MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2025

TABLE OF CONTENTS

EXPLANATORY NOTES

THE FOLLOWING MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS ("MD&A"), DATED MAY 1, 2025, SHOULD BE READ IN CONJUNCTION WITH THE CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS BELOW, AS WELL AS THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDING MARCH 31, 2025, AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND NOTES THERETO, FOR THE YEARS ENDED DECEMBER 31, 2024, AND 2023. THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS HAVE BEEN PREPARED IN ACCORDANCE WITH IFRS ACCOUNTING STANDARDS. 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. 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 MAY 1, 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

Revenue for the three months ended March 31, 2025, was $19.3 million, representing a 17% increase from the comparative period (Q1 2024 - $16.5 million). This growth was driven by strong demand for McCoy's newly commercialized smartProducts. For the three months ended March 31, 2025, smartProducts revenue of $11.4 million accounted for 59% of total revenue (three months ended March 31, 2024 – 31%), an increase of $6.3 million from the comparative period. As anticipated, 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, resulted in a sequential fluctuation in revenue for Q4, 2024, to Q1, 2025. The depreciation of the Canadian dollar also impacted the increase in revenue as the substantial majority of the Corporation's revenue is denominated in US dollars.

Net earnings for the three months ended March 31, 2025, were $0.9 million, a decrease of 3% from the comparative period (Q1 2024 - $1.0 million). Earnings were impacted by stronger Adjusted EBITDA performance, largely offset by increased share-based compensation expense due to the appreciation of the Corporation's share price.

Adjusted EBITDA for the three months ended March 31, 2025, was $3.5 million or 18% of revenue (Q1 2024 - $2.3 million or 14% of revenue). Adjusted EBITDA growth was achieved from favorable product margins from the shift towards McCoy's smartProducts, material cost improvements, partially offset by increased product development & support costs, as well as increased facility costs, production overheads and freight, and additional head count to support increased production throughput and customer technical support.

Cash used in operating activities of $2.7 million for the three months ended March 31, 2025, improved from the comparative period ($4.4 million) as a result of greater adjusted EBITDA, offset by an increase in working capital, primarily from reductions to trade payables and investment in inventory to support order backlog and forecast demand. During the first quarter of 2025, the Corporation invested in its rental fleet, production facility, and production equipment. As well, the Corporation repurchased 362,900 common shares through its normal course issuer bid, and returned capital to shareholders through McCoy's quarterly dividend. As at March 31, 2025, the Corporation maintained a net cash position of $10.6 million (March 31, 2024 – $10.6 million) and no debt.

Advancing our Technology Roadmap

Since January 1, 2025, we achieved key commercial and development milestones:

- McCoy successfully concluded in-field trials for its innovative smarTR™ system for land and shelf applications. The trials, conducted across several geographies, consistently demonstrated the system's exceptional performance and reliability in live operational environments. Rigorous testing under various operational scenarios confirmed the smarTR™ system's ability to deliver superior results over conventional tubular running services (TRS) operations. Confidence in the system from our US field-trial partners resulted in $11.0 million of contract awards for hardware. In addition to the equipment award, the contract includes utilization-bases software-as-a-service (SaaS) revenue for the system's remote integration and automated operational capabilities, with deliveries expected in 2025. McCoy's smarTR™ system integrates McCoy's proprietary hydraulic smart casing running tool (smartCRT™), McCoy's proprietary connected flush mount spider (smartFMS™), and related tubular running accessories, into a first-to-market technology that significantly enhances both safety and efficiency and targets up to a 67% reduction in labor costs associated with TRS.
- McCoy delivered multiple hydraulic smartCRT™s destined for the Middle East market and secured additional orders for the US land market. The McCoy hydraulic smartCRT™ enhancement was first commercialized in Q4, 2024, and the tools have successfully executed multiple operations with remarkable

efficiency, demonstrating exceptional performance and proven reliability in demanding field conditions. Our unique, patented solution is a hydraulic option to our smartCRT™ and is designed to integrate into our smarTR™ system. This technology mitigates risks inherent in conventional, mechanical CRT technology, while providing actionable insights that optimize future performance.

