NOBLE IRON INC.

CONSOLIDATED FINANCIAL STATEMENTS
Expressed in Canadian Dollars

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOBLE IRON INC.

YEARS ENDED DECEMBER 31, 2020 AND 2019

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RSM

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Noble Iron Inc.

Opinion

We have audited the consolidated financial statements of Noble Iron Inc., (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019 and the consolidated statements of comprehensive loss, changes in equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2020 and 2019, and consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Grand Lui.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
April 30, 2021
Toronto, Ontario

NOBLE IRON INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020 AND 2019

IN CANADIAN DOLLARS

	Notes	**2020**	**2019**
Assets		**$**	**$**
Current assets			
Cash		5,470,634	4,868,869
Trade receivables	16 c	552,327	559,254
Prepayment and other assets		201,613	283,192
Total current assets		**6,224,574**	**5,711,315**
Non-current assets			
Intangible assets	6	35,071	57,674
Property and equipment	4	56,758	91,063
Right of use assets	5	57,424	413,929
Other long-term assets		-	150,387
Total non-current assets		**149,253**	**713,053**
Total assets		**6,373,827**	**6,424,368**
Liabilities and Equity			
Current liabilities			
Trade and other payables		905,465	772,423
Contract liabilities		194,185	231,378
Lease liabilities	5	67,789	92,380
Total current liabilities		**1,167,439**	**1,096,181**
Non-current liabilities			
Lease liabilities	5	5,502	345,261
Long-term notes	7	245,875	-
Total non-current liabilities		**251,377**	**345,261**
Total liabilities		**1,418,816**	**1,441,442**
Equity			
Share capital	10	36,471,467	36,471,467
Other reserves	10	4,519,374	4,302,423
Accumulated other comprehensive income		2,236,132	2,377,894
Accumulated deficit		(38,271,962)	(38,168,858)
Total equity		**4,955,011**	**4,982,926**
Total equity and liabilities		**6,373,827**	**6,424,368**
Contingencies	20		
Subsequent event	21		

See Accompanying Notes to the Consolidated Financial Statements

APPROVED ON BEHALF OF THE BOARD:

__________________________Director __________________________Director

NOBLE IRON INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

IN CANADIAN DOLLARS

		2020 $	2019 $
Revenue	18	5,854,603	5,748,894
Cost of revenue		350,968	667,471
Gross profit		**5,503,635**	**5,081,423**
Operating expenses			
General and administrative		2,704,539	3,198,016
Research and development		1,349,580	2,680,292
Sales and marketing		838,174	1,807,995
Support, maintenance and delivery		851,734	1,171,913
Loss from operations		**(240,392)**	**(3,776,793)**
Finance (income) / cost			
Interest expense / (income)		19,821	(6,380)
Foreign exchange (gain) / loss		(158,128)	11,573
Loss before taxation		**(102,085)**	**(3,781,986)**
Income tax (recovery)	9	1,019	(21,608)
Net loss		**(103,104)**	**(3,760,378)**
Other comprehensive (loss) / income			
Item that may be subsequently reclassified to profit or loss			
Foreign currency translation adjustment		(141,762)	(341,932)
Total comprehensive loss		**(244,866)**	**(4,102,310)**
Loss per share			
Basic and diluted	10	(0.00)	(0.14)

See Accompanying Notes to the Consolidated Financial Statements

NOBLE IRON INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

IN CANADIAN DOLLARS

	Share Capital No.	Share Capital $	Other reserves $	Accumulated other comprehensive income $	Accumulated deficit $	Total equity $
Balance, January 1, 2019	27,267,479	36,471,467	4,280,434	2,719,826	(34,408,480)	9,063,247
Loss for the year	-	-	-	-	(3,760,378)	(3,760,378)
Other comprehensive loss	-	-	-	(341,932)	-	(341,932)
Total comprehensive loss	-	-	-	(341,932)	(3,760,378)	(4,102,310)
Share-based payments (note 10c)	-	-	21,989	-	-	21,989
Balance, December 31, 2019	27,267,479	36,471,467	4,302,423	2,377,894	(38,168,858)	4,982,926
Loss for the year	-	-	-	-	(103,104)	(103,104)
Other comprehensive loss	-	-	-	(141,762)	-	(141,762)
Total comprehensive loss	-	-	-	(141,762)	(103,104)	(244,866)
Share-based payments (note 10c)	-	-	216,951	-	-	216,951
Balance, December 31, 2020	**27,267,479**	**36,471,467**	**4,519,374**	**2,236,132**	**(38,271,962)**	**4,955,011**

See Accompanying Notes to the Consolidated Financial Statements

NOBLE IRON INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

IN CANADIAN DOLLARS

	Notes	**2020** **$**	**2019** **$**
Cash flows from operating activities			
Net (loss) / income		(103,104)	(3,760,378)
Adjustments for:			
Amortization and depreciation		155,642	255,590
Share-based payments		216,951	21,989
Net finance cost		-	2,070
Income tax expense / (credit)		1,019	(21,608)
Unrealized foreign exchange loss / (gain)		121,395	125,340
Gain on derecognition of right-of-use asset		(21,483)	-
Disposal of assets		(1,396)	1,047
Loan forgiveness for operating activities	7	(218,026)	-
Change in working capital	13	184,355	910,301
		335,353	**(2,465,649)**
Interest paid	5	(20,333)	(27,064)
Net cash from / (used in) operating activities		**315,020**	**(2,492,713)**
Investing activities			
Interest received		4,866	37,029
Purchase of property and equipment	4	(6,261)	(71,887)
Disposal of property and equipment		2,100	-
Net cash from / (used in) investing activities		**705**	**(34,858)**
Financing activities			
Payment of lease liabilities	5	(75,006)	(69,166)
Proceeds from long-term notes	7	463,706	-
Net cash from / (used in) financing activities		**388,700**	**(69,166)**
Effects of exchange rate differences on cash		(102,660)	(290,443)
Net increase / (decrease) in cash		704,425	(2,596,737)
Cash, beginning of year		4,868,869	7,756,049
Cash, end of year		**5,470,634**	**4,868,869**

See Accompanying Notes to the Consolidated Financial Statements

1. Corporate information

Noble Iron Inc. (the "Company") was incorporated under the Company Act (British Columbia) and was continued under the Business Corporations Act (Ontario) on November 5, 2008. The address of the Company's registered office is 90 Woodlawn Road West, Guelph, Ontario, N1H 1B2. The consolidated financial statements of the Company, as at and for the years ended, December 31, 2020 and 2019, comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

Noble Iron Inc. is listed on the TSX-Venture Exchange under the symbol NIR. The Company operates in enterprise asset management software for the construction and industrial equipment industry.

