



TWC ENTERPRISES LIMITED

CLUBLINK
one membership. more golf.

Q3 2020

FINANCIAL HIGHLIGHTS

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

(thousands of Canadian dollars - except as indicated)	For the three months ended		For the nine months ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
OPERATIONS				
Operating revenue	55,293	65,260	97,059	134,496
Net operating income	30,990	15,176	33,143	24,101
Net earnings (loss)	22,427	7,322	(7,388)	45
GOLF OPERATING DATA				
Canadian full privilege golf members			14,515	14,755
Championship rounds - Canada ⁽²⁾	689,000	607,000	991,000	954,000
18-hole equivalent championship golf courses - Canada ^(2,3)			39.5	41.5
18-hole equivalent managed golf courses - Canada			1.0	1.0
Championship rounds - U.S. ⁽²⁾	43,000	43,000	191,000	254,000
18-hole equivalent championship golf courses - U.S. ^(2,3)			8.0	11.0
COMMON SHARE DATA (000)				
Shares outstanding	25,428	26,755	25,428	26,755
Weighted average shares outstanding	25,822	27,130	26,251	27,234
PER COMMON SHARE DATA (\$)				
Basic and diluted earnings (loss)	0.87	0.27	(0.28)	0.00
Eligible cash dividend	0.02	0.02	0.06	0.06
FINANCIAL POSITION				
Total assets			651,987	698,543
Gross borrowings including lease liabilities			129,891	155,640
Shareholders' equity			412,875	432,842
Gross borrowings to shareholders' equity ratio			0.31	0.36
Net book value per share ⁽¹⁾			16.24	16.18

(1) Net operating income, operating margin and net book value per share are not recognized measures under International Financial Reporting Standards ("IFRS"). Management believes that, in addition to net earnings, these measures are useful supplemental information to provide investors with an indication of the Company's performance. Investors should be cautioned, however, that these measures should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of the Company's performance or to cash flows from operating, investing and financing activities, as a measure of liquidity and cash flows. TWC's method of calculating these measures is consistent from year to year, but may be different than those used by other companies (see "Management's Discussion and Analysis of Financial Condition and Results of Operations").

(2) Excluding academy courses.

(3) 18-hole equivalent championship golf courses operating during the period ended September 30.

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

This management's discussion and analysis of financial condition and results of operations ("MD&A") should be read in conjunction with TWC Enterprises Limited's ("TWC" or the "Company", formerly ClubLink Enterprises Limited) audited consolidated financial statements and accompanying notes for the period ended September 30, 2020. This MD&A has been prepared as at November 3, 2020 and all amounts are in Canadian dollars unless otherwise indicated.

In this document, unless otherwise indicated, all financial data are prepared in accordance with International Financial Reporting Standards ("IFRS").

This interim financial quarterly report has been prepared in compliance with IAS 34.

FORWARD-LOOKING STATEMENTS

Statements contained herein that are not based on historical or current fact, including without limitation, statements containing the words "anticipate", "believe", "may", "continue", "estimate", "expects", "will" and words of similar expression, constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions, both nationally and in the regions in which the Company operates; changes in business strategy or development/acquisition plans; environmental exposures; financing risk; existing governmental regulations and changes in, or the failure to comply with, governmental regulations; liability and other claims asserted against the Company; and other factors including risks and uncertainties relating to the COVID-19 pandemic referred to in the Company's filings with Canadian securities regulators. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not assume the obligation to update or revise any forward-looking statements.

The above list of important factors affecting forward-looking information is not exhaustive, and reference should be made to the other risks discussed in TWC's filings with Canadian securities regulatory authorities. TWC undertakes no obligation, except as required by law, to update publicly or otherwise any forward-looking information, whether as a result of new information, future events or otherwise, or the above list of factors affecting this information.

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

NON-IFRS MEASURES

The Company has prepared the financial information contained in this discussion and analysis in accordance with IFRS. Reference is also made to net operating income, operating margin, cash flow from operations, funds from operations and adjusted funds from operations. The calculations of these measures can be found embedded in the MD&A.

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

The glossary of financial terms is as follows:

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

Net operating income = operating revenue - direct operating expenses

Operating margin = net operating income/operating revenue

Operating property, plant and equipment expenditures = capital expenditures to maintain existing operations

Expansion property, plant and equipment expenditures = capital expenditures which expand existing operations

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

NON-IFRS MEASURES (continued)

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

BUSINESS STRATEGY AND CORPORATE OVERVIEW

TWC operates in the golf operations business segment. In addition, the corporate operations segment oversees the golf operations segment and considers investment opportunities. Effective July 31, 2018, the rail and port operating business segment was sold.

TWC's strategic objective is to grow long-term shareholder value by improving net operating income and operating margins of its underlying business as well as considering options to unlocking long-term value from its investment in land.

TWC is also involved with considering investment opportunities.

OVERVIEW OF BUSINESS SEGMENTS

Golf Club Operations Segment

TWC is engaged in golf club operations under the trademark "ClubLink One Membership More Golf" ("ClubLink"). ClubLink is Canada's largest owner, operator and manager of golf clubs with 48½, 18-hole equivalent championship and 3½, 18-hole equivalent academy courses, at 40 locations in two separate geographical Regions: (a) Ontario/Quebec (including one managed property) and (b) Florida.

ClubLink's golf clubs are strategically organized in clusters that are located in densely populated metropolitan areas and resort destinations frequented by those who live and work in these areas. By operating in Regions, ClubLink is able to offer golfers in their Region a wide variety of unique membership, daily fee, corporate event and resort opportunities. ClubLink is also able to obtain the benefit of operating synergies to maximize revenue and achieve economies of scale to reduce costs.