- McCoy delivered a deep-water offshore integrated casing running system destined for Latin America. Delivering this technology completes 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 marked the first offshore commercial 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.

Order Intake

McCoy reported $23.4 million of order intake for the three months ended March 31, 2025, a 25% increase from the $18.7 million of order intake reported in the first quarter of 2024. Order intake increased sequentially by 39% compared to the $16.8 million reported in the fourth quarter of 2024. Order intake in the first quarter of 2025 included strong demand for McCoy's smartProducts, including the smartCRT™ and smartFMS™. Subsequent to March 31, 2025, McCoy accepted $11.0 million of contract awards for hardware and SaaS revenue for the smarTR™ system's remote integration and automated operational capabilities, with deliveries expected in 2025.

OUTLOOK AND FORWARD-LOOKING INFORMATION

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 are expected to create further opportunities for our smartProducts. Furthermore, in the coming quarters, NOCs in two of our largest Eastern Hemisphere markets are anticipated to announce TRS contract award allocations for upwards of 50 rigs requiring the use of hydraulic casing running tools. Though the timing of these announcements is uncertain, we expect these awards will positively impact the conversion of many of our smartProduct technology quotes into confirmed orders. 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 recent market volatility and recessionary pressures loom, rig count and drilling activity has remained subdued. Despite these headwinds, industry confidence in our smartProduct technology, particularly our smarTR™ system, underscores that McCoy's advanced technologies can continue to generate revenue growth in this region due to their significantly improved safety features, their ability to enhance efficiency and in many cases reduce operating costs for our customers.

As 2025 has progressed, we have observed a notable decline in market conditions across various global regions, driven by macroeconomic pressures, global trade issues, and geopolitical tensions. These challenges have impacted drilling activity levels, prompting many of our customers to prioritize cash flow preservation and enhance efficiency and optimization efforts. Consequently, while we remain confident in the demand for our smartProducts, we anticipate a continued erosion in demand for our legacy product offerings in the near term.

In light of the recent trade tariff developments between the United States and Canada, the Corporation continues to monitor the dynamic environment and 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 tariffs on Canadian imports may apply. As at May 1, 2025, the majority of our components sourced from Canadian suppliers fall under the United States-Mexico-Canada Agreement (USMCA) and are therefore exempt from US import tariffs. To 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.

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 $27.5 million of backlog reported at March 31, 2025, and continued momentum of smartProduct technology adoption, we are confident in executing our strategic and financial objectives in 2025. McCoy remains confident in the continued 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:

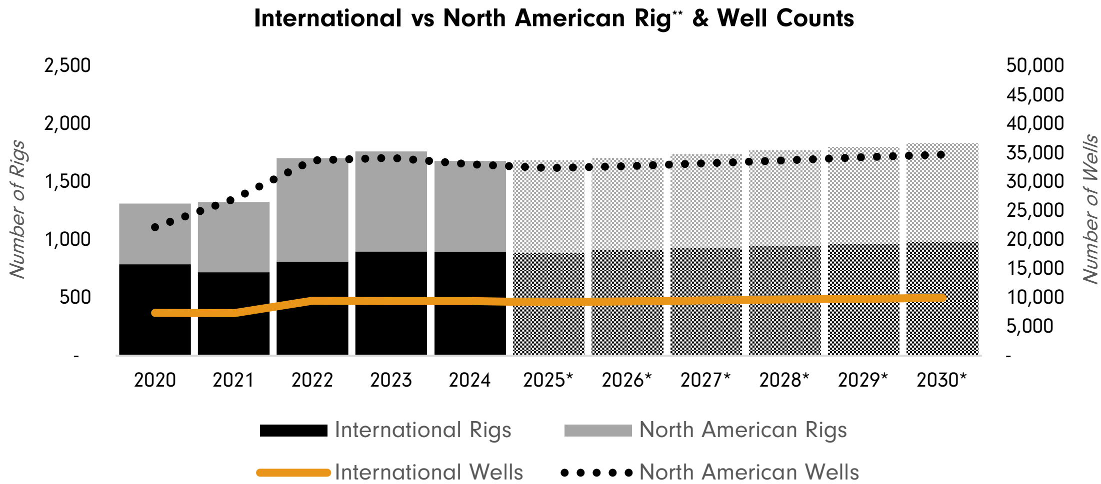
- Accelerating market adoption of new and recently developed 'smart' portfolio products;
- Focusing on capital allocation priorities; return excess cash to our shareholders in the form of share buy-backs and quarterly dividends.

