MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

Q2 2015

TABLE OF CONTENTS

EXPLANATORY NOTES

The following Management's Discussion and Analysis of Financial Results ("MD&A"), dated August 6, 2015, should be read in conjunction with the cautionary statement regarding forward-looking information and statements below, as well as the audited consolidated financial statements and notes thereto, for the years ended December 31, 2014 and 2013. The annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts in the following MD&A are in Canadian dollars unless otherwise stated. References to "McCoy," "McCoy Global," "the Corporation," "we," "us" or "our" mean McCoy Global Inc. and its subsidiaries, unless the context otherwise requires. Additional information relating to McCoy Global, including periodic quarterly and annual reports and Annual Information Forms ("AIF"), filed with Canadian securities regulatory authorities, is available on SEDAR at sedar.com and our website at mccoyglobal.com.

FORWARD-LOOKING INFORMATION AND STATEMENTS

This MD&A contains certain 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. In particular, this MD&A contains:

Forward-looking statements relating to:

- McCoy Global's acquisition strategy;
- the future development and growth prospects for the Corporation;
- the business strategy of the Corporation; and
- the competitive advantage of the Corporation.

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.

Other forward-looking statements regarding the Corporation are located in the documents incorporated by reference in this MD&A and 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 those set out below and those detailed elsewhere in this MD&A:

- 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 rates;
- 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 MD&A, including the documents incorporated by reference herein, 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 MD&A are made as of the date of this MD&A 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.

DESCRIPTION OF ADDITIONAL GAAP MEASURES AND NON-GAAP MEASURES

Throughout this MD&A, management uses measures which do not have a standardized meaning as prescribed by IFRS and therefore are considered to be non-GAAP or additional GAAP measures presented under IFRS.

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

Adjusted EBITDA is a non-GAAP measure defined as "net earnings from continuing operations before finance charges (net), income tax expense, depreciation, amortization, impairment losses, net changes in fair value related to derivative financial instruments and share-based compensation".

The Corporation reports on EBITDA and adjusted EBITDA because they are key measures used by management to evaluate performance. Adjusted EBITDA is used in making decisions relating to distributions to shareholders and is used in monitoring compliance with debt covenants. The Corporation believes adjusted EBITDA assists investors in assessing McCoy Global's performance on a consistent basis without regard to impairment losses, net changes in fair value related to derivative financial instruments, depreciation, amortization and share-based compensation expense, which are non-cash in nature and can vary significantly depending on accounting methods or non-operating factors.

Adjusted EBITDA is not considered an alternative to net earnings in measuring McCoy Global's performance. Adjusted EBITDA does not have a standardized meaning and is therefore not necessarily comparable to similar measures used by other issuers. However, McCoy Global calculates adjusted EBITDA consistently from period to period. Adjusted EBITDA should not be used as an exclusive measure of cash flow since it does not account for the impact of working capital changes, capital expenditures, debt changes and other sources and uses of cash, which are disclosed in the consolidated statement of cash flows.

OUTLOOK AND FORWARD-LOOKING INFORMATION

The continued decline in North American drilling and completions activity significantly impacted McCoy Global's second quarter revenue and gross profit. Challenging market conditions, a reduction in higher margin capital equipment revenue and underutilized production facility capacity, all contributed to the decline in gross profit for the quarter.

Significant cost containment initiatives were undertaken to responsibly manage and adjust the Corporation's cost structure to near-term economic conditions while assessing the impact to McCoy Global's longer-term strategy. Cost containment efforts have included consolidating production facilities in Louisiana, a reduction in organizational headcount from January 1, 2015 of 22%, of which 14% occurred over the course of the second quarter, and reductions in both supply chain costs and discretionary spending. However, as several production facility expense reductions were implemented mid-quarter, the financial impact of these cost reductions were not fully reflected in the second quarter's results. Reductions to general and administrative expenses were a high priority. Compared to the second quarter of 2014, general and administrative expenses have declined $2.0 million despite an unfavourable foreign currency impact and adding support to Eastern hemisphere regional locations.

McCoy Global's balance sheet remains strong with $23.0 million in cash and no debt. The Corporation recently announced the extension of its $50 million credit facility to May 31, 2018. This allows McCoy Global flexibility in this challenging market cycle to execute on organic growth strategies and pursue acquisition opportunities.

Looking ahead to the remainder of 2015, challenging market conditions are expected to persist. North American drilling and completions activity has been severely impacted by depressed commodity prices and any meaningful recovery is not anticipated in the near-term. International markets were stronger in the beginning of the year but signs of noticeable weakness are now evident and are reflected in recent order intake. During the second quarter of 2015, order intake was $17.8 million which has resulted in backlog declining to $20.8 million at June 30, 2015. New orders have remained sluggish through the beginning of the third quarter and it is anticipated that backlog will continue to decline over the second half of 2015. The Corporation remains focused on all opportunities to preserve cash flow and continuing to work with customers to maintain successful relationships in these challenging times.

