ICEsoft Technologies Canada Corp.
Management Discussion and Analysis
For the Year Ended December 31, 2016 and 2015

MANAGEMENT'S DISCUSSION & ANALYSIS

This Management's Discussion & Analysis ("MD&A") is intended to provide readers with the information that management ("Management") of ICEsoft Technologies Canada Corp. ("ICEsoft" or the "Corporation"), believes is required to gain an understanding of the financial results of the Corporation for the year ended December 31, 2016 and 2015 and to assess the Corporation's future prospects.

Accordingly, certain sections of this report contain forward-looking statements and forward-looking information (collectively, "Forward-Looking Information"), as defined under applicable Canadian securities laws, which are based on current plans and expectations. See under the heading "Special Note Regarding Forward Looking Information". Additional information relating to ICEsoft is available under ICEsoft's profile on www.sedar.com.

This MD&A, presented and dated as of April 25, 2017, should be read in conjunction with the audited consolidated financial statements and related notes for the year ended December 31, 2016.

The Corporation's consolidated financial statements have been prepared on a "going concern" basis, which presumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The operations of the Corporation have been primarily funded through private placements of equity and debt. The continued operations of the Corporation are dependent on the Corporation's ability to generate profitable operations in the future, to receive continued financial support from shareholders, and/or to complete sufficient equity and debt financings. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Corporation's ability to continue as a going concern. The consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

All currency amounts in the accompanying financial statements and this MD&A are in Canadian dollars unless otherwise noted.

Special Note Regarding Forward Looking Information

Certain statements contained in this listing statement constitute "forward-looking statements". These statements, identified by words such as "plan," "anticipate," "believe," "estimate," "should," "expect" and similar expressions include our expectations and objectives regarding our future financial position, operating results and business strategy. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of ICEsoft to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; speed of market adoption; reliance on reseller and partners; limited operating history of ICEsoft; market fluctuations; and retention of key personnel.

Forward-looking statements are based on a number of material factors and assumptions, including that: ICEsoft shall be successful in its attempts to raise working capital in the near to medium term future; the market demonstrates on-going adoption of new technologies; there is no material change to the competitive environment; and ICEsoft will be able to access and retain sufficiently qualified technical, sales and marketing staff. While ICEsoft considers these assumptions may be reasonable based on information currently available to it, these assumptions may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in the section “Risk Factors”.

New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on our business or the extent to which any factor, or combination of such factors, may cause actual results to differ materially from those contained in any forward-looking statement.

This MD&A includes market and industry data that has been obtained from third party sources, including industry and market analyst publications. Management believes that this industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, we have not independently verified any of the data from third party sources referred to in this MD&A or ascertained the underlying economic assumptions relied upon by such sources.

ICEsoft advises shareholders to carefully review the reports and documents it files from time to time with the securities regulatory authorities on SEDAR at www.sedar.com.

Corporate Structure

ICEsoft Technologies Canada Corp. (the “Company”, or the “Corporation”, or “ICEsoft” or “ICEsoft Technologies”) was formed in 2001 incorporated under the Canada Business Corporations Act, and was domiciled in Canada. The Company completed a reverse takeover of Stinton Exploration Ltd (“Stinton”), a reporting issuer, on September 24, 2015. Stinton was incorporated under the Canada Business Corporations Act on September 1, 2010. Following the reverse takeover on November 19, 2015, Stinton changed its name to ICEsoft Technologies Canada Corp. ICEsoft is a reporting issuer company incorporated under the Canada Business Corporations Act (“CBCA”), and is domiciled in Canada.

ICEsoft and its subsidiaries are commercial Java open source technology companies and providers of mobile rich Internet applications development solutions for desktop and mobile enterprise. The Company’s head office is located at 370, 3553 31st Street NW, Calgary, Alberta, Canada, T2L 2K7. The consolidated financial statements of the Company as at, and for the year ended, December 31, 2016 consist of the Company and wholly owned subsidiaries. ICEsoft wholly owns ICEsoft Technologies Holdings Ltd., which was amalgamated under the CBCA and which has a wholly-owned Delaware subsidiary, ICEsoft Technologies, Inc. which acts as the United States operating entity.

Basis of Presentation

This review of the results of operations should be read in conjunction with the consolidated financial statements for the year ended December 31, 2016. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements were approved and authorized for issue by the Board of Directors on April 25, 2017.

Certain supplementary measures in this MD&A do not have any standardized meaning as prescribed under IFRS and, therefore, may not be comparable with calculation of similar measures for other entities and should be considered non-IFRS measures. These measures are described and presented in order to provide information regarding the Corporation’s financial and operational results, liquidity and ability to generate funds to finance its operations. These measures are identified and presented, where appropriate, together with reconciliations to the equivalent IFRS measures. However, they should not be used as an alternative to IFRS measures because they may not be consistent with calculations of other companies. These non-IFRS measures, and certain operational definitions used by the Corporation, are further explained below.

