



THUNDERBIRD ENTERTAINMENT GROUP INC.

Thunderbird Entertainment Reports on Second Quarter Results

Conference Call and Webcast scheduled for March 2 at 9 a.m. ET

Q2 2020 revenue \$14.3 million; adjusted EBITDA \$0.8 million

Fiscal 2020 YTD revenue \$31.3 million; adjusted EBITDA \$3.9 million

Company cash position at December 31, 2019: \$9.5 million

Completed paying down \$6 million term loan

Marni Wieshofer's appointment as Lead Director strengthens board leadership and industry specific expertise

Opening of Atomic Los Angeles increasing focus on servicing and partnering with preeminent streaming companies

Vancouver, Canada, February 28, 2020 — Thunderbird Entertainment Group Inc. (TSXV:TBRD, OTC - THBRF) (Thunderbird or the **Company**), today announced its financial results for the second quarter ended December 31, 2019, and provided a corporate update.

“This quarter Thunderbird made steady progress across all of our divisions, and continued our work producing brands with longevity, building successful partnerships with great customers, and supporting our talented team to enable extraordinary work,” said Jennifer Twiner McCarron, Chief Executive Officer, Thunderbird Entertainment. “While there is a typical seasonality to revenue flow within the industry because of the timing of deliveries, we demonstrated our commitment to being good stewards of shareholder capital by strengthening our balance sheet, paying off our term loan, and ensuring that we are well-positioned to invest in the growth of our business.”

McCarron added, “We also welcomed Marni Wieshofer to our leadership team as Lead Director. With her extensive background in the industry as the former CFO and Executive Vice President of Corporate Development at Lionsgate Entertainment, Marni brings best-in-class knowledge that is directly aligned with our long-term strategic plan. With her governance, together with our incredible leadership team, partners, and employees, 2020 is becoming another pivotal year for Thunderbird with multiple catalysts in place to position us for long-term value creation.”

“In Q2, Thunderbird’s factual and kids and family divisions delivered excellent operational results. The Company executed on its high growth, global strategy with total revenues for the six months ending December 31, 2019, increasing by 21% over the prior year. With a strong balance sheet, evolving business model from service to partner and owned IP, incredible organic growth, and scalable infrastructure, Thunderbird continues to position itself to benefit from a monumental shift in content consumption as streamers come online and demand more quality content,” said Brian Paes-Braga, Chairman, Thunderbird Entertainment. “The addition of Marni, who is based in Los Angeles, and the opening of the Atomic L.A. office, has expanded the Company’s growing presence in one of the world’s largest media markets. I am so proud of the

entire Thunderbird management team and the incredible crew for continuing to deliver these results while building a very special, mission and values-focused organization.”

Financial Highlights for the Three Months and Six Months Ended December 31, 2019

	Three months ended		Six months ended	
	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018
	Q2 2020	Q2 2019	YTD 2020	YTD 2019
<i>(\$000's, except per share data)</i>	\$	\$	\$	\$
Revenue	14,270	11,589	31,321	25,950
Expenses ¹	15,632	17,694	31,835	30,602
Adjusted EBITDA	772	1,533	3,855	5,641

Results of Operations

Results for the three and six months ended December 31, 2019 compared to the three and six months ended December 31, 2018:

	Three months ended		Six months ended	
	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018
	Q2 2020	Q2 2019	YTD 2020	YTD 2019
<i>(\$000's, except per share data)</i>	\$	\$	\$	\$
Revenue	14,270	11,589	31,321	25,950
Expenses ¹	15,632	17,694	31,835	30,602
Net loss from continuing operations	(1,362)	(6,105)	(514)	(4,652)
Income from discontinued operations	-	-	30	-
Non-controlling interest	-	(8)	-	(8)
Foreign currency translation adjustment	10	24	6	15
Comprehensive net loss for the period attributable to owners of the parent	(1,352)	(6,089)	(478)	(4,645)
Basic loss per share – continuing operations	(0.029)	(0.194)	(0.011)	(0.160)
Diluted loss per share – continuing operations	(0.029)	(0.194)	(0.011)	(0.160)
Basic earnings per share – discontinued operations	-	-	0.001	-
Diluted earnings per share – discontinued operations	-	-	0.001	-
EBITDA	717	290	3,742	4,188
Adjusted EBITDA	772	1,533	3,855	5,641

¹Expenses include a charge related to the public company listing of \$5,316 in the three and six months ended December 31, 2018

- Consolidated revenue for the three and six months ended December 31, 2019 was \$14.3 million and \$31.3 million as compared to \$11.6 million and \$26.0 million for the comparative periods of fiscal 2019, increases of \$2.7 million and \$5.3 million respectively.