Noble Iron Inc. operates under the name "Texada Software". Texada Software develops software applications to manage the complete equipment ownership lifecycle: from equipment purchasing, rental and sales transactions, inventory management, maintenance and depreciation tracking through to used equipment sales, disposal, and inventory replenishment. Texada Software offers in the cloud or client-based software and is scalable to meet the needs of any equipment rental company, dealership, construction company, contractor, and any customer who owns or uses construction or industrial equipment.

2. Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued and effective as at the reporting date. The consolidated financial statements were authorized for issue by the Board of Directors on April 30, 2021.

(b) Basis of measurement:

The consolidated financial statements have been prepared on the historical cost basis, except as otherwise disclosed.

(c) Presentation and functional currency

Amounts included in the financial statements of each entity that is a foreign operation are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Canadian dollars ("presentation currency"), which is also Noble Iron Inc.'s functional currency.

2. Basis of preparation (Cont'd)

(d) Use of estimates and judgements

Use of estimates:

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expense. Actual results may differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Management periodically reviews its estimates and underlying assumptions relating to the following items:

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

i. Taxes

Deferred tax assets and liabilities contain estimates about the nature and timing of future permanent and temporary differences as well as the future tax rates that will apply to those differences. Changes in tax laws and rates as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management monitors current and potential changes to tax law and bases its estimates on the best available information at each reporting date.

ii. Amortization

Management estimates the expected useful life of intangible assets for use in calculating amortization expense. The estimates are evaluated annually and adjusted prospectively, where necessary, to reflect actual experience.

iii. Provision for doubtful accounts

The Company makes an assessment of whether trade receivables are collectable for each customer based on payment history and financial condition. These estimates are continuously evaluated and updated.

iv. Stand-alone selling prices

The recognition of revenue requires judgement in the assessment of performance obligations, whether they are distinct and separate, within a contract and the assessment of recognizing at a point in time or over a period of time. Material promises within a contract to deliver distinct services are accounted for as separate performance obligations. The determination of the standalone selling prices ("SSP") for distinct performance obligations can also require judgement and estimates. The Company uses a single amount to estimate SSP for bundled items such as subscription fee SaaS licenses, implementation and training in subscription arrangements that are not sold separately. The Company uses a range of amounts to estimate SSP when it sells each of the products and services separately and needs to determine whether there is a discount that needs to be allocated based on the relative SSP of the various products and services. In general, SSP for implementation and training in subscription fee contracts is supported by third party evidence and internal analysis of similar contracts. SSP for subscription licenses for same or similar services is established based on using the residual approach.

2. Basis of preparation (Cont'd)

(d) Use of estimates and judgements (Cont'd)

Revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring services to the customer.

Use of judgements:

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements that affect the application of accounting policies and the interpretation of accounting standards.

Management periodically reviews its judgements and underlying assumptions relating to the following items:

i. Intercompany transactions

Management exercises judgement to determine which amounts receivable from a foreign operation are not expected to be settled and accordingly forms part of the Company's net investment in the foreign operation. Factors considered include the nature of the source of the amounts advanced and the ability of the foreign operation to repay the advance.

ii. Recognition of deferred tax asset

Management exercises judgement in determining whether to recognize deferred tax assets and the amount of the recognition at each period end. Factors considered in this determination includes the probability of generating sufficient taxable income, the estimation of the tax rates that will be enacted when these assets will be utilized and different tax positions that can be taken to affect taxes payable in the future.

iii. Multiple elements of revenue

Management's judgement is applied to the evaluation of multiple elements arrangements in the Company's contract with customers to assess whether deliverables can be recognized separately for revenue recognition purposes. Determining whether such bundled products and services are considered a) distinct performance obligations that should be separately recognized, or b) non-distinct and therefore should be combined with another good or service and recognized as a combined unit of accounting may require significant judgement. In general, the Company's implementation and training services are capable of being distinct as they could be performed by third party service providers and do not involve significant customization of the licensed software.

iv. Leases

The Company has applied judgement to determine the lease term for its lease contracts in which it is a lessee that include renewal options. The assessment whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

3. Summary of significant accounting policies

The accounting policies set out below have been applied consistently by Group entities to all periods presented in these consolidated financial statements.

(a) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries Systematic Computer Services Corporation, Texada Software Pty Ltd., Noble Iron (U.S.), Inc. and Noble Rents (CA) Inc.

The financial statements of the Company and its subsidiaries are prepared up to the same reporting period and are combined on a line-by-line basis. All intercompany balances, transaction and related unrealized profits and losses are eliminated on consolidation as it relates to balances within the Group.

The acquisition method of accounting is used to account for the acquisition of a subsidiary by the Company. On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. The cost of acquisition is measured at fair value of the assets transferred, equity instruments issued, and liabilities incurred or assumed at the acquisition date.

Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. Any excess of the fair values of the identifiable net assets acquired over the cost of acquisition is credited to the consolidated statement of comprehensive income in the period of acquisition.

(b) Foreign currency

i. Foreign currency transactions

Foreign currency transactions of the Group entities are translated into their respective functional currencies at the rates of exchange approximating to those prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are retranslated into their respective functional currencies at the rates of exchange at the end of each reporting period. Exchange gains and losses are included in the consolidated statement of comprehensive income within operating expenses.

ii. Foreign currency translation

The assets and liabilities of foreign operations are translated to Canadian dollars using exchange rates at the reporting date. Revenues and expenses of foreign operations are translated to Canadian dollars at the date of transaction.

Foreign currency differences are recognized in other comprehensive income (loss) and in the accumulated other comprehensive income in equity.

Foreign currency gains and losses arising from monetary items receivable from or payable to a foreign operation, for which settlement is neither planned nor likely to occur, form a part of the exchange differences in the net investment in the foreign operations and are recognized initially in other comprehensive income. Upon disposal or partial disposal of an entity with a functional currency other than the Canadian dollar, any accumulated exchange differences will be reclassified to the statement of comprehensive income (loss) within net loss.

IN CANADIAN DOLLARS

3. **Summary of significant accounting policies** (Cont'd)

(c) Financial assets and financial liabilities

Recognition and initial measurement

Financial assets and financial liabilities, including derivatives, are recognized in the consolidated statements of financial position when the Company becomes a party to the contractual provisions of a financial instrument or non-financial derivative contract. All financial instruments are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities, other than financial assets and financial liabilities classified as fair value through profit and loss (FVTPL), are added to or deducted from the fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in net loss.

