



Tornado Infrastructure Equipment Launches Tornado Equipment Finance, Provides Q4/2024 Business Update and Implements Tariff Mitigation Strategies

CALGARY, February 4, 2025 – Tornado Infrastructure Equipment Ltd. (“Tornado”, the “Company” or “we”) (TSX-V: TGH; OTCQX: TGHLF) is pleased to announce the launch of Tornado Equipment Finance Ltd. (“Tornado Finance”), a dedicated financing arm designed to provide financing, rental, and leasing solutions to support its customers' equipment needs across Canada.

Launch of Tornado Finance

Tornado Finance will offer flexible financial solutions exclusively to Canadian customers, making it easier for businesses to acquire Tornado's industry-leading hydrovac trucks and infrastructure equipment. By providing in-house financing options, Tornado aims to enhance customer accessibility while strengthening long-term relationships. The Company expects this new initiative to generate a steady additional revenue stream while further solidifying Tornado's position as a full-service provider in the infrastructure equipment sector.

Brett Newton, President and CEO of Tornado, commented: "The launch of Tornado Equipment Finance is a significant milestone in our commitment to customer service. By providing financing, rental, and leasing solutions, we are making it easier for our Canadian customers to access our equipment while offering them financial flexibility. We believe this initiative will support both our business growth and our customers' success."

Q4/2024 Business Update

Tornado is pleased to share a business update for Q4/2024, which was another record quarter for hydrovac truck sales and production. The Company anticipates releasing its financial results for the quarter in April 2025. The Company manufactured and sold 88 hydrovac trucks during the quarter, bringing the total for 2024 to 320 hydrovac trucks, compared to 241 in 2023.

This strong finish to the 2024 year follows a temporary production slowdown in Q3/2024, which was necessary to accommodate the launch of a new product line and as a result of preparations for the construction of Tornado's expanded manufacturing building on site. These strategic initiatives required resource reallocation and production line adjustments, which temporarily impacted output. However, production rebounded in Q4/2024, resulting in the Company's highest quarterly hydrovac truck sales and production numbers for the year 2024.

Tariff Mitigation Strategies

The Company also wishes to provide an update in response to the February 1, 2025, announcement from the White House announcing the implementation of a 25% tariff on imports from Canada. The implementation of this tariff has now been delayed until March 2025.

The Company continues to assess and monitor the tariff situation, which is rapidly developing. At this stage, to address the current tariff situation, we have identified the following strategies which may mitigate the impact of these tariffs on the Company:

- **Supplying Backend Units:** For U.S. customers, we continue to offer backend-only units allowing U.S. customers to source chassis locally, reducing the value of goods supplied through Canada and therefore reducing the aggregate tariff exposure of our U.S. customers. The chassis represents a significant portion of the total cost of our hydrovac trucks, making the supply of backend units a potentially effective strategy to mitigate tariff impacts for our U.S. customers.

- Exploring Final Assembly in the U.S.: We are assessing opportunities for developing final-stage manufacturing capacity in the U.S. either through potential partnerships or by opening new manufacturing facilities in the U.S. With the successful assembly of our first hydrovac truck in the U.S. by our Midland, Texas based partner under the supervision of Tornado personnel, we are exploring further expansion based on market demand.
- Leveraging Our Existing U.S. Entity: We are assessing opportunities for our established U.S. entity, Tornado Infrastructure Equipment (USA) Ltd. ("Tornado USA"), to provide additional flexibility to navigate tariff-related challenges and optimize supply chain logistics.

Tornado is continuing to work closely with its U.S. partners to monitor the situation. We remain confident in our ability to supply hydrovac trucks and other infrastructure equipment to the U.S., supporting the ongoing construction of U.S. infrastructure, including 5G stations and data centers, and the rebuilding of infrastructure lost in the California wildfires.

About Tornado Infrastructure Equipment Ltd.

Tornado is a pioneer and leader in the vacuum truck industry and has been a choice of utility and oilfield professionals with over 1,700 hydrovacs sold since 2008. 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 Infrastructure Equipment Ltd., visit 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. 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. Such statements include those with respect to:

- *the expectation that Tornado Finance will offer flexible financial solutions exclusively to Canadian customers, making it easier for businesses to acquire Tornado's industry-leading hydrovac trucks and infrastructure equipment;*
- *the expectation that, by providing in-house financing options, Tornado aims to enhance customer accessibility while strengthening long-term relationships;*
- *the expectation that Tornado Finance will generate a steady additional revenue stream while further solidifying Tornado's position as a full-service provider in the infrastructure equipment sector;*
- *the expectation that, by providing financing, rental, and leasing solutions, we are making it easier for our Canadian customers to access our equipment while offering them financial flexibility and our belief that this initiative will support both our business growth and our customers' success;*

- *the anticipated release of Tornado's Q4/2024 financial results in April 2025;*
- *the anticipated benefits of the Company's tariff mitigation strategies, including the sale of backend-only units allowing U.S. customers to source chassis locally, reducing the value of goods supplied from Canada and therefore reducing the aggregate tariff exposure, the potential development final-stage manufacturing in the U.S. either through potential partnerships or by opening new manufacturing facilities in the U.S., and leveraging our U.S. subsidiary Tornado USA to provide additional flexibility to navigate navigate tariff-related challenges and optimize supply chain logistics; and*
- *the Company's ability to continue supplying hydrovac trucks and other infrastructure equipment to the U.S., supporting the ongoing construction of critical infrastructure, including 5G stations and data centers, and the rebuilding of infrastructure lost in the California wildfires.*

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 because of prevailing economic conditions, including restrictions on trade and tariffs, 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.

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