



Tornado Global Hydrovacs Reports 2016 Results

CALGARY, April 28, 2017 – Tornado Global Hydrovacs Ltd. (“Tornado” or the “Company”) (TGH: TSX-V) today reported its audited consolidated financial results for the fiscal year ended December 31, 2016. The audited consolidated financial statements and MD&A have been filed on SEDAR and can be reviewed at www.sedar.com.

Summary of 2016 consolidated annual results

- Revenues decreased by \$3.1 million (15.5%), to \$17.0 million from \$20.1 million in 2015. The decrease in revenue was attributed to the continued decline in demand for hydrovac trucks caused by low oil prices and the corresponding reduction in oil production and associated capital expenditures.
- Adjusted EBITDA decreased by \$2.0 million, to a loss of \$2.1 million from a loss of \$0.1 million in 2015. The reduction was driven by price pressures arising from the drop in overall demand for hydrovac trucks, less cost efficiencies at lower production volumes, our new truck design not going into production until late in the fourth quarter and a \$0.9 million increase in overhead due to the Company’s expansion into China and operating as a stand-alone public Company along with these associated costs.
- Net Loss of \$2.7 million in 2016 compared to a Net loss of \$0.9 million in 2015. The majority of this decrease was a result of factors discussed above. Tornado’s depreciation and amortization expense was \$0.4 million higher than the prior year. The increased depreciation and amortization expense resulted from certain items of property and equipment and intangible assets being marked to fair value because of the acquisition of the assets and liabilities of Tornado Trucks. This increase in depreciation and amortization was offset by a \$0.5 million reduction in Former Parent management fee.
- Net Loss was \$929 (\$0.016 per share) in the fourth quarter of 2016 which was a slight improvement over the Net Loss of \$999 (\$0.017 per share) in the third quarter of 2016.

Periods ended December 31	Twelve months ended			Quarter ended		
	2016	2015	Variance	2016	2015	Variance
(\$000’s, except for percentages)	\$	\$	\$	\$	\$	\$

Operating Results:

Revenues	17,049	20,178	-3,129	4,975	5,151	-176
Adjusted EBITDA (loss)	-2,088	-126	-1,962	-528	4	-532
Adjusted EBITDA%	-12.3%	-0.6%	-11.7%	-10.6%	0.1%	-10.7%
Net Income (loss)	-2,751	-887	-1864	-929	-370	-559
Net Income (loss) per share	\$-0.046	NA	NA	\$-0.016	NA	NA

The operational results for the hydrovac business for the period of January 1, 2016 to June 28, 2016 were prior to the acquisition and were to the account of the former owner, Empire Industries Ltd. and the post acquisition was to the account of the Company. A breakdown of the 2016 Operating Results between the pre-acquisition and post-acquisition periods is outlined in the table below:



2016 Operating Results

(presented in \$000's)

	Pre- Acquisition \$	Post- Acquisition \$	2016 \$
Operating Results:			
Revenue	9,146	7,903	17,049
Adjusted EBITDA	(721)	(1,367)	(2,088)
Net Income (Loss)	(823)	(1,928)	(2,751)

The Fourth Quarter 2016 Adjusted EBITDA loss was reduced to \$528 from the Third Quarter EBITDA Loss which was \$840. It is also important to note that there was a \$552 loss on starting operations in China which was largely incurred in the Fourth Quarter of 2016. This means that the North American operations were returning to profitability in the Fourth Quarter.

(presented in \$000's)	31-Dec 2016	31-Dec 2015
Financial Position		
Total assets	\$19,539	\$8,682
Long-term debt (including current portion)	\$2,535	\$35
Shareholders' equity	\$13,355	\$7,054
Shares Outstanding (Basic)	59,481	NA
Shareholders' equity per share	\$0.22	NA

Adjusted earnings (loss) before interest, tax, depreciation and amortization (Adjusted EBITDA) is not defined by IFRS. The definition of Adjusted EBITDA does not consider gains and losses on the disposal of assets, fair value changes in foreign currency forward contracts and non-cash components of stock based compensation. While not IFRS measures, Adjusted EBITDA is used by management, creditors, analysts, investors and other financial stakeholders to assess the Group's performance and management from a financial and operational perspective.

Management believes that 2017 will be a positive year for its North America operation and a building year for its Chinese operation. In North America, we have experienced improvement in the hydrovac market equipment purchase demand with increased interest coming out of the municipal sector. There are three primary reasons for this increased demand for hydrovacs;

- there have been a number of announcements from both the US and Canadian governments calling for a material increase to infrastructure spending going forward.
- Tornado Global Hydrovac's new, patent pending design, has compelling advantages over our competitors' trucks and this new truck only came on the market in the fourth quarter of 2016.



- there continue to be thousands of utility “line-strikes” in the gas, fiber-optics and electrical underground infrastructure market every year in North America which is driving the need for our technology and products.

As a consequence, the Company is seeing an improvement in its financial performance in 2017 with this increase in market demand and specific demand for its patent pending design.

In China, we continue to execute our plan to develop and penetrate this significant market. The highlights of both what we have achieved to date and are targeting to achieve in 2017 include:

- We expect to be in a position to manufacture our hydrovac trucks in China early in 2018.
- We currently have seven employees in our Beijing office which will continue to grow once production begins in early 2018. We anticipate a growing market for our trucks once we establish our presence and prove up the needs for hydrovac trucks in China.
- We have designed and manufactured three hydrovac trucks for use in China out of our Canadian manufacturing plant. We anticipate that they will land in China before the end of second quarter and be used for market demonstration in China.
- We are in the final stages of completing the required inspections from the Chinese authorities for manufacturing hydrovac trucks in China.

Having completed its spin-out of its former parent company, management believes the medium and long term outlook for the Company is positive and improving both in North America and China. Management believes that the Company is now positioned to focus efforts on developing the China market which it views as having significant potential.

About Tornado Global Hydrovacs Ltd.

The Company designs, manufactures and sells hydrovac trucks for excavation service providers to the oil and gas industry and the municipal markets. Hydrovac trucks use high pressure water to pulverize soil and turn it into mud, and then vacuum up the resulting mud into its tank. Tornado currently operates in North America and intends to expand its hydrovac business into China.

For more information about Tornado Global Hydrovacs Ltd., visit www.tornadotrucks.com or contact:

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Advisory

The Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

Neither the Exchange nor its Regulation Service Provider (as that term is defined in policies of the Exchange) accepts responsibility for the adequacy or accuracy of this news release

Certain statements contained in this news release constitute forward-looking statements. These statements relate to future events. All statements other than statements of historical fact are forward-looking statements. The use of the words “may”, “expected”, “believes”, “anticipates” and other words of a similar nature are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Although the Company believes these statements to be reasonable, no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this news release should not be unduly relied upon. Such statements include statements with respect to the outlook of the Company, the market



for hydrovac trucks in North America and China, and anticipated effect of the Company's newly designed hydrovac truck. Actual results could differ materially from those anticipated in these forward-looking statements as a result of prevailing economic conditions, receipt of requisite regulatory approvals, and other factors, many of which are beyond the control of the Company. The forward-looking statements contained in this news release represent the Company's expectations as of the date hereof, and are subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as may be required by applicable securities regulations.