MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2022

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EXPLANATORY NOTES

The following Management's Discussion and Analysis of Financial Results ("MD&A"), dated November 10, 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 performed tool demonstrations with leading US Tubular Running Services companies and received purchase orders for an additional four tools scheduled for delivery in Q4 2022 and early 2023. Our McCoy FMS provides value to the customer today by automating manual rig procedures and will be enhanced when later integrated in the smartTR™ 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 casing running applications using hydraulic power tongs and Casing Running Tools. These enhancements enable the torque turn software to autonomously evaluate and confirm premium connection make-up. We continue to experience strong customer order intake for our McCoy Torque Turn system (MTT) as a result of the enhanced Virtual Thread-Rep offering, which will translate to new product revenues in the coming quarters.

Order Intake

McCoy reported $23.5 million of order intake for the three months ended September 30, 2022, representing a sequential increase of 108% from the $11.3 million of order intake reported in the second quarter of 2022 and a 106% increase over the $11.4 million of order intake reported in the third quarter of 2021. Order intake for the third quarter of 2022 included $11.3 million of orders received for Hydraulic Power Tongs, Casing Running Tools (CRT) and MTT systems and related parts and accessories from a strategic new market entrant based in the Kingdom of Saudi Arabia. This not only provides opportunity for future aftermarket revenues, but also represents a meaningful opportunity to showcase McCoy's technology in the largest market in the Eastern Hemisphere.

Earnings Performance & Free Cashflow Generation

McCoy reported earnings of $0.3 million for the third quarter of 2022 (Q3 2021 - $0.6 million). Third quarter revenues were impacted by supply chain delays on certain critical components that lead to US$2.0 million of customer orders scheduled to ship in late September, being delayed until early Q4. Adjusted EBITDA for the three months ended September 30, 2022, declined slightly in comparison to the third quarter of 2021, at $1.1 million or 9% of revenue (Q3 2021 – Adjusted EBITDA of $1.4 million, or 14% of revenue). Adjusted EBITDA performance for the quarter was impacted by a shift in product mix towards capital equipment orders, which typically command higher material costs in comparison to aftermarket products. In addition, earnings were further impacted by additional production headcount to support the Corporation's growing order book.

Despite the increased trade receivable balances as a result of customer shipments being weighted toward the end of the quarter and $1.8 million of inventory related to orders that were delayed due to supply chain challenges, McCoy generated $1.2 million of cashflow from operating activities during the third quarter of 2022.

OUTLOOK AND FORWARD-LOOKING INFORMATION

As at September 30, 2022, McCoy's backlog totaled $27.4 million (US$20.0 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 fourth quarter of 2022 and into 2023. Looking ahead, increased production throughput, as well as diligent supply chain management will allow for stronger gross margin performance. The Corporation also continues to maintain discipline around overhead expenditures, further demonstrating the solid operating leverage we plan to deliver on our sizeable order book..

Despite current economic uncertainty, over the medium term, global oil & gas 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 grow 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.

The Corporation is pursuing a sale and leaseback arrangement for its real estate located in Cedar Park, Texas currently held at net book value of $3.6 million. Proceeds from a potential sale transaction are expected to be used to support the Corporation's net cash position while funding current working capital increases and providing financial flexibility for future strategic growth.

