MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2024

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EXPLANATORY NOTES

The following Management's Discussion and Analysis of Financial Results ("MD&A"), dated March 5, 2025, should be read in conjunction with the cautionary statement regarding forward-looking information and statements below, as well as the audited consolidated financial statements and notes thereto, for the years ended December 31, 2024, and 2023 (the "Financial Statements"). The annual consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"). All amounts in the following MD&A are in Canadian dollars unless otherwise stated. References to "McCoy," "McCoy Global," "the Corporation," "we," "us" or "our" mean McCoy Global Inc. and its subsidiaries, unless the context otherwise requires. All references to "Management" refer to the directors and executive officers of the Corporation. Additional information relating to McCoy Global, including periodic quarterly and annual reports and Annual Information Forms ("AIF"), filed with Canadian securities regulatory authorities, is available on SEDAR+ at sedarplus.ca and our website at mccoyglobal.com. The information in this MD&A is current to March 5, 2025, unless otherwise noted.

FORWARD-LOOKING INFORMATION AND STATEMENTS

This MD&A contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements in this MD&A other than statements of present or historical fact are forward-looking statements. Forward-looking information is often, but not always, identified by the use of words such as "could", "should", "can", "anticipate", "expect", "objective", "ongoing", "believe", "will", "may", "projected", "plan", "sustain", "continues", "strategy", "potential", "projects", "grow", "take advantage", "estimate", "well-positioned" or similar words suggesting future outcomes. In particular, this MD&A contains:

Forward-looking statements relating to McCoy Global's:

- business strategy;
- future development and organic growth prospects;
- the Corporation's development and commercialization of its Technology Roadmap;
- competitive advantages;
- merger and acquisition strategy;
- payment of quarterly dividends;
- the impact of order intake and backlog on expected financial performance;
- the impact of new drilling activity, oil and gas prices, the entry or new market participants and M&A activity on the demand for the Corporation's products;
- potential tariffs imposed by the United States on Canadian imports;
- operational leverage; and
- capital spending for 2025.

Forward-looking statements respecting:

- the business opportunities for the Corporation that are based on the views of Management and current and anticipated market conditions; and
- the perceived benefits of the growth and operating strategies of the Corporation, which are based upon the financial and operating attributes of the Corporation as at the date hereof, as well as the anticipated operating and financial results.

Forward-looking statements reflect the Corporation's current plans, intentions and expectations, which are based on Management's perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. The Corporation's expectation of operating and financial performance in 2025 and beyond is based on certain assumptions. McCoy Global's plans, intentions and expectations are inherently subject to significant business, economic, competitive, and other uncertainties and contingencies regarding future events and as such, are subject to change. There is no assurance that the plans, intentions, or expectations upon which these forward-looking statements are based will occur. Forward-looking statements are subject to risks, uncertainties and assumptions, including, but not limited to, those discussed elsewhere in this MD&A. Although Management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct, and such forward-looking statements included in this MD&A should not be unduly relied upon.

Forward-looking statements regarding the Corporation in this MD&A are based on certain key expectations and assumptions of the Corporation concerning anticipated financial performance, business prospects, strategies, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of labour and services and the ability to obtain financing on acceptable terms, which are subject to change based on market conditions and potential timing delays. Although Management considers these assumptions to be reasonable based on information currently available to them, they may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward-looking statements will not be achieved. Undue reliance should not be placed on forward-looking statements, as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in the forward-looking statements, including those set out below and those detailed elsewhere in this MD&A:

- domestic and foreign competition;
- technology;
- replacement or reduced use of products and services;
- international operations and international trade relations, including trade tariffs;
- oil and natural gas price fluctuations;
- supply chain disruption and increasing material costs;
- reliance on key persons and workforce availability;
- major operations disruption due to severe weather events;
- mergers and acquisitions;
- ability to effectively manage growth;
- litigation;
- legal compliance;
- insurance sufficiency, availability, and rate risk;
- breach of confidentiality;
- shareholder activism;
- safety performance;
- information security and cybersecurity;
- foreign exchange;
- challenges by taxation authorities;
- availability of financing and increasing interest rates;
- raising equity through the issuance of shares;
- customers' inability to obtain credit/financing;
- sufficiency of internal controls;
- material differences between actual results and Management estimates and assumptions;
- global health crisis;
- terrorist attack or armed conflict;
- change in government administrations;
- Greenhouse Gas ("GHG") regulations and other climate change related measures; and
- conservation measures and technological advances.

Readers are cautioned that the foregoing list is not exhaustive.

The reader is further cautioned that the preparation of financial statements in accordance with IFRS requires Management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses. These judgments and estimates may change, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes.

The information contained in this MD&A, including the documents incorporated by reference herein, identifies additional factors that could affect the operating results and performance of the Corporation. We urge you to carefully consider those factors.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this MD&A are made as of the date of this MD&A and the Corporation does not undertake and is not obligated to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

DESCRIPTION OF NON-GAAP MEASURES

Throughout this MD&A, management uses measures which do not have a standardized meaning as prescribed by IFRS and therefore are considered to be non-GAAP measures presented under IFRS.

EBITDA is non-GAAP measure defined as net earnings (loss), before:

- depreciation of property, plant, and equipment;
- amortization of intangible assets;
- income tax expense (recovery); and
- finance charges, net.

Adjusted EBITDA is a non-GAAP measure defined as net earnings (loss), before:

- depreciation of property, plant, and equipment;
- amortization of intangible assets;
- income tax expense (recovery);
- finance charges, net;
- provisions for (recovery of) excess and obsolete inventory;
- other (gains) losses, net;
- restructuring charges;
- share-based compensation expense; and
- impairment losses.

The Corporation reports on EBITDA and adjusted EBITDA because they are important measures used by management to evaluate performance. The Corporation believes adjusted EBITDA assists investors in assessing McCoy Global's current operating performance on a consistent basis without regard to non-cash, unusual (i.e. infrequent and not considered part of ongoing operations), or non-recurring items that can vary significantly depending on accounting methods or non-operating factors. Adjusted EBITDA is not considered an alternative to net earnings (loss) in measuring McCoy Global's performance. Adjusted EBITDA does not have a standardized meaning and is therefore not likely to be comparable to similar measures used by other issuers. Adjusted EBITDA should not be used as an exclusive measure of cash flow since it does not account for the impact of working capital changes, capital expenditures, debt changes and other sources and uses of cash, which are disclosed in the consolidated statements of cash flows.

Net cash is a non-GAAP measure defined as cash and cash equivalents, plus: restricted cash; less: borrowings. The Corporation reports net cash as it is an important measure used by management to evaluate liquidity. The Corporation believes net cash assists investors in assessing McCoy Global's current liquidity on a consistent basis taking into consideration cash and cash equivalents, restricted cash, and borrowings.

