MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

For the Three and Twelve Month Period Ended December 31, 2019

Basis of Presentation:

The following discussion of the financial condition and results of operations of Noble Iron, Inc. ("The Company," or the "Company") should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2019 and 2018, which were prepared under International Financial Reporting Standards ("IFRS") using Noble Iron's functional currency of Canadian dollars. This MD&A has been prepared as of May 28, 2020 to help investors understand the financial performance of the Company and to provide information that management believes is relevant for an assessment and understanding of the business, risks, opportunities and performance measures of the Company. We have prepared this document in conjunction with our broader responsibilities for the accuracy and reliability of the financial statements and the development and maintenance of appropriate internal controls in our efforts to ensure that the financial information is complete and reliable. The Company's Board of Directors has reviewed this document and all other publicly reported financial information for integrity, usefulness and consistency.

Additional information about the Company, including copies of the Company's continuous disclosure materials, is available at www.nobleiron.com or under the Company's profile on SEDAR at www.SEDAR.com. The Company maintains its registered head office in Ontario, Canada, with executive management based in California, USA. The Company's Investor Relations department can be reached at 1 (866) 762-9475. The information on the Company's website is not considered to be a part of this MD&A.

Forward Looking Statements:

This document may contain forward-looking statements that reflect the Company's current expectations regarding future events. The forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "estimate", "expect", "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. These forward-looking statements involve risk and uncertainties, including the difficulty in predicting acceptance of and demands for new products and services, the impact of the products, services and pricing strategies of competitors, delays in developing and launching new products and services, fluctuations in operating results and other risks, any of which could cause actual results, performance, or achievements to differ materially from the results discussed or implied in the forward-looking statements. There are many inherent risks in the industries in which the Company operates; some are more specific to the Company. The reader should consult the Company's ongoing quarterly filings for additional information on risks and uncertainties relating to these forward-looking statements. The reader should not place undue reliance on any forward-looking statements. Management assumes no obligation to update or alter any forward-looking statements whether as a result of new information, further events or otherwise, unless required by law.

Non-IFRS Measure:

The term "Adjusted EBITDA" used in this MD&A refers to net earnings (loss) before interest expense, income taxes, depreciation, amortization, acquisition expenses, stock-based compensation, severances, foreign exchange, lease termination payments and other extra ordinary and non-recurring items. The Company believes that Adjusted EBITDA is useful supplemental information as it provides an indication of the results generated by the Company's main business activities prior to taking into consideration how those activities are financed and taxed and also prior to taking into consideration the other items listed above. The MD&A presents adjusted EBITDA, as a non-IFRS financial measure, to assist readers in understanding the Company's performance during the period in discussion herein. Please refer to table 2 on page 5 of this MD&A for a reconciliation of Adjusted EBITDA to the "Issuer's GAAP" (as such term is defined in National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards). The term "Backlog revenue" used in this MD&A refers to revenue from new signed contracts from new and existing customers for not yet implemented software and related services. For clarity, backlog revenue does not include future revenue from ongoing contracts with existing customers. Please refer to page 6 for more details on backlog revenue. The Company believes backlog revenue is an important supplemental information because it further describes the Company's sales activities during the year. These non-IFRS measures do not have any standardized meaning and are therefore unlikely to be comparable to similar measures presented by other issuers and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Overview:

The Company (TSX Venture Exchange symbol "NIR") operated directly in equipment rental and equipment sales until May 5, 2017 when it sold its equipment rental business and continues to develop and sell cloud-based and on-premise software for construction and industrial equipment owners and users.

The Company is focused on investing in scaling its software business by developing and deploying new Software-as-a-Service (SaaS) products to existing and new customers in various construction and industrial service sectors. The Company's strategy involves establishing a platform ecosystem, comprised of multiple software applications and services, to make our customers' work easy and instant. The strategy includes developing software products and new service offerings internally, as well as exploring acquisitions, partnerships, and other investment initiatives.

