MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

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EXPLANATORY NOTES

The following Management's Discussion and Analysis of Financial Results ("MD&A"), dated November 5, 2021, 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, 2020 and 2019. 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:

- business strategy;
- future development and organic growth prospects;
- impact of re-structuring plans and cost structure;
- competitive advantages; and
- merger and acquisition strategy.

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 and operating strategies of the Corporation; which 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 considers 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:

- oil and natural gas price fluctuations;
- domestic and foreign competition;
- technology;
- replacement or reduced use of products and services;
- international operations and international trade relations;
- global health crisis;
- major operations disruption due to severe weather events;
- ability to effectively manage growth;
- business mergers and acquisitions;
- insurance sufficiency, availability and rate risk;
- supply chain disruption and increasing material costs;
- reliance on key persons workforce availability;
- legal compliance;
- litigation;
- breach of confidentiality;
- shareholder activism;
- safety performance;
- foreign exchange;
- availability of financing;
- raising equity through the issuance of shares;
- customers' inability to obtain credit/financing;
- material differences between actual results and management estimates and assumptions;
- Greenhouse Gas ("GHG") regulations and other climate change related ;
- change in U.S. administration;
- conservation measures and technological advances;
- terrorist attack or armed conflict;
- sufficiency of internal controls;
- information security; and
- challenges by taxation authorities.

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 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 measures presented under IFRS.

EBITDA is non-GAAP measure defined as net earnings (loss), before:

- depreciation of property, plant and equipment;
- amortization of intangible assets;
- income tax expense (recovery); and
- finance charges, net.

Adjusted EBITDA is a non-GAAP measure defined as net (loss) earnings, before:

- depreciation of property, plant and equipment;
- amortization of intangible assets;
- income tax expense (recovery);
- finance charges, net;
- provisions for (recovery of) excess and obsolete inventory;
- other losses (gains), net;
- restructuring charges;
- share-based compensation; and
- impairment losses.

The Corporation reports on EBITDA and adjusted EBITDA because they are important measures used by management to evaluate performance. The Corporation believes adjusted EBITDA assists investors in assessing McCoy Global's current operating performance on a consistent basis without regard to non-cash, unusual (i.e. infrequent and not considered part of ongoing operations), or non-recurring items that can vary significantly depending on accounting methods or non-operating factors.

Adjusted EBITDA is not considered an alternative to net earnings or loss in measuring McCoy Global's performance. Adjusted EBITDA does not have a standardized meaning and is therefore not likely to be comparable to similar measures used by other issuers. 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 statements of cash flows.

STRATEGIC ACHIEVEMENTS

McCoy remains committed to its key strategic objectives and we are pleased to report our progress:

Advancing our Digital Technology Roadmap

To support a prosperous future regardless of market conditions, we committed to prudent investment in our "Digital Technology Roadmap" initiative. Since January 1, 2021, we achieved key development milestones on McCoy's Smart Tubular Running System (SmartTR™):

- Completed prototyping, internal design validation, and internal field trials for McCoy's SmartCRT™ , an intelligent, connected enhancement of our conventional casing running tool that offers superior safety, efficiency and simplified operating procedures. We expect to complete a final internal field test and begin customer field testing before the end of the year.

- Conducted external field trials for our Virtual ThreadRep™ 2.0 technology with over 5,500 connections completed, the equivalent of 13 wells. Virtual ThreadRep™ 2.0 allows customers to remotely monitor and control premium connection make-up. Field trials conducted jointly with a US Tier-1 driller and an industry leading Thread OEM using a CRT application yielded strong results and allowed for increased efficiency by reducing onsite personnel by 25%. Field trials for Virtual ThreadRep 2.0™ under conventional casing running applications using hydraulic power tongs are ongoing as our development team completes further software enhancements. These enhancements will enable our customers to successfully reduce onsite personnel and obtain complete downhole connection data to support ESG reporting.

- During the third quarter, the second of three phases of development for McCoy's "Virtual ThreadRep™ 3.0" technology was completed. Virtual ThreadRep™ 3.0 remains on track for customer deployment in H1 2022 and will allow the torque turn software to autonomously evaluate and confirm premium connection make-up. Our digital, cloud-based platform, Nimbus™ that enables Virtual ThreadRep™, is the foundation for our continued development as we integrate, digitize, and automate the historically manual processes of tubular make up through our SmartTR™. This integrated system will enhance safety, efficiency and wellbore integrity for our customers while significantly reducing cost.

