWC has committed another US$10,000,000 towards a real estate fund based out of Florida (13th Floor Fund V). As at December 31, 2025, there has been US$4,700,000 (CDN$6,442,000) in capital calls paid towards this commitment (see note 7).

As at December 31, 2025, TWC has $507,000 (December 31, 2024 - $857,000) outstanding in letters of credit against its corporate credit facility.

As at December 31, 2025, the Highland Gate home construction project has $15,870,000 outstanding in letters of credit against its corporate credit facility (December 31, 2024 - $20,204,000).

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.

28. SUBSEQUENT EVENTS

On March 5, 2026, the Company declared a 10 cents per common share cash dividend, payable March 31, 2026 to shareholders of record on March 16, 2026.