



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

June 30, 2025

(unaudited)

Notice to Reader:

As required by National Instrument 51-102, Part 4, subsection 4.3(3)(a), readers are advised that the Company's independent auditors have not performed a review of the June 30, 2025 condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Stated in thousands of Canadian dollars)
(unaudited)

As at	Note	June 30, 2025	December 31, 2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		6,607	17,057
Trade and other receivables		20,676	16,420
Inventories	4	42,373	40,269
Prepaid expenses and deposits		2,928	1,516
		72,584	75,262
Other receivables		547	1,237
Property, plant and equipment	5	11,790	10,218
Intangible assets		4,737	5,319
Deferred tax assets		2,164	1,879
Goodwill		3,730	3,934
Total assets		95,552	97,849
Liabilities			
Current liabilities			
Trade and other payables		23,098	19,735
Dividends payable	6	669	545
Income taxes payable		644	1,129
Customer deposits		4,312	5,719
Provisions		428	543
Current lease liabilities		1,651	1,466
		30,802	29,137
Lease liabilities		2,021	2,517
Total liabilities		32,823	31,654
Shareholders' equity			
Share capital		17,679	17,801
Contributed surplus		45,390	46,353
Accumulated other comprehensive income		10,340	13,693
Accumulated deficit		(10,680)	(11,652)
Total shareholders' equity		62,729	66,195
Total liabilities and shareholders' equity		95,552	97,849

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

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF EARNINGS AND COMPREHENSIVE EARNINGS

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

		Three months ended June 30		Six months ended June 30	
		2025	2024	2025	2024
		\$	\$	\$	\$
Revenue	7	24,051	19,910	43,397	36,452
Cost of sales	8	15,348	13,167	28,086	24,458
Gross profit		8,703	6,743	15,311	11,994
General and administration	8	4,322	1,562	7,590	3,803
Product development and support	8	1,487	1,042	2,856	2,226
Sales and marketing	8	923	591	1,587	1,250
Finance charges, net		39	35	83	24
Other losses (gains), net		205	(27)	379	(7)
		6,976	3,203	12,495	7,296
Earnings before income taxes		1,727	3,540	2,816	4,698
Income tax expense (recovery)	10				
Current		558	544	882	722
Deferred		(198)	(129)	(379)	(124)
		360	415	503	598
Net earnings		1,367	3,125	2,313	4,100
Other comprehensive (loss) earnings					
Translation (loss) gain		(3,506)	558	(3,353)	1,854
Comprehensive (loss) earnings		(2,139)	3,683	(1,040)	5,954
Net earnings per share					
Basic		0.05	0.12	0.09	0.15
Diluted		0.05	0.11	0.08	0.15

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)

	Note	Issued capital		Contributed surplus	Accumulated other comprehensive income	Accumulated deficit	Total equity
		Number of shares	Share capital				
		#	\$	\$	\$	\$	\$
Balances at January 1, 2024		26,954,936	17,395	46,271	8,669	(18,352)	53,983
Net earnings		-	-	-	-	4,100	4,100
Translation gain on foreign operations		-	-	-	1,854	-	1,854
Employee share-based compensation expense	11	-	-	15	-	-	15
Issuance of common shares under restricted share plan		185,000	362	-	-	-	362
Issuance of common shares upon stock option exercise		40,000	44	(18)	-	-	26
Dividends declared	6	-	-	-	-	(1,084)	(1,084)
Balances at June 30, 2024		27,179,936	17,801	46,268	10,523	(15,336)	59,256
Balances at January 1, 2025		27,179,936	17,801	46,353	13,693	(11,652)	66,195
Net earnings		-	-	-	-	2,313	2,313
Translation loss on foreign operations		-	-	-	(3,353)	-	(3,353)
Employee share-based compensation expense	11	-	-	108	-	-	108
Repurchase of shares	9	(518,500)	(340)	(1,044)	-	-	(1,384)
Issuance of common shares under restricted share plan		45,463	128	-	-	-	128
Issuance of common shares upon stock option exercise		60,000	90	(27)	-	-	63
Dividends declared	6	-	-	-	-	(1,341)	(1,341)
Balances at June 30, 2025		26,766,899	17,679	45,390	10,340	(10,680)	62,729

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

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Stated in thousands of Canadian dollars)
(unaudited)

	Note	Three months ended June 30		Six months ended June 30	
		2025	2024	2025	2024
Cash used in		\$	\$	\$	\$
Operating activities					
Net earnings		1,367	3,125	2,313	4,100
Adjustments for:					
Depreciation of property, plant and equipment		764	590	1,443	1,168
Amortization of intangible assets		448	473	912	939
Income tax expense	10	360	415	503	598
Finance charges, net		39	35	83	24
Share-based compensation	11	1,415	142	2,287	119
Gain on disposal of property, plant and equipment		-	(3)	-	(3)
Changes in non-cash working capital balances	12	(4,508)	(4,972)	(9,585)	(11,188)
Income taxes paid		(616)	(257)	(1,334)	(509)
Finance costs paid, net		(89)	(90)	(183)	(186)
Net cash used in operating activities		(820)	(542)	(3,561)	(4,938)
Investing activities					
Purchases of property, plant and equipment	5	(1,061)	(360)	(2,722)	(719)
Additions to intangible assets		(341)	(133)	(590)	(221)
Net cash used in investing activities		(1,402)	(493)	(3,312)	(940)
Financing activities					
Proceeds from issuance of common shares from stock options		37	-	63	26
Proceeds from issuance of common shares under restricted share plan		-	362	128	362
Repurchase of shares	9	(410)	-	(1,384)	-
Principal elements of lease payments		(330)	(308)	(1,002)	(604)
Dividends paid	6	(672)	(539)	(1,216)	(809)
Net cash used in financing activities		(1,375)	(485)	(3,411)	(1,025)
Effect of exchange rate changes on cash and cash equivalents		(359)	89	(166)	363
Decrease in cash and cash equivalents		(3,956)	(1,431)	(10,450)	(6,540)
Cash and cash equivalents – beginning of the period		10,563	10,617	17,057	15,726
Cash and cash equivalents – end of the period		6,607	9,186	6,607	9,186

