March 7, 2019

McCOY GLOBAL ANNOUNCES FOURTH QUARTER AND YEAR END RESULTS FOR 2018

Edmonton, Alberta – **McCoy Global Inc.** ("McCoy," "McCoy Global" or "the Corporation") (TSX:MCB) today announced its operational and financial results for the three months and year ended December 31, 2018.

"We have been disciplined in managing our business and implementing cost reductions and operating efficiencies during the extended downcycle for the global energy industry. In 2018 we experienced some strengthening of industry fundamentals and delivered solid financial results, including two consecutive quarters of positive earnings and adjusted EBITDA to close out the year," said Jim Rakievich, President and CEO of McCoy Global.

"For 2019 we will continue to manage the business with the focus on generating positive cash flow and adjusted EBITDA and maintaining our strong balance sheet despite the ongoing uncertain market fundamentals. Over the latter half of 2018, McCoy invested in working capital to support the sharp increase in customer demand. With activity levels expected to stabilize heading into 2019, generating operating cashflows and increasing working capital efficiency is another key priority for the Corporation going forward.

"I thank our employees for their focus on introducing new technologies and finding creative ways to partner with customers while still tightly managing the costs in our business. Achievements in the past year included commercializing the new 10" 40K hydraulic power tong in response to the changing land market in North America and our next generation McCoy Torque-Turn System (MTT), as well as developing a comprehensive technology strategy to address customer challenges. We possess the engineering know-how and expertise to implement the data-driven technology customers are demanding in all markets, and specifically in offshore and international operations. Organic growth via McCoy's increased investments in new data driven technologies will also remain a priority."

Quarterly Operational Summary

Since October 1, 2018, McCoy Global reported:

- An increase of revenue to $13.5 million, compared to $10.1 million in Q4 2017;
- Net earnings of $0.9 million, a significant increase from net loss of $6.3 million in Q4 2017;
- Adjusted EBITDA[1] of $0.8 million, compared to ($0.9 million) in Q4 2017;
- Backlog[2] of $15.0 million at December 31, 2018, compared to $8.7 million at December 31, 2017. The improved order backlog, coupled with McCoy's continued discipline on managing its costs, has positioned the Corporation with a stable beginning to 2019;
- Book-to-bill ratio[3] of 0.90 for the three months ended December 31, 2018, compared to 1.15 for the three months ended December 31, 2017;
- A strong cash balance of $11.4 million at December 31, 2018;

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- McCoy successfully commercialized its next generation McCoy Torque-Turn System, delivering the first units in the fourth quarter; and
- Investment in new technology remains a priority with the Corporation developing a technology strategy called the Digital Technology Roadmap to address customer challenges around complex well construction and evolving data acquisition and automation demands.

Quarterly Financial Summary

Revenue for the three months ended December 31, 2018 was $13.5 million, an increase of $3.4 million from the fourth quarter of 2017 due to strengthening industry fundamentals for the majority of 2018. The increase was driven by an increase in capital equipment order intake from the Eastern Hemisphere coupled with revenues from the product launch of the 10" 40K hydraulic power tong for the North American land market.

Gross profit as a percentage of revenue for the three months ended December 31, 2018 was 31%, an increase of 45 percentage points from the fourth quarter of 2017. The significant improvement was due to increased production through-put and cost reductions realized as a result of the restructuring initiatives implemented in 2017, in addition to a recovery for excess and obsolete inventory of $0.7 million in 2018 (2017 - $3.7 million charge).

G&A expense for the three months ended December 31, 2018 was $2.0 million, a decrease of $0.3 million compared to the fourth quarter of 2017. As a percentage of revenue, G&A expense decreased by 8%, as McCoy's current overhead cost structure can be leveraged for revenue growth.

Sales & Marketing expense for the three months ended December 31, 2018 decreased by $0.4 million from the fourth quarter of 2017. As a percentage of revenue this was a 5% decrease, resulting from restructuring efforts, which saw the consolidation of the sales force in key regions globally and allowed for the realization of several efficiencies

R&D expenditures for the three months ended December 31, 2018 were $0.8 million, a small increase of $0.2 million from the fourth quarter of 2017. During the quarter the Corporation allocated resources to plan and execute the first phase of its Digital Technology Roadmap strategy.

Net earnings for the three months ended December 31, 2018 were $0.9 million ($0.03 earnings per basic share), compared to net loss of $6.3 million ($0.23 loss per basic share) in the fourth quarter of 2017.

Adjusted EBITDA[1] for the three months ended December 31, 2018 was $0.8 million compared to ($0.9 million) for the fourth quarter of 2017.

As at December 31, 2018 the Corporation had $11.4 million in cash and cash equivalents, of which $0.5 million was restricted per the conditions of the Corporation's credit facility.