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, March 2025, is as follows:



**Forecasted*
***Cumulative*

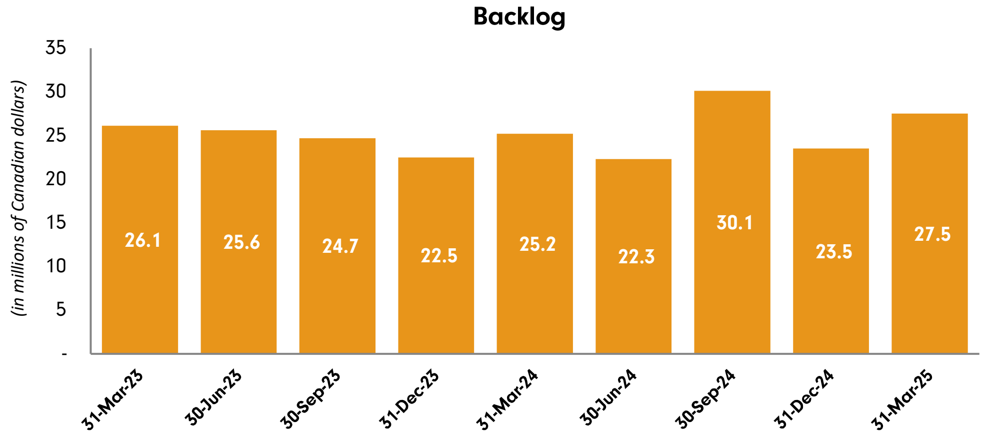
At a macro level, the demand for McCoy Global's products and services is related to drilling activity levels and customers' capital and operating budgets, which in turn are influenced by oil and natural gas prices and expectations as to future price trends. The availability of existing capital equipment 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.

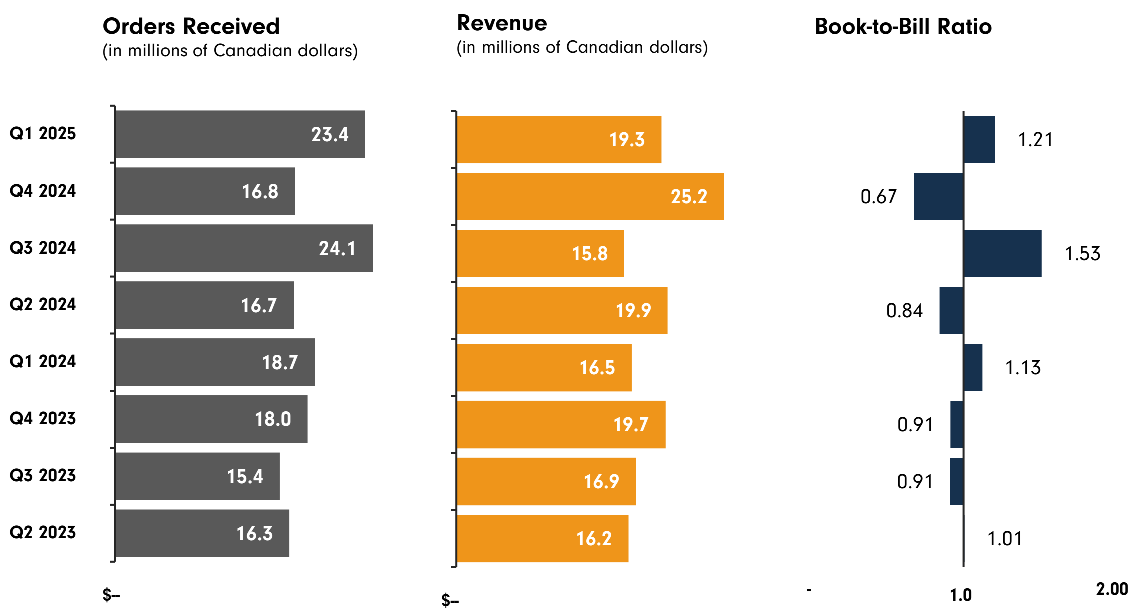
The Corporation defines backlog as orders that have a high certainty of being delivered and is measured on the basis of a firm customer commitment, such as the receipt of a purchase order or customer confirmation of McCoy sales order. Though customers may default on, or cancel such commitments, purchase 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 March 31, 2025, totaled $27.5 million (US$19.1 million), an increase of $4.0 million or 17% from backlog of $23.5 million (US$16.3 million) as at December 31, 2024. Compared to March 31, 2024, backlog increased $2.3 million, or 9%, from $25.2 million (US$18.6 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 to support capital equipment sales through aftermarket products and services such as technical support, consumables and replacement parts;
- 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 installed base and similar competitor products; and

