November 9, 2023

McCOY GLOBAL ANNOUNCES THIRD QUARTER 2023 RESULTS AND DECLARATION OF QUARTERLY DIVIDEND

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, 2023. The Corporation also announced its Board of Directors has declared a quarterly cash dividend of $0.01 per common share payable on January 15, 2024, to shareholders of record as of close of business on December 31, 2023. The dividend per common share is a regular dividend and is an "eligible" dividend for purposes of the Income Tax Act (Canada) and any similar provincial/territorial legislation.

Third Quarter Highlights:

- Revenue increased 36% to $16.9 million, compared to $12.4 million in 2022;
- Net earnings increased 593% to $1.9 million compared to the third quarter of 2022 of $0.3 million;
- Adjusted EBITDA[1] increased 251% to $3.9 million, or 23% of revenue, compared to $1.1 million, or 9% of revenue, in 2022;
- Maintained a strong statement of financial position, ending the quarter with $14.0 million of net cash[5] as at September 30, 2023, after returning over $2.7 million to shareholders in the quarter through the completion of the normal course issuer bid (NCIB) announced in August and dividends;
- Advanced its Digital Technology Roadmap:
  - Reported eleven (11) commercial sales and two (2) tool rentals for McCoy's Flush Mount Spider (FMS) since January 1, 2023. An additional twenty-six (26) tools are scheduled for delivery in the fourth quarter of 2023 and early 2024. With a growing number of tools delivered in the third quarter and coming months, we expect the increased exposure with operators will showcase the benefits of McCoy's FMS, and in turn, further accelerate adoption in the coming quarters. 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™).
  - Reported two (2) commercial sales for McCoy's smartCRT™ since January 1, 2023, and delivered two (2) rental tools in Latin America to a large multinational customer committed to utilizing our technology. In addition, purchase order commitments were received from a new market entrant in Latin America as well as a purchase commitment for a further two (2) rental tools from our large multinational customer. McCoy's smartCRT™ is an intelligent, connected enhancement of our conventional casing running tool that offers superior safety, efficiency, and simplified operating procedure, with real-time data collection and post-job analysis capabilities. This technology effectively mitigates the risk of human error, while providing actionable insights that optimize future performance.
  - Completed the development and test-rig trials of the smarTR™ and have since begun in-field trials with our partnering customer in North America. McCoy's smarTR™ is a fully automated casing running system.
- Declared a quarterly cash dividend of $0.01 per common share payable on January 15, 2024, to shareholders of record as of close of business on December 31, 2023.

"McCoy's strong third quarter performance was the result of our concerted effort to deliver on our technology strategy globally, particularly through the continued market adoption of McCoy's DWCRT™, FMS, and smartCRT™ by both leading regional participants and large multinational customers." said Jim Rakievich, President & CEO of McCoy. "With more and more of both our FMS and smartCRT™ tools successfully operating in the field, we expect that the increased exposure with operators and National Oil Companies (NOC's) will showcase the benefits of McCoy's smart technologies, and in turn, further accelerate adoption in the coming quarters. With the successful completion of development and test-rig trials for McCoy's smarTR™, we have since begun in-field trials with our partnering customer in North America. We expect further advancements toward commercialization in the coming quarters and look forward to reporting our progress."

"Strong EBITDA performance was driven by market share increase of McCoy's DWCRT™, as well as further deliveries of McCoy's new technologies including the FMS and smartCRT™, and resulted in $4.1 million of cash generated from operating activities during the quarter. Much of these funds were used to return capital to shareholders with $2.5 million of cash used to repurchase shares under the Corporation's now completed NCIB, and $0.3 million paid under the Corporation's reinstated quarterly dividend." said Lindsay McGill, Vice President & CFO of McCoy. "As of September 30, 2023, McCoy reported net cash of $14.0 million and with $11.9 million of additional funds available under undrawn credit facilities. McCoy is well positioned for revenue and earnings growth for the remainder of the year and beyond."

Third Quarter Financial Highlights:

- Total revenue of $16.9 million, compared with $12.4 million in Q3 2022;
- Net earnings of $1.9 million, compared to $0.3 million in Q3 2022;
- Adjusted EBITDA[1] increased to $3.9 million, or 23% of revenue, compared with $1.1 million, or 9% of revenue, in 2022;
- Booked backlog[2] of $24.7 million at September 30, 2023, compared to $27.4 million in the third quarter of 2022;
- Book-to-bill ratio[3] was 0.91 for the three months ended September 30, 2023, compared with 1.90 in the third quarter of 2022.

