November 5, 2021

McCOY GLOBAL ANNOUNCES THIRD QUARTER 2021 RESULTS

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 September 30, 2021. Further, following the conclusion of its initial business review, McCoy's Special Committee has engaged Tudor, Pickering, Holt & Co. Securities – Canada, ULC ("TPH") to act as a financial advisor in connection with committee's review and analysis of strategic alternatives. Interested parties are directed to contact TPH for further details at TPH_McCoy@tphco.ca.

Third Quarter Highlights:

- Revenue increased 62% to $9.9 million, compared with $6.1 million in Q2 2021;
- Adjusted EBITDA[1] increased to $1.4 million, or 14% of revenue, compared with $0.1 million, or 3% of revenue, in Q2 2021;
- Achieved bookings of $11.4 million, a sequential increase of $4 million or 54% from the second quarter of 2021;
- Advanced its Digital Technology Roadmap:
    - Completed internal field trials for McCoy's SmartCRT™, with a final internal field test followed by customer field testing scheduled for Q4 2021;
    - Conducted external field trials for our Virtual ThreadRep™ 2.0 technology with 10 customers including a Tier-1 driller and an industry leading Thread OEM. These trials resulted in increased efficiency by reducing onsite personnel by 25%. This virtual technology also allows customers to remotely monitor and control premium connection make-up;
    - Completed the second of three development phases for McCoy's Virtual ThreadRep™ 3.0, which will allow torque turn software to autonomously evaluate and confirm premium connection make-up. This integrated system will enhance safety, efficiency and wellbore integrity while providing essential data for customer ESG reporting; and
- Subsequent to the quarter, McCoy received $2.5 million forgiveness for the second and final -round funding under the US Paycheck Protection Loan Program (PPP), if confirmation of forgiveness was received prior to September 30, 2021, McCoy would have reported net cash of $8.6 million for the third quarter.

"Moving into the second half of 2021 we continued to experience a strengthening oil and gas industry, with momentum in leading indicators such as aftermarket parts, consumables and improving macro trends for equipment rentals, as producers are prudently managing their capital spending," said Jim Rakievich, President & CEO of McCoy. "In the third quarter, a significant lift in order intake and backlog occurred, driven by project approvals from several national oil companies (NOC's) in the eastern hemisphere and a Smart Hydraulic Power Tong order destined for offshore Brazil. Looking ahead to 2022, activity levels in the oil and gas industry are expected to improve as global economies stabilize and grow. Here in North America, drilling activity continues to gain strength, but we don't expect new sales activity to improve until rig counts return to pre-pandemic levels and idle equipment has returned to the field."

"Our third quarter performance demonstrated strength in several of our financial metrics. Revenues increased by 30% compared to Q3 2020.Adjusted EBITDA as a percentage of revenue increased to 14% (Q3 2020 – 5%) and gross profit percentage increased to 30% from 14% compared to the third quarter of 2020. These results reflect a broad increase in customer demand and managements continued focus on cost containment," said Lindsay McGill, Vice President & CFO of McCoy. "Subsequent to the quarter, McCoy received $2.5 million in forgiveness from the second-round funding received under the US Paycheck Protection Loan Program, and continues to maintain a solid balance sheet and a strong net cash position. This offers financial flexibility as we continue to fund our 2021 product development program for our Digital Technology Roadmap. We expect to invest up to an additional US$0.5 million in Q4, 2021 to support advancing our digital products toward commercialization."

Financial Highlights:

- Total revenue increased 30% to $9.9 million, compared with $7.6 million in 2020;
- Adjusted EBITDA[1] increased to $1.4 million, or 14% of revenue, compared with $0.4 million, or 5% of revenue, in 2020;
- Booked backlog[2] of $12.1 million at September 30, 2021, up from $10.6 million in the third quarter of 2020;
- Book-to-bill ratio[3] was 1.15 for the three months ended September 30, 2021, compared with 1.33 in the third quarter of 2020;
- Anticipated capital spend for the remainder of 2021 includes up to US $0.5 million of investment in the Corporation's Digital Technology Roadmap to accelerate the transition toward a cloud-based, Tubular Running Service solution.
- New product and technology offerings[4] contributed 18% of total revenue compared with 21% in Q3 2020. Orders received in the third quarter of 2021 will support our 2021 annualized new product revenue performance.

Revenue of $9.9 million for three months ended September 30, 2021, was driven by strengthening industry fundamentals which led to a sequential increase of $3.8 million from second quarter 2021 revenues. In comparison to the three months ended September 30, 2020, third quarter 2021 revenues increased by $2.2 million which was substantially driven by aftermarket revenues, including increased service and rental activity.