- The focus on commercial success of our innovations remains key to McCoy's future. For the nine months ended September 30, 2021, new product and technology offerings[1] contributed $4.1 million, or 18% of total revenue (nine months ended September 30, 2020 – $6.1 million or 21%). 2021 continues to be a pivotal year for McCoy as we gain traction on our 'Smart' product offerings, grow market adoption, and continue to build momentum on new product revenues. Orders received in the third quarter of 2021 will support our 2021 annualized new product revenue performance.

- Looking ahead, we plan to deploy up to US$0.5 million of investment on the Corporation's Digital Technology Roadmap for the remainder of 2021 to advance the development of the remaining components of McCoy's SmartTR™.

[1] McCoy defines new product and technology offerings as products or technologies introduced to our portfolio in the past 36 months.

Earnings Performance & Free Cashflow Generation

Improving market conditions coupled with McCoy's continued fiscal discipline resulted in Adjusted EBITDA of $1.4 million or 14% of revenue for the third quarter (Q3 2020 – Adjusted EBITDA of $0.4 million, or 5% of revenue). Adjusted EBITDA performance for the quarter was positively impacted by steady improvements in aftermarket revenues. Gross profit percentage improved to 30% of revenue in comparison to 23% in the third quarter of 2020, largely a result of maintaining a lean cost structure while increasing throughput. We expect our operational leverage to continue to provide a foundation for strong earnings growth as revenues further rebound.

In addition to solid earnings performance, we generated $1.3 million of free cashflow during the third quarter due to focused working capital management and prudent capital investment.

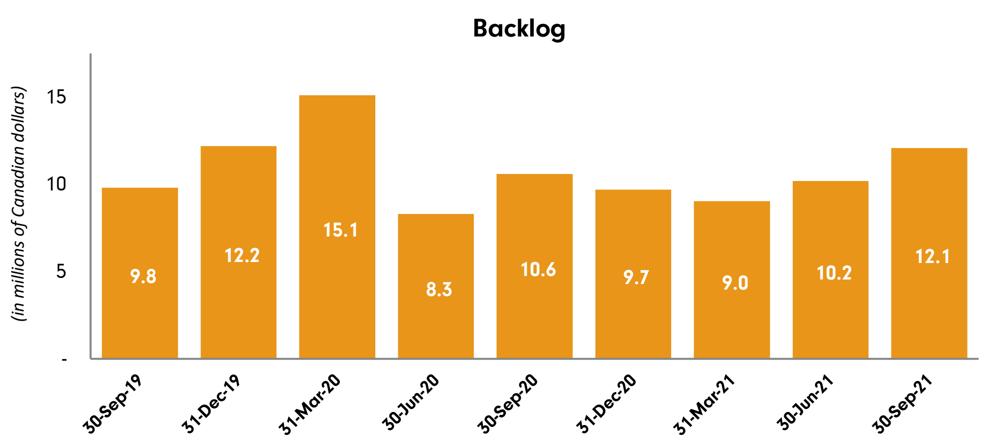
Subsequent to September 30, 2021, McCoy received confirmation that the full balance of borrowings received under the US Paycheck Protection Program (PPP) were forgiven. If confirmation was received on or before September 30, 2021, as at September 30, 2021, McCoy would have reported net cash of $8.6 million, positioning us well for 2022.

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, however may be secured by a deposit and/or require reimbursement by the customer upon default or cancellation. Backlog reflects likely future revenues; however, cancellations or reductions may occur and there can be no assurance that backlog amounts will ultimately be realized as revenue, or that the Corporation will earn a profit on backlog once fulfilled. Expected delivery dates for orders recorded in backlog historically spanned from one to six months.

McCoy Global's backlog as at September 30, 2021 totaled $12.1 million (US$9.5 million), an increase of $1.9 million or 19% from backlog of $10.2 million (US$8.3 million) as at June 30, 2021. Compared to September 30, 2020 backlog increased $1.5 million, or 14%, from $10.6 million (US$7.9 million).



