



TORNADO GLOBAL HYDROVACS REPORTS RECORD 2023 RESULTS

NET INCOME PER SHARE INCREASED BY 184% COMPARED TO 2022

CALGARY, April 24, 2024 – Tornado Global Hydrovacs Ltd. (“Tornado” or the “Company”) (TSX-V: TGH; OTCQX: TGHLF) today reported its audited consolidated financial results for the year ended December 31, 2023, with comparisons to last year. The audited consolidated financial statements and related management discussion and analysis are available on the Company’s issuer profile in Canada on SEDAR+ at www.sedarplus.com, the United States at www.otcmartets.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.

2023 Overview

- The Company achieved record sales, gross profit, EBITDAS¹ and net income in 2023.
- In July 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 \$44 million U.S. Dollars (“USD”) during the four-year term. In addition, the agreement provides for the transfer and sale of certain intellectual property rights (“IP”) relating to the proprietary hydrovac trucks developed for Ditch Witch.
- Net income per share (diluted) of \$0.053 increased by \$0.034 (178.9%) compared to \$0.019 in 2022. Net income of \$7,342 increased by \$4,887 (199.1%) in 2023 compared to \$2,455 in 2022. This increase was principally due to increased revenue and the associated increased EBITDAS.
- EBITDAS per share (diluted)¹ of \$0.090 increased by \$0.056 (164.7%) compared to \$0.034 in 2022. EBITDAS¹ of \$12,433 increased by \$7,965 (178.3%) compared to \$4,468 in 2022. This increase was principally due to increased revenue and the associated increased gross profit.
- Revenue of \$105,008 increased by \$45,492 (76.4%) in 2023 compared to \$59,516 in 2022 as a result of: (i) the positive impact of the Supply Contract with Ditch Witch; (ii) the increase in sales from the exclusive sales arrangement with Custom Truck One Source (“Custom Truck”); (iii) the increase in sales pricing to customers; and (iv) the increase in demand for hydrovac trucks in North America.
- Gross profit of \$19,600 increased by \$8,744 (80.5%) compared to \$10,856 in 2022 principally due to increased revenue. Gross profit was also positively impacted by the benefits from cost savings on parts sourced globally during 2023. However, Gross profit was negatively impacted by the increased costs associated with materials purchased in North America during 2023.
- General and administrative expense of \$7,572 increased in 2023 by \$1,150 compared to \$6,422 in 2022. The increase was principally due to general increased employee costs in North America to handle present and anticipated growth.

¹EBITDAS is calculated by subtracting interest, tax, depreciation and amortization, gain/loss on disposal of fixed assets and stock-based compensation from earnings. EBITDAS per share (diluted) is calculated by dividing EBITDAS by the total number of diluted common shares. The terms EBITDAS and EBITDAS per share (diluted) are non-IFRS financial measures, and readers are cautioned that EBITDAS and EBITDAS per share (diluted) should not be considered to be more meaningful than net income determined in accordance with IFRS.

4Q/2023 Overview

- The Company achieved record quarterly sales, gross profit, EBITDAS and net income in Q4/2023. This is the seventh consecutive quarter in which the Company achieved record revenue.
- Net income per share (diluted) of \$0.033 increased by \$0.029 (725.0%) compared to \$0.004 in 2022. Net income of \$4,559 increased by \$4,006 (724.4%) compared to \$553 in Q4/2022. This was principally due to the factors discussed above, with 2023 results partially offset by an increase in income tax expense of \$1,965.
- EBITDAS per share (diluted) of \$0.048 increased by \$0.041 (585.71%) compared to \$0.007 in 2022. EBITDAS of \$6,582, increased by \$5,644 (601.7%) compared to \$938 in Q4/2022, due to increased revenue and gross profit.
- Revenue of \$33,302 increased by \$12,566 (60.6%) compared to \$20,736 in Q4/2022 as customer demand continued to grow, particularly sales relating to the Supply Contract and to the Custom Truck. In Q4/2023, the Company recorded the sale of IP relating to the proprietary hydrovac trucks for \$3,933 (Q4/2022 - \$3,915).
- Gross profit of \$8,249, increased by \$5,445 (194.2%) compared to \$2,804 in Q4/2022 principally due to increased revenue. Gross profit in Q4/2023 and Q4/2022 also benefited from the gross profit on the sale of IP. Gross profit in Q4/22 was negatively impacted by inventory adjustments resulting from year end inventory count and warranty provisions and increased material and freight costs due to supply chain issues.