The Company operates under the name "Texada Software." Texada Software offers cloud or client-based software for equipment rental companies, equipment dealerships, construction companies, contractors, and customers who own or use construction or industrial equipment. Texada Software develops software applications to manage the equipment ownership lifecycle, including equipment purchasing, rental and sales transactions, inventory management, maintenance and depreciation tracking, as well as used equipment sales, disposal and inventory replenishment. Following the sale of the equipment rental and dealership operations, the Company's sole operating business is currently in software. Since June 2017, the Company has focused on investing in its software business, and has expanded its software resources with additional engineering, sales and marketing investment in Canada and the United States. The Company plans to further develop and deploy its existing software applications, including SRM (Systematic Rental Management), and new products such as FleetLogic, Gateway and Texada Pay. The Company also plans to consider additional strategic opportunities in addition to software.

The Company is subject to a number of risks and uncertainties associated with the achievement of sustainable profitability. The Company has incurred net losses and used significant cash in its operating activities since incorporation. Before the sale of its California rental operations the Company relied on external financing, primarily through debt and private equity financing. With the sale of its California operations, the Company generated sufficient cash from the sale to fund its operations and to establish its infrastructure.

Recent Developments:

During the year ended December 31, 2019, the Company continued to invest in developing its software products and growing its customer base. During the second quarter of 2019, the Company invested in developing a payment processing platform called "Texada Pay". Texada Pay provides Texada's rental and asset management software customers with the capability to process credit card and ACH payments directly within their own applications as well as Texada's e-commerce store and Customer Portal solution, called "Gateway." Texada Pay also offers the ability to securely store credit card and ACH information, so that customers can easily collect payments for cycle-billed rental transactions.

Texada Pay was officially released to the North American market in the third quarter of 2019 and to Asia Pacific customers in fourth quarter.

The Company also invested in the development of a Business Intelligence (BI) tool, "Texada Analytics", a comprehensive customizable dashboard for customers who use Texada software to manage their business.

During the fourth quarter of 2019, the Company was selected by a large customer, ERS Caterpillar, as its equipment rental software provider for all of its locations. ERS Caterpillar went live in May 2020 on Texada's SRM, FleetLogic mobile field service and logistics application and GateWay e-commerce suite.

Description of The Company's Business:

Enterprise Asset Management Software

Texada Software's revenues are primarily derived from recurring license revenues that include user license fees, server license fees, Software-as-a-Service ("SaaS") subscription fees, and contract development and upgrade fees. In addition to these fees, Texada Software generates maintenance and service revenue. The products are generally licensed under single-year or multi-year terms, both of which are arranged to automatically renew. Maintenance fee arrangements generally include ongoing customer support and rights to certain product updates. Service revenue consists of professional fees charged for product training, consulting, and implementation and programming services. Contract revenue is derived from contracts for the development of custom applications. Customers typically purchase a combination of software, maintenance, and professional services.

The Company's Markets:

Equipment Asset Management Software

Customers in the North American construction equipment rental sector currently account for approximately 78% of the Company's software revenue. It is estimated that there are more than 30,000 companies worldwide that rent various types of equipment, 12,000 of which conduct business in the United States and Canada.

The market for rental management software has existed for over 30 years, and management estimates there are more than 200 providers of rental management software to the three primary segments of the rental market. Most companies in this sector are private companies, making it difficult to accurately assess the size of this market.

Management's view is that the increased adoption of cloud-based software and mobile applications among the Company's existing and target software customers presents significant growth opportunities.

Industry and economic factors

Over the course of 2019, no significant broader industry or economic factors had any material impact on the Company's performance. The Company's view is that the rising trend of the rental market in construction, industrial and other applications will cause the Company's current customer base to further grow and will also usher in new entrants into the rental industry, yielding a growing market for the Company's software offerings.

COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus called SARS-CoV-2, which causes COVID-19, has resulted in governments worldwide enacting emergency measures including but not limited to self-imposed quarantine and social distancing, closure of businesses and construction sites resulting in a global economic slowdown. The impact of COVID-19 could negatively impact the Company's operations and customers by prolonged regional and global closures of the Company's customer base operations, including stop work orders on existing contracted work for an unknown period of time, stalling projects from going live on the software and new customer onboarding. Any closures, quarantines and labor shortages of the Company's customers may adversely impact the Company's revenues and cashflows.

