



# CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025

*(unaudited)*

Notice to Reader:

*As required by National Instrument 51-102, Part 4, subsection 4.3(3)(a), readers are advised that the Corporation's independent auditors have not performed a review of the March 31, 2025 condensed consolidated interim financial statements.*

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Stated in thousands of Canadian dollars)  
(unaudited)

As at	Note	March 31, 2025	December 31, 2024
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		10,563	17,057
Trade and other receivables		15,504	16,420
Inventories	4	42,015	40,269
Prepaid expenses and deposits		1,139	1,516
		69,221	75,262
Other receivables		903	1,237
Property, plant and equipment	5	12,090	10,218
Intangible assets		5,099	5,319
Deferred tax assets		2,058	1,879
Goodwill		3,931	3,934
<b>Total assets</b>		<b>93,302</b>	<b>97,849</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		17,010	19,735
Dividends payable	6	672	545
Income taxes payable		733	1,129
Customer deposits		4,356	5,719
Provisions		497	543
Current lease liabilities		1,735	1,466
		25,003	29,137
Lease liabilities		2,468	2,517
<b>Total liabilities</b>		<b>27,471</b>	<b>31,654</b>
<b>Shareholders' equity</b>			
Share capital		17,734	17,801
Contributed surplus		45,629	46,353
Accumulated other comprehensive income		13,846	13,693
Accumulated deficit		(11,378)	(11,652)
<b>Total shareholders' equity</b>		<b>65,831</b>	<b>66,195</b>
<b>Total liabilities and shareholders' equity</b>		<b>93,302</b>	<b>97,849</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME

(Stated in thousands of Canadian dollars, except per share amounts)  
(unaudited)

For the three months ended March 31		2025	2024
		\$	\$
<b>Revenue</b>	7	<b>19,346</b>	16,542
<b>Cost of sales</b>	8	<b>12,738</b>	11,291
<b>Gross profit</b>		<b>6,608</b>	5,251
General and administration	8	<b>3,268</b>	2,241
Product development and support	8	<b>1,369</b>	1,184
Sales and marketing	8	<b>664</b>	659
Finance charges (income), net		<b>44</b>	(11)
Other losses, net		<b>174</b>	19
		<b>5,519</b>	4,092
<b>Earnings before income taxes</b>		<b>1,089</b>	1,159
<b>Income tax expense (recovery)</b>	10		
Current		<b>324</b>	179
Deferred		<b>(181)</b>	5
		<b>143</b>	184
<b>Net earnings</b>		<b>946</b>	975
<b>Other comprehensive gain</b>			
Translation gain from foreign operations		<b>153</b>	1,296
<b>Comprehensive income</b>		<b>1,099</b>	2,271
<b>Net earnings per share</b>			
Basic from net earnings		<b>0.03</b>	0.04
Diluted from net earnings		<b>0.03</b>	0.04

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Stated in thousands of Canadian dollars, except per share amounts)  
(unaudited)

	Issued capital		Contributed surplus	Accumulated other comprehensive income	Accumulated deficit	Total equity
	Number of shares	Share capital				
	#	\$	\$	\$	\$	\$
January 1, 2024	26,954,936	17,395	46,271	8,699	(18,352)	53,983
Net earnings	-	-	-	-	975	975
Translation gain on foreign operations	-	-	-	1,296	-	1,296
Issuance of common shares under stock option plan	40,000	43	(17)	-	-	26
Dividends declared	6	-	-	-	(540)	(540)
<b>March 31, 2024</b>	<b>26,994,936</b>	<b>17,438</b>	<b>46,254</b>	<b>9,965</b>	<b>(17,917)</b>	<b>55,740</b>
January 1, 2025	27,179,936	17,801	46,353	13,693	(11,652)	66,195
Net earnings	-	-	-	-	946	946
Translation gain on foreign operations	-	-	-	153	-	153
Employee share-based compensation	-	-	29	-	-	29
Repurchase of shares	9	(362,900)	(239)	-	-	(974)
Issuance of common shares under stock option plan	40,000	44	(18)	-	-	26
Issuance of common shares under restricted share plan	45,463	128	-	-	-	128
Dividends declared	6	-	-	-	(672)	(672)
<b>March 31, 2025</b>	<b>26,902,499</b>	<b>17,734</b>	<b>45,629</b>	<b>13,846</b>	<b>(11,378)</b>	<b>65,831</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Stated in thousands of Canadian dollars)  
(unaudited)

