November 10, 2022

McCOY GLOBAL ANNOUNCES THIRD QUARTER 2022 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, 2022.

Third Quarter Highlights:

- Order intake of $23.5 million for the three months ended September 30, 2022, representing a sequential increase of 108% from the $11.3 million of order intake reported in the second quarter of 2022; and 106% increase from the $11.4 million of order intake reported in the three months ended September 30, 2021.
- Advanced its Digital Technology Roadmap:
  - Successfully completed customer field trials for McCoy's smartCRT™ , an intelligent, connected enhancement of our conventional casing running tool that offers superior safety, efficiency and simplified operating procedure with a Middle East National Oil Company. With this achievement behind us, we have also accepted an order for two of the smartCRT™ tools, scheduled for delivery in the fourth quarter of 2022.
  - Reported the first two commercial sales for McCoy's FMS, and received purchase orders for an additional four tools. 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 the smartCRT™.

"McCoy's strong third quarter order intake reflects increasing customer demand and included $11.3 million of orders received for Hydraulic Power Tongs, Casing Running Tools (CRT) and MTT systems and related parts and accessories from a strategic new market entrant based in the Kingdom of Saudi Arabia. This not only provides opportunities for future aftermarket revenues, but also represents a meaningful opportunity to showcase McCoy's technology in the largest market in the Eastern Hemisphere." said Jim Rakievich, President & CEO of McCoy. "With recent order intake activity, our backlog now sits at the highest levels we've seen since 2015, and we are solidly positioned to deliver on our financial results for the remainder of 2022 and into the new year. Despite current economic uncertainty, increased drilling activity levels over the medium term, paired with new international market entrants will serve to further enhance commercial opportunities. 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."

"For the third quarter of 2022, McCoy reported net earnings of $0.3 million on $12.4 million of revenues. Our third quarter performance was unfavorably impacted by supply chain delays on certain critical components that lead to $2.7 million of customer orders scheduled to ship in late September, being delayed until early Q4. A substantial shift in product mix towards capital equipment further impacted profitability as capital equipment typically commands a lower profit margin than aftermarket product lines. Looking ahead, increased production throughput, as well as diligent supply chain management will allow for stronger gross margin performance. We continue to maintain a disciplined approach to our overhead structure, that we expect to manifest itself in a solid operating leverage as we deliver on our $27.4 million backlog." said Lindsay McGill, Vice President & CFO of McCoy. "As of September 30, 2022, McCoy reported net cash of $4.9 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."

Third Quarter Financial Highlights:

- Revenue of $12.4 million, compared with $9.9 million in Q3 2021;

- Net earnings of $0.3 million, compared to net earnings of $0.6 million in Q3 2021, earnings declined from the comparative period due by supply chain delays on certain critical components that lead to $2.7 million of customer orders scheduled to ship in late September, being delayed until early Q4;
- Adjusted EBITDA[1] decreased to $1.1 million, or 9% of revenue, compared with $1.4 million, or 14% of revenue, in Q3 2021;
- Booked backlog[2] of $27.4 million at September 30, 2022, up from $12.1 million in the third quarter of 2021; and
- Book-to-bill ratio[3] was 1.90 for the three months ended September 30, 2022, compared with 1.15 in the third quarter of 2021.

Financial Summary

Revenue of $12.4 million for three months ended September 30, 2022, continued to benefit from strengthening industry fundamentals and key capital equipment orders received from new market entrants in several regions in the Middle East and North Africa. However, revenues for the third quarter of 2022 were unfavorably impacted by supply chain delays on certain critical components that led to $2.7 million of customer orders scheduled to ship in late September, being delayed until early Q4.

Gross profit, as a percentage of revenue for the three months September 30, 2022, was 25%, a five percentage point decline from the third quarter of 2021. The decline was driven by a substantial shift in product mix towards capital equipment, as capital equipment typically commands higher material costs than aftermarket product lines. In addition, the impact of investments in additional headcount, wage adjustments and production overheads to support the Corporation's growing order backlog without the additional benefit of $2.7 million of production throughput further impaired gross profit percentage.

For the three months September 30, 2022, general and administrative expenses (G&A) increased by $0.1 million from the comparative period to $1.5 million. The Corporation continues to maintain a disciplined overhead structure, further demonstrating the solid operating leverage we expect to deliver on our current order book.

Sales and marketing expenses for the third quarter of 2022 increased by $0.1 million from the comparative period to $0.5 million due to additional travel activity to support rebounding order intake and maintain our market leading customer engagement.

During the three months September 30, 2022, McCoy completed development of its smartCRT™, with $0.1 million of capitalized development expenditures related to customer field trials.