Order intake is a measure of the amount of customer orders the Corporation has received, during a specified period of time, and is therefore an indicator of a base level of future revenue potential. Order intake is a supplementary financial measure, and, as a result, the definition and determination of order intake will vary among other issuers. The Corporation defines an order as a customer purchase commitment that has a high certainty of being delivered and is measured on the basis of the receipt of a customer purchase order or customer confirmation of McCoy sales order.

Backlog is a measure of the amount of customer orders the Corporation has received, but has not yet recognized as revenue, and is therefore an indicator of a base level of future revenue potential. Backlog is a supplementary financial measure, and, as a result, the definition and determination of backlog will vary among other issuers reporting a backlog figure. The Corporation defines backlog as orders that have a high certainty of being delivered, but have not yet been recognized as revenue, and is measured on the basis of a firm customer commitment, such as the receipt of a purchase order or customer confirmation of McCoy sales order.

smartProduct revenue is a non-GAAP measure and includes sales, rental and service revenues from those products and technologies developed under the Corporation's technology roadmap initiative. The metric includes revenues from flush mount spiders (FMS), casing running tools (CRTs), smartTONGs and related software and accessories. The Corporation believes smartProduct revenue is a key metric that can assist investors in assessing how McCoy Global has executed on its technology roadmap strategy.

STRATEGIC ACHIEVEMENTS

McCoy remains committed to its key strategic objectives, and we are pleased to report our progress:

Earnings Performance & Cashflow Generation

Three months ended December 31, 2024

McCoy reported revenue for the three months ended December 31, 2024, of $25.2 million, a 28% increase from the comparative period (Q4 2023 - $19.7 million). The growth in revenues was driven by strong demand for the newly commercialized smartProducts. As previously anticipated, the timing of contract awards, order intake and product shipments also impacted revenue on a quarter-to-quarter basis, resulting in a strong sequential increase in in revenue. For the three months ended December 31, 2024, smartProduct revenue of $12.1 million accounted for 48% of revenue (three months ended December 31, 2023 – 42%), an increase of $3.9 million from the comparative period.

McCoy's earnings for the fourth quarter of 2024 were $4.3 million, an increase of $1.6 million or 59% from the comparative period (Q4 2023 - $2.7 million).

Adjusted EBITDA for the three months ended December 31, 2024, was $6.5 million or 26% of revenue, an increase of $2.5 million from the comparative period (Q4 2023 – adjusted EBITDA of $4.0 million, or 20% of revenue). This growth reflects McCoy's robust operating efficiency, fueled by significant revenue contributions from innovative smart technologies, which tend to generate higher margins relative to legacy capital equipment. Adjusted EBITDA performance for the fourth quarter of 2024 was impacted by increased revenues and production throughput, offset to a lesser extent, by additional headcount and adjustments in workforce compensation to support revenue expansion.

Adjusted EBITDA performance supported McCoy's $8.0 million of cashflow generated from operating activities during the fourth quarter of 2024 (Q4 2023 - $4.2 million), which was subsequently allocated to strategic investments in the Corporation's rental fleet, principal elements of lease payments, returning capital to shareholders through McCoy's quarterly dividend and building the Corporation's net cash balance to $17.1 million.

Year ended December 31, 2024

McCoy reported annual revenue of $77.5 million, or growth of 11% from the previous year. This robust revenue growth was driven by strong demand for recently commercialized smartProducts and led to the achievement of $8.9 million in net earnings. For the year ended December 31, 2024, smartProduct revenue of $29.8 million accounted for 38% of revenue (year ended December 31, 2023 – 35%), an increase of $5.3 million from the comparative period. McCoy's full-year 2024 adjusted EBITDA was $16.2 million (21% of revenue), a 23% increase from the comparative period (2023 - $13.1 million, 19% of revenue).

McCoy's strong EBITDA performance and cashflow generated from operating activities was used to return capital to shareholders and strategic capital investments to support future revenue growth. During the year ended December 31, 2024, the Corporation paid out $1.9 million under the Corporation's quarterly dividend. The Corporation also made $2.0 million of strategic investments into its rental fleet, production equipment and facility upgrades, as well as $1.5 million of strategic investments into the next in line projects of its Technology Roadmap as described below.

Having reported a net cash balance of $17.1 million as at December 31, 2024 (December 31, 2023 - $15.7 million) and $7.9 million of additional funds available under undrawn credit facilities, McCoy is well positioned to take advantage of strategic opportunities.

Advancing our Technology Roadmap

Since January 1, 2024, we achieved key commercial and development milestones:

- McCoy reported continued strong market penetration of its Flush Mount Spiders (FMS) in the North America Land market. With a growing number of tools operating in-field, operators have increasingly recognized the benefits of McCoy's FMS, leading to more widespread adoption. Consolidation in the North American E&P space has also become a favourable trend as safety and efficiency standards are integrated across these mergers. McCoy's FMS is a hydraulic rotary flush-mounted spider that, when fully connected (smartFMS™), handles casing while providing information on the state of the tool to the driller's display in real-time as well as the ability to integrate with McCoy Smart Casing Running Tool (smartCRT™) and McCoy's smarTR™.
- McCoy secured a contract award totaling CAD$4.3 million for several hydraulic smart casing running tools (smartCRT™s) destined for the Middle East market. Our unique, patented solution is a hydraulic option to our smart product suite and is designed to integrate into our smarTR™ system. This represents an important milestone on our journey towards automating tubular running operations. The expedited development and commercialization of this enhancement was a response to certain new Casing Running Tool (CRT) requirements for future contract tender awards announced by National Oil Companies (NOCs) and major operators in certain key regions in the first quarter of 2024. McCoy's hydraulic smartCRT™ not only addresses the new contract requirements, but also offers an intelligent, connected enhancement to conventional casing running tools available today. This tool provides superior safety, efficiency and simplified operating procedures along with real-time data collection and analysis capabilities. This technology mitigates the risk of conventional, mechanical CRT technology, while providing actionable insights that optimize future performance.
- Despite being unable to secure rig availability during Q4 2024, McCoy's in-field trials for smarTR™ continued in early 2025 with promising initial results. The success of McCoy's CRT enhancement has alleviated several external hurdles, while further improving safety, efficiency and simplifying operating procedures of the smarTR™ system. Due to the challenges securing rig availability with our current in-field partner, McCoy expanded the in-field trials to include an additional three partners in separate regions, including both US land and the Middle East. As in-field trials continue, our product development team will focus on promptly addressing challenges, if and when, they are identified. We remain confident in our ability to consistently exceed our internal key performance metrics across several in-field trials in each region. This will allow us to successfully conclude the in-field trials and shift our focus to successful product adoption and market penetration.
- McCoy secured a contract award totaling $3.7 million for deep-water offshore integrated casing running systems destined for Latin America and accepted an additional $1.8 million in awards for deep-water systems for separate customers in Brazil. Delivering this technology will complete the first step on a roadmap to a comprehensive smarTR™ system tailored for offshore and deep-water markets. This integrated deep-water system differs from our smarTR™ solution designed for land and shelf that is centered around CRT technology, as deep-water casing installation requires hydraulic power tongs to meet technical specifications for the well profile. The Latin America contract award also marks the first offshore commercial Software as a Service (SaaS) purchase commitment for its Virtual Thread-Rep™ technology. McCoy's Virtual Thread-Rep™ technology enables customers to remotely monitor and control premium connection make-up. It also facilitates the autonomous evaluation and confirmation of premium connection make-up on location. Delivery of the equipment and technology is scheduled to occur in early 2025.

