MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2023

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EXPLANATORY NOTES

The following Management's Discussion and Analysis of Financial Results ("MD&A"), dated May 11, 2023, should be read in conjunction with the cautionary statement regarding forward-looking information and statements below, as well as the unaudited condensed consolidated interim financial statements for the period ending March 31, 2023, and the audited consolidated financial statements and notes thereto, for the years ended December 31, 2022, and 2021. 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;
- 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 and increasing interest rates;
- 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 cybersecurity; 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.

Net cash is a non-GAAP measure defined as cash and cash equivalents,

- plus: restricted cash;
- less: borrowings.

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.

The Corporation reports net cash as it is an important measure used by management to evaluate liquidity. The Corporation believes net cash assists investors in assessing McCoy Global's current liquidity on a consistent basis taking into consideration cash and cash equivalents, restricted cash, and borrowings.

STRATEGIC ACHIEVEMENTS

Entering 2023; we reaffirmed our commitment to key strategic objectives, and we are pleased to report our progress:

Earnings Performance and Cashflow Generation

McCoy reported revenue for the three months ended March 31, 2023, of $16.9 million, a 90% increase from the comparative period (Q1 2022 - $8.9 million).

Adjusted EBITDA for the three months ended March 31, 2023, was $2.4 million or 14% of revenue, a 60% increase from the comparative period (Q1 2022 - $1.4 million or 16% of revenue). Adjusted EBITDA in the first quarter of 2023 was impacted by increased revenue and production throughput, partially offset by the impact of increased material costs on production inputs as well as a shift in product mix towards capital equipment sales which typically command higher material cost. Increased headcount and wage adjustments to support the Corporation's revenue growth also impacted profitability to a lesser extent.

Adjusted EBITDA performance supported the Corporation's $2.9 million of cashflow generated from operating activities during the first quarter of 2023 (Q1 2022 – cashflow used in operating activities of $0.6 million). During the first quarter of 2023, McCoy repaid the full balance of US$3.4 million outstanding under its senior secured term facility, reducing the Corporation's borrowing costs and further strengthening its balance sheet. Subsequent to March 31, 2023, McCoy's revolving demand facility was increased from US$2.5 million to US$5.5 million, as well, the Corporation secured a commitment for a US$3.4 million term loan bearing interest of US Prime + 1.35%.

Advancing our Digital Technology Roadmap

To support a sustainable future regardless of market conditions, we committed to prudent investment in our "Digital Technology Roadmap" product development initiative. Since January 1, 2023, we achieved key commercial milestones on McCoy's Smart Tubular Running System (smartTR™):

- Reported four (4) commercial sales for McCoy's Flush Mount Spider (FMS) and received purchase order commitments for sale and rental of twenty-five (25) additional tools scheduled for delivery in 2023. McCoy's FMS is a 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 McCoy Smart Casing Running Tool (smartCRT™).
- Reported the second commercial sale for McCoy's smartCRT™ and received purchase order commitments for the rental of four (4) additional tools. McCoy's smartCRT™ is an intelligent, connected enhancement of our conventional casing running tool that offers superior safety, efficiency and simplified operating procedure, with real-time data collection and analysis capabilities. This technology effectively mitigates the risk of human error, while providing actionable insights that optimize future performance.

Order Intake

McCoy reported $19.3 million of order intake for the three months ended March 31, 2023, a 46% increase over the $13.2 million of order intake reported in the first quarter of 2022. Order intake increased sequentially by 30% compared to the $14.9 million reported in the fourth quarter of 2022.

In the first quarter of 2023, order intake was bolstered by strong demand for our CRT and FMS product lines. McCoy's CRT market share experienced growth with the acceptances of orders from five (5) new customers and two (2) new geographies. We continue to see strong customer interest in the FMS, particularly in the US land market, as it offers customers a highly efficient and safe solution by automating manual rig procedures and keeping personnel out of dangerous red zone areas of rig activity.