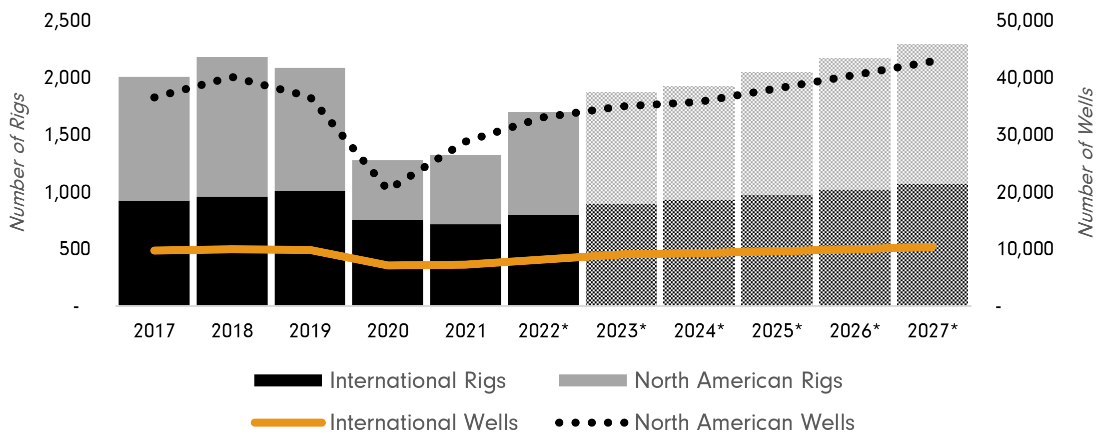
We believe this strategy, together with our committed and agile team, McCoy's global brand recognition, intimate customer knowledge and global footprint will further advance McCoy's competitive position, regardless of the market environment.

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, September 2022, is as follows:

International vs North American Rig & Well Counts**



**Cumulative*

***Forecasted*

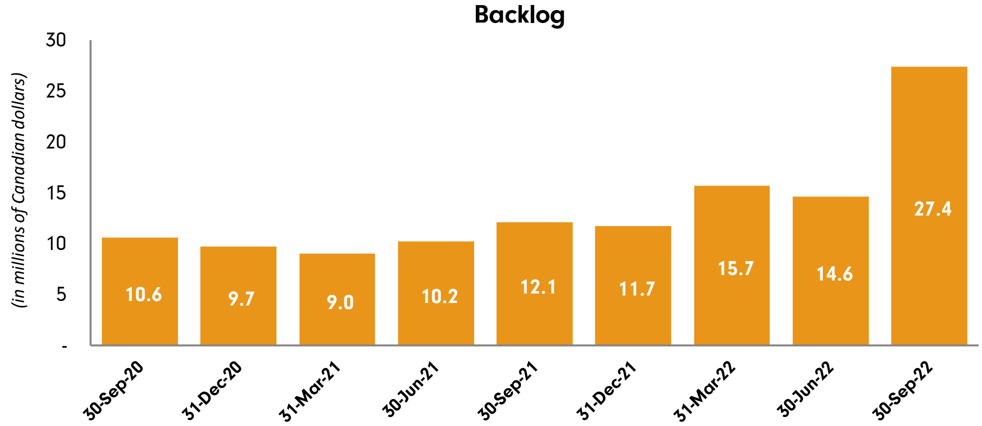
The demand for McCoy Global's products and services is related to global drilling activity levels, which in turn are influenced by oil and natural gas prices and expectations as to future price trends. The availability of existing capital equipment adequate to serve drilling activity requirements, or lack thereof, further drives demand levels for McCoy's capital equipment products. The COVID-19 pandemic had 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. As global consumption continues to increase since the low levels experienced during the COVID-19 pandemic, drilling activity is forecast to increase in parallel.

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.