For the three months ended March 31		2025	2024
<b>Cash used in</b>		\$	\$
<b>Operating activities</b>			
Net earnings		946	975
Adjustments for:			
Depreciation of property, plant and equipment		679	578
Amortization of intangible assets		464	466
Income tax expense	10	143	184
Finance charges (income), net		44	(11)
Share-based compensation expense (recovery)	11	872	(23)
Changes in non-cash working capital balances	12	(5,077)	(6,216)
Income taxes paid		(718)	(253)
Finance costs paid, net		(94)	(96)
<b>Net cash used in operating activities</b>		<b>(2,741)</b>	<b>(4,396)</b>
<b>Investing activities</b>			
Purchases of property, plant and equipment	5	(1,661)	(359)
Additions to intangible assets		(249)	(88)
<b>Net cash used in investing activities</b>		<b>(1,910)</b>	<b>(447)</b>
<b>Financing activities</b>			
Repurchase of shares	9	(974)	-
Principal elements of lease payments		(672)	(296)
Dividends paid	6	(545)	(270)
Proceeds from issuance of common shares under stock option plan		26	26
Proceeds from issuance of common shares under restricted share plan		128	-
<b>Net cash used in financing activities</b>		<b>(2,037)</b>	<b>(540)</b>
Effect of exchange rate changes on cash and cash equivalents		194	274
<b>Decrease in cash and cash equivalents</b>		<b>(6,494)</b>	<b>(5,109)</b>
<b>Cash and cash equivalents – beginning of the period</b>		<b>17,057</b>	<b>15,726</b>
<b>Cash and cash equivalents – end of the period</b>		<b>10,563</b>	<b>10,617</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2025

*(in thousands of Canadian dollars, except share data or unless otherwise specified)*

*(unaudited)*

### 1. NATURE OF OPERATIONS

McCoy Global Inc. ("McCoy", "McCoy Global" or the "Corporation") is incorporated and domiciled in Canada and is a leading provider of equipment and technologies designed to support tubular running operations, enhance wellbore integrity and assist with collecting critical data for the global energy industry. McCoy Global's core products are used predominantly during the well construction phase for both land and offshore wells during both oil and gas exploration and development.

The Corporation is engaged in the following:

- design, production and distribution of capital equipment and technologies to support tubular running operations, enhance wellbore integrity and to support capital equipment sales through aftermarket products and services such as technical support, consumables and replacement parts;
- design, production and distribution of data collection technologies used in rugged applications for the global energy industry as well as in construction, marine and aerospace;
- repair, maintenance and calibration of the Corporation's capital equipment installed base and similar competitor products; and
- rental of the Corporation's equipment and technologies.

Set out below are McCoy's principal operations:

Operating Name	Country of Incorporation	Operating Region	Ownership Interest
McCoy Global Canada Corp.	Canada	Canada	100%
McCoy Global FZE	United Arab Emirates	Eastern Hemisphere	100%
McCoy Global USA, Inc.	United States	United States, Central America & Latin America	100%

McCoy and its subsidiary companies are collectively referred to herein as the "Corporation".

The address of the registered office of the Corporation is Livingston Place, 1000 - 250 2nd Street SW, Calgary, Alberta. The Corporation is listed on the Toronto Stock Exchange ("TSX") under the symbol "MCB".

### 2. BASIS OF PRESENTATION

#### STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards applicable to the preparation of interim financial statements under IAS 34, *Interim Financial Reporting*, and should be read in conjunction with the Corporation's annual financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS Accounting Standards.

The significant accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those as disclosed in the consolidated annual financial statements for the year ended December 31, 2024.