The company continued to receive orders for aftermarket components and consumables at a consistent pace in conjunction with our capital equipment and data acquisitions products.

OUTLOOK AND FORWARD-LOOKING INFORMATION

As at March 31, 2023, McCoy's backlog totaled $26.1 million (US$19.3 million), which will support strong revenue and earnings performance for the remainder of 2023. Looking ahead, increased production throughput, as well as diligent supply chain management and disciplined overhead expenditures, are expected to further demonstrate solid operating leverage should orders and revenues remain at the levels seen in the past three quarters.

Despite current economic uncertainty and threats of a recession, over the short to medium term, global oil & gas market fundamentals continue to be positive, particularly in international regions. Increased drilling activity levels, paired with new international market entrants will serve to further enhance commercial opportunities for new products, as well as for our legacy capital equipment. With respect to international markets, we continue to see a growing trend of drilling contractors, new local and regional market entrants, and in some cases national oil companies, entering the Tubular Running Services (TRS) space, taking market share from large multinational service companies. This trend benefits McCoy considerably as it creates additional capital equipment demand over and above market growth from increased drilling activity alone, as these new entrants require significant capital investment in capital equipment to execute tubular running service contracts. McCoy is aptly positioned to respond to this demand with its strong brand of product quality and responsive, local customer support. Among its competitors, McCoy offers the broadest portfolio of TRS equipment and now offers market leading technologies that provide superior safety, efficiency and simplified operating procedures.

The global CRT market continues to grow as customers experience the advantages of running casing with the CRT versus conventional power tongs, in the form of time and cost savings, risk reduction, and improved safety. This is another area of opportunity for McCoy with its DWCRT™ tool introduced in 2019. In the first quarter of 2023, McCoy received orders from five new customers and two new geographies for the DWCRT™. Looking ahead, we expect continued growth in orders intake and revenue generation from this product line as more markets adopt this technology as the preferred method to run casing.

Turning to the North America land market, despite flat active drilling activity driven by low natural gas prices as well as economic uncertainties, we anticipate meaningful opportunities for our new offerings with the continued tightening labour market faced by many of our customers. This was demonstrated in the recent $4.1 million of orders received for McCoy's FMS in April 2023. Commercialized in 2022, the FMS technology provides casing running service providers with performance and safety advantages inherent with its unique design features. We expect to see continued success with this patented technology for the remainder of 2023 and beyond. However, the outlook for revenue growth for our traditional capital product lines in this region is muted with potential softness in drilling activity and a lingering oversupply of capital equipment remaining.

As we progress through 2023, we continue to focus on our key strategic initiatives to deliver value to all of our stakeholders:

- Accelerating market adoption of new and recently developed 'smart' portfolio products;
- Taking advantage of the current market trajectory by focusing on revenue generation from key strategic customers;
- Continuing to seek and evaluate acquisition opportunities where the strategic fit and returns on invested capital are acceptable;
- Generating cashflow from operations through fiscal discipline and working capital efficiency; and
- Return excess cash to our shareholders in the form of share buybacks and quarterly dividends.

