MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2023

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EXPLANATORY NOTES

The following Management's Discussion and Analysis of Financial Results ("MD&A"), dated November 9, 2023, 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, 2022, and 2021. 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;
- 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 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

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

Earnings Performance and Cashflow Generation

McCoy reported net earnings of $1.9 million on $16.9 million of revenue for the three months ended September 30, 2023 (Q3 2022 - $0.3 million of earnings on $12.4 million of revenue). As a percentage of revenue, net earnings increased by nine percentage points to 11% due to an increase in gross profit, driven by strong revenue growth from our new technologies such as DWCRTs, smartCRT™s, and FMS, which command higher margins compared to legacy capital equipment. Increased production throughput combined with decreased material costs as a result of effective supply chain management also contributed to increased profitability, although this was offset to a lesser extent by increased freight on material receipts, headcount and wage adjustments to support the Corporation's revenue growth, as well as corporate tax expense.

Adjusted EBITDA for the three months ended September 30, 2023, increased by more than 2.5 times to $3.9 million or 23% of revenue, from the comparative period (Q3 2022 - $1.1 million or 9% of revenue).

Strong EBITDA performance resulted in $4.1 million of cash generated from operating activities during the quarter (Q3 2022 - $1.2 million), which was used to return capital to shareholders with $2.5 million of cash used to repurchases shares under the Corporation's now completed Normal Course Issuer Bid, and $0.3 million paid under the Corporation's reinstated quarterly dividend. During the quarter, the Corporation's also made $1.9 million of strategic investments into its rental fleet, as well as, to a lesser extent, production equipment and facility upgrades.

With a net cash balance of $14.0 million as at September 30, 2023 (September 30, 2022 - $4.9 million) and $12.0 million of additional funds available under undrawn credit facilities, McCoy is well positioned to execute on its strategic objectives for the remainder of the year and beyond.

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 and development milestones on McCoy's Smart Tubular Running System (smarTR™):

- Reported eleven (11) commercial sales and two (2) tool rentals for McCoy's Flush Mount Spider (FMS) and twenty-six (26) additional tools scheduled for delivery in the fourth quarter of 2023 and early 2024. With a growing number of tools delivered in the third quarter and coming months, we expect the increased exposure with operators will showcase the benefits of McCoy's FMS, and in turn, further accelerate adoption in the coming quarters. 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 two (2) commercial sale for McCoy's smartCRT™ and delivered two (2) rental tools in Latin America to a large multinational customer committed to utilizing our technology. In addition, purchase order commitments were received from a new market entrant in Latin America as well as a purchase commitment for a further two (2) rental tools from our multinational customer. The smartCRT™ has successfully executed multiple commercial casing jobs in the Middle East North Africa ("MENA") region, proving the in-field application of the tool and display. We expect to build upon the tool's in-field performance record in the fourth quarter of 2023 and further accelerate customer adoption. 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.
- Completed the development and test-rig trials of the smarTR™ and have since began in-field trials with our partnering customer in North America. We expect further advancements toward commercialization in the coming quarter and look forward to reporting our progress on key milestones.

Order Intake

McCoy reported $15.4 million of order intake for the three months ended September 30, 2023, a 34% decrease over the $23.5 million of order intake reported in the third quarter of 2022. 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. Order intake decreased sequentially by 6% compared to the $16.3 million reported in the second quarter of 2023.

OUTLOOK AND FORWARD-LOOKING INFORMATION

As at September 30, 2023, McCoy's backlog totaled $24.7 million (US$18.3 million), which will support strong revenue and earnings performance for the remainder of 2023 and into 2024, though shifts in product mix may impact gross margins to some degree in the short-term.