The timing of a market recovery appears to be longer than first anticipated; however, the long-term industry outlook has not significantly changed. Global demand for energy is anticipated to continue to increase and in order to meet that demand, the oil and gas industry will require more complex solutions and advanced technologies. McCoy Global's customers will continue to require technologies to improve efficiency and optimize well construction while operating safely and in an environmentally responsible manner. Accordingly, McCoy Global's long-term strategy has not changed. The Corporation continues to invest in new technologies through R&D efforts, in customer relationships through building out service offerings and capabilities in Eastern and Western hemisphere regional locations and in developing lean processes and organizational efficiency. This will complement recent efforts to right size the Corporation's cost structure and working capital reduction initiatives to improve near-term cash generation. These actions place McCoy Global in a favorable position to withstand current conditions and take advantage of a market recovery.

MARKET CONDITIONS

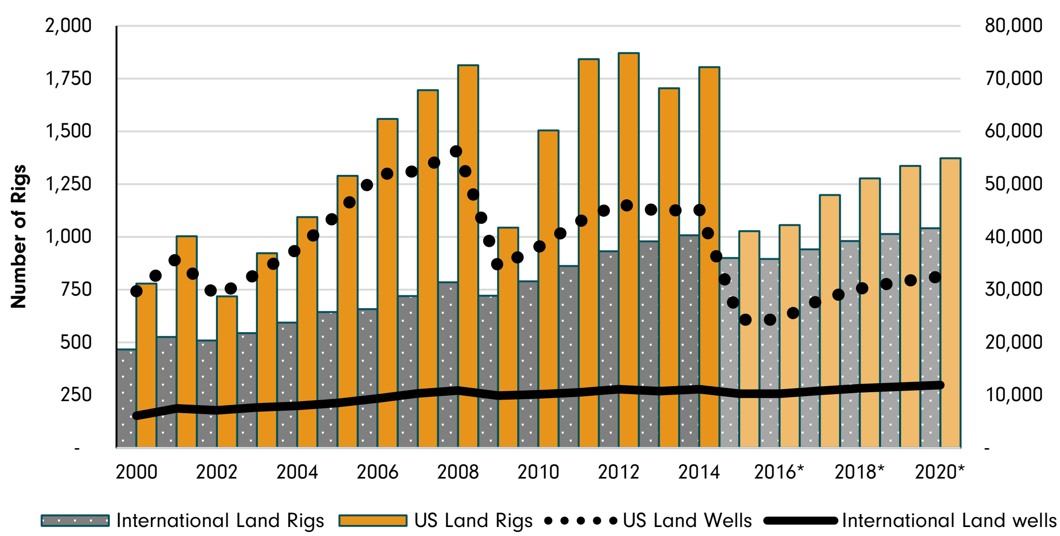
Rig and well counts

The demand for McCoy Global's products and services is ultimately driven by oil and natural gas prices. These commodity prices have historically been cyclical in nature and are difficult to forecast as they are influenced by many factors.

Higher oil and gas prices typically drive exploration and production companies to increase capital spending which in turn leads to an increase in drilling and completions activity. As this activity increases, customers require capital equipment to meet activity demand. Management uses active rig counts as well as number and length of wells being drilled as data points to monitor and set expectations of the future performance of the Corporation. Generally, the number of wells being drilled is a leading indicator of demand for McCoy Global's products and services, although there are many factors that may impact any correlation. A reduction in active rigs will impact McCoy Global, but the number of wells drilled is becoming a better indicator of future performance as the current rig fleet is becoming more efficient which allows for more wells to be drilled per rig.

The majority of McCoy Global's revenue is generated from capital equipment sales to service companies and not directly from supplying equipment that forms part of the rig package.

A summary of historical and forecasted rig and well counts is as follows[1]:



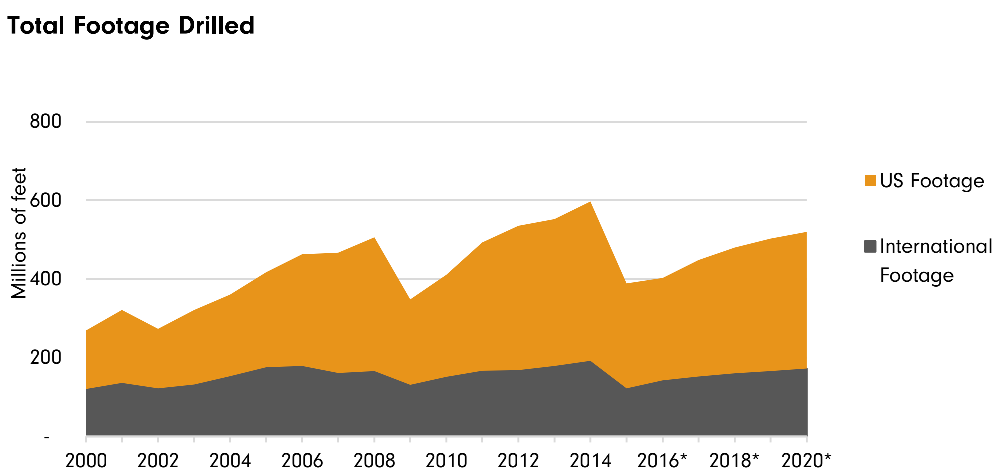
McCoy Global's focus on growing internationally offers geographic diversification, increased revenue opportunities and stability to withstand North American land market volatility which is currently being experienced. McCoy Global's international customers are now able to take advantage of regional support which the Corporation anticipates will increase aftermarket and rental revenues outside of North America.

