



TORNADO GLOBAL HYDROVACS REPORTS FIRST QUARTER 2022 RESULTS

REVENUE INCREASED BY 25% COMPARED TO Q1 2021

CALGARY, May 24, 2022 – Tornado Global Hydrovacs Ltd. (“Tornado” or the “Company”) (TSX-V: TGH; OTCQX: TGHLF) today reported its unaudited financial and operating results for the three months period ended March 31, 2022, with comparisons to the same period last year. The unaudited condensed consolidated financial statements and related management discussion and analysis are available on the Company’s issuer profile in Canada on SEDAR at www.sedar.com, the United States at www.otcm Markets.com and on the Company’s web site www.tornadotrucks.com. All amounts reported in this news release are in thousands (\$000’s CAD) except per share amounts.

First Quarter 2022 Overview and Recent Developments

- The economic environment continued to improve during Q1/2022 resulting in the improvement of several key operating financial metrics compared to the same period in 2021. The Company achieved its highest quarterly sales since Q1/2020 and highest net income since Q3/2019 prior to COVID.
- Revenue of \$9,939 increased 24.6% in Q1/2022 compared to \$7,978 in Q1/2021 as customer demand continued to recover.
- Gross Profit of \$2,344 increased by \$120 in Q1/2022 compared to \$2,224 in Q1/2021 due to increased revenue and production efficiencies, including labour utilization, at the Company’s Red Deer Facility. Gross Profit was also positively impacted by the increased benefits from cost savings on parts sourced from China during the quarter. Gross Profit was negatively impacted by increased material costs in Q1/2022 due to supply chain issues. In Q1/2021, the Company recorded \$183 of recoveries from the wage subsidy. This wage subsidy program was terminated in November 2021.
- General and administrative expense of \$1,398 increased by \$273 in Q1/2022 compared to \$1,125 in Q1/2021. The increase was principally due to general increased employee costs in North America incurred to handle present and anticipated growth. In Q1/2021, the Company recorded \$127 of recoveries from the wage subsidy program.
- Notwithstanding the termination of the wage subsidy program since November 2021, EBITDAS of \$946 in Q1/2022 decreased only \$153 compared to \$1,099 in Q1/2021. This decrease was due to the factors discussed above. In Q1/2021, the Company recorded \$310 (comprising \$183 in cost of sales and \$127 in general and administrative expense) of recoveries from the wage subsidy.
- The Company earned net income of \$474 in Q1/2022, which represents an increase of \$113 compared to net income of \$361 in Q1/2021. This increase was principally due to a gain on disposal of fixed assets of \$136.
- The Company’s Class “A” Common Shares (the “Common Shares”) began trading on the OTCQX® Best Market under the symbol “TGHLF” on May 5, 2022. By trading on the OTCQX®, the Company’s Common Shares are available to U.S. investors during U.S. trading hours and quoted in U.S. dollars. Trading on the OTCQX® provides transparent trading for U.S. investors. Trading on OTCQX® will make it easier for U.S. investors to invest in the Company by eliminating the requirement for a Canadian trading account and will also promote greater liquidity for the Company’s Common Shares.

Outlook

Management believes the Company's business will continue to strengthen and expects the Company's production and sales of hydrovac trucks in North America in 2022 to continue to grow and capitalize on the significantly increased production capacity at the Red Deer Facility over the long term for the following reasons:

- The improved economic environment experienced during the second half of 2021 and in Q1/2022 is expected to continue in 2022 as customer confidence and spending levels continue to recover.
- Expected increased spending on infrastructure in North America, particularly in the USA as a result of the US Infrastructure Bill passed in late 2021.
- Expanded capacity and manufacturing and production efficiencies from the Red Deer Facility, which is fully operational.
- The Company anticipates adding new and innovative products to its product lines that will support the infrastructure, telecommunications and oil and gas industries.
- The Company's commitment to continuous improvement of its hydrovac truck design which in the Company's view will result in compelling advantages over other hydrovac trucks currently offered in the market.
- The Company has secured key manufacturing components, including chassis for customers, into future years through strategic relationships.
- The Company has strengthened its dealer relationships in both Canada and US to meet the expected demand increase.
- Expanded North American coverage for maintenance warranty and repair to better serve customers.
- Increased sales pricing to customers to reflect changes in material costs.

