November 8, 2024

**McCOY GLOBAL ANNOUNCES**

**THIRD QUARTER 2024 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, 2024. The Corporation also announced that its Board of Directors has declared a quarterly cash dividend of $0.02 per common share payable on January 15, 2025, to shareholders of record as of close of business on December 31, 2024. 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:**

- Reported order intake of $24.1 million for the three months ended September 30, 2024, a 57% increase from the $15.4 million of order intake reported in the third quarter of 2023, and a sequential increase of 35% compared to the $16.7 million reported in the second quarter of 2024. Order intake in the third quarter of 2024 included a significant contract award for McCoy's enhanced hydraulic CRT tools, as well as a significant contract award for its deep-water integrated casing systems.
- Reported revenue of $15.8 million for the quarter, a decrease of 6% from the comparative period, primarily due to timing of contract awards, which led to fluctuations in order intake and customer shipments between quarters. The decline in revenue and production throughput, alongside an increase in stock-based compensation expense due to the appreciation of the Corporation's share price, lead to a decrease in net earnings of 72% to $0.5 million compared to the third quarter of 2023 of $1.9 million;
- Since January 1, 2024, advanced its Digital Technology Roadmap:
  - Delivered forty-two (42) of McCoy's Flush Mount Spider (FMS) (2023 – 11 tools). With a growing number of tools operating in-field, operators are increasingly recognizing 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. The tool has the ability to integrate with McCoy Smart Casing Running Tool (smartCRT™) and McCoy's smartTR™
  - Announced the acceptance of a contract award totaling CAD$4.3 million for several enhanced 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 fully ready to integrate into our smarTR™ system. This represents an important milestone on our journey towards automating tubular running services. 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. We officially launched the tool at the Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC) earlier this week and have received substantial customer interest.
  - In-field trials with our partnering customer for smarTR™, McCoy's land-targeted integrated casing running system, continue to progress. The success of McCoy's CRT enhancement has alleviated several external

hurdles to advance in field trials and further improves speed, efficiency and simplifies operating procedures of the smarTR™ system.

  - Won a contract award totaling $3.7 million for deep-water offshore integrated casing running systems destined for Latin America and an additional $1.8 million in awards for deep-water systems for a separate customer 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. 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.

- Declared a quarterly cash dividend of $0.02 per common share payable on January 15, 2025, to shareholders of record as of close of business on December 31, 2024.

"We are pleased with our continued commercial success and the growing customer demand for our smart product technology offerings, driving $24.1 million of order intake in the third quarter. Despite a modest decrease in revenue, the robust adoption of our Flush Mount Spiders (FMS) and significant contract awards for our deep-water integrated casing running solutions highlight our strategic advancements. These milestones represent the value of McCoy's technology strategy in an otherwise flat to down US land market. The successful launch and substantial interest in our enhanced hydraulic smartCRT™ at the Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC) marks a significant milestone in our journey towards automating tubular running services," said Jim Rakievich, President & CEO of McCoy. "As field trials for our integrated smarTR™ system for land application progress towards completion, we expect 2025 to be a pivotal 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. Our commitment to innovation and operational excellence is evident in the successful launch of our smart products and the substantial interest they have garnered. We remain focused on delivering value to our shareholders and customers."

"Our financial results for 2024 year to date, reflect the robust demand for our newly commercialized products and our disciplined approach to cost management. Although we experienced a decrease in revenue and net earnings this quarter, our strong order intake and solid net cash position underscore our financial stability. The 57% increase in order intake and continued investment in our Digital Technology Roadmap are testaments to our strategic execution. As we continue to commercialize our new technology offerings, we expect future revenues to be driven more by technology adoption and market expansion, though as we've experienced in 2024, fluctuations in order intake and revenues, and subsequently earnings and working capital, may occur due to the nature of our capital equipment and timing of contract awards." said Lindsay McGill, Vice President & CFO of McCoy. "As at September 30, 2024, McCoy's backlog totaled $30.1 million, and although quarter-to-quarter fluctuations negatively impacted earnings and revenue for the third quarter as anticipated, this backlog will support strong revenue and earnings performance for the quarter ahead."