rental of the Corporation's equipment and technologiesSince 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 a significant portion 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 Financial Results

As at and for the three months ended March 31 ($000 except per share amounts)	2025	2024
Revenue	**19,346**	16,542
Net earnings	**946**	975
Per common share – basic	**0.03**	0.04
Per common share – diluted	**0.03**	0.04
Adjusted EBITDA	**3,479**	2,272
Per common share – basic	**0.13**	0.08
Per common share – diluted	**0.13**	0.08
Total assets	**93,302**	79,997
Total liabilities	**27,471**	24,257
Total non-current liabilities	**2,468**	3,012

EBITDA and adjusted EBITDA are calculated as follows:

For the three months ended March 31 ($000)	2025	2024
Net earnings	**946**	975
Depreciation of property, plant, and equipment	**679**	578
Amortization of intangible assets	**464**	466
Income tax expense	**143**	184
Finance charges (income), net	**44**	(11)
EBITDA	**2,276**	2,192
Other losses, net	**174**	19
Share-based compensation expense (recovery)	**872**	(23)
Provision for excess and obsolete inventory	**157**	85
Adjusted EBITDA	**3,479**	2,273

REVENUE

	For the three months ended March 31			
($000 except percentages)	2025	2024	Change	% Change
Revenue	**19,346**	16,542	2,804	17%

Revenue for the three months ended March 31, 2025, increased 17% from the comparative period. The growth in revenues was driven by strong demand for the Corporation's newly commercialized smartProducts and includes the delivery of several smart hydraulic casing running tools (smartCRT™) destined for the Middle East market as well as a deep-water offshore integrated casing running system, completing the first step on a roadmap to a comprehensive smarTR™ system tailored for offshore and deep-water markets. As anticipated, 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, resulted in a sequential fluctuation in revenue for Q4, 2024, to Q1, 2025. The depreciation of the Canadian dollar also impacted the increase in revenue as the substantial majority of the Corporation's revenue in denominated in US dollars.

Revenue in the first quarter of 2024 was impacted by timing delays on certain customer purchase commitments. As well, greater than anticipated book-and-ship revenues that positively impacted Q4, 2023 resulted in quarter-to-quarter fluctuations in revenue, negatively impacting Q1, 2024. smartProduct revenue in the first quarter of 2024 was driven by sales of McCoy's FMS tool.

GROSS PROFIT

	For the three months ended March 31			
($000 except percentages)	2025	2024	Change	% Change
Gross profit	**6,608**	5,251	1,357	26%
Gross profit as a % of revenue	***34%***	*32%*	*2%*	

Gross profit as a percentage of revenue for the three months ended March 31, 2025, was 34%, an increase of two percentage points compared to first quarter of 2024. This was due to a shift in product mix towards smartProduct revenues with favourable product margins and away from traditional capital equipment which has lower gross margins, as well as supply chain cost containment efforts which reduced material cost for a number of product lines. This was partially offset by increased facility costs, production overheads and freight, as well as additional headcount to support increased production throughput and customer technical support.