The Corporation has adopted amendments to various standards effective January 1, 2025, which did not have a significant impact to these interim financial statements.

These interim financial statements were approved by the Board of Directors on May 1, 2025.

### 3. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair value of cash and cash equivalents, trade and other receivables, trade and other payables, and dividends payable approximates their carrying value due to their short-term nature. The fair value of non-current receivables approximates the carrying amount as the receivables have been recorded using the effective interest method using a market rate of interest.

#### 4. INVENTORIES

As at	March 31, 2025			December 31, 2024		
	Gross inventories	Provision for excess and obsolescence	Net inventories	Gross inventories	Provision for excess and obsolescence	Net inventories
	\$	\$	\$	\$	\$	\$
Raw materials	1,647	(283)	1,364	1,704	(269)	1,435
Work-in-progress	4,289	-	4,289	4,269	-	4,269
Parts to be used in production	16,639	(1,796)	14,843	17,079	(1,737)	15,342
Production inventory	22,575	(2,079)	20,496	23,052	(2,006)	21,046
Capital equipment available for sale	4,203	(277)	3,926	3,836	(278)	3,558
Parts and accessories available for sale	20,256	(2,663)	17,593	18,247	(2,582)	15,665
	47,034	(5,019)	42,015	45,135	(4,866)	40,269

Production inventories are purchased or produced for use in the production of finished goods. Finished goods available for sale consist of capital equipment and parts and accessories inventories that are available for sale to external parties. A write-down is taken if management determines that the carrying value of the inventory item(s) exceed net realizable value. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The maximum amount of any reversal is the original write-down, such that the new carrying amount is the lower of cost or the revised net realizable value. The net realizable value of capital equipment included in inventories is assessed on an individual product basis considering current market prices for the equipment and management's assessment of forecasted demand. All other items in inventory are assessed for obsolescence at a distinct part level. The estimated net realizable value of these items is determined using a formulaic approach, providing for items that have not been sold or utilized in production in the 24 months before the condensed consolidated interim statements of financial position date.

Included in cost of sales for the three months ended March 31, 2025, was a provision for excess and obsolete inventory of \$157 (three months ended March 31, 2024 - \$85) to adjust inventories to net realizable value.

#### 5. PROPERTY, PLANT AND EQUIPMENT (PP&E)

During the three months ended March 31, 2025, the Corporation recorded \$964 of additions to its rental fleet comprised of equipment capitalized from inventory and \$697 of additions to machinery and production equipment (three months ended March 31, 2024 - \$264 of additions to its rental fleet and \$95 of additions to machinery and production equipment). Additions to the rental fleet during 2025 and 2024 are comprised of equipment capitalized from inventory.

PP&E includes right-of-use assets of \$3,053 as at March 31, 2025 (December 31, 2024 - \$2,375).

#### 6. SHAREHOLDERS' EQUITY

##### DIVIDENDS

Dividend declared	Dividend paid	Total dividend	Amount per common share
		\$	\$
March 31, 2024	April 15, 2024	540	0.02
June 30, 2024	July 15, 2024	543	0.02
September 30, 2024	October 15, 2024	544	0.02
December 31, 2024	January 15, 2025	545	0.02
March 31, 2025	April 15, 2025	672	0.025

## 7. REVENUE

	Three months ended March 31	
	2025	2024
	\$	\$
Sale of products, parts and consumables	17,004	14,380
Rental revenue	1,696	1,452
Rendering of services	646	710
<b>Total revenue</b>	<b>19,346</b>	<b>16,542</b>
smartProduct sale, rental and service revenue	11,363	5,094
Legacy product sale, rental and service revenue	7,983	11,448
<b>Total revenue</b>	<b>19,346</b>	<b>16,542</b>