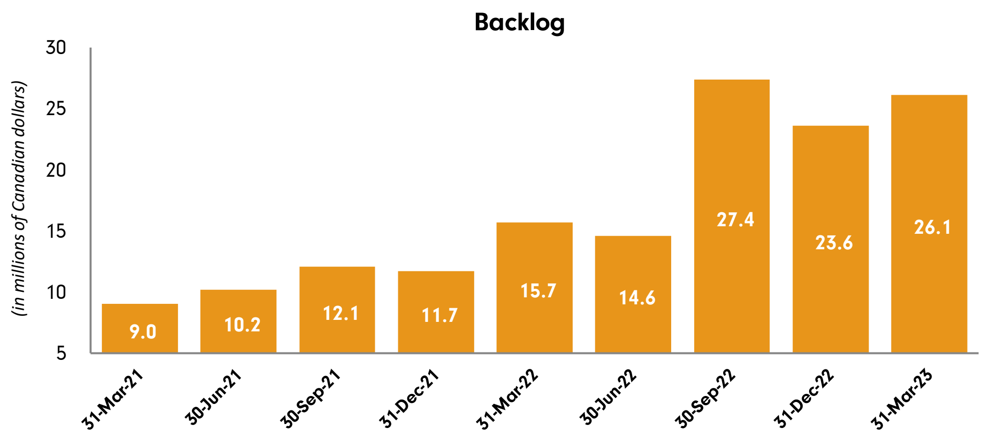
We believe this strategy, together with our committed and agile team, McCoy's global brand recognition, intimate customer knowledge and global footprint will further advance McCoy's competitive position and generate strong returns on invested capital.

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.

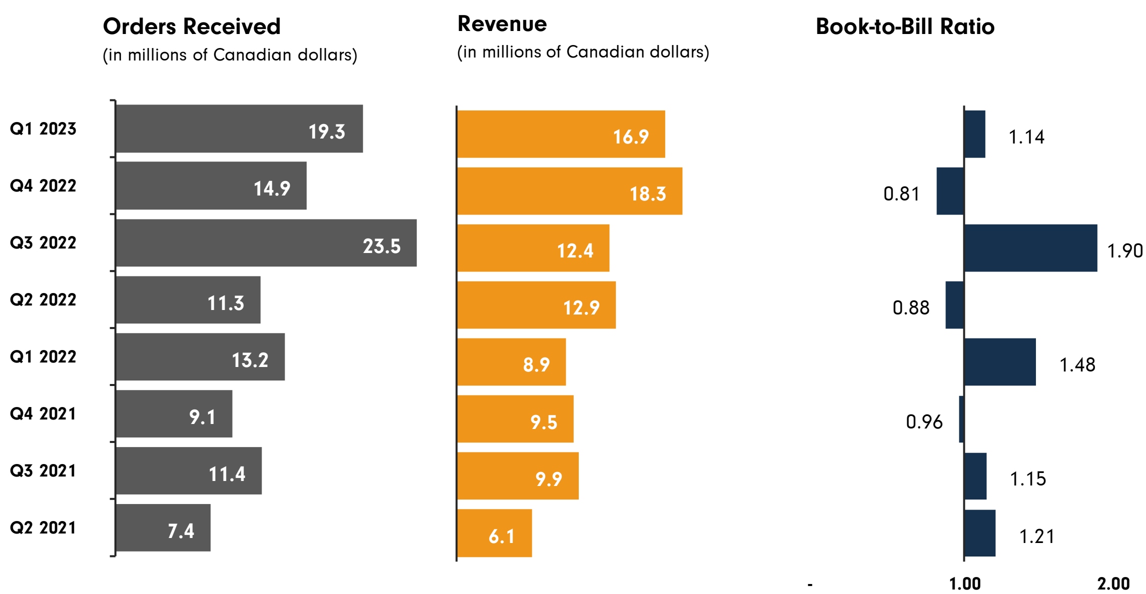
The Corporation defines backlog as orders that have a high certainty of being delivered and is measured on the basis of a firm customer commitment, such as the receipt of a purchase order. Customers may default on or cancel such commitments, however such commitments may be secured by a deposit and/or 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 March 31, 2023, totaled $26.1 million (US$19.3 million), an increase of $2.5 million or 11% from backlog of $23.6 million (US$17.5 million) as at December 31, 2022. Compared to March 31, 2022, backlog increased $10.4 million, or 66%, from $15.7 million (US$12.6 million).