The majority of this revenue increase over the comparative periods in 2019 related to growth in the kids and family division.

- Consolidated net losses were \$1.4 million and \$0.5 million for the three and six months ended December 31, 2019, compared to net losses of \$6.1 and \$4.7 million for the comparative periods of fiscal 2019. The Company incurred a one-time charge during the comparative period of fiscal 2019 relating to the RTO transaction of \$5.3 million.
- Adjusted EBITDA was \$0.8 million and \$3.9 million for the three and six months ending December 31, 2019 compared to \$1.5 million and \$5.6 million for the comparative periods of fiscal 2019, a decrease of \$0.7 million and \$1.7 million, respectively. The three month decrease was due to the timing of revenue recognition of an animation series and certain distribution contracts in Q2 2019 that had no comparable delivery in Q2 2020, offset partially by increases in production service work. The decrease also stemmed from increases in salaries and computer software due to significant growth in the animation and factual divisions, offset by a decrease in rent expense primarily due to the adoption of IFRS 16 in which lease obligations for long-term leases are no longer recorded as rent expense, but capitalized as right-to-use (“ROU”) assets and amortized.
- During the six months ending December 31, 2019, the Company paid down the remaining \$1.4 million of a three-year non-revolving term loan that was initially drawn in July 2018 in the amount of \$6 million. The term loan was drawn in order to repurchase common shares of certain shareholders of Thunderbird and was part of an overall credit facility negotiated with the Royal Bank of Canada that also included an increased production line of credit and an acquisition facility.
- Effective July 1, 2019, the Company adopted and implemented IFRS 16, *Leases* (“IFRS 16”), which requires a lessee to recognize all leases on the balance sheet with a right-of-use asset and corresponding lease liability, with limited exemptions. Previously, leases were classified as either operating leases (off-balance sheet) or financing leases (on-balance sheet), and rental payments were expensed on the income statement.

The Company’s unaudited interim financial statements along with its Management’s Discussion and Analysis for Q2 2020 are available on the Company’s website at <http://www.thunderbird.tv> and under the Company’s profile at www.sedar.com.

Overarching Industry Trends

- As of December 2019, more than 600,000 unique program titles were available to U.S. consumers on traditional linear and streaming services, representing a 10% increase from 2018.¹ And according to a Nielsen report, in 2019 U.S. consumers spent roughly \$600 million on video and audio content, which is projected to grow to \$1 trillion U.S. by 2023.²
- Across the entire industry, demand for content continues to grow. Netflix alone is looking to invest more than \$17 billion U.S. in 2020 up from \$15.3 billion U.S. in 2019.³

¹ Venturebeat: <https://venturebeat.com/2020/02/11/nielsen-total-tv-shows-and-movies-increased-10-in-2019-thanks-to-streaming-wars/>

² Venturebeat: <https://venturebeat.com/2020/02/11/nielsen-total-tv-shows-and-movies-increased-10-in-2019-thanks-to-streaming-wars/>

³ Variety: <https://variety.com/2020/digital/news/netflix-2020-content-spending-17-billion-1203469237/>

- Companies are also making moves in the factual TV space. For example, Disney is branching out and nearly a third of originals commissioned for the Disney+ streaming service are in the documentary genre.⁴ Additionally, Discovery and BBC have partnered on a new streaming service which will launch in 2020 and provide natural history and factual programming.⁵
- The kids and family space is also an important streaming audience, and all players are spending big to attract and retain subscriptions and renewals. For example, roughly 60% of Netflix's global audience watches the company's family content on a monthly basis.⁶ And after launching in November 2019, Disney+ reached 28.6 million subscribers by February 2020, ahead of analyst expectations⁷.
- 5G mobile technology will make it easier to enjoy streaming options by offering faster speeds, stronger reliability, and better mobility, further reinforcing the demand for premium content.⁸ 5G is forecasted to grow the global mobile media market from \$170 billion U.S. in 2018 to \$420 billion U.S. in 2028.⁹

