

Thunderbird

R E S O R T S

FOR IMMEDIATE RELEASE

September 30 2020

Thunderbird Resorts 2020 Half-Year/ Semi-Annual Report Filed

Thunderbird Resorts, Inc. ("Thunderbird") (Euronext: TBIRD) is pleased to announce that its 2020 Half-year and Unaudited Consolidated Financial Statements have been filed with the Euronext ("Euronext Amsterdam") and the Netherlands Authority for Financial Markets ("AFM"). As a Designated Foreign Issuer with respect to Canadian securities regulations, the Half-year Report is intended to comply with the rules and regulations set forth by the AFM and the Euronext Amsterdam.

Copies of 2020 Half-year and Unaudited Consolidated Financial Statements Report in the English language will be available at no cost at the Group's website at www.thunderbirdresorts.com. Copies in the English language are available at no cost at the Group's operational office in Panama and at the offices of our local paying agent ING Commercial Banking, Paying Agency Services, Location Code TRC 01.013, Foppingadreef 7, 1102 BD Amsterdam, the Netherlands (tel: +31 20 563 6619, fax: +31 20 563 6959, email: iss.pas@ing.nl). Copies are also available on SEDAR at www.SEDAR.com.

Below are certain material excerpts from full 2020 Semi-Annual Report, the entirety of which can be found on our website at www.thunderbirdresorts.com.

Dear Shareholders and Investors:

The below summarizes the Group's performance¹ through June 30, 2020. We have now experienced two full quarters under the cloud and uncertainty of Covid-19. The below highlights our financial results through the period and highlights the adjustments we have made to the evolving market conditions.

- A. **EBITDA**²: Peru property EBITDA decreased by \$96 thousand for the six months ending June 30, 2020 as compared to the same period in 2019. During the same period, Nicaragua property EBITDA fell by \$584 thousand. Corporate expense decreased by \$161 thousand. After netting out Corporate expense and expenses from our proportional ownership in a Costa Rican real estate holding company, Adjusted EBITDA decreased by \$519 thousand as compared to through half-year 2019.
- B. **Profit / (Loss)**: Based on Continuing Operations, our Loss improved by \$273 thousand for the period as compared to the same period in 2019. The improvement was primarily due to large foreign exchange losses through half-year 2019 as compared to a small foreign exchange gain through half-year 2020.
- C. **Net Debt**³: Net debt increased by \$54 thousand in total as compared to year-end December 31, 2019.

During this period, the Group has innovated its offering across markets in order to optimize revenues under the lowest possible cost structures. It has also continued to bear the expenses required of being a public-traded company. Thunderbird and its properties remain going concerns and will continue to pursue decisions that will support the best interest of shareholders according to the shareholder mandate set forth in the September 21, 2016 Special Resolutions.

¹ Unless otherwise stated, all figures reported herein are in USD and report the results of those businesses that were continuing as of June 30, 2020 as compared to those same businesses through the six months ended June 30, 2019.

² "EBITDA" is not an accounting term under IFRS, and refers to earnings before net interest expense, income taxes, depreciation and amortization, equity in earnings of affiliates, minority interests, development costs, other gains and losses, and discontinued operations. "Property EBITDA" is equal to EBITDA at the country level(s). "Adjusted EBITDA" is equal to property EBITDA less "Corporate expenses", which are the expenses of operating the parent company and its non-operating subsidiaries and affiliates.

³ Net debt equals total borrowings and finance lease obligations less cash, cash equivalents and other liquid assets

GROUP OVERVIEW: The Group's consolidated profit/ (loss) summary for the six months ended June 30, 2020, as compared with the same period of 2019 is contained in the Group's 2020 Half-year Report located at www.thunderbirdresorts.com. In summary, Group revenue decreased by \$1.6 million or -21.1%, while adjusted EBITDA decreased by \$519 thousand or -38.2%.

RISK MANAGEMENT: For more detail on Risk Factors, see Chapter 5 of the Group's 2020 Half-year Report.