Order Intake

McCoy reported $16.8 million of order intake for the three months ended December 31, 2024, a 7% decrease over the $18.0 million of order intake reported in the fourth quarter of 2023. Order intake decreased sequentially from the $24.1 million reported in the third quarter of 2024. The inherent characteristics of our capital equipment product offerings as well as the rate of technology adoption, and timing of contract awards, often leads to fluctuations in order intake and revenues on a quarter-to-quarter basis. Consequently, these factors also may impact fluctuations in working capital balances due to the timing of customer shipments and billings.

While quarter-to-quarter fluctuations in order intake impacted fourth quarter backlog, our orders backlog of $23.5 million at December 31, 2024, alongside strong subsequent order intake in the first quarter of 2025, is expected to positively support financial performance for the first half of 2025.

OUTLOOK AND FORWARD-LOOKING INFORMATION

In light of the recent trade tariff announcements between the United States and Canada, the Corporation has evaluated the potential impacts on its operations. The Corporation operates two production facilities in the US, where all of McCoy's equipment and technologies are currently produced. These facilities source a considerable portion of components from Canadian suppliers, to which the 25% tariff on Canadian imports would likely apply. Management expects that the impact of these tariffs will be offset to a substantial degree by the depreciating Canadian dollar. To further mitigate the potential impact of US tariffs on Canadian imports, McCoy has the ability to transition to alternative suppliers or implement other measures that limit or defer financial impact. Management continues to take proactive steps to mitigate much of the impact the trade tariffs may have and will continue to closely monitor future developments as they are announced. Overall, the tariffs are not expected to have a material impact on McCoy's financial performance, however, circumstances remain very dynamic, and this assessment may change.

Over the near and medium term, oil & gas market fundamentals are expected to remain stable for international markets, especially in the Middle East and North Africa (MENA). Increased drilling activity and the entry of new regional players alongside National Oil Companies' (NOC) strong focus on increased safety and efficiency will create further opportunities for our new products. Additionally, much of the increase in activity levels has been unconventional drilling, where technology and efficiency are a substantially greater focus. McCoy is well positioned to capitalize on these trends with market leading technologies and product enhancements that provide superior safety, efficiency and simplified operating procedures, as well as expert technical support with local presence and the broadest portfolio of TRS equipment on the market.

Turning to the North America land market, where rig count and drilling activity has remained subdued, the market for equipment, particularly standard, legacy products, has been stagnant to declining due to oversupply. Despite this muted backdrop, McCoy's advanced technologies continue to generate growth in this region due to the significantly improved safety features and ability to enhance efficiency and in many cases reduce cost. Recent consolidations in the North American E&P space have led to safety and efficiency standards being integrated across these mergers, creating further opportunities for McCoy's new smartProduct technologies. As field trials for our integrated smarTR™ progress towards completion, we expect 2025 to be an important year for the initial adoption of this technology in the North America land market, setting the stage for future revenue growth in 2026 and beyond.

As we progress through the commercialization stage of our 'Technology Roadmap' initiative, we expect future revenues to become less dependent on the cyclicality of drilling activity, and more driven by technology adoption, demand from new local and regional market entrants, and market share gains in new geographies.

With $23.5 million of backlog reported at December 31, 2024, and continued momentum of smartProduct technology adoption, we are confident in executing our strategic and financial objectives in 2025. However, timing delays experienced on certain customer purchase commitments, shifts in product mix, and greater than anticipated book-and-ship revenues that positively impacted Q4, 2024, may result in quarter-to-quarter fluctuations in revenues and gross margins, particularly in the first quarter, with revenues and earnings more heavily weighted toward the second half of 2025. McCoy remains confident in the continued strong market penetration of its new technologies in 2025, and with its proven track record of operational efficiency and cashflow generation. For 2025 and beyond, we continue to focus on our key strategic initiatives to deliver value to all our stakeholders:

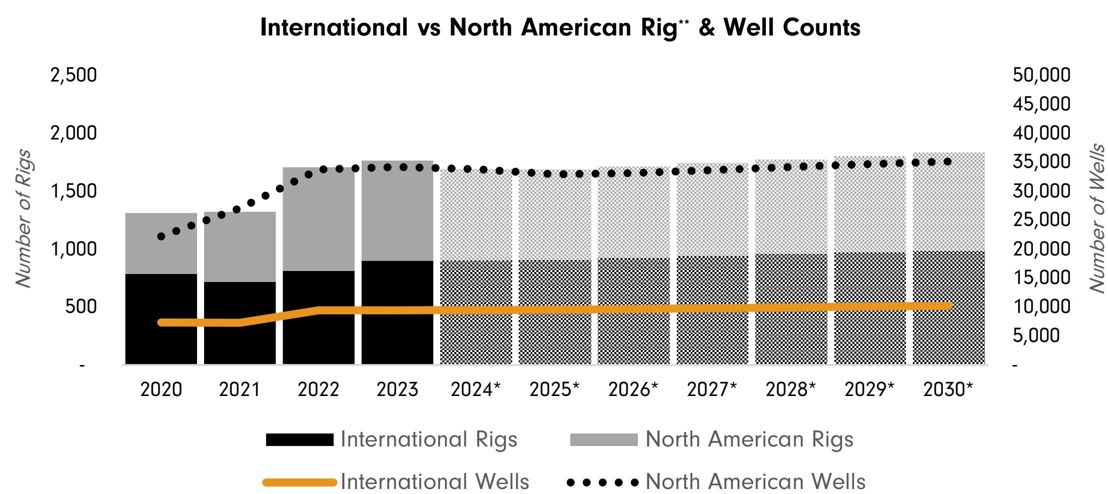
- Accelerating market adoption of new and recently developed 'smart' portfolio products;
- Focusing on capital allocation priorities; return excess cash to our shareholders in the form of share buy-backs and quarterly dividends.

We believe this strategy, together with our committed and agile team, McCoy's global brand recognition, application expertise, strong balance sheet, and global footprint will further advance McCoy's competitive position and generate strong returns on invested capital.

MARKET CONDITIONS

Management uses active rig counts, as well as number and length of wells being drilled, as data points to monitor and set expectations of the future performance of the Corporation. Generally, these metrics are leading indicators of demand for McCoy Global's products and services, although there are many factors that may impact any correlation.