Over the short and medium term, forecasts for oil & gas market fundamentals continue to be robust for international markets, particularly the MENA and other international regions. In addition to increased drilling activity, new regional entrants paired with National Oil Companies' (NOC) strong focus on increased safety and efficiency will serve to further drive opportunities for our new products. We are well positioned to take advantage of these trends with market leading technologies that provide superior safety, efficiency and simplified operating procedures, as well as expert technical support with local presence and the broadest portfolio of TRS equipment on the market.

The global CRT market continues to grow as customer preference shifts from running casing with legacy hydraulic power tongs to CRTs due to advantages 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 2023, McCoy received orders from six (6) new customers and three (3) new geographies for its CRT technology. Looking ahead, we expect further growth in order intake and revenue generation from this product line as we continue to gain market share with our product.

Turning to the North America land market, decreasing rig count and drilling activity experienced year-to-date negatively affects our legacy capital equipment and aftermarket sales in the region. We expect market conditions to remain flat in this region in the short-term, however, we expect robust order intake for our new FMS technology due to the performance and safety advantages inherent in its unique design, along with the ongoing labour challenges faced by many of our customers.

As we progress through the commercialization stage of our 'Digital Technology Roadmap' initiative, we expect future revenues to become less dependent on the cyclicality of drilling activity, and more driven by technology adoption, demand from new local and regional market entrants, and market share gains in new geographies.

For the remainder of 2023 and beyond, we continue to focus on our key strategic initiatives to deliver value to all our stakeholders:

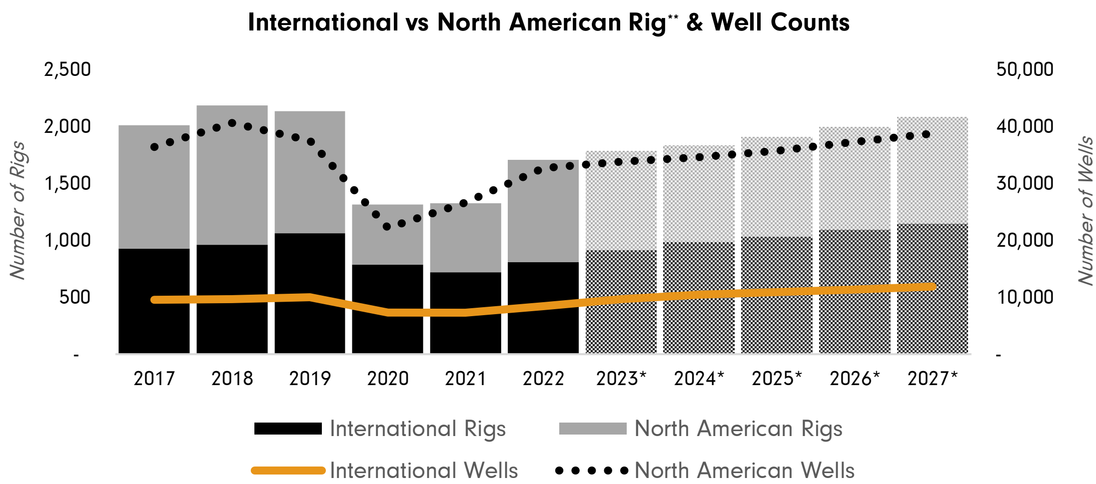
- Accelerating market adoption of new and recently developed 'smart' portfolio products;
- Taking advantage of the current market trajectory by focusing on revenue generation from new and existing customers;
- Focusing on capital allocation priorities; a) investment in growth through both organic and strategic M&A opportunities where returns are favourable and b) return excess cash to our shareholders in the form of share buy-backs and quarterly dividends.

