MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022

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EXPLANATORY NOTES

The following Management's Discussion and Analysis of Financial Results ("MD&A"), dated August 5, 2022, 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, 2021 and 2020. The annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). 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 and 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 measures;
- change in government administrations;
- 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 earnings (loss), 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, 2022, we achieved key development milestones on McCoy's Smart Tubular Running System (SmartTR™):

- Reported the first two commercial sales for McCoy's FMS, the hydraulic rotary flush mounted spider that when fully connected (smartFMS™), handles casing while providing information on the state of the tool to the driller's display in real-time as well as the ability to integrate with the smartCRT™. We are presently completing tool demonstrations with a leading US Tubular Running Services company and are experiencing strong customer demand for this product with sales of several additional tools expected in the second half of 2022. Our McCoy FMS provides value to the customer today by automating manual rig procedures and will be enhanced when later integrated in the smarTR™ system.

- Successfully completed customer field trials for McCoy's smartCRT™ , an intelligent, connected enhancement of our conventional casing running tool that offers superior safety, efficiency and simplified operating procedure with a Middle East National Oil Company. With this achievement behind us, we have also accepted an order for two of the smartCRT™ tools, scheduled for delivery in Q4 of 2022.

- Completed further software enhancements for our Virtual Thread-Rep™ technology (VTR) for conventional casing running applications using hydraulic power tongs. These enhancements enable the torque turn software to autonomously evaluate and confirm premium connection make-up. In 2021, McCoy successfully completed external field trials with a Virtual Thread-Rep™ that allowed customers to remotely monitor and control premium connection make-up. Field trials conducted jointly with a major US driller and an industry leading Thread OEM using a CRT application yielded strong results for tubular make-up of 10 wells and allowed for increased efficiency by reducing onsite personnel by 25%. We continue to experience strong customer order intake for our McCoy Torque Turn system (MTT) as a result of the enhanced Virtual ThreadRep offering, which will translate to new product revenues in the coming quarters.

Adjusted EBITDA & Earnings Performance

McCoy's strong second quarter performance demonstrates the solid financial operating leverage we expect to deliver as our order book continues to build. Our continued commitment to fiscal discipline resulted in net earnings of $1.1 million or 8% of revenue (Q2 2021 – net earnings of $1.2 million, of which $2.4 million related to loan forgiveness of the Corporations' US Paycheck Protection Program borrowings). For the three months ended June 30, 2022, McCoy reported Adjusted EBITDA of $2.3 million or 18% of revenue (Q2 2021 – Adjusted EBITDA of $0.2 million or 3% of revenue) on revenues of $12.9 million (Q2 2021 - $6.1 million). Our efficient cost structure has proven a strong foundation to leverage earnings growth as revenues further rebound as the year progresses.

Despite the many supply chain and logistic challenges faced globally, continued focus on productivity improvement and supply chain management allowed for strong gross profit results. For the second quarter, McCoy reported gross profit percentage of 32% of revenue, a six percentage point improvement over the comparative period and a sequential improvement from the 30% gross profit percentage reported in Q1 of 2022. Although product mix has been more heavily weighted towards capital equipment, which typically commands higher material cost and in turn lower product line margins, the unfavourable shift in product mix experienced throughout the first half of 2022 has been more than offset by the benefit of increased production throughput.

OUTLOOK AND FORWARD-LOOKING INFORMATION

Including the $11.3 million of orders received for Hydraulic Power Tongs, Casing Running Tools (CRT) and MTT systems and related parts and accessories from a customer based in the Kingdom of Saudi Arabia in July, as at August 4, 2022, McCoy's backlog totals $27.4 million (US$21.3 million). McCoy's order book has not seen this magnitude since the first quarter of 2015, and this level of backlog will support strong revenue and earnings performance for the second half of 2022 and into 2023.

Although we expect the shift in product mix from these capital equipment orders to compress gross margin to some degree, as our capital equipment product lines typically command higher material costs in comparison to aftermarket products, this is expected to be partially offset by the benefit of increased production throughput against our fixed production overheads.

Despite current economic uncertainty and commodity price volatility, over the medium term, market fundamentals continue to be robust. Increased drilling activity levels paired with new international market entrants will serve to further enhance commercial opportunities for our smartCRT™. We also expect that the tightening labour market faced by our customers will serve to accelerate adoption of many of our new smart technology offerings, particularly in the US land region in both the near and long term.