A summary of historical and forecasted rig and well counts, which includes both land and offshore, obtained from Spears & Associates Drilling and Production Outlook, December 2024, is as follows:



**Forecasted*
***Cumulative*

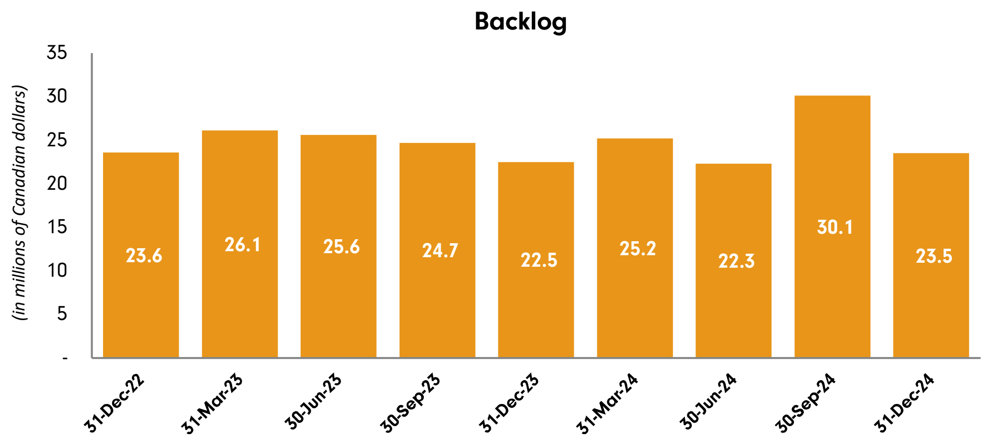
At a macro level, the demand for McCoy Global's products and services is related to drilling activity levels and customers' capital and operating budgets, which in turn are influenced by oil and natural gas prices and expectations as to future price trends. The availability of existing capital equipment adequate to serve drilling activity requirements, or lack thereof, further drives demand levels for McCoy's capital equipment products. The introduction and adoption of new products and technologies is a further driver of capital equipment demand and continues to play a more significant role as the adoption of McCoy's new technologies accelerates.

Backlog

Backlog is a measure of the amount of customer orders the Corporation has received and is therefore an indicator of a base level of future revenue potential. Backlog is a supplementary financial measure, and, as a result, the definition and determination of backlog will vary among other issuers reporting a backlog figure.

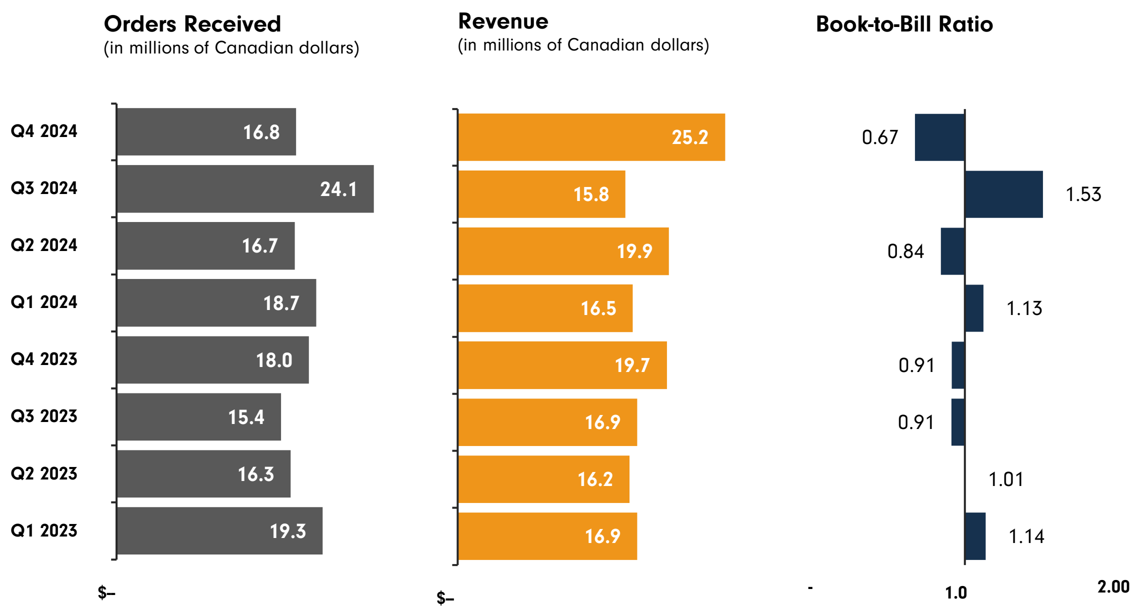
The Corporation defines backlog as orders that have a high certainty of being delivered and is measured on the basis of a firm customer commitment, such as the receipt of a purchase order or customer confirmation of McCoy sales order. Though customers may default on, or cancel such commitments, purchase commitments may be secured by a deposit and/or require reimbursement by the customer upon default or cancellation. Backlog reflects likely future revenues; however, cancellations or reductions may occur and there can be no assurance that backlog amounts will ultimately be realized as revenue, or that the Corporation will earn a profit on backlog once fulfilled. Expected delivery dates for orders recorded in backlog historically spanned from one to six months on average.

McCoy Global's backlog as at December 31, 2024, totaled $23.5 million (US$16.3 million), a decrease of $6.6 million or 22% from backlog of $30.1 million (US$22.3 million) as at September 30, 2024. Compared to December 31, 2023, backlog increased $1.0 million, or 4%, from $22.5 million (US$17.0 million).



Book-to-Bill Ratio

The book-to-bill ratio is a measure of net sales orders received to revenues recognized. The ratio is an indicator of customer demand and sales order processing times. The book-to-bill ratio is a supplementary financial measure and therefore the definition and calculation of the ratio will vary among other issuers reporting the book-to-bill ratio. McCoy Global calculates the book-to-bill ratio as net sales orders taken in the reporting period divided by the revenues reported for the same reporting period. Orders received are those orders in a period which have been included in backlog. Orders received are typically booked in $USD. For each reporting period, orders received are converted to $CAD at an average foreign exchange rate for the period. As a result, orders received can fluctuate from one reporting period to another because of foreign exchange volatility. Set out below are orders received, revenue and the book-to-bill ratio:



BUSINESS VISION

Our vision is to redefine wellbore construction as the foremost global provider of innovative, automated tubular makeup technology and world class support.

McCoy Global Inc. is incorporated and domiciled in Canada and is a leading provider of technologies and equipment designed to support tubular running operations, enhance wellbore integrity, and assist with collecting critical data for the global energy industry. McCoy Global's core products are used predominantly during the well construction phase for both land and offshore wells during both oil and gas exploration and development.

The Corporation is engaged in the following:

- design, production and distribution of capital equipment and technologies to support tubular running operations, enhance wellbore integrity and increase safety;
- design, production and distribution of aftermarket products and services such as technical support, consumables and replacement parts that support its capital equipment sales;
- design, production and distribution of data collection technologies used in rugged applications for the global energy industry as well as in construction, marine and aerospace;
- repair, maintenance and calibration of the Corporation's capital equipment install base and similar competitor products; and
- rental of the Corporation's equipment and technologies.

