March 6, 2025

MCCOY GLOBAL ANNOUNCES FOURTH QUARTER AND YEAR END 2024 RESULTS AND INCREASE TO ITS QUARTERLY DIVIDEND

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, 2024.

Fourth Quarter Highlights:

- Revenue increased 28% to $25.2 million, compared to $19.7 million in Q4 2023, driven by strong demand for recently commercialized smartProducts. smartProduct revenue[5] accounted for $12.1 million, or 48%, of total revenue, an increase of $3.9 million or 48% from Q4 2023.
- Net earnings of $4.3 million, a 59% increase from $2.7 million in 2023.
- Adjusted EBITDA[1] increased to $6.5 million, or 26% of revenue, compared to $4.0 million, or 20% of revenue, in 2023.
- Announced the increase of its quarterly cash dividend to $0.025 per common share payable on April 15, 2025, to shareholders of record as of close of business on March 31, 2025.

Annual Highlights:

- Revenue increased 11% to $77.5 million, compared to $69.7 million in 2023, driven by strong demand for recently commercialized smartProducts. smartProduct revenue[5] accounted for $29.8 million, or 38%, of total revenue, an increase of $5.3 million from 2023.
- Net earnings of $8.9 million, a 36% increase from $6.5 million in 2023.
- Adjusted EBITDA[1] of $16.2 million, or 21% of revenue, compared to $13.1 million, or 19% of revenue, in 2023.
- Advanced its Technology Roadmap, and since January 1, 2024:
    - Reported continued strong market penetration of its Flush Mount Spiders (FMS) in the North America Land market. With a growing number of tools operating in-field, operators have increasingly recognized the benefits of McCoy's FMS, leading to more widespread adoption. Consolidation in the North American E&P space has also become a favourable trend as safety and efficiency standards are integrated across these mergers. McCoy's FMS is a hydraulic rotary flush-mounted spider that, when fully connected (smartFMS™), handles casing while providing information on the state of the tool to the driller's display in real-time as well as the ability to integrate with McCoy Smart Casing Running Tool (smartCRT™) and McCoy's smarTR™.
    - Secured a contract award totaling CAD$4.3 million for several hydraulic smart casing running tools (smartCRT™s) destined for the Middle East market. Our unique, patented solution is a hydraulic option to our smart product suite and is designed to integrate into our smarTR™ system. This represents an important milestone on our journey towards automating tubular running operations. The expedited development and commercialization of this enhancement was a response to certain new Casing Running Tool (CRT) requirements for future contract tender awards announced by National Oil Companies (NOCs) and major operators in certain key regions in the first quarter of 2024. McCoy's hydraulic smartCRT™ not only addresses the new contract requirements, but also offers an intelligent, connected enhancement to conventional casing running tools available today. This tool provides superior safety, efficiency and

simplified operating procedures along with real-time data collection and analysis capabilities. This technology mitigates the risk of conventional, mechanical CRT technology, while providing actionable insights that optimize future performance.

- Continued McCoy's in-field trials for smarTR™ progressed in early 2025 with promising initial results, despite being unable to secure rig availability during Q4 2024. The success of McCoy's CRT enhancement has alleviated several external hurdles, while further improving safety, efficiency and simplifying operating procedures of the smarTR™ system. Due to the challenges securing rig availability with our current in-field partner, McCoy expanded the in-field trials to include an additional three partners in separate regions, including both US land and the Middle East. As in-field trials continue, our product development team will focus on promptly addressing challenges, if and when, they are identified. We remain confident in our ability to consistently exceed our internal key performance metrics across several in-field trials in each region. This will allow us to successfully conclude the in-field trials and shift our focus to successful product adoption and market penetration.
- Secured a contract award totaling $3.7 million for deep-water offshore integrated casing running systems destined for Latin America and accepted an additional $1.8 million in awards for deep-water systems for separate customers in Brazil. Delivering this technology will complete the first step on a roadmap to a comprehensive smarTR™ system tailored for offshore and deep-water markets. 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 Software as a Service (SaaS) purchase commitment for its Virtual Thread-Rep™ technology. McCoy's Virtual Thread-Rep™ technology enables customers to remotely monitor and control premium connection make-up. It also facilitates the autonomous evaluation and confirmation of premium connection make-up on location. Delivery of the equipment and technology is scheduled to occur in early 2025.

"2024 has been a transformative year for McCoy Global. Our strategic focus on innovation and operational excellence has yielded significant results, with a 28% increase in Q4 revenue driven by strong demand for our newly commercialized smartProducts. We are particularly proud of our advancements in our Technology Roadmap, which has positioned us as a leader in the industry." said Jim Rakievich, President & CEO of McCoy. "As we look ahead to 2025, we remain committed to accelerating market adoption of our smart portfolio products and leveraging our strong balance sheet to capitalize on strategic opportunities. Our dedicated team and robust operational framework will continue to drive value for our shareholders and stakeholders alike."

