

# TWC ENTERPRISES LIMITED

CLUBLINK  
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## 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, 2021	September 30, 2020	September 30, 2021	September 30, 2020
<b>OPERATIONS</b>				
Operating revenue	<b>63,245</b>	55,293	<b>111,413</b>	97,059
Net operating income <sup>(1)</sup>	<b>26,953</b>	30,990	<b>33,732</b>	33,143
Net earnings (loss)	<b>22,757</b>	22,427	<b>27,684</b>	(7,388)
<b>OPERATING DATA</b>				
Canadian full privilege golf members			<b>15,714</b>	14,671
Championship rounds - Canada <sup>(2)</sup>	<b>631,000</b>	689,000	<b>993,000</b>	991,000
18-hole equivalent championship golf courses - Canada <sup>(2,3)</sup>			<b>39.5</b>	39.5
18-hole equivalent managed golf courses - Canada			<b>2.0</b>	1.0
Championship rounds - U.S. <sup>(2)</sup>	<b>37,000</b>	43,000	<b>193,000</b>	191,000
18-hole equivalent championship golf courses - U.S. <sup>(2,3)</sup>			<b>8.0</b>	8.0
<b>COMMON SHARE DATA (000)</b>				
Shares outstanding	<b>24,548</b>	25,428	<b>24,548</b>	25,428
Weighted average shares outstanding	<b>24,548</b>	25,822	<b>24,678</b>	26,251
<b>PER COMMON SHARE DATA (\$)</b>				
Basic and diluted earnings (loss)	<b>0.93</b>	0.87	<b>1.12</b>	(0.28)
Eligible cash dividend	<b>0.02</b>	0.02	<b>0.06</b>	0.06
<b>FINANCIAL POSITION</b>				
Total assets			<b>720,505</b>	651,987
Gross borrowings			<b>143,317</b>	129,891
Shareholders' equity			<b>441,284</b>	412,875
Gross borrowings to shareholders' equity ratio			<b>0.32</b>	0.31
Net book value per share <sup>(1)</sup>			<b>17.98</b>	16.24

(1) Net operating income 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") audited consolidated financial statements and accompanying notes for the period ended September 30, 2021. This MD&A has been prepared as at November 3, 2021 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 and operating margin. 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.

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 49½, 18-hole equivalent championship and 3½, 18-hole equivalent academy courses, at 37 locations in two separate geographical Regions: (a) Ontario/Quebec (including two managed properties) and (b) Florida.

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

Revenue at all golf club properties is enhanced by cross-marketing, as the demographics of target markets for each are substantially similar. Revenue is further improved by corporate golf events, business meetings and social events that utilize golf capacity and related facilities at times that are not in high demand by ClubLink's members. Due to COVID-19, this supplemental revenue which typically involves gatherings of people has been minimal since the start of COVID-19.

Member and Hybrid Golf Club revenue is maximized by the sale of flexible personal and corporate memberships that offer reciprocal playing privileges at ClubLink golf clubs. In recent years, ClubLink has been focusing on providing enhanced value for its memberships as well as cultivating a family-type atmosphere at its golf clubs.

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

ClubLink also has annual membership programs, which are unique to each Region. These product offerings include Players Card and Players Club in the Ontario/Quebec Region; as well as the ClubLink Card in the Florida Region.

### *(a) Ontario/Quebec*

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

In 2021, ClubLink is operating 25 Ontario/Quebec Region Member Golf Clubs in three categories as follows:

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

In 2021, ClubLink is managing two golf clubs on behalf of other owners as follows:

Club de Golf Le Fontainebleau was purchased by Club de Golf Rosemère on December 14, 2018 and changed its name to Club de Golf Rosemère. ClubLink retains a management fee arrangement of Fontainebleau. ClubLink is also involved with the La Bête Golf Club property which will be run as a managed property associated with Le Maître.

# 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 2021, 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 2021, ClubLink is operating two Ontario/Quebec Region Daily Fee Golf Clubs as follows:

Daily Fee: Grandview Inn, Rolling Hills

ClubLink has approximately 350 Players Card memberships. Players Card annual memberships allow golfers unlimited access to Rolling Hills during spring and fall shoulder seasons in addition to twilight golf during the summer season. A fixed number of rounds certificates are also included with each Players Card.