Since mid-2008, the oil & gas extraction complex has experienced an increasingly volatile pricing environment and growing public and investor pressure to reduce its impact on the environment and improve safety. In turn, producers have been acutely focused on managing their costs and adapting their business strategy to demonstrate compliance with broader sustainability efforts.

McCoy has a reputation of innovation within tubular running services (TRS) operations globally. The Corporation has extensive experience launching new products into the markets it serves, offering high quality, technological advancements, and safety standards available, and has done so for more than three decades.

McCoy believes the TRS space is primed for transformation employing automation and advanced software solutions. Tools and processes used in TRS today are mechanical, highly repetitive, require significant labour inputs, have a high rate of personnel safety exposure, and maintain minimal well integrity data. Recognizing this opportunity, McCoy has conceptualized a 'smart' TRS system that will operate autonomously using the Corporation's cloud-based data repository and machine learning to improve effectiveness. Our cloud-based platform and digital infrastructure that was developed in 2019, will enable future product offerings and enhancements. This cloud based, real time, remote data transmission infrastructure will support our ability to integrate, digitize, and automate the historically manual processes of tubular make up through our smarTR™ automated casing running system.

McCoy is engaged with three key customer groups:

Service Companies and Drilling Contractors - Producers are challenging contractors to reduce costs. In most cases, their largest cost is people. With several significant downturns in the last decade and increasing volatility in oil and gas activity, personnel have left the industry to the point where there is now a critical shortage of skilled and experienced labour. This lack of labour and the reality that 65% of TRS cost can be directly attributed to labour is a driving force behind the transition to an increasingly automated system. In addition to providing enhanced data, McCoy's smarTR™ targets a reduction of up to 67% of the labour costs associated with TRS.

Producers – McCoy's Virtual Thread Rep™ consolidates data on every connection made in a producer's completion program. This repository of data supports verifiable and reliable well integrity that validates Environmental Social Governance (ESG) initiatives.

Tubular Manufacturers – Threaded connection integrity is the standard that all manufacturers are measured by. Tubular connections at wellsite, which are currently made up by people, will be controlled, and torqued to factory specifications by McCoy's 'smart' tools, leveraging autonomous machine learning. OEM's and manufacturers will benefit from reduced operational risk with systems in place to ensure connections are made correctly and in accordance with specifications related to project parameters, reducing the environmental impact of faulty connections and leaking wells.

McCoy's technology strategy will meet this demand. Our cloud platform is the nucleus of the Corporation's technology strategy and serves as a repository for real-time, complete well integrity data.

Set out below are McCoy Global's principal operations:

Operating Name	Country of Incorporation	Operating Region	Ownership Interest
McCoy Global Canada Corp.	Canada	Canada	100%
McCoy Global FZE	United Arab Emirates	Eastern Hemisphere	100%
McCoy Global USA, Inc.	United States	United States, Central America & Latin America	100%

Financial results

Summary of consolidated fourth quarter results

For the three months ended December 31 ($000 except per share amounts)	2024	2023
Revenue	25,222	19,699
Net earnings	4,255	2,674
Per common share – basic	0.16	0.10
Per common share – diluted	0.15	0.10
Adjusted EBITDA	6,534	3,987
Per common share – basic	0.24	0.15
Per common share – diluted	0.23	0.14

EBITDA and adjusted EBITDA are calculated as follows:

For the three months ended December 31 ($000)	2024	2023
Net earnings	4,255	2,674
Depreciation of property, plant, and equipment	653	571
Amortization of intangible assets	511	472
Income tax expense (recovery)	192	(708)
Finance income, net	(13)	(8)
EBITDA	5,598	3,001
Share-based compensation expense	956	531
Provisions for excess and obsolete inventory	80	279
Other (gains) losses, net	(100)	176
Adjusted EBITDA	6,534	3,987

Revenue

($000 except percentages)	For the three months ended December 31 2024	2023	Change	% Change
smartProduct sale, rental and service revenue	**12,134**	8,225	3,909	48%
Legacy product sale, rental and service revenue	**13,088**	11,474	1,614	14%
Revenue	**25,222**	19,699	5,523	28%

Revenue for the three months ended December 31, 2024, increased by 28% compared to the same period in 2023. The growth in revenues was driven by strong demand for the newly commercialized smartProducts in the North American land market. As previously anticipated, the timing of contract awards, order intake and product shipments also impacted revenue on a quarter-to-quarter basis, resulting in a strong sequential increase in revenue. For the three months ended December 31, 2024, smartProduct revenue of $12.1 million accounted for 48% of revenue (three months ended December 31, 2023 – 42%), an increase of $3.9 million from the comparative period.

Gross profit

($000 except percentages)	For the three months ended December 31 2024	2023	Change	% Change
Gross profit	**10,285**	6,423	3,862	60%
Gross profit as a % of revenue	***41%***	*33%*	*8%*	

Gross profit for the three months ended December 31, 2024, improved by eight percentage points compared to the comparative period, largely attributed to increased production throughput, product mix weighed more heavily towards smartProducts with favourable product margins compared to legacy capital equipment, as well as supply chain cost containment measures that reduced material cost for a number of product lines. This was partially offset by additional labour costs, production overheads and freight to support increased production throughput and customer technical support.

General and administration Expense (G&A)

($000 except percentages)	For the three months ended December 31 2024	2023	Change	% Change
G&A	**3,651**	2,451	1,200	49%
G&A as a % of revenue	***14%***	*12%*	*2%*	

For the three months ended December 31, 2024, G&A increased 49% from the comparative period in 2023 due to increased compensation attributable to the Corporation's short-term incentive plan, as well as stock-based compensation of primarily attributable to the appreciation of the Corporation's stock price on Director Performance Share Units and Director Deferred Share Units. To a lesser extent, the Corporation's investment in an AI platform for enhanced operational decision making, timing of bad debts provisions, and increased travel also contributed to the increase in G&A.

PRODUCT DEVELOPMENT AND SUPPORT

	For the three months ended December 31			
($000 except percentages)	2024	2023	Change	% Change
Product development and support expense	**1,347**	1,124	223	20%
Capitalized development expenditures	**792**	1	791	79100%
Product development and support expenditures	**2,139**	1,125	1,014	90%
Product development and support expenditures as a % of revenue	**8%**	6%	2%	

During the three months ended December 31, 2024, McCoy further advanced its 'Technology Roadmap' initiative by developing, testing, and commercializing additional 'smart' product enhancements and complementary product accessories for McCoy's smartCRT™. For the three months ended December 31, 2024, the Corporation incurred $0.8 million of capitalized development expenditures.

For the three months ended December 31, 2023, McCoy further advanced its 'Technology Roadmap' initiative by concentrating its Product development and support efforts on increasing market adoption of newly launched 'smart' portfolio products, including the smartCRT™, and FMS, as well as identifying next-in-line projects to enhance its product offerings. The Corporation also continued field trials for the automated smarTR™ system. For the three months ended December 31, 2023, there were limited capitalized development expenditures.