[1]Spears & Associates *Drilling and Production Outlook*, June 2015
*Estimated

Footage drilled

Unconventional drilling in the United States has been impacted by the current downturn but remains an important source of future global oil and natural gas supply. This should result in a long-term trend towards more complex well construction and the increased use of premium connections. Investments made in new product development by the Corporation have increased McCoy Global's capabilities of producing high specification tubular make-up products and position the Corporation to meet the technological challenges faced by customers in unconventional markets.

A summary of historical and forecasted footage drilled is set out below[2,3]:



2 *Spears & Associates Drilling and Production Outlook, June 2015*
3 *International figures include Canadian footage drilled*
**Estimated*

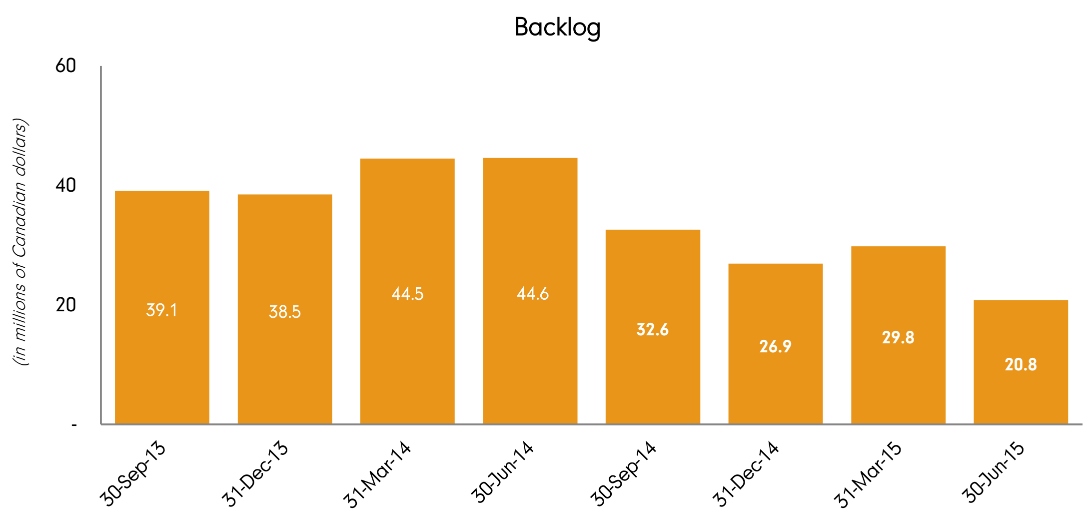
Backlog

Backlog is a measure of the amount of customer orders the Corporation has received and is therefore an indicator of a base level of future revenue potential. Backlog is not a GAAP measure and, as a result, the definition and determination of backlog will vary among other issuers reporting a backlog figure.

The Corporation 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 many are 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 work. Expected delivery dates for orders recorded in backlog usually span from one to six months, and thus may not translate into revenue in the consecutive quarter. McCoy Global's backlog as at June 30, 2015 totaled $20.8 million, a decrease of $9.0 million or 30% from March 31, 2015.

For the quarter, McCoy Global received net sales orders of $17.8 million (Q1 2015 - $24.0 million) and recorded revenue of $23.0 million (Q1 2015 - $25.8 million). The rapid and severe drop in oil prices and oilfield activity substantially impacted North American demand for capital equipment in the quarter, and order intake in both the Eastern and Western hemispheres has declined. Backlog as at June 30, 2015 was favorably impacted by the weakening Canadian dollar as substantially all of the Corporation's backlog is denominated in US currency.