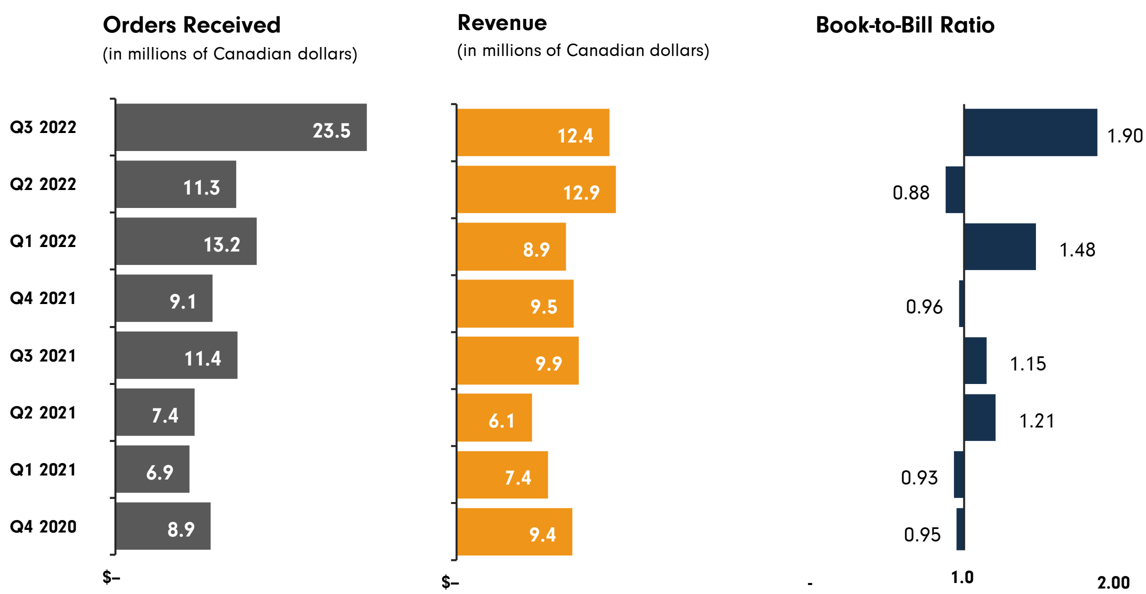
The Corporation defines backlog as orders that have a high certainty of being delivered and is measured on the basis of a firm customer commitment, such as the receipt of a purchase order. Customers may default on, or cancel such commitments, however may be secured by a deposit and/or require reimbursement 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, 2022 totaled $27.4 million (US$20.0 million), an increase of $12.8 million or 88% from backlog of $14.6 million (US$11.4 million) as at June 30, 2022. Compared to September 30, 2021 backlog increased $15.3 million, or 126%, from $12.1 million (US$9.5 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:



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

BUSINESS VISION

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 four 'Smart' products: Virtual Thread-Rep™, smartCRT™, smartFMS™ and McCoy's smartTong.

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 September 30 ($000 except per share amounts)	**2022**	2021
Revenue	**12,410**	9,885
Net earnings	**274**	621
Per common share – basic	**0.01**	0.02
Per common share – diluted	**0.01**	0.02
Adjusted EBITDA	**1,099**	1,376
Per common share – basic	**0.04**	0.05
Per common share – diluted	**0.04**	0.05

As at and for the nine months ended September 30 ($000 except per share amounts)	**2022**	2021
Revenue	**34,164**	23,345
Net earnings	**1,499**	1,614
Per common share – basic	**0.05**	0.06
Per common share – diluted	**0.05**	0.06
Adjusted EBITDA	**4,856**	2,224
Per common share – basic	**0.17**	0.08
Per common share – diluted	**0.17**	0.08
Total assets	**66,181**	55,888
Total liabilities	**21,229**	18,266
Total non-current liabilities	**4,979**	9,978

EBITDA and Adjusted EBITDA are calculated as follows:

($000)	Three months ended September 30 2022	2021	Nine months ended September 30 2022	2021
Net earnings	**274**	621	**1,499**	1,614
Depreciation of property, plant and equipment	**403**	516	**1,439**	1,509
Amortization of intangible assets	**275**	200	**744**	593
Finance charges, net	**197**	214	**556**	661
EBITDA	**1,149**	1,551	**4,238**	4,377
Share-based compensation	**14**	(40)	**389**	479
(Reversals of) provisions for excess and obsolete inventory	**(5)**	(80)	**491**	(276)
Other gains, net	**(59)**	(53)	**(262)**	(2,355)
Adjusted EBITDA	**1,099**	1,376	**4,856**	2,225

REVENUE

($000 except percentages)	Three months ended September 30 2022	2021	Change	% Change	Nine months ended September 30 2022	2021	Change	% Change
Revenue	**12,410**	9,885	2,525	26%	**34,164**	23,345	10,819	46%

For the three and nine months ended September 30, 2022, revenues benefitted from strengthening industry fundamentals and key capital equipment orders received from new market entrants in several regions in the Middle East and North Africa. However, revenues for the third quarter of 2022 were unfavorably impacted by supply chain delays on certain critical components that lead to US$2.0 million of customer orders scheduled to ship in late September, being delayed until early Q4.