In the current period, Product development and support expenses increased from the comparative period due to increased headcount for product development and support activities and intellectual property expenditures.

SALES AND MARKETING EXPENSE (SALES & MARKETING)

	For the three months ended December 31			
($000 except percentages)	2024	2023	Change	% Change
Sales & marketing	**953**	714	239	33%
Sales & marketing as a % of revenue	***4%***	*4%*	*-%*	

Sales & Marketing increased from the comparative period as a result of increased headcount, and travel to support the Corporation's revenue growth and technology adoption, as well as increased marketing initiatives.

OTHER ITEMS

($000 except percentages)	For the three months ended December 31 2024	2023	Change	% Change
Finance income, net	(13)	(8)	(5)	63%
Other (gains) losses, net	(100)	176	(276)	(157%)

Finance income, net, includes interest income on cash and cash equivalents and interest income on long-term customer finance leases offset by finance charges imputed on leases in accordance with IFRS 16. For the three months ended December 31, 2024, finance income, net was favourable compared to the comparative period due to interest earned on customer finance leases.

For the three months ended December 31, 2024, other gains, net is comprised primarily of foreign exchange gains. For the three months ended December 31, 2023, other losses, net is comprised primarily of foreign exchange losses.

SUMMARY OF QUARTERLY RESULTS

($000 except per share amounts)	2024				2023			
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31
Revenue	25,222	15,842	19,910	16,542	19,699	16,878	16,248	16,864
Net earnings	4,255	516	3,125	975	2,674	1,900	1,427	528
Per share – Basic	0.16	0.02	0.12	0.04	0.10	0.07	0.05	0.02
Per share - Diluted	0.15	0.02	0.11	0.04	0.10	0.07	0.05	0.02
EBITDA	5,598	1,826	4,638	2,191	3,001	3,641	2,639	1,954
Adjusted EBITDA	6,534	2,668	4,728	2,273	3,987	3,856	2,862	2,419

The Corporation has achieved strong growth in revenue and Adjusted EBITDA throughout the past eight quarters, driven by strong demand for the Corporation’s newly commercialized products, as well as robust operating leverage. Timing of certain customer purchase commitments resulted in quarter-to-quarter fluctuations.

Summary of Consolidated Annual Results

For the year ended December 31 ($000 except per share amounts)	2024	2023	2022
Revenue	**77,516**	69,689	52,428
Net earnings	**8,871**	6,529	8,763
Per common share – basic	**0.33**	0.23	0.31
Per common share – diluted	**0.32**	0.23	0.31
Adjusted EBITDA	**16,203**	13,125	8,537
Per common share – basic	**0.60**	0.47	0.30
Per common share – diluted	**0.59**	0.46	0.30
Total assets	**97,849**	77,241	77,793
Total liabilities	**31,654**	23,258	26,079
Total non-current liabilities	**2,517**	3,208	6,680
Dividends declared	**2,171**	825	-
Per common share	**0.08**	0.03	-

EBITDA and adjusted EBITDA are calculated as follows:

For the year ended December 31 ($000)	2024	2023	2022
Net earnings	**8,871**	6,529	8,763
Depreciation of property, plant, and equipment	**2,382**	1,985	1,846
Amortization of intangible assets	**1,922**	1,823	1,151
Income tax expense (recovery)	**1,029**	558	(974)
Finance charges, net	**49**	340	771
EBITDA	**14,253**	11,235	11,557
Share-based compensation expense	**1,730**	1,307	566
Provisions for excess and obsolete inventory	**237**	279	486
Other (gains) losses, net	**(17)**	304	(4,072)
Adjusted EBITDA	**16,203**	13,125	8,537

REVENUE

($000 except percentages)	2024	2023	Change	% Change
	For the year ended December 31			
smartProduct sale, rental and service revenue	**29,788**	24,506	5,282	22%
Legacy product sale, rental and service revenue	**47,728**	45,183	2,545	6%
Revenue	**77,516**	69,689	7,827	11%

For the year ended December 31, 2024, revenues increased 11% from the comparative period. This robust revenue growth was driven by strong demand for recently commercialized smartProducts and resulted in net earnings of $8.9 million. For the year ended December 31, 2024, smartProduct revenue of $29.8 million accounted for 38% of revenue (year ended December 31, 2023 – 35%), an increase $5.3 million from the comparative period.

In the comparative period, revenues were positively impacted by deliveries of McCoy's new technologies including the FMS and smartCRTTM, alongside market share gains for McCoy's DWCRT™.

GROSS PROFIT

($000 except percentages)	2024	2023	Change	% Change
	For the year ended December 31			
Gross profit	**27,628**	22,830	4,798	21%
Gross profit as a % of revenue	***36%***	*33%*	*3%*	

Gross profit improved by three percentage points from the comparative period largely due to increased production throughput, a favourable shift in product mix towards smartProduct technologies with favourable product margins compared to legacy capital equipment. Efficiencies in supply chain management led to savings in material costs, further boosting profitability. This was partially offset by additional labour costs, production overheads and freight to support increased production throughput and customer technical support.

Gross profit for the year ended December 31, 2024, was impacted by a $0.2 million provision for excess and obsolete inventory (2023 – $0.3 million).

GENERAL AND ADMINISTRATION EXPENSE (G&A)

($000 except percentages)	2024	2023	Change	% Change
	For the year ended December 31			
G&A	**10,033**	8,605	1,428	17%
G&A as a % of revenue	***13%***	*12%*	*1%*	

For the year ended December 31, 2024, G&A increased from the comparative period due to increased compensation attributable to the Corporation's short-term incentive plan, increases in headcount, as well as increases in stock-based compensation primarily attributable to the appreciation of the Corporation's stock price on Director Performance Share Units and Director Deferred Share Units. To a lesser extent, the Corporation's investment in an AI platform for enhanced operational decision making and increased travel also contributed to the increase in G&A. As a percentage of revenue, G&A increased 1% from the comparative period.

In the comparative period, G&A was impacted by increased stock-based compensation as a result of the appreciation of the Corporation's stock price on Director Performance Share Units and Director Deferred Share Units, headcount increases to support increased operational activities, and inflationary pressures on service provider pricing.

PRODUCT DEVELOPMENT AND SUPPORT

	For the year ended December 31			
($000 except percentages)	2024	2023	Change	% Change
Product development and support expense	**4,696**	4,074	622	15%
Capitalized development expenditures	**1,491**	93	1,398	1,503%
Product development and support expenditures	**6,187**	4,167	2,020	48%
Product development and support expenditures as a % of revenue	***8%***	*6%*	*2%*	

During the year ended December 31, 2024, the Corporation made significant progress on its 'Technology Roadmap' initiative by developing, testing, and commercializing additional 'smart' product enhancements and complementary product accessories for McCoy's smartCRT™ to address new contractual operating requirements in certain geographies. For the year ended December 31, 2024, the Corporation incurred $1.5 million of capitalized development expenditures. For the year ended December 31, 2024, capitalized development expenditures include internal product development hours, prototype costs, as well as field trial costs. Product development and support expense for the year ended December 31, 2024, increased from the comparative period due to increased salaries and benefits to support new technologies and intellectual property expenditures.