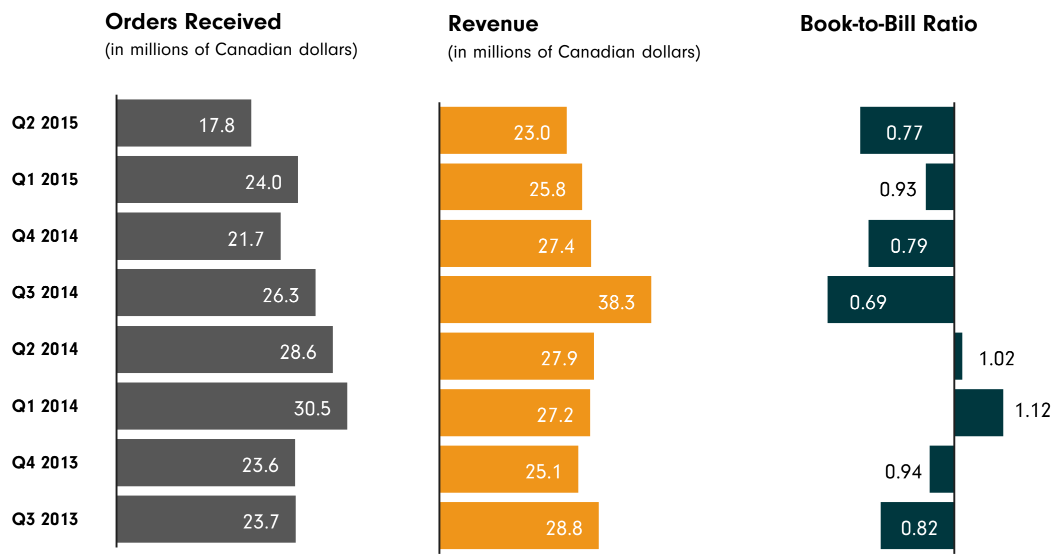
Backlog is also impacted by finished goods inventory and aftermarket sales. As finished goods inventory is increased at regional locations, the overall level of backlog will decline as customer orders are fulfilled from finished goods inventory. Product mix also impacts the Corporation's backlog as rental and aftermarket orders tend to cycle through backlog more quickly than capital equipment orders which typically require longer lead times. As a percentage of overall revenue, aftermarket revenues are typically higher in a downturn as customers defer capital equipment spend.



Book-to-Bill Ratio

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.

The book-to-bill ratio for the Corporation during the three months ended June 30, 2015 was 0.77 (March 30, 2015 – 0.93). Set out below are orders received, revenue and the book-to-bill ratio:



STRATEGY AND CORE BUSINESS VISION

OUR VISION IS TO BE THE GLOBAL LEADER IN TUBULAR MAKE-UP AND HANDLING EQUIPMENT SOLUTIONS

McCoy Global is a leading provider of equipment and technologies used for making up threaded connections in the global oil and gas industry. McCoy Global's core products are used during the well construction phase for both land and offshore wells during both oil and gas exploration. The Corporation is engaged in the following:

- Design, manufacture and distribution of innovative 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 aftermarket product and services such as technical support, consumables (dies and inserts), and replacement parts;
- Repair, maintenance, and calibration of drilling and completions equipment; and
- Rental of drilling and completions equipment.

Historically, the Corporation was divided into two operating segments: Energy Products & Service ("EP&S") and Mobile Solutions.

The EP&S segment was comprised of two divisions: Drilling & Completions and Coatings & Hydraulics. The Drilling & Completions division forms the Corporation's continuing operations.

Following a strategic decision to place greater focus on the Corporation's long-term core business in the fourth quarter of 2013, management committed to a formal process to sell the Mobile Solutions segment and the Coatings & Hydraulics division. On June 17, 2014, the Mobile Solutions segment was sold by the Corporation. 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.

Financial results related to these operations have been included in net earnings from discontinued operations in the 2014 consolidated financial statements.

Set out below are McCoy Global's principal operations:

Operating Name	Country of Incorporation	Operating Region	Ownership Interest
McCoy Global Canada Corp.	Canada	Canada	100%
McCoy Global S.à r.l.	Luxembourg	Middle East	100%
McCoy Global Singapore Pte. Ltd.	Singapore	Asia Pacific	100%
McCoy Global UK Ltd.	United Kingdom	Europe, Africa & Russia	100%
McCoy Global USA, Inc.	United States	United States	100%

Organic growth is being achieved in four ways:

- establishment of regional centers to increase market share of aftermarket revenues (service, consumables and replacement parts) and incremental capital equipment sales in each region;
- commercialization of innovative new products by investing in research and development as well as product improvement;
- increased market share of existing products; and
- deployment of a rental fleet of capital equipment at regional centers.

The Corporation has maintained a strong balance sheet to allow for strategic investments required to support its growth plans and to pursue strategic acquisitions.

OPERATIONAL HIGHLIGHTS

FOR THE THREE MONTHS ENDED JUNE 30, 2015

IMPLEMENTED PLANNED COST CONTAINMENT INITIATIVES

Cost containment initiatives were a high priority in the quarter resulting in significant reductions to overheads and production facility expenses. Responsible management of the Corporation has resulted in prudent efforts to right size the cost structure of McCoy Global to align with near-term activity levels. These initiatives have included headcount reductions, the consolidation of the Corporation’s Louisiana operating facilities and reductions in discretionary expenses and supply chain costs. As many of these initiatives were implemented mid-quarter, the financial impact of these cost reductions are not fully reflected in the second quarter’s results.