Book-to-Bill Ratio

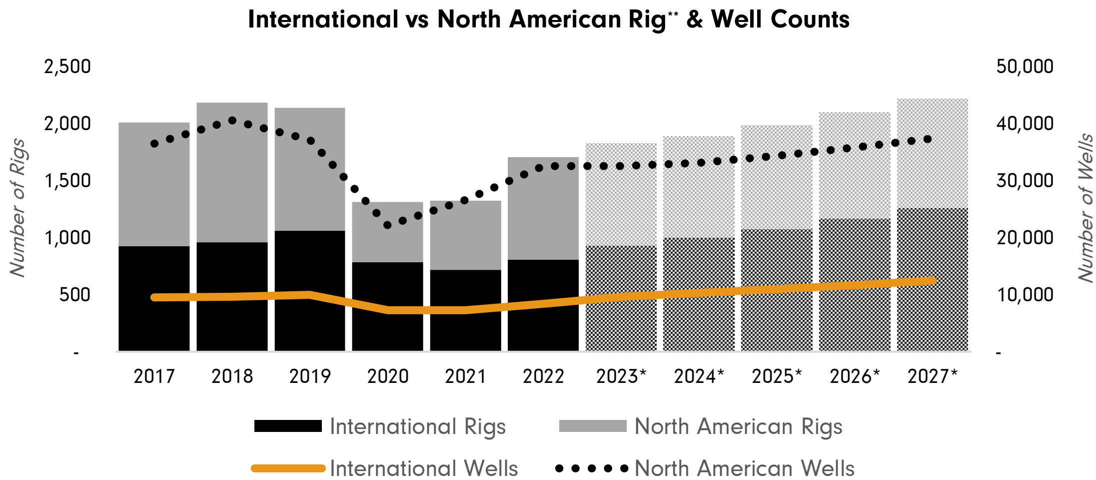
The book-to-bill ratio is a measure of the amount of net sales orders received to revenues recognized. The ratio is an indicator of customer demand and sales order processing times. The book-to-bill ratio is not a GAAP measure and therefore the definition and calculation of the ratio will vary among 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:



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 2023, is as follows:



**Forecasted*
***Cumulative*

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.

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 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, the 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

As at and for the three months ended March 31 ($000 except per share amounts)	**2023**	**2022**
Revenue	**16,864**	8,891
Net income	**528**	174
Per common share – basic	**0.02**	0.01
Per common share – diluted	**0.02**	0.01
Adjusted EBITDA	**2,419**	1,461
Per common share – basic	**0.08**	0.05
Per common share – diluted	**0.08**	0.05
Total assets	**71,742**	55,522
Total liabilities	**19,425**	15,890
Total non-current liabilities	**4,113**	5,953

EBITDA and adjusted EBITDA are calculated as follows:

For the three months ended March 31 ($000)	**2023**	**2022**
Net income	**528**	174
Depreciation of property, plant and equipment	**450**	596
Amortization of intangible assets	**420**	200
Income tax expense	**201**	-
Finance charges, net	**355**	176
EBITDA	**1,954**	1,146
Other losses (gains), net	**44**	(201)
Share-based compensation expense	**427**	254
(Recovery of) provision for excess and obsolete inventory	**(6)**	262
Adjusted EBITDA	**2,419**	1,461

REVENUE

($000 except percentages)	For the three months ended March 31			
	2023	2022	Change	% Change
Revenue	**16,864**	8,891	7,973	90%

Revenue for the three months ended March 31, 2023, nearly doubled from the comparative period due to increased customer demand for capital equipment and related parts and accessories sales. Revenue in the first quarter of 2023 included $1.4 million of smartCRT™ and FMS sales, newly commercialized products as a part of the Corporation's "Digital Technology Roadmap" that were introduced in late 2022.

Revenue for the three months ended March 31, 2022, benefitted from the rebound in activity as a result of strengthening industry fundamentals, particularly with respect to aftermarket, service, and rental product lines.

