November 6, 2020

McCOY GLOBAL ANNOUNCES THIRD QUARTER 2020 RESULTS

Edmonton, Alberta – **McCoy Global Inc.** ("McCoy", "McCoy Global" or "the Corporation") (TSX:MCB) today announced its operational and financial results for the three months ended September 30, 2020.

Quarterly Highlights

For the three months ended September 30, 2020, McCoy Global reported:

- Adjusted EBITDA of $0.3 million generated by exceeding cost reduction targets, achieving $8.5 million of annualized cost savings in comparison to Q3 2019
- $10.1 million of orders, with order intake being led by several large international orders from new market entrants, which resulted in a book-to-bill ratio of 1.3 on lower revenues
- Refinancing its US$2.4 million promissory note with a US$3.4 million term facility to extend maturity and support technology development plans and securing a new US$2.5 million demand facility to support liquidity
- Achieving key development milestones on McCoy's integrated tubular running system

"I want to begin by thanking our team for their extraordinary efforts to not only persevere, but to also succeed in the face of the COVID-19 pandemic. Despite the 50% decline in revenue we experienced during the third quarter of 2020, our team's solid execution on cost reduction and working capital initiatives continues to exceed expectations, resulting in $0.3 million of Adjusted EBITDA and $0.7 million of cash flow generated from operating activities," commented Jim Rakievich, President, and CEO.

"It appears that both quoting activity and order intake have begun to normalize at modest levels, and we are encouraged by our third quarter bookings of $10.1 million. Regionally, the decline in active drilling rigs in the North American land market appears to have flattened, however our expectations are for little improvement in this region throughout the remainder of 2020 and well into 2021. Internationally, we expect drilling activity to continue to remain flat, with modest improvement as 2021 progresses. Our current order backlog will provide some visibility for the remainder of 2020 and early 2021, however the uncertainty caused by the COVID-19 pandemic could pose a significant risk to our 2021 outlook and we continue to expect several challenging quarters ahead, from both a revenue and earnings standpoint. While our third quarter results now reflect the full impact of cost reduction measures announced in April of 2020, our earnings were also positively impacted by $0.2 million of trade receivable impairment reversals and $0.3 million of other non-recurring items which we do not expect to benefit from in future quarters."

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"Now more than ever, the increased emphasis on capital discipline from our customers is driving the need for increased efficiency through innovative technologies. As we further illustrate in our November Investor Presentation (accessible at https://www.mccoyglobal.com/investors/), McCoy continues to progress the journey to advance tubular running operations toward a digital and automated future by introducing safer, more efficient smart technologies that result in not only cost savings but also improved wellbore integrity. During the quarter, we achieved key development milestones on McCoy's integrated tubular running system. With additional financing secured to support this initiative, we have reinstated US$1.0 million of external capital spend to support the procurement of prototype materials for McCoy's Smart Casing Running Tool (CRT) and McCoy's Smart Flush Mount Spider in Q4 2020. Field trials for these two technologies are scheduled to begin early 2021."

Operational Summary

For the three months ended September 30, 2020, McCoy Global reported:

- Revenue of $7.6 million, compared to revenue of $15.2 million in the third quarter of 2019; revenue was impacted by the sharp decline in order intake experienced in the second quarter of 2020 as a result of the COVID-19 pandemic
- Cash generated from operating activities for the period ending September 30, 2020 was $0.7 million compared to $0.3 million in 2019
- Net loss of $0.7 million, compared to net earnings of $1.2 million in the third quarter of 2019
- Adjusted EBITDA[1] of $0.4 million, compared to Adjusted EBITDA of $2.2 million in the third quarter of 2019
- Customer orders of $10.1 million, compared to $4.1 million for the three months ended June 30, 2020
- Backlog[2] of $10.6 million, an increase of 28% compared to $8.3 million from June 30, 2020
- Book-to-bill ratio[3] of 1.32, compared to 0.39 for the three months ended June 30, 2020

Financial Summary

Revenue for the three months ended September 30, 2020 was $7.6 million, a 50% decrease from the third quarter of 2019. Revenue was impacted by the sharp decline in order intake experienced in the second quarter of 2020 as a result of the COVID-19 pandemic, impacting both capital equipment and aftermarket revenues, particularly in the US land market.

Gross profit for the three months ended September 30, 2020 was $1.1 million, a decrease of $3.9 million, from the third quarter of 2019. Gross profit percentage for the three months ended September 30, 2020 fell by 19 percentage points to 14%, largely as a result of the significant decline in revenue and production throughput. The cost reductions initiatives that occurred in both April of 2020 and the fourth quarter of 2019 mitigated the impact of the sharp decline in revenue.

General and administration (G&A) expense for the three months ended September 30, 2020 was $1.1 million which represents a decrease of $0.9 million or 43% from the third quarter of 2019. Sequentially, G&A declined $0.3 million or 23% from the second quarter of 2020 and now reflects the full impact of the cost reduction initiatives that took place in April 2020. The decrease in G&A is in direct response to the declined activity levels in the oil & gas industry, as well as our initiative to become more efficient and productive for the long term.

