



Tornado Global Hydrovacs Reports First Quarter 2017 Results

CALGARY, May 29, 2017 – Tornado Global Hydrovacs Ltd. (“Tornado” or the “Company”) (TGH: TSX-V) today reported its unaudited consolidated financial results for the First Quarter ended March 31, 2017. The unaudited consolidated financial statements and MD&A have been filed on SEDAR and can be reviewed at www.sedar.com.

Summary of the First Quarter 2017 Results

- The Quarter ended March 31, 2017 yielded an increase in revenues from continuing operations of 77.1% compared to the period ended March 31, 2016. The increase in revenue was attributed to the recent improvement in the hydrovac market equipment purchase demand with increased interest coming out of the municipal sector in both Canada and United States.
- The Company’s Adjusted Gross Margin increased 12.4% in the period as compared to the same period in 2016. This increase was driven by the rising price resulted from the increase in overall demand for hydrovac trucks and improved cost efficiencies at higher production volumes.
- The Company’s Adjusted EBITDA increased by \$0.4 million as a result of factors discussed above. Tornado’s depreciation and amortization expense was \$0.2 million higher than the prior year and thus the increase in Adjusted EBIT of \$0.2 million is also explained by the factors outlined above. 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.

Periods ended March 31	Quarter ended		
	2017	2016	Variance
(\$000’s, except for percentages)	\$	\$	\$
Operating Results:			
Revenues	5,989	3,382	2,607
Adjusted gross margin	897	89	808
Adjusted gross margin %	15.0%	2.6%	12.4%
Adjusted EBITDA	(76)	(435)	359
Adjusted EBITDA %	(1.3%)	(12.9%)	11.6%
Adjusted EBIT	(332)	(533)	201
Adjusted EBIT %	(5.5%)	(15.8%)	10.3%
Net income (loss)	(318)	(467)	149



For the 3 months ended March 31, 2017	North America	China	Total
(presented in \$000's)	\$	\$	\$
Revenues	5,989	-	5,989
Cost of sales excluding depreciation and amortization	(5,092)	-	(5,092)
Adjusted gross margin	897	-	897
Selling and administrative expenses	750	223	973
Adjusted EBITDA	147	(223)	(76)
Depreciation and amortization expense	(194)	(62)	(256)
Adjusted EBIT	(47)	(285)	(332)

The First Quarter 2017 Adjusted EBITDA Loss was increased to (\$76) from the Fourth Quarter 2016 EBITDA Loss which was (\$528). This increase was attributed to the improvement in North America Segment, which EBITDA Gain went up from \$24 to \$147. Also, there was a (\$223) loss on starting operations in China incurred in the First Quarter of 2017, which was \$329 less than the Fourth Quarter of 2016.

(presented in \$000's)	31-Mar 2017	31-Mar 2016
Financial Position		
Total assets	\$19,014	\$9,204
Long-term debt (including current portion)	\$2,475	\$10
Shareholders' equity	\$13,037	\$7,006
Shares Outstanding (Basic)	59,481	NA
Shareholders' equity per share	\$0.22	NA

¹ 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.



In North America, the market demand from municipal sector in both Canada and United States contributed to a financial performance improvement in the Company's North America segment. Management believes that the Company will continuously improve its performance in North America throughout the rest of the year for the following reasons:

- The continuous spending in infrastructure from both the Canadian and US governments will further increase the market demand of hydrovac trucks.
- The Company introduced a newly designed hydrovac truck this year with a lighter weight and more debris capacity. This newly designed truck has compelling advantages over hydrovac trucks currently offered in the market.
- Working with its Chinese operation on sourcing qualified materials and parts to further reduce production costs.
- The weaker Canadian dollar will continue to positively impact profit margins because more than half of the Company's hydrovac trucks are sold predominantly in US dollars while manufactured in Canada.

In China, the Company continues to develop and penetrate this significant market. We incorporated Tornado Global Hydrovacs (Beijing) Limited in January 2017 ("Tornado China"), which currently has seven employees for sales, finance, engineering, and supply chain management. Tornado China is in the process of identifying and selecting a local Chinese manufacturing partner to assist in the manufacturing of its hydrovac trucks in China.

With the increasing demand in North America and establishing Tornado China, management believes medium and long term outlook is positive and improving. The Company will focus on marketing its newly designed trucks in North America and developing its business in China in the rest of 2017.

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 regarding the Company's outlook for the rest of the year and expectations on reducing production costs 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.