



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

For the Three Months Ended March 31, 2022

## **Basis of Presentation:**

---

The following discussion of the financial condition and results of operations of Noble Iron Inc. ("Noble Iron," or the "Company") should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2022 and 2021, which were prepared under International Financial Reporting Standards ("IFRS") using Noble Iron Inc.'s functional currency of Canadian dollars. This MD&A has been prepared as of May 25, 2022 to help investors understand the financial performance of the Company and to provide information that management believes is relevant for an assessment and understanding of the business, risks, opportunities and performance measures of the Company. We have prepared this document in conjunction with our broader responsibilities for the accuracy and reliability of the financial statements and the development and maintenance of appropriate internal controls in our efforts to ensure that the financial information is complete and reliable. The Company's Board of Directors has reviewed this document and all other publicly reported financial information for integrity, usefulness and consistency.

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

## **Forward Looking Statements:**

---

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

## **Non-IFRS Measure:**

---

The term "Adjusted EBITDA" used in this MD&A refers to net earnings (loss) before interest expense, income taxes, depreciation, amortization, acquisition expenses, stock-based compensation, severances, foreign exchange, lease termination payments and other extraordinary and non-recurring items. The Company believes that Adjusted EBITDA is useful supplemental information as it provides an indication of the results generated by the Company's main business activities prior to taking into consideration how those activities are financed and taxed and also prior to taking into consideration the other items listed above. The MD&A presents adjusted EBITDA, as a non-IFRS financial measure, to assist readers in understanding the Company's performance during the period under discussion herein. Please refer to table 2 on page 5 of this MD&A for a reconciliation of Adjusted EBITDA to the "Issuer's GAAP" (as such term is defined in National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards). This non-IFRS measure does not have any standardized meaning and is therefore unlikely to be comparable to similar measures presented by other issuers and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

## **Overview:**

---

The Company (TSX Venture Exchange symbol "NIR") continues to develop and sell cloud-based and on-premise software for construction and industrial equipment owners and users.

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

The Company operates under the name "Texada Software." Texada Software offers cloud or client-based software for equipment rental companies, equipment dealerships, construction companies, contractors, and customers who own or use construction or industrial equipment. Texada Software develops software applications to manage the equipment ownership lifecycle, including equipment purchasing, rental and sales transactions, inventory management, maintenance, depreciation tracking as well as used equipment sales, disposal and inventory replenishment. Following the sale of the equipment rental and dealership operations, the Company's sole operating business is currently in software. Since May 5, 2017, the Company has focused on investing in its software business, and has expanded its software resources with additional engineering, sales and marketing investment in Canada and the United States. The Company plans to further develop and deploy its existing software applications, including SRM (Systematic Rental Management) and new products such as FleetLogic, Gateway, Texada Pay, Texada Analytics and E-signature. The Company also plans to consider additional strategic opportunities in addition to software.

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

On April 18, 2022, the Company announced it had entered into an agreement to sell its Texada Software business. Further information can be found under "Subsequent Events", below.

## **Recent Developments:**

---

Over the course of 2021, the Company continued to invest in the development of its software products and the growth of its customer base. During the year, one of the Company's largest customers, Cooper Equipment Rentals, launched Texada Pay as a pilot in five branches and has since rolled Texada Pay out to all the branches. Another large customer successfully completed the migration from Texada's on-premise product to Texada's SaaS platform. In 2021, the Company tripled its payment processing volume through Texada Pay.

During the first quarter of 2022, the Company continued to invest in the development of its software products and the growth of its customer base. On April 18, 2022, following the end of the first quarter of 2022, the Company announced it had entered into an agreement to sell its Texada Software business. Further information can be found under "Subsequent Events", below.

## **Description of The Company's Business:**

---

### **Enterprise Asset Management Software**

Texada Software's revenues are primarily derived from recurring license revenues that include user license fees, server license fees, Software-as-a-Service ("SaaS") subscription fees, contract development and upgrade fees and payment processing revenue through its platform. In addition to these fees, Texada Software generates maintenance and service revenue. The Company's products are generally licensed under single-year or multi-year terms, both of which are arranged to automatically renew. Maintenance fee arrangements generally include ongoing customer support and rights to certain product updates.

