CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the three and nine months ended September 30, 2014

(unaudited)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Stated in thousands of Canadian dollars)
(unaudited)

As at	September 30, 2014	December 31, 2013
	$	$
Assets		
Current assets		
Cash and cash equivalents	**32,474**	13,332
Trade and other receivables	**27,477**	14,158
Inventories	**39,996**	34,607
Income tax recoverable	**74**	3,496
Other current assets	**2,036**	1,790
	102,057	67,383
Assets of disposal group held-for-sale	**-**	21,760
	102,057	89,143
Property, plant and equipment	**15,479**	15,569
Intangible assets	**14,821**	14,657
Deferred tax assets	**1,237**	1,098
Total assets	**133,594**	120,467
Liabilities		
Current liabilities		
Trade and other payables	**20,197**	15,293
Dividend payable	**1,383**	-
Customer deposits	**4,618**	7,436
Derivative financial instruments	**838**	302
Provisions	**3,951**	1,587
Income tax payable	**-**	45
	30,987	24,663
Liabilities of disposal group held-for-sale	**-**	7,882
	30,987	32,545
Deferred tax liabilities	**1,204**	1,919
Total liabilities	**32,191**	34,464
Shareholders' equity		
Share capital	**59,966**	58,849
Contributed surplus	**3,715**	3,593
Accumulated other comprehensive income	**2,990**	1,212
Retained earnings	**34,732**	22,349
Total shareholders' equity	**101,403**	86,003
Total liabilities and shareholders' equity	**133,594**	120,467

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)

	Three months ended September 30		Nine months ended September 30	
	2014	2013	**2014**	2013
	$	$ (restated, note 6)	**$**	$ (restated, note 6)
Revenue	**38,275**	28,804	**93,410**	85,107
Cost of sales	**24,565**	17,065	**56,402**	52,381
Gross profit	**13,710**	11,739	**37,008**	32,726
General and administration	**6,643**	4,666	**20,540**	16,374
Sales and marketing	**1,102**	1,403	**3,966**	4,241
Research and development	**339**	282	**1,148**	1,249
Finance charges (net)	**81**	172	**296**	564
Other losses (gains) (net)	**5**	224	**834**	(198)
	8,170	6,747	**26,784**	22,230
Earnings from continuing operations before income taxes	**5,540**	4,992	**10,224**	10,496
Income tax expense (recovery)				
Current	**1,452**	1,880	**3,406**	3,977
Deferred	**(75)**	(346)	**(798)**	(869)
	1,377	1,534	**2,608**	3,108
Earnings from continuing operations	**4,163**	3,458	**7,616**	7,388
Earnings from discontinued operations (net of tax)	**1,584**	573	**8,914**	1,755
Net earnings	**5,747**	4,031	**16,530**	9,143
Other comprehensive income				
Translation gain (loss) of foreign operations	**1,734**	(737)	**1,778**	1,207
Comprehensive income	**7,481**	3,294	**18,308**	10,350
Earnings per share				
Basic from continuing operations	**0.15**	0.13	**0.28**	0.28
Basic from discontinued operations	**0.06**	0.02	**0.32**	0.06
Basic from net earnings	**0.21**	0.15	**0.60**	0.34
Diluted from continuing operations	**0.15**	0.13	**0.27**	0.27
Diluted from discontinued operations	**0.06**	0.02	**0.32**	0.06
Diluted from net earnings	**0.21**	0.15	**0.59**	0.33

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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

	Issued capital					
	Number of shares	Amount	Contributed surplus	Accumulated other comprehensive income (loss)	Retained earnings	Total equity
	#	$	$	$	$	$
Balances at January 1, 2013	26,670,911	56,572	3,970	(942)	17,896	77,496
Net earnings	-	-	-	-	9,143	9,143
Translation gain on foreign operations	-	-	-	1,207	-	1,207
Employee share-based compensation expense	-	-	200	-	-	200
Dividends	-	-	-	-	(4,022)	(4,022)
Common shares issued on exercise of stock options	249,996	1,068	(308)	-	-	760
Balances at September 30, 2013	26,920,907	57,640	3,862	265	23,017	84,784
Net earnings	-	-	-	-	701	701
Translation gain on foreign operations	-	-	-	947	-	947
Employee share-based compensation expense	-	-	81	-	-	81
Dividends	-	-	-	-	(1,369)	(1,369)
Common shares issued on exercise of stock options	483,332	1,209	(350)	-	-	859
Balances at December 31, 2013	27,404,239	58,849	3,593	1,212	22,349	86,003
Net earnings	**-**	**-**	**-**	**-**	**16,530**	**16,530**
Translation gain on foreign operations	**-**	**-**	**-**	**1,778**	**-**	**1,778**
Employee share-based compensation expense	**-**	**-**	**409**	**-**	**-**	**409**
Dividends	**-**	**-**	**-**	**-**	**(4,147)**	**(4,147)**
Common shares issued on exercise of stock options	**250,000**	**1,117**	**(287)**	**-**	**-**	**830**
Balances at September 30, 2014	**27,654,239**	**59,966**	**3,715**	**2,990**	**34,732**	**101,403**

