

Thunderbird Entertainment Group Reports Fiscal 2024 Results

The Company exceeds FY 2024 guidance

30% increase in FY 2024 Adjusted EBITDA to \$16.7 million

Targets 20%+ revenue growth in FY 2025

Conference call and webcast tomorrow, October 10, at 11 a.m. PT/ 2 p.m. ET

Vancouver, B.C., Canada, October 9, 2024 — Thunderbird Entertainment Group Inc. (TSXV: TBRD, OTCQX: THBRF) (“Thunderbird” or the “Company”) today announced its financial results for its fourth quarter and fiscal 2024, which ended June 30, 2024, and provided a corporate update.

Financial Summary

- Revenue for the fourth quarter increased 37% year-over-year from \$37.7 million to \$51.8 million. Revenue declined by 1% year-over-year, from \$166.7 million to \$165.3 million, for the fiscal year ended June 30, 2024.
- Fourth quarter AEBITDA¹ increased to \$7.0 million, compared to \$0.7 million in the same period last year. Annual AEBITDA¹ rose by 30% year-over-year, from \$12.8 million to \$16.7 million, for the fiscal year ended June 30, 2024.
- Fourth quarter AEBITDA margin¹ increased to 13.4%, up from 1.8% in the same period last year. Annual AEBITDA margin¹ improved by 240 basis points, rising to 10.1% from 7.7% in the previous fiscal year.

Financial Outlook

Despite facing industry-wide headwinds, the Company is forecasting a return to top-line growth in fiscal 2025, with a target for 20% revenue growth and over 10% AEBITDA¹ growth. The variance between revenue and AEBITDA¹ growth reflects the anticipated gross margin¹ difference associated with the types of projects being forecasted in FY 2025 compared to FY 2024. These targets are supported by a strong content pipeline, strategic investments, and signs of a stabilizing market environment.

In fiscal 2024, Thunderbird introduced comprehensive cost-saving measures that delivered savings exceeding \$3 million and resulted in an ongoing reduction to the Company’s fixed cost base. The Company continues to maintain a disciplined approach to managing costs and will seek out additional ways to increase efficiencies and realize savings throughout fiscal 2025 without sacrificing the quality that the Company is known for.

¹ AEBITDA, AEBITDA margin, and gross margin are Non-IFRS Measures, see “Non-IFRS Measures” section below for their definitions, detailed calculation, and detailed reconciliation to IFRS measures. The most directly comparable financial measure of the Company are net income, and gross profit, respectively, as reported below.

Thunderbird's balance sheet remains robust, with no corporate debt, providing the financial flexibility needed to pursue growth opportunities. This strength supports the Company's plans to invest in new content production, a key driver of future growth. By aligning its content strategy with disciplined financial oversight, Thunderbird is committed to delivering increased value to shareholders.

The Company's fiscal 2025 outlook is based on the Company's latest internal projections, though certain risks remain, as detailed in the "Risk and Uncertainty" section of the Company's June 30, 2024, MD&A. With a clear focus on executing its strategic priorities, Thunderbird is well positioned to succeed in a competitive and evolving market landscape.

"Our strong Q4 results and overall fiscal 2024 performance demonstrate how Thunderbird is a healthy, successful business even in today's challenging market," said Jennifer Twiner McCarron, CEO and Chair of Thunderbird. "Looking ahead, as the entertainment industry continues to recover from setbacks experienced in 2023, Thunderbird will be exceptionally well-positioned to build significant value for our shareholders. Supported by our robust content pipeline, strong industry relationships and disciplined cost management, we are optimistic about the future as Thunderbird is ready to seize the opportunities ahead."

Strategic Review Process Update

A special committee (the "Special Committee") of the board of directors of Thunderbird (the "Board") comprised of three directors of Thunderbird (including two independent directors and a Voss Capital-nominee) was created to assess Thunderbird's capital allocation strategy and strategic alternatives and opportunities to maximize shareholder value. After conducting a thorough review process, and obtaining financial and legal advice, the Special Committee recommended to the Board that the formal strategic review process be concluded, and the Company focus on the execution of its strategic business plan. The Board, following the recommendation of the Special Committee determined that it was in the best interests of the Company's stakeholders to terminate the formal strategic review process and have the Company's management focus on executing the Company's current business plan, which includes the pursuit of strategic growth opportunities.