Financial Summary

Revenue for the three and nine months ended September 30, 2023, increased by 36% and 46%, respectively, from the comparative period and was driven by continued market share increase of McCoy's DWCRT™, as well as further deliveries of McCoy's new technologies including the FMS and smartCRT™.

Gross profit percentage for the three and nine months ended September 30, 2023, increased to 37% and 33%, respectively, from the comparative periods. This was largely driven by a favourable shift in product mix towards new technologies such as DWCRTs, smartCRTs, and FMS, which command higher margins compared to legacy capital equipment. Increased production throughput and material cost savings from effective supply chain management also favorably impacted results.

For the three and nine months ended September 30, 2023, G&A increased by 29% and 33%, respectively, from the comparative periods due to headcount increases to support the increase in activity, as well as increased stock-based compensation from appreciation of the Corporation's stock price. As a percentage of revenue, G&A fell one and two percentage points respectively, with the comparative periods.

Sales & Marketing expenses increased from the comparative periods by 31% due to increased commissions, travel, and headcount to support increased market activity. As a percentage of revenue, Sales & Marketing decreased one percentage point with the comparative periods.

During the three and nine months ended September 30, 2023, the Corporation further advanced its 'Digital Technology Roadmap' initiative by concentrating product development and support efforts on accelerating market adoption of new and recently commercialized 'smart' portfolio products, including the smartCRT™, and FMS. Field trials for the automated smarTR™ system commenced in Q3 and will continue throughout Q4. The Corporation has substantially concluded capital expenditures for the first suite of smart products under its 'Digital Technology Roadmap' initiative. For the three and nine months ended September 30, 2023, product development and support expenses increased from the comparative periods by 27% and 34%, respectively due to a decrease in capitalized internal product design and development hours, as well as increased headcount and travel to support customer adoption of new technologies.

Finance (income) charges, net, includes borrowing costs, finance charges imputed on leases in accordance with IFRS 16, offset by interest income on cash and cash equivalents. For the three months ended September 30, 2023, finance (income), net was reported due to full repayment of the Corporation's term loan in the first quarter of

2023, as well as interest earned on cash and cash equivalents, net of finance charges imputed under IFRS 16. For the nine months ended September 30, 2023, finance charges, net was also impacted by prepayment penalties and recognition of the remaining amortized finance charges associated with early repayment of the Corporation's term loan.

For the three and nine months ended September 30, 2023, other losses, net consisted of foreign exchange losses offset by gains on disposal of property, plant, and equipment. For the three months ended September 30, 2022, other gains, net is comprised of foreign exchange gains and government assistance related to the Canadian Emergency Rent Subsidies. For the nine months ended September 30, 2022, other gains, net is comprised primarily of gains on disposal of property, plant and equipment and foreign exchange gains offset by costs associated with strategic alternatives assessment.

Net earnings for the three months ended September 30, 2023, was $1.9 million or $0.07 per basic common share, compared with net earnings of $0.3 million or $0.01 per basic common share in the third quarter of 2022. Adjusted EBITDA[1] for the three months ended September 30, 2023, was $3.9 million compared with $1.1 million for the third quarter of 2022. Net earnings for the nine months ended September 30, 2023, was $3.9 million or $0.14 per basic common share, compared with net earnings of $1.5 million or $0.05 per basic common share in the third quarter of 2022. Adjusted EBITDA[1] for the nine months ended September 30, 2023, was $9.1 million compared with $4.9 million for the third quarter of 2022. As at September 30, 2023, the Corporation had $14.0 million in cash and cash equivalents and no borrowings.