As 2022 progresses, we continue to focus on our key strategic initiatives to deliver value to all of our stakeholders:

- Growing market adoption of new and recently developed 'smart' portfolio products;
- Taking advantage of the current market trajectory by focusing on revenue generation while continuing to successfully mitigate supply chain and logistic challenges;
- Continuing to build our equipment rental fleet to offer flexible solutions to customers where meaningful returns are expected;
- Prudently investing in technology development initiatives; and
- Generating cashflow from operations through fiscal discipline and continued working capital efficiency.

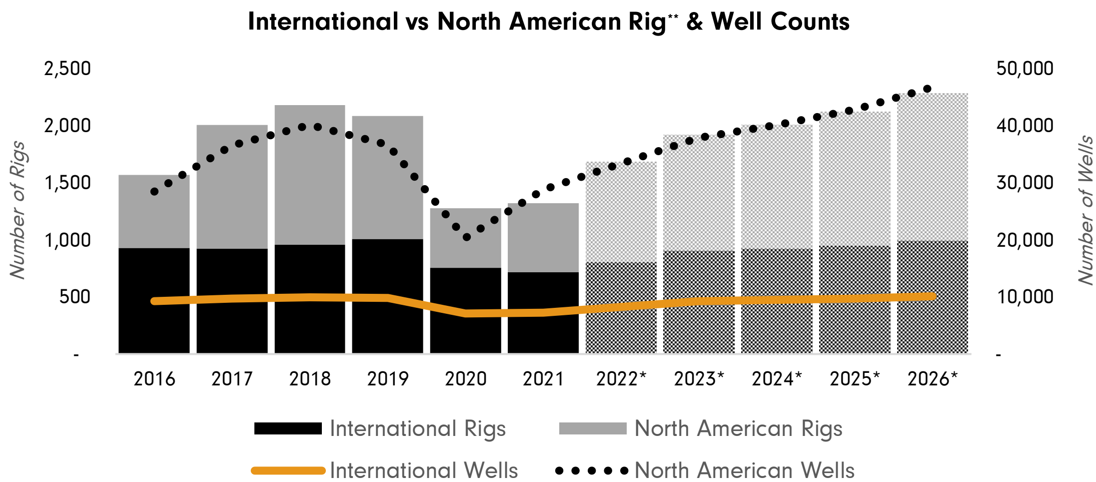
Subsequent to June 30, 2022, the Corporation committed to pursuing a sale and leaseback arrangement for its real estate located in Cedar Park, Texas currently held at net book value of $3.4 million. Proceeds from a potential sale transaction are expected to be used to repay the Corporation's $4.3 million (US$3.4 million) term loan bearing interest at US Prime plus 4.95% in addition tofunding current working capital increases and providing financial flexibility for future strategic growth..

We believe this strategy, together with our committed and agile team, McCoy's 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, March 2022, is as follows:



**Forecasted*
***Cumulative*

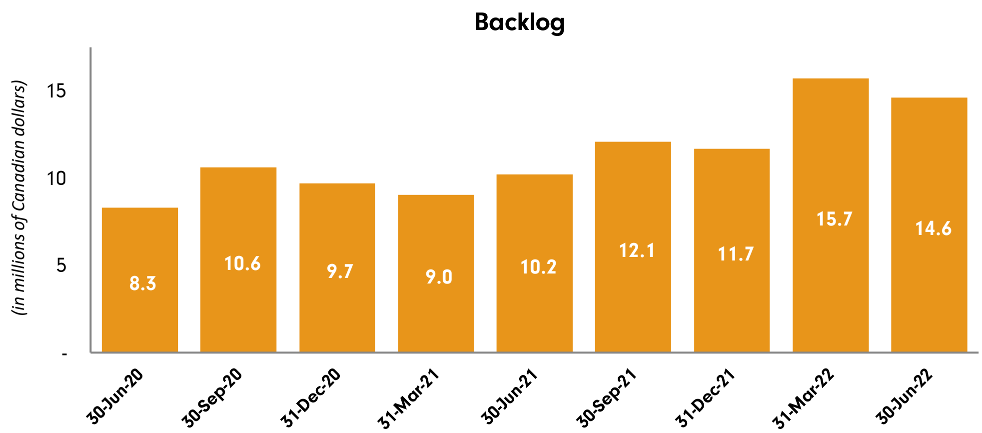
The demand for McCoy Global's products and services is related to drilling activity levels and customers' capital and operating budgets, which in turn are influenced by oil and natural gas prices and expectations as to future price trends. The availability of existing capital equipment adequate to serve drilling activity requirements, or lack thereof, further drives demand levels for McCoy's capital equipment products.