EBITDA and Adjusted EBITDA

EBITDA refers to net income before interest, taxes, depreciation and amortization.

Adjusted EBITDA is calculated as EBITDA before costs associated with non-recurring business costs associated with acquisition, share-based compensation, accretion of convertible notes, and gain on fair value of derivative liability.

These measures do not have a standardized definition prescribed by IFRS and, therefore, may not be comparable to similar captioned terms presented by other users. Management believes that EBITDA and adjusted EBITDA are key indicators for the results generated by the Corporation's core business activities because they eliminate non-recurring items and the impact of finance and tax structure variables that exist between entities.

Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Functional and presentation currency

The financial statements are presented in Canadian dollars, which is the Company's presentation currency. The functional currency of ICEsoft Technologies Inc. is U.S. dollars and is translated to the presentation currency.

Basis of consolidation

The financial information contained within this MD&A include the accounts of the Corporation and its subsidiaries. All intercompany transactions have been eliminated in the consolidated financial statements. Subsidiaries are those entities that the Corporation controls by having the power to govern the financial and operating policies of the entity. The existence and effect of potential voting rights that are currently exercisable are considered when assessing whether the Corporation controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Corporation and are subsequently deconsolidated from the consolidated financial statements on the date that control ceases. The accounting policies of the subsidiaries are consistent with the policies adopted by the Corporation.

Core Business

An established enterprise software portfolio

ICEsoft is an enterprise software company supplying medium to large scale multi-national corporations. The Company's core business has a subscriber base of approximately 400 medium to large scale corporations. ICEsoft's legacy products: ICEfaces, ICEmobile and ICEpdf have been used by over 20,000 enterprises and 150,000 developers worldwide. ICEsoft is building on its suite of legacy subscription based products with Voyent, a new Software-as-a-Service offering for delivering context-enriched notifications and content.

ICEsoft has been providing software for critical enterprise infrastructure for over 10 years. Its current products include:

> **Voyent:** Voyent enables companies to customize their web content and notifications to an end users' particular circumstance. This Software-as-a-Service platform allows developers to pull real-time data from web-based sources such as information feeds, databases, and Internet

connected devices. The data is then processed using ICEsoft's advanced rules engine to generate customized content and messages for a specific individual. This process is known as contextual-enrichment.

ICEfaces: ICEfaces is a presentation layer technology solution that facilitates rich application development in both desktop and mobile environments. ICEfaces leverages responsive web-design techniques that detects the nature of the platform accessing the web-application and automatically reformatting the content to that particular appliance, resulting in considerable design time and cost savings.

ICEpdf: ICEpdf is a Java-based PDF viewing engine that can be easily integrated within larger applications. It is a high performance applicatoin, supporting a wide range of fonts (Asian and Cyrillic), forms and encryption.

ICEsoft prides itself on its support metrics and prompt response times and understands enterprise's dependency on existing legacy infrastructure. ICEsoft's products support a wide range of infrastructure software in the industry, allowing developers to implement new feature capabilities without having to redesign legacy applications or having to upgrade existing middleware.

Production and Sales

All of ICEsoft's products are developed, maintained and distributed in electronic format. Engineering services, consulting, support and training services are provided on an on-demand basis or as part of pre-purchased product subscriptions. Services are typically of a nature that they can be carried out remote from the client site.

ICEsoft's current products are typically sold on an annual subscription basis. Subscription and planned Software-As-A- Service or "SaaS" fees are pre-paid for a given subscription term. Terms generally run from one to three years. On occasion, ICEsoft has entered into subscription terms of one to six month terms. It is typical that discounts of 10-20% may be offered on pre-payment of multi-year terms. Receivables are set at 30 day terms. Subscribers are advised of renewal options a minimum of 30 days prior to expiration of their subscription. Subscribers who fail to renew prior to expiration of their subscription terms are often provided a 30-day grace window to complete the renewal. During which time they continue to have access to upgrades and web content, however engineering support is typically withheld.

ICEsoft's PDF products are typically sold under a license / OEM model. Clients pay an upfront license fee typically scaled by anticipated volume of products shipped and an annual support fee on the order of 15-20% of the total license costs.

Engineering and consulting services are typically invoiced upon completion of services rendered and signed off by a client. Revenue is recognized upon invoicing. The exception being in the event the client procures pre-paid engineering hours. These are blocks of pre-paid engineering consulting time offered to clients on a discounted basis. In this event pre-paid hours are recorded as deferred revenue and recognized as the hours are used by the client. Pre-paid engineering products have a one year limited life span.

Market for Products

The majority of ICEsoft's commercial license sales come from the United States (app. 60%) and Europe (app. 30%). End users of ICEsoft's free-to-use products see significant deployment in China, India and Brazil, all regions where ICEsoft has faced historical challenges in commercialization.