ClubLink has approximately 3,500 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.

In 2021, 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 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 2021, ClubLink is operating six Florida Region Golf Clubs as follows:

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

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

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

### *Corporate Operations Segment*

TWC's objective at the corporate level is to identify opportunities to generate incremental returns and cash flow. Historically, the nature of these investments included debt and equity instruments in both public and private organizations.

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

## OPERATING UPDATE - COVID-19 PANDEMIC

COVID-19 has significantly impacted both the Company and its assets. Certain properties and food and beverage operations were mandated to be closed in the spring of 2020 and again in the first quarter of 2021 due to government imposed lockdowns. ClubLink was able to open up the majority of its Ontario properties in early April before an Ontario stay at home order mandated them closed again on April 17, 2021. The Company was able to reopen its Ontario properties again on May 22, 2021. The Company's Florida properties were not subject to any mandated closures in 2021. COVID-19 and any related restrictions has and is expected to continue to impact certain revenue streams such as corporate events, banquets, weddings and food and beverage.

## HIGHLAND GATE TRANSACTION AND CONSOLIDATION

On April 14, 2021, ClubLink purchased a 25% profit participation interest in the Highland Gate joint venture from one of its partners of the project. The partner had equity into the joint venture and was entitled to certain priority rights with profit distributions. ClubLink is now entitled to 83.33% of the project's profits after this transaction. As a result of this transaction, ClubLink has achieved control of this project which requires the consolidation of the project's financial statements. As of September 30, 2021, there have not been any further homes closed for this project beyond the five closings in 2019.

## GLEN ABBEY

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 20 week LPAT hearing for this file was scheduled to begin August 9, 2021.

On June 16, 2021, the Regional Municipality of Halton passed a resolution urging the Province of Ontario to use all resources and tools at their disposal to protect Glen Abbey.

Also on June 16, 2021, Provincial Housing Minister Steve Clark wrote a letter to the Town of Oakville and Region of Halton confirming that Glen Abbey was a matter of provincial interest and that Provincial staff will be working with Town staff for potential solutions to protect Glen Abbey.

On July 9, 2021, ClubLink withdrew its Glen Abbey development appeals.

In conjunction with the above events, TWC recorded a \$9,689,000 charge for the nine month period ending September 30, 2021, representing the capitalized costs in relation to the redevelopment.

## 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, 2021	December 31, 2020	September 30, 2020
Balance Sheet	1.2741	1.2732	1.3339
Statement of Earnings - First Quarter	1.2666	N/A	1.3442
Statement of Earnings - Second Quarter	1.2280	N/A	1.3859
Statement of Earnings - Third Quarter	1.2601	N/A	1.3316

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

## THREE MONTH CONSOLIDATED OPERATING HIGHLIGHTS

The table below sets forth selected financial data relating to the Company's three month periods ended September 30, 2021 and September 30, 2020. 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, 2021	September 30, 2020	% Change
OPERATING REVENUE	\$ 63,245	\$ 55,293	14.4%
DIRECT OPERATING EXPENSES	36,292	24,303	49.3%
NET OPERATING INCOME	26,953	30,990	(13.0%)
Operating margin (%)	42.0%	56.0%	(25.0%)
Amortization of membership fees	1,324	1,307	1.3%
Depreciation and amortization	(4,712)	(4,718)	(0.1%)
Interest, net and investment income	(263)	(1,046)	(74.9%)
Other items	5,109	3,119	63.8%
Income taxes	(5,654)	(7,225)	(21.7%)
NET EARNINGS	\$ 22,757	\$ 22,427	1.5%
BASIC AND DILUTED EARNINGS PER SHARE	\$ 0.93	\$ 0.87	6.9%

The breakdown of operating revenue is as follows:

(thousands of Canadian dollars)	For the three months ended		
	September 30, 2021	September 30, 2020	% Change
Annual dues	\$ 19,598	\$ 15,821	23.9%
Golf	21,161	20,874	1.4%
Corporate events	2,347	1,689	39.0%
Food and beverage	12,134	10,089	20.3%
Merchandise	4,799	4,194	14.4%
Rooms and other	3,206	2,626	22.1%
	\$ 63,245	\$ 55,293	14.4%

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

## THIRD QUARTER 2021 CONSOLIDATED OPERATING HIGHLIGHTS

As required by IFRS, ClubLink recognizes its annual dues revenue on a straight-line basis throughout the year based on when its properties are allowed to open and services are provided. As a result of COVID-19 lockdowns in both 2020 and 2021, annual dues revenue was not recognized during certain periods early in both years. Canadian annual dues revenue increased 27.2% to \$18,133,000 for the three month period ended September 30, 2021 from \$14,254,000 in 2020 due to this policy and an increase in members. Any displaced revenue from the closure period will be recognized into revenue throughout the remainder of the year on a straight-line basis.