MANAGEMENT STATEMENT ON "GOING CONCERN": This statement is made taking into account the global health crisis and economic fallout caused by the pandemic Covid-19. There is instability in our markets and globally that could impact on Group activities in ways that are currently unpredictable. To account for the unpredictable conditions, in forecasting future cash flows in our assessment of Going Concern, Management has made certain extraordinary assumptions. Specifically, we have:

1. Forecasted a materially negative impact on revenue for the years 2020 and 2021, with revenues returning to 2019 levels only as of 2022.
2. Forecasted expenses to remain approximately at the levels they are as on date of publication of this 2019 Annual Report, meaning we are assuming (for Going Concern assessment only) that the Group has no more flexibility to drive down expenses further.
3. Assumed that: a) A portion of our secured debt will be restructured as an interest-only loan through 2021; and b) Our remaining unsecured debt will be deferred and repaid against liquidity events.
4. Assumed no development nor material construction, but do assume some repurposing of existing real estate to accommodate for changes in demand.
5. Forecasted no extraordinary one-time events that may impact positively or negatively on the Group's cash flows, though such events are possible particularly given the environment.
6. Assumed a stable regulatory environment in all countries with existing operations, and have forecasted receiving no governmental support apart from what has already been received as described in Other Group Events on pages 10 and 11 of the Group's 2020 Half-year Report.

Management has reviewed their plan with the Directors and has collectively formed a judgment that the Group has adequate resources to continue as a going concern for the foreseeable future, which Management and the Directors have defined as being at least the next 12 months from the filing of this 2020 Half-year Report. In arriving at this judgment, Management has prepared the cash flow projections of the Group.

Directors have reviewed this information provided by Management and have considered the information in relation to the financing uncertainties in the current economic climate, the Group's existing commitments and the financial resources available to the Group. Specifically, Directors have considered: (i) there are probably no sources of new financing available to the Group; (ii) the Group has limited trading exposures to our local suppliers and retail customers; (iii) other risks to which the Group is exposed, the most significant of which is considered to be regulatory risk; (iv) sources of Group income, including management fees charged to and income distributed from its various operations; (v) cash generation and debt amortization levels; (vi) fundamental trends of the Group's businesses; (vii) ability to re-amortize and unsecured lenders; and (viii) level of interest of third parties in the acquisition of certain operating assets, and status of genuine progress and probability of closing within the Going Concern period. The Directors have also considered certain critical factors that might affect continuing operations, as follows:

- **Special Resolution:** On September 21, 2016, the Group's shareholders approved a special resolution that, among other items, authorized the Board of Directors of the Corporate to sell "any or all remaining assets of the Corporation in such amounts and at such times as determined by the Board of Directors." This resolution facilitates the sale of any one or any combination of assets required to support maintaining of a going concern by the Group.
- **Corporate Expense and Cash Flow:** Corporate expense has decreased materially in recent years, but still must accommodate for compliance as a public company.
- **Liquidity and Working Capital:** As of the date of publication of this 2020 Half-year Report, the Group forecasts operating with low levels of reserves and working capital. Selling assets will be critical to creating a healthy level of working capital reserves for periods beyond the Going Concern period, which ability to liquidate assets is currently unknown.

Considering the above, Management and Directors are satisfied that the consolidated Group has adequate resources to continue as a going concern for at least the 12 months following the filing date of this report. For these reasons, Management and Directors continue to adopt the going concern basis in preparing the consolidated financial statements.

THUNDERBIRD RESORTS, INC. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Expressed in thousands of United States dollars) for the half-year ended June 30, 2020, were approved by the Board of Directors on September 30, 2020, and are contained in the Half-year Report for 2020 posted at www.thunderbirdresorts.com. The consolidated financial statements and the accompanying notes are an integral part of these consolidated financial statements.

SUBSEQUENT EVENTS: During the half-year ended June 30, 2020, the Group engaged in the following listed material events:

1. Company's Annual General Meeting of Shareholders

The Group reports the following results of the Company's Annual General Meeting of Shareholders held in La Mesa, California on September 4, 2020:

- On the matter of election of the board of directors, the shareholders voted 99.9% in favor of electing Salomon Guggenheim, George Gruenberg, and Stephan Fitch to serve on the board for the ensuing year.
- Baker Tilly was appointed as auditors for the ensuing year and the Board of Directors was authorized to affix their remuneration
- The shareholders received and considered the financial statements together with the auditor's report thereon for the financial year ended December 31, 2019