Specialized Skills and Knowledge

ICEsoft has retained employees and contractors with specialized skill and knowledge in presentation layer technologies, web protocols, distributed application development and high availability architectures. In particular, these employees and consultants have unique knowledge regarding sophisticated enterprise grade application development and deployment configurations. Replacement of critical skill sets can often take up to 6 months.

Intellectual Property

ICEsoft takes active steps to secure its intellectual property. It has secured copyrights and trademarks as required. ICEsoft has two patents granted and issued.

Seasonality

Historical trends have identified a measure of seasonality in ICEsoft's business. January through April as well as September tend to be stronger months. Summer months see sales tempered as a result of holidays. The summer slowdown is most predominant with European sales. November and December are historically slow months. Seasonal holidays place downwards pressure on sales towards the calendar year end. However, contract renewals remain strong, which is where the majority of revenues are sourced.

Employees

As of December 31, 2016, ICEsoft has 14 full-time employees, 2 part-time employees, 2 full-time European contractors, and 2 part time North American contractors.

Significant Contracts

ICEsoft is not substantially dependent on a contract to sell a major part of its products or to purchase a major part of its goods or services.

Changes to Contracts

ICEsoft does not believe that its business will be materially affected by renegotiation or termination of contracts or sub-contracts in the current fiscal year.

History

2012: In fiscal 2012, ICEsoft focused on expanding its footprint across its existing user base in both services / consulting and in subscription-based product sales. ICEsoft services and consulting revenue streams were grown to approximately 40% of total annual revenue. Product initiatives focussed on the development of mobile products that would reduce development times and support costs faced by enterprise IT organizations.

2013: In fiscal 2013 ICEsoft subscription business continued to grow across its existing product portfolio, realizing significant conversion rates from simple, per application subscriptions to a growing number of higher valued, multi-application, corporate accounts. Decisions were made to reduce the company's dependence on non-recurring revenue streams. Its consulting and engineering services revenue streams were reduced from 40% down to 16% of total revenue. Slower than forecast market adoption rates within enterprise IT organizations were faced resulting in longer cycles and lower than forecast revenues from the mobility products. While enterprises were mobilizing their web-based applications, development funding was prioritized at the business unit level with consumer facing applications typically responsible for revenue generation and customer satisfaction. Within the enterprise, IT organizational roll out and mobilization of internal enterprise applications, ICEsoft's traditional market and customer base, were found to be trailing by 4-6 quarters.

2014: ICEsoft continued to grow its subscription-based software business across its user-base realizing an approximate 15-20% year over year growth rate in subscription billings. Engineering services income held steady at approximately 15% of total revenue. Product development efforts shifted from now maturing mobility product development to the development of new context-based software-as-a-service initiative sponsored in part through a CDN$250,000 NRC / IRAP program grant. In July of 2014 ICEsoft received word from the Canada Revenue Agency (CRA) that ICEsoft's claimed Canadian Controlled Private Corporation (CCPC) status for its 2013 tax filings had been rejected. The CRA ruling resulted in a negative impact to forecasted cash flow of $497,626 from ICEsoft's 2013 SR&ED tax claims.

While appealing the CRA finding, ICEsoft elected to undertake a corporate restructuring so as to avoid placing additional risk to its accrued 2014 SR&ED tax credits and to resolve default conditions with secured note holders. In December 2014 ICEsoft (then ICEsoft Technologies, Canada Corp.) undertook a reverse takeover (RTO) of its then parent company, Delaware based ICEsoft Technologies, Inc. As part of the sequence of steps undertaken, the majority of convertible debt held in the company was converted to equity and the corporate share structure was reduced from 39,538,623 shares issued and outstanding across 4 share classes to 3,000,000 common shares issued and outstanding. The corporate restructuring initiative was successfully concluded on December 31, 2014.

2015: ICEsoft Holdings continued to expand and grow its footprint and corporate subscription base across its user community. Significant product releases were realized in its ICEfaces and ICEpdf product offerings. In September 2015 the company completed an amalgamation with Stinton Exploration Ltd., a reporting issuer.

2016: During 2016 ICEsoft launched its Voyent product to the market. The launch has first focused on key verticals and sourcing strategic partners to develop needs specific applications. ICEsoft plans to collaborate with these early adopters and further hone the Voyent offering; then later launch it into its broad-based developer network. 2016 saw the continued maturation of ICEsoft's legacy products.

During 2016, ICEsoft took steps to reduce its debt, accounts payable and liabilities outstanding. Liabilities excluding deferred revenues were reduced $1.4 million or 46% during the year. ICEsoft raised approximately $1.45 million in debt and equity via private placements and debt conversion transactions. Of this amount, approximately $328,779 was directed to debt settlement and approximately $1,017,000 was made available as general working capital, which focused on the development of Voyent. All of these financings were strongly supported by insiders of the Corporation.