"McCoy Global's financial performance in Q4 2024 reflects our disciplined approach to growth and operational efficiency. We achieved a 59% increase in net earnings and a 26% adjusted EBITDA margin, underscoring the profitability of our smartProduct technologies. Our strong cash flow generation has enabled us to make strategic investments in our rental fleet and technology roadmap, while also returning capital to shareholders through dividends, which has increased from $0.02 per share to $0.025 per share." said Lindsay McGill, Vice President & CFO of McCoy "With a robust net cash position of $17.1 million and additional funds available under our credit facilities, we are strategically positioned to drive future growth initiatives and seize opportunities for organic expansion."

Fourth Quarter Financial Highlights:

- Total revenue of $25.2 million, compared with $19.7 million in 2023.
- Net earnings of $4.3 million, compared to net earnings of $2.7 million in 2023.
- Adjusted EBITDA[1] increased to $6.5 million, or 26% of revenue, compared with $4.0 million, or 20% of revenue, in 2023.
- Booked backlog[2] of $23.5 million at December 31, 2024, a 4% increase from the $22.5 million in the fourth quarter of 2023.
- Book-to-bill ratio[3] was 0.67 for the three months ended December 31, 2024, compared with 0.91 in the fourth quarter of 2023. Subsequent order intake in the first quarter of 2025, is expected to positively support financial performance for the first half of 2025.

Annual Financial Highlights:

- Total revenue of $77.5 million, a 11% increase from the $69.7 million reported in 2023, driven by strong demand for recently commercialized smartProducts.
- Net earnings of $8.9 million, compared to net earnings of $6.5 million in 2023, reaching the highest level since 2014.
- Adjusted EBITDA[1] of $16.2 million, or 21% of revenue, compared with $13.1 million, or 19% of revenue, in 2023, also reaching the highest level since 2014.

Financial Summary

Revenue for the three months ended December 31, 2024, increased by 28% compared to the same period in 2023. The growth in revenues was driven by strong demand for newly commercialized smartProducts in the North American land market. As previously anticipated, the timing of contract awards, order intake and product shipments also impacted revenue on a quarter-to-quarter basis, resulting in a strong sequential increase in revenue. For the three months ended December 31, 2024, smartProduct revenue[5] of $12.1 million accounted for 48% of revenue (three months ended December 31, 2023 – 42%). For the year ended December 31, 2024, revenues increased by 11% from the comparative period. This robust revenue growth was driven by strong demand for recently commercialized smartProducts, with smartProduct revenue[5] of $29.8 million accounting for 38% of revenue (year ended December 31, 2023 – 35%).

Gross profit, as a percentage of revenue for the three months and year ended December 31, 2024, was 41% and 36% respectively, an increase of eight and three percentage points, respectively, from the comparable periods in 2023. The improvements were largely a result of increased production throughput, product mix weighed more heavily towards smartProducts with favourable product margins compared to legacy capital equipment, as well as supply chain cost containment measures that reduced material cost for a number of product lines. This was partially offset by additional labour costs, production overheads and freight to support increased production throughput and customer technical support.

For the three months ended December 31, 2024, general and administrative expenses (G&A) increased by $1.2 million to $3.7 million, from the comparable period in 2023. For the year ended December 31, 2024, McCoy reported G&A of $10.0 million or 13% of revenue, an increase of $1.4 million from 2023. The increases for both the three months and year ended December 31, 2024, were primarily attributable to increased compensation associated with the Corporation's short-term incentive plan, increases in headcount, as well as increases in stock-based compensation due to the appreciation of the Corporation's stock price on Director Performance Share Units and Director Share Units. To a lesser extent, the Corporation's investment in an AI platform for enhanced operational decision making and increased travel also impacted G&A. For the year ended December 31, 2024, as a percentage of revenue, G&A increased by one percentage point to 13% compared to 2023.

During the three months and year ended December 31, 2024, product development and support expenditures totaled $2.1 million and $6.2 million, respectively, with the further advancement of McCoy's 'Technology Roadmap' initiative through concentrated efforts on accelerating market adoption of new and recently commercialized 'smart' portfolio products, as well as developing, testing, and commercializing additional 'smart' product enhancements and complementary product accessories for McCoy's smartCRT™. For the three months and year ended December 31, 2024, product development and support expenditures increased to 8% of revenue, an increase of two percentage points from the comparative periods.

For the three months and year ended December 31, 2024, sales and marketing expenses increased from the comparative period to $1.0 million and $3.0 million, respectively, as a result of increased headcount and travel to support the Corporation's revenue growth and technology adoption, as well as increased marketing initiatives. For the year ended December 31, 2024, as a percentage of revenue, sales and marketing expenses increased by one percentage point compared to 2023, to 4%.