"After a thorough strategic review process led by the Special Committee, the Board determined that remaining a standalone public company and executing on our strategic business plan is in the best interests of our stakeholders. We anticipate that executing on our targeted growth in the coming years, along with exploring strategic capital markets and other opportunities, such as a potential opportunity to uplist to the Toronto Stock Exchange ("TSX") to increase visibility and liquidity, will prove to be a path to enhancing value for our shareholders," said Ms. Twiner McCarron.

Taylor Henderson, Company Director and Investment Analyst at Voss Capital added, "The Board of Directors is aligned in the decision to maintain Thunderbird as an independent, publicly traded company after considering all available strategic options. We believe remaining a standalone public company will lead to the best opportunity for significant mid- to long-term value creation. We believe that Thunderbird is significantly undervalued and the work to close this valuation gap will continue through a combination of ongoing operational execution and strategic actions to increase visibility and liquidity for the stock, such as the potential uplisting to the TSX. Thunderbird has navigated challenging industry dynamics better than most. We believe the troughs for earnings and margins are behind us and we have a line of sight to accelerate

revenue growth and margin expansion. The management team and Board are confident in Thunderbird's ability to execute on its targets."

Normal Course Issuer Bid

Thunderbird implemented a normal course issuer bid (the "NCIB") which is detailed in the Company's December 1, 2023 [news release](#), pursuant to which it may repurchase its own common shares for cancellation through the facilities of the TSXV in an amount not to exceed 10% of its public float, as may be permitted by the TSXV and applicable securities laws.

To June 30, 2024, the Company has repurchased for cancellation 591,400 common shares, representing 17.3% of its allotted share repurchase under its NCIB in effect for a total consideration of \$1.2 million, representing an average price of \$2.08 per common share. Purchases under the NCIB may continue for up to one year from the commencement day of December 7, 2023.

Thunderbird's Fiscal 2024 Corporate Highlights

- At June 30, 2024, the Company had 24 programs in various stages of production and was working with 17 clients. Of the 24 programs in production, six were Thunderbird's intellectual property ("IP"), and 18 were service productions.
- Thunderbird Kids & Family, producing under Atomic Cartoons ("Atomic"), was in production on several animated series throughout fiscal 2024 including: *Princess Power* (Seasons 2 and 3) for Netflix, *CoComelon Lane* for Moonbug for Netflix, *Marvel's Spidey and His Amazing Friends* (Seasons 2, 3 and 4) for Disney Junior, *My Little Pony: Make Your Mark* (Chapter 6) for eOne/Hasbro, *The Mindful Adventures of Unicorn Island* for Headspace, *Zombies: The Re-Animated Series* for Disney TVA, *LEGO Jurassic Park: The Unofficial Retelling* for NBCUniversal, and *Molly of Denali* (Season 4) for PBS KIDS, among others, as well as Atomic originals *Super Team Canada* (Crave), *Rocket Saves the Day* (PBS KIDS), and *Mermicorno: Starfall* (Warner Bros. Discovery).
- In fiscal 2024, Thunderbird introduced its first adult animated original series, *Super Team Canada*. Produced alongside Will Arnett's *Electric Avenue* and co-created by Canadian comedy writers Robert Cohen and Joel H. Cohen. *Super Team Canada* also represents Crave's first commission of an original animated series for adults. The series is set to debut in early 2025.
- Thunderbird Unscripted, producing under Great Pacific Media ("GPM"), was in production on several series in fiscal 2024, including: *Deadman's Curse* (Seasons 2 and 3) for History Channel, *Styled* (Season 2) for HGTV Canada/Hulu, *Wild Rose Vets* (Season 1), a spinoff of *Dr. Savannah: Wild Rose Vet*, for APTN and Cottage Life TV; *Timber Titans* (Seasons 1 and 2) for Discovery, *Highway Thru Hell* (Seasons 12 and 13) for Discovery, and *Rocky Mountain Wreckers* (Season 1) for The Weather Channel (US) and Discovery in Canada.
- In fiscal 2024, GPM unveiled the all-new original docuseries *Rocky Mountain Wreckers*, which follows the adventures of four family-owned heavy wrecking businesses across Colorado, Utah and Wyoming. The series has been commissioned by The Weather Channel in the US, with Bell Media

serving as the Canadian broadcast partner and owning the rights to the show for Discovery Canada. Season 1 is set to premiere in early 2025.