McCoy Global remains focused on managing its cost structure and reducing working capital in the second half of 2015.

AMENDED AND EXTENDED THE $50 MILLION CREDIT FACILITY

Subsequent to June 30, 2015, McCoy Global’s existing $50 million syndicated credit facility was amended and extended to May 31, 2018.

McCoy Global’s strong balance sheet and available credit provides flexibility to execute on organic growth strategies, pursue acquisition opportunities and places McCoy Global in a favorable position given the current market environment.

ADDED A MEMBER TO THE EXECUTIVE TEAM

Mrs. Suzanne Langier joined McCoy Global as Vice President, Human Resources. Based in McCoy Global's corporate office in Edmonton, she will oversee all Human Resources, Talent Management, Payroll and Benefits programs globally.

With more than 15 years of Human Resources leadership experience, Mrs. Langier will help support McCoy Global as we work through these challenging market conditions and position the Corporation for future growth.

ELECTED A NEW MEMBER TO THE BOARD OF DIRECTORS

Mr. Dale Tremblay was elected to the Board of Directors at the Corporation’s annual general meeting.

Mr. Tremblay has more than 25 years of experience in the oilfield services industry with extensive dealings in the public markets in both Canada and the United States. He currently serves as a director on two corporate boards, including Horizon North Logistics Inc., a TSX listed company specializing in remote accommodations in Western Canada and Alaska. Formerly, Mr. Tremblay was the founder, Chairman and Chief Executive Officer of the recapitalized Western Energy Services Corp, President and Chief Executive Officer of Saxon Energy Services Inc. and Chief Financial Officer of Precision Drilling Corporation.

FINANCIAL RESULTS

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS

For the three months ended June 30 ($000 except per share amounts)	**2015**	2014
Total revenue from continuing operations	**22,952**	27,915
(Loss) earnings from continuing operations	**(451)**	2,258
Per common share – basic	**(0.02)**	0.08
Per common share – diluted	**(0.02)**	0.08
(Loss) earnings from discontinued operations (net of tax)[4]	**-**	6,004
Net (loss) earnings	**(451)**	8,262
Per common share – basic	**(0.02)**	0.30
Per common share – diluted	**(0.02)**	0.30
Adjusted EBITDA	**1,312**	3,852
Per common share – basic	**0.05**	0.14
Per common share – diluted	**0.05**	0.14

As at and for the six months ended June 30 ($000 except per share amounts)	**2015**	2014
Total revenue from continuing operations	**48,752**	55,135
Earnings from continuing operations	**1,778**	3,453
Per common share – basic	**0.06**	0.13
Per common share – diluted	**0.06**	0.12
Earnings from discontinued operations (net of tax)[4]	**-**	7,330
Net earnings	**1,778**	10,783
Per common share – basic	**0.06**	0.40
Per common share – diluted	**0.06**	0.38
Adjusted EBITDA	**7,146**	8,031
Per common share – basic	**0.26**	0.29
Per common share – diluted	**0.26**	0.29
Dividends per common share	**0.10**	0.10
Total assets	**127,090**	128,295
Total liabilities	**22,239**	33,218
Total non-current liabilities	**3,779**	1,489

[4] 2014 Earnings from discontinued operations (net of tax) included a one-time gain on the sale of Mobile Solutions

EBITDA and adjusted EBITDA are calculated as follows:

($000)	Three months ended June 30 2015	Three months ended June 30 2014	Six months ended June 30 2015	Six months ended June 30 2014
Net (loss) earnings from continuing operations	**(451)**	2,258	**1,778**	3,453
Income tax expense	**55**	758	**966**	1,231
Finance charges (net)	**131**	114	**224**	215
Depreciation	**1,069**	888	**2,138**	1,792
Amortization	**883**	680	**1,653**	1,347
EBITDA	**1,687**	4,698	**6,759**	8,038
Share-based compensation	**290**	244	**360**	210
Net changes in fair value related to derivative financial instruments	**(665)**	(1,090)	**27**	(217)
Adjusted EBITDA	**1,312**	3,852	**7,146**	8,031

REVENUE

($000 except percentages)	For the 3 months ended June 30				For the 6 months ended June 30			
	2015	2014	Change	% Change	**2015**	2014	Change	% Change
Revenue	**22,952**	27,915	(4,963)	(18)%	**48,752**	55,135	(6,383)	(12)%

Revenue for the three months ended June 30, 2015 was $23.0 million, a decrease of $5.0 million, or 18%, from the comparative quarter.

For the six months ended June 30, 2015 revenue was $48.8 million, a decrease of $6.4 million, or 12%, in comparison to the six months ended June 30, 3014.