Service revenue consists of professional fees charged for product training, consulting and implementation and programming services. Contract revenue is derived from contracts for the development of custom applications. Customers typically purchase a combination of software, maintenance and professional services.

## **The Company's Markets:**

---

### **Equipment Asset Management Software**

Customers in the North American construction equipment rental sector currently account for approximately 81% of the Company's software revenue. It is estimated that there are more than 30,000 companies worldwide that rent various types of equipment, 17,000 of which conduct business in the United States and Canada and 2,000 in Asia Pacific.

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

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

### **Industry and economic factors**

Over the course of 2021, no significant broader industry or economic factors had any material impact on the Company's performance. The Company's view is that the rising trend of the rental market in construction, industrial and other applications and the increased demand for going paperless and streamlining processes in the industry will cause the Company's current customer base to further grow and will also usher in new entrants into the rental industry, yielding a growing market for the Company's software offerings.

### **COVID-19**

The COVID-19 pandemic continues to present a source of economic uncertainty to the Company. These uncertain economic conditions may adversely impact operations and the financial performance of the Company and its customers. Since December 31, 2019, the outbreak of the novel strain of coronavirus called SARS-CoV-2, which causes COVID-19, has resulted in governments worldwide enacting emergency measures including closure of businesses and construction sites resulting in a global economic slowdown. If prolonged or intermittent regional and global closures of the Company's customer base operations continue, it could have an adverse effect on the Company's financial performance. Any closures, quarantines and labor shortages affecting the Company's customers may adversely impact the Company's revenues and cash flows.

As of the date of this MD&A, the Company anticipates an upward trend for companies to increase the use of the Company's cloud software solution both through conversion of on-premise customers to the cloud offerings and through uptake of new customers and expects that its products may gain additional traction in the foreseeable future due to the upward trend in the rental industry and additional infrastructure spending in the United States. The Company continues to work closely with suppliers and customers to meet their requirements during this period; however, there can be no assurances that the Company will continue to see increased demand, nor be able to fully supply that demand.

Operationally, the Company is equipped and has implemented technology and procedures that has enabled our employees to work remotely for an indefinite amount of time with minimal disruption to the Company's operations. By leveraging online meeting tools, team members can communicate directly with users and customers without being onsite. Training users using this method has proven to be effective, allowing for smaller sessions more often at a much lower cost to the customer and Texada. Historically, the client services team would be onsite to implement and train new users to successfully on-board a new customer and the customer would be live shortly thereafter. Even though remote working did create a challenge, the Company utilized screen sharing and meeting recording tools to allow the client services team to keep and share recordings of the session to which the customer is able to refer to later. The team has managed to successfully implement its products for large clients on a fully remote basis and is in the process of replicating this with all current ongoing projects.

Since it is not possible to accurately assess the magnitude, outcome or duration of the COVID-19 crisis, the outlook over the next period is uncertain and depends heavily on the actions taken by governments to contain it or treat its impact. These may include shelter-in-place directives, which, if extended even further, may impact the economies in which the Company operates or may operate in the future, as well as the rapidity and effectiveness of the roll-out of vaccines. Therefore, we cannot predict the full impact of COVID-19 on the Company's operations and growth.

## 2021 and 2020 Business Developments:

### Company Results

The Company's objectives during the first quarter of 2022 included the ongoing migration of its existing customers from customized software products to its current standard cloud-based version, converting on-premise software clients to Texada's SaaS cloud-based offering, as well as developing and marketing specific software products, mobile applications and support capabilities. With the release of Texada Pay, a fully integrated payment processing workflow, the Company directed marketing and sales resources to inform existing and new customers about this offering and services resources to implement Texada Pay across all of its customer segments. The Company also invested in additional software development, marketing and sales resources to further expand the software customer base and to serve existing customers with new products and services.

The Company continues to focus on investing in developing and marketing new proprietary software, such as FleetLogic, Gateway, Texada Pay, Texada Analytics and E-signature applications to provide seamless solutions to its customers.