Thunderbird's Q2 Highlights

- During the second quarter, the Company had 21 programs in various stages of production, and deals with Netflix, NBCUniversal, Nickelodeon, PBS, WGBH, Bell Media's Discovery, APTN, Corus Entertainment and the CBC, among others.
- Throughout Q2, 32-half hour episodes and 15-hour episodes were delivered collectively from the factual, scripted, and kids and family divisions.
- Former CFO and EVP of Corporate Development at Lionsgate Entertainment, Marni Wieshofer was appointed Lead Director of the Company's Board.
- The Company announced a new \$30,000 grant from its kids and family division, Atomic Cartoons, to increase access to the 2D and 3D animation programs at a local university.
- In January 2020 Thunderbird premiered four productions including its world-wide scripted megahit *Kim's Convenience* and three owned-IP factual series: the new *High Arctic Haulers* and highly-rated *Heavy Rescue: 401* in January, and the popular *Save My Reno* in February.
- Within the first two weeks of January, Thunderbird achieved a new milestone in Canada delivering the highest viewership numbers in the Company's history, with 7.9 million Canadians tuning into Thunderbird programming by January 15, 2020.

Factual Division, Great Pacific Media,

- During the quarter, Thunderbird's factual division was in production on five series and one documentary special: *Highway Thru Hell* (Season 9), *Heavy Rescue: 401* (Season 5), *Save My Reno* (Season 3), *Queen of the Oil Patch* (Season 2), *High Arctic Haulers* (Season 1) and *The Teenager and the Lost Mayan City* (Documentary for CBC).
- As previously announced, the Company celebrated *Highway Thru Hell*'s 100th episode milestone in November as part of Season 8. *Highway Thru Hell* is the top-rated series on

⁴ Ampere Analysis: <https://www.ampereanalysis.com/insight/family-factual-push-for-disney>

⁵ Tech Crunch: <https://techcrunch.com/2019/04/01/bbc-and-discovery-team-up-on-a-new-streaming-service-focused-on-factual-programming/>

⁶ New York Times: <https://www.nytimes.com/2019/10/11/business/media/netflix-children-movies-streaming.html>

⁷ Tech Crunch: <https://techcrunch.com/2020/02/04/disney-plus-subscribers/>

⁸ IHSMarket: <https://ihsmarket.com/research/analysis/the-benefits-of-5g.html?ite=974655&ito=1274&itq=43740f2f-03cc-40de-ad84-a911477d2941&itx%5Bidio%5D=29740858>

⁹ Intel: <https://newsroom.intel.com/wp-content/uploads/sites/11/2018/10/ovum%E2%80%93intel%E2%80%935g%E2%80%93ebook.pdf>

Discovery Canada. Season 9, which began production during the quarter with 18 original hours to be produced, will be the series' largest season to date.

- *Heavy Rescue: 401* (Season 5) began production in the quarter. Season 5, will feature 18 hour-long episodes and premiere in 2021. *Heavy Rescue: 401* is a Top 5 series on Discovery Canada across all seasons in the A25-54 demo, and its most recent season averaged more than 1 million viewers per week.
- Season 2 of the critically-acclaimed documentary series *Queen of the Oil Patch* wrapped principal photography in Q2 with eight episodes being produced. The series is produced in collaboration with Kah-Kitowak Films. It is scheduled to premiere on APTN in spring 2020.
- The Company also announced the launch of its newest high-action factual series, *High Arctic Haulers*, in partnership with the CBC. *High Arctic Haulers* premiered on CBC in January 2020. Thunderbird holds worldwide rights to the original IP series and will be launching it to foreign markets with Beyond Distribution in March 2020 at MIPTV in Cannes.
- *Save My Reno* (Season 3) also wrapped principal photography in the quarter. The 14-episode cycle began airing in February 2020 on HGTV Canada.
- *The Teenager and the Lost Mayan City* continued production for CBC's *The Nature of Things*. The documentary follows the journey of teenager William Gadoury, who in May 2016 made headlines around the world when he announced he'd discovered the location of a lost Mayan city using NASA satellite images
- The division sponsored and sent key executives to the "World Congress of Science and Factual Producers" in Tokyo, Japan. The annual event brings together leading documentary and factual producers as well as broadcasters to facilitate international co-production of blue-chip factual programming.