As a result, we continue to monitor the COVID-19 situation, which has been rapidly developing. In addition to adhering to the directives from public health officials, we have implemented a pandemic contingency plan to guide our employees, customers and operations, which includes mandating work from home for all employees to the extent possible and working with customers through telephone and video conferencing, and eliminating any business travel. Being a trusted rental software solution for many customers, a large number of whom have been deemed essential businesses, our plan is focused on helping our customers with continuity of their businesses and ensuring there are no interruptions in service which may be detrimental to our customers' operations.

As of the date of this MD&A, the extent to which COVID-19 impacts the Company's results cannot be reliably estimated and depends largely on future developments and the reaction of governments, which are highly uncertain and cannot be predicted.. We are actively monitoring and assessing the rapidly emerging government policy and economic stimulus responses to COVID-19. If extended, it may impact the economies where the Company operates now or may operate in the future and the markets and industries in which its suppliers operate, to an extent that the Company cannot fully anticipate or quantify at this point.

2019 and 2018 Business Developments:

Company Results

The Company's objectives during 2019 included the ongoing migration of its existing customers from customized software products to its current standard cloud-based version, converting on-premise software clients to Texada's SaaS cloud-based offering, as well as developing and marketing specific software products, mobile applications and support capabilities. The Company also invested in additional software development, marketing and sales resources to further expand the software customer base and to serve existing customers with new products and services.

The Company continues to focus on investing in developing and marketing new proprietary software, such as the FleetLogic, Gateway, Texada Pay, Texada Analytics, E-signature and RentalLogic applications.

Consolidated Financial Highlights

Table 1:

Consolidated Financial Highlights ($000's except EPS)	Twelve Months Ended			Three Months Ended		
	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2019	December 31, 2018	December 31, 2017
Revenue	$ 5,749	$ 6,106	$ 4,671	$ 1,404	$ 1,895	$ 1,220
Cost of revenue	(667)	(764)	(808)	(115)	(185)	(234)
Expenses, interest, and taxes	(8,842)	(8,441)	(6,480)	(2,065)	(3,329)	(2,181)
Net loss	$ (3,760)	$ (3,099)	$ (2,617)	$ (776)	$ (1,618)	$ (1,195)
Adjusted EBITDA*	(3,499)	(2,355)	(2,354)	(746)	(680)	(1,283)
Loss per share - basic and diluted	($0.14)	($0.11)	($0.10)	($0.03)	($0.06)	($0.04)

	December 31, 2019	December 31, 2018	December 31, 2017
Total Assets	6,424	10,025	12,616
Total Current Liabilities	1,096	962	1,890
Total Non-Current Liabilities	345	-	-
Total Shareholders Equity	4,983	9,063	10,726

* Adjusted EBITDA is a non-IFRS measure and is discussed in the "Introduction – Non-IFRS Measure" section of the MD&A.

Table 2:

Comparative Financial Results (000's) - Consolidated Company	Twelve Months Ended			Three Months Ended		
	December 31, 2019	December 31, 2018	Percentage Change	December 31, 2019	December 31, 2018	Percentage Change
Revenue	$ 5,749	6,106	(6%)	$ 1,404	$ 1,895	(26%)
Cost of revenue	(667)	(764)	13%	(115)	(185)	38%
Expenses						
Support, maintenance and delivery	(1,172)	(2,077)	44%	(219)	(544)	60%
Research and development	(2,680)	(1,667)	(61%)	(545)	(464)	(17%)
Sales and marketing	(1,808)	(694)	(161%)	(570)	(358)	(59%)
General and administration	(3,198)	(3,498)	9%	(744)	(1,051)	29%
Income tax recovery (expense)	22	155	86%	22	118	82%
Interest income (expense)	6	3	(113%)	(1)	3	149%
Foreign exchange (loss) gain	(12)	(663)	(98%)	(7)	(1,032)	(99%)
Net loss	**(3,760)**	**(3,099)**	**(21%)**	**(776)**	**(1,618)**	**52%**
Add:						
Depreciation / Amortization	256	170	(51%)	41	16	(164%)
Income tax (recovery) expense	(22)	(155)	86%	(22)	(118)	82%
Share based payments	22	69	68%	2	11	82%
Interest (income) expense	(6)	(3)	(113%)	1	(3)	149%
Foreign exchange loss (gain)	12	663	98%	7	1,032	99%
Adjusted EBITDA*	**($3,499)**	**($2,355)**	**(49%)**	**($746)**	**($680)**	**(10%)**

* Adjusted EBITDA is a non-IFRS measure and is discussed in the "Introduction – Non-IFRS Measure" section of the MD&A.