Revenue at all golf club properties is enhanced by cross-marketing, as the demographics of target markets for each are substantially similar. Revenue is further improved by Travellink, corporate golf events, business meetings and social events that utilize golf capacity and related facilities at times that are not in high demand by ClubLink's members.

Member and Hybrid Golf Club revenue is maximized by the sale of flexible personal and corporate memberships that offer reciprocal playing privileges at ClubLink golf clubs and, on payment of an additional fee, inter-regional play within ClubLink through the Travellink program and ClubCorp Holdings Inc. golf clubs.

Daily fee golf club revenue is maximized through unique and innovative marketing programs in conjunction with dynamic pricing.

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

OVERVIEW OF BUSINESS SEGMENTS (continued)

Golf Club Operations Segment (continued)

In recent years, ClubLink has been focusing on providing enhanced value for its memberships as well as cultivating a family-type atmosphere at its golf clubs.

ClubLink also has annual membership programs, which are unique to each Region. These product offerings include Players Card and Players Club in the Ontario/Quebec Region; as well as the ClubLink Card in the Florida Region. While traditional full privilege golf members have been declining, ClubLink has been focusing on these supplemental categories to replace annual dues revenue.

(a) Ontario/Quebec

ClubLink's Ontario/Quebec Region is organized into two clusters: the major metropolitan areas of Southern Ontario and Muskoka, Ontario's premier resort area, extending from Hamilton to Huntsville to Pickering, with a particularly strong presence in the Greater Toronto Area; and Quebec/Eastern Ontario, extending from the National Capital Region to Montreal, including Mont-Tremblant, Quebec's premier resort area.

In 2020, ClubLink is operating 25 Ontario/Quebec Region Member Golf Clubs in three categories as follows:

Prestige:	Greystone, King Valley, RattleSnake Point
Platinum:	Blue Springs, DiamondBack, Eagle Creek, Emerald Hills, Glencairn, Grandview, Heron Point, Islesmere, Kanata, King's Riding, Lake Joseph, Le Maître, Rocky Crest, Wyndance
Gold:	Caledon Woods, Country Club, Eagle Ridge, Glendale, GreyHawk, Hautes Plaines, National Pines, Station Creek

In 2020, ClubLink is managing one golf club on behalf of other owners as follows:

Club de Golf Le Fontainebleau was purchased by Club de Golf Rosemère on December 14, 2018 and changed its name to Club de Golf Rosemère. ClubLink retains a management fee arrangement of Fontainebleau.

Greenhills Golf Club was sold on January 31, 2020.

In 2020, ClubLink is operating five Ontario/Quebec Region Hybrid Golf Clubs in three categories as follows:

Hybrid – Prestige:	Glen Abbey
Hybrid – Gold:	Cherry Downs, The Club at Bond Head
Hybrid – Silver:	Bethesda Grange, Hidden Lake

Val des Lacs was closed for the 2020 operating season and was subsequently sold on July 13, 2020.

Hybrid Golf Clubs are available for daily fee (public) play, reciprocal access by other ClubLink Members and provide a home club for Members with reciprocal access to the ClubLink system.

In 2020, ClubLink is operating two Ontario/Quebec Region Daily Fee Golf Clubs as follows:

Daily Fee:	Grandview Inn, Rolling Hills
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ClubLink has approximately 400 Players Card memberships. Players Card annual memberships allow golfers unlimited access to Rolling Hills during spring and fall shoulder seasons in addition to twilight golf during the summer season. A fixed number of rounds certificates are also included with each Players Card.

ClubLink has approximately 2,500 Players Club memberships. The Players Club memberships have varying degrees of access to ClubLink's daily fee golf clubs at different price points.

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

ClubLink owns sufficient land to develop an additional 18 holes at Cherry Downs Golf Club in Pickering, Grandview Golf Club in Muskoka and Rocky Crest Golf Club in Muskoka.

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

OVERVIEW OF BUSINESS SEGMENTS (continued)

Golf Club Operations Segment (continued)

(a) Ontario/Quebec (continued)

In 2020, ClubLink is operating The Lake Joseph Club, Rocky Crest Resort and Sherwood Inn.

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

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

(b) United States

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

In 2020, ClubLink is operating six Florida Region Golf Clubs as follows:

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

In 2019, Heron Bay Golf Club was closed.

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

Corporate Operations Segment

TWC's objective at the corporate level is to identify opportunities to generate incremental returns and cash flow. Historically, the nature of these investments included debt and equity instruments in both public and private organizations. Currently, management is focused on improving the returns of the existing operating business segments.

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

SIGNIFICANT EVENT

Operating Update - COVID-19 Pandemic

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

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

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

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

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

The Company has adopted a mandatory mask or face covering policy for all indoor public spaces at all properties including the corporate office. This includes all staff, customers and visitors entering the bathrooms, golf shops, halfway houses, bistros, and all other common areas. A COVID-19 screening questionnaire has also been introduced for all members and guests prior to accessing a property. Ontario properties are following the mandatory COVID-19 screening of employees and visitors prior to entering the workplace, including outdoor workplaces.

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

Operating Update - 2020 Golf Season

Out of an abundance of caution for the safety of our guests and employees, ClubLink is not accepting new bookings for 2020 group events and will be limiting them for 2021 to certain thresholds. Revenue from group events has been minimal for 2020. While the decline in activity from group bookings has resulted in decreased revenue, it has enabled ClubLink to accommodate the overwhelming demand for tee times from members and customers.

As restricted dining has been allowed to resume, the Company has implemented safety measures to maintain physical distancing. It is expected that there will continue to be restrictions on food and beverage services for the rest of 2020 and possibly 2021, including the restrictions on indoor dining being reintroduced at certain properties. ClubLink will not be hosting any Christmas parties.