- In fiscal 2024, GPM's *Deadman's Curse* marked several exciting milestones. Following the success of Season 1, the team was in production on both Seasons 2 and 3, with Season 3 scheduled to premiere in 2025 on The History Channel. In addition, companion podcast *Deadman's Curse: Slumach's Gold* hit #4 on Apple's History charts, won three 2023 Signal Awards, and was named one of the Best Podcasts of the Year by Amazon Music. Season 2 of the podcast, titled *Deadman's Curse: Volcanic Gold*, premiered in June on Apple Podcasts, Spotify, and Amazon Music.
- GPM was also in production on two scripted projects in fiscal 2024, including *Sidelined: The QB and Me*, a new Tubi Original movie based on the Wattpad novel. Blue Fox Entertainment is managing international distribution, announcing sales to partners in Europe, Latin America, South Africa, and more. In addition, Blue Fox Entertainment acquired international distribution rights, outside Canada and the US, for GPM and Wattpad Studios' YA film *Boot Camp*, based on the popular Wattpad story by Gina Musa.
- The Company currently has 12 scripted projects in active development, and three projects in active network development.
- Thunderbird Distribution and Brands continued to expand in fiscal 2024. Season 1 of *Mittens & Pants* was sold to buyers in more than 34 territories, and the acquired preschool series has also been adopted by several US streaming platforms, including NBCU's Peacock, Roku, Tubi, and children's free ad-supported streamers HappyKids, Kidoodle.TV and Sensical. Thunderbird also announced the acquisition of media and consumer products rights to the mixed-media series *BooSnoo!*, which began rolling out on international platforms, including Peacock, in July 2024.
- In fiscal 2024, the Company further built brand momentum around *Mermicorno: Starfall* by announcing new territory distribution deals in the US (Max), UK (POP), Canada (Corus Entertainment for Treehouse, STACKTV and TELETOON+), LATAM (Max and Cartoon Network) and Southeast Asia (Cartoon Network). Thunderbird Brands and partner tokidoki also appointed renowned toymaker Jazwares as global master toy licensee for *Mermicorno: Starfall* for several retail distribution channels, including mass-market, e-commerce and direct-to-consumer platforms.
- Thunderbird also expanded its presence on FAST (Free advertising-supported streaming television) channels, with Banijay Rights launching a dedicated *Highway Thru Hell*-branded FAST channel that features the first 10 seasons of the long-running hit docuseries. The channel, which also features *Heavy Rescue: 401*, launched in March in the UK, and in Australia in April. Bell Media also launched the CTV Gridlock FAST channel, which features classic episodes of *Highway Thru Hell* and the entire series of *Heavy Rescue: 401*.

- Company recognitions in fiscal 2024 included Atomic placing third on the annual Kidscreen Hot50 list of top production companies, GPM series receiving five 2023 Leo Awards, *Reginald the Vampire* being awarded an Environmental Media Association Gold Seal for its dedication to sustainability, Colin Beadle (VP of Human Resources at Thunderbird) being named one of the Top HR Leaders in Canadian Tech by ScaleHR, *Pinecone & Pony* receiving a Canadian Screen Award (Best Picture Editing, Animation category) for the episode “The Sturdy Stone”, and Thunderbird ranking #12 on Playback’s Indie List 2024.

Results of Operations

	For the three months ended		For the year ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<i>(\$000’s, except per share data)</i>	\$	\$	\$	\$
Revenue	51,814	37,745	165,323	166,730
Expenses	49,334	40,314	162,945	171,741
Net income (loss) for the period	2,480	(2,569)	2,378	(5,011)
AEBITDA¹	6,954	687	16,693	12,761
AEBITDA Margin¹	13.4%	1.8%	10.1%	7.7%
Free Cash Flow¹	(4,771)	7,984	6,623	4,331
Basic income (loss) per share	0.050	(0.051)	0.048	(0.101)
Diluted income (loss) per share	0.047	(0.051)	0.046	(0.101)

For more information, please see the financial statements and the management’s discussion and analysis (MD&A) for the year end results for fiscal 2024, which ended June 30, 2024, available on SEDAR+ and the Company’s [website](#).

Thunderbird’s Fiscal 2024 Conference Call & Webcast Information

Conference Call & Webcast Information

Date: October 10, 2024

Time: 11 a.m. PT/ 2 p.m. ET

Pre-Registration:

To pre-register for this call, please go to the following link and you will receive access details via email: <https://registrations.events.direct/Q41984380>

If you are unable to pre-register, please see the information for joining by webcast or telephone:

Webcast: <https://events.q4inc.com/attendee/854845440>

Canada Toll Free: +1 (800) 715-9871

United States (Toll-Free): +1 (800) 715-9871

All other locations: +1 (646) 307-1963

Access Code: 98438

Press *1 to ask a question, *1 to withdraw your question, or *0 for operator assistance.