Selected Quarterly Information

($000 except per share amounts and percentages)	Q4 2018	Q4 2017	% Change
Total revenue	13,543	10,054	35
Gross profit	4,192	(1,416)	(396)
as a percentage of revenue	31%	(14%)	45
Net earnings (loss)	931	(6,254)	(115)
per common share – basic	0.03	(0.23)	(113)
per common share –diluted	0.03	(0.23)	(113)
Adjusted EBITDA[1]	776	(898)	(186)
per common share – basic	0.03	(0.03)	(200)
per common share – diluted	0.03	(0.03)	(200)
Total assets	59,742	57,438	4
Total liabilities	19,335	16,232	19
Total non-current liabilities	3,955	666	494

Summary of Quarterly Results

($000 except per share amounts)

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Revenue	13,543	13,899	10,391	11,243	10,054	10,563	9,214	10,214
Impairment and restructuring charges (reversals)	65	15	1,028	798	1,288	319	365	1,344
Net earnings (loss)	931	183	(2,954)	(1,951)	(6,254)	(3,390)	(3,097)	(3,576)
Basic and diluted earnings (loss) per share	0.03	0.01	(0.11)	(0.07)	(0.23)	(0.12)	(0.11)	(0.13)
EBITDA	1,513	911	(1,054)	(1,392)	(5,648)	(2,915)	(2,452)	(2,933)
Adjusted EBITDA	776	687	(772)	(482)	(898)	(1,494)	(919)	15

Annual Operational Summary

Since January 1, 2018, McCoy Global reported:

- 23% increase in revenue to $49.1 million, compared to $40.0 million in 2017;
- Gross profit of $12.7 million, a significant increase from gross profit of $3.0 million in 2017. The improvement resulted from increased production through-put along with cost reductions from restructuring initiatives the Corporation implemented in 2017;
- Net loss of $3.8 million, down from net loss of $16.3 million in 2017;
- Adjusted EBITDA[1] of $0.2 million, compared to ($3.3 million) in 2017;
- McCoy successfully commercialized its new 10" 40K hydraulic power tong to respond to customer needs in the changing land market; and
- Investment in new technology remains a priority with the Corporation developing a technology strategy called the Digital Technology Roadmap to address customer challenges around complex well construction and evolving data acquisition and automation demands.

Annual Financial Summary

Revenue for the year ended December 31, 2018 was $49.1 million, an increase of $9.1 million, or 23%, from 2017 due to improving overall industry fundamentals for the majority of 2018. The majority of the increase was driven by increased capital equipment order intake and orders for corresponding parts and accessories.

Gross profit percentage for the year ended December 31, 2018 was 26%, an increase of 19 percentage points from the comparative period. The increase is a result of increased production through-put, cost reductions realized as a result of restructuring initiatives implemented in 2017, and the impact of consolidating production facilities and moving to an assembly production model in early 2018.

G&A expense for the year ended December 31, 2018 decreased by $0.8 million, or 9%, from 2017. As a percentage of revenue, G&A expense decreased by 6 percentage points. The decline is a result of the completion of restructuring initiatives as well as continued discipline around overhead spend.

Sales & Marketing expense for the year ended December 31, 2018 decreased by $1.2 million, or 31%, from 2017. The reduction is a result of restructuring efforts and expenses.

R&D expenditures for the year ended December 31, 2018 were $3.2 million, a decrease of $0.2 million from the comparative period. Investments to develop new technologies and upgrade product lines remain a key priority for the Corporation.

Net loss for the year was $3.8 million ($0.14 loss per basic share), compared to net loss of $16.3 million ($0.59 loss per basic share) in 2017.

Adjusted EBITDA[1] for the year ended December 31, 2018 was $0.2 million, compared to ($3.3 million) in 2017.

MCCOY GLOBAL

Selected Annual Information

($000 except per share amounts and percentages)	2018	2017	% Change
Total revenue	49,076	40,045	23
Gross profit	12,686	2,984	325
as a percentage of revenue	26%	7%	19
Net loss	(3,791)	(16,317)	(77)
per common share – basic	(0.14)	(0.59)	(76)
per common share –diluted	(0.14)	(0.59)	(76)
Adjusted EBITDA[1]	205	(3,296)	(106)
per common share – basic	0.01	(0.12)	(108)
per common share – diluted	0.01	(0.12)	(108)

[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.

About McCoy Global Inc.

McCoy Global provides equipment and technologies designed to support wellbore integrity and assist with collecting critical data for the global energy industry. The Corporation operates internationally through direct sales and distributors with operations in Canada, the United States of America and the United Arab Emirates. McCoy's corporate headquarters are located in Edmonton, Alberta, Canada. The Corporation's shares are listed on the Toronto Stock Exchanges and trade under the symbol "MCB".

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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