GROSS PROFIT

($000 except percentages)	For the three months ended March 31			
	2023	2022	Change	% Change
Gross profit	**4,828**	2,692	2,136	79%
Gross profit as a % of revenue	***29%***	*30%*	*(1%)*	

Gross profit as a percentage of revenue for the three months ended March 31, 2023, was 29%, a decrease of 1% compared to the comparative period in 2022. This was due to material cost headwinds in the current supply chain challenged environment as well as a shift in product mix weighted more heavily towards capital equipment, which has typically commanded higher material cost compared to aftermarket product lines. This was largely offset by an increase in production throughput.

Gross profit for the three months ended March 31, 2023, includes a nominal recovery of excess and obsolete inventory (three months ended March 31, 2022 – $0.3 million provision of excess and obsolete inventory).

GENERAL AND ADMINISTRATION EXPENSE (G&A)

($000 except percentages)	For the three months ended March 31			
	2023	2022	Change	% Change
G&A	**2,336**	1,595	741	46%
G&A as a % of revenue	***14%***	*18%*	*(4%)*	

G&A increased from the comparative period due to headcount increases to support the increase in activity, as well as bad debts provision of $0.1 million (2022 – nominal recoveries of previously impaired trade accounts).

G&A in the comparative period was impacted by the wage rollbacks and salary freezes enacted in April 2020 in the face of deteriorating market conditions, which were not reversed until mid-year 2022.

SALES AND MARKETING EXPENSE (SALES & MARKETING)

($000 except percentages)	For the three months ended March 31			
	2023	2022	Change	% Change
Sales & Marketing	**461**	352	109	31%
Sales & Marketing as a % of revenue	***3%***	*4%*	*(1%)*	

Sales & Marketing expenses increased from the comparative period due to increased travel and headcount to support the increase in market activity.

Sales & Marketing expenses in the comparative period were impacted by the wage rollbacks and salary freezes enacted in April 2020 in the face of deteriorating market conditions.

PRODUCT DEVELOPMENT AND SUPPORT

($000 except percentages)	For the three months ended March 31			
	2023	2022	Change	% Change
Product development and support expense	**903**	596	307	52%
Capitalized development expenditures	**-**	358	(358)	(100%)
Product development and support expenditures	**903**	954	(51)	(5%)
Product development and support expenditures as a % of revenue	***5%***	*11%*	*(6%)*	

During the three months ended March 31, 2023, the Corporation further advanced its 'Digital Technology Roadmap' initiative by focusing its Product development and support resources on accelerating market adoption of new and recently commercialized 'smart' portfolio products, including the smartCRT™ and McCoy's FMS. McCoy's FMS can be fully connected (smartFMS™) to provide 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™. For the remainder of 2023, the Corporation has committed US$0.1 million of capital to further accelerate its 'Digital Technology Roadmap' initiative. In the current period, Product development and support expenses increased from the comparative period due to a decrease in capitalized internal product design and development hours, as well as increased travel to support customer adoption of new technologies.

During the three months ended March 31, 2022, capitalized development expenditures were centered around field trials for McCoy's now commercialized smartCRT™. Product development and support expenses in the comparative period was impacted by the wage rollbacks and salary freezes enacted in April 2020 in the face of deteriorating market conditions, which were not reversed until mid-year 2022.

OTHER ITEMS

($000 except percentages)	For the three months ended March 31 2023	2022	Change	% Change
Other losses (gains), net	**44**	(201)	245	(122%)
Finance charges, net	**355**	176	179	102%

For the three months ended March 31, 2023, other losses, net is comprised of foreign exchange losses. In the comparative period, 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.

Finance charges, net, includes borrowing costs, finance charges imputed on operating leases in accordance with IFRS 16, offset by interest income on cash and cash equivalents. For the three months ended March 31, 2023, finance charges, net increased from the comparative period due to prepayment penalties and recognition of the remaining amortized finance charges associated with early repayment of the Corporation's term loan.