In order to mitigate the impact of these expected revenue shortfalls, ClubLink will file for the Canada Emergency Wage Subsidy. An estimate of the impact of the subsidy has been recorded in the third quarter financial statements.

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

SUMMARY OF CANADIAN/US EXCHANGE RATES USED FOR TRANSLATION PURPOSES

The following exchange rates translate one US dollar into the Canadian dollar equivalent.

	September 30, 2020	December 31, 2019	September 30, 2019
Balance Sheet	1.3339	1.2988	1.3243
Statement of Earnings - First Quarter	1.3442	N/A	1.3292
Statement of Earnings - Second Quarter	1.3859	N/A	1.3375
Statement of Earnings - Third Quarter	1.3316	N/A	1.3206

THREE MONTH CONSOLIDATED OPERATING HIGHLIGHTS

The table below sets forth selected financial data relating to the Company's three month periods ended September 30, 2020 and September 30, 2019. This financial data is derived from the Company's unaudited consolidated financial statements, which are prepared in accordance with IFRS.

(thousands of Canadian dollars - except as indicated)	For the three months ended		
	September 30, 2020	September 30, 2019	% Change 2020/2019
OPERATING REVENUE	\$ 55,293	\$ 65,260	(15.3%)
DIRECT OPERATING EXPENSES	24,303	50,084	(51.5%)
NET OPERATING INCOME	30,990	15,176	104.2%
Operating margin (%)	56.0%	23.3%	140.3%
Amortization of membership fees	1,307	1,480	(11.7%)
Depreciation and amortization	(4,718)	(4,993)	(5.5%)
Interest, net and investment income	(1,046)	(1,317)	(20.6%)
Other items	3,119	357	773.7%
Income taxes	(7,225)	(3,381)	113.7%
NET EARNINGS	\$ 22,427	\$ 7,322	206.3%
BASIC AND DILUTED EARNINGS PER SHARE	\$ 0.87	\$ 0.27	222.2%

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

THIRD QUARTER 2020 CONSOLIDATED OPERATING HIGHLIGHTS

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

As required by IFRS, ClubLink recognizes its annual dues revenue on a straight-line basis throughout the year based on when its properties are open and services are provided. As a result of COVID-19, annual dues revenue was not recognized during the spring course closures. Canadian annual dues revenue increased 14.6% to \$14,254,000 for the three month period ended September 30, 2020 from \$12,440,000 in 2019 due to this methodology. This methodology shifts annual dues revenue from the second quarter to the third and fourth quarter.

Due to overwhelming demand for golf amongst the Company's members and customers, golf revenue increased 39.0% to \$19,609,000 for the three month period ended September 30, 2020 from \$14,108,000 in 2019 for the Canadian golf operations.

Consolidated operating revenue decreased 15.3% to \$55,293,000 for the three month period ended September 30, 2020 from \$65,260,000 in 2019 due to the decline in revenue from the impact of COVID-19. This decline is due to streams of revenue that have been lost due to regulations surrounding COVID-19. Group business has been minimal, including corporate events, weddings, banquets or resort stays, as social distancing measures remain in place.

Direct operating expenses decreased 51.5% to \$24,303,000 for the three month period ended September 30, 2020 from \$50,084,000 in 2019 due to the fact that certain revenue streams were reduced which all had costs associated with them. Certain cost saving measures have been enacted in order to help offset the revenue declines. Labour and employee benefits for the Canadian golf operations have decreased 73.3% to \$6,370,000 for the three months ended September 30, 2020 from \$23,846,000 in 2019 as a result of these changes and the recording of the Canada Emergency Wage Subsidy.

Net operating income for the Canadian golf club operations segment increased to \$32,193,000 for the three month period ended September 30, 2020 from income of \$17,346,000 in 2019 despite the impact of COVID-19 on streams of revenue relating to group business.

Interest, net and investment income decreased 20.6% to an expense of \$1,046,000 for the three month period ended September 30, 2020 from \$1,317,000 in 2019 due to a decrease in borrowings.

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

(thousands of Canadian dollars)	For three months ended September 30, 2020	September 30, 2019
Foreign exchange loss (gain)	\$ 1,556	\$ (1,027)
Gain on property, plant and equipment	(891)	(167)
Unrealized gain on investment in Automotive Properties REIT	(3,909)	-
Unrealized loss on common shares in Carnival plc	-	943
Equity income from investments in joint ventures	(43)	-
Insurance proceeds	-	(394)
Other	168	288
Other items	\$ (3,119)	\$ (357)

The exchange rate used for translating US denominated assets has changed from 1.3628 at June 30, 2020 to 1.3339 at September 30, 2020. This has resulted in a foreign exchange loss of \$1,556,000 for the three month period ended September 30, 2020 on the translation of the Company's US denominated financial instruments.

On July 13, 2020, ClubLink sold Club de Golf Val des Lacs for proceeds of \$1,750,000, including a vendor take-back mortgage of \$300,000. Net proceeds totalled \$1,684,000 and ClubLink recorded a gain of \$839,000 on the sale.

Net earnings is \$22,427,000 for the three month period ended September 30, 2020 from \$7,322,000 in 2019 due to the reduction in operating expenses. Basic and diluted earnings per share increased to 87 cents per share in 2020, compared to 27 cents in 2019.

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

NINE MONTH CONSOLIDATED OPERATING HIGHLIGHTS

The table below sets forth selected financial data relating to the Company's nine month periods ended September 30, 2020 and September 30, 2019. This financial data is derived from the Company's unaudited interim consolidated financial statements, which are prepared in accordance with IFRS.