Operating revenue increased 14.4% for the three month period ended September 30, 2021 due to higher annual dues revenue along with the ability to operate in 2021 with less restrictions as compared to 2020.

Direct operating expenses increased 49.3% to \$36,292,000 for the three month period ended September 30, 2021 from \$24,303,000 in 2020 due to higher revenue levels in 2021 in addition to lower Canada Emergency Wage Subsidy amounts received in 2021.

Net operating income for the Canadian golf club operations segment decreased to \$28,016,000 for the three month period ended September 30, 2021 from income of \$32,193,000 in 2020.

Interest, net and investment income decreased 74.9% to an expense of \$263,000 for the three month period ended September 30, 2021 from \$1,046,000 in 2020 due to a decrease in operational borrowings and an increase in investment income from the Company's investment in Automotive Properties REIT.

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

(thousands of Canadian dollars)	For three months ended	
	September 30, 2021	September 30, 2020
Impairment reversal (Heron Bay)	\$ (2,628)	\$ -
Unrealized foreign exchange loss (gain)	(708)	1,556
Unrealized gain on investment in marketable securities	(2,067)	(3,909)
Equity loss (income) from investments in joint ventures	340	(43)
Gain on property, plant and equipment	(238)	(891)
Glen Abbey development charge	189	-
Other	3	168
Other items	\$ (5,109)	\$ (3,119)

On October 8, 2021, the Company sold Heron Bay Golf Club for proceeds of US\$32,000,000. At September 30, 2021, Heron Bay Golf Club has been classified as held for sale. Immediately prior to the classification of asset held for sale, the carrying amount of Heron Bay was re-measured to its recoverable amount. As a result, the Company recorded an impairment reversal pertaining to the 2018 impairment charge of US\$2,510,000. As of September 30, 2021, the impairment reversal was recorded at a value of \$2,628,000 (US\$2,074,000) representing the impairment reversal net of what would have otherwise subsequently been depreciated from January 1, 2019 to September 30, 2021.

The exchange rate used for translating US denominated assets has changed from 1.2394 at June 30, 2021 to 1.2741 at September 30, 2021. This has resulted in a foreign exchange gain of \$708,000 for the three month period ended September 30, 2021 on the translation of the Company's US denominated financial instruments.

Net earnings remained relatively flat at \$22,757,000 for the three month period ended September 30, 2021 as compared to \$22,427,000 in 2020. Basic and diluted earnings per share increased to 93 cents per share in 2021, compared to 87 cents in 2020 due to the decline in weighted average shares outstanding in 2021.

# 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, 2021 and September 30, 2020. 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, 2021	September 30, 2020	
OPERATING REVENUE	\$ 111,413	\$ 97,059	14.8%
DIRECT OPERATING EXPENSES	77,681	63,916	21.5%
NET OPERATING INCOME	33,732	33,143	1.8%
Operating margin (%)	30.3%	34.1%	(11.1%)
Amortization of membership fees	3,319	3,552	(6.6%)
Depreciation and amortization	(14,255)	(14,561)	(2.1%)
Interest, net and investment income	(1,083)	(2,848)	(62.0%)
Other items	10,446	(24,744)	N/A
Income taxes	(4,475)	(1,930)	(131.9%)
NET EARNINGS (LOSS)	\$ 27,684	\$ (7,388)	N/A
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE	\$ 1.12	\$ (0.28)	N/A
TOTAL ASSETS	\$ 720,505	\$ 651,987	10.5%
GROSS BORROWINGS	\$ 143,317	\$ 129,891	10.3%
SHAREHOLDERS' EQUITY	\$ 441,284	\$ 412,875	6.9%

The breakdown of operating revenue is as follows:

(thousands of Canadian dollars)	For the nine months ended		% Change
	September 30, 2021	September 30, 2020	
Annual dues	\$ 41,532	\$ 37,539	10.6%
Golf	37,650	34,804	8.2%
Corporate events	2,844	1,963	44.9%
Food and beverage	16,284	13,702	18.8%
Merchandise	8,807	6,060	45.3%
Rooms and other	4,296	2,991	43.6%
	\$ 111,413	\$ 97,059	14.8%

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

## RESULTS OF OPERATIONS BY BUSINESS SEGMENT

The results of operations by business segment should be read in conjunction with the segmented information contained in note 19 of the unaudited consolidated financial statements for the nine month period ended September 30, 2021.

(thousands of Canadian dollars)	For the nine months ended September 30, 2021	September 30, 2020	% Change
Operating revenue by segment			
<i>Canadian golf club operations</i>	\$ 97,745	\$ 83,540	17.0%
<i>US golf club operations</i>	13,668	13,519	1.1%
Operating revenue	\$111,413	\$ 97,059	14.8%
Net operating income (loss) by segment			
<i>Canadian golf club operations</i>	\$ 34,194	\$ 35,140	(2.7%)
<i>US golf club operations</i>	1,786	263	579.1%
<i>Corporate operations</i>	(2,248)	(2,260)	(0.5%)
Net operating income	\$ 33,732	\$ 33,143	1.8%

### *Review of Canadian Golf Club Operations for the Period Ended September 30, 2021*

#### *Summary of Canadian Golf Club Operations*

(statistics)	For the nine months ended September 30, 2021	September 30, 2020	% Change
18-hole equivalent championship golf courses	39.5	39.5	-
18-hole equivalent managed golf courses	2.0	1.0	100.0%
Championship rounds	993,000	991,000	0.2%

(thousands of Canadian dollars)	For the nine months ended September 30, 2021	September 30, 2020	% Change
Operating revenue	\$ 97,745	\$ 83,540	17.0%
Direct operating expenses	63,551	48,400	31.3%
Net operating income	34,194	35,140	(2.7%)
Amortization of membership fees	3,111	3,292	(5.5%)
Depreciation and amortization	(13,215)	(13,243)	(0.2%)
Other items	(6,107)	787	N/A
Segment earnings before interest and income taxes	\$ 17,983	\$ 25,976	(30.8%)
Operating margin %	35.0%	42.1%	(16.9%)

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

## RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

### 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, 2021	September 30, 2020	
Annual dues	\$ 37,181	\$ 32,912	13.0%
Corporate events	2,708	1,890	43.3%
Golf	30,206	27,481	9.9%
Food and beverage	15,047	12,596	19.5%
Merchandise, rooms and other	12,603	8,661	45.5%
Total operating revenue	\$ 97,745	\$ 83,540	17.0%

As required by IFRS, ClubLink recognizes its annual dues revenue on a straight-line basis throughout the year based on when its properties are allowed to operate and services are provided. During the winter 2021 lockdown in Ontario and Quebec, it was concluded that the Company's golf clubs were not allowed to operate. Ontario also imposed a second lockdown from April 17, 2021 to May 21, 2021.

Annual dues is analyzed as follows for Canadian golf operations:

(thousands of Canadian dollars)	For the three months ended	
	September 30, 2021	September 30, 2020
Number of days in quarter	91	91
Number of days in quarter which ClubLink was allowed to operate - Ontario	91	91
Number of days in quarter which ClubLink was allowed to operate - Quebec	91	91
Canadian annual dues revenue recognized during quarter	\$ 18,133	\$ 14,254

(thousands of Canadian dollars)	For the nine months ended	
	September 30, 2021	September 30, 2020
Number of days in period	269	271
Number of days in period which ClubLink was allowed to operate - Ontario	186	214
Number of days in period which ClubLink was allowed to operate - Quebec	221	210
Canadian annual dues revenue recognized during period	\$ 37,181	\$ 32,912

It is anticipated that ClubLink will record approximately \$56,000,000 in Canadian annual dues revenue in 2021 as compared to \$48,081,000 in 2020.