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 June 30, 2022 totaled $14.6 million (US$11.4 million), a decrease of $1.1 million or 7% from backlog of $15.7 million (US$12.6 million) as at March 31, 2022. Compared to June 30, 2021 backlog increased $4.4 million, or 43%, from $10.2 million. Subsequent to June 30, 2022 McCoy accepted orders totaling $11.3 million for Hydraulic Power Tongs, Casing Running Tools and McCoy Torque Turn systems and related parts and accessories for a customer based in the Kingdom of Saudi Arabia. Delivery of the equipment and technology is expected to take place over the second half of 2022 and first quarter of 2023. As at August 4, 2022 backlog totals $27.4 million (US$21.3 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:

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, revenue sharing and subscription of the Corporation's products and technologies.

Since mid-2008, 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 most 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. This lack of labour and the reality that 65% of TRS cost is directly attributed 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. 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 humans, 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.

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 June 30 ($000 except per share amounts)	**2022**	2021
Revenue	**12,863**	6,086
Net earnings	**1,051**	1,151
Per common share – basic	**0.04**	0.04
Per common share – diluted	**0.04**	0.04
As a % of revenue	***8%***	*19%*
Adjusted EBITDA	**2,296**	174
Per common share – basic	**0.08**	0.01
Per common share – diluted	**0.08**	0.01
As a % of revenue	***18%***	*3%*

As at and for the six months ended June 30 ($000 except per share amounts)	**2022**	2021
Revenue	**21,754**	13,460
Net earnings	**1,225**	993
Per common share – basic	**0.04**	0.04
Per common share – diluted	**0.04**	0.03
As a % of revenue	***6%***	*7%*
Adjusted EBITDA	**3,757**	848
Per common share – basic	**0.13**	0.03
Per common share – diluted	**0.13**	0.03
As a % of revenue	***17%***	*6%*
Total assets	**59,375**	53,505
Total liabilities	**17,395**	17,802
Total non-current liabilities	**5,413**	9,872

EBITDA and Adjusted EBITDA are calculated as follows:

($000)	Three months ended June 30 2022	2021	Six months ended June 30 2022	2021
Net earnings	**1,051**	1,151	**1,225**	993
Depreciation of property, plant and equipment	**440**	490	**1,036**	992
Amortization of intangible assets	**269**	194	**469**	394
Finance charges, net	**183**	242	**359**	447
EBITDA	**1,943**	2,077	**3,089**	2,826
Share-based compensation	**121**	334	**375**	519
Provisions (reversals) for excess and obsolete inventory	**234**	(112)	**496**	(196)
Other gains, net	**(2)**	(2,125)	**(203)**	(2,301)
Adjusted EBITDA	**2,296**	174	**3,757**	848

REVENUE

	For the 3 months ended June 30				For the 6 months ended June 30			
($000 except percentages)	**2022**	2021	Change	% Change	**2022**	2021	Change	% Change
Revenue	**12,863**	6,086	6,777	111%	**21,754**	13,460	8,294	62%

Revenue for the three and six months ended June 30, 2022 showed strong improvement from the comparative periods which were impacted by the depressed order intake experienced as a result of the COVID-19 pandemic.

Revenue for the three and six months ended June 30, 2022 continued to benefit from the rebound in activity as a result of strengthening industry fundamentals, particularly with respect to capital equipment and related parts and accessories.

GROSS PROFIT

	For the 3 months ended June 30				For the 6 months ended June 30			
($000 except percentages)	**2022**	2021	Change	% Change	**2022**	2021	Change	% Change
Gross profit	**4,077**	1,566	2,511	160%	**6,769**	3,778	2,991	79%
Gross profit %	***32%***	*26%*	*6%*		***31%***	*28%*	*3%*	

Gross profit as a percentage of revenue for the three and six months ended June 30, 2022 was 32% and 31% respectively, an increase of six and three percentage points, respectively from the comparable periods in 2021. Although product mix has been more heavily weighted towards capital equipment, which typically commands higher material cost and in turn lower product line margins, the unfavourable shift in product mix experienced throughout the first half of 2022 has been more than offset by the benefit of increased production throughput. Despite the many supply chain challenges faced globally, successful supply chain management has also allowed us to navigate cost headwinds and maintain, and in some cases improve, product margins.

