

Letter to Shareholders from Jim Rakievich, CEO



March 15, 2021

Dear fellow shareholders,

As our end-of-year financials have been released, I would like to provide our shareholders with a look back on 2020, and insight into our expectations for 2021.

2020 In Review: A Year of Perseverance and a Strong Balance Sheet

The arrival of the global pandemic in February 2020, and the resulting significant drop in oil consumption and oil prices, made for a challenging year.

The management team promptly identified and acted upon the pandemic's material impacts to the Corporation. In March, we presented a revised forecast to our Board of Directors focused on protecting shareholder value and ensuring our continued financial viability, while prudently investing in our future.

This response allowed us to pursue our strategy and produced key achievements including:

- Taking swift and measured action to reduce our cost structure, which included wage rollbacks lead by the Board and executive team at 25%.
- Renegotiating our existing debt to ensure McCoy's balance sheet remains strong.
- Increasing operating cash flow by 27% year-over-year to CAD\$8.8 million despite revenues declining 28% and concluding 2020 with a strong net cash position.
- Achieving key product development milestones on our 'Digital Technology Roadmap'; our new 'Smart' products developed under this initiative will deliver meaningful commercial value to our customers by enhancing safety, efficiency and wellbore integrity while significantly reducing cost.
- Protecting our valued employees and customers by introducing strict COVID-19 protocols and by pivoting our customer engagement strategy toward virtual technical support, training, and product introductions.

I am very proud that, despite the trials of the pandemic and significant industry downturn, we retained our key personnel and continued to advance our strategy. Our lean team remains deeply engaged and encouraged by our vision to transform our industry through our 'Digital Technology Roadmap'.



2021 and Beyond: A Strategy to Capitalize on Our Investments for Shareholders

The global pandemic continues to deliver economic uncertainty as we move into 2021. Access to growth capital remains scarce. All sectors in the oil and gas supply chain are focused on cash generation, cash preservation and cost management.

We believe technology will be a key differentiator and critical success factor in tomorrow's marketplace. McCoy's customers are responding to our new 'Smart' product offerings with keen interest.

2021 will be a pivotal year as several of our new digital products become commercial. Our team is fully committed to growing market adoption and delivering results from these investments. In addition to McCoy OnDemand, we launched our first digital product Virtual Thread Rep, and advanced two products from prototype, with customer service testing expected shortly. McCoy expects to launch its next two Smart Products later this year and we expect to enter into at least two major commercial contracts with leading customers for our Smart technologies in 2021. For more information, please visit us at www.mccoyglobal/news.com

Board Addition: Continuing to Strengthen our Experienced and Knowledgeable Team

In February 2021, the Board of Directors announced the appointment of Cory Janssen, the co-founder and co-CEO of AltaML Inc. As we progress to the next phases of our Technology Roadmap, bringing in an expert in the field of Artificial Intelligence, Machine Learning and Data Science is timely. Cory has a proven track record of not only understanding technology development but also generating commercial value from technology. We are very excited to have Cory's expertise available to our Board.

During these challenging times, our Boards' expertise and leadership have been vital to our continued stewardship of the strategy and oversight of the Corporation. Moving forward, their input and judgement is critical to the next stage of McCoy's growth. I personally wish to thank them for their commitment and guidance during this past year and look forward to their contributions as we progress our strategy in the transformational years that lie ahead.

In closing, I want to thank all of you for your continued support through an incredibly challenging environment. As always, we accept and embrace the responsibility of providing the stewardship required not only to survive these unique challenges, but to thrive. I am always available to speak with shareholders and I invite you to connect with me directly with any questions or feedback.

Signed,

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President & CEO

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