Limiting factors on the Company's ability to meet increased demand could include the possibility of chassis supply chain interruption due to chip shortages at the chassis manufacturer level and other supply chain issues related to other key components caused by the pandemic including the current COVID lockdowns in China and exacerbated by the Russian invasion of Ukraine. However, management believes that it will be able to manage these supply chain issues as a result of strategic decisions made by the Company.

Financial and Operating Highlights (in CAD \$000's except per share data)

	Three Months ended March 31	
	2022	2021
Revenue	\$ 9,939	\$ 7,978
Cost of sales	7,595	5,754
Gross Profit	2,344	2,224
Selling and general administrative expenses	1,398	1,125
Depreciation and amortization	307	449
Finance expense	45	39
Stock-based compensation	53	44
Gain on disposal of fixed assets	(136)	-
Accretion expense	-	39
Income before tax	677	528
Income tax expense	(203)	(167)
Net income	\$ 474	\$ 361
Net income per share - basic and diluted	\$ 0.004	\$ 0.003
EBITDAS (1)	\$ 946	\$ 1,099
EBIT (1)	\$ 722	\$ 606
Total assets	\$ 27,016	\$ 28,479
Shareholders Equity	\$ 12,703	\$ 15,441

¹ EBITDAS (earnings (loss) before interest, tax, depreciation and amortization, non-cash impairment, gain/loss on disposal of fixed assets and stock-based compensation), EBIT (earnings before interest and taxes) and Gross Profit (revenue less cost of sales) are not defined by IFRS. EBIT is the result of the Company's EBITDAS less depreciation and amortization expenses, gains and losses on the disposal of assets, non-cash impairment and stock-based compensation. While not IFRS measures, EBITDAS, EBIT and Gross Profit are used by management, creditors, analysts, investors and other financial stakeholders to assess the Company's performance and management from a financial and operational perspective. Readers are cautioned that EBITDAS and EBIT should not be considered to be more meaningful than Income before Tax determined in accordance with IFRS.

About Tornado Global Hydrovacs Ltd.

The Company designs and manufactures hydrovac trucks as well as provides heavy duty truck maintenance operations in central Alberta. It sells hydrovac trucks to excavation service providers in the infrastructure and industrial construction and oil and gas markets. Hydrovac trucks use high pressure water and vacuum to safely penetrate and cut soil to expose critical infrastructure for repair and installation without damage. Hydrovac excavation methods are quickly becoming a standard in the North America to safely excavate in urban areas and around critical infrastructure greatly reducing infrastructure damage and related fatalities. In China, the Company's subsidiary is used principally to source certain parts to the Company's North America operations.

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

Brett Newton
President and Chief Executive Officer
Phone: (416) 522-6390
Email: bnewton@tghl.ca

Advisory

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 "anticipates", "should", "may", "expected", "expects", "believes" 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 Tornado 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 those with respect to:

- *the expectation that the Company's production and sales of hydrovac trucks in North America in 2022 will continue to grow;*
- *the expectation that the Company will be able to capitalize on the significantly increased capacity of the Red Deer Facility over the long term;*
- *the expectation that the US Infrastructure Bill will lead to an increase in infrastructure spending;*
- *the Company's outlook for the 2022 fiscal year generally;*
- *the expectation that the improving economic environment is expected to continue through the remainder of 2022;*
- *the anticipated manufacturing and production efficiencies from the Red Deer Facility;*
- *the expectation of adding new and innovative products to its product lines that will support the infrastructure, telecommunications and oil and gas industries;*
- *management's belief that the Company's commitment to continuous improvement of its hydrovac truck design will continue to provide compelling advantages over other hydrovac trucks currently offered in the market;*
- *management's belief in the positive impact of securing key manufacturing components, including chassis, for customers into future years through strategic relationships;*
- *management's belief in the positive impact of strengthened dealer relationships in both Canada and US;*
- *management's belief in the positive impact of expanded North American coverage for maintenance warranty and repair;*
- *the Company's ability to meet increased demand may be limited by factors including chassis supply chain interruption due to chip shortages at the chassis manufacturer level and other supply chain issues related to other key components;*
- *management's belief that trading on OTCQX® will make it easier for US investors to invest in the Company and will promote greater liquidity for the Company's Shares; and*
- *management's belief in the positive impact of increased sales pricing to customers to reflect changes in material costs.*

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. Actual results could differ materially from those anticipated in these forward-looking statements as a result of prevailing economic conditions, and other factors, many of which are beyond the control of Tornado. Although Tornado 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. The forward-looking statements contained in this news release represent Tornado's expectations as of the date hereof and are subject to change after such date. Tornado 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.

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.