Classification and subsequent measurement

The Company classifies financial assets, at the time of initial recognition, according to the Company's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are classified in the following measurement categories: a) amortized cost b) fair value through profit or loss FVTPL, and c) fair value through other comprehensive income (FVTOCI). Financial assets are subsequently measured at amortized cost if both the following conditions are met and they are not designated as FVTPL: a) the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are subsequently measured at amortized cost using the effective interest rate method, less any impairment, with gains and losses recognized in net income in the period that the asset is derecognized or impaired. All financial assets not classified as amortized cost as described above are measured at FVTPL or FVTOCI depending on the business model and cash flow characteristics. The Company has no financial assets measured at FVTOCI.

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method with gains and losses recognized in net income in the period that the liability is derecognized, except for financial liabilities classified as FVTPL.

The following table summarizes information regarding the classification and carrying value of the Company's financial instruments:

	December 31, 2020	**December 31, 2019**	**Classification**
	$	**$**	**IFRS 9**
Cash	5,470,634	4,868,869	Amortized cost
Trade receivables	552,327	559,254	Amortized cost
Trade and other payables	905,465	772,423	Amortized cost
Lease liabilities	73,291	437,641	Amortized cost
Long-term notes	245,875	-	Amortized cost

3. **Summary of significant accounting policies** (Cont'd)

(c) Financial assets and financial liabilities (Cont'd)

Impairment of financial instruments

For trade receivables, the Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables based on the Company's historical default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. The methodologies and assumptions, including any forecasts of future economic conditions, are reviewed regularly.

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are recognized in the consolidated statements of comprehensive loss.

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized, and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of comprehensive loss.

(d) Property and equipment

Property and equipment are initially recognized at cost. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Depreciation is provided on items of property, plant and equipment so as to reduce their carrying value over their expected useful economic lives.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of property and equipment are determined by comparing the proceeds from the sale with the carrying amount of property and equipment and are recognized in profit and loss. Depreciation is recognized by using the straight-line method to depreciate the cost of the asset to its residual value over its estimated useful life. Depreciation ceases when the asset is derecognized or is classified as held for sale.

The estimated useful lives are as follows:

Tangible assets	**Useful economic life**
Furniture, fixtures and equipment	5 years
Computer equipment	3 years
Leasehold improvements	Shorter of lease term or useful life

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted prospectively, if appropriate.

3. Summary of significant accounting policies (Cont'd)

(e) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period if time in exchange for consideration. A lease where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Company are classified as finance leases and the asset is treated as if it had been purchased outright. The amount initially recognized is the lower of its fair value and the present value of the minimum lease payments. Furthermore, the leased asset is subject to depreciation with the useful life being lesser of the lease term or the expected useful life of the asset. The corresponding lease commitment is shown as a lease liability.

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.

Lease where substantially all of the risks and rewards incidental to the ownership are not transferred to the Company are classified as operating leases and the leased assets are not recognized in the Company's statement of financial position with payments recognized in profit and loss on a straight-line basis over the term of the lease.

(f) Intangible assets

Intangible assets are measured at cost less accumulated amortization and impairment losses. Amortization is recognized using the straight-line method to amortize the cost of the asset less its residual value over the estimated useful life of the asset.

The estimated useful lives are as follows:

Intangible assets	**Useful economic life**
Trademarks	5 years
Software license	Over the life of contract
Software development	3 years

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted prospectively, if appropriate.

(g) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from share capital, net of any tax effects.

3. Summary of significant accounting policies (Cont'd)

(h) Impairment of property and equipment and finite life intangible assets

The carrying amounts of the Company's assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated to determine the extent of the impairment loss, if any. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Impairment losses are charged to the consolidated statement of comprehensive income in operating expenses. During the years ended December 31, 2020 and 2019, no impairment was recorded.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cash generating unit's recoverable amount exceeds its carrying amount.

(i) Share-based payments

The Company uses the fair value method of accounting for share options. The fair value of share options is estimated using the Black-Scholes option-pricing model. The measurement of share options at fair value is based on the Black-Scholes option pricing model using the following variables:

• The share price.
• The strike price.
• The volatility of the share has been determined based on historical prices of the Company's shares.
• The duration, which has been estimated as the difference between the valuation date of the stock plans and final exercise date.
• The risk-free interest rate.

The Company recognizes compensation expense for employee share options over the requisite service period of the award. Any excess tax benefits or expense related to employee share-based payments, if any, are recognized as income tax benefit or expense in the consolidated statements of comprehensive loss when the awards vest or are settled.

When a share option is exercised, share capital is recorded at the sum of the proceeds received plus the amount previously recorded in contributed surplus relating to the options exercised.

(j) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(k) Revenue

The Company operates an enterprise asset management software for the construction and industrial equipment industry and provides related services. The Company's revenues from its software business are derived from subscription fees, license fees, maintenance, implementation and training services.

3. Summary of significant accounting policies (Cont'd)

(k) Revenue (Cont'd)

i. Subscription fees

Subscription fees from its software-as-a-service ("SaaS") application are comprised of fees that provide customers with access to software over the contract term without taking possession of the software. Revenue from subscription fees, which includes hosted software, data storage and related support is recognized rateably over the term of the contract.

Subscription fee contracts are bundled with implementation and training services. The subscription, implementation and training components are each allocated revenue using their relative estimated SSP. Revenue allocated to the bundled implementation and training is recognized over the term of the implementation and training services.

The Company typically invoices its customers monthly. Typical payment terms provide that customers pay within 30 days of invoice. Subscription fees allow customers to use the Company's software without taking possession of the software. Revenue is recognized over the contract term.

ii. License fees

License fees relate to software licenses for on-premises software, which provide the customer with a right to use the software as it exists when the right to use the software has commenced. Revenues from distinct licenses are recognized when the software is made available to the customer.

On-premise software license contracts are bundled with maintenance, implementation and training services. The license, maintenance, implementation and training components are each allocated revenue using their relative estimated SSP. Revenue allocated to the bundled maintenance, implementation and training is recognized over the term of the maintenance, implementation and training services.