(thousands of Canadian dollars - except as indicated)	For the nine months ended		% Change
	September 30, 2020	September 30, 2019	
OPERATING REVENUE	\$ 97,059	\$ 134,496	(27.8%)
DIRECT OPERATING EXPENSES	63,916	110,395	(42.1%)
NET OPERATING INCOME	33,143	24,101	37.5%
Operating margin (%)	34.1%	17.9%	90.5%
Amortization of membership fees	3,552	4,033	(11.9%)
Depreciation and amortization	(14,561)	(15,177)	(4.1%)
Interest, net and investment income	(2,848)	(4,126)	(31.0%)
Other items	(24,744)	(7,594)	225.8%
Income taxes	(1,930)	(1,192)	61.9%
NET EARNINGS (LOSS)	\$ (7,388)	\$ 45	N/A
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE	\$ (0.28)	\$ 0.00	N/A
TOTAL ASSETS	\$ 651,987	\$ 698,543	(6.7%)
GROSS BORROWINGS INCLUDING LEASE LIABILITIES	\$ 129,891	\$ 155,640	(16.5%)
SHAREHOLDERS' EQUITY	\$ 412,875	\$ 432,842	(4.6%)

RESULTS OF OPERATIONS BY BUSINESS SEGMENT

The results of operations by business segment should be read in conjunction with the segmented information contained in note 16 of the unaudited consolidated financial statements for the nine month period ended September 30, 2020.

(thousands of Canadian dollars)	For the nine months ended		% Change
	September 30, 2020	September 30, 2019	
Operating revenue by segment			
<i>Canadian golf club operations</i>	\$ 83,540	\$ 116,915	(28.5%)
<i>US golf club operations</i>	13,519	17,581	(23.1%)
Operating revenue	\$ 97,059	\$ 134,496	(27.8%)
Net operating income (loss) by segment			
<i>Canadian golf club operations</i>	\$ 35,140	\$ 25,668	36.9%
<i>US golf club operations</i>	263	1,106	(76.2%)
<i>Corporate operations</i>	(2,260)	(2,673)	(15.5%)
Net operating income	\$ 33,143	\$ 24,101	37.5%

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

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Canadian Golf Club Operations for the Period Ended September 30, 2020

Summary of Canadian Golf Club Operations

(statistics)	For the nine months ended		% Change
	September 30, 2020	September 30, 2019	
18-hole equivalent championship golf courses	39.5	41.5	(4.8%)
18-hole equivalent managed golf courses	1.0	1.0	-
Championship rounds	991,000	954,000	3.9%

(thousands of Canadian dollars)	For the nine months ended		% Change
	September 30, 2020	September 30, 2019	
Operating revenue	\$ 83,540	\$ 116,915	(28.5%)
Direct operating expenses	48,400	91,247	(47.0%)
Net operating income	35,140	25,668	36.9%
Amortization of membership fees	3,292	3,770	(12.7%)
Depreciation and amortization	(13,243)	(13,788)	(4.0%)
Other items	787	1,078	(27.0%)
Segment earnings before interest and income taxes	\$ 25,976	\$ 16,728	55.3%
Operating margin %	42.1%	22.0%	91.4%

Canadian Golf Club Operating Revenue

Canadian golf club operating revenue is recorded as follows:

(thousands of Canadian dollars)	For the nine months ended		% Change
	September 30, 2020	September 30, 2019	
Annual dues	\$ 32,912	\$ 36,879	(10.8%)
Corporate events	1,890	10,800	(82.5%)
Golf	27,481	21,213	29.5%
Food and beverage	12,596	34,652	(63.7%)
Merchandise, rooms and other	8,661	13,371	(35.2%)
Total operating revenue	\$ 83,540	\$ 116,915	(28.5%)

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

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of Canadian Golf Club Operations for the Period Ended September 30, 2020 (continued)

Canadian Golf Club Direct Operating Expenses

Canadian golf club direct operating expenses are recorded as follows:

(thousands of Canadian dollars)	For the nine months ended		% Change
	September 30, 2020	September 30, 2019	
Cost of sales	\$ 8,316	\$ 17,706	(53.0%)
Labour and employee benefits	22,224	48,958	(54.6%)
Utilities	4,248	4,817	(11.8%)
Selling, general and administrative	1,781	2,893	(38.4%)
Property taxes	1,913	1,963	(2.5%)
Insurance	1,348	1,259	7.1%
Repairs and maintenance	2,001	2,723	(26.5%)
Fertilizers and pest control products	1,040	1,477	(29.6%)
Fuel and oil	537	867	(38.1%)
Other operating expenses	4,992	8,584	(41.8%)
Total direct operating expenses	\$ 48,400	\$ 91,247	(47.0%)

Canadian golf club direct operating expenses have decreased 47.0% from 2019 due to the mandatory closures resulting from COVID-19 earlier this year and the reduced expenses related to revenue streams such as corporate events, banquets, weddings and food and beverage. The Company has also recorded the Canada Emergency Wage Subsidy as a reduction to labour and employee benefits expense.

Canadian Membership Fees

Full privilege golf members decreased 1.6% to 14,515 on September 30, 2020 from 14,755 on September 30, 2019 due in part to the sale of the Greenhills Golf Club and the associated 317 members of this property and the closure of Val des Lacs.