Gross profit for the three months ended March 31, 2025, includes a $0.2 million provision of excess and obsolete inventory (three months ended March 31, 2024 – $0.1 million).

GENERAL AND ADMINISTRATION EXPENSE (G&A)

	For the three months ended March 31			
($000 except percentages)	2025	2024	Change	% Change
G&A	**3,268**	2,241	1,027	46%
G&A as a % of revenue	***17%***	*14%*	*3%*	

G&A increased 46% from the comparative period due to increased compensation attributable to the Corporation's stock-based compensation, which in turn was primarily attributable to the appreciation of the Corporation's stock price on cash-settled share-based compensation expense. To a lesser extent, the Corporation's investment in an AI platform for enhanced operational decision making also contributed to the increase in G&A. As a percentage of revenue, G&A increased 3% from the comparative period.

PRODUCT DEVELOPMENT AND SUPPORT

	For the three months ended March 31			
($000 except percentages)	2025	2024	Change	% Change
Product development and support expense	**1,369**	1,184	185	16%
Capitalized development expenditures	**249**	88	161	183%
Product development and support expenditures	**1,618**	1,272	346	27%
Product development and support expenditures as a % of revenue	***8%***	*8%*	*-%*	

During the three months ended March 31, 2025, McCoy further advanced its 'Technology Roadmap' initiative by developing additional 'smart' product enhancements and complementary product accessories for McCoy's smartCRT™ and smartFMS™. For the three months ended March 31, 2025, the Corporation incurred $0.2 million of capitalized development expenditures. For the remainder of 2025, the Corporation has committed US$2.3 million of capital toward the development of these enhancements and 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. Product development expenditures were also impacted by the depreciation of the Canadian dollar, as the majority of the Corporation's Product development expenditures are denominated in US dollars.

SALES AND MARKETING EXPENSE (SALES & MARKETING)

	For the three months ended March 31			
($000 except percentages)	2025	2024	Change	% Change
Sales and Marketing	**664**	659	5	1%
Sales and Marketing as a % of revenue	***3%***	*4%*	*(1%)*	

Sales and Marketing expenses remained consistent from the comparative period and includes headcount for sales and customer support activities, as well as marketing expenses to promote the Corporation's smartProducts.

OTHER ITEMS

($000 except percentages)	For the three months ended March 31 2025	2024	Change	% Change
Other losses, net	**174**	19	155	816%
Finance charges (income), net	**44**	(11)	55	(500%)

For the three months ended March 31, 2025, as well as the comparative period, other losses, net is comprised of foreign exchange losses.

For the three months ended March 31, 2025, finance charges (income), net, includes finance charges imputed on operating leases in accordance with IFRS 16, partially offset by interest income on cash and cash equivalents, and interest income on long-term customer finance leases. For the three months ended March 31, 2024, finance charges (income), net, includes interest income on cash and cash equivalents offset by borrowing costs, and finance charges imputed on operating leases in accordance with IFRS 16.

SUMMARY OF QUARTERLY RESULTS

	2025	2024				2023		
($000 except per share amounts)	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Revenue	**19,346**	25,222	15,842	19,910	16,542	19,699	16,878	16,248
Net earnings	**946**	4,255	516	3,125	975	2,674	1,900	1,427
Per share – Basic	**0.03**	0.16	0.02	0.12	0.04	0.10	0.07	0.05
Per share – Diluted	**0.03**	0.15	0.02	0.11	0.04	0.10	0.07	0.05
EBITDA	**2,276**	5,598	1,826	4,638	2,191	3,001	3,641	2,639
Adjusted EBITDA	**3,479**	6,534	2,668	4,728	2,273	3,987	3,856	2,862