## 8. EXPENSES BY NATURE

	Three months ended March 31	
	2025	2024
	\$	\$
Production costs to produce inventories and changes in inventories	7,900	7,406
Employee compensation and benefit expense	6,358	5,135
Facilities and other overheads	2,450	1,674
Depreciation and amortization	1,143	1,044
Write-down of excess and obsolete inventory	157	85
Short-term lease expense	31	31
<b>Total expenses</b>	<b>18,039</b>	<b>15,375</b>
<b>Allocated to:</b>		
Cost of sales	12,738	11,291
General and administration	3,268	2,241
Product development and support	1,369	1,184
Sales and marketing	664	659
<b>Total expenses</b>	<b>18,039</b>	<b>15,375</b>

## 9. REPURCHASE OF COMMON SHARES

On August 20, 2024, the Corporation announced the renewal of its normal course issuer bid ("NCIB"). The Corporation is entitled to purchase, for cancellation, up to a maximum of 1,594,179 common shares, equal to ten percent of the public float of 15,941,790 common shares as at August 20, 2024. The Corporation is also limited under the NCIB to purchasing no more than 11,526 common shares on any given day, subject to the block purchase exemption under the TSX rules. The period of the NCIB will extend from August 22, 2024 to August 21, 2025, or an earlier date should the Corporation complete its maximum purchases. During the three months ended March 31, 2025, the Corporation purchased 362,900 common shares pursuant to its "NCIBs" at a weighted average price of \$2.68 per share for total consideration of \$974. The shares were cancelled prior to March 31, 2025. On March 24, 2025, the Corporation established an automatic share purchase plan (ASPP) with its broker to facilitate repurchases of common shares under the NCIB. Under the terms of the ASPP, the Corporation's broker is permitted to make purchases at its sole discretion based on parameters set by the Corporation in accordance with TSX rules, applicable securities law and the terms of the ASPP, during periods when the Corporation would ordinarily not be permitted to make purchases, whether due to regulatory restriction or customary self-imposed blackout periods. Outside of such periods, common shares can be purchased based on management's discretion, in compliance with TSX rules and applicable securities law.



## 10. INCOME TAX EXPENSE

### a) RECONCILIATION OF INCOME TAX EXPENSE

Income tax expense varies from the amounts that would be computed by applying the domestic statutory rate of 23% (2024 – 23%) to earnings before income taxes for the following reasons:

	Three months ended March 31	
	2025	2024
	\$	\$
Earnings before income taxes	1,089	1,159
Computed income tax expense	250	266
Tax effects of:		
Jurisdictional tax rate differences	(67)	51
Non-deductible items	4	3
Benefit of previously unrecognized deferred tax assets	(44)	(157)
Temporary differences for which no deferred tax asset was recognized	-	6
Other items	-	15
<b>Income tax expense</b>	<b>143</b>	<b>184</b>

### b) INCOME TAX EXPENSE ON EARNINGS

	Three months ended March 31	
	2025	2024
	\$	\$
Current tax expense	324	179
Deferred tax expense:		
Origination and reversal of temporary differences	(137)	156
Benefit of previously unrecognized deferred tax assets	(44)	(157)
Temporary differences for which no deferred tax asset was recognized	-	6
Total deferred tax (recovery) expense	(181)	5
<b>Income tax expense</b>	<b>143</b>	<b>184</b>

## 11. SHARE-BASED COMPENSATION EXPENSE

	Three months ended March 31	
	2025	2024
	\$	\$
Equity settled share-based compensation	29	-
Cash settled share-based compensation – DSU	202	(27)
Cash settled share-based compensation – DPSU	332	-
Cash settled share-based compensation – RSP	68	4
Cash settled share-based compensation – PSU	241	-
	<b>872</b>	<b>(23)</b>

Share-based compensation expense has been included in general and administration expense in the consolidated statements of earnings and comprehensive earnings.

**12. CHANGES IN WORKING CAPITAL BALANCES**

	Three months ended March 31	
	2025	2024
Cash used in operating activities due to changes in non-cash working capital balances:	\$	\$
Trade and other receivables	899	(3,553)
Inventories	(1,778)	(3,517)
Other current assets	375	-
Prepaid expenses and deposits	331	130
Trade and other payables	(3,502)	(128)
Customer deposits	(1,356)	772
Provisions	(46)	80
	<b>(5,077)</b>	<b>(6,216)</b>