Selected Quarterly Information

($000 except per share amounts and percentages)	Q3 2023	Q3 2022	% Change
Total revenue	16,878	12,410	36%
Gross profit	6,175	3,149	96%
as a percentage of revenue	37%	25%	12%
Net earnings	1,900	274	593%
as a percentage of revenue	11%	2%	9%
per common share – basic	0.07	0.01	600%
per common share – diluted	0.07	0.01	600%
Adjusted EBITDA[1]	3,856	1,099	251%
as a percentage of revenue	23%	9%	14%
per common share – basic	0.14	0.04	250%
per common share – diluted	0.13	0.04	225%
Total assets	73,547	66,181	11%
Total liabilities	20,811	21,229	(2%)
Total non-current liabilities	3,547	4,979	(29%)

Summary of Quarterly Results

($000 except per share amounts)	Q3 2023	Q2 2023	Q1 2023	Q4 2022*	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Revenue	16,878	16,248	16,864	18,264	12,410	12,863	8,891	9,451	9,855
Net earnings	1,900	1,427	528	7,264	274	1,051	174	2,464	621
as a % of revenue	11%	9%	3%	40%	2%	8%	2%	26%	6%
per share – basic	0.07	0.05	0.02	0.26	0.01	0.04	0.01	0.09	0.02
per share – diluted	0.07	0.05	0.02	0.25	0.01	0.04	0.01	0.08	0.02
EBITDA[1]	3,641	2,639	1,954	7,319	1,149	1,943	1,146	3,504	1,550
as a % of revenue	22%	16%	12%	40%	9%	15%	13%	37%	16%
Adjusted EBITDA[1]	3,856	2,862	2,419	3,681	1,099	2,296	1,461	1,213	1,376
as a % of revenue	23%	18%	14%	20%	9%	18%	16%	13%	14%

*Net earnings for Q4 2022 includes a $3.9 million gain on sale and leaseback of McCoy's facility in Cedar Park, TX

Outlook and Forward-Looking Information

As at September 30, 2023, McCoy's backlog totaled $24.7 million (US$18.3 million), which will support strong revenue and earnings performance for the remainder of 2023 and into 2024, though shifts in product mix may impact gross margins to some degree over the short term.

Over the short and medium term, forecasts for oil & gas market fundamentals continue to be robust for international markets, particularly the MENA and other international regions. In addition to increased drilling activity, new regional entrants paired with National Oil Companies' (NOC) strong focus on increased safety and efficiency will serve to further drive opportunities for our new products. We are well positioned to take advantage of these trends with market leading technologies 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.

The global CRT market continues to grow as customer preference shifts from running casing with traditional hydraulic power tongs to CRTs due to advantages of time and cost savings, risk reduction, and improved safety. This is another area of opportunity for McCoy with its DWCRT™ tool introduced in 2019. During the nine months ended September 30, 2023, McCoy received orders from six (6) new customers and three (3) new geographies for its CRT technology. Looking ahead, we expect further growth in orders intake and revenue generation from this product line as we continue to gain market share with our product.

Turning to the North America land market, decreasing rig count and drilling activity experienced year-to-date negatively affects our legacy capital equipment and aftermarket sales in the region. We expect market conditions to remain flat in this region in the short-term, however, we expect robust order intake for our new FMS technology due to the performance and safety advantages inherent in its unique design, along with the ongoing labour challenges faced by many of our customers.

As we progress through the commercialization stage of our 'Digital 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.

For the remainder of 2023 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;
- Taking advantage of the current market trajectory by focusing on revenue generation from new and existing customers;
- Focusing on capital allocation priorities; a) investment in growth through both organic and strategic M&A opportunities where returns are favourable and b) 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.

About McCoy Global Inc.

McCoy Global is transforming well construction using automation and machine learning to maximize wellbore integrity and collect precise connection data critical to the global energy industry. The Corporation has offices in Canada, the United States of America, and the United Arab Emirates and operates internationally in more than 50 countries through a combination of direct sales and key distributors.

Throughout McCoy's 100-year history, it has proudly called Edmonton, Alberta, Canada its corporate headquarters. The Corporation's shares are listed on the Toronto Stock Exchange and trade under the symbol "MCB".

[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 earnings (loss), 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 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. 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."

($000 except per share amounts and percentages)	Q3 2023	Q3 2022
Net earnings	1,900	274
Depreciation of property, plant, and equipment	493	403
Amortization of intangible assets	513	275
Income tax expense	743	-
Finance charges, net	(8)	197
EBITDA	3,641	1,149
Recovery of excess and obsolete inventory	(74)	(5)
Other losses (gains), net	13	(59)
Share-based compensation	276	14
Adjusted EBITDA	3,856	1,099

[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.

[4] New product and technology offerings as products or technologies introduced to our portfolio in the past 36 months.

[5] Net cash is a non-GAAP measure defined as cash and cash equivalents, plus: restricted cash, less: borrowings.

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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