



## **TORNADO GLOBAL HYDROVACS REPORTS SECOND QUARTER 2024 RESULTS**

### **NET INCOME PER SHARE INCREASED BY 125% COMPARED TO Q2/2023**

**CALGARY, August 21, 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 and six month periods ended June 30, 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](http://www.sedarplus.com), the United States at [www.otcmarkets.com](http://www.otcmarkets.com) and on the Company’s website at [www.tornadotrucks.com](http://www.tornadotrucks.com). All amounts reported in this news release are in thousands (\$000’s CAD) except per share amounts.

#### **Second Quarter 2024 Overview and Significant Developments**

- The Company achieved record quarterly sales in Q2/2024, marking the ninth consecutive quarter of record revenue.
- Net income per share (diluted) of \$0.018 increased by \$0.010 (125.0%) compared to \$0.008 in Q2/2023. Net income of \$2,511 increased by \$1,457 (138.2%) compared to \$1,054 in Q2/2023. This increase was principally due to increased revenue and the associated increased EBITDAS<sup>(1)</sup>.
- EBITDAS per share (diluted)<sup>(1)</sup> of \$0.028 increased by \$0.013 (85.8%) compared to \$0.015 in Q2/2023. EBITDAS<sup>(1)</sup> of \$3,770 increased by \$1,745 (86.2%) compared to \$2,025 in Q2/2023. This increase was principally due to increased revenue and the associated increased gross profit.
- Revenue of \$34,423 increased by \$10,893 (46.3%) compared to \$23,530 in Q2/2023 as a result of: (i) the positive impact of the four-year Product Supply and Development Agreement (the “Supply Contract”) with Ditch Witch, a division of The Toro Company (“Ditch Witch”), which the Company entered into in 2022 for the co-development and supply of customized hydrovac trucks; (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 of hydrovac trucks; (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 \$6,234 increased by \$2,330 (59.7%) compared to \$3,904 in Q2/2023 principally due to increased revenue.
- Selling and general administrative expenses of \$2,550 increased by \$599 (30.7%) compared to \$1,951 in Q2/2023. The increase was principally due to generally increased employee, sales and travel costs to handle present and anticipated growth and non-recurring professional fees.

<sup>1</sup> EBITDAS is calculated by subtracting interest, tax, depreciation and amortization, gain/loss on disposal of fixed assets, gain/loss on foreign exchange 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 performance and outlook, stating, “Building on our strong financial performance in the second quarter, we are poised to continue this upward trajectory well into 2025, thanks to robust demand for our products in both the U.S. and Canada. Our sales backlog, extending into next year, underscores the growing market confidence in our offerings. As we actively explore ways to enhance our production capacity to meet this robust demand, our commitment to the infrastructure sector remains stronger than ever. We are not only expanding our product line but are also innovating within the space, ensuring that Tornado leads the way in delivering comprehensive infrastructure solutions.”

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

	Three months ended June 30		Six Months ended June 30	
	2024	2023	2024	2023
Revenue	\$ 34,423	\$ 23,530	\$ 68,327	\$ 44,625
Cost of sales	28,189	19,626	56,351	37,281
Gross profit	6,234	3,904	11,976	7,344
Selling and general administrative expenses	2,550	1,951	4,937	3,740
Other (gain) loss - foreign exchange	(61)	14	(340)	78
Depreciation and amortization	195	286	383	546
Finance expense	74	164	152	325
Stock-based compensation	197	98	393	227
Gain on disposal of fixed assets	(9)	-	(9)	-
Income before tax	3,288	1,391	6,460	2,428
Income tax expense	(777)	(337)	(1,522)	(589)
Net income	\$ 2,511	\$ 1,054	\$ 4,938	\$ 1,839
EBITDAS	\$ 3,779	\$ 2,025	\$ 7,212	\$ 3,748
Outstanding common shares	137,556,119	137,556,119	137,556,119	135,871,119
EBITDAS per share - diluted	\$ 0.028	\$ 0.015	\$ 0.053	\$ 0.027
Net income per share - diluted	\$ 0.018	\$ 0.008	\$ 0.036	\$ 0.013

## 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 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.
- 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 supplier 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 1,400 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](http://www.tornadotrucks.com) or contact:

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## 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 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 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 supplier 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 belief that the Company is poised to continue the upward trajectory into 2025;*
- *management’s intention to enhance the Company’s production capacity to meet the demand; and*
- *management’s intention to expand the Company’s product line and innovate to ensure the Company leads the way in delivering comprehensive infrastructure solutions.*

*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.***