



TORNADO GLOBAL HYDROVACS REPORTS FIRST QUARTER 2024 RESULTS

NET INCOME PER SHARE INCREASED BY 200% COMPARED TO Q1/2023

CALGARY, May 23, 2024 – Tornado Global Hydrovacs Ltd. (“Tornado” or the “Company”) (TSX-V: TGH; OTCQX: TGHLF) today reported its unaudited condensed consolidated financial results for the three months period ended March 31, 2024. 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.sedarplus.com, the United States at www.otcmarkets.com and on the Company’s website at www.tornadotrucks.com. All amounts reported in this news release are in thousands (\$000’s CAD) except per share amounts.

First Quarter 2024 Overview and Significant Developments

- The Company achieved record quarterly sales in Q1/2024, marking the eighth consecutive quarter of record revenue.
- In July 2022, the Company entered into a four-year 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”).
- Net income per share (diluted) of \$0.018 increased by \$0.012 (200.0%) compared to \$0.006 in Q1/2023. Net income of \$2,427 increased by \$1,642 (209.2%) in Q1/2024 compared to \$785 in Q1/2023. This increase was principally due to increased revenue and the associated increased EBITDAS¹.
- EBITDAS per share (diluted)¹ of \$0.025 increased by \$0.012 (92.3%) compared to \$0.013 in Q1/2023. EBITDAS¹ of \$3,434 increased by \$1,711 (99.3%) compared to \$1,723 in Q1/2023. This increase was principally due to increased revenue and the associated increased gross profit.
- Revenue of \$33,904 increased by \$12,809 (60.7%) compared to \$21,095 in Q1/2023 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, who is a single-source provider of specialized truck and heavy equipment solutions with over 40 locations across North America (“Custom Truck”); (iii) the increase in sales pricing to customers; (iv) the increase in the number of hydrovac trucks sold; and (v) the increase in demand for hydrovac trucks in North America.
- Gross profit of \$5,742 increased by \$2,302 (66.9%) compared to \$3,440 in Q1/2023 principally due to increased revenue. Gross profit was also positively impacted by the benefits from cost savings on parts sourced globally during Q1/2024. However, gross profit was negatively impacted by the increased costs associated with materials purchased in North America during Q1/2024.
- General and administrative expense of \$2,387 increased by \$598 (33.4%) compared to \$1,789 in Q1/2023. 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.

Brett Newton, President and CEO of Tornado, commented on the Company's recent performance and strategic direction, saying, "The first quarter of 2024 marked our eighth consecutive quarter of record revenue. The hydrovac sector is expanding rapidly within the broader North American infrastructure market, and Tornado is ideally situated to leverage this momentum. We will be focusing on moving from exclusively producing hydrovac equipment to becoming a comprehensive provider of infrastructure solutions. Our strategy includes offering turnkey solutions to our clients, aimed at capturing a larger market share in the hydrovac space and venturing into new product areas. We are committed to adding new and innovative products to our product line that will support the ongoing demand of the infrastructure, telecommunications and oil and gas industries."

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

	Three Months ended March 31	
	2024	2023
Revenue	\$ 33,904	\$ 21,095
Cost of sales	28,162	17,655
Gross profit	5,742	3,440
Selling and general administrative expenses	2,387	1,789
Other (gain) loss - foreign exchange	(279)	64
Depreciation and amortization	188	260
Finance expense	78	161
Stock-based compensation	196	129
Income before tax	3,172	1,037
Income tax expense	(745)	(252)
Net income	\$ 2,427	\$ 785
EBITDAS ⁽¹⁾	\$ 3,434	\$ 1,723
Outstanding common shares	135,931,119	135,791,519
EBITDAS per share - diluted ⁽¹⁾	\$ 0.025	\$ 0.013
Net income per share - diluted	\$ 0.018	\$ 0.006

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Outlook

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

- Expected continued spending on infrastructure in North America.
- The continuing addition of new and innovative products to its product lines that will support the infrastructure, telecommunications and oil and gas industries.
- 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.

- 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:

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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 the remainder of 2024 generally;*
- *the expectation that the Company's production, sales of hydrovac trucks and profitability in 2024 will continue to grow;*
- *the anticipation of 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;*
- *the expectation of continued spending on infrastructure in North America;*
- *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;*
- *management's belief in the positive impact of expanded North American coverage for maintenance warranty and repair;*
- *management's intention to focus on moving from exclusively producing hydrovac equipment to becoming a comprehensive provider of infrastructure solutions; and*
- *management's intention to capture a larger market share in the hydrovac space and venture into new product areas.*

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.