The decrease in revenue for the second quarter of 2015 was primarily driven by a sharp decline in capital equipment demand. Near-term market conditions will remain challenging and place additional pressure on capital equipment revenues in the second half of 2015.

Aftermarket revenue, as a percentage of overall revenue, is typically higher in a downturn as customers defer capital equipment spend and maintain their existing equipment fleet. Although aftermarket revenue has increased modestly in 2015, it has not increased to the level anticipated as many customers are currently implementing a robust inventory destocking process and continue to defer maintenance where possible.

Geographically, McCoy Global has experienced a rapid decline in demand from the Western hemisphere, particularly the United States and Canada. The Eastern hemisphere continues to experience healthy demand from the Middle East and parts of Africa. Demand from Asia Pacific and Europe have been slowing since the beginning of the year. Russian sanctions continue to limit opportunities in this region.

GROSS PROFIT

($000 except percentages)	For the 3 months ended June 30				For the 6 months ended June 30			
	2015	2014	Change	% Change	**2015**	2014	Change	% Change
Gross profit	**6,651**	11,936	(5,285)	(44)%	**17,029**	23,298	(6,269)	(27)%
Gross profit %	***29%***	*43%*	*(14)%*		***35%***	*42%*	*(7)%*	

Gross profit percentage for the three months ended June 30, 2015 was 29%, a decrease of 14 percentage points from the 43% gross profit percentage realized in the comparative period.

For the six months ended June 30, 2014 gross profit percentage was 35%, a decrease of 7 percentage points from the comparative period.

The decline in gross profit for the three months ended June 30, 2015 is primarily a result of product mix, underutilized plant capacity and challenging market conditions.

Revenues generated from higher margin software related products are significantly lower compared to 2014 which has eroded overall margins. Customer spending on new technical software related products has largely been deferred as customers continue to utilize their current fleet of equipment and delay any replacement or upgrade decisions.

In the first quarter of 2015, excess production facility capacity was utilized to produce finished standard equipment inventories and support stocking Eastern hemisphere regional locations. In the second quarter of 2015, finished goods inventory build plans were significantly reduced which, in combination with reduced customer demand, resulted in the under absorption of production facility costs. Although cost containment initiatives have resulted in a decrease in overall variable production facility expenses, the overall decline in production levels has outpaced the reduction in costs.

Further cost cutting measures were put in place towards the end of the second quarter and again in the beginning of the third quarter. Although these cost containment measures will reduce production facility costs, near-term activity levels are anticipated to continue to decline which will offset any increase to overall production facility profitability. Given that a significant amount of production facility expenses are fixed, absent an increase in demand, under absorption of production facility expenses will likely persist.

Foreign currency trends have been positive for McCoy Global at its Canadian production facility. However, current market conditions have created a challenging market environment and pricing pressure has been realized on certain orders.

GENERAL AND ADMINISTRATION (G&A)

	For the 3 months ended June 30				For the 6 months ended June 30			
($000 except percentages)	**2015**	2014	Change	% Change	**2015**	2014	Change	% Change
G&A	**4,949**	6,923	(1,974)	(29)%	**10,923**	13,897	(2,974)	(21)%
G&A as a % of revenue	***22%***	*25%*	*(3)%*		***22%***	*25%*	*(3)%*	

For the three months ended June 30, 2015, G&A expense totaled $4.9 million, a $2.0 million or 29% decrease from the comparative period. As a percentage of revenue, G&A expense was 22% for the three months ended June 30, 2015, a decrease of 3 percentage points from the comparative period.

For the six months ended June 30, 2015, G&A expenses totaled $10.9 million, a $3.0 million or 21% decrease in comparison to the six months ended June 30, 2014. As a percentage of revenue, G&A expense was 22% for the six months ended June 30, 2015, a decrease of 3 percentage points from the comparative period.

Continued discipline over discretionary spending and the execution of cost reduction initiatives contributed to overall decrease in overhead expenditures. This was offset to some extent by G&A costs added to support Eastern hemisphere regional locations and by the impact of foreign exchange as a significant portion of G&A expenses are denominated in United States dollars. The weakening Canadian dollar has negatively impacted general and administrative expense.

Cost containment initiatives are in place and are being executed upon by management. McCoy Global's overhead structure continues to be reviewed and reductions in spend will continue to occur where it is considered prudent.

The nature of the Corporation's global operations do require a minimum level of overhead support to meet statutory and regulatory obligations regardless of the revenues generated by the organization.

SALES AND MARKETING

($000 except percentages)	For the 3 months ended June 30				For the 6 months ended June 30			
	2015	2014	Change	% Change	**2015**	2014	Change	% Change
Sales and marketing	**1,467**	1,492	(25)	(2)%	**2,865**	2,864	1	-
Sales and marketing as a % of revenue	***6%***	*5%*	*1%*		***6%***	*5%*	*1%*	

Sales and marketing expense for the three months ended June 30, 2015 was $1.5 million, which was consistent with the comparative quarter. As a percentage of revenue, sales and marketing expense was 6% for the three months ended June 30, 2015, which is a 1% increase from the comparative quarter of 2014.