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

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 2023, is as follows:



*Forecasted
** Cumulative

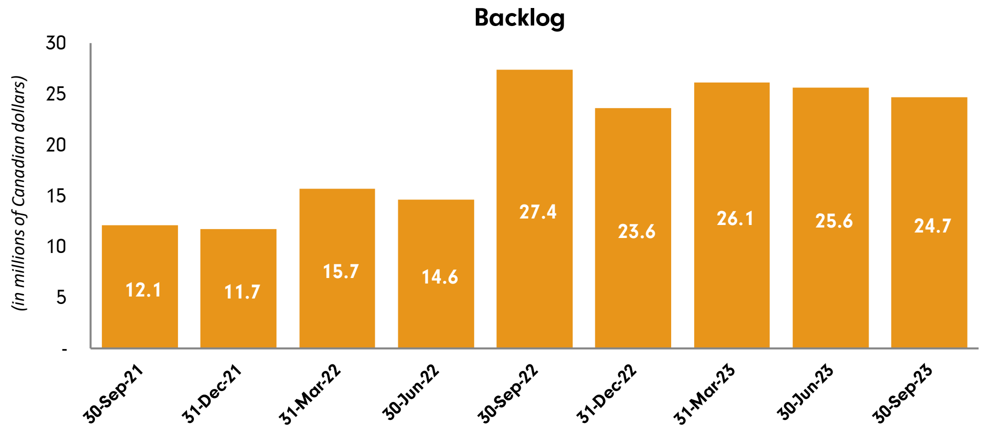
The demand for McCoy Global's products and services is related to drilling activity levels and customers' capital and operating budgets, which in turn are influenced by oil and natural gas prices and expectations as to future price trends. The availability of existing capital equipment adequate to serve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

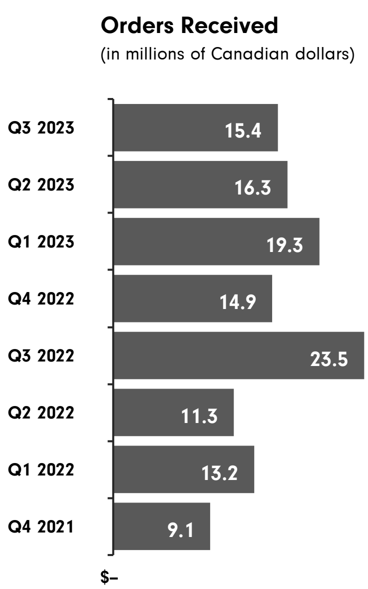
The Corporation defines backlog as orders that have a high certainty of being delivered and is measured on the basis of a firm customer commitment, such as the receipt of a purchase order. Though customers may default on, or cancel such commitments, purchase commitments may be secured by a deposit and/or 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.

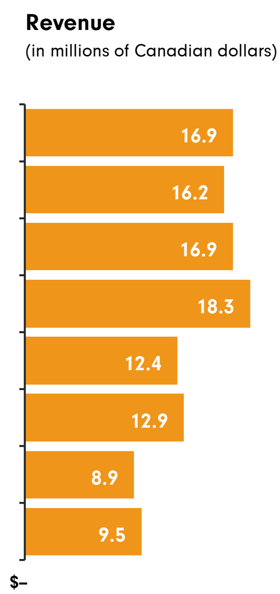
McCoy Global's backlog as at September 30, 2023, totaled $24.7 million (US$18.3 million), a decrease of $0.9 million or 4% from backlog of $25.6 million (US$19.3 million) as at June 30, 2023. Compared to September 30, 2022, backlog decreased $2.7 million, or 10%, from $27.4 million (US$20.0 million).

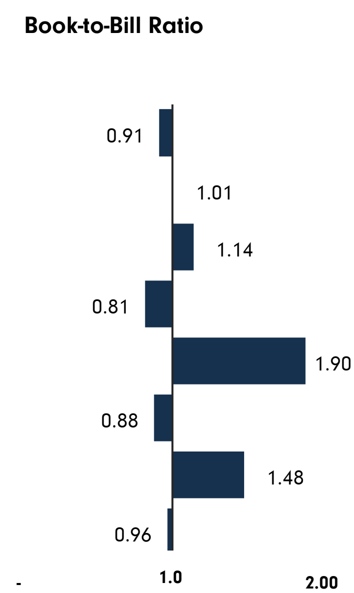


Book-to-Bill Ratio

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, licensing, and revenue sharing 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, technological advancements, 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 smarTR™ automated casing running system.

