



**NOBLE IRON INC.**

**INTERIM CONDENSED**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited)

Expressed in Canadian Dollars

**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021  
AND 2020**

# NOBLE IRON INC.

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**MANAGEMENT’S COMMENTS ON  
UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements; they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of Noble Iron Inc. (the “Company”) have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor has not performed a review of these interim condensed consolidated financial statements in accordance with standards established by the CPA Canada for a review of interim financial statements by an entity’s auditor.

# NOBLE IRON INC.

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited)

AS AT JUNE 30, 2021 AND DECEMBER 31, 2020

In Canadian Dollars

	<i>Notes</i>	<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash		5,136,648	5,470,634
Trade receivables		680,178	552,327
Prepayment and other assets		128,206	201,613
<b>Total current assets</b>		<b>5,945,032</b>	<b>6,224,574</b>
<b>Non-current assets</b>			
Intangible assets		23,770	35,071
Property and equipment		45,304	56,758
Right of use assets		27,064	57,424
<b>Total non-current assets</b>		<b>96,138</b>	<b>149,253</b>
<b>Total assets</b>		<b>6,041,170</b>	<b>6,373,827</b>
<b>Liabilities and Equity</b>			
<b>Current liabilities</b>			
Trade and other payables		670,157	905,465
Contract liabilities		240,615	194,185
Lease liabilities		35,660	67,789
<b>Total current liabilities</b>		<b>946,432</b>	<b>1,167,439</b>
<b>Non-current liabilities</b>			
Lease liabilities		-	5,502
Long term note	3	232,375	245,875
<b>Total non-current liabilities</b>		<b>232,375</b>	<b>251,377</b>
<b>Total liabilities</b>		<b>1,178,807</b>	<b>1,418,816</b>
<b>Equity attributable to owners of the parent</b>			
Share capital	5	36,471,467	36,471,467
Other reserves		4,519,461	4,519,374
Accumulated other comprehensive income		2,135,618	2,236,132
Accumulated deficit		(38,264,183)	(38,271,962)
<b>Total equity</b>		<b>4,862,363</b>	<b>4,955,011</b>
<b>Total equity and liabilities</b>		<b>6,041,170</b>	<b>6,373,827</b>

See Accompanying Notes to Interim Condensed Consolidated Financial Statements

# NOBLE IRON INC.

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020

In Canadian Dollars

	Three months ended		Six months ended	
	June 30,		June 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Revenue	1,677,292	1,537,648	3,258,571	2,893,852
Cost of revenue	149,732	83,857	237,547	207,336
<b>Gross profit</b>	<b>1,527,560</b>	<b>1,453,791</b>	<b>3,021,024</b>	<b>2,686,516</b>
<b>Operating expenses</b>				
General and administrative	555,452	533,547	1,168,747	1,262,317
Research and development	447,907	298,811	862,778	779,404
Sales and marketing	194,671	160,651	344,027	535,711
Support, maintenance and delivery	245,302	178,824	546,321	478,721
<b>Income / (loss) from operations</b>	<b>84,228</b>	<b>281,958</b>	<b>99,151</b>	<b>(369,637)</b>
<b>Finance cost / (income)</b>				
Interest expense / (income)	431	(5,581)	1,123	(702)
Foreign exchange loss / (gain)	56,794	(112,910)	90,249	(304,862)
<b>Income / (loss) before taxation</b>	<b>57,225</b>	<b>400,449</b>	<b>91,372</b>	<b>(64,073)</b>
Income tax	-	-	-	-
<b>Net income / (loss)</b>	<b>27,003</b>	<b>400,449</b>	<b>7,779</b>	<b>(64,073)</b>
<b>Other comprehensive loss</b>				
<i>Item that may be subsequently reclassified to profit or loss</i>				
Foreign currency translation adjustment	(53,834)	(196,585)	(100,514)	(28,209)
<b>Total comprehensive (loss) / income</b>	<b>(26,831)</b>	<b>203,864</b>	<b>(92,735)</b>	<b>(92,282)</b>
<b>Income / (loss) per share</b>				
Basic and diluted	0.00	0.01	0.00	(0.00)