Table 3:

Quarterly Results (000's)	2019				2018			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	$ 1,404	$ 1,388	$ 1,516	$ 1,441	$ 1,895	$ 1,384	$ 1,367	$ 1,460
Cost of revenue	(115)	(184)	(194)	(174)	(185)	(176)	(208)	(195)
Net loss	(776)	(991)	(981)	(1,012)	(1,618)	(269)	(889)	(323)
Add Back:								
Depreciation/Amortization expense	41	74	74	68	16	52	51	51
Income tax (recovery) expense	(22)	-	-	-	(118)	(102)	54	11
Share based payments	2	6	6	8	11	16	19	22
Interest expense (income)	1	(2)	(3)	(3)	(3)	-	-	-
Severance and other	-	-	-	-	-	-	-	-
Foreign exchange loss (gain)	7	(14)	(3)	22	1,032	(53)	88	(403)
Adjusted EBITDA	(746)	(928)	(906)	(919)	(680)	(356)	(677)	(641)
Loss per share - basic and diluted	$ (0.03)	$ (0.04)	$ (0.04)	$ (0.04)	(0.06)	(0.01)	(0.03)	$ (0.01)
Weighted Avg. Shares Outstanding**	27,267,479	27,267,479	27,267,479	27,267,479	27,363,643	27,288,908	27,417,479	27,417,479

* Adjusted EBITDA is a non-IFRS measure and is discussed in the "Introduction – Non-IFRS Measure" section of the MD&A.
** Weighted average shares outstanding (Basic) does not include the 1,961,500 options outstanding as at December 31, 2019.

The Company recorded revenues of $5.7 million and $6.1 million for the twelve months ended December 31, 2019 and 2018, respectively, resulting in a decrease of 6% or $0.4 million. During the year ended 2018, the Company made a one-time sale of additional licenses to an on-premise customer for a total of $0.5 million. This type of sale of licenses, though part of the normal course of operations for the Company and directly related to the growth of this customer, does not occur on a regular basis and was a significant contributor to the greater revenue in 2018 over 2019. Excluding this one-time revenue, the Company recorded a year over year increase of 3% or $0.1 million in revenue. As of December 31, 2019, the Company has new signed contracts from new and existing customers for not yet implemented software and related services, totaling $1.1 million "backlog revenues", comprising of $0.8 million in annual recurring revenue and $0.3 million of non-recurring revenue from services and implementation. For clarity, Back log revenues do not include future revenue from ongoing contracts with existing customers. Backlog revenue is a non-IFRS measure and is also discussed in the "Non-IFRS Measure" section on page 2 of the MD&A.

For the fourth quarter of 2019, the Company recorded revenues of $1.4 million compared to $1.9 million for the three months ended December 31, 2018, resulting in a decrease of 26% or $0.5 million. As discussed above, this decrease can be primarily attributed to the one-time sale of on-premise licenses in the fourth quarter of 2018.

The Company recorded cost of revenue of $0.7 million for the twelve-months ended December 31, 2019 and $0.8 million for the twelve-months ended December 31, 2018. Cost of revenue remained relatively unchanged year over year. For the fourth quarter of 2019, the Company recorded cost of revenue of $0.1 million compared to $0.2 million for the three months ended December 31, 2018. Cost of revenue remained relatively unchanged over the fourth quarter of the prior year. The decrease was primarily due to cost cutting initiatives for our data hosting services.

The Company recorded expenses of $8.8 million and $8.4 million for the twelve months ended December 31, 2019 and 2018, respectively, resulting in an increase of 5% or $0.4 million. This increase was in line with the Company's growth plan and reflects increased investment in product and technology development as well as increased investment in sales and marketing.

For the fourth quarter of 2019, the Company recorded expenses of $2.1 million compared to $3.3 million for the three months ended December 31, 2018, resulting in a decrease of 38% or $1.3 million, due to cost reduction initiatives primarily in support, maintenance and delivery and general and administrative expenses.