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

(thousands of Canadian dollars)	Nine months ended September 30, 2020		Year ended December 31, 2019		Nine months ended September 30, 2019	
	Golf Members	Future Membership Fee Instalments	Golf Members	Future Membership Fee Instalments	Golf Members	Future Membership Fee Instalments
Balance, beginning of period	14,193	\$ 20,533	14,602	\$ 21,967	14,602	\$ 21,967
Sales to new members	1,689	6,417	1,008	4,057	1,076	4,384
Reinstated members	263	444	214	204	189	203
Transfer and upgrade fees from existing members	-	353	-	279	-	257
Resignations and terminations	(1,313)	(2,822)	(1,631)	(3,305)	(1,112)	(2,031)
Sale of Greenhills Golf Club	(317)	(52)	-	-	-	-
Instalments received in cash	-	(2,118)	-	(2,669)	-	(2,483)
Balance, end of period (Full Privilege)	14,515	\$ 22,755	14,193	\$ 20,533	14,755	\$ 22,297

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

	For the nine months ended		% Change
	September 30, 2020	September 30, 2019	
Corporate/Principal/Spousal	619	374	65.5%
Intermediate	771	407	89.4%
Junior	130	66	97.0%
Other	169	229	(26.2%)
Total	1,689	1,076	57.0%

In general, golf members are becoming more transient between member golf clubs since there is less membership fees being charged per member by both ClubLink and our competitors. This has translated into both more members sales and more member resignations.

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

RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

Review of US Golf Club Operations for the Period Ended September 30, 2020

Summary of US Golf Club Operations

(statistics)	For the nine months ended		% Change
	September 30, 2020	September 30, 2019	
18-hole equivalent championship golf courses	8.0	11.0	(27.3%)
Championship rounds	191,000	254,000	(24.8%)

(thousands of dollars)	For the nine months ended		% Change
	September 30, 2020	September 30, 2019	
Operating revenue	\$ 10,029	\$ 13,222	(24.1%)
Direct operating expenses	9,822	12,394	(20.8%)
Net operating income	207	828	(75.0%)
Amortization of membership fees	192	198	(3.0%)
Depreciation and amortization	(974)	(1,045)	(6.8%)
Other items	(65)	54	N/A
Segment earnings (loss) before interest and income taxes (US dollars)	(640)	35	N/A
Exchange	(251)	(1)	N/A
Segment earnings (loss) before interest and income taxes (Cdn dollars)	\$ (891)	\$ 34	N/A

Net operating income for US Golf Club Operations has decreased 75.0% from 2019 due to the mandatory closures resulting from COVID-19 in the spring of this year.

Review of Corporate Items for the Period Ended September 30, 2020

Interest, Net and Investment Income

Interest, net and investment income decreased 31.0% to an expense of \$2,848,000 for the nine month period ended September 30, 2020 from \$4,126,000 in 2019.

Other Items

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

(thousands of Canadian dollars)	For the nine months ended	
	September 30, 2020	September 30, 2019
Foreign exchange loss (gain)	\$ (2,731)	\$ 4,952
Gain on property, plant and equipment	(1,417)	(462)
Unrealized loss on investment in Automotive Properties REIT	11,654	-
Loss on sale of common shares in Carnival plc	16,240	-
Unrealized loss on common shares in Carnival plc	-	3,685
Equity loss from investments in joint ventures	474	-
Insurance proceeds	-	(860)
Other	524	279
Other items	\$ 24,744	\$ 7,594

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

FINANCIAL CONDITION

Assets

Total assets decreased 3.5% to \$651,987,000 at September 30, 2020 from \$675,606,000 at December 31, 2019. This compares to \$698,543,000 at September 30, 2019.

Liabilities

Total liabilities increased slightly to \$239,112,000 at September 30, 2020 from \$239,076,000 at December 31, 2019. This compares to \$265,701,000 at September 30, 2019.

Shareholders' Equity

Consolidated shareholders' equity at September 30, 2020 totaled \$412,875,000 or \$16.24 per share, compared to \$436,530,000 or \$16.33 per share at December 31, 2019 and \$432,842,000 or \$16.18 per share at September 30, 2019. The number of common shares outstanding decreased to 25,427,842 shares as at September 30, 2020 from 26,754,720 at December 31, 2019 and from 26,754,720 at September 30, 2019 as reflected in the chart below.

The following is a summary of the common share activity:

(number of shares)	For the nine months ended	
	September 30, 2020	September 30, 2019
Balance, beginning of period	26,735,620	27,286,052
Shares cancelled through NCIB	(1,307,778)	(531,332)
Balance, end of period	25,427,842	26,754,720

During the nine month period ending September 30, 2020, the Company purchased 1,307,778 shares for cancellation at a total price in the amount of \$15,151,000.

The company has recorded a positive adjustment to its accumulated other comprehensive earnings account of \$467,000 due to the translation of one US dollar into 1.3339 Canadian dollars at September 30, 2020 compared to 1.2988 at December 31, 2019. This change has a corresponding impact of the assets and liabilities having a base currency of US dollars.

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

LIQUIDITY AND CAPITAL RESOURCES

TWC's objective is to ensure that capital resources are readily available to meet obligations as they become due, to complete its approved capital expenditure program and to take advantage of attractive acquisitions as they arise. TWC's capital availability and demonstrated ability to execute transactions give it a competitive advantage in corporate development opportunities.