Gross profit as a percentage of revenue for the three and nine months ended September 30, 2021 was 30% and 29% respectively, an increase of 16 and 5 percentage points, respectively from the comparable periods in 2020. The improvement in gross profit was largely a result of favourable product mix, resulting from a strong uptick in aftermarket revenues as the impacts of the COVID-19 pandemic lessen. For the three months ended September 30, 2021, continued focus on productivity improvement and supply chain efficiencies allowed for increased throughput with minimal incremental overhead spend which further improved gross profit percentage in comparison to the third quarter of 2020.

For the three months and nine ended September 30, 2021, general and administrative expenses increased by $0.2 million and $0.1 million from the comparable periods in 2020. Period over period fluctuations in G&A primarily resulted from impairments and reversals for trade accounts.

For the three and nine months ended September 30, 2021, sales and marketing expenses remained consistent with the comparative periods as a result of cost reduction initiatives enacted in April 2020 offset by certain targeted marketing initiatives related to soon-to-be commercial products under the Corporation's Digital Technology Roadmap.

During the three and nine months ended September 30, 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 nine months ended September 30, 2021, capitalized development expenditures include internal product design and development hours, in addition to $0.7 million (three months ended September 30, 2021 - $0.4 million) of prototype materials for the SmartFMS™ in addition to field trial expenditures for McCoy's SmartCRT™ and Virtual Thread Rep™ 2.0.

For the nine months ended September 30, 2021, other gains, (net) is comprised primarily US $2.0 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. For the nine months ended September 30, 2020, other gains included $0.3 million of government assistance payments in connection with the Canadian Emergency Wage Subsidy and $0.3 million of proceeds that were in previously in dispute under a 2014 business divesture.

Net earnings for the three months ended September 30, 2021 were $0.6 million or$0.02 per basic share, compared with a net loss of $0.7 million ($0.03) per basic share in the third quarter of 2020.

Adjusted EBITDA[1] for the three months ended September 30, 2021 was $1.4 million compared with $0.4 million for the third quarter of 2020. As at September 30, 2021 the Corporation had $13.7 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)	Q3 2021	Q3 2020	% Change
Total revenue	9,885	7,621	30%
Gross profit	2,924	1,055	177%
as a percentage of revenue	30%	14%	16%
Net earnings	621	(720)	186%
per common share – basic	0.06	-	100%
per common share – diluted	0.06	-	100%
Adjusted EBITDA[1]	1,376	365	277%
per common share – basic	0.05	0.01	400%
per common share – diluted	0.05	0.01	400%
Total assets	55,888	58,380	(4%)
Total liabilities	18,266	19,554	(7%)
Total non-current liabilities	9,978	10,702	(7%)

Summary of Quarterly Results

($000 except per share amounts)	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Revenue	9,855	6,086	7,374	9,369	7,621	10,361	11,323	11,875
Net earnings (loss)	621	1,151	(158)	(2,150)	(720)	782	(87)	61
Basic & diluted (loss) earnings per share	0.02	0.04	(0.01)	(0.08)	(0.03)	0.03	-	-
EBITDA[1]	1,550	2,077	749	(1,116)	312	1,886	1,078	1,176
Adjusted EBITDA[1]	1,376	174	673	153	365	1,327	1,919	1,487

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 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, 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. Nimbus™, 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™ autonomous casing running system. The product suite includes five 'Smart' products: Virtual ThreadRep™, SmartCRT™, SmartFMS™, McCoy's Smart Tong, and McCoy's Smart Tailing Stabbing Arm.

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 ThreadRep™ 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 under the SASB standard. 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 humans, 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 incidence and potential environmental impact of faulty connections and leaking wells.

McCoy believes its digital strategy will help meet this demand. The Nimbus™ 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 strong order intake of $11.4 million for the third quarter of 2021, a sequential increase of $4.0 million or 54% compared to the second quarter. This was primarily driven by project approvals released by many National Oil Companies (NOC's) in the eastern hemisphere, as well as a Smart Hydraulic Power Tong order destined for offshore Brazil. With backlog rebounding to levels only seen pre-pandemic, McCoy is well positioned for another strong quarter to close out 2021. McCoy has been able to leverage its engineering capabilities, technology offerings and leading market position for revenue sustainability, particularly in these international and offshore regions.

Looking ahead to 2022, the activity levels in the oil and gas industry are expected to improve as global economies stabilize and grow. With the most complete tubular running suite of products and strong balance sheet, McCoy is well positioned to respond to an improving market. Further, we expect commercial opportunities with our new Smart technology offering to accelerate in a more robust market.

In summary, we will continue to focus on our key strategic initiatives to navigate to success:

- Growing market adoption of new and recently developed 'Smart' portfolio products;
- Prudently investing in technology development initiatives;
- 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, despite uncertain market conditions ahead.

McCoy believes 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.

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.”

[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.

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