GROSS PROFIT

($000 except percentages)	Three months ended September 30				Nine months ended September 30			
	2022	2021	Change	% Change	**2022**	2021	Change	% Change
Gross profit	**3,149**	2,924	225	8%	**9,918**	6,702	3,216	48%
Gross profit % of revenue	***25%***	*30%*	*(4%)*		***29%***	*29%*	*-%*	

In comparison to the three months ended September 30, 2021, gross profit percentage declined by four percentage points in the third quarter of 2022. The decline was driven by a substantial shift in product mix towards capital equipment, as capital equipment typically commands higher material costs than aftermarket product lines. In addition, the impact of investments in additional headcount, wage adjustments and production overheads to support the Corporation's growing order backlog without the additional benefit of US$2.0 of production throughput further impaired gross profit percentage.

For the nine months ended September 30, 2022, gross profit percentage remained consistent with the comparative period despite a shift product mix towards more capital equipment orders. Increased production throughput as well as diligent supply chain management has allowed for strong gross margin performance.

Gross profit for the three months ended September 30, 2022 includes a nominal recovery for previously reserved excess and obsolete inventory (2021 – recovery of $0.1 million). Gross profit for the nine months ended September 30, 2022 includes a $0.5 million provision for excess and obsolete inventory (2021 – recovery of $0.3 million).

GENERAL AND ADMINISTRATION EXPENSE (G&A)

($000 except percentages)	Three months ended September 30				Nine months ended September 30			
	2022	2021	Change	% Change	**2022**	2021	Change	% Change
G&A	**1,475**	1,328	147	11%	4,630	4,415	215	5%
G&A as a % of revenue	***12%***	*13%*	*(1%)*		*14%*	*19%*	*(6%)*	

For the three and nine months ended September 30, 2022, G&A was impacted by reversing previously enacted wage rollbacks and salary freezes to market rates. The Corporation continues to maintain discipline around overhead expenditures, further demonstrating the solid operating leverage we plan to deliver on our $27.4 million order book, a magnitude not reported since 2015.

SALES AND MARKETING EXPENSE (SALES & MARKETING)

($000 except percentages)	Three months ended September 30 2022	2021	Change	% Change	Nine months ended September 30 2022	2021	Change	% Change
Sales & Marketing	**451**	328	123	38%	**1,301**	1,037	264	25%
Sales & Marketing as a % of revenue	***4%***	*3%*	*1%*		***4%***	*4%*	*-%*	

Sales and Marketing expense increased from the comparative periods due to additional travel activity that took place in the second and third quarters 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. Sales and marketing expense for the three and nine months ended September 30, 2022, was also impacted by reversing previously enacted wage rollbacks and salary freezes to market rates.

RESEARCH AND DEVELOPMENT (R&D)

($000 except percentages)	Three months ended September 30 2022	2021	Change	% Change	Nine months ended September 30 2022	2021	Change	% Change
R&D expense	**811**	488	323	66%	**2,194**	1,330	864	65%
Capitalized development expenditures	**147**	521	(374)	(72%)	**606**	1,365	(759)	(56%)
R&D expenditures	**958**	1,009	(51)	(5%)	**2,800**	2,695	105	4%
R&D expenditures as a % of revenue	***8%***	*10%*	*(2%)*		***8%***	*12%*	*(4%)*	

During the three and nine months ended September 30, 2022, McCoy completed development on several of its 'Smart' product offerings under its Digital Technology Roadmap' initiative including its smartFMS™ and smartCRT™. These 'Smart' product offerings will be further digitally integrated into its automated tubular running system smartTRTM. For the nine months ended September 30, 2022, capitalized development expenditures include internal product development hours and field trial support, in addition to $0.4 million (three months ended September 30, 2022 - $0.1 million) of external spend related to field trials, prototype materials, and certification costs. R&D expense for the three and nine months ended September 30, 2022, was also impacted by reversing previously enacted wage rollbacks and salary freezes to market rates, in addition to capitalizing fewer internal development hours.

During the three and nine months ended September 30, 2021, capitalized development expenditures pertained to internal product design and development hours for McCoy's Smart product offerings, 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.