# 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, 2021 (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, 2021	September 30, 2020	
Cost of sales	\$ 10,646	\$ 8,316	28.0%
Labour and employee benefits	32,293	22,224	45.3%
Utilities	4,326	4,248	1.8%
Selling, general and administrative	2,194	1,781	23.2%
Property taxes	1,813	1,913	(5.2%)
Insurance	1,505	1,348	11.6%
Repairs and maintenance	2,484	2,001	24.1%
Turf maintenance	2,704	2,051	31.8%
Fuel and oil	738	537	37.4%
Other operating expenses	4,848	3,981	21.8%
Total direct operating expenses	\$ 63,551	\$ 48,400	31.3%

In general, direct operating expenses are higher during the nine months ended September 30, 2021 as compared to 2020 due to higher activity levels at our properties including higher operating revenue in addition to lower Canada Emergency Wage Subsidy received in 2021.

The increase in turf maintenance expenses is primarily due to increased golf rounds since the start of COVID-19 requiring enhanced maintenance work to be performed.

#### Canadian Membership Fees

Full privilege golf members increased 7.1% to 15,714 on September 30, 2021 from 14,671 on September 30, 2020 due to the strong demand for golf as part of the public reaction to the COVID-19 pandemic.

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

(thousands of Canadian dollars)	Nine months ended September 30, 2021		Year ended December 31, 2020		Nine months ended September 30, 2020	
	Golf Members	Future Membership Fee Instalments	Golf Members	Future Membership Fee Instalments	Golf Members	Future Membership Fee Instalments
Balance, beginning of period	14,861	\$ 24,379	14,193	\$ 20,533	14,193	\$ 20,533
Sales to new members	1,530	9,971	2,145	8,559	1,689	6,417
Reinstated members	333	430	322	494	263	444
Category changes	(21)	-	127	-	130	-
Transfer and upgrade fees from existing members	-	1,754	-	744	-	353
Resignations and terminations	(989)	(2,206)	(1,609)	(3,577)	(1,287)	(2,822)
Sale of Greenhills Golf Club	-	-	(317)	(52)	(317)	(52)
Instalments received in cash	-	(2,761)	-	(2,322)	-	(2,118)
Balance, end of period (Full Privilege)	15,714	\$ 31,567	14,861	\$ 24,379	14,671	\$ 22,755

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

## RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

### Canadian Membership Fees (continued)

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

	For the nine months ended		% Change
	September 30, 2021	September 30, 2020	
Corporate/Principal/Spousal	1,295	619	109.2%
Intermediate	10	771	(98.7%)
Junior	9	133	(93.2%)
Other	216	166	30.1%
Total	1,530	1,689	(9.4%)

Full privilege members are broken down into categories as follows:

	For the nine months ended		% Change
	September 30, 2021	September 30, 2020	
Corporate/Principal/Spousal	8,188	6,831	19.9%
Intermediate	1,752	1,870	(6.3%)
Junior	318	400	(20.5%)
Other	5,456	5,570	(2.0%)
Total	15,714	14,671	7.1%

The strong demand for golf as a reaction to the pandemic resulted in ClubLink not accepting trial (intermediate or junior) memberships starting late 2020 and into 2021 and also resulted in membership caps implemented at certain Golf Clubs.

### Review of US Golf Club Operations for the Period Ended September 30, 2021

(statistics)	For the nine months ended		% Change
	September 30, 2021	September 30, 2020	
18-hole equivalent championship golf courses	8.0	8.0	-
Championship rounds	193,000	191,000	1.0%

(thousands of dollars)	For the nine months ended		% Change
	September 30, 2021	September 30, 2020	
Operating revenue	\$ 10,907	\$ 10,029	8.8%
Direct operating expenses	9,485	9,822	(3.4%)
Net operating income	1,422	207	587.0%
Amortization of membership fees	166	192	(13.5%)
Depreciation and amortization	(833)	(974)	(14.5%)
Other items	2,015	(65)	N/A
Segment earnings (loss) before interest and income taxes (US dollars)	2,770	(640)	N/A
Exchange	740	(251)	N/A
Segment earnings (loss) before interest and income taxes (Cdn dollars)	\$ 3,510	\$ (891)	N/A

### Review of Corporate Items for the Period Ended September 30, 2021

#### Interest, Net and Investment Income

Interest, net and investment income decreased 62.0% to an expense of \$1,083,000 for the nine month period ended September 30, 2021 from \$2,848,000 in 2020 due to a decrease in operational borrowings and an increase in investment income from the Company's investment in Automotive Properties REIT.