Following the meeting of shareholders the Board of Directors appointed the following persons as officers for the ensuing year:

- Salomon Guggenheim, President and Chief Executive Officer
- Albert W. Atallah, General Counsel and Corporate Secretary
- Peter LeSar, Chief Financial Officer

Based on the recommendations made by the Nominating Committee, the Board approved the following committee members:

Audit Committee

Stephan Fitch (Chairman)
George Gruenberg
Advisory member: Peter Lesar

Compensation Committee

George Gruenberg (Chairman)
Stephan Fitch
Salomon Guggenheim

Nominating and Governance Committee

Stephan Fitch (Chairman)
George Gruenberg
Salomon Guggenheim

Investment Committee

Stephan Fitch (Chairman)
Advisory members:
Salomon Guggenheim,
Peter LeSar and Albert Atallah

2. **New Financing:** On August 24, 2020, the Group entered into a new loan agreement in Peru for the amount of Soles 600 thousand (US\$ 172 thousand) under country's Reactiva Peru Program. The loan is to be used for Peru operations working capital. The loan bears interest at 1.00%, matures in 3 years and has a 12-month grace period.
3. **Refinancing of existing secured loan:** On July 12, 2020, the Group refinanced an existing \$4.6 million loan in Peru that is secured by our 66 all-suite hotel, approximately 5,400 m² of leasable offices and 158 of underground parking spaces. The loan bears interest of 6.5% annually, has 13-month interest only period, after which principal and interest payments are due monthly in 95 equal installments and a 25% balloon in month 96. The purpose of the loan refinancing is to increase the amount of available funds for working capital in the Group's Peru operation.

Note 22 in the Group's financial statements for the year ended December 31, 2019, provides a discussion of all of the Group's commitments. There are no material changes in that disclosure such that the contents of Note 22 are incorporated herein by reference as though fully set forth at length.

ABOUT THE COMPANY: *We are an international provider of branded casino and hospitality services, focused on markets in Latin America. Our mission is to "create extraordinary experiences for our guests." Additional information about the Group is available at www.thunderbirdresorts.com. Contact: Peter Lesar, Chief Financial Officer · Email: plesar@thunderbirdresorts.com.*

Cautionary Notice: The Half-year Report referred to in this release contains certain forward-looking statements within the meaning of the securities laws and regulations of various international, federal, and state jurisdictions. All statements, other than statements of historical fact, included in the Half-year Report, including without limitation, statements regarding potential revenue and future plans and objectives of Thunderbird are forward-looking statements that involve risk and uncertainties. There can be no assurances that such statements will prove to be accurate and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Thunderbird's forward-looking statements include competitive pressures, unfavorable changes in regulatory structures, and general risks associated with business, all of which are disclosed under the heading "Risk Factors" and elsewhere in Thunderbird's documents filed from time to time with the Euronext Amsterdam and other regulatory authorities. Included in the Half-year Report are certain "non-IFRS financial measures," which are measures of Thunderbird's historical or estimated future performance that are different from measures calculated and presented in accordance with IFRS, within the meaning of applicable Euronext Amsterdam rules, that are useful to investors. These measures include (i) Property EBITDA consists of income from operations before depreciation and amortization, write-downs, reserves and recoveries, project development costs, corporate expenses, corporate management fees, merger and integration costs, income/(losses) on interests in non-consolidated affiliates and amortization of intangible assets. Property EBITDA is a supplemental financial measure we use to evaluate our country-level operations. (ii) Adjusted EBITDA represents net earnings before interest expense, income taxes, depreciation and amortization, equity in earnings of affiliates, minority interests, development costs, and gain on refinancing and discontinued operations. Adjusted EBITDA is a supplemental financial measure we use to evaluate our overall operations. Property EBITDA and Adjusted EBITDA are supplemental financial measures used by management, as well as industry analysts, to evaluate our operations. However, Property and Adjusted EBITDA should not be construed as an alternative to income from operations (as an indicator of our operating performance) or to cash flows from operating activities (as a measure of liquidity) as determined in accordance with generally accepted accounting principles. Thunderbird's documents filed from time-to-time with the Euronext Amsterdam and other regulatory authorities.