### Results from Continuing Operations:

#### Consolidated Financial Highlights from Continuing Operations

Table 1:

Consolidated Financial Highlights (000's except EPS)	Three Months Ended	
	March 31, 2022	March 31, 2021
Revenue	\$ 1,776	\$ 1,581
Cost of revenue	(129)	(88)
Expenses, interest, and taxes	(1,657)	(1,512)
Net loss	\$ (10)	\$ (19)
Adjusted EBITDA*	102	44
Loss per share - basic and diluted	(\$0.00)	(\$0.00)

	As at December, 2021	As at December 31, 2021
Total Assets	6,225	6,326
Total Current Liabilities	1,076	960
Total Non-Current Liabilities	-	230
Total Shareholders Equity	5,149	5,136

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

**Table 2:**

Comparative Financial Results (000's) - Consolidated Company	Three Months Ended		
	March 31, 2022	March 31, 2021	Percentage Change
<b>Revenue</b>	\$ 1,776	\$ 1,581	12%
<b>Cost of revenue</b>	129	88	(47%)
<b>Expenses</b>			
Support, maintenance and delivery	269	301	11%
Research and development	493	415	(19%)
Sales and marketing	184	149	(23%)
General and administration	606	613	1%
Interest expense	1	1	0%
Foreign exchange loss	104	33	215%
<b>Net loss</b>	<b>(10)</b>	<b>(19)</b>	<b>47%</b>
<b>Add:</b>			
Depreciation / Amortization	7	29	76%
Interest expense	1	1	0%
Foreign exchange loss	104	33	(215%)
<b>Adjusted EBITDA*</b>	<b>\$102</b>	<b>\$44</b>	<b>(132%)</b>

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

**Table 3:**

Quarterly Results (000's)	2022	2021				2020	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	\$ 1,776	\$ 1,817	\$ 1,666	\$ 1,677	\$ 1,581	\$ 1,504	\$ 1,457
Cost of revenue	129	107	174	150	88	81	63
Net (loss) income	(10)	82	178	27	(19)	(354)	315
<b>Add Back:</b>							
Depreciation/Amortization expense	7	18	24	25	29	40	38
Income tax expense	-	1	-	-	-	1	-
Share based payments	-	-	-	-	-	216	0
Interest expense	1	1	1	-	1	16	6
Foreign exchange loss (gain)	104	(18)	(82)	57	33	63	83
Adjusted EBITDA	102	84	121	109	44	(18)	442
(Loss) Income per share - basic and diluted	\$ (0.00)	\$ 0.00	\$ 0.01	\$ 0.00	\$ (0.00)	\$ (0.01)	\$ 0.01
Weighted Avg. Shares Outstanding - Basic	27,267,479	27,267,479	27,267,479	27,267,479	27,267,479	27,267,479	27,267,479
Weighted Avg. Shares Outstanding - Diluted**	27,646,386	27,490,154	27,569,397	27,413,114	27,267,479	27,267,479	27,267,479

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

\*\* does not include 1,713,500 of the stock options outstanding as at March 31, 2022.

The Company recorded revenues of \$1.8 million and \$1.6 million for the three months ended March 31, 2022 and 2021, respectively, resulting in a quarter over quarter increase of \$0.2 million or 13%.

The Company recorded cost of revenue of \$0.13 million and \$0.09 million for the three months ended March 31, 2022 and 2021, respectively, resulting in a quarter over quarter increase of \$0.04 million or 47%. The increase in cost of revenue resulted from the costs associated with a license support and maintenance agreement signed during the second quarter of 2021, with a software development tool provider, which has a term of three years.

The Company recorded expenses of \$1.66 million and \$1.51 million for the three months ended March 31, 2022 and 2021, respectively, resulting in a quarter over quarter increase of 10% or \$0.15 million. The increase in expenses is consistent with increased spending on resources and investment in product development and sales and marketing. The Company also recorded a foreign exchange loss of \$0.10 million during the three months ended March 31, 2022, compared to a loss of \$0.03 million during the months ended March 31, 2021.

The Company recorded a net loss of \$0.01 million and \$0.02 million for the three months ended March 31, 2022 and 2021, respectively, resulting in a quarter over quarter decrease in net loss of \$0.01 million or 47%. The decrease in loss is evidenced by the increase in revenue by \$0.2 million while operating expenses only increased by \$0.12 million. Even though the Company generated income from its operations of \$0.09 million for the quarter ended March 31, 2022 compared to operating income of \$0.01 million, the quarter over quarter increase in foreign exchange loss resulted in a net loss for the quarter ended March 31, 2022.