Book-to-Bill Ratio

The book-to-bill ratio is a measure of the amount of net sales orders received to revenues recognized. 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. Orders received are those orders in a period which have been included in backlog. Orders received are typically booked in $USD. For each reporting period, orders received are converted to $CAD at an average foreign exchange rate for the period. As a result, orders received can fluctuate from one reporting period to another because of foreign exchange volatility. Set out below are orders received, revenue and the book-to-bill ratio:

OUTLOOK AND FORWARD-LOOKING INFORMATION

McCoy reported strong order intake of $11.4 million for the third quarter of 2021, a sequential increase of $4.0 million or 54% compared to the second quarter. This was primarily driven by project approvals released by many National Oil Companies (NOC's) in the eastern hemisphere as well as a Smart Hydraulic Power Tong order destined for offshore Brazil. With backlog rebounding to levels only seen pre-pandemic, McCoy is well positioned for another strong quarter to close out 2021. McCoy has been able to leverage its engineering capabilities, technology offerings and leading market position for revenue sustainability, particularly in these international and offshore regions.

Looking ahead to 2022, the activity levels in the oil and gas industry are expected to improve as global economies stabilize and grow. With the most complete tubular running suite of products and strong balance sheet, McCoy is well positioned to respond to an improving market. Further, we expect commercial opportunities with our new Smart technology offering to accelerate in a more robust market.

In summary, we will continue to focus on our key strategic initiatives to navigate to success:

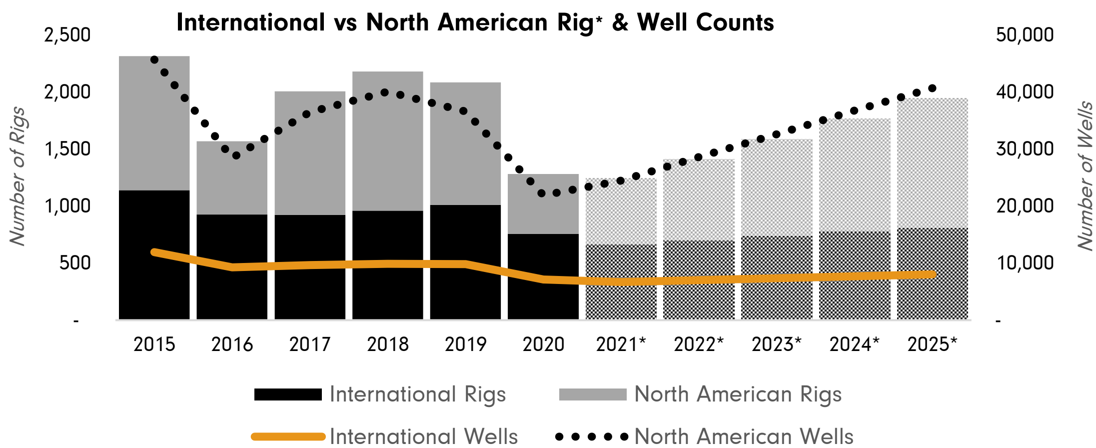
- Growing market adoption of new and recently developed 'Smart' portfolio products;
- Prudently investing in technology development initiatives;
- Continuing to build our equipment rental fleet to offer flexible solutions to customers where meaningful returns are expected; and
- Generating cashflow from operations through fiscal discipline and continued working capital efficiency, despite uncertain market conditions ahead.

We believe this strategy, together with our committed and agile team, our global brand recognition, intimate customer knowledge and global footprint will further advance McCoy's competitive position, regardless of the market environment.

MARKET CONDITIONS

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, these metrics are leading indicators of demand for McCoy Global's products and services, although there are many factors that may impact any correlation.

A summary of historical and forecasted rig and well counts, which includes both land and offshore, obtained from Spears & Associates Drilling and Production Outlook, June 2021, is as follows:



**Cumulative*
***Forecasted*

The demand for McCoy Global's products and services is related to drilling activity levels and customers' capital and operating budgets, which in turn are influenced by oil and natural gas prices and expectations as to future price trends. The availability of existing capital equipment adequate to serve drilling activity requirements, or lack thereof, further drives demand levels for McCoy's capital equipment products. The COVID-19 pandemic has resulted in a historic drop in global demand for oil, driving the collapse of oil and gas prices and significant declines in drilling activity. In response, E&P capital spending was cut materially, particularly in the North American land market where drilling activity continues to remain below pre-pandemic levels.