A summarized statement of cash flows is as follows:

(thousands of Canadian dollars)	For the nine months ended	
	September 30, 2020	September 30, 2019
Cash provided by operating activities	\$ 33,480	\$ 59,282
Operating property, plant and equipment expenditures	(4,136)	(5,027)
Expansion property, plant and equipment expenditures	(3,290)	(1,197)
Mortgages and loans receivable	31,322	(2,015)
Revolving borrowings	16	(20,689)
Non-revolving borrowings – amortization payments	(15,879)	(13,839)
Lease liabilities	(3,597)	(3,826)
Cash dividends	(1,583)	(1,638)
Other long term assets	(1,842)	(191)
Proceeds from sale of property, plant and equipment	4,466	624
Joint venture acquisition	-	(9,301)
Common shares repurchased for cancellation	(15,151)	(6,882)
Investment in Automotive Properties REIT and marketable securities	(7,851)	(6,393)
Proceeds on sale of common shares in Carnival plc	5,825	-
Other	2,944	(2,490)
Net change in cash during the period	24,724	(13,582)
Cash, beginning of year	66,042	137,207
Cash, end of period	\$ 90,766	\$ 123,625

The analysis of TWC's liquidity is as follows:

(thousands of Canadian dollars)	Availability as at September 30, 2020		Availability as at December 31, 2019		Availability as at September 30, 2019	
	Maximum	Available	Maximum	Available	Maximum	Available
Cash and cash equivalents (CDN)	\$ 33,212	\$ 33,212	\$ 18,258	\$ 18,258	\$ 72,865	\$ 72,865
Cash and cash equivalents (USD)	57,554	57,554	47,784	47,784	50,760	50,760
Revolving line of credit (US Golf)	-	-	-	-	9,932	9,932
Revolving line of credit (corporate)	50,000	48,982	50,000	48,982	50,000	50,000
Related party revolving line of credit	50,000	49,984	50,000	50,000	50,000	50,000
	\$ 190,766	\$ 189,732	\$ 166,042	\$ 165,024	\$ 233,557	\$ 233,557

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

LIQUIDITY AND CAPITAL RESOURCES (continued)

Funds will be used during 2020 for operating capital expenditures, expansion capital expenditures and to pay debt obligations as they become due.

Liquidity risk arises from general funding needs and in the management of assets, liabilities and optimal capital structure. TWC manages liquidity risk to maintain sufficient liquid financial resources to meet its commitments and obligations in the most cost-effective manner possible.

Based on TWC's financial position at September 30, 2020, and projected future earnings, management expects to be able to fund its working capital requirements, and meet its other obligations including debt repayments.

The following is an analysis of the Company's net borrowings and their characteristics on September 30, 2020 compared to December 31, 2019:

(thousands of Canadian dollars)	Interest Rate September 30, 2020	Interest Rate December 31, 2019	Total Indebtedness September 30, 2020	Total Indebtedness December 31, 2019	Average Term to Maturity (Yrs) September 30, 2020	Average Term to Maturity (Yrs) December 31, 2019
Non-revolving	8.00%	8.00%	\$ 10,523	\$ 11,098	9.00	9.75
Exchange	-	-	3,514	3,316	-	-
Subtotal US borrowings	8.00%	8.00%	14,037	14,414		
Revolving (corporate)	2.93%	4.08%	-	-	1.00	1.75
Non-revolving	7.00%	7.04%	97,929	112,027	4.92	5.58
Other	5.00%	5.00%	4,277	5,265	2.66	3.41
Subtotal CDN borrowings	6.71%	6.95%	102,206	117,292		
Gross borrowings	6.86%	7.06%	116,243	131,706		
Lease liabilities	6.20%	6.20%	13,648	17,241		
Gross borrowings including lease liabilities			\$ 129,891	\$ 148,947		

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

TWC's consolidated borrowings include revolving lines of credit and non-revolving mortgages. The following table illustrates future maturities and amortization payments of consolidated borrowings for the next five years and thereafter as at September 30, 2020:

(thousands of Canadian dollars)	Borrowings	Lease Liabilities	Total
Balance of 2020	\$ 5,096	\$ 1,286	\$ 6,382
2021	22,478	5,341	27,819
2022	22,808	4,505	27,313
2023	21,625	1,180	22,805
2024	16,454	1,247	17,701
2025 and thereafter	27,782	89	27,871
	\$ 116,243	\$ 13,648	\$ 129,891

TWC expects to meet its 2020 mortgage obligations by way of cash flow from operations, and using cash on hand if necessary.

Operating Activities

Cash provided by operating activities were \$33,480,000 in 2020 compared to \$59,282,000 in 2019 due to a tax refund received in 2019 in relation to the White Pass divestiture.

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

LIQUIDITY AND CAPITAL RESOURCES (continued)

Investing Activities

Cash used in investing activities were \$7,022,000 in 2020 compared to \$21,485,000 in 2019 due to the sale of the shares in Carnival plc.

Financing Activities

Financing activities repayments were \$4,932,000 in 2020 compared to \$48,898,000 in 2019 due to the repayment of the Morguard loan receivable in 2020.

RELATED PARTY TRANSACTIONS

The immediate parent and controlling party of the Company is Paros Enterprises Limited ("Paros") and its parent – S.N.A. Management Limited. These companies are privately-owned companies whose shareholder is the Chairman, President and Chief Executive Officer of the Company – K. (Rai) Sahi.

K. (Rai) Sahi, the Chairman, President and Chief Executive Officer of the Company is also the controlling shareholder of Morguard Corporation ("Morguard").

The Company has provided an unsecured revolving demand credit facility to Morguard in the amount of \$50,000,000 with no fixed maturity date. Morguard has provided an unsecured revolving demand credit facility to TWC in the amount of \$50,000,000 with no fixed maturity date. These facilities bear interest on a basis which is consistent with the entity's borrowing costs.

Summarized information regarding these facilities is as follows:

(thousands of Canadian dollars)	For the three months ended		For the nine months ended		For the year ended
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	December 31, 2019
Loan receivable from (payable to) Morguard	(16)	45,780	(16)	45,780	33,679
Net interest receivable (payable)	95	386	95	386	304
Net interest earned (incurred)	95	386	407	1,186	1,489

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 2020 and 2019, there were no advances or repayments under this facility.

The purpose of these credit facilities is to allow each of the above entities to manage its financing activities in the most effective manner.