SUMMARY OF QUARTERLY RESULTS

	2023	2022				2021		
($000 except per share amounts)	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Revenue	**16,864**	18,264	12,410	12,863	8,891	9,451	9,885	6,086
Net earnings	**528**	7,264	274	1,051	174	2,464	621	1,151
Per share – Basic	**0.02**	0.26	0.01	0.04	0.01	0.09	0.02	0.04
Per share – Diluted	**0.02**	0.25	0.01	0.04	0.01	0.08	0.02	0.04
EBITDA	**1,954**	7,319	1,149	1,943	1,146	3,504	1,551	2,077
Adjusted EBITDA	**2,419**	3,681	1,099	2,296	1,461	1,213	1,377	174

LIQUIDITY AND CASH FLOW

Selected cash flow information is as follows:

For the three months ended March 31 ($000)	**2023**	2022
Cash generated from (used in) operating activities	**2,881**	(573)
Cash used in investing activities	**(471)**	(266)
Cash (used in) generated from financing activities	**(4,759)**	23

Cash generated from operating activities for the three months ended March 31, 2023, was primarily the result of strong EBITDA performance coupled with working capital efficiencies from collecting customer deposits and outstanding trade receivables. In the comparative period, cash used in operating activities was related to an increase in inventory to fulfill orders backlog in future quarters as well as increased trade receivable balances due to customer shipments more heavily weighted to the end of the quarter, offset by positive EBITDA.

Cash used in investing activities for the three months ended March 31, 2023, related to strategic investments in the Corporation's rental fleet. For the three months ended March 31, 2022, cash used in investing activities was related to investment in McCoy's 'Digital Technology Roadmap' and additions to the Corporation's rental fleet, offset by proceeds on the disposition of certain rental equipment.

Cash used in financing activities for the three months ended March 31, 2023, was primarily related to the early repayment of the Corporation's term loan, principal elements of lease payments, offset by proceeds from the issuance of common shares from stock options. In the comparative period, cash generated in financing activities was primarily related to changes in restricted cash offset by principal elements of lease payments.

As at ($000)	**March 31, 2023**	December 31, 2022
Cash and cash equivalents	**19,087**	21,469
Restricted cash, as per credit facility	**846**	846
Borrowings	**-**	(4,517)
Net cash	**19,933**	17,798
Debt to equity ratio	**0.37**	0.50
Undrawn availability under revolving demand facility	**3,292**	3,386
Undrawn availability under term facility	**-**	-

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 2023 includes:

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

Outstanding Share Data

As at May 11, 2023, the following class of shares and equity securities potentially convertible into common shares were outstanding:

Common shares	28,511,789
Convertible equity securities:	
Stock options	1,435,000
Restricted shares	425,000

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 May 11, 2023:

Exercise price range	Options outstanding	Weighted average remaining contractual life
	#	years
<$1	565,000	6.60
$1 to $2	490,000	3.69
$2 to $3	180,000	3.66
$3 to $4	200,000	1.85
	1,435,000	4.58

Controls and Procedures

Internal Controls Over Financial Reporting ("ICFR")

Management has evaluated whether there were changes in our Internal Controls over Financial Reporting ("ICFR") during the three-month period ended March 31, 2023, 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, 2022, is available on SEDAR at www.sedar.com.

OTHER INTERIM MD&A REQUIREMENTS

There have been no significant changes to the following items from those described in our 2022 MD&A and Consolidated Annual Financial Statements. Please refer to the page numbers listed below from McCoy Global's 2022 MD&A and Consolidated Annual Financial Statements:

- Financial risk management and financial instruments – pages 37-39 Consolidated Annual Financial Statements;
- Capital management – page 39 Consolidated Annual Financial Statements;
- Contractual obligations – page 21 MD&A;
- Related party transactions – page 40 Consolidated Annual Financial Statements;
- Critical accounting estimates and judgements – pages 15-16 Consolidated Annual Financial Statements; and
- Risks and uncertainties – pages 25 MD&A.