The Company typically invoices its customers monthly. Typical payment terms provide that customers pay within 30 days of invoice. Amounts that have been invoiced are recorded in accounts receivable and in unearned revenue or revenue, depending on whether transfer of control to customers has occurred.

iii. Rendering of services

Implementation and training services related to its SaaS and on-premise software include start-up, commissioning, and installation. Where these performance obligations are separately purchase and therefore considered distinct, revenue is recognized overtime by reference to the stage of completion based upon relative SSP.

Maintenance services provided to customers with on premise software licenses is recognized over the term of the maintenance services.

The Company typically invoices its customers monthly. Typical payment terms provide that customers pay within 30 days of invoice.

3. Summary of significant accounting policies (Cont'd)

(k) Revenue (Cont'd)

iv. Contract liabilities

Generally, the Company only receives advances from Customers upon contract execution for which revenue is expected to occur within 12 months. They are presented as part of deferred revenue within contract liabilities and reduced when revenue is recognized. For contracts that require customers to pay long-term advances, the payment terms are structured primarily for reasons other than the provision of finance to the Company; notably, to meet working capital demands, to ensure the customers follow through with their purchase orders, to ensure an incentive to not terminate the contract for any reasons, including economic, or to mitigate a history of late payments. Other long-term customers advances are analyzed to determine whether there is a significant financing component in its contracts and are accounted for separately.

(l) Research and development

The Company expenses all research costs as incurred. The Company reviews development costs related to specific projects to determine if they meet certain criteria to be recorded as an intangible asset. If these criteria are not met, the Company expenses the development costs as incurred.

(m) License costs capitalized

Licenses acquired that are used as part of the software segment's operations are capitalized as intangible assets and amortized over the life of the contract.

(n) Income taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

3. Summary of significant accounting policies (Cont'd)

(n) Income taxes (Cont'd)

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred tax assets are reviewed each reporting date and are reduced to the extent that it is no longer considered probable that the related tax benefit will be realized.

(o) Earnings (loss) per share

The Company presents basic and diluted Earnings (Loss) Per Share ("EPS") data for its common shares. Basic EPS is calculated by dividing net earnings (loss) by the weighted average number of common shares outstanding during the reporting period. Diluted EPS is computed similar to basic EPS except that the weighted average shares outstanding are increased to include additional shares from the assumed exercise of warrants or stock options, if dilutive. The number of additional shares is calculated by assuming that outstanding warrants and stock options were exercised and that the proceeds from such exercises were used to acquire shares of common stock at the average market price during the reporting period.

(p) Geographic segment reporting

The geographic operating segment analyzes the Company's revenue and non-current assets by the Company's country of domicile and other countries. In presenting geographic information, segment revenue has been based on the geographic location of customers and segments assets were based on the geographic location of the assets (refer note 18). All geographic operating segments' operating results are reviewed regularly by the Company's senior management, including the Chief Executive Officer, to make decisions about resources to be allocated to the segment, assess its performance, and for which discrete financial information is available.

(q) Government grants

A government grant is recognized if there is reasonable assurance that it will be received and that the Company will comply with the conditions associated with the grant. If the conditions are met, the Company recognizes the grant in profit or loss on a systematic basis in line with its recognition of the expenses that the grant is intended to compensate. For grants related to income, the Company can elect to either offset the grant against the related expenditure or include it in other income. Government assistance received by the Company during the year has been accounted for as an offset to the related expenditure.

(r) New standards and interpretations adopted

The International Accounting Standards Board ("IASB") has issued the following amendments, revisions, and new International Financial Reporting Standards ("IFRS") that are not yet effective and while considered relevant to the Company, they have not yet been adopted by the Company. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several other amendments and interpretations apply for the first time in 2020, but do not have an impact on the annual consolidated financial statements of the Company.

IN CANADIAN DOLLARS

3. Summary of significant accounting policies (Cont'd)

(r) New standards and interpretations adopted (Cont'd)

i. IAS 1, Presentation of Financial Statements ("IAS 1") and IAS 8 Accounting policies, Changes to Accounting Estimates and Errors ("IAS 8")

In October 2018, the IASB issued 'Definition of Material', an amendment to IAS 1 and IAS 8 to provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments are applied prospectively and are effective beginning January 1, 2020. These amendments had no impact on the annual consolidated financial statements of, nor is there expected to be any future impact to the Company.

(s) New standards and interpretations not yet adopted

i. On January 23, 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements to clarify the requirements for classifying liabilities as current or non-current. The amendments include specifying the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists and expectations about events after the balance sheet date are not relevant. The amendments are effective for annual reporting periods beginning on or after January 1, 2022.

4. Property and equipment

During the year ended December 31, 2020 and 2019 there were no impairment losses recorded. The carrying value of the impairment reserve at December 31, 2020 and 2019 is $nil.

	Furniture, fixtures and equipment	**Computer equipment**	**Leasehold improvements**	**Total**
	$	$	$	$
Cost				
At January 1, 2020	782,431	303,171	117,445	1,203,047
Additions	-	6,261	-	6,261
Effect of foreign exchange	159	907	-	1,066
Disposals	-	(4,798)	-	(4,798)
At December 31, 2020	782,590	305,541	117,445	1,205,576
Accumulated depreciation				
At January 1, 2020	749,474	245,065	117,445	1,111,984
Depreciation for the year	7,064	33,002	-	40,066
Disposals	-	(3,232)	-	(3,232)
At December 31, 2020	756,538	274,835	117,445	1,148,818
Net Book Value				
December 31, 2020	26,052	30,706	-	56,758

IN CANADIAN DOLLARS

4. Property and equipment (Cont'd)

For the year ended December 31, 2020, depreciation of property and equipment included in the consolidated statements of comprehensive loss is as follows: i) Cost of revenue: $26,326 ii) Support, maintenance and delivery: $nil iii) Sales and marketing $735 iv) General and administrative: $13,005.

	Furniture, fixtures and equipment $	Computer equipment $	Leasehold improvements $	Total $
Cost				
At January 1, 2019	762,261	252,637	117,445	1,132,343
Additions	20,530	51,357	-	71,887
Effect of foreign exchange	(360)	(823)	-	(1,183)
Disposals	-	-	-	-
At December 31, 2019	782,431	303,171	117,445	1,203,047
Accumulated depreciation				
At January 1, 2019	742,958	206,408	117,445	1,066,811
Depreciation for the year	6,516	38,657	-	45,173
Disposals	-	-	-	-
At December 31, 2019	749,474	245,065	117,445	1,111,984
Net Book Value				
December 31, 2019	32,957	58,106	-	91,063

For the year ended December 31, 2019, depreciation of property and equipment included in the consolidated statements of comprehensive loss is as follows: i) Cost of revenue: $30,718 ii) Support, maintenance and delivery: $nil iii) Sales and marketing $498 iv) General and administrative: $13,957.