The Company recorded adjusted EBITDA of \$0.10 million and \$0.04 million for the three months ended March 31, 2022 and 2021 respectively. The improvement in EBITDA was primarily a result of the Company's increase in revenue for the three months ended March 31, 2022.

The Company saw a slight decrease of \$0.10 million in total assets as of March 31, 2022 compared to December 31, 2021. The decrease is in line with the reduction in cash balance as well as depreciation and amortization. The increase in total shareholders' equity of \$0.18 million since December 31, 2021 is in line with the net loss of (\$0.01) million and cumulative translation adjustment of \$0.02 million on the Company's foreign entities balances.

### **Liquidity:**

---

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

The Company manages liquidity by assessing future cash flow requirements. Cash flow estimates are based upon rolling forecasts that consider cash restrictions and anticipated operating results. Until the second quarter of 2020, the Company did not have any debt or other loans since 2017. During the second quarter for 2020, the Company received a loan from the U.S. federal government in the form of a Note under the Paycheck Protection Program ("PPP"). The PPP is administered by the U.S. Small Business Administration and was established to provide relief to small businesses in response to the COVID-19 pandemic. Pursuant to the PPP, the Company received a forgivable loan of \$0.2 million and had fully utilized the loan during the year ended December 31, 2020. The Company has applied for forgiveness and is awaiting a response from the U.S Small Business Administration on its application.

During the third quarter of 2020, the Company received another loan in the form of a Note under the Queensland Rural and Industry Development Authority (QRIDA) COVID-19 Job Support Loans ("Program") in the amount of \$0.2 million. The Program was established to assist small businesses meet their working capital expenses. The Note was repaid in full on January 25, 2022.

The Company is in a cash positive position. Cash, which is surplus to working capital requirements, is typically held as deposits in both US and Canadian funds with large financial institutions.

### **Cash Flow:**

---

As of March 31, 2022, the Company had cash of \$5.4 million and working capital of \$5.1 million compared to cash of \$5.5 million and working capital of \$5.3 million as at December 31, 2021 and cash of \$5.2 million and working capital of \$5.0 million as at March 31, 2021. The Company has maintained its cash balances as it moves towards growth.

During the first quarter of 2022, the Company did not make any long-term commitments. The Company continues to invest in research and development of its existing and new products and services, sales and marketing and other strategic growth initiatives.

The Company is focused on evaluating all options to maintain and grow the Company's financial capacity and flexibly navigate the current environment in order that it may emerge stronger following the pandemic-related economic downturn.

### **Off-Balance Sheet Arrangements:**

---

During the three months ended March 31, 2022, the Company did not participate in any off-balance sheet arrangements.

### **Transactions Between Related Parties:**

---

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

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

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

### **Changes in Accounting Policies:**

---

The significant accounting policies used in preparing the interim condensed consolidated financial statements for the three months ended March 31, 2022 are unchanged from those disclosed in the Company's 2021 annual consolidated financial statements.

### **Financial Instruments:**

---

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

Management has determined the carrying amount of its short-term financial assets, including cash and cash equivalents and accounts receivable, approximates fair value at the reporting date. The amortized cost related to these items as of March 31, 2022 was \$6.0 million (March 31, 2021 - \$5.8 million).

Management has determined that the carrying amount of its short-term financial liabilities, including accounts payable 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 March 31, 2022 was \$1.1 million (March 31, 2021 - \$0.9 million).

During the third quarter of 2020, the Company received loan proceeds of \$0.2 million under the QRIDA Program ("Note"). The carrying amount of the Note approximate fair value as at December 31, 2021. The Note was repaid in full without any penalty on January 25, 2022.

### **Capital Resources:**

---

During the quarter ended March 31, 2022 the Company made no commitment for capital expenditures. Management does not expect fluctuations in the Company's capital resources. There are no sources of financing that the Company has arranged but not yet used.

### **Risks and Uncertainties:**

---

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

### **COVID-19:**

The Company has included a discussion of risk as a result of COVID-19 in this MD&A for the three months ended March 31, 2022 and 2021. Please see "COVID-19" above.