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

## RESULTS OF OPERATIONS BY BUSINESS SEGMENT (continued)

### Review of Corporate Items for the Period Ended September 30, 2021 (continued)

#### Other Items

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

(thousands of Canadian dollars)	For the nine months ended	
	September 30, 2021	September 30, 2020
Impairment reversal (Heron Bay)	\$ (2,628)	\$ -
Glen Abbey development charge	9,689	-
Unrealized foreign exchange loss (gain)	50	(2,731)
Unrealized loss (gain) on investment in marketable securities	(13,876)	11,654
Loss on sale of common shares in Carnival plc	-	16,240
Equity loss (income) from investments in joint ventures	(293)	474
Gain on property, plant and equipment	(217)	(1,417)
Insurance proceeds	(3,356)	-
Other	185	524
Other items	\$ (10,446)	\$ 24,744

## FINANCIAL CONDITION

#### Assets

Total assets increased 13.9% to \$720,505,000 at September 30, 2021 from \$632,382,000 at December 31, 2020 due to the consolidation of the Highland Gate joint venture. This compares to \$651,987,000 at September 30, 2020.

#### Liabilities

Total liabilities increased 28.1% to \$279,221,000 at September 30, 2021 from \$218,013,000 at December 31, 2020 due to the consolidation of Highland Gate as well. This compares to \$239,112,000 at September 30, 2020.

#### Shareholders' Equity

Consolidated shareholders' equity at September 30, 2021 totaled \$441,284,000 or \$17.98 per share, compared to \$414,369,000 or \$16.56 per share at December 31, 2020 and \$412,875,000 or \$16.24 per share at September 30, 2020. The number of common shares outstanding decreased to 24,547,924 shares as at September 30, 2021 from 25,017,442 at December 31, 2020 and from 25,427,842 at September 30, 2020 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, 2021	September 30, 2020
Balance, beginning of period	25,017,442	26,735,620
Shares cancelled through NCIB	(469,518)	(1,307,778)
Balance, end of period	24,547,924	25,427,842

During the nine month period ended September 30, 2021, the Company purchased 469,518 shares for cancellation at a total price in the amount of \$8,302,000.

The Company has recorded a positive adjustment to its accumulated other comprehensive earnings account of \$39,000 due to the translation of one US dollar into 1.2741 Canadian dollars at September 30, 2021 compared to 1.2732 at December 31, 2020. 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, 2021	September 30, 2020
Cash provided by operating activities	\$ 45,905	\$ 33,480
Operating property, plant and equipment expenditures	(7,305)	(4,136)
Expansion property, plant and equipment expenditures	(2,168)	(3,290)
Asset acquisition cost (Highland Gate)	(12,444)	-
Other long term assets	(9,976)	(1,842)
Revolving borrowings	(1,257)	16
Non-revolving borrowings – amortization payments	(16,954)	(15,879)
Lease liabilities	(3,974)	(3,597)
Mortgages and loans receivable	2,033	31,322
Proceeds from sale of property, plant and equipment	293	4,466
Common shares repurchased for cancellation	(8,302)	(15,151)
Dividends paid	(1,484)	(1,583)
Investment in Automotive Properties REIT and marketable securities	(4,187)	(7,851)
Proceeds on sale of common shares in Carnival plc	-	5,825
Other	3,827	2,944
Net change in cash during the period	(15,993)	24,724
Cash, beginning of year	57,217	66,042
Cash, end of period	\$ 41,224	\$ 90,766

The analysis of TWC's liquidity is as follows:

(thousands of Canadian dollars)	Availability as at September 30, 2021		Availability as at December 31, 2020		Availability as at September 30, 2020	
	Maximum	Available	Maximum	Available	Maximum	Available
Cash and cash equivalents (CDN)	\$ 4,959	\$ 4,959	\$ 3,501	\$ 3,501	\$ 33,212	\$ 33,212
Cash and cash equivalents (USD)	36,265	36,265	53,716	53,716	57,554	57,554
Revolving line of credit (corporate)	50,000	48,982	50,000	40,893	50,000	48,982
Related party revolving line of credit	50,000	50,000	50,000	50,000	50,000	49,984
Subtotal	141,224	140,206	157,217	148,110	190,766	189,732
Highland Gate	107,000	65,629	-	-	-	-
Total	\$ 248,224	\$ 205,835	\$ 157,217	\$ 148,110	\$ 190,766	\$ 189,732

Included in the Canadian cash and cash equivalents at September 30, 2021 is \$944,000 of restricted cash from the Highland Gate project, representing deposits on future home sales held by counsel.