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 several significant downturns in the last decade and increasing volatility in 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. In addition to providing enhanced data, McCoy's smarTR targets a reduction of up to 67% of the labour costs associated with TRS.

Producers – McCoy's software technology 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.

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)	2023	2022
Revenue	**16,878**	12,410
Net earnings	**1,900**	274
Per common share – basic	**0.07**	0.01
Per common share – diluted	**0.07**	0.01
Adjusted EBITDA	**3,856**	1,099
Per common share – basic	**0.14**	0.04
Per common share – diluted	**0.13**	0.04

As at and for the nine months ended September 30 ($000 except per share amounts)	2023	2022
Revenue	**49,990**	34,164
Net earnings	**3,855**	1,499
Per common share – basic	**0.14**	0.05
Per common share – diluted	**0.13**	0.05
Adjusted EBITDA	**9,138**	4,856
Per common share – basic	**0.32**	0.17
Per common share – diluted	**0.32**	0.17
Total assets	**73,547**	66,181
Total liabilities	**20,811**	21,229
Total non-current liabilities	**3,547**	4,979

EBITDA and Adjusted EBITDA are calculated as follows:

($000)	Three months ended September 30 2023	2022	Nine months ended September 30 2023	2022
Net earnings	**1,900**	274	**3,855**	1,499
Depreciation of property, plant and equipment	**493**	403	**1,414**	1,439
Amortization of intangible assets	**513**	275	**1,351**	744
Income tax expense	**743**	-	**1,266**	-
Finance (income) charges, net	**(8)**	197	**348**	556
EBITDA	**3,641**	1,149	**8,234**	4,238
Share-based compensation	**276**	14	**777**	389
(Reversals of) provisions for excess and obsolete inventory	**(74)**	(5)	**(1)**	491
Other losses (gains), net	**13**	(59)	**128**	(262)
Adjusted EBITDA	**3,856**	1,099	**9,138**	4,856
Adjusted EBITDA % of revenue	***23%***	*9%*	***18%***	*14%*

REVENUE

($000 except percentages)	Three months ended September 30 2023	2022	Change	% Change	Nine months ended September 30 2023	2022	Change	% Change
Revenue	**16,878**	12,410	4,468	36%	**49,990**	34,164	15,826	46%

Revenue for the three and nine months ended September 30, 2023, increased substantially from the comparative period and was driven by continued market share increase of McCoy's DWCRT™, as well as further deliveries of McCoy's new technologies including the FMS and smartCRT™.

Revenues for the three and nine months ended September 30, 2022, benefitted from strengthening industry fundamentals and key legacy 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 being delayed until early Q4 2022.

GROSS PROFIT

($000 except percentages)	Three months ended September 30 2023	2022	Change	% Change	Nine months ended September 30 2023	2022	Change	% Change
Gross profit	**6,175**	3,149	3,026	96%	**16,407**	9,918	6,489	65%
Gross profit % of revenue	***37%***	*25%*	*12%*		***33%***	*29%*	*4%*	

Gross profit percentage for the three and nine months ended September 30, 2023, increased by twelve and four percentage points, respectively from the comparative periods. This was largely driven by a favourable shift in product mix towards new technologies such as DWCRT™s, smartCRT™s, and FMS, which command higher margins compared to legacy capital equipment. Increased production throughput and material cost savings from diligent supply chain management also favorably impacted results.

Gross profit percentage for the comparative periods was impacted by a substantial shift in product mix towards legacy capital equipment.

Gross profit for the three months ended September 30, 2023, includes a $0.1 million recovery for excess and obsolete inventory (2022 – nominal recovery). Gross profit for the nine months ended September 30, 2023, includes a nominal recovery for excess and obsolete inventory (2022 – provision of $0.5 million).