BUSINESS VISION

Our vision is to leverage our global reputation of unparalleled expertise and trusted partnerships to transform tubular running operations, delivering unmatched safety and efficiency while reducing environmental impact through Smart Solutions

McCoy Global Inc. is incorporated and domiciled in Canada and is a leading provider of technologies and equipment 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 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, nuclear and aerospace;
- repair, maintenance, and calibration of the Corporation's capital equipment and similar competitor products; and
- rental and subscription of the Corporation's products and technologies.

The oil & gas extraction complex has experienced an increasingly volatile pricing environment and growing public and investor pressure to reduce its impact on the environment and improve safety. In turn, producers have been acutely focused on managing their costs and adapting their business strategy to demonstrate compliance with broader sustainability efforts.

McCoy has a reputation of innovation within tubular running services (TRS) operations globally. The Corporation has extensive experience launching new products into the markets it serves, offering the highest quality and safety standards available, and has done so for more than three decades.

McCoy believes the TRS space is primed for transformation employing automation and machine learning. Tools and processes used in TRS today are mechanical, highly repetitive, require significant labour inputs, have a high rate of personnel safety exposure, and maintain minimal well integrity data. Recognizing this opportunity, McCoy has conceptualized a 'Smart' TRS system that will operate autonomously using the Corporation's cloud-based data repository and machine learning to improve effectiveness. Our cloud-based platform and digital infrastructure that was developed in 2019, will enable future digital product offerings and enhancements. This cloud based, real time, remote data transmission infrastructure will support our ability to integrate, digitize, and automate the historically manual processes of tubular make up through our SmartTR™ automated casing running system. The product suite includes five 'Smart' products: Virtual Thread Rep™, SmartCRT™, SmartFMS™, McCoy's Smart Tong, and McCoy's Smart Tailing Stabbing Arm.

McCoy is engaged with three key customer groups:

Service Companies and Drilling Contractors - Producers are challenging contractors, across the board, to reduce costs. In many cases, their largest cost is people. With five years of decreasing oil and gas activity, personnel have left the industry to the point where there is now a critical shortage of skilled and experienced labour. Personnel safety, the shortage of experienced people, and the reality that 65% of TRS cost is directly attributable to labour, is a driving force behind the transition to an increasingly automated system.

Producers – McCoy's Virtual Thread Rep™ consolidates data on every connection made in a Producer's completion program. This repository of data supports verifiable and reliable well integrity that validates Environmental Social Governance (ESG) initiatives under the SASB standard. In addition to providing enhanced data, remote operation can reduce up to 85% of the labour costs associated with TRS for our Producer group.

Tubular Manufacturers – Threaded connection integrity is the standard that all manufacturers are measured by. Tubular connections at wellsite, which are currently made up by people, will be controlled, and torqued to factory specifications by McCoy's 'Smart' tools, leveraging autonomous machine learning. OEM's and manufacturers will benefit from reduced operational risk with systems in place to ensure connections are made correctly and in accordance with specifications related to project parameters, reducing the environmental impact of faulty connections and leaking wells.

McCoy's digital strategy will meet this demand. Our cloud platform is the nucleus of the Corporation's digital strategy and serves as a repository for real-time, complete well integrity data. Taking advantage of its first mover status, McCoy expects to launch its next two 'Smart' products in the near term with the goal of having a fully automated TRS by the end of 2022.

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 FZE	United Arab Emirates	Eastern Hemisphere	100%
McCoy Global USA, Inc.	United States	United States, Central America & Latin America	100%

FINANCIAL RESULTS

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS

For the three months ended September 30 ($000 except per share amounts)	2021	2020
Revenue	**9,885**	7,621
Net earnings (loss)	**621**	(720)
Per common share – basic	**0.02**	(0.03)
Per common share – diluted	**0.02**	(0.03)
Adjusted EBITDA	**1,376**	365
Per common share – basic	**0.05**	0.01
Per common share – diluted	**0.05**	0.01