**Third Quarter Financial Highlights:**

- Total revenue of $15.8 million, compared with $16.9 million in Q3 2023;
- Net earnings of $0.5 million, compared to $1.9 million in Q3 2023;
- Adjusted EBITDA[1] of $2.7 million, or 17% of revenue, compared with $3.9 million, or 23% of revenue, in 2023;
- Booked backlog[2] of $30.1 million at September 30, 2024, compared to $24.7 million in the third quarter of 2023;

- Book-to-bill ratio[3] was 1.53 for the three months ended September 30, 2024, compared with 0.91 in the third quarter of 2023.

**Financial Summary**

Revenue of $15.8 million for the three months ended September 30, 2024, decreased 6% from the comparative period, primarily due to the timing of contract awards, which led to fluctuations in order intake and customer shipments. For the nine months ended September 30, 2024, revenue increased by 5% to $52.3 million, driven by strong adoption of McCoy's FMS, as well as robust order intake and delivery of traditional wellbore equipment and aftermarket parts in the Middle East North Africa (MENA) region. Revenue in the first three quarters of 2024 included sales of forty-two (42) of McCoy's FMS tools, an innovative technology commercialized in late 2022.

Gross profit, as a percentage of revenue, for the three and nine months ended September 30, 2024, was 34% and 33% respectively, a decrease of 3 percentage points and no change from comparative periods in 2023. Gross profit was impacted by reduced production throughput, as well as increased service and technical support costs associated with introducing new products to market despite lower quarterly revenues.

For the three and nine months ended September 30, 2024, general and administrative expenses (G&A) $2.6 million and $6.4 million, respectively, an increase from the comparative periods primarily due to stock-based compensation expense from the appreciation of the Corporation's stock price in Q3. As a percentage of revenue, G&A increased by 5 percentage points and remained unchanged, respectively, compared to 2023.

For the three and nine months ended September 30, 2024, sales and marketing expenses were $0.8 million and $2.0 million, respectively, which include increased headcount and travel for sales and customer support activities related to the commercialization of McCoy's new technologies. As a percentage of revenue, Sales & Marketing increased 2 percentage points and 1 percentage point respectively, compared to the comparative periods.

With total product development and support expenditures of $1.6 million and $4.0 million during the three and nine months ended September 30, 2024, respectively, the Corporation further advanced its 'Digital Technology Roadmap' initiative through continued focus on accelerating customer adoption of new technologies.as well as the design and development of additional 'smart' product enhancements, including the recently launched enhancements to McCoy's smartCRT™. For the remainder of 2024, the Corporation has committed up to US$0.2 million of capital toward the development of additional product offerings. In the current period, product development and support expenses increased from the comparative period due to increased headcount to support customer adoption of new technologies as well.

Net earnings for the three months ended September 30, 2024, were $0.5 million or $0.02 per basic share, compared with net earnings of $1.9 million or $0.07 per basic share in the third quarter of 2023. Adjusted EBITDA[1] for the three months ended September 30, 2024, was $2.7 million compared with $3.9 million for the third quarter of 2023.

As at September 30, 2024, the Corporation had $10.5 million in cash and cash equivalents.

**Selected Quarterly Information**

| ($000 except per share amounts and percentages) | Q3 2024 | Q3 2023 | % Change |
|---|---|---|---|
| Total revenue | 15,842 | 16,878 | (6%) |
| Gross profit | 5,349 | 6,175 | (13%) |
| as a percentage of revenue | 34% | 37% | (3%) |
| Net earnings | 516 | 1,900 | (73%) |
| as a percentage of revenue | 3% | 11% | (8%) |
| per common share – basic | 0.02 | 0.07 | (71%) |
| per common share – diluted | 0.02 | 0.07 | (71%) |
| Adjusted EBITDA[1] | 2,668 | 3,865 | (31%) |
| as a percentage of revenue | 17% | 23% | (6%) |
| per common share – basic | 0.10 | 0.14 | (29%) |
| per common share – diluted | 0.10 | 0.13 | (23%) |
| Total assets | 81,154 | 73,547 | 10% |
| Total liabilities | 22,690 | 20,811 | 9% |
| Total non-current liabilities | 2,434 | 3,547 | (31%) |