See Accompanying Notes to Interim Condensed Consolidated Financial Statements

# NOBLE IRON INC.

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited)

FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020

In Canadian Dollars

	Share Capital No.	Share Capital \$	Other reserves \$	Accumulated other comprehensive income \$	Accumulated deficit \$	Total equity \$
Balance, January 1, 2020	27,267,479	36,471,467	4,302,423	2,377,894	(38,168,858)	4,982,926
Loss for the period	-	-	-	-	(64,073)	(64,073)
Other comprehensive loss	-	-	-	(28,209)	-	(28,209)
Total comprehensive loss	-	-	-	(28,209)	(64,073)	(92,282)
Share-based payments	-	-	721	-	-	721
Balance, June 30, 2020	27,267,479	36,471,467	4,303,144	2,349,685	(38,232,931)	4,891,365
Balance, January 1, 2021	27,267,479	36,471,467	4,519,374	2,236,132	(38,271,962)	4,955,011
Income for the period	-	-	-	-	7,779	7,779
Other comprehensive loss	-	-	-	(100,514)	-	(100,514)
Total comprehensive loss	-	-	-	(100,514)	7,779	(92,735)
Share-based payments	-	-	87	-	-	87
<b>Balance, June 30, 2021</b>	<b>27,267,479</b>	<b>36,471,467</b>	<b>4,519,461</b>	<b>2,135,618</b>	<b>(38,264,183)</b>	<b>4,862,363</b>

See Accompanying Notes to Interim Condensed Consolidated Financial Statements



# NOBLE IRON INC.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020

In Canadian Dollars

	<i>Notes</i>	<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Net income / (loss)		7,779	(64,073)
Adjustments for:			
Amortization and depreciation		54,107	77,643
Share-based payments		87	721
Interest expense / (income)	3	-	216
Gain on disposal of asset		(170)	-
Unrealized foreign exchange loss		120,297	(14,751)
Long term loan forgiveness for operating activities	3	-	(102,453)
Changes in working capital	6	(243,322)	(316,242)
<b>Cash used in operating activities</b>		<b>(61,222)</b>	<b>(418,939)</b>
Interest paid		(2,275)	(13,126)
<b>Net cash used in operating activities</b>		<b>(63,497)</b>	<b>(432,065)</b>
<b>Investing activities</b>			
Interest received		1,152	3,346
Purchase of property and equipment		(4,728)	(1,825)
Disposal of property and equipment		1,050	-
<b>Net cash (used in) / from investing activities</b>		<b>(2,526)</b>	<b>1,521</b>
<b>Financing activities</b>			
Payment of lease liabilities		(34,661)	(40,046)
Proceeds from long-term notes		-	223,081
<b>Net (cash used) / from financing activities</b>		<b>(34,661)</b>	<b>183,035</b>
Effects of exchange rate differences on cash and cash equivalents		(233,302)	(14,699)
Net decrease in cash and cash equivalents		(100,684)	(247,509)
Cash, beginning of period		5,470,634	4,868,869
<b>Cash, end of period</b>		<b>5,136,648</b>	<b>4,606,661</b>

See Accompanying Notes to Interim Condensed Consolidated Financial Statements

# NOBLE IRON INC.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020

In Canadian Dollars

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### 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 Interim condensed consolidated financial statements of the Company, as at and for the three and six months ended, June 30, 2021 and 2020, 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 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 unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim financial reporting". The notes presented in these interim condensed consolidated financial statements include only significant changes and transactions occurring since the Company's last year end and are not fully inclusive of all disclosure required by International Financial Reporting Standards ("IFRS") for annual consolidated financial statements.

These interim condensed consolidated financial statements should be read in conjunction with the Company's annual audited consolidated financial statements for the years ended December 31, 2020 and 2019, (the "2020 Annual Financial Statements") which are available on SEDAR and have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"). The interim condensed consolidated financial statements were authorized for issue by the Board of Directors on August 27, 2021.

These interim condensed consolidated financial statements follow the same accounting policies and methods of application as the 2020 Annual Financial Statements. These interim condensed consolidated financial statements are presented in Canadian dollars.