The Company has provided an unsecured revolving demand credit facility to an investment in joint venture in the amount of \$3,000,000, with no fixed maturity date. This facility bears interest at prime plus 1.25%. As at September 30, 2020, the amount receivable on this facility was \$1,885,000 (September 30, 2019 - \$1,528,000). Interest receivable at September 30, 2020 was \$5,000 (September 30, 2019 - \$9,000), and interest earned amounted to \$50,000 for the nine month period ended September 30, 2020 (September 30, 2019 - \$9,000). For the three months ended September 30, 2020, interest earned amounted to \$17,000 (three months ended September 30, 2019 - \$9,000).

The Company receives managerial and consulting services from Morguard. The Company paid a management fee of \$521,000 for the nine month period ended September 30, 2020 (September 30, 2019 - \$521,000), under a contractual agreement, which is included in operating expenses. For the three months ended September 30, 2020, the Company paid a management fee of \$173,000 (three months ended September 30, 2019 - \$173,000). Morguard also provides back-office services to ClubLink US Corporation. The Company paid a management fee of US\$345,000 (CDN\$467,000) for the nine month period ended September 30, 2020 (September 30, 2019 - US\$345,000; CDN\$459,000) under a contractual agreement, which is included in direct operating expenses. For the three months ended September 30, 2020, the Company paid US\$115,000 (CDN\$163,000) in management fees (three months ended September 30, 2019 - US\$115,000; CDN\$152,000).

A total of US\$39,000 of rental revenue was earned by TWC for the nine month period ended September 30, 2020 (September 30, 2019 - US\$39,000) from Morguard relating to a shared office facility in Florida. For the three months ended September 30, 2020, rental revenue earned was US\$13,000 (three months ended September 30, 2019 - US\$13,000).

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

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

SUMMARY OF FINANCIAL RESULTS BY QUARTER

The table below sets forth selected financial data for the most recent nine quarters ending September 30, 2020. The financial data is derived from the Company's unaudited interim financial statements, which are prepared in accordance with IFRS as follows:

(thousands of Canadian dollars, except per share amounts)	2020			2019				2018	
	Sept. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30
Total assets	\$ 651,987	\$ 655,406	\$ 688,101	\$ 675,606	\$ 698,543	\$ 714,319	\$ 727,366	\$ 703,076	\$ 706,172
Operating revenue	55,293	21,696	20,070	29,145	65,260	46,202	23,034	29,035	65,351
Net operating income	30,990	533	1,620	4,885	15,176	5,348	3,577	3,476	14,763
Operating margin (%)	56.0	2.5	8.1	16.8	23.3	11.6	15.5	12.0	22.6
Net earnings (loss)	22,427	2,605	(32,420)	4,859	7,322	(3,291)	(3,986)	3,090	220,433
Basic earnings (loss) per share	0.87	0.10	(1.22)	0.18	0.27	(0.12)	(0.15)	0.11	8.06
Eligible cash dividends per share	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02

SEASONALITY

The quarterly earnings performance of the Company reflects the highly seasonal nature of the golf business segment. The majority of revenue and earnings from the Canadian golf operations occur during the second and third quarters of the year. Accordingly, the quarterly reported net earnings of the Company will fluctuate with those of the underlying business segments.

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

RISKS AND UNCERTAINTIES

The Company is exposed to risks as further analyzed and described in the annual MD&A for December 31, 2019. In addition to these risks, the following has been identified which can also impact the risks previously identified:

COVID-19 and Other Pandemic or Epidemic Diseases

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to contain the spread of the virus. Outbreaks, or the threat of outbreaks of viruses or other contagions or epidemic or pandemic diseases, including the recent COVID-19 outbreak, may lead to prolonged voluntary or mandatory building closures, business closures, government restrictions on travel and gatherings, quarantines, self-isolation and physical distancing. The impact of these measures may lead to a general shutdown of economic activity and disrupt workforce and business operations both in Canada and the World. Such occurrences, including the outbreak of COVID-19, could have a material adverse effect on debt and capital markets, and the ability to provide certain services to golf members if social distancing regulations remain in place. The duration and impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. The pace of recovery following such occurrences cannot be accurately predicted, nor can the impact on the Company's asset valuations, cash flows, results of operations and the Company's ability to obtain additional financing or re-financing and ability to make dividend payments to shareholders.

Specifically, such enhanced risks associated with COVID-19 include, but are not limited to:

- the negative impact on Canadian and global debt and equity capital markets, including both pricing and availability;
- ability to access capital markets at a reasonable cost;
- the trading price of the Company's shares;
- uncertainty associated with the costs and availability of resources required to provide the appropriate/required levels of service to our members and maintenance of our courses;
- a material reduction in annual dues revenue and related collections due to associated financial hardship and non-essential business orders governing the closure of certain businesses;
- a material increase in resignations potentially caused by both the resulting economic crisis and the inability of businesses to operate;
- uncertainty with property valuations resulting from the impact of a potential decline in revenue;
- issues delivering services due to illness, Company or government imposed isolation programs, restrictions on the movement of personnel, closures and supply chain disruptions;
- uncertainty associated with costs, delays and availability of resources required to complete major course maintenance and capital projects on time and budget;
- the impact of additional legislation, regulation and other government interventions in response to the COVID-19 pandemic;

The foregoing is not an exhaustive list of all risk factors.

Developments regarding the COVID-19 pandemic have resulted in a substantive shift in management's focus towards ensuring the continued safety of our employees, compliance with guidelines and requirements issued by various health authorities and government organizations, and continuity of other critical business operations. We remain focused on delivering our key business operations in a responsible manner.

