



TORNADO GLOBAL HYDROVACS REPORTS Q3 2022 RESULTS INCLUDING RECORD REVENUE

REVENUE INCREASED BY 83% COMPARED TO Q3 2021

CALGARY, November 17, 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 and nine months period ended September 30, 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 website www.tornadotrucks.com. All amounts reported in this news release are in thousands (\$000’s CAD) except per share amounts.

Third Quarter 2022 Overview and Recent Developments

- Revenue of \$15,269 increased 82.8% in Q3/2022 compared to \$8,355 in Q3/2021 as customer demand continued to recover. Quarterly revenue has increased successively each quarter since Q2/2021. Quarterly revenue of \$15,269 in Q3/2022 is a record high for any quarter since the Company’s inception.
- The Company earned net income of \$836 in Q3/2022, which represents an increase of \$1,487 compared to net loss of \$651 in Q3/2021. In Q3/2021 the Company recorded an impairment write-down of \$764 related to certain non-core hydrovac equipment in North America.
- EBITDAS¹ of \$1,364 in Q3/2022 increased by 127% compared to \$601 in Q3/2021. The Company achieved its highest ever quarterly EBITDAS in Q3/2022. This significant increase in EBITDAS was due to increased revenue and improved cost efficiencies. EBITDAS is non-IFRS financial measures and readers are cautioned that they should not be considered to be more meaningful than Net Income determined in accordance with IFRS.
- On July 4, 2022 the Company entered into a Product Supply and Development Agreement for the co-development and supply of customized hydrovac trucks (the “Supply Contract”) with Ditch Witch, a division of The Toro Company (“Ditch Witch”). The Supply Contract contains a commitment for the delivery of a number of innovative, proprietary hydrovac trucks to Ditch Witch that are estimated to generate minimum gross revenue for the Company in the amount of USD\$43,850,000 during the four year term. This strategic alliance brings together two strong brands with a collective purpose to better serve customers and meet future demand including the improved outlook on infrastructure spending and the effect this spending will have on hydrovac demand globally. The sale and delivery of the first customized hydrovac truck to Ditch Witch occurred in July 2022. In addition in July 2022 the Company received a \$1,915 payment with respect to the transfer of certain intellectual property rights relating to the proprietary hydrovac trucks developed for Ditch Witch.
- The Company entered into an agreement to amend its Credit Facility, whereby the operating line of credit was

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increased from \$3 million to \$6 million with no changes to security or covenants. This increase provides additional financial flexibility to enable the Company to respond to an increase in the Company's business.

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 to continue to grow in the remainder of 2022 and in 2023 and capitalize on the significantly increased production capacity at the Red Deer Facility over the long term for the following reasons:

- The positive impact of the Supply Contract with Ditch Witch including an additional anticipated total \$4.4 million USD cash proceeds in Q4/2022 and 2023 upon meeting certain milestones related to the transfer of certain intellectual property rights relating to the proprietary hydrovac trucks.
- 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.
- 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. The Company anticipates increasing benefits from the exclusive sales agreement with its US strategic partner, Custom Truck One Source, who is a single-source provider of specialized truck and heavy equipment solutions including sales, rentals, and financing and has an integrated network of 35 locations across North America that the Company entered into in 2019.
- Expanded North American coverage for maintenance warranty and repair to better serve customers.
- Increased sales pricing to customers to reflect changes in material and labour 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 hydrovac components caused by the pandemic including the current COVID lockdowns in China and exacerbated by the Russian invasion of Ukraine and tensions between China and Taiwan and general inflationary increases in components and labour. 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 September 30		Nine Months ended September 30	
	2022	2021	2022	2021
Revenue	\$ 15,269	\$ 8,355	\$ 38,570	\$ 23,404
Cost of sales	12,425	6,291	30,549	17,253
Gross Profit ⁽¹⁾	2,844	2,064	8,021	6,151
Selling and general administrative expenses	1,480	1,463	4,491	3,773
Depreciation and amortization	342	312	955	1,211
Finance expense	131	68	214	141
Stock-based compensation	20	131	112	269
Loss (gain) on disposal of fixed assets	-	14	(136)	77
Impairment write-down	-	764	-	764
Accretion expense	-	-	-	75
Income (loss) before tax	871	(688)	2,385	(159)
Income tax (expense) recovery	(35)	37	(505)	(215)
Net income (loss)	\$ 836	\$ (651)	\$ 1,880	\$ (374)
Net income (loss) per share - basic	\$ 0.006	\$ (0.005)	\$ 0.015	\$ (0.003)
Net income (loss) per share - diluted	\$ 0.006	\$ (0.005)	\$ 0.014	\$ (0.003)
EBITDAS ⁽¹⁾	\$ 1,364	\$ 601	\$ 3,530	\$ 2,378
EBIT ⁽¹⁾	\$ 1,002	\$ (620)	\$ 2,599	\$ 57
Total assets	\$ 33,217	\$ 28,158	\$ 33,217	\$ 28,158
Shareholders Equity	\$ 14,864	\$ 15,020	\$ 14,864	\$ 15,020

¹ Gross Profit, EBITDAS and EBIT are non-IFRS financial measures and readers are cautioned that none of EBITDAS or EBIT should be considered to be more meaningful than Net Income 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: (587) 802-5070
 Email: bnewton@tghl.ca

Investor Relations Contact
 Jeff Walker, VP
 The Howard Group Inc.
 Phone: (403-221-0915
 Email: jeff@howardgroupinc.com

Advisory

Certain statements contained in this news release constitute forward-looking statements and future oriented financial information. These statements relate to future events. All statements other than statements of historical fact are forward-looking statements or future oriented financial information. 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 or future oriented financial information. 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 or, as applicable, future oriented financial information. 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 and future oriented financial information 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 the remainder of 2022 and in 2023 will continue to grow;*
- *the expectation of a positive impact from the Supply Contract with Ditch Witch and receipt of an additional anticipated total \$4.4 million USD cash proceeds in Q4/2022 and 2023 upon meeting certain milestones related to the transfer of certain intellectual property rights relating to the proprietary hydrovac trucks;*
- *the Company’s estimate of aggregate gross revenue in the amount of USD\$43,850,000 from the Supply Contract;*
- *the anticipated development and supply of the customized hydrovac trucks to be delivered by the Company over a four-year period commencing in fiscal year 2022 and ending in fiscal year 2025;*
- *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 increasing benefits from the exclusive sales agreement with its US strategic partner;*
- *management’s belief in the positive impact of expanded North American coverage for maintenance warranty and repair;*
- *management’s belief in the positive impact of increased sales pricing to customers to reflect changes in material costs; and*
- *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;*

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.

The future oriented financial information regarding the Company's estimate of aggregate gross revenue in the amount of USD\$43,850,000 from the Supply Contract contained in this news release was approved by management as of the date hereof and is based on certain assumptions that management believes are reasonable in the circumstances including (i) the demand for hydrovac trucks, (ii) the ability of the Company to fulfil its obligations under Supply Contract; and (iii) the anticipated purchase price to be paid for hydrovac trucks. The purpose of the future oriented financial information contained herein is to disclose the anticipated economic value of the Supply Contract and readers are cautioned that such information may not be appropriate for other purposes.

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.