The Company recorded a net loss of $3.8 million and a net loss of $3.1 million for the twelve months ended December 31, 2019 and 2018, respectively, resulting in an increased loss of $0.7 million. The increase in loss is in line with the Company's investment in highly skilled technical personnel to further its development efforts for both existing and new products offerings. For the fourth quarter of 2019, the Company recorded net loss from continuing operations of $0.8 million, compared to a net loss of $1.6 million for the three months ended December 31, 2018, resulting in a decreased loss of $0.8 million. As discussed above, in the fourth quarter of 2018, the Company derecognized a previously recorded deferred tax asset of $0.5 million. During the fourth quarter of 2019, the Company began to realize the impact of its cost cutting strategies that were executed at the end of the third quarter of 2019.

The Company recorded Adjusted EBITDA of ($3.5) million and ($2.4) million for the twelve months periods ended December 31, 2019 and 2018, respectively, resulting in a year over year decrease in Adjusted EBITDA of $1.2 million. For the fourth quarter of 2019, the Company recorded Adjusted EBITDA of ($0.7) million, same as the fourth quarter of 2018. Even though the revenue during the fourth quarter of 2019 was lower by $0.5 million over the fourth quarter of 2018, the decrease in overall operating costs resulted in Adjusted EBITDA to be in line with the fourth quarter of 2018.

The decrease of $3.6 million in total assets of the Company is primarily due to continued investment in research and development of new products and services, highly skilled personnel, sales and marketing and other strategic growth initiatives. The decrease in total shareholders' equity of $4.1 million is in line with the net loss for the year of $3.8 million reduced by the impact of the cumulative translation adjustment on the Company's foreign entities balances of $0.3 million.

Liquidity and Capital Resources:

Liquidity risk is the risk the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk through cash and debt management. See "Liquidity Risk" below.

The Company manages liquidity by assessing future cash flow requirements. Cash flow estimates are based upon rolling forecasts that consider cash restrictions and anticipated operating results. The Company hasn't had any debt and other loans since 2017 and has been in a cash positive position. Cash, which is surplus to working capital requirements is typically held as deposits, in both US and Canadian funds, with large financial institutions.

Cash Flow:

As of December 31, 2019, the Company had cash and cash equivalents of $4.9 million and working capital of $4.7 million compared to cash of $7.8 million and working capital of $8.5 million as at December 31, 2018. The decrease is due to cash used in operating activities primarily investment in development of new products, increase in sales and marketing efforts and hiring of highly skilled workforce to assist the growth.

In 2019, the Company did not make any long-term commitments. The Company continues to invest in research and development of new products and services, sales and marketing, and other strategic growth initiatives.

Off-Balance Sheet Arrangements:

During the twelve months ended December 31, 2019, the Company did not participate in any off-balance sheet arrangements.

Transactions Between Related Parties:

The Company's related parties are its Board of Directors and key management personnel, including the Company's Chairman and Chief Executive Officer, Nabil Kassam, as well as any companies controlled by key management personnel or directors.

Transactions conducted with related parties took place in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties. These transactions comprise of employment compensation, benefits and share-based compensation awards.

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Changes in Accounting Policies:

The significant accounting policies used in preparing the 2019 consolidated financial statements are unchanged from those disclosed in the Company's 2019 annual consolidated financial statements except for the adoption of IFRS 16 'Leases' in the consolidated financial statements for the period beginning on January 1, 2019. Further details on the financial impact can be found in the audited consolidated financial statements for the twelve months ended December 31, 2019 available under the Company's profile on www.SEDAR.com.

New standards and interpretations adopted:

i) Adoption of IFRS 16 - Leases ("IFRS 16")

The Company adopted IFRS 16 using the modified retrospective approach of adoption with the date of initial application of January 1, 2019. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

i. Significant accounting policies

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and adjusted for any remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses the incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by the lease payment made. It is remeasured if there is a change in future lease payments arising from a change in an index or rate, a change in estimate of the amount expected to be payable under the residual value guarantee, or as appropriate, changes in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

ii. Transition

Previously, the Company classified property lease as an operating lease under IAS 17. The two leases run for a period of 10 years and 3 years. The lease includes an option to renew the lease for an additional five years and 3 years respectively, after the end of the non-cancellable period.