Funds will be used during 2021 for operating capital expenditures and to pay debt obligations as they become due.

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

Based on TWC's financial position at September 30, 2021, and projected future earnings, management expects to be able to fund its working capital requirements, and meet its other obligations including debt repayments.

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

## LIQUIDITY AND CAPITAL RESOURCES (continued)

The following is an analysis of the Company's net borrowings and their characteristics on September 30, 2021 compared to December 31, 2020:

(thousands of Canadian dollars)	Interest Rate September 30, 2021	Interest Rate December 31, 2020	Total Indebtedness September 30, 2021	Total Indebtedness December 31, 2020	Average Term to Maturity (Yrs) September 30, 2021	Average Term to Maturity (Yrs) December 31, 2020
Non-revolving	8.0%	8.0%	\$ 9,702	\$ 10,324	8.00	8.75
Exchange	-	-	2,659	2,820	-	-
Subtotal US borrowings	8.0%	8.0%	12,361	13,144		
Revolving (corporate)	2.9%	2.9%	-	8,089	1.00	1.75
Non-revolving	6.9%	7.0%	77,926	93,061	3.96	4.71
Other	5.0%	5.0%	3,274	4,315	1.66	2.41
Subtotal CDN borrowings	6.4%	6.4%	81,200	105,465		
Gross borrowings	6.6%	6.6%	93,561	118,609		
Lease liabilities	6.1%	6.1%	8,385	12,359	2.08	2.83
Subtotal			101,946	130,968		
Highland Gate borrowings	2.7%	-	41,371	-	1.08	-
Total			\$ 143,317	\$ 130,968		

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, 2021:

(thousands of Canadian dollars)	Highland Gate	Corporate Borrowings	Lease Liabilities	Total
Balance of 2021	\$ -	\$ 5,460	\$ 1,358	\$ 6,818
2022	41,371	22,754	4,507	68,632
2023	-	21,566	1,183	22,749
2024	-	16,391	1,248	17,639
2025	-	10,707	10	10,717
2026 and thereafter	-	16,683	79	16,762
	\$ 41,371	\$ 93,561	\$ 8,385	\$ 143,317

The Club at Bond Head is subject to a lease arrangement which concludes at the end of 2021 and is not expected to be renewed. The Country Club is subject to a lease arrangement which concludes at the end of 2022.

TWC expects to meet its 2021 mortgage obligations by way of cash flow from operations, and using cash deposits if necessary.

### Operating Activities

Cash provided by operating activities were \$45,905,000 in 2021 compared to \$33,480,000 in 2020.

### Investing Activities

Cash used in investing activities were \$31,837,000 in 2021 compared to \$7,022,000 in 2020 due to the Highland Gate asset acquisition and the sale of the shares in Carnival plc in 2020.

### Financing Activities

Financing activities payments were \$29,998,000 in 2021 compared to payments of \$4,932,000 in 2020.

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

## 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, 2021	September 30, 2020	September 30, 2021	September 30, 2020	December 31, 2020
Loan receivable from (payable to) Morguard	20,000	(16)	20,000	(16)	20,000
Net interest receivable	112	95	148	95	45
Net interest earned	112	95	332	407	452

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 2021 and 2020, 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, 2021, the amount receivable on this facility was nil (September 30, 2020 - \$1,885,000). Interest receivable at September 30, 2021 was nil (September 30, 2020 - \$5,000), and interest earned amounted to \$4,000 for the nine month period ended September 30, 2021 (September 30, 2020 - \$50,000). For the three months ended September 30, 2021, interest earned was nil (three months ended September 30, 2020 - \$17,000).