Net earnings for the three months ended September 30, 2022 was $0.3 million, or $0.01 per basic share, compared with net earnings of $0.6 million, or $0.02 per basic share in the third quarter of 2021.

Adjusted EBITDA[1] for the three months ended September 30, 2022 was $1.1 million, or 9% of revenue compared with $1.4 million, or 14% of revenue for the second quarter of 2021.

Despite the increased trade receivable balances as a result of customer shipments being weighted toward the end of the quarter and $1.8 million of inventory related to orders that were delayed due to supply chain challenges, McCoy generated $1.2 million of cashflow from operating activities during the third quarter of 2022.

As at September 30, 2022 the Corporation had $8.6 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 2022	Q3 2021	% Change
Total revenue	12,410	9,885	26%
Gross profit	3,149	2,924	8%
as a percentage of revenue	25%	30%	(5%)
Net earnings	274	621	(56%)
per common share – basic	0.05	0.06	(17%)
per common share – diluted	0.05	0.06	(17%)
Adjusted EBITDA[1]	1,099	1,378	(20%)
per common share – basic	0.04	0.05	(20%)
per common share – diluted	0.04	0.05	(20%)
as a percentage of revenue	9%	14%	(5%)
Total assets	66,181	55,888	18%
Total liabilities	21,229	18,266	16%
Total non-current liabilities	4,979	9,978	(50%)

Summary of Quarterly Results

The third quarter of 2022 represents McCoy's six consecutive quarter of earnings and thirteenth (13th) consecutive quarter of positive Adjusted EBITDA performance, demonstrating the Corporation's solid earnings performance and operating leverage despite the unprecedented market conditions presented by the COVID-19 pandemic.

($000 except per share amounts)	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Revenue	12,410	12,863	8,891	9,451	9,855	6,086	7,374	9,369
Net earnings (loss)	274	1,051	174	2,464	621	1,151	(158)	(2,150)
per share – basic	0.01	0.04	0.01	0.09	0.02	0.04	(0.01)	(0.08)
per share – diluted	0.01	0.04	0.01	0.08	0.02	0.04	(0.01)	(0.08)
EBITDA[1]	1,149	1,943	1,146	3,504	1,550	2,077	749	(1,116)
Adjusted EBITDA[1]	1,099	2,296	1,461	1,213	1,376	174	673	153

Outlook and Forward-Looking Information

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 four'Smart' products: Virtual Thread-Rep™, smartCRT™, smartFMS™ and McCoy's smartTong™.

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, the 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.

As at September 30, 2022, McCoy's backlog totaled $27.4 million (US$20.0 million). McCoy's order book has not reached this magnitude since the first quarter of 2015, and this level of backlog will support strong revenue and earnings performance for the fourth quarter of 2022 and into 2023. Looking ahead, increased production throughput, as well as diligent supply chain management will allow for stronger gross margin performance. The Corporation also continues to maintain discipline around overhead expenditures, further demonstrating the solid operating leverage we plan to deliver on our current order book.

Despite current economic uncertainty, over the medium term, global oil & gas market fundamentals continue to be robust. Increased drilling activity levels paired with new international market entrants will serve to further enhance commercial opportunities for our smartCRT™. We also expect that the tightening labour market faced by our customers will serve to accelerate adoption of many of our new smart technology offerings, particularly in the US land region in both the near and long term.

As 2022 progresses, 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 focusing on revenue generation while continuing to successfully mitigate supply chain and logistic challenges;
- Continuing to grow our equipment rental fleet to offer flexible solutions to customers where meaningful returns are expected;
- Prudently investing in technology development initiatives; and
- Generating cashflow from operations through fiscal discipline and continued working capital efficiency.

In the third quarter of 2022, the Corporation is pursuing a sale and leaseback arrangement for its real estate located in Cedar Park, Texas currently held at net book value of $3.6 million. Proceeds from a potential sale transaction are expected to be used to support the Corporation's net cash position while funding current working capital increases and providing financial flexibility for future strategic growth.

We believe this strategy, together with our committed and agile team, McCoy's 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."

($000 except per share amounts and percentages)	Q3 2022	Q3 2021
Net earnings	274	621
Depreciation of property, plant and equipment	403	516
Amortization of intangible assets	275	200
Finance charges, net	197	214
EBITDA	1,149	1,551
Provisions for (recovery of) excess and obsolete inventory	(5)	(80)
Other gains, net	(59)	(53)
Share-based compensation	14	(40)
Adjusted EBITDA	1,099	1,378

[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.

[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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