#### (b) Basis of measurement:

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

#### (c) Functional and presentation currency:

Amounts included in the interim 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 interim condensed consolidated financial statements are presented in Canadian dollars ("presentation currency"), which is also Noble Iron Inc.'s functional currency.



# NOBLE IRON INC.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020

In Canadian Dollars

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### 2. Basis of preparation: (continued)

#### (d) Use of estimates and judgments:

Use of estimates:

The preparation of interim condensed 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. Depreciation

Management estimates future residual values and the rate at which the useful lives of property and equipment are consumed to determine appropriate depreciation charges. Estimates of residual value and useful lives are based on data and information from various sources, including vendors, industry practice and company specific history. These estimates are evaluated annually and adjusted prospectively, where necessary, to reflect actual experience.

#### 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 judgment 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. 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.

# NOBLE IRON INC.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020

In Canadian Dollars

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### 2. Basis of preparation: (continued)

#### (d) Use of estimates and judgments (continued):

Use of judgments:

The preparation of interim condensed consolidated financial statements in conformity with IFRS requires management to make judgments that affect the application of accounting policies and the interpretation of accounting standards. Management periodically reviews its judgments and underlying assumptions relating to the following items:

##### i. Intercompany transactions

Management exercises judgment 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 judgment 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 judgment 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 judgment. 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.

#### (e) 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 Group, they have not yet been adopted by the Group.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2020 except for the adoption of new standards effective January 1, 2021, if any. 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 2021, but do not have an impact on the interim condensed consolidated financial statements of the Company.

# NOBLE IRON INC.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020

In Canadian Dollars

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### 2. Basis of preparation: (continued)

- (e) New standards and interpretations not yet adopted:

Amendments to IAS 1 In January 2020, IASB issued Classification of Liabilities as “Current” or “Non-current”, which amends IAS 1.

The narrow scope amendments affect only the presentation of liabilities in the statement of financial position and not the amount or timing of its recognition. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the right to defer settlement by at least 12 months. That classification is unaffected by the likelihood that an entity will exercise its deferral right. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. The Company is still assessing the impact of adopting these amendments on its financial statements.

### 3. Long term note:

On August 6<sup>th</sup>, 2020 (Commencement Date), Texada Software PTY LTD. (“borrower”), subsidiary of the Company, received loan proceeds of approximately \$240,625 (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 13<sup>th</sup> month, the interest will be at 2.50% per annum and will continue to accrete interest based on the outstanding principal balance from the 13<sup>th</sup> month to the 36<sup>th</sup> month.

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 13<sup>th</sup> to the 36<sup>th</sup> 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 interim consolidated statements of financial position.

# NOBLE IRON INC.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020

In Canadian Dollars

#### 4. 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 six months ended June 30, 2021, the Company received a total of \$4,579 (2020: \$323,505) in government assistance under the government economic response to COVID-19 that was directly attributable to payroll expenses.

#### 5. Share capital:

##### (a) Authorized:

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 June 30, 2021, there are 27,267,479 (December 31, 2020 – 27,267,479) fully paid for common shares issued and outstanding.

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 at June 30, 2021 and December 31, 2020.

##### (b) Issued:

Issued and outstanding common shares were 27,267,479 as of June 30, 2021 and as of December 31, 2020. During the six months ended June 30, 2021, the Company issued no common shares and had no exercise of options. There are no preferred shares outstanding as at June 30, 2021 or December 31, 2020.

#### 6. Net income per share:

The computations for basic and diluted income (loss) per share for the three and six months ended June 30, 2021 and 2020 are as follows:

	Three Months Ended June 30		Six months ended June 30	
	2021	2020	2021	2020
	\$	\$	\$	\$
Net income / (loss)	27,003	400,449	7,779	(64,073)
Weighted average number of common shares outstanding:				
Basic	27,267,479	27,267,479	27,267,479	27,267,479
Diluted	27,413,114	27,267,479	27,391,654	27,267,479
Net income / (loss) per share:				
Basic and diluted	0.00	0.01	0.00	(0.00)

At as June 30, 2021, share options to purchase 1,713,500 (December 31, 2020 – 2,530,500) common shares are excluded from the weighted average common shares in the calculation of diluted income/(loss) per share as they are anti-dilutive.