¹ AEBITDA, AEBITDA margin, and Free Cash Flow are Non-IFRS Measures, see “Non-IFRS Measures” section below for their definitions, detailed calculations, and detailed reconciliations to IFRS measures. The most directly comparable financial measure of the Company are net income and cash flows from Operations, respectively, as reported below.

Participants joining by phone are requested to call the conference line 10 minutes early to avoid wait times while connecting to the call. The conference call will be webcast live and available for replay via the “Investors” section of the Thunderbird [website](#).

For information on Thunderbird and to subscribe to the Company’s investor list for news updates, go to www.thunderbird.tv.

ABOUT THUNDERBIRD ENTERTAINMENT GROUP

Thunderbird Entertainment Group is a global award-winning, full-service multiplatform production, distribution and rights management company, headquartered in Vancouver, with additional offices in Los Angeles 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. The Company develops, produces, and distributes animated, factual, and scripted content through its various content arms, including Thunderbird Kids and Family (Atomic Cartoons), Thunderbird Unscripted (Great Pacific Media) and Thunderbird Scripted. Productions under the Thunderbird umbrella include *Mermicorno: Starfall*, *Super Team Canada*, *Molly of Denali*, *Highway Thru Hell*, *Kim’s Convenience*, *Boot Camp*, and *Sidelined: The QB and Me*. Thunderbird Distribution and Thunderbird Brands manage global media and consumer products rights, respectively, for the Company and select third parties. Thunderbird is on Facebook, Twitter, and Instagram at @tbirdent. For more information, visit: www.thunderbird.tv.

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SOURCE Thunderbird Entertainment Group Inc.

Neither the TSX-V nor its Regulation Services Provider (as that term is defined in the policies of the TSX-V) accepts responsibility for the adequacy or accuracy of this release, which has been prepared by management.

Cautionary Statement Regarding Forward-Looking Information

Certain statements in this press release contain “forward-looking information” for purposes of applicable securities laws (“forward-looking statements”). Forward-looking statements or information may be identified by words such as “anticipate”, “continue”, “estimate”, “expect”, “forecast”, “may”, “will”, “plan”, “project”, “should”, “believe”, “intend”, or similar expressions concerning matters that are not historical facts. Examples of forward-looking statements in this press release include, but are not limited to, forecasting a return to top-line growth in fiscal 2025, forecasted 2025 growth in revenue and AEBITDA¹; anticipated gross margin¹ differences; expectations regarding comprehensive cost-saving measures yielding ongoing reduction to the Company’s fixed cost base; being successful in increasing efficiencies and realizing additional savings throughout fiscal 2025; successfully investing in new content production; abilities to execute strategic priorities; potential opportunity to uplist to the TSX to increase visibility and liquidity; the ability of the Company to enhance and maximize shareholder value or execute on its strategic business plan.

Financial outlook and future-oriented financial information, as with forward-looking information generally, are, without limitation, based on the assumptions and estimates and subject to various risks. The targets, forecasts and projections included herein, and the related assumptions, involve known and unknown risks and uncertainties that may cause actual results to differ materially. While management of Thunderbird believes there is a reasonable basis for these targets, forecasts and projections, such targets, forecasts, or projections may not be achieved. The Company’s actual financial position and results of operations may differ materially from management’s current expectations and, as a result, among other things, the Company’s future revenue and AEBITDA¹ may differ materially from the financial outlooks and future-oriented information provided in this news release. Accordingly, investors are cautioned not to place undue reliance on the foregoing information.

Forward looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic and social uncertainties; the ability to satisfy the criteria of the TSX to be able to uplist on the TSX and the timing related thereto; market segment conditions; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; product capability and acceptance; international risk and currency exchange rates; and technology changes. An assessment of these risks that could cause actual results to materially differ from current expectations is contained in the “Risks and Uncertainty” section of the Company’s June 30, 2024, MD&A. The foregoing is not an exhaustive list. Additional risks and uncertainties not presently known to Thunderbird or that management believes to be less significant may also adversely affect the Company. Although the Company believes that the assumptions and factors used in preparing the forward-looking statements contained in this document (including statements containing future-oriented financial information) are reasonable, undue reliance should not be placed on these statements which represent the Company’s views as of the date hereof and as such information should not be relied upon as representing the Company’s views as of any date subsequent to the date of this press release. The Company undertakes no obligation to update publicly or revise any forward-looking statements, whether because of new information, future events or otherwise, unless so required by

¹ AEBITDA and gross margin are Non-IFRS Measures, see “Non-IFRS Measures” section below for their definitions, detailed calculations, and detailed reconciliations to IFRS measures. The most directly comparable financial measure of the Company are net income and gross profit, respectively, as reported below.