**Summary of Quarterly Results**

| ($000 except per share amounts) | Q3 2024 | Q2 2024 | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 | Q3 2022 |
|---|---|---|---|---|---|---|---|---|---|
| Revenue | 15,842 | 19,910 | 16,542 | 19,699 | 16,878 | 16,248 | 16,684 | 18,264 | 12,410 |
| Net earnings | 516 | 3,125 | 975 | 2,674 | 1,900 | 1,427 | 528 | 7,264 | 274 |
| as a % of revenue | 3% | 16% | 6% | 14% | 11% | 9% | 4% | 40% | 2% |
| per share – basic | 0.02 | 0.12 | 0.04 | 0.10 | 0.07 | 0.05 | 0.02 | 0.26 | 0.01 |
| per share – diluted | 0.02 | 0.11 | 0.04 | 0.10 | 0.07 | 0.05 | 0.02 | 0.25 | 0.01 |
| EBITDA[1] | 1,826 | 4,638 | 2,191 | 3,001 | 3,641 | 2,639 | 1,954 | 7,319 | 1,149 |
| as a % of revenue | 12% | 23% | 13% | 15% | 22% | 16% | 12% | 40% | 9% |
| Adjusted EBITDA[1] | 2,668 | 4,728 | 2,273 | 3,987 | 3,856 | 2,862 | 2,419 | 3,681 | 1,099 |
| as a % of revenue | 17% | 24% | 14% | 20% | 23% | 18% | 14% | 20% | 9% |

**Outlook and Forward-Looking Information**

Over the near and medium term, the oil and gas market in international regions, particularly the Middle East and North Africa (MENA), continues to exhibit stable fundamentals. The growth in drilling activity and the emergence of new regional players, combined with the National Oil Companies' (NOC) growing commitment to safety and efficiency improvements, and technology will create additional opportunities for our innovative products. McCoy is strategically positioned to leverage these trends by offering market-leading technologies that address these customer priorities, particularly with its smartCRT™ enhancement. Our expert technical support, coupled with a strong local presence and an extensive portfolio of Tubular Running Services (TRS) equipment, further reinforces our competitive advantage in the market.

Over the past several quarters, the deepwater offshore market has maintained rig utilization rates upwards of 90%. Looking ahead, this heightened activity, coupled with a shift from large multinational service providers to drilling contractors and local participants, is expected to lead to a notable expansion in capital expenditures, particularly in Latin America and the North Sea. McCoy is uniquely positioned in this market segment, leveraging its extensive application expertise and integrated offshore casing running technologies. This strategic advantage has historically secured McCoy a leading market share among Tubular Running Service (TRS) providers and drilling contractors who lack their own proprietary technology in the deepwater offshore segment. Additionally, McCoy's recent contract award, announced earlier this year, further underscores its strong market position.

During the third quarter of 2024, active rig counts remained subdued as efficiency gains have trumped the requirement for additional rigs. The market for equipment, particularly standard, legacy products, has been flat to down with an oversupply in the market. In spite of this muted backdrop, McCoy's advanced technologies continue to generate growth in this region due to the significantly improved safety features. 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 smart product technologies. Looking ahead, McCoy anticipates robust demand for our innovative FMS technology throughout the fourth quarter of 2024, driven by its inherent performance and safety benefits, which address the persistent labor challenges encountered by many of our customers. Finally, as field trials for our integrated smarTR™ progress towards completion, we expect 2025 to be a pivotal 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 advance through the commercialization phase of our 'Digital Technology Roadmap' initiative, we anticipate that future revenues will rely less on the cyclical nature of drilling activity, and more driven by technology adoption, demand from emerging local and regional market players, and market share expansion in new geographical areas. However, the inherent characteristics of our capital equipment product offerings as well as the rate of technology adoption, and timing of contract awards, may lead 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 impacted third-quarter earnings and revenue, our current orders backlog of $30.1 million is expected to support financial performance for the fourth quarter of 2024. Additionally, as we continue to deliver on our orders backlog, we anticipate drawing down on our inventory investments to generate additional cashflows.

As we close out 2024, we continue to focus on our key strategic initiatives to deliver value to all of 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 key strategic 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, intimate customer knowledge 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 2024 | Q3 2023 |
|---|---|---|
| Net earnings | 516 | 1,900 |
| Depreciation of property, plant and equipment | 561 | 493 |
| Amortization of intangible assets | 472 | 513 |
| Income tax expense | 239 | 743 |
| Finance charges (income), net | 38 | (8) |
| EBITDA | 1,826 | 3,641 |
| Provisions (recovery of) for excess and obsolete inventory | 97 | (74) |
| Other ~~(gains)~~ losses, net | 90 | 13 |
| Share-based compensation | 655 | 276 |
| Adjusted EBITDA | 2,668 | 3,856 |

[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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