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

DISCLOSURE CONTROLS AND PROCEDURES

TWC's Chairman, President and Chief Executive Officer ("CEO") and its Chief Financial Officer ("CFO") are responsible for establishing and maintaining the Company's disclosure controls and procedures. Our disclosure controls are designed to provide reasonable assurance that information required to be disclosed by TWC is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws, and include controls and procedures that are designed to ensure that information is accumulated and communicated to management, including the CEO and CFO, to allow timely decisions regarding required disclosure.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting.

The Company's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of TWC's assets; (ii) provide reasonable assurance that transactions are recorded appropriately to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorization of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

There were no changes in internal control over financial reporting that occurred during the Company's most recent year that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

In March, the Company initiated its business continuity plan in response to the COVID-19 pandemic and physical distancing measures which mandated its employee base to work remotely where possible, as well as to maintain a safe environment for its employees and stakeholders, coordinating efforts across its portfolio, standardizing communications and responding as circumstances demand. The remote work arrangements did not have an impact on the design of the internal controls in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company will continue to monitor and mitigate the risks associated with changes to its control environment in response to COVID-19.

OUTLOOK

Golf Club Operations

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to contain the spread of the virus which may lead to prolonged voluntary or mandatory building closures, business closures, government restrictions on travel and gatherings, quarantines, self-isolation and physical distancing. As a result, the Company temporarily closed all golf clubs in order to adhere to these restrictions and ensure the health and wellbeing of members and staff alike. This has and will continue to impact revenue streams such as corporate events, banquets, meetings, resort and greens fee as golf clubs have reopened but social distancing requirements still prohibit certain services. The Company will continue to adhere to guidance provided by governments and regulatory authorities. As required by the IFRS, ClubLink recognizes its annual dues revenue on a straight-line basis throughout the year based on when its properties are open and the service is provided.

Management is expecting 2020 revenue from the amortization of membership fees to be approximately \$4.3 million compared to \$5.1 million in 2019. In general, membership fee collections have been declining over the last five years due to the downward pressure from the Company's competitors and an oversupply of golf courses in the markets where the Company operates. The average membership price for 2020 is \$3,799 as compared to \$4,025 in 2019, \$3,508 in 2018, \$4,107 in 2017 and \$5,996 in 2016. This trend is expected to continue in the short-term. Inflationary increases for annual dues are still the norm.

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

OUTLOOK (continued)

Highland Gate Development

TWC has been pursuing the development of its Highland Gate property in Aurora, Ontario as part of a joint venture with Geranium Homes.

The development plan contains 158 single family detached homes, a seven storey multi-unit residential building with 114 units, a 10-metre landscaped buffer between existing rear yards and adjacent new streets, 7.6 kilometres of off-street trails resulting in a total pedestrian network consisting of 10.2 kilometres, and building a major new 21-acre park in the first phase of the development.

The sales office opened on July 24, 2017 and servicing of the 44 lots in Phase 1a commenced on October 23, 2017 and has now been completed.

In 2019, there were five closings of this first phase along with the build-out of two model homes. The first phase has been re-introduced with revised pricing in the first quarter of 2020.

Glen Abbey Development

TWC previously announced a long-term plan to transform Glen Abbey Golf Club and dedicate more than half (approximately 124 acres) of the privately-owned site to the public as permanent, publicly accessible green space by filing three development applications on November 10, 2016 with the Town of Oakville. The mixed-use development will deliver approximately 107,000 sf office and 69,000 sf retail space, along with a housing development consisting of 3,222 units compatible with the current character of the Oakville community and consistent with the provincial directive to focus growth within Oakville's built boundary.

ClubLink's three development applications, Official Plan and zoning by-law amendments and the Draft Plan of Subdivision, were deemed complete on November 10, 2016, the date they were received by the Town. Each of these applications have been appealed to the Local Planning Appeal Tribunal ("LPAT").

The LPAT hearing for this file has now been scheduled for August 3, 2021.

The development application process at Glen Abbey may take several years to conclude and accordingly the property will be operated as a golf course by the Company for the immediate future.

Kanata Development

ClubLink has been working with two local developers on development options at Kanata Golf and Country Club in Ottawa. A development application was submitted to the City of Ottawa on October 8, 2019 and deemed complete on October 17, 2019. On October 25, 2019, the City of Ottawa filed a Superior Court application to have ClubLink's application withdrawn or transfer the property to the City at no cost. ClubLink is vigorously defending Ottawa's application. A LPAT hearing has been scheduled for this file on January 17, 2022.

US Golf Club Operations

ClubLink is working with a local Florida developer to explore development options at Woodlands Country Club in Tamarac, Florida.

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

ADDITIONAL INFORMATION

Additional information concerning the Company, as well as the Company's Annual Information Form is available on SEDAR (www.sedar.com) and the investor relations section of the Company's website (www.twcenterprises.ca).

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The condensed consolidated interim financial statements (the "financial statements") and management's discussion and analysis of operations contained in this quarterly report are the responsibility of the Company's management. To fulfill this responsibility, the Company maintains a system of internal controls to ensure that its reporting practices and accounting and administrative procedures are appropriate and provide assurance that relevant and reliable financial information is produced. The financial statements have been prepared in conformity with International Financial Reporting Standards and, where appropriate, reflect estimates based on management's best judgment in the circumstances. The financial information presented throughout this quarterly report is consistent with the information contained in the financial statements.

The financial statements have been further examined by the Board of Directors and by its Audit Committee, which meets regularly with the auditors and management to review the activities of each. The Audit Committee, which is comprised of three independent directors, who are not officers of the Company, reports to the Board of Directors.



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



Andrew Tamlin
Chief Financial Officer

November 3, 2020