



## Noble Iron Announces Full Year 2014 Results

**May 27, 2015 - San Francisco, CA** – Noble Iron Inc. (“Noble Iron” or the “Company”) [TSX.V:NIR] is pleased to announce its financial results for the three and twelve month periods ended December 31, 2014 (the “fourth quarter” and “full year 2014,” respectively).

### Financial Highlights and Significant Events

- Full year 2014 revenue of \$21.1 million, a \$0.9 million increase when compared to the prior year. Rental revenue increased by \$1.6 million, or 12%, over the prior year.
- Fourth quarter revenue of \$5.0 million, a \$0.2 million decrease when compared to the prior year. Rental revenue increased by \$0.1 million, or 4%, when compared to the prior year.
- Full year 2014 Adjusted EBITDA of \$0.3 million, a \$2.1 million decrease when compared to the prior year.
- Fourth quarter Adjusted EBITDA Loss of \$1.0 million, a \$1.5 million decrease when compared to the prior year.
- On October 24, 2014, the Company closed a non-brokered private placement of six million common shares at a price of \$1.00 per share for gross proceeds of \$6.0 million. These proceeds are expected to be used for various growth and development initiatives.

Consolidated Financial Highlights' (000's except EPS)	Twelve Months Ended			Three Months Ended		
	December 31, 2014	December 31, 2013 <sup>1</sup>	December 31, 2012 <sup>1</sup>	December 31, 2014	December 31, 2013 <sup>1</sup>	December 31, 2012 <sup>1</sup>
Revenues	\$21,111	\$20,251	\$16,165	\$4,964	\$5,172	\$4,146
Cost of Revenue	(9,858)	(8,280)	(4,869)	(3,079)	(2,410)	(1,724)
Expenses, interest, and taxes	(19,237)	(16,398)	(13,415)	(5,660)	(3,779)	(3,399)
Net Earnings (Loss)	(7,984)	(4,427)	(2,119)	(3,775)	(1,017)	(977)
Adjusted EBITDA <sup>2</sup>	\$265	\$2,401	\$940	(\$1,003)	\$524	(\$169)
Loss per share - basic and diluted	(\$0.35)	(\$0.22)	(\$0.14)	(\$0.15)	(\$0.05)	(\$0.06)

	2014	2013 <sup>1</sup>	2012 <sup>1</sup>
Total Assets	\$ 42,565	\$ 44,189	\$ 34,479
Total Current Liabilities	3,099	5,342	5,950
Total Non-Current Liabilities	30,735	28,973	19,875
Total Shareholders' Equity	8,731	9,874	8,654

<sup>1</sup> Cost of Revenue, Net earnings (loss) per share –basic and diluted amounts have been restated. See Note 4 to the Annual Consolidated Financial Statements, for the period ended December 31, 2014.

<sup>2</sup> Adjusted EBITDA is a non-IFRS measure and is defined below in the section titled, “Non-IFRS Measures”.

“2014 was a year of fundamental change for Noble Iron,” stated Nabil Kassam, the Company’s Chairman and Chief Executive Officer. “Though our operating divisions generated revenues that were generally consistent with performance over 2013, they did so against a backdrop of major transitions, including real estate migration and consolidation, and restructuring our team with new people.

In May of 2014, we began centralizing Noble Iron's Southern California operations within a single location in Pico Rivera, close to the center of Los Angeles. We believe this centralization will significantly improve the efficiency of our equipment offerings in that market. The move to Pico Rivera required the consolidation of our four existing Southern California locations: Ventura, San Diego, Riverside, and Long Beach. Over the second half of 2014, many of our resources were devoted to the successful execution of this consolidation.

Noble Iron also implemented significant team and leadership changes. More than 40 of our 60 employees in Southern California joined the Company during 2014. While it has taken time to integrate so many new people, we are confident that our current team is capable of executing the Noble Iron vision. This confidence is reinforced by the meaningful progress this team has made over the past few months.

2014 also witnessed a refocusing of our software operations, including the recruitment of additional talent to lead the expansion of our technology products. We also migrated to a more user-driven, iterative approach to development, wherein select customers work closely with our engineering teams on pre-release products, and provide feedback that is incorporated into final release. A notable outcome of this investment was the development of "FleetLogic," an equipment asset tracking application designed for mobile devices, which received substantial coverage from industry publications and was highlighted by Rental Management Magazine as a notable technology product for the sector.

All of these changes carried associated costs, and as a result Noble Iron's earnings over 2014 were lower than those of the prior year. However, these challenging transitions were made in order to position the Company for future success, and to facilitate the creation of long-term shareholder value."