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

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW

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

For the nine months ended September 30,	2014	2013
Cash generated from	**$**	$
		(restated, note 6)
Operating activities		
Earnings from continuing operations	**7,616**	7,388
Adjustments for:		
Depreciation of property, plant and equipment	**2,703**	2,215
Amortization of intangible assets	**2,015**	824
Current income tax expense	**3,406**	3,977
Deferred income tax recovery	**(798)**	(869)
Finance charges (net)	**296**	564
EBITDA[1]	**15,238**	14,099
Share-based compensation expense	**255**	598
Unrealized loss on derivative financial instruments	**536**	-
Loss (gain) on disposal of property, plant and equipment	**127**	(58)
Changes in non-cash working capital balances	**(11,993)**	(2,041)
Finance charges (net)	**(97)**	(398)
Income taxes paid	**(6)**	(5,235)
Net cash generated from continuing operating activities	**4,060**	6,965
Net cash generated from discontinued operating activities	**436**	5,425
Net cash generated from operating activities	**4,496**	12,390
Investing activities		
Purchases of property, plant and equipment	**(2,339)**	(3,865)
Proceeds from sale of property, plant and equipment	**70**	1,057
Proceeds from sale of businesses	**20,977**	-
Additions to intangible assets	**(2,171)**	(2,466)
Net cash generated from (used in) continuing investing activities	**16,537**	(5,274)
Net cash used in discontinued investing activities	**(94)**	(423)
Net cash generated from (used in) investing activities	**16,443**	(5,697)
Financing activities		
Repayment of finance lease obligations	**-**	(133)
Repayment of borrowings	**-**	(427)
Transaction costs related to the amendment of credit facility	**(101)**	-
Proceeds from issuance of share capital on exercise of options	**830**	760
Dividends paid	**(2,764)**	(2,676)
Net cash used in continuing financing activities	**(2,035)**	(2,476)
Effect of exchange rate changes on cash and cash equivalents	**238**	355
Increase in cash and cash equivalents	**19,142**	4,572
Cash and cash equivalents – beginning of the period	**13,332**	22,122
Cash and cash equivalents – end of the period	**32,474**	26,694

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

[1] EBITDA is an additional GAAP measure presented under IFRS defined as "net earnings before finance charges (net), income tax expense, depreciation and amortization".

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended September 30, 2014

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

(unaudited)

1. NATURE OF OPERATIONS

McCoy Global Inc.[2] ("McCoy", "McCoy Global" or the "Corporation") is incorporated and domiciled in Canada and provides tubular handling, assembly and measurement equipment used for making up threaded connections in the global oil and gas industry. McCoy's continuing operations are engaged in the:

- Design, manufacture and distribution of capital equipment used in both off-shore and land drilling markets to handle, make-up and measure tubular products such as casing, and to support this capital equipment through the sale of life-cycle products such as technical service, consumables (dies and inserts) and replacement parts;
- Repair, maintenance and calibration of drilling and completions equipment; and
- Rental of drilling and completions equipment.

Set out below are McCoy's principal operations:

Operating Name	Country of Incorporation	Ownership Interest	Former Operating Segment	Former Division
Continuing Operations				
McCoy Global Canada Corp.[3]	Canada	100%	EP&S	Drilling & Completions
McCoy Global S.à.r.l.	Luxembourg	100%	EP&S	Drilling & Completions
McCoy Global Singapore Pte. Ltd.	Singapore	100%	EP&S	Drilling & Completions
McCoy Global UK Ltd.	United Kingdom	100%	EP&S	Drilling & Completions
McCoy Global USA, Inc. [4]	United States	100%	EP&S	Drilling & Completions
Discontinued Operations (note 6)				
Inotec Coating and Hydraulics Inc.[5]	Canada	100%	EP&S	Coatings & Hydraulics
Peerless Limited[6]	Canada	100%	Mobile	Trailers

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

The address of the registered office of the Corporation is Suite 301, 9618-42 Avenue NW, Edmonton, Alberta. The Corporation is listed on the Toronto Stock Exchange under the symbol "MCB" and on the OTCQX International under the symbol "MCCRF".

[2] On July 7, 2014, McCoy Corporation changed its name to McCoy Global Inc.
[3] On December 31, 2013, FARR Canada Corp. changed its name to McCoy Global Canada Corp.
[4] On December 31, 2013, Precision Die Technologies, L.L.C. merged into Superior Manufacturing & Hydraulics, Inc. ("Superior") and Superior changed its name to McCoy Global USA, Inc.
[5] On September 15, 2014 Inotec Coatings and Hydraulics Inc. was sold by the Corporation.
[6] On June 17, 2014 Peerless Limited was sold by the Corporation.

2. Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board and should be read in conjunction with the Corporation's annual financial statements for the year ended December 31, 2013, which have been prepared in accordance with International Financial Reporting Standards.

The accounting policies followed in these condensed consolidated interim financial statements are consistent with those of the previous financial year.

3. Dividends

Dividend declared	Dividend paid	Total dividend	Amount per common share
September 9, 2014	October 8, 2014	1,383	0.05
May 23, 2014	June 20, 2014	1,383	0.05
March 14, 2014	April 14, 2014	1,381	0.05
December 10, 2013	December 31, 2013	1,369	0.05
September 26, 2013	October 25, 2013	1,346	0.05
May 16, 2013	June 14, 2013	1,339	0.05
March 14, 2013	April 12, 2013	1,337	0.05

4. Fair Value of Financial Assets and Liabilities

Non-derivative financial instruments

The Corporation's non-derivative financial instruments consist of cash and cash equivalents, trade and other receivables, trade and other payables and dividends payable.

The fair value of cash and cash equivalents, trade and other receivables, trade and other payables and dividends payable approximate their carrying value due to their short-term nature.

Derivative financial instruments

At September 30, 2014, the Corporation had forward foreign exchange contracts outstanding to purchase US$16,500,000 (December 31, 2013 – US$18,000) at rates varying from 1.0500 USD/CAD to 1.0825 USD/CAD with maturities ranging from one to fifteen months from the statement of financial position date. The Corporation's forward foreign exchange contracts are recorded at fair value in the statement of financial position. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The forward foreign exchange contracts are classified as Level 2 and the fair value is determined based on exchange or over-the-counter price quotations by reference to bid or asking price, as appropriate, in active markets. Fair value amounts reflect management's best estimates using external readily observable market data, such as future prices, foreign exchange rates and discount rates for time value. For the nine months ended September 30, 2014, the unrealized loss of $536 (nine months ended September 30, 2013 – $nil) on the forward foreign exchange contracts was recorded in other (gains) losses (net).

5. Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is the person or group that allocates resources to and assesses the performance of the operating segments.

The Corporation previously reported two operating segments – Energy Products & Services (EP&S) and Mobile Solutions. In the fourth quarter of 2013, the assets and liabilities of Mobile Solutions and the Coatings & Hydraulics division of the EP&S segment were transferred to assets and liabilities of disposal groups held-for-sale and the results are presented in discontinued operations. Since the measure of segment assets and liabilities excludes assets and liabilities of disposal groups held-for-sale and the measure of segment performance excludes discontinued operations, there is only one reportable segment.

6. Discontinued Operations and Disposal Groups Held-for-sale

Management committed to a formal process to sell the Mobile Solutions segment and the Coating & Hydraulics division in the fourth quarter of 2013 following a strategic decision to place greater focus on the Corporation's key competencies.

On June 17, 2014 the Mobile Solutions segment was sold by the Corporation. The operating results and gain on sale relating to Mobile Solutions have been included in earnings from discontinued operations in the consolidated statement of earnings and comprehensive income. The final net proceeds received and the gain recognized on the sale are subject to change, pending the finalization of net working capital balances as defined by the share purchase agreement.

The net assets disposed on June 17, 2014 related to the sale of Mobile Solutions is as follows:

	June 17, 2014
Cash	12,486
Other receivables	1,332
Bank indebtedness transferred	151
Total consideration, subject to change	13,969
Current assets	7,695
Property, plant and equipment	6,528
Intangibles	51
Current liabilities	(5,165)
Deferred tax liabilities	(824)
Net assets and liabilities	8,285
Gain on disposal	**5,684**

On September 15, 2014 the Coatings & Hydraulics division was sold by the Corporation. A member of the Corporation's Board of Directors is the Chairman and Chief Executive Officer of, and holds an equity interest in, the corporation that purchased the Coatings & Hydraulics division. The operating results and gain on sale relating to Coatings & Hydraulics have been included in earnings from discontinued operations in the consolidated statement of earnings and comprehensive income. The final net proceeds received and the gain recognized on the sale is subject to change, pending the finalization of net working capital balances as defined by the share purchase agreement.

The net assets disposed on September 15, 2014 related to the sale of Coatings & Hydraulics is as follows:

	September 15, 2014
Cash	8,340
Other receivables	930
Total consideration, subject to change	9,270
Current assets	3,037
Property, plant and equipment	5,026
Intangibles	1,087
Current liabilities	(1,147)
Deferred tax liabilities	(1,324)
Net assets and liabilities	6,679
Gain on disposal	**2,591**