As at and for the nine months ended September 30 ($000 except per share amounts)	2021	2020
Revenue	**23,345**	29,305
Net earnings (loss)	**1,614**	(25)
Per common share – basic	**0.06**	-
Per common share – diluted	**0.06**	-
Adjusted EBITDA	**2,224**	3,614
Per common share – basic	**0.08**	0.13
Per common share – diluted	**0.08**	0.13
Total assets	**55,888**	58,380
Total liabilities	**18,266**	19,554
Total non-current liabilities	**9,978**	10,702

EBITDA and Adjusted EBITDA are calculated as follows:

($000)	Three months ended September 30 2021	Three months ended September 30 2020	Nine months ended September 30 2021	Nine months ended September 30 2020
Net earnings (loss)	**621**	(720)	**1,614**	(25)
Depreciation of property, plant and equipment	**516**	578	**1,509**	1,972
Amortization of intangible assets	**199**	211	**593**	638
Finance charges, net	**214**	243	**661**	691
EBITDA	**1,551**	312	**4,377**	3,276
Restructuring charges	**-**	-	**-**	136
Share-based compensation	**(40)**	29	**479**	91
Provisions for (reversals of) excess and obsolete inventory	**(80)**	321	**(276)**	1,036
Other (gains) losses, net	**(53)**	(297)	**(2,355)**	(925)
Adjusted EBITDA	**1,376**	365	**2,225**	3,614

REVENUE

($000 except percentages)	Three months ended September 30 2021	2020	Change	% Change	Nine months ended September 30 2021	2020	Change	% Change
Revenue	**9,885**	7,621	2,264	30%	**23,345**	29,305	(5,960)	(20%)

For the three months ended September 30, 2021, strengthening industry fundamentals as well as $2.0 million of shipments carried over due to delays in collection of customer advanced payments led to a sequential increase of $3.8 million from second quarter 2021 revenues.

In comparison to the three months ended September 30, 2020, third quarter 2021 revenues increased by $2.2 million which was substantially driven by aftermarket revenues, including increased service and rental activity.

Revenue for the three and nine months ended September 30, 2020 was impacted by the sharp decline in order intake experienced in the second quarter of 2020 as a result of the COVID-19 pandemic, impacting both capital equipment and aftermarket revenues, particularly in the US land market.

GROSS PROFIT

($000 except percentages)	Three months ended September 30 2021	2020	Change	% Change	Nine months ended September 30 2021	2020	Change	% Change
Gross profit	**2,924**	1,055	1,869	177%	**6,702**	6,983	(281)	(4%)
Gross profit % of revenue	***30%***	*14%*	*16%*		***29%***	*24%*	*5%*	

For the three and nine months ended September 30, 2021, gross profit percentage improved from the comparative period. The increase was largely a result of favourable product mix, resulting from a strong uptick in aftermarket revenues as the impacts of the COVID-19 pandemic lessen. For the three months ended September 20, 2021, continued focus on productivity improvement and supply chain efficiencies allowed for increased throughput with minimal incremental overhead spend which further improved gross profit percentage in comparison to the third quarter of 2020.

Gross profit for the three months ended September 30, 2021 includes a $0.1 million recovery for previously reserved excess and obsolete inventory (2020 – provision of $0.3 million). Gross profit for the nine months ended September 30, 2021 includes a $0.3 million recovery for previously reserved excess and obsolete inventory (2020 – provision of $1.0 million).

GENERAL AND ADMINISTRATION EXPENSE (G&A)

($000 except percentages)	Three months ended September 30 2021	2020	Change	% Change	Nine months ended September 30 2021	2020	Change	% Change
G&A	**1,328**	1,122	206	18%	4,415	4,294	121	3%
G&A as a % of revenue	***13%***	*15%*	*(1%)*		*19%*	*15%*	*4%*	

For the three and nine months ended September 30, 2021, period over period fluctuations in G&A primarily resulted from impairments and reversals for trade accounts. For the three months ended September 30, 2021, G&A includes a nominal provision for impaired trade accounts (2020 – $0.2 million reversal for previously impaired trade accounts). For the nine months ended September 30, 2021, G&A includes a nominal reversal for previously impaired trade accounts (2020 – $0.5 million reversal for previously impaired trade accounts). For the nine months ended September 30, 2021, G&A was also impacted by the full year impact of decline in spend relates to cost reduction initiatives. The Corporation continues to focus on driving incremental efficiencies into this area of the business.