Kids & Family Division, Atomic Cartoons,

- During the quarter, Atomic Cartoons was in various stages of production on 14 animated television programs. Service productions include *Hello Ninja* for Netflix, *Molly of Denali* for WGBH/ PBS KIDS and CBC, *101 Dalmatian Street* for Disney+, and *LEGO: Jurassic World* for NBCUniversal.
- *Molly of Denali* was recognized by *The New York Times* on the publication's list of the [Best TV Episodes of 2019](#), naming the pilot episode of Atomic's *Molly of Denali* as one of the top TV installments of the year.
- *Hello Ninja* began streaming on Netflix on November 1, 2019 in 28 languages and 190 countries. In December, the series was named by research and analytics company TVision as one of the most binged shows across all streaming platforms for the month of November.
- Produced in part by Atomic, *Hilda*, an animated Netflix series, was recognized with a British Academy of Film and Television Award (BAFTA) in the animation category.
- Atomic was ranked fourth in the production category of the annual [Kidscreen's 2019Hot50](#). The 2019Hot50 features the world's top companies in four categories: Broadcasting, Production, Distribution and Licensing.

Scripted Division, Thunderbird Productions

- Season 4 of *Kim's Convenience* premiered on January 7, 2020. *Kim's Convenience* airs on CBC and CBC Gem in Canada, with previous seasons available worldwide through a mix of Netflix streaming, video on demand partnerships, and cable TV deals, including in Japan and Korea.

Conference Call Webcast on March 2, 2020 at 9 a.m. Eastern Standard Time

Thunderbird will hold a conference call and webcast to share the Company's second quarter financial results on Monday, March 2, 2020 at 6 a.m. PST/ 9 a.m. EST. A live webcast of the conference call can be accessed by clicking [here](#). The call will be recorded for webcasting purposes and will be available at www.thunderbird.tv two hours after the initial scheduled time.

Q2 Press Release:	Friday, February 28, 2020
Q2 Conference Call:	Monday, March 2, 2020 at 6 a.m. PST
Canadian Dial-In Numbers:	(+1) 416 764 8609 (Toronto) (+1) 778 383 7417 (Vancouver)
North American Toll-Free Number:	(+1) 888 390 0605
Conference ID Number:	50695483

Alternatively, you may access a replay of the conference call by calling (+1) 416 764 8677 or toll-free at (+1) 888 390 0541 (passcode 695483 #) two hours after the initial scheduled time.

About Thunderbird Entertainment Group Inc.

Thunderbird Entertainment Group is a Vancouver-based global multiplatform entertainment company with offices in Vancouver, Los Angeles, Toronto, and Ottawa. Thunderbird creates award-winning scripted, unscripted and animated programming for the world's leading digital platforms, as well as Canadian and International broadcasters. Thunderbird's vision is to produce high quality, socially responsible content that makes the world a better place. The Company develops, produces and distributes animated, factual, and scripted content through its various divisions, including Thunderbird kids and family (Atomic Cartoons), Thunderbird factual (Great Pacific Media) and Thunderbird productions. Thunderbird is on Facebook, Twitter and Instagram at @tbirdent.

On Behalf of Thunderbird Entertainment Group Inc.

Jennifer Twiner McCarron
Chief Executive Officer

For information on Thunderbird and to subscribe to the Company's investor list for news updates, go to www.thunderbird.tv. For further information, please contact:

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Non-IFRS Measures

This news release contains references to certain measures that do not have a standardized meaning under International Financial Reporting Standards (“IFRS”) as prescribed by the International Accounting Standards Board and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS measures by providing a further understanding of operations from management’s perspective. Accordingly, non-IFRS measures should not be considered in isolation nor as a substitute for analysis of financial information reported under IFRS. The Company believes that non-IFRS measures, specifically EBITDA and Adjusted EBITDA, are frequently used by securities analysts, investors and other interested parties as measures of financial performance and to provide supplemental measures of operating performance and thus highlight trends that may not otherwise be apparent when relying solely on IFRS financial measures.