### **Liquidity Risk:**

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

The Company has been in a strong cash position since 2017. The Company secured loans, grants and subsidies during 2020 to assist in meeting its working capital requirements. As a result, liquidity risk to the Company has been dramatically reduced, which is evidenced by the March 31, 2022 cash balance of \$5.4 million. During the first quarter of 2022, the Company generated cash from its operations.

In the event the Transaction (as defined below under "Subsequent Events") is not completed, the Company has sufficient cash flow remaining such that it may not be required to seek working capital financing in the near future. Due to the Company's expense restructuring initiatives during over the past two years, the Company does not anticipate any additional financing needs in the near future in order to fund its operations. If the Transaction is completed, the Company's cash requirements will change, in the near and long term. At this time it is not possible to predict how such requirements will change. Further information can be found under "Subsequent Events", below.

### **Working capital requirements:**

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

The Company's business is characterized by high working capital requirements and the need to make investments in existing and new products along with the procurement of employee resources to meet the requirements of its customers. Similar to the Company's competitors in its industry, it incurs significant development costs and personnel costs as part of its investment in its products. Such expenses are historically incurred before revenues are generated.

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

### **Revenue and Collection Risk:**

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

### **Technology and Software Development:**

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

### **Reliance on Key Personnel:**

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

### **Foreign Currency and Exchange Risk:**

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

### **Outstanding Share Data:**

---

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

Pursuant to its stock option plan (the "Plan") established May 15, 2002, as amended June 10, 2014, the Company reserved for issuance 3,283,095 of its common shares under the 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 then-current issued and outstanding common 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. No new stock options were granted during the three months ended March 31, 2022. As of March 31, 2022, the Company had a total of 2,495,500 stock options outstanding. At the Meeting (as such term is defined under "Subsequent Events", below), the Company will seek approval for certain amendments to the Stock Option Plan. These amendments include the additions of a "cashless" and a "net" exercise option, as well as certain housekeeping amendments required under applicable stock exchange rules. Further information can be found in the management information circular available under the Company's profile on [www.SEDAR.com](http://www.SEDAR.com).

### **Subsequent Events:**

---

The Company's wholly-owned subsidiary, RentOnThe Dot, Inc. ("ROTD") entered into a share purchase agreement (the "SPA") on April 18, 2022 with BP Tex Canada Amalco Corporation ("BP Canada") and the Company's Australian subsidiary, Texada Software Pty Limited (the "Australian Vendor") pursuant to which ROTD will sell all of the shares of Systematic Computer Services Corporation ("Systematic"), which operates the Company's Texada Software business (the "Software Business"), to BP Canada and the Australian Vendor will sell all of its assets to BP Tex Australia Acquisition Corporation Pty Ltd. ("BP Australia") (collectively, the "Transaction"). Each of BP Canada and BP Australia are indirect, wholly-owned subsidiaries of Banneker Partners ("Banneker"), a US-based private equity fund. Following the completion of the Transaction, the Company will invest \$4,200,000 to acquire an interest (the "Rollover Interest") in BP Tex Parent, LP ("BP Tex LP"), a private Delaware limited partnership, the ultimate parent of BP Canada and BP Australia (together, the "Purchaser").

Pursuant to the terms of the SPA, ROTD has agreed to sell all of the issued and outstanding shares of Systematic (the "Purchased Shares") to BP Canada for consideration of \$36,200,000 in cash (the "Purchase Price"), which is subject to adjustment based on, among other things, the amount of working capital determined to be present in Systematic at the time of closing. The amount of \$500,000 of the Purchase Price will be paid into an escrow account as security for the reconciliation of working capital which will commence ninety days following the closing of the Transaction. \$4,200,000 of the Purchase Price will be used by the Company to acquire the Rollover Interest on closing.

Concurrently, BP Australia will acquire all of the operating assets (the "Australian Assets") of the Australian Vendor pursuant to the terms of an asset purchase agreement (the "APA") dated April 18, 2022, for consideration of \$1,000,000.

