

April 20, 2020

## **McCOY GLOBAL ANNOUNCES BUSINESS UPDATE**

Edmonton, Alberta – **McCoy Global Inc.** (“McCoy,” “McCoy Global” or “the Corporation”) (TSX:MCB) today announced its business update in response to the COVID-19 pandemic and significant decline in oil and gas consumption globally.

### **COVID-19**

“When the COVID-19 crisis began, McCoy Global management immediately implemented new health and safety protocols to protect our employees and their families, suppliers, customers and the communities in which we operate,” said Jim Rakievich, McCoy’s President & CEO.

“Our production facilities have remained operational thanks to the new protocols and the efforts and commitments of our teams. In addition, we were able to provide remote working capabilities to all of those who were not essential to be physically present at our operations.

### **Market Outlook**

“As a result of the significant decline in oil and gas consumption globally and accompanying decline in oil and gas prices, E&P capital spending plans continue to be cut materially, particularly in the North American land market, and we expect our customers will follow with significantly reduced capital equipment spending.

### **Adjustments**

“McCoy has responded to the industry downturn with a plan of actions that are intended to protect our balance sheet in anticipation of revenue challenges.”

The Corporation announced the following actions:

- Employee headcount reductions
- Salary and wage cuts across all levels of the organization, including Board and President & CEO cuts of 25%, and 20% cuts for other Executives
- Budgeted 2020 capital expenditure for production and rental fleet reduced by 80%
- Budgeted 2020 capital expenditures on the Corporation’s digital technology roadmap reduced by 60%, primarily related to external expenditures. The Corporation will continue to deploy internal resources to advance the development of this key strategic initiative.
- Elimination of all non-essential travel and other discretionary spending
- Additional G&A cost-cutting measures being implemented
- The aggregate of these actions to date will result in estimated annualized savings of CAD\$6.5 million (USD\$5.0 million)
- The Corporation’s application for the US Paycheck Protection Program Loan (PPP) of US\$1.9 million being approved and funded
- Applications in place for additional U.S. and Canadian government relief programs



## About McCoy Global

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

## Forward-Looking Information

*This News Release contains forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking information is often, but not always, identified by the use of words such as "could", "should", "can", "anticipate", "expect", "objective", "ongoing", "believe", "will", "may", "projected", "plan", "sustain", "continues", "strategy", "potential", "projects", "grow", "take advantage", "estimate", "well positioned" or similar words suggesting future outcomes. This New Release contains forward-looking statements respecting the business opportunities for the Corporation that are based on the views of management of the Corporation and current and anticipated market conditions; and the perceived benefits of the growth strategy and operating strategy of the Corporation are based upon the financial and operating attributes of the Corporation as at the date hereof, as well as the anticipated operating and financial results. Forward-looking statements regarding the Corporation are based on certain key expectations and assumptions of the Corporation concerning anticipated financial performance, business prospects, strategies, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of labour and services and the ability to obtain financing on acceptable terms, which are subject to change based on market conditions and potential timing delays. Although management of the Corporation consider these assumptions to be reasonable based on information currently available to them, they may prove to be incorrect. By their very nature, forward-looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward-looking statements will not be achieved. Undue reliance should not be placed on forward-looking statements, as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in the forward-looking statements, including inability to meet current and future obligations; inability to complete or effectively integrate strategic acquisitions; inability to implement the Corporation's business strategy effectively; access to capital markets; fluctuations in oil and gas prices; fluctuations in capital expenditures of the Corporation's target market; competition for, among other things, labour, capital, materials and customers; interest and currency exchange rates; technological developments; global political and economic conditions; global natural disasters or disease; and inability to attract and retain key personnel. Readers are cautioned that the foregoing list is not exhaustive. The reader is further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These judgments and estimates may change, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes. The information contained in this News Release identifies additional factors that could affect the operating results and performance of the Corporation. We urge you to carefully consider those factors. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this News Release are made as of the date of this New Release and the Corporation does not undertake and is not obligated to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.*

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