Gross profit for the three months ended June 30, 2022 includes a $0.2 million provision for excess and obsolete inventory (2021 – $0.1 million recovery). Gross profit for the six months ended June 30, 2022 includes a $0.5 million provision for excess and obsolete inventory (2021 – recovery of $0.2 million).

GENERAL AND ADMINISTRATION EXPENSE (G&A)

	For the 3 months ended June 30				For the 6 months ended June 30			
($000 except percentages)	**2022**	2021	Change	% Change	**2022**	2021	Change	% Change
G&A	**1,560**	1,520	40	3%	**3,155**	3,087	68	2%
G&A as a % of revenue	***12%***	*25%*	*(13%)*		***15%***	*23%*	*(8%)*	

For the three and six months ended June 30, 2022, G&A remained consistent with the comparative period. The Corporation continues to maintain discipline around overhead expenditures, further demonstrating the solid financial operating leverage we expect to deliver as our order book builds.

SALES AND MARKETING EXPENSE (SALES & MARKETING)

	For the 3 months ended June 30				For the 6 months ended June 30			
($000 except percentages)	**2022**	2021	Change	% Change	**2022**	2021	Change	% Change
Sales and Marketing	**498**	346	134	37%	**850**	710	140	20%
Sales and Marketing as a % of revenue	***4%***	*6%*	*(2%)*		***4%***	*5%*	*(1%)*	

Sales and Marketing expense increased from the comparative periods due to additional travel activity that took place in the second quarter of 2022 to support rebounding order intake and improvement in market conditions. Marketing and travel spend are expected to remain at current levels for the remainder of 2022.

RESEARCH AND DEVELOPMENT (R&D)

($000 except percentages)	For the three months ended June 30				For the six months ended June 30			
	2022	2021	Change	% Change	**2022**	2021	Change	% Change
R&D expense	**787**	414	373	90%	**1,383**	842	541	64%
Capitalized development expenditures	**101**	493	(392)	(80%)	**459**	844	(385)	(46%)
R&D expenditures	**888**	907	(19)	(2%)	**1,842**	1,686	156	9%
R&D expenditures as a % of revenue	***7%***	*15%*	*(8%)*		***8%***	*13%*	*(4%)*	

During the three and six months ended June 30, 20212, 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™. Capitalized development expenditures include internal product design and development hours, in addition to $0.2 million of external spend related to field trials, prototype materials, and certification costs. During the first quarter, development was completed for McCoy's smartFMS™ technology, and McCoy sold and shipped two tools in the second quarter of 2022. McCoy's smartFMS™ is a rotary equipment developed to handle casing using replaceable die carriers and provides back-up torque from first pipe joint, hence removing the need for manual backup tongs. In July of 2022, McCoy successfully completed customer field trials for McCoy's smartCRT™ , an intelligent, connected enhancement of our conventional casing running tool that offers superior safety, efficiency and simplified operating procedure with a Middle East based Tier 1 National Oil Company.

During the three and six months ended June 30, 2021, capitalized development expenditures pertained to internal product design and development hours for McCoy's Smart product offerings, in addition to $0.3 million (three months ended June 30, 2021 - $0.2 million) of prototype materials and field trial expenses for McCoy's SmartCRT™.

OTHER ITEMS

($000 except percentages)	For the 3 months ended June 30				For the 6 months ended June 30			
	2022	2021	Change	% Change	**2022**	2021	Change	% Change
Finance charges, net	**183**	242	(59)	(24%)	**359**	447	(88%)	(20%)
Other (gains), net	**(2)**	(2,125)	2,123	(100%)	**(203)**	(2,301)	2,098	(91%)

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. Despite increases in US Prime rate, finance charges decreased from the comparative period for both the three and six months ended June 30, 2022 due to repayment of borrowings in December of 2021.

For the three months ended June 30, 2022, other (gains), net is nominal. For the six months June 30, 2022, other (gains), net is comprised primarily of gains on disposal of property, plant and equipment offset by costs associated with strategic alternatives assessment and foreign exchange losses.

For the three and six months ended June 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.