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

Liquidity and Cash Flow

Selected cash flow information is as follows:

For the three months ended March 31 ($000)	**2025**	2024
Cash used in operating activities	**(2,741)**	(4,396)
Cash used in investing activities	**(1,910)**	(447)
Cash used in financing activities	**(2,037)**	(540)

Cash used in operating activities for the three months ended March 31, 2025, improved from the comparative period as a result of greater adjusted EBITDA, offset by an increase in working capital, primarily from reductions to trade payables and investment in inventory to support orders backlog and forecast demand. Income tax payments also negatively impacted cash used in operating activities. In the comparative period, cash used in operating activities for the three months ended March 31, 2024, was primarily the result of an increase in working capital investments, primarily in trade receivables due to the timing of customer shipments and inventory to support orders backlog.

Cash used in investing activities for the three months ended March 31, 2025 and 2024, related to strategic investments in the Corporation's rental fleet and production equipment, as well as investment in McCoy's 'Digital Technology Roadmap'.

Cash used in financing activities for the three months ended March 31, 2025, was primarily related to repurchase of shares through the Corporations normal course issuer bid, principal elements of lease payments, and dividends paid, offset by proceeds from the issuance of common shares from the Corporations restricted share plan, and stock options. In the comparative period, cash used in financing activities was related to principal elements of lease payments and dividends paid, offset by proceeds from the issuance of common shares from stock options.

As at ($000)	**March 31, 2025**	December 31, 2024
Cash and cash equivalents	**10,563**	17,057
Borrowings	**-**	-
Net cash	**10,563**	17,057
Undrawn availability under revolving demand facility and term loan	**7,907**	7,914

McCoy remains committed to managing the business for success through diligently managing the Corporation's liquidity. Generating operating cashflows and increasing working capital efficiency is a key priority for the Corporation.

Anticipated capital spending for the remainder of 2025 includes:

- up to US$2.3 million of strategic investment in rental equipment where meaningful returns are expected;
- up to US$1.4 million of investments in facility expansions, as well as production facility equipment to improve production efficiencies and profitability; and
- up to US$2.3 million of investment in the development of 'Technology Roadmap' offerings.

Outstanding Share Data

As at May 1, 2025, the following class of shares and equity securities potentially convertible into common shares were outstanding:

Common shares	26,756,899
Convertible equity securities:	
Stock options	1,458,068
Restricted shares	90,923

The stock options and restricted share plan units are exercisable into an equal number of common shares. Stock options may be exercised after they have vested. Restricted share plan units are converted to common shares at pre-determined vesting dates.

Options with the following exercise price ranges were outstanding as at May 1, 2025:

Exercise price range	Options outstanding	Weighted average remaining contractual life
	#	years
<$1	485,000	4.62
$1 to $2	654,420	3.69
$2 to $3	318,648	4.90
	1,458,068	4.26

Controls and Procedures

Internal Controls Over Financial Reporting ("ICFR")

Management has evaluated whether there were changes in our Internal Controls over Financial Reporting ("ICFR") during the three-month period ended March 31, 2025, that have materially affected, or are reasonably likely to materially affect, our ICFR. No such changes have been identified.

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

Other Information

Additional information relating to the Corporation, including the Corporation's Annual Information Form for the year ending December 31, 2024, is available on SEDAR at www.sedarplus.ca.

OTHER INTERIM MD&A REQUIREMENTS

There have been no significant changes to the following items from those described in our 2024 MD&A and Consolidated Annual Financial Statements. Please refer to the page numbers listed below from McCoy Global's 2024 MD&A and Consolidated Annual Financial Statements:

- Financial risk management and financial instruments – pages 33-35 Consolidated Annual Financial Statements;
- Capital management – page 35 Consolidated Annual Financial Statements;
- Contractual obligations – page 23 MD&A;
- Related party transactions – page 36 Consolidated Annual Financial Statements;
- Critical accounting estimates and judgements – pages 13-14 Consolidated Annual Financial Statements; and
- Risks and uncertainties – pages 26 MD&A.