March 4, 2022

McCOY GLOBAL ANNOUNCES FOURTH QUARTER AND YEAR END 2021 RESULTS

Edmonton, Alberta – **McCoy Global Inc.** ("McCoy," "McCoy Global" or "the Corporation") (TSX:MCB) today announced its operational and financial results for the year and three months ended December 31, 2021.

Fourth Quarter Highlights:

- Despite supply chain and logistic challenges faced globally throughout 2021, management continued to overcome these headwinds which resulted in 26% gross profit as a percentage of revenue in comparison to 10% in Q4 2021, on revenues of $9.5 million and $9.4 million, respectively;
- Adjusted EBITDA[1] increased to $1.2 million, or 13% of revenue, compared with $0.2 million, or 2% of revenue, in 2020;
- Advanced its Digital Technology Roadmap:
    - Completed internal field trials for McCoy's SmartCRT™, and customer field trials have now commenced;
    - Conducted external field trials for our Virtual ThreadRep™ technology with 13 customers including a Tier-1 driller and an industry leading Thread OEM. These trials resulted in increased efficiency by reducing onsite personnel by 25%. Development is now focused on further software enhancements to enable the torque turn software to autonomously evaluate and confirm premium connection make-up;
    - Successfully completed field trials for McCoy's smartFMS™, though this product's commercial value was previously expected to be minimal outside McCoy's smartTR™ system, the tightening customer labour market in North America has boosted customer demand for this product on a stand-alone basis with sales of several tools expected in 2022; and
- Subsequent to the quarter, McCoy reported $10.2 million of order intake for the first two months of 2022 with momentum continuing to build (Q4 2021 - $9.1 million).

"McCoy's strong fourth quarter performance demonstrates the solid financial operating leverage we expect to deliver as the industry continues to recover. The strategic priorities we executed upon in 2020 and 2021 to first optimize cost structure and second, to advance our investments in developing smart technologies, positions us to capitalize on opportunities as market activity improves" said Jim Rakievich, President & CEO of McCoy. "I would like to extend my gratitude to our team of dedicated employees to not only persevere, but to also succeed as we emerge from the many challenges presented by the COVID-19 pandemic over the past two years. I am confident in our team's ability to deliver on our global reputation of quality, innovation and trusted customer partnerships as we reposition to respond to growing customer demand."

"Our fourth quarter performance demonstrated strength in several of our financial metrics. McCoy's continued fiscal discipline resulted in Adjusted EBITDA[1] of $1.2 million or 13% of revenue for the fourth quarter (Q4 2020 – Adjusted EBITDA of $0.2 million, or 2% of revenue). This was largely driven by a 16% improvement in gross profit percentage compared to the fourth quarter of 2020 due to exceptional supply chain management, as well as increased aftermarket revenue. This has historically been a strong leading indicator for future growth of capital equipment demand," said Lindsay McGill, Vice President & CFO of McCoy. "As of December 31, 2021, McCoy reported net cash of $7.8 million with an additional US$2.5 million available under an undrawn operating facility, which will well position McCoy for revenue growth in the year ahead."

Fourth Quarter Financial Highlights:

- Total revenue of $9.5 million, compared with $9.4 million in 2020;
- Adjusted EBITDA[1] increased to $1.2 million, or 13% of revenue, compared with $0.2 million, or 2% of revenue, in 2020;
- Net earnings of $2.5 million, of which $2.4 million was attributable to amounts forgiven under the US Paycheck Protection Program (PPP), compared to net loss of $2.2 million in 2020,
- Booked backlog[2] of $11.7 million at December 31, 2021, up from $9.7 million in the fourth quarter of 2020;
- Book-to-bill ratio[3] was 0.96 for the three months ended December 31, 2021, compared with 0.95 in the fourth quarter of 2020;
- New product and technology offerings[4] contributed 14% of total revenue, supported by a large customer order for our fully integrated smarTong system, destined for offshore Brazil, compared with 8% in Q4 2020,

Annual Financial Highlights:

- Total revenue of $32.8 million, compared with $38.7 million in 2020;
- Adjusted EBITDA[1] of $3.4 million, or 10% of revenue, compared with $3.8 million, or 10% of revenue, in 2020;
- Net earnings of $4.1 million, of which $4.8 million was attributable to amounts forgiven under the US Paycheck Protection Program, compared to net loss of $2.2 million in 2020;
- New product and technology offerings[4] contributed 17% of total revenue compared with 18% in 2020.

Financial Summary

Revenue of $9.5 million for three months ended December 31, 2021, continued to benefit from improved global drilling activity levels, partially offset by delays in collection of customer shipments in late December. Revenue for the fourth quarter of 2020 of $9.4 million was supported by shipment of a large capital equipment order from aged inventory. Revenues for the year ended December 31, 2021 of $32.8 million were supported by improved industry fundamentals beginning in the second half of 2021. In comparison, revenues of $38.7 million for 2020 were supported by pre-pandemic order intake in late 2019 and early 2020.