SALES AND MARKETING EXPENSE (SALES & MARKETING)

($000 except percentages)	Three months ended September 30				Nine months ended September 30			
	2021	2020	Change	% Change	**2021**	2020	Change	% Change
Sales & Marketing	**328**	325	3	1%	**1,037**	1,108	(71)	(6%)
Sales & Marketing as a % of revenue	***3%***	*4%*	*(1%)*		***4%***	*4%*	*-%*	

For the three and nine months ended September 30, 2021, Sales & Marketing remained consistent with the comparative periods as a result of cost reduction initiatives enacted in April 2020 offset by certain targeted marketing initiatives related to soon-to-be commercial products under the Corporation's 'Digital Technology Roadmap.'

RESEARCH AND DEVELOPMENT (R&D)

($000 except percentages)	Three months ended September 30				Nine months ended September 30			
	2021	2020	Change	% Change	**2021**	2020	Change	% Change
R&D expense	**488**	382	106	28%	**1,330**	1,704	(374)	(22%)
Capitalized development expenditures	**521**	296	225	76%	**1,365**	801	564	70%
R&D expenditures	**1,009**	678	331	49%	**2,695**	2,505	190	8%
R&D expenditures as a % of revenue	***10%***	*9%*	*1%*		***12%***	*9%*	*3%*	

During the three and nine months ended September 30, 2021, McCoy further advanced its 'Digital Technology Roadmap' initiative through the continued development of 'Smart' product offerings that will be digitally integrated into its automated tubular running system SmartTR™. For the nine months ended September 30, 2021, capitalized development expenditures include internal product design and development hours, in addition to $0.7 million (three months ended September 30, 2021 - $0.4 million) of prototype materials for the SmartFMS™ in addition to field trial expenditures for McCoy's SmartCRT™ and Virtual Thread Rep™ 2.0. For 2021, the Corporation has committed up to US$2.1 million of growth capital to accelerate its 'Digital Technology Roadmap' initiative by integrating these product offerings into SmartTR™, McCoy's fully automated casing running system.

During the three and nine months ended September 30, 2020, capitalized development expenditures pertained to detail design work completed for McCoy's new Smart product offerings, including the SmartCRT™ and Virtual Thread Rep™.

Other Items

($000 except percentages)	Three months ended September 30 2021	2020	Change	% Change	Nine months ended September 30 2021	2020	Change	% Change
Finance charges, net	**214**	243	(29)	(12%)	**661**	691	(30)	(4%)
Other gains, net	**(54)**	(297)	243	(82%)	**(2,355)**	(925)	(1,430)	155%
Restructuring charges	**-**	-	-	-	**-**	136	(136)	(100%)

Finance charges, net, includes borrowing costs, finance charges imputed on leases in accordance with IFRS 16, offset by interest income on cash and cash equivalents.

For the nine months ended September 30, 2021, other gains, net is comprised primarily of US $2.0 million loan forgiveness of the US Paycheck Protection Program, government assistance payments related to the Canadian Emergency Wage and Rent Subsidies, as well as gains on the disposal of property, plant and equipment, offset by a one-time retroactive payment to employees and foreign exchange losses. For the nine months ended September 30, 2020, other gains include $0.3 million of government assistance payments in connection with the Canadian Emergency Wage Subsidy and $0.3 million of proceeds that were in previously in dispute under a 2014 business divesture.

Restructuring charges recognized during the nine months ended September 30, 2020 relate to restructuring initiatives announced in April of 2020.

Summary of Quarterly Results

($000 except per share amounts)	2021 Sep 30	2021 Jun 30	2021 Mar 31	2020 Dec 31	2020 Sep 30	2020 Jun 30	2020 Mar 31	2019 Dec 31
Revenue	**9,885**	6,086	7,374	9,369	7,621	10,361	11,323	11,875
Net earnings (loss)	**621**	1,151	(158)	(2,150)	(720)	782	(87)	61
Basic and diluted earnings (loss) per share	**0.02**	0.04	(0.01)	(0.08)	(0.03)	0.03	-	-
EBITDA	**1,551**	2,077	749	(1,116)	312	1,886	1,078	1,176
Adjusted EBITDA	**1,377**	174	673	153	365	1,327	1,919	1,487