Sales & Marketing expense for the three months ended September 30, 2020 decreased by $0.2 million or 40% for the third quarter of 2019 primarily due cost containment initiatives and travel restrictions placed on our technical sales team.

Research and development expenditures ("R&D") for the three months ended September 30, 2020 were $0.7 million, compared to $1.3 million in the third quarter of 2019. The decline in spend is a result of deferring certain external project expenditures as part of the cash preservation measures announced in April, while advancing the development of McCoy's digital platform of technologies that will drive the technology success in the future using internal resources.

Net loss for the three months ended September 30, 2020 was $0.7 million or $0.03 loss per basic share, compared to net earnings of $1.2 million or $0.04 earnings per basic share in the third quarter of 2019.

Adjusted EBITDA[1] for the three months ended September 30, 2020 was $0.4 million, compared to $2.1 million for the third quarter of 2019.

As at September 30, 2020, the Corporation had $9.7 million in cash and cash equivalents, of which $0.9 million was restricted per the conditions of its credit facility.

Selected Quarterly Information

($000 except per share amounts and percentages)	Q3 2020	Q3 2019	% Change
Total revenue	7,621	15,222	(50)
Gross profit	1,055	4,964	(79))
as a percentage of revenue	14	33	(19)
Net (loss) earnings	(720)	1,238	(158)
per common share – basic	(0.03)	0.04	(175)
per common share – diluted	(0.03)	0.04	(175)
Adjusted EBITDA[1]	365	2,213	(84)
per common share – basic	0.01	0.08	(88)
per common share – diluted	0.01	0.08	(88)
Total assets	58,380	61,139	(5)
Total liabilities	19,554	21,894	(11)
Total non-current liabilities	10,702	7,999	34

Summary of Quarterly Results

McCoy reported its fourth consecutive quarter of positive Adjusted EBITDA:

($000 except per share amounts)	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Revenue	7,621	10,361	11,323	11,875	15,222	11,455	14,840	13,543
Impairment & restructuring charges	-	136	-	-	-	-	-	65
Net (loss) earnings	(720)	782	(87)	61	1,238	(1,590)	524	931
Basic & diluted (loss) earnings per share	(0.03)	0.03	-	-	0.04	(0.06)	0.02	0.03
EBITDA	312	1,886	1,078	1,176	2,144	(828)	1,289	1,513
Adjusted EBITDA	365	1,327	1,919	1,487	2,213	(61)	713	776

[1] EBITDA is calculated under IFRS and is reported as an additional subtotal in the Corporation's consolidated statements of cash flows. EBITDA is 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 (loss) earnings,

before: depreciation of property, plant and equipment; amortization of intangible assets; income tax expense (recovery); finance charges, net; provisions for excess and obsolete inventory; other (gains) losses, net; restructuring charges; share-based compensation; and impairment losses. The Corporation reports on EBITDA and adjusted EBITDA because they are key 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 (loss) earnings 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. For comparative purposes, in previous financial disclosures 'adjusted EBITDA' was defined as "net earnings (loss) before finance charges, net, income tax expense (recovery), depreciation, amortization, impairment losses, restructuring charges, non-cash changes in fair value related to derivative financial instruments and share-based compensation."

[2] McCoy Global 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. Customers may default on or cancel such commitments, but 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. Under current market conditions, many customers have shifted their purchasing towards just-in-time buying.

[3] The book-to-bill ratio is a measure of the amount of net sales orders received to revenues recognized and billed in a set period of time. The ratio is an indicator of customer demand and sales order processing times. The book-to-bill ratio is not a GAAP 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.

About McCoy Global Inc.

McCoy Global provides technologies designed to support wellbore integrity and assist with collecting critical data for the global energy industry. The Corporation operates internationally through direct sales and distributors with operations in Canada, the United States of America and the United Arab Emirates. McCoy's corporate headquarters are located in Edmonton, Alberta, Canada. The Corporation's shares are listed on the Toronto Stock Exchange and trade under the symbol "MCB".

Forward-Looking Information

This News Release contains 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 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. This New Release contains forward looking statements respecting the business opportunities for the Corporation that are based on the views of management of the Corporation and current and anticipated market conditions; and the perceived benefits of the growth strategy and operating strategy of the Corporation 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 regarding the Corporation 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 of the Corporation consider 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 inability to meet current and future obligations; inability to complete or effectively integrate strategic acquisitions; inability to implement the Corporation's business strategy effectively; access to capital markets; fluctuations in oil and gas prices; fluctuations in capital expenditures of the Corporation's target market; competition for, among other things, labour, capital, materials and customers; interest and currency exchange rates; technological developments; global political and economic conditions; global natural disasters or disease; and inability to attract and retain key personnel. 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 News Release 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 News Release are made as of the date of this New Release 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.*

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