Gross profit, as a percentage of revenue for the three months and year ended December 31, 2021, was 26% and 28% respectively, an increase of 16 and 7 percentage points, respectively from the comparable periods in 2020. Despite supply chain and logistics challenges faced globally, continued focus on productivity improvement and successful supply chain management, allowed for strong gross profit results. A shift towards more favourable product mix resulting from the increase in aftermarket revenue and inventory provisions recorded in 2020 also contributed to the increase in gross profit percentage.

For the three months and year ended December 31, 2021, general and administrative expenses (G&A) decreased by $0.4 million and $0.3 million, respectively from the comparable periods in 2020. G&A expenses benefitted from the full year impact of cost reduction initiatives enacted in April of 2020. Management has continued to focus on driving incremental efficiencies into this area of the business, and expects to further improve operational leverage for strong earnings growth as revenues further rebound.

For the three months and year ended December 31, 2021, sales and marketing expenses remained consistent with the comparative periods. Targeted marketing initiatives related to soon-to-be commercial products under the Corporation's 'Digital Technology Roadmap', as well as maintaining our market leading customer engagement to support rebounding order activity with improvements in market conditions.

During the three and months and year ended December 31, 2021, McCoy further advanced its Digital Technology Roadmap initiative through the continued development of 'Smart' product offerings which will be digitally integrated into its automated tubular running system SmartTR™. For the year ended December 31, 2021, capitalized development expenditures include internal product design and development hours, in addition to $1.4 million (three months ended December 31, 2021 - $0.1 million) of prototype materials for the SmartFMS™ in addition to field trial expenditures for McCoy's SmartCRT™ and Virtual Thread Rep™.

For the three months ended December 31, 2021, other gains are comprised primarily of $2.4 million loan forgiveness of the US Paycheck Protection Program. For the year ended December 31, 2021, other gains, (net) is comprised primarily $4.8 million loan forgiveness of the US Paycheck Protection Program, government assistance payments related to the Canadian Emergency Wage and Rent Subsidies, as well as gains on the disposal of property, plant and equipment, offset by a one-time retroactive payment to employees and foreign exchange losses. In the comparative periods, other gains includes government assistance, gains on the disposal of property, plant and equipment, recoveries related to a previous business divesture, offset by foreign exchange losses and integration costs associated with business divestitures.

Net earnings for the three months ended December 31, 2021 was $2.5 million or $0.09 per basic share, compared with a net loss of $2.2 million or ($0.08) per basic share in the fourth quarter of 2020. Net earnings for the year ended December 31, 2021 was $4.1 million or $0.15 per basic share, compared with a net loss of $2.2 million or ($0.08) per basic share in 2020. Net earnings for the three months and year ended December 31, 202,1 was supported by amounts forgiven under the US PPP.

Adjusted EBITDA[1] for the three months ended December 31, 2021 was $1.2 million compared with $0.2 million for the fourth quarter of 2020. For the year ended December 31, 2021 Adjusted EBITDA[1] was $3.4 million compared with $3.8 million in 2020.

As at December 31, 2021 the Corporation had $12.0 million in cash and cash equivalents, of which $0.9 million was restricted under the conditions of the Corporation's credit facility.

Selected Quarterly Information

($000 except per share amounts and percentages)	Q4 2021	Q4 2020	% Change
Total revenue	9,451	9,369	1%
Gross profit	2,442	968	152%
as a percentage of revenue	26%	10%	160%
Net earnings (loss)	2,464	(2,150)	(215%)
per common share – basic	0.09	(0.08)	(213%)
per common share – diluted	0.08	(0.08)	(211%)
Adjusted EBITDA[1]	1,213	153	696%
per common share – basic	0.04	0.01	683%
per common share – diluted	0.04	0.01	648%
Total assets	55,138	52,658	5%
Total liabilities	15,128	17,154	(12%)
Total non-current liabilities	6,741	9,725	(31%)

Selected Annual Information

($000 except per share amounts and percentages)	2021	2020	% Change
Total revenue	32,796	38,674	(15%)
Gross profit	7,951	1,193	566%
as a percentage of revenue	24%	3%	700%
Net earnings (loss)	4,078	(2,175)	(287%)
per common share – basic	0.15	(0.08)	(285%)
per common share – diluted	0.14	(0.08)	(283%)
Adjusted EBITDA[1]	3,437	3,766	(9%)
per common share – basic	0.12	0.14	(10%)
per common share – diluted	0.12	0.14	(11%)

Summary of Quarterly Results

($000 except per share amounts)	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Revenue	9,451	9,855	6,086	7,374	9,369	7,621	10,361	11,323
Net earnings (loss)	2,464	621	1,151	(158)	(2,150)	(720)	782	(87)
per share - basic	0.09	0.02	0.04	(0.01)	(0.08)	(0.03)	0.03	-
per share - diluted	0.08	0.02	0.04	(0.01)	(0.08)	(0.03)	0.03	-
EBITDA[1]	3,504	1,550	2,077	749	(1,116)	312	1,886	1,078
Adjusted EBITDA[1]	1,213	1,376	174	673	153	365	1,327	1,919

Outlook and Forward-Looking Information

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 expertise and innovation within tubular running services (TRS) operations globally. The Corporation has extensive experience launching new products into the markets it serves, offering the highest quality and safety standards available, unparalleled customer support, and has done so for more than three decades.