At transition, for lease classified as operating lease under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at January 1, 2019. Right-of-use assets was measured at:

- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Company used the following practical expedients when applying IFRS 16 to leases previously classified as operating lease under IAS 17:

- allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed.
- applied the exemption not to recognize right-of-use assets or liabilities for leases with less than 12 months of lease term
- excluded initial direct costs from measuring the right-of-use assets at the date of initial application
- used hindsight when determining the lease term where the lease contains options to extend or terminate the lease.

Impacts on consolidated financial statements

On transition to IFRS 16, when measuring the lease liabilities that were classified as operating leases, the Company discounted the lease payments using its incremental borrowing rate at January 1, 2019. The rate applied is 5.75%. The Company signed another lease on February 1, 2019 and the incremental borrowing rate applied to discount the lease payments is 8.30%.

As a result of applying IFRS 16, in relation to a lease that was previously classified as an operating lease, the Company recognized a right-of-use assets and lease liabilities of $361,293 on January 1, 2019 on its consolidated statements of financial position. Additions to the right-of-use assets during the year were $143,927.

The Company has recognized depreciation and interest costs, instead of operating lease expense. During the year ended December 31, 2019, the Company recognized a depreciation charge of $91,291 in General and administrative expenses and interest costs of $29,134 in finance cost, from the lease on the consolidated statements of comprehensive loss.

Financial Instruments:

The Company is exposed to certain risks related to its financial instruments during its normal course of business including, but not limited to; liquidity risk, foreign currency risk and credit risk. The Company's financial instruments are detailed below. The Company manages these financial instruments to support the Company's strategy for growth and ongoing operations.

Management has determined the carrying amount of its short-term financial assets, including cash and cash equivalents and trade receivables, approximates fair value at the reporting date. The amortized cost related to these items as of December 31, 2019 was $5.4 million (2018 - $8.8 million).

Management has determined that the carrying amount of its short-term financial liabilities, including trade payables and accrued liabilities and other current liabilities approximate fair value at the reporting date due to the short-term maturity of these obligations. The amortized cost related to these items as of December 31, 2019 was $0.8 million (2018 - $0.8 million).

The Company did not have any short-term or long-term debt that are measured at amortized cost at December 31, 2019, December 31, 2018.

The Company did not have any financial instruments that are measured at fair value at December 31, 2019, and December 31, 2018.

Capital Resources:

During the year ended December 31, 2019, the Company made no commitment for capital expenditures. Management does not expect fluctuations in the Company's capital resources. There are no sources of financing that the Company has arranged but not yet used.

Risks and Uncertainties:

The Company's management team is responsible for the evaluation and management of risk factors affecting the Company. The following is management's assessment of the significant risks that would have the greatest impact on the Company over the ensuing 12 to 18 months given currently available information. This analysis contains forward looking statements that may differ materially from actual results.

COVID-19:

On March 11, 2020, the World Health Organization assessed the SARS-CoV-2 coronavirus outbreak, causing COVID-19, as a pandemic. As of the date of this report, the extent to which COVID-19 impacts the Organization's results will depend on future developments, which are highly uncertain and cannot be predicted and dependent upon new information which may emerge concerning the severity of COVID-19 and actions taken to contain this or its impact, among others.

The Company has entered into this period of uncertainty with a healthy liquidity position and is taking immediate, aggressive and prudent actions, including re-evaluating all expenditures and making significant reductions, to enhance our ability to meet the business' short and the long term liquidity needs, in order to best position ourselves to keep serving our customers. We continue to work with our vendors to preserve liquidity and mitigate the risk during this unprecedented COVID-19 outbreak.

Due to the outbreak of COVID-19, extended periods of interruption to our customers' operations could cause us to lose revenue and market share, which would depress our financial performance and could be difficult to recapture. Our customers' business operations have been and are continuing to be interrupted due to the outbreak especially in the states where they have been deemed 'non-essential.' On the contrary, the Company anticipates that its existing customers are likely to explore other products offered by the Company which can increase their operations efficiency and reduce their operational costs during this downtime. We continue to actively monitor the situation, but there can be no assurance that the COVID-19 outbreak will not result in open project delays and customers reducing their operations and possible reductions in our revenue. Moreover, because our long-term growth strategy is largely based upon new customer acquisition, there is no guarantee that the demand for our software products will continue to grow during a possible slowdown in demand as a result of COVID-19, which could potentially have a serious adverse effect on our business.