Net earnings for the three months ended December 31, 2024, was $4.3 million or $0.16 per basic share, compared with net earnings of $2.7 million or $0.10 per basic share in the fourth quarter of 2023. Net earnings for the year ended December 31, 2024, was $8.9 million or $0.33 per basic share, compared with net earnings of $6.5 million or $0.23 per basic share in 2023.

Adjusted EBITDA[1] for the three months ended December 31, 2024, was $6.5 million compared with $4.0 million for the fourth quarter of 2023. For the year ended December 31, 2024, Adjusted EBITDA[1] was $16.2 million compared with $13.1 million in 2023. 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 December 31, 2024, the Corporation had $17.1 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)	Q4 2024	Q4 2023	% Change
Total revenue	25,222	19,699	28%
Gross profit	10,285	6,423	60%
as a percentage of revenue	41%	33%	8%
Net earnings	4,255	2,674	59%
as a percentage of revenue	17%	14%	3%
per common share – basic	0.16	0.10	60%
per common share – diluted	0.15	0.10	50%
Adjusted EBITDA[1]	6,534	3,987	64%
as a percentage of revenue	26%	20%	6%
per common share – basic	0.24	0.15	60%
per common share – diluted	0.23	0.14	64%
Total assets	97,849	77,241	27%
Total liabilities	31,654	23,258	36%
Total non-current liabilities	2,517	3,208	(22%)

Selected Annual Information

($000 except per share amounts and percentages)	2024	2023	% Change
Total revenue	77,516	69,689	11%
Gross profit	27,628	22,830	21%
as a percentage of revenue	36%	33%	3%
Net earnings	8,871	6,529	36%
as a percentage of revenue	11%	9%	2%
per common share – basic	0.33	0.23	43%
per common share – diluted	0.32	0.23	39%
Adjusted EBITDA[1]	16,203	13,125	23%
as a percentage of revenue	21%	19%	2%
per common share – basic	0.60	0.47	28%
per common share – diluted	0.59	0.46	28%

Summary of Quarterly Results

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

Outlook and Forward-Looking Information

In light of the recent trade tariff announcements between the United States and Canada, the Corporation 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 the 25% tariff on Canadian imports would likely apply. Management expects that the impact of these tariffs will be offset to a substantial degree by the depreciating Canadian dollar. To further 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.

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 will create further opportunities for our new products. Additionally, much of the increase in activity levels has been unconventional drilling, where technology and efficiency are a substantially greater focus. 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 rig count and drilling activity has remained subdued, the market for equipment, particularly standard, legacy products, has been stagnant to declining due to oversupply. Despite this muted backdrop, McCoy's advanced technologies continue to generate growth in this region due to the significantly improved safety features and ability to enhance efficiency and in many cases reduce cost. Recent consolidations in the North American E&P space have led to safety and efficiency standards being integrated across these mergers, creating further opportunities for McCoy's new smartProduct technologies. As field trials for our integrated smarTR™ progress towards completion, we expect 2025 to be an important year for the initial adoption of this technology in the North America land market, setting the stage for future revenue growth in 2026 and beyond.

As we 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 $23.5 million of backlog reported at December 31, 2024, and continued momentum of smartProduct technology adoption, we are confident in executing our strategic and financial objectives in 2025. However, 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, may result in quarter-to-quarter fluctuations in revenues and gross margins, particularly in the first quarter, with revenues and earnings more heavily weighted toward the second half of 2025. McCoy remains confident in the continued strong 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 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 earnings (loss) in measuring McCoy Global's performance. Adjusted EBITDA does not have a standardized meaning and is therefore not likely to be comparable to similar measures used by other issuers. For comparative purposes, in previous financial disclosures 'adjusted EBITDA' was defined as "net earnings (loss) before finance charges, net, income tax expense (recovery), depreciation, amortization, impairment losses, restructuring charges, non-cash changes in fair value related to derivative financial instruments and share-based compensation."

($000 except per share amounts and percentages)	Q4 2024	Q4 2023
Net earnings	4,255	2,674
Depreciation of property, plant, and equipment	653	571
Amortization of intangible assets	511	472
Income tax expense (recovery)	192	(708)
Finance income, net	(13)	(8)
EBITDA	5,598	3,001
Provisions for excess and obsolete inventory	80	279
Other (gains) losses, net	(100)	176
Share-based compensation	956	531
Adjusted EBITDA	6,534	3,987

($000 except per share amounts and percentages)	2024	2023
Net earnings	8,871	6,529
Depreciation of property, plant, and equipment	2,382	1,985
Amortization of intangible assets	1,922	1,823
Income tax expense	1,029	558
Finance charges, net	49	340
EBITDA	14,253	11,235
Provisions for excess and obsolete inventory	237	279
Other (gains) losses, net	(17)	304
Share-based compensation	1,730	1,307
Adjusted EBITDA[1]	16,203	13,125

[2] McCoy Global 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. 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. 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 a supplementary financial measure, and, as a result, the definition and determination 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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