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 and six months ended June 30, 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 August 7, 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	June 30, 2025			December 31, 2024		
	Gross inventories	Provision for excess and obsolescence	Net inventories	Gross inventories	Provision for excess and obsolescence	Net inventories
	\$	\$	\$	\$	\$	\$
Raw materials	1,561	(270)	1,291	1,704	(269)	1,435
Work-in-progress	5,170	-	5,170	4,269	-	4,269
Parts to be used in production	16,525	(1,766)	14,759	17,079	(1,737)	15,342
Production inventory	23,256	(2,036)	21,220	23,052	(2,006)	21,046
Capital equipment available for sale	4,089	(314)	3,775	3,836	(278)	3,558
Parts and accessories available for sale	19,983	(2,605)	17,378	18,247	(2,582)	15,665
	47,328	(4,955)	42,373	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 six months ended June 30, 2025, was a provision for excess and obsolete inventory of \$376 (three months ended June 30, 2025 - \$219) to adjust inventories to net realizable value. Included in cost of sales for the six months ended June 30, 2024, was a provision for excess and obsolete inventory of \$60 (three months ended June 30, 2024 - recovery of \$25) to adjust inventories to net realizable value.

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

During the six months ended June 30, 2025, the Corporation recorded \$1,217 of additions to its rental fleet comprised of equipment capitalized from inventory and \$1,505 of additions to machinery and production equipment (six months ended June 30, 2024 - \$363 of additions to its rental fleet and \$356 of additions to machinery and production equipment).

PP&E includes right-of-use assets of \$2,599 as at June 30, 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	544	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
June 30, 2025	July 15, 2025	669	0.025

7. REVENUE

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
Sale of products, parts and consumables	20,902	17,807	37,906	32,187
Rental revenue	1,439	1,449	3,135	2,901
Rendering of services	1,710	654	2,356	1,364
Total revenue	24,051	19,910	43,397	36,452
smartProduct sale, rental and service revenue	13,858	6,335	25,221	11,429
Legacy product sale, rental and service revenue	10,193	13,575	18,176	25,023
Total revenue	24,051	19,910	43,397	36,452

8. EXPENSES BY NATURE

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
Production costs to produce inventories and changes in inventories	9,923	8,900	17,823	16,306
Employee and Board of Director compensation and benefit expense	7,879	5,072	14,237	10,207
Facilities and other overheads	2,813	1,321	5,263	2,995
Depreciation and amortization	1,212	1,063	2,355	2,107
Write-down (recovery) of excess and obsolete inventory	219	(25)	376	60
Short-term lease expense	34	31	65	62
Total expenses	22,080	16,362	40,119	31,737
Allocated to:				
Cost of sales	15,348	13,167	28,086	24,458
General and administration	4,322	1,562	7,590	3,803
Product development and support	1,487	1,042	2,856	2,226
Sales and marketing	923	591	1,587	1,250
Total expenses	22,080	16,362	40,119	31,737

Employee and Board of Director compensation and benefit expense includes share-based compensation expense as disclosed in note 11.

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. 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. During the six months ended June 30, 2025, the Corporation purchased 518,500 common shares pursuant to its "NCIBs" at a weighted average price of \$2.67 per share for total consideration of \$1,384. The shares were cancelled prior to June 30, 2025.

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 June 30		Six months ended June 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
Earnings before income taxes	1,727	3,540	2,816	4,698
Computed income tax expense	397	814	648	1,080
Tax effects of:				
Jurisdictional tax rate differences	(57)	(202)	(124)	(152)
Non-deductible items	11	1	14	4
Benefit of previously unrecognized deferred tax assets	-	(198)	(35)	(334)
Temporary differences for which no deferred tax asset was recognized	9	-	-	-
Income tax expense	360	415	503	598

b) INCOME TAX EXPENSE ON EARNINGS

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
Current tax expense	558	544	882	722
Deferred tax expense:				
Origination and reversal of temporary differences	(207)	69	(344)	210
Benefit of previously unrecognized deferred tax assets	-	(198)	(35)	(334)
Temporary differences for which no deferred tax asset was recognized	9	-	-	-
Total deferred tax recovery	(198)	(129)	(379)	(124)
Income tax expense	360	415	503	598

11. SHARE-BASED COMPENSATION EXPENSE

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
Equity settled share-based compensation	80	15	108	15
Cash settled share-based compensation:				
Director performance share units	654	(34)	986	(34)
Director share units	400	88	603	61
Performance share units	213	-	454	-
Restricted shares	68	73	136	77
	1,415	142	2,287	119

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

12. CHANGES IN WORKING CAPITAL BALANCES

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
Cash used in operating activities due to changes in non-cash working capital balances:				
Trade and other receivables	(6,173)	(355)	(5,274)	(3,907)
Inventories	(2,551)	(1,763)	(4,331)	(5,281)
Other current assets	(1,895)	(1,297)	(1,519)	(1,147)
Other long-term assets	316	-	647	-
Trade and other payables	5,631	(44)	2,130	(192)
Customer deposits	208	(1,637)	(1,148)	(865)
Provisions	(44)	124	(90)	204
	(4,508)	(4,972)	(9,585)	(11,188)