Liquidity Risk:

The Company is subject to a number of risks and uncertainties associated with the achievement of sustainable profitability and with the financing requirements of its operations.

The Company has been in a strong cash position since the sale of its California rental business and the repayment of all of the Company's debt. As a result, liquidity risk to the Company has been dramatically reduced, which is evidenced by the December 31, 2019 cash and cash equivalents balance of $4.9 million.

To fund its planned growth over the next couple of years, the Company has sufficient cashflow remaining that it may not require to look for working capital financing in the near future.

Revenue and Collection Risk:

The Company has a large number of customers with relatively small account balances and this exposes the Company to aggregate billing and collection risk. These risks can include missed billings, unwarranted credits, additional time to collect payments and greater risk of customer default. Continual process improvements are made to ensure timely collection of the Company's trade receivables. These efforts include the positioning of resources and technology to improve the efficiency of invoicing, collections and customer credit extension.

Working capital requirements:

The Company has sufficient financial resources to meet its current working capital requirements, current and planned personnel, infrastructure, systems, procedure and controls and new investments for the growth planned for at least two years, without having to procure additional financing. If the Company fails to manage its expansion effectively, its business, operations and prospects may be materially and adversely affected.

The Company's business is characterized by high working capital requirements and the need to make investments into new products and employee resources to meet the requirements of our customers. Similar to the Company's competitors in its industry, it incurs significant development costs and investment in its products to provide solutions, hiring and training of new employee resources. Such expenses are historically incurred before revenues are generated.

The Company is exposed to adverse changes in its customers' payment practices. If its customers implement practices which extend the payment terms of the Company's invoices, its working capital levels could be adversely affected and may require us to look at working capital financing options sooner within two years.

Technology and Software Development:

The process of developing technology from concept stage, through to design and final production involves time to complete testing, redesign and adoption by customers. Unexpected testing results or performance irregularities are normal in a development process and can result in new product offerings being delayed beyond projected timeframes or slow adoption from customers. The risk of not developing and introducing reliable products, on a timely basis, presents a risk to the Company's software business.

Reliance on Key Personnel:

The success of The Company depends on the abilities, experience, efforts and knowledge of their respective senior management and other key employees, including its ability to retain and attract effective management and employees. The loss of services from key personnel could have a material adverse effect on The Company's business, financial condition, results of operations or future prospects, particularly since it does not enter into non-competition arrangements with senior management and other key employees in certain circumstances. In addition, the growth plans described in this MD&A may require additional employees, increase the demands on management, and produce risks in both productivity and retention levels. The Company may not be able to attract and retain additional qualified management and employees as needed in the future. There can be no assurance that The Company will be able to effectively manage its growth, and any failure to do so could have a material adverse effect on its business, financial condition, results of operations and future prospects.

Foreign Currency and Exchange Risk:

Foreign currency risk in the exchange rates between the Canadian dollar and foreign currencies could affect the Company's operating and financial results. The Company is exposed to foreign currency risk. To date, the Company has funded its growth by issuing equity in Canadian funds and through the sale of its California rental business in US dollars. The Company's management monitors exchange rate fluctuations and presently does not use any derivative instruments to manage foreign currency exposure. As the Company continues to grow its US operations, exposure to foreign currency risk may increase with the likelihood of the Company employing exchange rate derivative instruments.

Outstanding Share Data:

The Company has authorized share capital of unlimited number of common shares as well as 100,000,000 preferred shares without par value, issuable in one or more series. As of the date of filing this MD&A, the Company had 27,267,479 common shares issued and outstanding and no preferred shares outstanding.

The Board of Directors ratified, confirmed, and approved a Restricted Share Plan that was adopted effective June 10, 2014. A maximum of 1,000,000 of the Company's shares are available for grant under the Restricted Share Plan. As of the date of this filing, the Company had no restricted shares issued. Further information can be found in the Company's Consolidated Financial Statements for the periods ended December 31, 2019 and 2018.

Other Information:

Additional information relating to the Company is available under the Company's profile on SEDAR at www.SEDAR.com.