#### *Restatement of Financials*

The Company identified four items that required correction to the 2013 financials:

- During 2014, the Company determined that certain equipment was being depreciated at an accelerated rate. This resulted in an overstatement of depreciation of \$0.5 million as at December 31, 2013 and \$0.06 million as at December 31, 2012. The Company corrected the depreciation calculation and corrected the overstatement by reversing depreciation of \$0.5 million for the year ended December 31, 2013 and \$0.06 million as at December 31, 2012.
- As at December 31, 2013, the Company did not record a state tax benefit associated with certain deductible temporary differences. The deferred tax liability as at December 31, 2013 was overstated by \$0.3 million and the related deferred tax recovery for the year ended December 31, 2013 was understated by the same amount. As a result of the depreciation correction described above, the deferred tax liability as at December 31, 2013 was understated by \$0.2 million and the deferred tax recovery was overstated by the same amount. The Company made a correction to the December 31, 2013 financial statements for these items.
- As a result of not accruing for a state income tax, the income tax recovery was overstated by \$0.02 million and accounts payable and accrued liabilities was understated by the same amount as at December 31, 2013.
- During the year ended December 31, 2012, the Company completed a business acquisition and in conjunction with that transaction entered into an operating real estate lease with a purchase option to acquire the Company's premises in Houston, TX. The Company incorrectly recognized the purchase option as an intangible asset with a value of \$0.5 million as part of the business acquisition accounting, together with a

related deferred tax liability of \$0.2 million and a resulting gain on fair value increment of \$0.2 million. In order to correct the accounting at December 31, 2012, the Company recognized property and equipment of \$0.1 million, reversed deferred income tax expense recovery of \$0.2 million and reversed a fair value incremental gain on acquisition of \$0.2 million. Related amortization expense of the lease purchase option was reversed in the amounts of \$0.05 million and \$0.07 million during the years ended December 31, 2012 and December 31, 2013, respectively.

The above changes have been recorded retrospectively in the Company's Annual Consolidated Financial Statements for the period ended December 31, 2014, and are detailed within Note 4 of those Statements.

The Company wishes to clarify the disclosure in the press release dated May 14, 2015 in regards to the restatement of the Annual Consolidated Financial Statements for the year ended December 31, 2013 (the "**2013 Statements**"). After further consideration, the Company has determined that it will not refile the 2013 Annual Consolidated Financial Statements as the required corrections to the 2013 Statements have been made in the Company's Annual Consolidated Financial Statements for the year ended December 31, 2014 filed on today's date.

#### **About Noble Iron Inc.**

Noble Iron Inc. operates in equipment rental, equipment sales, and enterprise asset management software for the construction and industrial equipment industry.

Noble Iron Inc.'s equipment rental and dealership business operates under the name "Noble Iron", and currently serves customers in California and Texas. Noble Iron offers construction and industrial equipment and accessories for rent and for sale, and is the exclusive distributor of LiuGong Construction Machinery and Allied Construction Products in Southeast Texas.

Noble Iron Inc.'s software division operates under the name "Texada Software". Texada Software develops software applications to manage the complete equipment ownership lifecycle: from equipment purchasing; rental & sales transactions; inventory management; maintenance & depreciation tracking; through to used equipment sales, disposal & 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.

This press release is intended only as a summary of Noble Iron's financial results. Please refer to the Consolidated Financial Statements and Management's Discussion and Analysis ("MD&A") at [www.nobleiron.com](http://www.nobleiron.com) (available on May 27, 2015) or [www.sedar.com](http://www.sedar.com) (available on May 27, 2015) for more detailed financial information and analysis.

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#### **Non-IFRS Measures**

References in this press release to Adjusted EBITDA refers to earnings (loss) before interest expense, income taxes, depreciation, amortization, acquisition expenses, stock-based compensation, severances and foreign exchange. 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. Adjusted EBITDA is not an earnings measure recognized by International Financial Reporting Standards (IFRS), does not have standardized meanings as prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers. Readers of this information are cautioned that Adjusted EBITDA should not be construed as an alternative to net income or loss determined in accordance with IFRS as an indicator of Noble Iron's performance, or cash flows from operating, investing and financing activities as measures of Noble Iron's liquidity and cash flows. Noble Iron's method of calculating Adjusted EBITDA may differ from the methods used by other issuers and, accordingly, Noble Iron's Adjusted EBITDA may not be comparable to similar measures presented by other issuers.

This news release 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, the impact of the products and pricing strategies of competitors, delays in developing and launching new products, fluctuations in operating results and other risks, any of which could cause results, performance, or achievements to differ materially from the results discussed or implied in the forward-looking statements. Many risks are inherent in the industries in which the Company participates; others are more specific to the Company. The Company's ongoing quarterly filings should be consulted for additional information on risks and uncertainties relating to these forward-looking statements. Investors 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.

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