

Thunderbird

R E S O R T S

FOR IMMEDIATE RELEASE

JUNE 30, 2020

THUNDERBIRD RESORTS 2019 ANNUAL REPORT FILED

Thunderbird Resorts Inc. ("Thunderbird") (FSE: 4TR; and Euronext: TBIRD) is pleased to announce that its 2019 Annual Report and Audited 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 Annual Report is intended to comply with the rules and regulations set forth by the AFM and the Euronext Amsterdam.

Below are certain material excerpts including the President & CEO Message to Shareholders as contained in the 2019 Annual Report on our website at www.thunderbirdresorts.com.

Dear Shareholders and Investors:

The below summarizes the Group's performance through December 31, 2019. Because of the sale of the Group's Peru gaming operations in April 2018, we report only continuing operations so that the reader might compare continuing business with the results of the same businesses through December 31, 2018.

1. PERFORMANCE IN 2019

- A. **EBITDA¹**: Peru property EBITDA improved by \$135 thousand through December 31, 2019 as compared to the same period in 2018. During the same period, Nicaragua property EBITDA improved by \$996 thousand. Corporate Expense was reduced by \$743 thousand in 2019 as compared to 2018. Adjusted EBITDA increased by approximately \$1.9 million in 2019 as compared to 2018.
- B. **Profit / (Loss)**: Based on Continuing Operations, our Loss improved by approximately \$2.8 million for the period as compared to 2018. The improvement was due primarily to: i) Reduced Interest and Finance Costs, Net; and ii) Decreased income tax.
- C. **Net Debt**: Due to a change in accounting policy as required by IFRS 16, the Group is now required to account for the net present value of real estate operating lease contracts as Obligations under leases and hire purchase contracts. Gross borrowings increased by approximately \$290 thousand as of December 31, 2019 as compared to the same date in 2018. However, because of IFRS 16, Gross debt increased by approximately \$5.1 million and Net debt increased by approximately \$6.1 million as cash and cash equivalents reduced by approximately \$0.9 million.

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2. IMPACT OF COVID-19 ON 2020 AND BEYOND

The world is faced with a level of instability that reduces, though does not eliminate the Group's ability and flexibility to mitigate risks and solve challenges.

In this sense, we have materially updated our Management Statement on Going Concern, which we recommend that all shareholders review on page 23. We also recommend that shareholders carefully review Other Group Updates on page 15, where we detail the work underway to offset the current challenges.

Here is how the Group's operations have been impacted in 2020 since the outbreak of Covid-19:

- A. Revenue in Nicaragua fell by approximately 40% in Q2 as compared to Q1 2020.
- B. Revenue in Peru fell by approximately 17% in Q2 as compared to Q1 2020.
- C. In both cases, we have materially restructured the organizations to stabilize cash flow as much as possible. We have also further reduced Corporate Expense, as described in Other Group Updates. These restructurings are still ongoing and revenue is still unpredictable in the coming months, so we are currently uncertain as to the stability of cash flows.

3. SHAREHOLDER MANDATE AND OUR ASSETS

We 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 the status of which is summarized below on the Group's key remaining assets:

- A. **Peru Real Estate Assets:** As of the publication of this 2019 Annual Report, the Group continued to operate and wholly own a mixed-use tower containing a 66-suite hotel, approximately 6,703 m2 of rentable-sellable office space, and 158 underground parking spaces.
- B. **Nicaragua Gaming and Real Estate Assets:** As of the publication date of this 2019 Annual Report, the Group continued to own a 56% interest in a Nicaraguan holding company that owns the following assets: i) Gaming: Five full casinos and two slot parlors with a combined approximately 858 gaming positions; and ii) Real Estate: Approximately 4,562 m2 of land divided among 5 parcels, and some with tenant improvements as more fully detailed on page 13.
- C. **Costa Rica Real Estate Asset:** As of the publication of this 2019 Annual Report, the Group continues to own a 50% interest in a Costa Rican entity that owns the 11.6-hectare real estate property known as "Tres Rios". Tres Rios, with its own, dedicated off ramp, is located close to the country's 2nd largest mall on the highway between the capital city of San Jose and the commuter city of Cartago. Due to the controversies described in Note 22, section c, to the attached Financial Statements, it is improbable that the Tres Rios property will be developed and/or sold in the near future.

We 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.



Salomon Guggenheim,
Chief Executive Officer and President,
June 30, 2020

1. "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.

THUNDERBIRD RESORTS, INC. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Expressed in thousands of United States dollars) For the year ended December 31, 2019 were approved by the Board of Directors on June 30, 2020 and are contained in the 2019 Annual Report. Copies of the Annual 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.

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Cautionary Notice: Cautionary Notice: The Annual 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 Annual 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 Annual 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.