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, 2021 (September 30, 2020 - \$521,000), under a contractual agreement, which is included in operating expenses. For the three months ended September 30, 2021, the Company paid a management fee of \$173,000 (three months ended September 30, 2020 - \$173,000). Morguard also provides back-office services to ClubLink US Corporation. The Company paid a management fee of US\$345,000 (CDN\$432,000) for the nine month period ended September 30, 2021 (September 30, 2020 - US\$345,000; CDN\$459,000) under a contractual agreement, which is included in direct operating expenses. For the three months ended September 30, 2021, the Company paid US\$115,000 (CDN\$118,000) in management fees (three months ended September 30, 2020 - US\$115,000; CDN\$163,000).

The Highland Gate joint venture receives managerial services from Geranium management companies. The joint venture paid a management fee of \$1,305,000 for the nine month period ended September 30, 2021 under a contractual agreement, which is capitalized to residential inventory. For the three months ended September 30, 2021, the Company paid a management fee of \$285,000.

The Company provides landscaping services for Morguard. The Company received a fee of \$42,000 for the nine month period ended September 30, 2021 (September 30, 2020 - nil) under a contractual agreement. For the three months ended September 30, 2021, the Company received a fee of \$21,000 (three months ended September 30, 2020 - nil).

A total of US\$39,000 of rental revenue was earned by TWC for the nine month period ended September 30, 2021 (September 30, 2020 - US\$39,000) from Morguard relating to a shared office facility in Florida. For the three months ended September 30, 2021, rental revenue earned was US\$13,000 (three months ended September 30, 2020 - 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, 2021. 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)	2021			2020				2019	
	Sept. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30
Total assets	\$720,505	\$ 710,720	\$ 651,511	\$ 632,382	\$ 651,987	\$ 655,406	\$ 688,101	\$ 675,606	\$ 698,543
Operating revenue	63,245	34,059	14,109	30,157	55,293	21,696	20,070	29,145	65,260
Net operating income (loss)	26,953	9,036	(2,257)	10,768	30,990	533	1,620	4,885	15,176
Operating margin (%)	42.6	19.7	(16.0)	35.7	56.0	2.5	8.1	16.8	23.3
Net earnings (loss)	22,757	4,472	455	8,359	22,427	2,605	(32,420)	4,859	7,322
Basic earnings (loss) per share	0.93	0.18	0.02	0.33	0.87	0.10	(1.22)	0.18	0.27
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.

## RISKS AND UNCERTAINTIES

The Company is exposed to risks as further analyzed and described in the annual MD&A for December 31, 2020.

## 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.

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

## OUTLOOK

### *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 which is also the manager.

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 2019, there were five closings of this first phase along with build-out of two model homes. Supply chain issues and lack of trades people have meant delays in closing of certain homes.

Future sales of single family detached homes are analyzed as follows (excluding the condo block):

	Phase 1	Phase 2	Future Phases	Total
Number of lots	44	53	61	158
Lots/units made available for sale	41	51	-	92
Sales closed in 2019	(5)	-	-	(5)
Firm sales scheduled for Q4 2021	(17)	-	-	(17)
Firm sales scheduled for 2022	(19)	(48)	-	(67)
Firm sales scheduled for 2023	-	(3)	-	(3)
Unsold inventory	-	-	-	-

### *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 in order to have ClubLink comply with an agreement compelling a certain amount of open space known as the 40% Agreement. On February 19, 2021, ClubLink was notified that the Superior Court upheld the City's application. An expedited appeal was held on June 17, 2021 and the participants are still awaiting judgment. A LPAT hearing has been scheduled for this file on January 17, 2022.

### *Woodlands Golf Club*

ClubLink is working with 13th Floor (a local real estate developer based in south Florida) to explore development options at Woodlands Country Club in Tamarac, Florida. The development plan that has been submitted includes 397 single family homes. The plan also contains over 160 acres of permanently preserved open space, including 40 new acres of lakes, a new community centre and gated entry ways among other features. This plan has been initially approved by the City of Tamarac, has obtained final approval of Broward County and the State of Florida and is awaiting final approval by the City of Tamarac. This process has been managed by Morguard as part of its management services arrangement.

### *Heron Bay Golf Club*

ClubLink had previously accepted a US\$32,000,000 offer from the North Springs Improvement District, Coral Springs, Florida ("NSID"), for its Heron Bay Golf Club. This transaction closed on October 8, 2021.

# 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](http://www.sedar.com)) and the investor relations section of the Company's website ([www.twcenterprises.ca](http://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, 2021