5. Leases

Lease obligations relate to the Company's rent of office spaces in Canada and Australia. The term of leases related to these offices were set to expire on August 1, 2026 and January 1, 2022, respectively. In December 2020 the Canadian lease was terminated effective January 31, 2021.

During the year 2020, due to COVID-19 pandemic, the Company received rent abatement for its Canadian lease in the amount of $10,947 for the nine months starting April 1, 2020 and for its Australian lease in the amount of CA$ 8,139 (AU$ 8,667) for 5 months starting May 1, 2020. Any gain/(loss) due to revaluation of these lease liabilities and right-of-use assets was recognized in the consolidated statement on comprehensive income.

The Company terminated the Canadian lease in December 2020 without penalty for termination and derecognized the lease liability and net right-of-use asset of $276,931 and $255,448, respectively. The gain on derecognition of $21,483 was recorded as other income in the consolidated statement of comprehensive income.

IN CANADIAN DOLLARS

5. Leases (Cont'd)

The following table reconciles the changes in right-of-use assets for the years ended December 31,

	2020	2019
	$	$
Right-of-use assets		
Balance as at January 1,	413,929	361,293
Addition	-	147,371
Rent abatement	(11,534)	-
Lease termination	(255,448)	-
Amortization	(92,973)	(91,291)
Effect of foreign exchange	3,450	(3,444)
Balance as at December 31,	57,424	413,929

For the year ended December 31, 2020, depreciation included in the consolidated statements of comprehensive loss on the right-of-use assets recorded in General and administrative expenses is $92,973 (2019: $91,291) The interest expense recorded in finance cost was $20,333 (2019: $29,134).

The following table reconciles the changes in lease liabilities for the years ended December 31,

	2020	2019
	$	$
Lease liabilities		
Operating lease commitments disclosed as at December 31, 2018	-	447,611
Balance as at January 1,	437,641	361,293
Lease addition	-	147,371
Accretion of interest	-	2,070
Repayment of lease liabilities	(75,006)	(69,166)
Rent abatement	(19,086)	-
Lease termination	(276,931)	-
Effect of foreign exchange	6,673	(3,927)
Balance as at December 31,	73,291	437,641
Current	67,789	92,380
Non-Current	5,502	345,261
Lease liabilities	73,291	437,641

IN CANADIAN DOLLARS

6. Intangible assets

	Trademarks $	Software license $	Software development $	Total $
Cost				
At January 1, 2020	54,531	1,033,640	302,882	1,391,053
Additions	-	-	-	-
Disposals	-	-	-	-
At December 31, 2020	54,531	1,033,640	302,882	1,391,053
Accumulated amortization				
At January 1, 2020	54,531	1,005,533	273,315	1,333,379
Amortization for the year	-	7,177	15,426	22,603
Disposals	-	-	-	-
At December 31, 2020	54,531	1,012,710	288,741	1,355,982
Net Book Value				
December 31, 2020	-	20,930	14,141	35,071

For the year ended December 31, 2020, amortization included in the consolidated statements of comprehensive loss as follows: i) Cost of revenue: $nil ii) Research and development: $22,603.

	Trademarks $	Software license $	Software development $	Total $
Cost				
At January 1, 2019	54,531	1,033,640	302,882	1,391,053
Additions	-	-	-	-
Disposals	-	-	-	-
At December 31, 2019	54,531	1,033,640	302,882	1,391,053
Accumulated amortization				
At January 1, 2019	54,531	901,833	257,889	1,214,253
Amortization for the year	-	103,700	15,426	119,126
Disposals	-	-	-	-
At December 31, 2019	54,531	1,005,533	273,315	1,333,379
Net Book Value				
December 31, 2019	-	28,107	29,567	57,674

For the year ended December 31, 2019, amortization included in the consolidated statements of comprehensive loss as follows: i) Cost of revenue: $96,524 ii) Research and development: $22,602.

7. Long-term notes

On May 4, 2020, Noble Rents Inc. ("borrower"), subsidiary of the Company, received loan proceeds of approximately $223,081 (US$161,805) in the form of a Note under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities and maintain its payroll levels.

The amount of loan forgiveness will be reduced if the borrower terminates employees and reduces salaries during the eight-week period. The Note maybe be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. On June 5, 2020, the PPP Flexibility Act was signed into law which improved borrowers' ability to qualify for forgiveness and increased the time to spend the loan proceeds to twenty-four weeks (formerly eight weeks).

Under PPP Flexibility Act, unforgiven portion of the PPP loan will now have a minimum maturity date of five years (formerly two years) at an interest of 1%, with a deferral of payments until the date on which the amount of forgiveness is determined under the CARES Act (formerly six months). The Company intends to use the proceeds for qualifying expenses and have utilised the forgiven amount that is probable over the period in which the entity recognized the related cost for which the PPP loan is intended to compensate. The recognized amount to off set qualifying operating expenses under the PPP during the year ended December 31, 2020 is $218,026 (US$161,805).

Any accrued interest since the receipt of the loan was reversed upon fully utilization of the PPP loan. This interest was imputed based on the guidelines set forward by the PPP. The interest balance will be forgiven along with the loan proceeds if the funds are used in accordance with the conditions for forgiveness of the loan, in whole or in part.

As at December 31, 2020, the Company has used all proceeds from the PPP Loan to maintain payroll and make rent payments. The Company has filed a PPP loan forgiveness application with U.S. Small Business Administration. The Company meets the PPP loan forgiveness conditions listed in the PPP loan forgiveness application form in accordance with the established guidelines issued by U.S. Small Business Administration. Accordingly, the Company has accounted for the PPP Loan as a government grant in accordance with IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance.

The Company had to commit to follow the guidelines to spending the assistance on eligible operating expenses. The Company does not have any unfulfilled obligations relating to this program, therefore the management has assumed the loan would be forgiven.

On August 6th, 2020 (Commencement Date), Texada Software PTY LTD. ("borrower"), subsidiary of the Company, received loan proceeds of approximately $245,875 (AU$250,000) in the form of a Note under the Queensland Rural and Industry Development Authority (QRIDA) COVID-19 Job Support Loans (Program). This program was established to assist small companies to meet their working capital expenses. The loan has a term of 10 years with no repayment for the first 12 months and the loan shall be repaid in 108 installments. The first installment is due 13 months after the Commencement Date, with subsequent instalments due monthly on or before the same date thereafter.