Sales and marketing expense for the six months ended June 30, 2015 was $2.9 million, which was consistent with the comparative quarter. As a percentage of revenue, sales and marketing expense was 6% for the six months ended June 30, 2015, which is a 1% increase from the comparative period.

Sales and marketing expense continues to be scrutinized and cost containment initiatives are in place. A strong sales and marketing function remains a priority through the current downturn and significant decreases in sales and marketing expense are not anticipated.

RESEARCH AND DEVELOPMENT (R&D)

($000 except percentages)	For the three months ended June 30				For the six months ended June 30			
	2015	2014	Change	% Change	**2015**	2014	Change	% Change
R&D expense	**412**	369	43	12%	**822**	809	13	2%
Capitalized development expenditures	**183**	718	(535)	(75)%	**797**	1,411	(614)	(44)%
R&D expenditures	**595**	1,087	(492)	(45)%	**1,619**	2,220	(601)	(27)%
R&D expenditures as a % of revenue	***3%***	*4%*	*(1)%*		***3%***	*4%*	*(1)%*	

R&D expenditures for the three months ended June 30, 2015 was $0.6 million, a decrease of 0.5 million from the comparative period. R&D expenditures, as a percentage of revenue, was one percentage point lower than the comparative period.

R&D expenditures for the six months ended June 30, 2015 was $1.6 million, a decrease of $0.6 million from the comparative period. R&D expenditures, as a percentage of revenue, was one percentage point lower than the comparative period.

Although the current downturn is a challenging environment for commercializing and marketing new products, R&D continues to be a component of McCoy Global's long-term growth strategy. Management continues to closely monitor and evaluate R&D expenditures and will continue to evaluate future new product development opportunities with prudence.

FINANCE CHARGES (NET)

($000 except percentages)	For the 3 months ended June 30				For the 6 months ended June 30			
	2015	2014	Change	% Change	**2015**	2014	Change	% Change
Finance charges (net)	**131**	114	17	15%	**224**	215	9	4%

For the three months ended June 30, 2015, finance charges (net) were $0.1 million, consistent with the comparative quarter.

OTHER GAINS AND LOSSES (NET)

($000 except percentages)	For the 3 months ended June 30				For the 6 months ended June 30			
	2015	2014	Change	% Change	**2015**	2014	Change	% Change
Other (gains) and losses (net)	**88**	22	66	300%	**(549)**	829	(1,378)	(166)%

Other gains and losses (net) consist primarily of foreign exchange gains or losses on the Corporation's United States denominated financial instruments held by Canadian entities.

ADJUSTED EBITDA

($000 except percentages)	For the 3 months ended June 30				For the 6 months ended June 30			
	2015	2014	Change	% Change	**2015**	2014	Change	% Change
Adjusted EBITDA	**1,312**	3,852	(2,540)	(66)%	**7,146**	8,031	(885)	(11)%
Adjusted EBITDA as a % of revenue	***6%***	*14%*	*(8)%*		***15%***	*15%*	-	

For the three months ended June 30, 2015, adjusted EBITDA decreased by $2.5 million or 66% from the comparative period. As a percentage of revenue, adjusted EBITDA decreased by 8 percentage points, to 6%, in comparison to the prior quarter.

For the six months ended June 30, 2015, adjusted EBITDA decreased by $0.9 million from the comparative period and adjusted EBITDA as a percentage of revenue is consistent with the comparative period.

Adjusted EBITDA for the three months ended June 30, 2015, was impacted by a reduction in gross profit which was partially offset by the impact of reduced general and administrative expenses.

SUMMARY OF QUARTERLY RESULTS

	2015		2014				2013	
($000 except per share	**Jun 30**	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
Revenue	**22,952**	25,800	27,209	38,275	27,915	27,220	25,105	28,804
(Loss) earnings from continuing operations	**(451)**	2,229	1,753	4,163	2,258	1,195	372	3,458
Basic (loss) earnings per share from continuing operations	**(0.02)**	0.08	0.06	0.15	0.08	0.04	0.02	0.13
Diluted (loss) earnings per share from continuing operations	**(0.02)**	0.08	0.06	0.15	0.08	0.04	0.02	0.13
Net (loss) earnings	**(451)**	2,229	1,477	5,747	8,262	2,521	701	4,031
Basic (loss) earnings per	**(0.02)**	0.08	0.05	0.21	0.30	0.09	0.03	0.15
Diluted (loss) earnings per share	**(0.02)**	0.08	0.05	0.21	0.30	0.09	0.03	0.15
Adjusted EBITDA	**1,312**	5,834	4,957	7,998	3,852	4,179	2,317	6,515

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW

At June 30, 2015, the Corporation has $23.0 million in cash and cash equivalents and access to a $50 million credit facility which expires on May 31, 2018. The credit facility contains a $30 million accordion feature. As of June 30, 2015 the Corporation has no debt.