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NON-IFRS MEASURES

In addition to the results reported in accordance with IFRS, the Company uses various non-IFRS financial measures which are not recognized under IFRS, and therefore do not have standardized meanings prescribed by IFRS, as supplemental indicators of our operating performance and financial position. The Company's method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. These non-IFRS financial measures are provided to enhance the user's understanding of our historical and current financial performance and our prospects for the future. Management believes that these measures provide useful information in that they exclude amounts that are not indicative of our core operating results and ongoing operations and provide a more consistent basis for comparison between periods. The following discussion explains the Company's use of AEBITDA, Free Cash Flow, AEBITDA Margins and Gross Margin.

"AEBITDA" is calculated based on EBITDA before share-based compensation, unrealized foreign exchange gain/loss and items of an unusual or one-time nature that do not reflect our ongoing operations. AEBITDA is commonly reported and widely used by investors and lenders as an indicator of a company's operating performance and ability to incur and service debt, and as a valuation metric. The most directly comparable measure under IFRS is net income.

"Free Cash Flow" is calculated based on cash flows from operations, purchase of property and equipment and net interim production financing. Free Cash Flow represents the cash a company generates after accounting for cash outflows to support operations and maintain its capital assets. The most directly comparable measure under IFRS is cash flows from operations.

"AEBITDA Margins" is calculated as a ratio of AEBITDA over total revenues. Margin is a non-IFRS ratio when applied to non-IFRS financial measures.

"Gross Margin" is calculated as a ratio of revenue that exceeds direct operating costs. Management considers Gross Margin a useful indicator of profitability before operating and other expenses, aiding in the assessment of the Company's ability to generate net earnings and cash flow. The most directly comparable measure under IFRS is gross profit.

Non-IFRS Measures Reconciliations

The following table presents the reconciliation from net income (loss) to AEBITDA, for the three and twelve months ended June 30, 2024 and 2023.

(\$000's)	For the three months ended		For the year ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	\$	\$	\$	\$
Net income (loss) for the period	2,480	(2,569)	2,378	(5,011)
Income tax expense (recovery)	584	(374)	930	27
Deferred income tax expense (recovery)	343	(685)	431	(1,815)
Finance costs				
Interest	472	793	1,461	2,340
Dividends on redeemable preferred shares	7	7	29	29
Amortization				
Property and equipment	359	348	1,734	2,047
Right-of-use assets	1,661	2,372	7,079	10,938
Intangible assets	67	67	270	270
	3,493	2,528	11,934	13,836
EBITDA	5,973	(41)	14,312	8,825
Share-based compensation	117	260	739	834
Unrealized foreign exchange loss (gain)	22	(171)	28	363
Gain on disposal of property and equipment	(37)	-	(29)	-
Loss on termination of leases	-	-	40	-
Restructuring and other costs	879	639	1,603	638
Proxy contest	-	-	-	2,101
	981	728	2,381	3,936
AEBITDA	6,954	687	16,693	12,761

The following table presents the reconciliation from Gross Profit to Gross Margin, for the three and twelve months ended June 30, 2024 and 2023.

Summary of Gross Profit

(\$000's)	For the three months ended		For the year ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	\$	\$	\$	\$
Revenue	51,814	37,745	165,323	166,730
Direct Operating	40,303	29,919	127,795	129,792
Gross Profit	11,511	7,826	37,528	36,938
Gross Margin	22.2%	20.7%	22.7%	22.2%

The following table presents the reconciliation from cash flows from operations to Free Cash Flow, for the three and twelve months ended June 30, 2024 and 2023.

Summary of Cash Flows

	For the three months ended		For the year ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<i>(\$000's)</i>	\$	\$	\$	\$
Cash inflows (outflows) from operations	3,232	(10,816)	37,673	13,182
Disposal (purchase) of property and equipment	(184)	92	(456)	(1,810)
Net advances (repayment) of interim production financing	(7,819)	18,708	(30,594)	(7,041)
Free Cash Flow	(4,771)	7,984	6,623	4,331