As per the agreement, for the first 12 months, no interest shall be accrued. Effective on the 13th month, the interest will be at 2.50% per annum and will continue to accrete interest based on the outstanding principal balance from the 13th month to the 36th month.

7. **Long-term notes** (Cont'd)

For the first 12 months, the Borrower will not be required to make any payment, however the Borrower can repay the principal balance without incurring any penalty. For the 13th to the 36th month, the Borrower will be required to make an interest only payment which is calculated using the monthly portion of the annual interest rate against the outstanding principal. For months 37 to 120, the Borrower will be required to make both a principal and interest payment to payoff the balance by no later than the end of 10 years after the Commencement Date. The Borrower will be able to repay the principal without incurring any penalty.

The loan is recorded as a long-term note under non-current liabilities on the consolidated statements of financial position.

8. Government grants and assistance

The Company applied for various government support programs introduced in response to the COVID-19 pandemic. These assistances are available to the companies that were impacted by the COVID-19 pandemic based on the eligibility criteria in the jurisdictions they operate in. The Company would request and receive these funds subsequent to the payroll period.

During the year ended December 31, 2020, the Company received a total of $735,046 in government assistance under the government economic response to COVID-19 in Canada and Australia to support the payroll of the Company's employees.

In Canada, the Company received $531,495 under the Canadian Emergency Wage Subsidy (CEWS) program that was directly attributed to payroll expenses.

In Australia, the Company received government assistance of $203,551 through the JobKeeper Payment and the Cash Flow Boost payment program to assist the Companies to retain its employees.

Along with the PPP assistance, the Company recognized a total of $953,072 in its consolidated statements of comprehensive income. The Company has presented these government assistances as a reduction to the payroll expenses and other eligible expenses recorded under the operating expenses. The Company had to commit to follow the guidelines to spending the assistance on payroll expenses. The Company does not have any unfulfilled obligations relating to these programs.

IN CANADIAN DOLLARS

9. Income taxes

(a) Income tax expense

The income tax recovery differs from the amount that would be computed by applying the applicable federal and provincial statutory rates to the loss before income taxes. The reasons for the differences are as follows:

	2020	2019
	$	$
Loss before income taxes	(102,085)	(3,781,986)
Statutory income tax rate	26.50%	26.50%
Expected income tax recovery	(27,053)	(1,002,226)
Effect of income tax of:		
Difference between Canadian rate and rate applicable to subsidiaries in other countries	6,051	(9,669)
Non-deductible expense and other permanent differences	5,862	15,282
Previously unrecognized deductible temporary differences	1,019	(21,608)
Unrecognized tax benefits of losses and temporary differences	15,140	996,613
Income tax (recovery) / expense	1,019	(21,608)

(b) Deferred tax assets and liabilities

i. Unrecognized deferred tax assets

	2020	2019
	$	$
Net operating loss carry forward	6,231,831	6,310,540
Other temporary differences	396,647	426,081
Total unrecognized deferred tax assets	6,628,478	6,736,621

IN CANADIAN DOLLARS

9. Income taxes (Cont'd)

ii. Rollforward of recognized deductible (taxable) temporary differences:

	Balance December 31, 2018	Movements in temporary differences	Balance December 31, 2019	Movements in temporary differences	Balance December 31, 2020
	$	$	$	$	$
Property and equipment	(437,000)	437,000	-	(1,000)	(1,000)
Intangible asset	-	-	-	-	-
Non-deductible reserves	153,000	24,000	177,000	(26,000)	151,000
Net operating loss carry forward	284,000	(461,000)	(177,000)	26,000	(151,000)
	-	-	-	(1,000)	(1,000)

There are no aggregate taxable temporary differences associated with the Company's investments in its subsidiaries for which deferred tax liabilities have not been recognized.

(c) Net operating losses

At December 31, 2020, the Company has the following net operating loss amounts available to reduce future years' income for tax purposes for its Canadian, US and Australian operations.

Year	**Recognized**	**Unrecognized**	**Total**
	$	$	$
2021	-	2,632,000	2,632,000
2022	-	697,000	697,000
2023	-	46,000	46,000
2024	-	-	-
2025	-	293,000	293,000
2026	-	251,000	251,000
2027-2040	(151,000)	20,680,000	20,529,000
Indefinite	-	58,000	58,000
	(151,000)	24,657,000	24,506,000

10. Share capital

(a) Authorized shares

The Company has authorized 100,000,000 preferred shares without par value, issuable in one or more series as well as an unlimited number of common shares without par value. As of December 31, 2020, there are 27,267,479 (2019 – 27,267,479) fully paid for common shares issued and outstanding.

IN CANADIAN DOLLARS

10. Share capital (Cont'd)

(a) Authorized shares (Cont'd)

The Board of Directors ratified, confirmed, and approved a Restricted Share Plan, which was adopted by the Board of Directors effective June 10, 2014. A maximum of 1,000,000 shares, or 4.67% of the number of the Company's common shares issued and outstanding as of the date of approval of the Restricted Share Plan, are available for grant under the Restricted Share Plan. On July 15, 2020, the Board of Directors discontinued the Restricted Share Plan. At the time of discontinuation, the Company had no restricted shares issued. There are no preferred shares outstanding as of December 31, 2020 and December 31, 2019.

(b) Issued

Issued and outstanding common shares as at December 31, 2020 were 27,267,479 (2019: 27,267,479). There were no new issue of common shares and exercise of options during the years ended December 31, 2020 and 2019.

(c) Share-based payments

Pursuant to its stock option plan established May 15, 2002, amended June 10, 2014, the Company has reserved for issuance 3,283,095 of its common shares. Options to purchase common shares of the Company under the plan may be granted by the Board of Directors to employees, officers, directors of the Company and consultants engaged by the Company. All options have a maximum term of ten years from their grant date. All options granted through 2013 had a vesting schedule with one third vested on the issue date, one third on the first anniversary and the remaining one third on the second anniversary date of the grant.

As a result of discontinuance of the Restricted Share Plan on July 15, 2020, the Board of Directors approved the increase in the maximum number of options available under the Stock Option Plan to a total of 5,453,495, representing 20% of the current issued and outstanding shares. The shareholders of the Company ratified the amendment to the stock option plan to increase the total options available for grant on August 20, 2020. At time of this amendment, the Company had a total of 1,959,500 stock options outstanding.