For the year ended December 31, 2023, the Corporation focused Product development and support efforts to boost the market adoption of new and recently commercialized 'smart' portfolio products, including the smartCRT™, and FMS. Test rig and field trials for the automated smarTR™ system commenced in 2023. For the year ended December 31, 2023, capitalized development expenditures include internal product development hours.

SALES AND MARKETING EXPENSE (SALES & MARKETING)

	For the year ended December 31			
($000 except percentages)	2024	2023	Change	% Change
Sales & marketing	**2,967**	2,420	547	23%
Sales & marketing as a % of revenue	***4%***	*3%*	*1%*	

For the year ended December 31, 2024, Sales & Marketing increased from the comparative period due to increased salaries and benefits, travel, and marketing costs to support increased market activity. As a percentage of revenue, Sales & Marketing increased 1% from the comparative period.

For the year ended December 31, 2023, Sales & Marketing was impacted by increased headcount, travel, and commissions to support increased market activity.

OTHER ITEMS

	For the year ended December 31			
($000 except percentages)	2024	2023	Change	% Change
Other (gains) losses, net	**(17)**	304	(321)	(106%)
Finance charges, net	**49**	340	(291)	(86%)

For the year ended December 31, 2024, other gains, net is comprised primarily of foreign exchange gains. For the year ended December 31, 2023, other losses, net is comprised primarily of foreign exchange losses.

Finance charges, net, includes borrowing costs, finance charges imputed on leases in accordance with IFRS 16, offset by interest income on cash and cash equivalents, as well as interest income on long-term customer leases. For the year ended December 31, 2024, finance charges, net decreased from the comparative period due to interest earned on cash and cash equivalents.

LIQUIDITY AND CAPITAL RESOURCES

Selected cash flow and capitalization information is as follows:

For the three months ended December 31 ($000)	2024	2023
Cash generated from operating activities	**7,957**	4,185
Cash used in investing activities	**(1,211)**	(1,638)
Cash used in financing activities	**(842)**	(558)

For both the three months ended December 31, 2024, and 2023, cash generated from operating activities was a result of strong adjusted EBITDA performance and improvements in working capital efficiency, offset by finance charges and income taxes paid.

During the three months ended December 31, 2024, cash used in investing activities related primarily to strategic investments in the Corporation's Technology Roadmap, investments in the Corporation's rental fleet as well as facility enhancements and machinery to support revenue growth. During the comparative period, cash used in investing activities related primarily to strategic investments in the Corporation's rental fleet.

Cash used in financing activities for the three months ended December 31, 2024, and 2023, relates to dividends paid and principal elements of lease payments.

For the year ended December 31 ($000)	2024	2023
Cash generated from operating activities	**6,508**	6,741
Cash used in investing activities	**(3,452)**	(4,505)
Cash used in financing activities	**(2,673)**	(7,646)

Cash generated from operating activities for the year ended December 31, 2024, and 2023, was a result of strong EBITDA performance, offset by working capital investments, primarily in inventory to support future deliveries, as well as finance costs and income taxes paid. In the current period, cash generated from operating activities was also offset by working capital investments in trade receivables due to the timing of customer shipments.

For the year ended December 31, 2024, cash used in investing activities was primarily related to strategic investments in the Corporation's 'Technology Roadmap', investments in the Corporation's rental fleet as well as facility enhancements and machinery to support revenue growth. During the comparative period, cash used in investing activities was related to investments in the Corporation's rental fleet, as well as additions to production equipment and leasehold improvements.

For the year ended December 31, 2024, cash used in financing activities was related to $1.9 million of dividends paid, $1.2 million of principal elements of lease payments, offset by proceeds from the issuance of common shares under the Corporation's restricted share and stock option plans. For the year ended December 31, 2023, cash used in financing activities was related to $4.6 million repayment of the Corporation's term loan, $2.6 million repurchase of common shares under the Corporation's normal course issuer bid, principal elements of lease payments, and dividends paid, partially offset by a reduction in restricted cash, and proceeds from the issuance of common shares under the restricted share and stock option plans.

As at December 31 ($000)	2024	2023
Cash and cash equivalents	17,057	15,726
Restricted cash, as per credit facilities	-	-
Borrowings	-	-
Net cash	17,057	15,726
Undrawn availability under revolving demand facility	7,914	11,053

The Corporation holds a revolving demand facility with a Canadian chartered bank. As at December 31, 2024, the amount available under the revolving demand facility was $7.9 million, with $nil committed to letters of credit. No amounts were drawn on the revolving demand facility during the year (2023 - $nil). The balance available was calculated as the lessor of $7.9 million and the total of 75% of eligible US and Canadian accounts receivables, net of customer deposits, aged less than 90 days; 75% of eligible foreign accounts receivable, net of customer deposits, aged less than 90 days to a maximum of US$2.75 million, and 50% of raw materials and finished goods inventory, net of 30 days accounts payable to a maximum of US$2.75 million.

McCoy remains committed to managing the business for success by generating meaningful cashflows from operations and increasing working capital efficiency. We expect our operational leverage to continue to provide a foundation for strong revenue and earnings growth as we continue to deliver on our strong order backlog.

Anticipated capital spending for 2025 includes:

- up to US$2.8 million of strategic investment in rental equipment where meaningful returns are expected;
- up to US$2.1 million of investments in facility expansions, as well as production facility equipment to improve production efficiencies and profitability; and
- up to US$2.5 million of investment in the development of 'Technology Roadmap' offerings.

Financial risk management

The Corporation's activities are exposed to a variety of financial risks, each with varying degrees of significance, which could affect the Corporation's ability to achieve strategic objectives. Overall, risk management programs focus on the unpredictability of financial and economic markets and seek to minimize potential adverse effects on financial performance. The principal financial risks to which the Corporation is exposed are described in note 22 of the Financial Statements.