GENERAL AND ADMINISTRATION EXPENSE (G&A)

($000 except percentages)	Three months ended September 30 2023	2022	Change	% Change	Nine months ended September 30 2023	2022	Change	% Change
G&A	**1,907**	1,475	432	29%	6,154	4,630	1,524	33%
G&A as a % of revenue	***11%***	*12%*	*(1%)*		*12%*	*14%*	*(2%)*	

For the three and nine months ended September 30, 2023, G&A increased from the comparative periods due to headcount increases to support the increase in activity, as well as increased stock-based compensation from appreciation of the Corporation's stock price. As a percentage of revenue, G&A fell one and two percentage points respectively, from the comparative periods.

For the nine months ended September 30, 2022, G&A was impacted by the wage rollbacks and salary freezes enacted in April 2020, which were not reversed until mid-year 2022.

SALES AND MARKETING EXPENSE (SALES & MARKETING)

($000 except percentages)	Three months ended September 30				Nine months ended September 30			
	2023	2022	Change	% Change	2023	2022	Change	% Change
Sales & Marketing	**590**	451	139	31%	**1,706**	1,301	405	31%
Sales & Marketing as a % of revenue	***3%***	*4%*	*(1%)*		***3%***	*4%*	*(1%)*	

Sales & Marketing expenses increased from the comparative periods due to increased commissions, travel, and headcount to support increased market activity. As a percentage of revenue, Sales & Marketing decreased one percentage point with the comparative periods.

For the nine months ended September 30, 2022, Sales and Marketing was impacted by the wage rollbacks and salary freezes enacted in April, which were not reversed until mid-year 2022.

PRODUCT DEVELOPMENT AND SUPPORT

($000 except percentages)	Three months ended September 30				Nine months ended September 30			
	2023	2022	Change	% Change	2023	2022	Change	% Change
Product development and support expense	**1,030**	811	219	27%	**2,950**	2,194	756	34%
Capitalized development expenditures	**3**	147	(144)	(98%)	**92**	606	(514)	(85%)
Total product development and support expenditures	**1,033**	958	75	8%	**3,042**	2,800	242	9%
Total product development and support expenditures as a % of revenue	***6%***	*8%*	*(2%)*		***6%***	*8%*	*(2%)*	

During the three and nine months ended September 30, 2023, the Corporation further advanced its 'Digital Technology Roadmap' initiative by concentrating its Product development and support efforts on accelerating market adoption of new and recently commercialized 'smart' portfolio products, including the smartCRT™, and FMS. Field trials for the automated smarTR™ system commenced in Q3, and will continue into Q4. The Corporation has substantially concluded capital expenditures for the first suite of smart products under 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 headcount and travel to support customer adoption of new technologies.

During the three and nine months ended September 30, 2022, capitalized development expenditures mostly consisted of field trial costs for McCoy's smartCRT™, commercialized in the fourth quarter of 2022. For the nine months ended September 30, 2022, Product development and support expenses was impacted by the wage rollbacks and salary freezes enacted in April, which were not reversed until mid-year 2022.

OTHER ITEMS

($000 except percentages)	Three months ended September 30 2023	2022	Change	% Change	Nine months ended September 30 2023	2022	Change	% Change
Finance (income) charges, net	**(8)**	197	(205)	(104%)	**348**	556	(208)	(37%)
Other losses (gains), net	**13**	(59)	72	(122%)	**128**	(262)	390	(149%)

Finance (income) charges, net, includes borrowing costs, finance charges imputed on leases in accordance with IFRS 16, offset by interest income on cash and cash equivalents. For the three months ended September 30, 2023, finance (income), net was reported due to full repayment of the Corporation's term loan in the first quarter of 2023, as well as interest earned on cash and cash equivalents, net of finance charges imputed under IFRS 16. For the nine months ended September 30, 2023, finance charges, net was also impacted by prepayment penalties and recognition of the remaining amortized finance charges associated with early repayment of the Corporation's term loan.