During the year ended December 31, 2020, the Company granted 686,000 (2019: nil) stock options to purchase common shares with an exercise price of $0.50 per share. All options granted were fully vested on the date of the grant.

A summary of stock options outstanding and exercisable as of December 31, 2020 and 2019 are as follows:

	2020		2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	No.	**$**	**No.**	**$**
Options outstanding, Jan 1,	1,961,500	1.10	1,983,000	1.10
Granted	686,000	0.50	-	-
Exercised	-	-	-	-
Forfeited	(117,000)	0.50	(21,500)	0.73
Options outstanding, Dec 31,	2,530,500	0.97	1,961,500	1.10
Options exercisable, Dec 31,	2,527,028	0.97	1,947,194	1.10

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10. Share Capital (Cont'd)

(c) Share-based payments (Cont'd)

A summary of stock options outstanding and exercisable as of December 31, 2020 and 2019 are as follows:

December 31, 2020

	Options outstanding			Options exercisable	
Exercise price or range	**Number**	**Weighted average remaining life**	**Weighted average exercise price**	**Number**	**Weighted average exercise price**
$	**No.**	**years**	**$**	**No.**	**$**
0.50 – 1.00	1,449,500	6.96	0.72	1,446,028	0.72
1.01 – 2.00	1,081,000	4.13	1.30	1,081,000	1.30
	2,530,500	5.75	0.97	2,527,028	0.97

December 31, 2019

	Options outstanding			Options exercisable	
Exercise price or range	**Number**	**Weighted average remaining life**	**Weighted average exercise price**	**Number**	**Weighted average exercise price**
$	**No.**	**Years**	**$**	**No.**	**$**
0.50 – 1.00	880,500	4.89	0.11	866,194	0.86
1.01 – 2.00	1,081,000	5.14	1.30	1,081,000	1.30
	1,961,500	5.03	1.10	1,947,194	1.10

The Company values the fair value of its stock options on the date of grant using the Black-Scholes option pricing model which requires the use of certain estimates and assumptions that affect the reported amount of share-based payments cost recognized in the profit or loss. These include estimates of the fair value of common shares, the expected term of stock options, expected volatility of the Company's common shares, expected dividends and the risk-free interest rate.

The share-based payments expense for the year ended December 31, 2020 was $216,951 (2019: $21,989) and is included in general and administration expenses in the consolidated statements of comprehensive loss.

The weighted average fair value of options granted have been estimated using the Black-Scholes option pricing model using the following assumptions:

		2020
Weighted average share price	$	0.32
Assumptions:		
Volatility		171.93%
Risk-free interest rate		0.40%
Expected term		4.49 years
Dividend yield		0.00%

As of December 31, 2020, there was $87 (2019: $1,164) of total unrecognized compensation cost related to 3,472 (2019: 14,306) unvested stock options granted with weighted average grant date fair value of $0.25 per share. That cost is expected to be recognized over a weighted average vesting period of 0.3 years.

IN CANADIAN DOLLARS

11. Net loss per share

The computations for basic and diluted loss per share are as follows:

	2020	2019
	$	$
Net loss	(103,104)	(3,760,378)
	No.	No.
Weighted average number of common shares outstanding	27,267,479	27,267,479
Net loss per share:	$	$
Basic and diluted	(0.00)	(0.14)

There are 2,530,500 stock options outstanding as at December 31, 2020 (2019: 1,961,500). The stock options are excluded from the weighted average common shares in the calculation of diluted loss per share as they are anti-dilutive.

12. Employee benefits

	2020	2019
	$	$
Salaries and other short-term employee benefits	3,325,417	5,443,380
Compulsory social security contributions	224,565	261,286
Share based payments	216,951	21,989
	3,766,933	5,726,655

13. Change in non-cash operating working capital

	2020	2019
	$	$
Trade and other receivables	6,927	554,228
Prepayment and other assets	81,579	313,853
Trade and other payables	133,042	(15,150)
Contract liabilities	(37,193)	57,370
	184,355	910,301

IN CANADIAN DOLLARS

14. Related party transactions

Key management personnel compensation:

Key management personnel include key executive officers and the board of directors. In addition to their salaries, key executive officers participate in short-term bonus plans based upon the financial performance of the Company and other non-financial factors, set annually. The Company provides a benefit plan and vehicle allowances to executive officers. In addition, key executive officers are granted stock options at the discretion of the Company's board of directors.

As at December 31, 2020, the Company had no outstanding loan or promissory notes payable to related parties.

As at December 31, 2020, there was no loan receivable outstanding from a related party.

Key management personnel compensation comprised:

	2020	**2019**
	$	$
Salaries and other employee costs	409,930	585,649
Share-based payments	112,589	15,231
	522,519	600,880

Board compensation:

For the year ended December 31, 2020, total board compensation paid was $82,624 (2019 - $146,960).

Shareholdings:

Key management of the Company directly controls 37.5% of the Company's outstanding voting common shares as at December 31, 2020 (2019: 37.5%).

One member of key management together with close relatives control 51.4% of the Company's outstanding voting common shares as at December 31, 2020 (2019: 51.4%). During the year ended December 31, 2020 no common shares were issued to related parties (2019 - nil).

15. Financial instruments

(a) Financial assets:

Management has determined the carrying amount of its current financial assets, including cash and trade receivables, approximates fair value at the reporting date due to the short-term nature of these instruments. The amortized cost related to these items as of December 31, 2020 was $6,022,961 (2019: $5,428,123).

(b) Financial liabilities:

Management has determined that the carrying amount of its current 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, 2020 was $905,465 (2019: $772,423). The carrying amount of the long-term note approximate fair value at the reporting date, the amortized cost related to this note as at December 31, 2020 was $0.2 million.

15. Financial instruments (Cont'd)

(c) The Company did not have any financial instruments that are measured at fair value as at December 31, 2020 and December 31, 2019.

16. Financial risk management

The Company is exposed to foreign exchange risk, interest rate risk, credit risk, and liquidity risk related to its underlying financial assets and liabilities. Risk management strategies are designed to ensure that Company's risks and related exposures are consistent with its business objectives and overall risk tolerance. There have been no significant changes to the Company's risk management strategies since December 31, 2019, and no assurance can be provided that these strategies will continue to be effective.