As of the date hereof, at closing, it is expected that the Company will acquire 7.4% of the outstanding non-diluted Preferred LP Interests of BP Tex LP, following the issuance of securities of BP Tex LP in connection with an acquisition by BP Tex LP. Any other acquisitions that are completed in BP Tex LP either prior to or following closing will result in additional dilution to the Company. BP Tex LP will hold all of the outstanding securities of BP Tex Holdings Corporation, which in turn will hold all of the outstanding securities of BP Tex Operations LLC, which in turn will hold all of the outstanding securities of BP Canada and BP Australia, and as such the Company will continue to have exposure to the Software Business and the Australian Assets. BP Tex LP may pursue additional acquisitions to grow the combined business, which may be financed by debt or equity, and any such financing may dilute the Company's holdings in BP Tex LP. BP Tex LP is also authorized to issue management incentive units which are structured as profit interests for U.S. tax purposes.

On closing, ROTD and the Australian Vendor will sign non-competition agreements in favour of Systematic, BP Canada and BP Australia pursuant to which they will agree not to carry on, be engaged in, have any financial or other interest in or be otherwise commercially involved in any endeavor, activity or business in all or any part of North America, Australia or New Zealand which is substantially the same as or is in competition with the Software Business for a period of five years following closing of the Transaction.

The SPA and APA (collectively, the "Agreements") include certain representations and warranties of ROTD and the Australian Vendor (together, the "Vendors") in favour of the Purchaser which are expected to be backstopped by a representation and warranty insurance policy without liability to the Vendors, absent fraud. The SPA includes payment of a "break fee" in the amount of \$2,110,000 payable by (i) the Vendor in the event the Vendor is unable to table shareholder approval or TSXV approval for the Transaction and (ii) either party, in the event that the other party terminates the agreement due to a material uncured breach of the first party. Copies of the SPA and APA can be found under the Company's profile on [www.SEDAR.com](http://www.SEDAR.com).

The Transaction constitutes a Reviewable Disposition as defined in Policy 5.3 – Acquisitions and Dispositions of Non-Cash Assets ("Policy 5.3") of the TSX Venture Exchange Inc. ("TSXV") and, as such, completion of the Transaction remains subject to shareholder approval and the approval of the TSXV. The Company will seek the approval of shareholders at a meeting of its shareholders which has been duly called and will be held on June 17, 2022 (the "Meeting"). Closing is also subject to certain other conditions which are customary for a transaction of this nature. Noble Iron and Banneker Partners are not "Non-Arm's Length Parties" within the meaning of applicable TSXV policies. The purchase price of the Software Business and the Australian Assets and all ancillary agreements were arrived at through arm's-length negotiations.

To facilitate the Transaction, the Company has agreed to enter into a standard transition services agreement with the Purchaser whereby the Company will assist the Purchaser with any business transition issues for a period of six months post-closing. The terms of such agreement include that the Company will provide, upon request, accounting, training and such other services to the purchaser to facilitate the transition of business of Systematic to the Purchaser.

In connection with the Transaction, the Board of Directors appointed a special committee of independent directors (the "Special Committee"). The Special Committee has determined that the Transaction is in the best interest of the Company and its shareholders and has recommended the approval of the Transaction to the Board of Directors. The Board of Directors has unanimously approved the Agreements and the Transaction and has unanimously determined to recommend that the shareholders of Noble Iron vote in favour of the Transaction at the Meeting. Nabil Kassam, who holds 10,237,903 common shares, or 37.5% of the issued and outstanding shares and Zahra Kassam, who holds 3,653,840 common shares, or 13.4% of the issued and outstanding shares, have signed support agreements in favour of the Purchaser agreeing to support the Transaction.

The Company expects that it will be subject to migration to the NEX Board of the TSXV following completion of the Transaction unless it can demonstrate to the TSXV that it will meet "Continued Listing Requirements" ("CLR") within the meaning of such term under applicable TSXV policies. At this time the Company has not yet acquired or developed any business that will meet CLR and there can be no assurances that it will be able to do so before its listing is migrated from Tier 2 to NEX, or at all.

Further updates will be announced on the status of the the Agreements and the Transaction as appropriate. All of the transactions contemplated by the Agreements are subject to the approval of the TSXV. Closing of the Transaction, assuming receipt of all required shareholder and TSXV approvals as well as the satisfaction of all conditions precedent is expected to occur shortly after the Meeting. Further information can be found in the management information circular dated May 15, 2022 available under the Company's profile on [www.SEDAR.com](http://www.SEDAR.com).

Additional information relating to the Company is available under the Company's profile on SEDAR at [www.SEDAR.com](http://www.SEDAR.com).