



TORNADO GLOBAL HYDROVACS REPORTS SECOND QUARTER 2022 RESULTS

REVENUE INCREASED SIGNIFICANTLY BY 89% COMPARED TO Q2 2021

CALGARY, August 22, 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 June 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.otcmartets.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.

Second Quarter 2022 Overview and Recent Developments

- Revenue of \$13,362 in Q2/2022 increased 89% compared to \$7,071 in Q2/2021 as customer demand continued to recover. The Company achieved its highest quarterly revenue since Q3/2019.
- The Company earned net income of \$570 in Q2/2022, which represents an increase of \$654 compared to net loss of \$84 in Q2/2021.
- EBITDAS¹ of \$1,220 in Q2/2022 increased by 80% compared to \$678 in Q2/2021. In Q2/2021, the Company recorded \$411 of recoveries from the Canada Emergency Wage Subsidy (“Wage Subsidy”) program, resulting in the Adjusted EBITDAS² from operations in Q2/2021 of \$267, an increase of \$953 (357%) in Q2/2022 compared to Q2/2021. The Company achieved its highest ever quarterly EBITDAS¹. This significant increase in EBITDAS¹ was due to increased revenue and improved cost efficiencies. EBITDAS¹ and Adjusted EBITDAS² are 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. See “Non-IFRS Financial Measures” below.
- 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 (NYSE: TTC) (“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 Tornado 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 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 commenced in July 2022.

¹ EBITDAS is a non-IFRS financial measures and readers are cautioned that EBITDAS should not be considered to be more meaningful than Net Income determined in accordance with IFRS. See “Non-IFRS Financial Measures” below.

² Adjusted EBITDAS is a non-IFRS financial measures and readers are cautioned that Adjusted EBITDAS should not be considered to be more meaningful than Net Income determined in accordance with IFRS. See “Non-IFRS Financial Measures” below.

- 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. 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 its Red Deer facility over the long term for the following reasons:

- The positive impact of the Supply Contract with Ditch Witch.
- The improved economic environment experienced during the second half of 2021 and to date in 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 since it was purchased in 2020
- 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 who has an integrated network of 23 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 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, other supply chain issues related to 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 June 30		Six Months ended June 30	
	2022	2021	2022	2021
Revenue	\$ 13,362	\$ 7,071	\$ 23,301	\$ 15,049
Cost of sales	10,529	5,208	18,124	10,962
Gross Profit (1)	2,833	1,863	5,177	4,087
Selling and general administrative expenses	1,613	1,185	3,011	2,310
Depreciation and amortization	306	450	613	899
Finance expense	38	34	83	73
Stock-based compensation	39	94	92	138
Gain on disposal of fixed assets	-	63	(136)	63
Accretion expense	-	36	-	75
Income before tax	837	1	1,514	529
Income tax expense	(267)	(85)	(470)	(252)
Net income (loss)	\$ 570	\$ (84)	\$ 1,044	\$ 277
Net income (loss) per share - basic and diluted	\$ 0.004	\$ (0.001)	\$ 0.008	\$ 0.002
EBITDAS (1)	\$ 1,220	\$ 678	\$ 2,166	\$ 1,777
EBIT (1)	\$ 875	\$ 71	\$ 1,597	\$ 677
Adjusted EBITDAS (1)	\$ 1,220	\$ 267	\$ 2,166	\$ 1,055
Total assets	\$ 29,866	\$ 27,940	\$ 29,866	\$ 27,940
Shareholders Equity	\$ 13,368	\$ 15,446	\$ 13,368	\$ 15,446

¹ Gross Profit, EBITDAS, Adjusted EBITAS and EBIT are a non-IFRS financial measures and readers are cautioned that none of EBITDAS, Adjusted EBITDAS or EBIT should be considered to be more meaningful than Net Income determined in accordance with IFRS. See "Non-IFRS Financial Measures" below.

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:

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Non-IFRS Financial Measures

This news release includes certain terms or performance measures that are not defined under International Financial Reporting Standards ("IFRS"), including 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), Adjusted EBITDAS (EBITDAS less recoveries from the Wage Subsidy) and Gross Profit (revenue less cost of sales). 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, Adjusted EBITDAS 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, Adjusted EBITDAS and EBIT should not be considered to be more meaningful than Income before Tax determined in accordance with IFRS. Below are the reconciliations of Adjusted EBITDAS.

	Three Months ended June 30		Six Months ended June 30	
	2022	2021	2022	2021
Income before taxes	\$ 837	\$ 1	\$ 1,514	\$ 529
Add: Depreciation and amortization	306	450	613	899
Add: Accretion expense	-	36	-	75
Add: Finance costs	38	34	83	73
Add: Gain on disposal of fixed assets	-	63	(136)	63
Add: Stock based compensation	39	94	92	138
EBITDAS	\$ 1,220	\$ 678	\$ 2,166	\$ 1,777
Less: Wage subsidy	-	(411)	-	(722)
Adjusted EBITDAS	\$ 1,220	\$ 267	\$ 2,166	\$ 1,055

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 2022 will continue to grow;*
- *the expectation of a positive impact from the Supply Contract with Ditch Witch;*
- *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.
- 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; and
- 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.

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.