# NOBLE IRON INC.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020

In Canadian Dollars

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### 7. Change in non-cash operating working capital:

	2021	2020
	\$	\$
Accounts receivable	(127,851)	(170,828)
Prepaid expenses and other assets	73,407	2,759
Accounts payable and accrued liabilities	(235,308)	(94,656)
Contract liabilities	46,430	(53,517)
	<u>(243,322)</u>	<u>(316,242)</u>

### 8. Financial risk management:

The Company is exposed to foreign exchange 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, 2020, 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.

#### (b) 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.

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 all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Company has therefore determined that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. During the period the Company made no write-offs of trade receivables, it does not expect to receive future cash flow from and no recoveries from collection of cash flows previously written off.

#### (c) 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.

### 9. Determination of fair values:

#### (a) Financial Assets:

Management has determined that the carrying amount of its short-term financial assets, including cash and accounts receivable approximates fair value at the reporting date.

# NOBLE IRON INC.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020

In Canadian Dollars

### 9. Determination of fair values (continued):

#### (b) Financial liabilities:

Management has determined that the carrying amount of its short-term financial liabilities, including accounts payable and accrued liabilities approximate fair value at the reporting date due to the short-term maturity of these obligations. The carrying amount of the long-term note approximate fair value at the reporting date, the amortized cost related to this note as at June 30, 2021 was \$0.2 million.

#### (c) Fair value:

As of June 30, 2021, the Company did not have any financial instruments which are measured at fair value. This is consistent with the year ended December 31, 2020.

### 10. Segment information:

The Company's reportable segment is Enterprise Asset Management Software, which is headquartered in Canada. The business markets and sells its software platform to customers who manage large quantities of construction and industrial heavy equipment inventory in Canada, Australia and the United States.

Revenue by geographic segment	Three months ended June 30		Six months ended June 30	
	2021 \$	2020 \$	2021 \$	2020 \$
Canada and United States	1,389,552	1,246,304	2,660,302	2,351,795
Australia and New Zealand	287,740	291,344	598,269	542,057
	<u>1,677,292</u>	<u>1,537,648</u>	<u>3,258,571</u>	<u>2,893,852</u>

Disaggregation of revenue:	Three months ended June 30, 2021		Three months ended June 30, 2020	
	Canada \$	Australia \$	Canada \$	Australia \$
Recurring:				
Maintenance	122,089	105,283	128,437	102,972
Subscription fees (i)	967,445	168,451	795,394	130,060
	<u>1,089,534</u>	<u>273,734</u>	<u>923,831</u>	<u>233,032</u>
Non-recurring:				
License fees (i)	52,358	1,096	32,189	-
Implementation and training	247,660	12,910	290,284	58,312
	<u>300,018</u>	<u>14,006</u>	<u>322,473</u>	<u>58,312</u>
	<u>1,389,552</u>	<u>287,740</u>	<u>1,246,304</u>	<u>291,344</u>

# NOBLE IRON INC.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020

In Canadian Dollars

### 10. Segment information (continued):

	Six months ended June 30, 2021		Six months ended June 30, 2020	
	Canada \$	Australia \$	Canada \$	Australia \$
Disaggregation of revenue:				
Recurring:				
Maintenance	247,685	213,181	265,466	201,999
Subscription fees (i)	<u>1,873,965</u>	<u>340,140</u>	<u>1,565,478</u>	<u>264,958</u>
	<u>2,121,650</u>	<u>553,321</u>	<u>1,830,944</u>	<u>466,957</u>
Non-recurring:				
License fees (i)	84,114	2,162	44,682	-
Implementation and training	<u>454,538</u>	<u>42,786</u>	<u>476,169</u>	<u>75,100</u>
	<u>538,652</u>	<u>44,948</u>	<u>520,851</u>	<u>75,100</u>
	<u>2,660,302</u>	<u>598,269</u>	<u>2,351,795</u>	<u>542,057</u>

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