LIQUIDITY AND CAPITAL RESOURCES

As at ($000)	September 30, 2021	December 31, 2020
Cash and cash equivalents	**12,773**	12,136
Restricted cash, as per credit facility	**885**	500
Borrowings	**(5,154)**	(4,532)
Borrowings under US Paycheck Protection Program (PPP)	**(2,499)**	(2,772)
Net cash	**6,005**	5,332
Undrawn availability under revolving demand facility	**3,185**	3,183
Undrawn availability under term facility	**-**	1,273

Subsequent to September 30, 2020, McCoy received confirmation that the full balance of borrowings received under the US Paycheck Protection Program (PPP) were forgiven. If confirmation was received on or before September 30, 2021, McCoy's would have reported a net cash position as at September 30, 2021 of $8.6 million.

McCoy remains committed to managing the business for success in the current market environment through diligently maintaining cost reduction actions enacted in 2020. Though uncertainty on the timing and magnitude of increased customer demand driven by improving drilling activity levels continues to be a challenge in developing forecasts for the Corporation, generating operating cashflows and increasing working capital efficiency regardless of market conditions is a key priority for the Corporation.

Anticipated capital spending for the remainder of 2021 includes:

- up to US$0.5 million of investment in Corporation's Digital Technology Roadmap, primarily related to prototyping, field trials, and certification costs;
- strategic investment in rental equipment where meaningful returns are expected; and
- nominal investments in production facility equipment.

:

Selected cash flow information is as follows:

($000)	Three months ended September 30 2021	Three months ended September 30 2020	Nine months ended September 30 2021	Nine months ended September 30 2020
Cash generated from (used in) operating activities	**2,124**	674	**(127)**	2,278
Cash used in investing activities	**(858)**	(468)	**(1,589)**	(1,791)
Cash generated from (used in) financing activities	**268**	(1,016)	**2,438**	(249)
Debt to equity ratio	**0.49 to 1**	0.50 to 1	**0.49 to 1**	0.50 to 1

For the current and comparative period, cash generated from (used in) operating activities primarily resulted from strong EBITDA performance, changes in working capital balances, and finance costs paid.

During both the current and comparative periods, cash used in investing activities related to product development under McCoy's 'Digital Technology Roadmap' and strategic equipment additions to the Corporation's rental fleet, offset by proceeds from sale of certain equipment.

For the nine months ended September 30, 2021, cash generated from financing activities relates to $2.5 million of funding received under the Corporation's second application for a US PPP loan, $1.2 million of proceeds received from a final draw under its secured term facility, offset by scheduled debt repayments and principal elements of lease payments. Cash used in financing activities for the nine months ended September 30, 2020, relates to scheduled debt repayments under existing credit facilities and principle elements of lease payments, offset by proceeds received under the Corporation's first application for a US PPP loan.

OUTSTANDING SHARE DATA

As at November 5, 2021 the following class of shares and equity securities potentially convertible into common shares were outstanding:

Common shares	28,224,989
Convertible equity securities:	
Stock options	1,745,000
Restricted share plan units	587,500

The stock options and restricted share plan units are exercisable into an equal number of common shares. Stock options may be exercised after they have vested. Restricted share plan units are converted to common shares at pre-determined vesting dates. Options with the following exercise price ranges were outstanding as at November 5, 2021:

Exercise price range	Options outstanding	Weighted average remaining contractual life
	#	years
Less than $1	810,000	8.23
$1 to $2	530,000	5.14
$2 to $3	205,000	5.17
$3 to $4	200,000	3.36
	1,745,000	6.38

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 September 30, 2021 that have materially affected, or are reasonably likely to materially affect, our ICFR. No such changes have been identified.

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 ending December 31, 2020 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 2020 MD&A and Consolidated Annual Financial Statements. Please refer to the page numbers listed below from McCoy Global's 2020 MD&A and Consolidated Annual Financial Statements:

- Financial risk management and financial instruments – pages 38-40 Consolidated Annual Financial Statements;
- Capital management – page 41 Consolidated Annual Financial Statements;
- Contractual obligations – page 20 MD&A;
- Related party transactions – page 41 Consolidated Annual Financial Statements;
- Critical accounting estimates and judgements – pages 22-23 Consolidated Annual Financial Statements; and
- Risks and uncertainties – pages 25 MD&A.