Other Items

($000 except percentages)	Three months ended September 30 2022	2021	Change	% Change	Nine months ended September 30 2022	2021	Change	% Change
Finance charges, net	**197**	214	(17)	(8%)	**556**	661	(105)	(16%)
Other gains, net	**(59)**	(54)	(5)	9%	**(262)**	(2,355)	2,093	(89%)

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 nine months ended September 30, 2022 due to repayment of borrowings in December of 2021.

For the three months ended September 30, 2022, other gains, net is comprised of foreign exchange gains and government assistance related to the Canadian Emergency Rent Subsidies. For the nine months ended September 30, 2022, other gains, net is comprised primarily of gains on disposal of property, plant and equipment and foreign exchange gains offset by costs associated with strategic alternatives assessment.

For the nine months ended September 30, 2021, other gains, net is comprised primarily of $2.4 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 Sep 30	2022 Jun 30	2022 Mar 31	2021 Dec 31	2021 Sep 30	2021 Jun 30	2021 Mar 31	2020 Dec 31
Revenue	**12,410**	12,863	8,891	9,451	9,885	6,086	7,374	9,369
Net earnings (loss)	**274**	1,051	174	2,464	621	1,151	(158)	(2,150)
Per share – Basic	**0.01**	0.04	0.01	0.09	0.02	0.04	(0.01)	(0.08)
Per share - Diluted	**0.01**	0.04	0.01	0.08	0.02	0.04	(0.01)	(0.08)
EBITDA	**1,149**	1,943	1,146	3,504	1,551	2,077	749	(1,116)
Adjusted EBITDA	**1,099**	2,296	1,461	1,213	1,377	174	673	153

LIQUIDITY AND CAPITAL RESOURCES

As at ($000)	**September 30, 2022**	December 31, 2021
Cash and cash equivalents	**8,579**	11,139
Restricted cash, as per credit facility	**857**	885
Borrowings	**(4,562)**	(4,194)
Net cash	**4,874**	7,830
Debt to equity ratio	**0.47**	0.57
Undrawn availability under revolving demand facility	**3,427**	3,043

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;
- nominal investments in production facility equipment; and
- nominal investments in the Corporation's Digital Technology Roadmap, primarily related to prototyping, field trials, and certification costs.

Selected cash flow information is as follows:

	Three months ended September 30		**Nine months ended September 30**	
($000)	**2022**	2021	**2022**	2021
Cash generated from (used in) operating activities	**1,224**	2,124	**(1,720)**	(127)
Cash used in investing activities	**(628)**	(858)	**(1,241)**	(1,589)
Cash generated from (used in) financing activities	**(63)**	268	**(108)**	2,438
Debt to equity ratio	**0.47 to 1**	0.49 to 1	**0.47 to 1**	0.49 to 1

Cash generated in operating activities for the three months ended September 30, 2022, predominantly relates to EBITDA performance. Cash used in operating activities for the nine months ended September 30, 2022, relates to a $5.6 million increase in non-cash working capital attributable to increased trade receivable balances as a result of customer shipments being weighted toward the end of the quarter and $1.8 million of inventory related to orders that were delayed due to supply chain challenges, offset by cashflow generated from adjusted EBITDA. In the comparative period, used in operating activities primarily resulted from EBITDA performance offset by increases in working capital balances.

For the three and nine months ended September 30, 2022 and 2021, the Corporation invested in strategic additions to the its rental fleet, primarily from equipment transferred from inventory, and in McCoy's 'Digital Technology Roadmap'. For the nine months ended September 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 months ended September 30, 2022 relates to principal elements of lease payments offset by proceeds from the issuance of common shares under the Corporation's restricted share plan. Cash used in financing activities for the nine months ended September 30, 2022 also was impacted by changes in restricted cash. 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 10, 2022 the following class of shares and equity securities potentially convertible into common shares were outstanding:

Common shares	28,414,289
Convertible equity securities:	
Stock options	1,585,000
Restricted share plan units	370,000

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 November 10, 2022:

Exercise price range	Options outstanding	Weighted average remaining contractual life
	#	years
Less than $1	685,000	7.09
$1 to $2	520,000	3.95
$2 to $3	180,000	4.16
$3 to $4	200,000	2.35
	1,585,000	5.13

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 nine-month period ended September 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.