Selected cash flow information is as follows:

For the six months ended June 30 ($000)	**2015**	2014
Cash (used in) generated from operating activities	**(4,412)**	1,789
Cash (used in) generated from investing activities	**(775)**	10,506
Cash used in financing activities	**(2,735)**	(2,098)
Debt to equity ratio	**0.21 to 1**	0.35 to 1

Cash used in operating activities for the six months ended June 30, 2015 was $4.4 million compared to $1.8 million of cash generated in the same period in 2014. Operating cash flows for both the current and comparative quarter were impacted by working capital increases, primarily related to inventory. Inventory levels have increased to support aftermarket inventories at Eastern hemisphere regional locations, to establish an inventory of finished goods capital equipment and to support the development of the weBUCK and weHOLD product lines. This was offset by a decline in inventories held at production facilities in Canada and the United States. The cash flow impact of the inventory increase was partially offset by the collection of a significant balance of trade accounts receivable outstanding at December 31, 2014. Operating cash flows were also impacted by a decrease of $0.9 million in adjusted EBITDA and a $3.1 million increase in cash tax payments. The increase in tax payments in 2015 is primarily a result of paying 2014 tax balances outstanding, whereas in the comparative period a net tax refund was received. The Corporation remains focused on improving cash flows over the second half of 2015, most notably through reductions in inventories.

Cash used in investing activities for the six months ended June 30, 2015 was $0.8 million compared to $10.5 million of cash generated in the comparative quarter. During the six months ended June 30, 2014, the Corporation received $12.6 million of the proceeds from the sale of the Mobile Solutions segment. During the six months ended June 30, 2015, $0.8 million of proceeds related to the sale were released from escrow. Additions to intangible assets primarily relate to investment in new product development initiatives. Purchases of property, plant and equipment primarily consist of additions to regional equipment rental fleets.

Cash used in financing activities for the six months ended June 30, 2015 was $2.7 million compared to $2.1 million in the comparative quarter. The change was a result of additional cash generated in the comparative period from the issuance of share capital on the exercise of options. Dividend payments were consistent period to period.

Management believes that with the projected level of operations for 2015 and the availability of cash and cash equivalents along with funds available under the established credit facility, McCoy Global will have sufficient capital to fund its operations and strategic growth plans. Historically, capital expansion has been financed by cash provided from operating activities, or by utilizing existing credit facilities. Management may also consider raising proceeds through equity or debt offerings. Management consistently monitors economic conditions and will manage capital spending accordingly.

OTHER FINANCIAL INFORMATION

OUTSTANDING SHARE DATA

As at August 6, 2015 the following class of shares and equity securities potentially convertible into common shares were outstanding:

Common shares	27,704,239
Convertible equity securities:	
Stock options	1,688,337

The stock options are exercisable into an equal number of common shares.

Dividends

A summary of historical dividend information is as follows:

Dividend declared	Dividend paid	Amount per common share
May 15, 2015	June 11, 2015	$0.05
March 11, 2015	April 13, 2015	$0.05
December 4, 2014	December 31, 2014	$0.05
September 9, 2014	October 8, 2014	$0.05
May 23, 2014	June 20, 2014	$0.05
March 14, 2014	April 14, 2014	$0.05
December 10, 2013	December 31, 2013	$0.05
September 26, 2013	October 25, 2013	$0.05
May 16, 2013	June 14, 2013	$0.05
March 14, 2013	April 12, 2013	$0.05

CONTROLS AND PROCEDURES

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management has evaluated whether there were changes in our Internal Controls over Financial Reporting (ICFR) during the six month period ended June 30, 2015 that have materially affected, or are reasonably likely to materially affect, our ICFR. No such changes have been identified. Please see page 31 of McCoy Global's 2014 Annual Report for a discussion of internal controls over financial reporting and disclosure controls.

ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Management is responsible for establishing and maintaining adequate ICFR.

OTHER INFORMATION

Additional information relating to the Corporation, including the Corporation's Annual Information Form for the year end December 31, 2014 is available on SEDAR at www.sedar.com.

OTHER INTERIM MD&A REQUIREMENTS

There have been no significant changes in the following items from those described in our 2014 Annual Report. Please refer to the page numbers listed below from McCoy Global's 2014 Annual Report:

- Financial instruments and financial risk management – pages 23-25;
- Capital management – page 26;
- Contractual obligations and off balance sheet arrangements – page 27;
- Related party transactions – pages 27-28;
- Critical accounting estimates and judgements – page 29; and
- Critical risks and uncertainties – pages 32-35.