(a) Foreign exchange risk

Foreign exchange risk is the risk that the fair value, or the future value cash flow of a financial instrument, will fluctuate due to changes in foreign exchange rates. The most significant foreign exchange impact on the Company's net loss, and other comprehensive loss, is the translation of foreign currency financial instruments into Canadian dollars, which is the Company's functional and presentation currency.

The Company sells licenses and services to customers located in the United States denominated in US dollars, to customers located in Australia denominated in Australian dollars and to customers located in New Zealand denominated in New Zealand dollars.

The Canadian dollar equivalent of trade receivables billed in US dollars at December 31, 2020, is $269,158 (2019: $155,216), Australian dollars at December 31, 2020, is $49,734 (2019: $47,096) and New Zealand dollars at December 31, 2020, is $3,235 (2019: $53,104).

The Canadian dollar equivalent of trade payables and accrued liabilities, contract liabilities, current portion of lease obligations held in US dollars at December 31, 2020, is $184,070 (2019: $188,863), and Australian dollars at December 31, 2020, is $311,812 (2019: $217,950).

The impact of a ten percent increase in the value of the Canadian dollar, relative to the US dollar on net US denominated assets and liabilities at December 31, 2020 is a decrease to Company equity of approximately $432,560 (2019: $658,215). Accordingly, a ten percent decrease in the value of the Canadian dollar relative to the US dollar would result in an increase to the Company's equity of approximately $531,128 (2019: $658,215).

(b) Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of interest rate risk management is to manage and control interest rate risk exposures within acceptable parameters, while optimizing the return.

The Company had no financial assets or financial liabilities that have significant interest rate risk for the year ended December 31, 2020.

(c) Credit risk

Credit risk is the financial risk of non-performance by a contracted counter party. The Company primarily sells its software to customers operating in the equipment rental and distribution industry.

IN CANADIAN DOLLARS

16. Financial risk management (Cont'd)

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. During the year ended December 31, 2020 the Company made write-offs of $155,015 (2019: $nil) trade receivables it does not expect to receive future cash flow from and recovered $nil (2019: $16,915) from collection of previously written off trade receivables.

As of December 31, 2020, $84,560 (2019: $203,930) or 15% (2019: 36%) of trade receivables were more than 90 days past due. Trade receivables are recorded net of an allowance for doubtful accounts totaling $149,252 (2019: $148,142) as at December 31, 2020.

The following is a continuity of the Company's allowance for doubtful accounts for the past two years:

	$
Balance, January 1, 2019	181,126
Recoveries	(16,915)
Bad debts	(8,728)
Translation adjustments	(7,341)
Balance, December 31, 2019	148,142
Additions	3,982
Translation adjustments	(2,872)
Balance, December 31, 2020	149,252

The following is an aging of the Company's trade receivables as at December 31, 2020 and 2019:

	2020	**2019**
	$	$
0 – 30 days	103,911	129,226
31 – 60 days	252,432	196,710
61 – 90 days	111,424	24,025
Over 90 days	233,812	357,435
Less: allowance for doubtful accounts	(149,252)	(148,142)
	552,327	559,254

IN CANADIAN DOLLARS

16. Financial risk management (Cont'd)

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company believes that it has access to sufficient cash to cover the expected short-term and long-term cash requirements.

		December 31, 2020			
	Carrying amount	Contractual cash flows	Less than one year	Between one and two years	Between two and five years
	$	$	$	$	$
Trade payables and accrued liabilities	905,465	905,465	905,465	-	-
Lease liabilities	73,291	76,677	71,137	5,540	-
Long-term notes	245,875	279,939	2,516	6,147	100,850

17. Capital risk management

The Company's objective is to maintain a capital base so as to maintain investor, creditor and market confidence and to sustain future business development. The Company defines capital as total debt and equity. As at December 31, 2020, the Company is not subject to any externally imposed capital requirements. There has been no change with respect to the overall capital risk management strategy during the year ended December 31, 2020.

The Company's capital structure consists of the following:

	2020	**2019**
	$	$
Total debt	245,875	-
Equity	4,955,011	4,982,926
Total Capital	5,200,886	4,982,926

18. Segment information

	2020	**2019**
Revenue by geographic segment:	$	$
Canada	4,746,120	4,504,059
Australia	1,108,483	1,244,835
	5,854,603	5,748,894

IN CANADIAN DOLLARS

18. Segment information (Cont'd)

	2020	
	Canada	Australia
Disaggregation of revenue:	$	$
Recurring:		
Maintenance	538,799	402,175
Subscription fees (i)	3,365,171	553,519
	3,903,970	955,694
Non-recurring:		
License fees (i)	192,155	66,554
Implementation and Training	649,995	86,235
	842,150	152,789
Total revenue	4,746,120	1,108,483

	2019	
	Canada	Australia
Disaggregation of revenue:	$	$
Recurring:		
Maintenance	589,547	409,506
Subscription fees (i)	3,051,762	504,826
	3,641,309	914,332
Non-recurring:		
License fees (i)	56,825	208,119
Implementation and Training	805,925	122,384
	862,750	330,503
Total revenue	4,504,059	1,244,835

(i) In instances of bundled contracts, Subscription fees and License fees exclude implementation and training services, which are listed separately above.

Major Customers
During the year ended December 31, 2020, approximately $615,677 (2019: $708,216) of the Company's total revenue was derived from recurring and non-recurring fees from a major international customer.

IN CANADIAN DOLLARS

18. Segment information (Cont'd)

	2020	2019
Property and equipment and intangible assets by geographic segment:	$	$
United States	570	1,294
Canada	83,241	442,258
Australia	65,442	119,114
	149,253	562,666

19. Noble Iron Inc. entities

The following table lists the significant subsidiaries of the Company.

Subsidiary	Country of incorporation	Ownership 2020	Ownership 2019	Functional currency
Noble Iron (U.S.), Inc.	United States	100%	100%	US Dollar
Noble Rents, Inc.	United States	100%	100%	US Dollar
Noble Equipment, Inc.	United States	100%	100%	US Dollar
Systematic Computer Services Corporation	Canada	100%	100%	Canadian Dollar
Texada Software Pty Ltd.	Australia	100%	100%	Australian Dollar

20. Contingencies and commitments

The Company is subject to claims and lawsuits filed in the ordinary course of business. Although management does not believe that any such proceedings will have material adverse effect going forward, no assurances to that effect can be given based on the uncertainty of litigation and demands of third parties. As at year ended December 31, 2020 there were no significant claims or legal proceedings against subsidiaries of the Company.

21. Subsequent events

Subsequent to the year ended December 31, 2020 the Company did not have any events to report.