McCoy believes the TRS space is primed for transformation employing automation and machine learning. 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 digital 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 smartTR™ automated casing running system. The product suite includes five 'Smart' products: Virtual Thread-Rep™, smartCRT™, smartFMS™, McCoy's smartTong, and McCoy's smart tailing stabbing arm (smartTSA™).

McCoy is engaged with three key customer groups:

Service Companies and Drilling Contractors - Producers are challenging contractors, across the board, to reduce costs. In many cases, their largest cost is people. With five years of decreasing oil and gas activity, personnel have left the industry to the point where there is now a critical shortage of skilled and experienced labour. Personnel safety, the shortage of experienced people, and the reality that 65% of TRS cost is directly attributable to labour, is a driving force behind the transition to an increasingly automated system.

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. In addition to providing enhanced data, remote operation can reduce up to 85% of the labour costs associated with TRS for our Producer group.

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 digital strategy will meet this demand. Our cloud platform is the nucleus of the Corporation's digital strategy and serves as a repository for real-time, complete well integrity data.

McCoy reported order intake of $9.1 million for the fourth quarter of 2021 (Q3 2021 - $11.4 million). Customer inquiries, quoting activity and order intake continued to improve, particularly in the Eastern Hemisphere, with order intake of $10.2 million reported for the first two months of 2022 and momentum continuing to build.

Improved global energy demand and the need for global oil and gas investment has resulted in sustained periods of robust commodity prices, providing a promising backdrop for the oilfield services and equipment industry. At current commodity prices, we anticipate continued growth in customer demand.

With order backlog rebounding to levels only seen in pre-pandemic periods and a strong balance sheet, McCoy is well positioned for strong earnings growth for 2022. Increased drilling activity levels paired with new market entrants in international markets will serve to further enhance commercial opportunities for our smartCRT™. We also expect the tightening labour market faced by our customers will serve to accelerate adoption of many of smart technology offerings, particularly in the US land region.

As we enter 2022, we continue to focus on our key strategic initiatives to deliver value to all of our stakeholders:

- Growing market adoption of new and recently developed 'Smart' portfolio products;
- Taking advantage of the current market trajectory by focussing on revenue generation while continuing to successfully mitigate supply chain and logistic challenges;
- Continuing to build our equipment rental fleet to offer flexible solutions to customers where meaningful returns are expected; and
- Generating cashflow from operations through fiscal discipline and continued working capital efficiency.

We believe this strategy, together with our committed and agile team, our global brand recognition, intimate customer knowledge and global footprint will further advance McCoy's competitive position, regardless of the market environment.

Special Committee Update

The special committee continues its previously announced mandate in concert with the engagement of external advisors, Tudor, Pickering & Holt. The review of strategic alternatives continues. Although multiple interested parties have executed confidentiality agreements, as is customary at this time in the process, there is no material progress to report at this time.

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 (loss) earnings, 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 (loss) earnings 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)	Q4 2021	Q4 2020
Net earnings (loss)	2,464	(2,150)
Depreciation of property, plant and equipment	659	501
Amortization of intangible assets	199	205
Income tax expense	-	9

Finance charges, net	182	319
EBITDA	3,504	(1,116)
Provisions for excess and obsolete inventory	46	751
Other (gains) losses, net	(2,450)	294
Share-based compensation	113	182
Restructuring charges	-	42
Adjusted EBITDA	1,213	153

($000 except per share amounts and percentages)	2021	2020
Net earnings (loss)	4,078	(2,175)
Depreciation of property, plant and equipment	2,167	2,473
Amortization of intangible assets	792	843
Income tax expense	-	9
Finance charges, net	843	1,010
EBITDA	7,880	2,160
Provisions for excess and obsolete inventory	(230)	1,786
Other (gains) losses, net	(4,805)	(631)
Share-based compensation	-	178
Restructuring charges	592	273
Adjusted EBITDA[1]	3,437	3,766

[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.

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.*

For further information, please contact:

Mr. Jim Rakievich
President & CEO
McCoy Global Inc.

E-mail: info@mccoyglobal.com
Website: www.mccoyglobal.com