For the three and nine months ended September 30, 2023, other losses, net consisted of foreign exchange losses offset by gains on disposal of property, plant, and equipment. 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.

SUMMARY OF QUARTERLY RESULTS

($000 except per share amounts)	2023 Sep 30	2023 Jun 30	2023 Mar 31	2022 Dec 31	2022 Sep 30	2022 Jun 30	2022 Mar 31	2021 Dec 31
Revenue	**16,878**	16,248	16,684	18,264	12,410	12,863	8,891	9,451
Net earnings	**1,900**	1,427	528	7,264	274	1,051	174	2,464
Per share – Basic	**0.07**	0.05	0.02	0.26	0.01	0.04	0.01	0.09
Per share - Diluted	**0.07**	0.05	0.02	0.25	0.01	0.04	0.01	0.08
EBITDA	**3,641**	2,639	1,954	7,319	1,149	1,943	1,146	3,504
Adjusted EBITDA	**3,856**	2,862	2,419	3,681	1,099	2,296	1,461	1,213

LIQUIDITY AND CAPITAL RESOURCES

Selected cash flow information is as follows:

($000)	Three months ended September 30		Nine months ended September 30	
	2023	2022	**2023**	2022
Cash generated from (used in) operating activities	**4,081**	1,224	**2,556**	(1,720)
Cash used in investing activities	**(1,908)**	(628)	**(2,867)**	(1,241)
Cash used in financing activities	**(3,068)**	(63)	**(7,107)**	(108)

Cash generated from operating activities for the three and nine months ended September 30, 2023, predominantly relates to strong EBITDA performance, partially offset by working capital investments in inventory to support orders in backlog. In the comparative periods, 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.

Cash used in investing activities for the three and nine months ended September 30, 2023, relates to strategic investments in the Corporation's rental fleet, primarily from equipment transferred from inventory, as well as additions to production equipment and leasehold improvements. For the three and nine months ended September 30, 2022, cash used in investing activities was related to investment in McCoy's 'Digital Technology Roadmap' and additions to the Corporation's rental fleet. For the nine months ended September 30, 2023, and 2022, proceeds from the sale of property, plant and equipment also contributed to cash flow.

Cash used from financing activities for the three and nine months ended September 30, 2023, relates to $2.5 million for the repurchase of shares under the Corporation's normal course issuer bid, dividends paid on the Corporation's common shares, as well as principal elements of lease payments. Cash used in financing activities for the nine months ended September 30, 2023, also includes $4.6 million for early repayment of the Corporation's term loan, offset by changes in restricted cash, proceeds from the issuance of common shares under the Corporation's restricted share plan and stock options plan. 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.

As at ($000)	**September 30, 2023**	December 31, 2022
Cash and cash equivalents	**14,006**	21,469
Restricted cash, as per credit facility	-	846
Borrowings	-	(4,517)
Net cash	**14,006**	17,798
Undrawn availability under revolving demand facility	**11,942**	3,386

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

Anticipated capital spending for the remainder of 2023 includes:

- up to US$1.6 million of strategic investment in rental equipment where meaningful returns are expected; and
- up to $0.5 million of investments in production facility equipment and leasehold improvements.

OUTSTANDING SHARE DATA

As at November 8, 2023, the following class of shares and equity securities potentially convertible into common shares were outstanding:

Common shares	26,954,936
Convertible equity securities:	
Stock options	1,435,000
Restricted share plan units	185,000

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 8, 2023:

Exercise price range	Options outstanding	Weighted average remaining contractual life
	#	years
Less than $1	565,000	6.10
$1 to $2	490,000	3.20
$2 to $3	180,000	3.16
$3 to $4	200,000	1.36
	1,435,000	4.08

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, 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.