OTHER FINANCIAL INFORMATION

CONTRACTUAL OBLIGATIONS

The Corporation has committed to payments under leases for premises. Based on remaining contractual maturities, the undiscounted cash flows for its financial liabilities; future aggregate minimum lease payments under non-cancellable leases; and commitments to purchase inventory and operating supplies are as follows:

(000's)	Due in less than one year	Due between one and two years	Due between two and three years	Due beyond three years	Total
	$	$	$	$	$
Trade and other payables	19,735	-	-	-	**19,735**
Lease liabilities	1,764	2,588	120	20	**4,492**
Undiscounted cash flows for financial liabilities	21,499	2,588	120	20	**24,227**
Purchase commitments for inventory and operating services	12,203	632	458	102	**13,395**
As at December 31, 2024	33,702	3,220	578	122	**37,622**

OUTSTANDING SHARE DATA

As at March 5, 2025, the following class of shares and equity securities potentially convertible into common shares were outstanding:

Common shares	27,179,936
Convertible equity securities:	
Stock options	1,708,068
Restricted shares	136,384

The stock options and restricted shares are exercisable into an equal number of common shares. Stock options may be exercised after they have vested. Restricted shares are converted to common shares at pre-determined vesting dates. Options with the following exercise price ranges were outstanding as at March 5, 2025:

Exercise price range	Options outstanding	Weighted average remaining contractual life
	#	Years
<$1	525,000	4.78
$1 to $2	664,420	3.80
$2 to $3	318,648	5.05
$3 to $4	200,000	0.03
	1,708,068	3.89

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Corporation's consolidated financial statements requires Management to make estimates and judgments about the future that affect the application of accounting policies and the reported amount of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. If these estimates and judgments prove to be inaccurate, future net earnings (loss) may be materially impacted.

Estimates and underlying assumption are reviewed on an ongoing basis and revisions to estimates are recognized prospectively. Actual results may differ from these estimates.

The areas involving a higher degree of judgment or estimation that are significant to the consolidated financial statements are as follows:

(i) *Trade and other receivables*

The Corporation records trade and other receivables at amortized cost. Write-downs for trade and other receivables are recorded each period as required under the expected credit loss model and further updated based on management's judgment.

(ii) *Inventories*

The Corporation records inventories at the lower of cost and net realizable value. Write-downs for inventory are recorded each period as required and updated based on Management's judgment.

(iii) *Provisions*

Estimates and judgments are used in measuring and recognizing provisions and the Corporation's exposure to contingent liabilities. Judgment is necessary to determine the likelihood and estimated future outflow of resources that may be required to settle any future or existing claims, onerous contracts, or contingent obligations.

(iv) *Income tax*

The Corporation operates in several tax jurisdictions and is required to estimate its income taxes in each of these tax jurisdictions in preparing its consolidated financial statements. The calculation of income taxes requires the use of judgment.

Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Judgment and estimation are necessary to determine the likelihood and availability of future taxable profits against which tax losses and tax credits carried forward can be used.

(v) *Impairment of non-financial assets*

Long-lived assets include property, plant and equipment, intangible assets, and goodwill. The carrying value of these assets is periodically reviewed for impairment (goodwill and intangible assets under development at least annually) or whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Judgment is required in the aggregation of assets into Cash Generating Units ("CGUs").

The recoverable amounts of CGUs are determined based on the greater of fair value less cost to sell and value-in-use calculations. These calculations require the use of estimates and judgments, including an estimation of the future cash flows from the CGU or group of CGUs and judgment is required in determining the appropriate discount rate. In deriving the underlying projected cash flows, assumptions must also be made about the impact of technology adoption, future drilling activity on revenues, operating margins, and market conditions over the useful life of the assets or CGUs. Although estimates are consistent with current industry reports, internal planning and expected future operations, such estimations are subject to uncertainty and judgment.

(vi) *Leases*

Extension options are included in a number of property leases within the Corporation. In determining the lease term, Management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

The Corporation makes estimates in determining the incremental borrowing rate used to measure the lease liability for each lease contract. The incremental borrowing rate should reflect the interest that the Corporation would have to pay to borrow at a similar term with similar security.

FUTURE ACCOUNTING PRONOUNCEMENTS

The Corporation adopted the following accounting standards and amendments that were effective for annual financial statements commencing January 1, 2024. These changes did not have a material impact on the financial results of the Corporation are not expected to have a material impact in the future:

- Amendments to IAS 1 Presentation of Financial Statements: clarifying the classification of liabilities as current or non-current;
- Amendments to IFRS 16 Leases: clarifying the measurement of a lease liability by the seller in a sale and leaseback transaction; and
- Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements: clarifying disclosures related to supplier finance arrangements.

New standards, interpretations, or amendments that have been issued, or are not yet effective, have not been further described or early adopted, where no material impact is expected on the Corporation's financial statements.

The 'International Accounting Standards Board' (IASB) has issued the following new standards and amendments to existing standards that will be come effective in future years:

- Amendments to IAS 21 Lack of Exchangeability: providing guidance about the determination of the exchange rate and disclosure when a currency is not exchangeable;
- Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments: amendments include clarifying requirements over the date of recognition and derecognition of some financial assets and liabilities; clarifying and adding further guidance on whether a financial asset meets the solely payments of principal and interest criterion; adding new disclosures for certain instruments with contractual terms that can change cash flows; and updating the disclosures for equity instruments designated at fair value through other comprehensive income; and
- Introduction to IFRS 18 Presentation and Disclosure in Financial Statements: specifying new presentation requirements for subtotals and totals within the Statement of Earnings.

These amendments are effective for annual periods beginning on or after January 1, 2025. The Corporation is currently assessing the impact of these amendments on its consolidated financial statements. There are no other standards or amendments or interpretations to existing standards issued but not yet effective which are expected to have a material impact on the financial statements.

CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES ("DC&P")

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported to Management, including the CEO and CFO, on a timely basis so that appropriate decisions can be made regarding public disclosure.

An evaluation of the design and operating effectiveness of our DC&P was conducted, as at December 31, 2024, by Management under the supervision of the CEO and the CFO. Based on this evaluation, the CEO and the CFO have concluded that, as at December 31, 2024, our DC&P, as defined in National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), was effective.

INTERNAL CONTROLS OVER FINANCIAL REPORTING ("ICFR")

ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management is responsible for establishing and maintaining adequate ICFR.

Our ICFR includes policies and procedures that pertain to the maintenance of records that provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with IFRS, and that receipts and expenditures are being made only in accordance with authorizations of Management; pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and dispositions of our assets; and are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our annual consolidated financial statements.

Because of its inherent limitations, ICFR can provide only reasonable assurance and may not prevent or detect misstatements.

Furthermore, projections of an evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management, under the supervision of the CEO and CFO, has evaluated the design and operating effectiveness of our ICFR using the framework and criteria established in Internal Controls – Integrated Framework of 2013, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, the CEO and the CFO have concluded that as at December 31, 2024, ICFR (as defined in NI 52-109) were effective. There were no changes in our ICFR during the year ended December 31, 2024, that have materially affected, or are reasonably likely to affect, our ICFR.

RISK AND UNCERTAINTIES RELATED TO THE BUSINESS

The Corporation's results of operations, business prospects, financial condition, cash distributions to shareholders and the trading price of the Corporation's common shares are subject to a number of risks.

A discussion of these risks and other risks associated with investment of the Corporation's common shares is given elsewhere in this MD&A as well as in "Risk Factors" detailed in the AIF that is incorporated by reference into this MD&A and available on SEDAR+ at www.sedarplus.ca.

OTHER INFORMATION

Additional information relating to the Corporation, including the AIF, is available on SEDAR+ at www.sedarplus.ca.