May 2, 2025

McCOY GLOBAL ANNOUNCES FIRST QUARTER 2025 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 March 31, 2025. The Corporation also announced that its Board of Directors has declared a quarterly cash dividend of $0.025 per common share payable on July 15, 2025, to shareholders of record at close of business on June 30, 2025. 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.

First Quarter Highlights:

- Revenue increased 17.0% to $19.3 million, compared to $16.5 million in Q1 2024. smartProduct revenue[5] 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.
- Net earnings decreased 3% to $0.9 million compared to the first quarter of 2024 of $1.0 million on revenues. Earnings were impacted by stronger Adjusted EBITDA[1] performance, largely offset by increased share-based compensation expense due to the appreciation of the Corporation's share price.
- Adjusted EBITDA[1] increased to $3.5 million, or 18% of revenue, compared to $2.3 million, or 14% of revenue, in Q1 2024. Adjusted EBITDA growth was achieved from favorable product margins from the shift towards McCoy's smartProducts.
- Backlog[2] increased by 9% to $27.5 million, from backlog of $25.2 million as at March 31, 2024. Subsequent to March 31, 2025, McCoy accepted an additional $11.0 million of contract awards for McCoy's smarTR™ hardware. In addition to the equipment award, the contract includes utilization-based software-as-a-service (SaaS) revenue for the smarTR™ system's remote integration and automated operational capabilities.
- Maintained a strong statement of financial position, ending the quarter with $10.6 million of net cash[4] as at March 31, 2025, after returning over $1.5 million to shareholders in the quarter through the repurchase of 362,900 common shares under the Corporation's normal course issuer bid (NCIB) and dividends.
- Advanced its Technology Roadmap, and since January 1, 2025:
  - 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 and utilization-based SaaS revenue for the system's remote integration and automated operational capabilities, with delivery 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.
  - 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™ product suite 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.

- 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 marks 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.

"As we progress through 2025, McCoy remains steadfast in our commitment to execute on our strategic objectives. Our strong revenue growth, driven by the successful commercialization of smartProducts, underscores our ability to adapt and thrive in challenging market conditions. The completion of key milestones, such as the in-field trials of our smarTR™ system and the delivery of advanced hydraulic smartCRT™s, positions us well to capitalize on emerging opportunities globally," said Jim Rakievich, President & CEO. "We are confident that our first-to-market technologies will continue to deliver efficiency, safety, and cost savings for our customers, ensuring sustained growth and value creation for customers and shareholders alike."

"McCoy's financial performance in the first quarter of 2025 reflects our strategic focus on innovation and operational excellence. Despite macroeconomic pressures and geopolitical tensions, we achieved a 17% increase in revenue, with smartProducts accounting for a significant portion of this growth. Our improved Adjusted EBITDA and solid net cash position highlight our ability to generate strong cash flow and maintain financial stability," said Lindsay McGill, Vice President & CFO. "During the quarter, we were pleased to return over $1.5 million to shareholders in the quarter through the repurchase of 362,900 common shares under the Corporation's normal course issuer bid (NCIB) and quarterly dividends."

First Quarter Financial Highlights:

- Total revenue of $19.3 million, compared with $16.5 million in Q1 2024.
- Net earnings of $0.9 million, compared to $1.0 million in Q1 2024.
- Adjusted EBITDA[1] of $3.5 million, or 18% of revenue, compared with $2.3 million, or 14% of revenue, in 2024.
- Booked backlog[2] of $27.5 million at March 31, 2025, compared to $25.2 million as at March 31, 2024.
- Book-to-bill ratio[3] was 1.21 for the three months ended March 31, 2025, compared with 1.13 in the first quarter of 2024.

Financial Summary

Revenue of $19.3 million 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 hydraulic smartCRT™s 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.

Gross profit, as a percentage of revenue for the three months March 31, 2025, was 34%, an increase of two percentage points from the comparative period in 2024. This was due to a shift in product mix towards smartProduct revenues with favourable product margins and away from traditional capital equipment, 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.

For the three months ended March 31, 2025, general and administrative expenses (G&A) increased by $1.0 million to $3.3 million, from the comparative period. The increase was primarily attributable to a $0.9 million increase in share-based compensation expense due to appreciation of the Corporation's stock price. 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.

During the three months ended March 31, 2025, product development and support expenditures totaled $1.6 million, representing an increase of $0.3 million or 27% from the comparative period. Product development and support expense increased as a result of additional headcount to support the commercialization efforts for McCoy's smarTR™ and smartCRT™. Capitalized development expenditures included $0.2 million for the development of additional 'smart' product enhancements and complementary product accessories for McCoy's smartCRT™ and smartFMS™.

For the three months ended March 31, 2025, 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.

Net earnings for the three months ended March 31, 2025, was $0.9 million or $0.03 per basic share, compared with net earnings of $1.0 million or $0.04 per basic share in the first quarter of 2024. Earnings was impacted by stronger Adjusted EBITDA[1] performance, largely offset by increased share-based compensation expense due to the appreciation of the Corporation's share price.

Adjusted EBITDA[1] for the three months ended March 31, 2025, was $3.5 million compared with $2.3 million for the first quarter of 2024. This growth reflects McCoy's robust operating efficiency, fueled by significant revenue contributions from innovative smartProduct technologies which generally offer higher margins compared to legacy capital equipment.

As at March 31, 2025, the Corporation had $10.6 million in net cash[4], along with an additional $7.9 million available under undrawn credit facilities.

Selected Quarterly Information

($000 except per share amounts and percentages)	Q1 2025	Q1 2024	% Change
Total revenue	19,346	16,542	17%
Gross profit	6,608	5,251	26%
as a percentage of revenue	34%	32%	2%
Net earnings	946	975	(3%)
as a percentage of revenue	5%	6%	(1%)
per common share – basic	0.03	0.04	(25%)
per common share – diluted	0.03	0.04	(25%)
Adjusted EBITDA[1]	3,479	2,273	53%
as a percentage of revenue	18%	14%	4%
per common share – basic	0.13	0.08	63%
per common share – diluted	0.13	0.08	63%
Total assets	93,302	79,997	17%
Total liabilities	27,471	24,257	13%
Total non-current liabilities	2,468	3,012	(18%)

Summary of Quarterly Results

($000 except per share amounts)	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Revenue	19,346	25,222	15,842	19,910	16,542	19,699	16,878	16,248	16,864
Net earnings	946	4,255	516	3,125	975	2,674	1,900	1,427	528
as a % of revenue	5%	17%	3%	16%	6%	14%	11%	9%	4%
per share - basic	0.03	0.16	0.02	0.12	0.04	0.10	0.07	0.05	0.02
per share - diluted	0.03	0.15	0.02	0.11	0.04	0.10	0.07	0.05	0.02
EBITDA[1]	2,276	5,598	1,826	4,638	2,191	3,001	3,641	2,639	1,954
as a % of revenue	12%	22%	12%	23%	13%	15%	22%	16%	12%
Adjusted EBITDA[1]	3,479	6,534	2,668	4,728	2,273	3,987	3,856	2,862	2,419
as a % of revenue	18%	26%	17%	24%	14%	20%	23%	18%	14%

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.

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 a 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 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.

($000 except per share amounts and percentages)	Q1 2025	Q1 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
Provisions for excess and obsolete inventory	157	85
Other losses, net	174	19
Share-based compensation	872	(23)
Adjusted EBITDA	3,479	2,273

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

[5] smartProduct revenue is a non-GAAP measure and includes sales, rental and services 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.

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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