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

| | Three months ended December 31 | | Year ended December 31 | |
|---|--------------------------------|-------------|------------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Revenue | \$ 33,302 | \$ 20,736 | \$ 105,008 | \$ 59,516 |
| Cost of sales | 25,053 | 17,932 | 85,408 | 48,660 |
| Gross profit | 8,249 | 2,804 | 19,600 | 10,856 |
| Selling and general administrative expenses | 1,933 | 1,931 | 7,572 | 6,422 |
| Depreciation and amortization | 136 | 294 | 840 | 1,048 |
| Finance expense | 160 | 254 | 661 | 468 |
| Stock-based compensation | 163 | 352 | 1,027 | 464 |
| Loss (gain) on disposal of fixed assets | 11 | (83) | 11 | (219) |
| Other (gain) loss - foreign exchange | (160) | 21 | (111) | 231 |
| Income before tax | 6,006 | 35 | 9,600 | 2,442 |
| Income tax (expense) recovery | (1,447) | 518 | (2,258) | 13 |
| Net income | \$ 4,559 | \$ 553 | \$ 7,342 | \$ 2,455 |
| EBITDAS (1) | \$ 6,582 | \$ 938 | \$ 12,433 | \$ 4,468 |
| Outstanding common shares | 135,871,119 | 135,871,119 | 135,871,119 | 135,871,119 |
| EBITDAS per share - diluted (1) | \$ 0.048 | \$ 0.007 | \$ 0.090 | \$ 0.034 |
| Net income per share - diluted | \$ 0.033 | \$ 0.004 | \$ 0.053 | \$ 0.019 |

¹ EBITDAS is calculated by subtracting interest, tax, depreciation and amortization, gain/loss on disposal of fixed assets and stock-based compensation from earnings. EBITDAS per share (diluted) is calculated by dividing EBITDAS by the total number of diluted common shares. The terms EBITDAS and EBITDAS per share (diluted) are non-IFRS financial measures and readers are cautioned that EBITDAS and EBITDAS per share (diluted) should not be considered to be more meaningful than net income determined in accordance with IFRS.

Outlook

Management expects the Company's production and sales of hydrovac trucks and profitability to continue to grow in 2024 for the following reasons:

- The anticipated increasing revenues and benefits from the Supply Contract with Ditch Witch.
- The anticipated increasing revenues and benefits from the exclusive sales arrangement with its US strategic partner, Custom Truck, that the Company entered into in 2019.
- Expected continued spending on infrastructure in North America.
- The anticipated addition of 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 advantages over other hydrovac trucks currently offered in the market.
- The Company's ability to continue to secure 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 serve customers better.

About Tornado Global Hydrovacs Ltd.

Tornado is a pioneer and leader in the vacuum truck industry and has been a choice of utility and oilfield professionals with over 1,300 hydrovacs sold since 2005. 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 North America to safely excavate in urban areas and around critical infrastructure greatly reducing infrastructure damage and related fatalities.

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

Derek Li
Vice President, Finance
Phone: (403) 204-6350
Email: dli@tghl.ca

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. 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 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 Company's outlook for 2024 generally;*
- *the expectation of continued spending on infrastructure in North America;*
- *the expectation that the Supply Contract will generate minimum gross revenue for the Company in the amount of*

- \$44 million USD during the four-year term;*
- *the anticipation of increasing revenues and benefits from the Supply Contract.*
 - *the expectation that the Company's production, sales of hydrovac trucks and profitability in 2024 will continue to grow;*
 - *management's belief in the increasing revenues and benefits from the exclusive sales arrangement with its US strategic partner, Custom Truck;*
 - *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 which in the Company's view will result in advantages over other hydrovac trucks currently offered in the market;*
 - *management's belief in its continuing ability 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 to meet the expected demand increase; and*
 - *management's belief in the positive impact of expanded North American coverage for maintenance warranty and repair.*

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 generating minimum gross revenue in the amount of USD\$44 million 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 fulfill 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.