SUMMARY OF QUARTERLY RESULTS

($000 except per share amounts)	**2022**		2021				2020		
	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Revenue	**12,863**	8,891	9,451	9,885	6,086	7,374	9,369	7,621	10,361
Net earnings (loss)	**1,051**	174	2,464	621	1,151	(158)	(2,150)	(720)	782
Per share – Basic	**0.04**	0.01	0.09	0.02	0.04	(0.01)	(0.08)	(0.03)	0.03
Per share – Diluted	**0.04**	0.01	0.08	0.02	0.04	(0.01)	(0.08)	(0.03)	0.03
EBITDA	**1,943**	1,146	3,504	1,551	2,077	749	(1,116)	312	1,886
Adjusted EBITDA	**2,296**	1,461	1,213	1,377	174	673	153	365	1,327

LIQUIDITY AND CAPITAL RESOURCES

As at ($000)	June 30, 2022	December 31, 2021
Cash and cash equivalents	**7,652**	11,139
Restricted cash, as per credit facility	**775**	885
Borrowings	**(4,280)**	(4,194)
Net cash	**4,147**	7,830
Debt to equity ratio	**0.41**	0.57
Undrawn availability under revolving demand facility	**3,222**	3,170

McCoy remains committed to managing the business for success through diligently managing the Corporation's liquidity. Generating operating cashflows and increasing working capital efficiency is a key priority for the Corporation.

Anticipated capital spending for the remainder of 2022 includes:

- strategic investment in rental equipment where meaningful returns are expected;
- $0.2 investments in production facility equipment; and
- up to US$0.1 million of investment in Corporation's Digital Technology Roadmap, primarily related to prototyping, field trials, and certification costs.

($000)	For the 3 months ended June 30 2022	2021	For the 6 months ended June 30 2022	2021
Cash used in operating activities	**(2,371)**	(1,808)	**(2,944)**	(2,251)
Cash used in investing activities	**(347)**	(453)	**(613)**	(731)
Cash (used in) generated from financing activities	**(68)**	(1,161)	**(45)**	2,170
Debt to equity ratio	**0.41 to 1**	0.50 to 1	**0.41 to 1**	0.50 to 1

Cash used in operating activities for the three and six months ended June 30, 2022, relates to a $5.5 million increase in trade receivable balances due to timing of customer shipments toward the end of the quarter, offset by cashflow generated from adjusted EBITDA. In the comparative periods, cash used in operating activities relates to increases in working capital offset by cashflow generated from adjusted EBITDA.

For the three and six months ended June 30, 2022 and 2021, the Corporate invested in McCoy's 'Digital Technology Roadmap' and strategic additions to the Corporation's rental fleet, primarily from equipment transferred from inventory. For the six months ended June 30, 2022 and 2021, proceeds from the sale of property, plant and equipment also contributed to cash flow.

Cash used in financing activities for the three and six months ended June 30, 2022 relates to principal elements of lease payments offset by changes in restricted cash and proceeds from the issuance of common shares under the Corporation's restricted share plan. Cash used in financing activities for the three months ended June 30, 2021 relates to $0.8 million transferred to restricted cash held as security for the Corporation's US$2.5 million revolving demand facility, repayment of borrowings and principal elements of lease payments. Cash generated from financing activities for the six months ended June 30, 2021, also includes proceeds received under the Corporation's second application for a US Paycheck Protection Program Loan(PPP) and proceeds received from a final draw under its secured term facility.

OUTSTANDING SHARE DATA

As at August 4, 2022 the following class of shares and equity securities potentially convertible into common shares were outstanding:

Common shares	28,317,489
Convertible equity securities:	
Stock options	1,585,000
Restricted share plan units	470,000

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 August 5, 2022:

Exercise price range	Options outstanding	Weighted average remaining contractual life
	#	Years
<$1	685,000	7.36
$1 to $2	520,000	4.41
$2 to $3	180,000	4.42
$3 to $4	200,000	2.62
	1,585,000	5.46

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, 2022 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, 2021 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 2021 MD&A and Consolidated Annual Financial Statements. Please refer to the page numbers listed below from McCoy Global's 2021 MD&A and Consolidated Annual Financial Statements:

- Financial risk management and financial instruments – pages 39-42 Consolidated Annual Financial Statements;
- Capital management – page 42 Consolidated Annual Financial Statements;
- Contractual obligations – page 22 MD&A;
- Related party transactions – page 42 Consolidated Annual Financial Statements;
- Critical accounting estimates and judgements – pages 15-17 Consolidated Annual Financial Statements; and
- Risks and uncertainties – pages 26 MD&A.