Business Strategy

According to market analyst Forrester Research, for every consumer facing application deployed, an enterprise will typically have up to twenty other, internal applications to service their business to business and business to employee needs. **ICEsoft's long-term strategy is to target the enterprise** with the tools and technologies they will need to develop and deploy context-enriched applications themselves. This strategy will allow ICEsoft to best leverage its existing user-base of 20,000+ enterprises for the initial launch of the product.

ICEsoft is developing both "free-to-use-trial" and commercial variants of its product offering. The trial variant will be constrained in terms of time, the number of users, feature set and deployment options. Its purpose will be to enhance the technologies accessibility to developers and key managerial decision makers, generate market excitement and stimulate early adoption. The commercial variant will be required in order to support user numbers more typical of production level releases or to support deployment or security features typically required by enterprise.

In order to jump-start its market launch, ICEsoft is looking to secure a handful of early adopters / lead customers in suitable verticals. Apart from validating the ICEsoft solution, feedback from these lead customers will assist in defining those critical success factors, service features, context sources and additional development collateral required to increase the products' likelihood of success. Prospective lead customers benefit through first to market / lead time advantages, feature prioritization, and being able to address their own critical application needs by leveraging ICEsoft's application and development resources at discounted rates.

Competitive Conditions

ICEsoft sells its current products and services globally into the Rich Internet Application market. It is one of the top three open-source providers of presentation layer technologies to the Java EE developer community. The market is maturing in nature. While the addressable market is expanding, it is doing so as enterprises increase the number of applications using relevant technologies, rather than through the expansion of the total number of prospective enterprises using the technology having grown.

Within the addressable market, ICEsoft's competitors (to its core product offering) are split between vertically integrated solutions from large middleware providers such as Oracle or RedHat and smaller cross platform independents. ICEsoft is most successful with those potential clients that leverage multiple best-of-breed technologies rather than those that are vertically integrated within a given supplier.

Notable competitors to the ICEsoft's Voyent product include companies such as Everbridge, Athoc/Blackberry, Urban Airship, Kony Solutions, and X-matters. These companies participate predominantly in the mass notification or consumer marketing / couponing sectors with a primary emphasis on location-based services.

ICEsoft is focussed in the enterprise markets with an emphasis on processing context data sources that extend beyond location based services. The sample competitors are well financed however and over time could be capable of entering the enterprise sectors and expanding the sources of data input. Urban Airship and Kony Solutions have received approximately USD$80,000,000 and USD$85,000,000 in capital funding. X-Matters has recently completed a USD$42,000,000 financing round. Everbridge recently completed an IPO on the NASDAQ.

Key 2017 Milestones

ICEsoft's business objectives are to build the pipeline of Voyent product sales securing first customers, increase both its user and subscriber base by 10% for legacy products and maintain a lean cost structure. Further information is included in the table below and is subject to obtaining further funding.

Business Objective	Description	Target Date
Establish first Voyent sales	Secure initial sales for Voyent, likely within the small to medium sized municipality, oil and gas or insurance markets.	Q3 2017
Secure Voyent strategic partnership	ICEsoft plans to secure a strategic partnership to allow it to hone the Voyent product with preparation for a boarder launch into its developer community.	Q3 2017
Increase available working capital	ICEsoft will undertake to increase its available working capital by $1M+ sourced from a combination of public and private markets.	Q1-Q4 2017

Launch Voyent to ICEsoft's broad developer community	ICEsoft plans for a broad market launch of Voyent to its installed developer community. Targeted launch collateral will be prepared before the launch, including appropriate tutorials, documentation, demos and videos as well as lead customer case studies from strategic partnerships and testimonials.	Q4 2017
Increased subscription sales	ICEsoft plans to close an incremental $147,000 CAD in sales from ICEfaces and ICEpdf during 2017.	Q4 2017

2016 Material Transactions

On January 28, 2016, ICEsoft restructured its outstanding debt and raised capital by way of a private placement. In total the restructuring activities have reduced ICEsoft's liabilities by $1,251,450.

February 17, 2016, the Canadian Securities Exchange approved ICEsoft for listing subject to the following conditions:

- Completion of a minimum equity financing of $650,000;
- Completion of any and all outstanding CSE application documentation and payment of fees pursuant to the Policies.

At this time, ICEsoft is deferring its decision to list on the Canadian Securities Exchange until operational performance improves or further debt or equity funds can be raised.

On December 31, 2016, ICEsoft has closed a private placement of one year senior secured promissory notes (the "Notes") totaling $259,696 CAD. The Notes bear interest of 12% with interest paid monthly and mature on December 31, 2017. The Notes are secured against ICEsoft's intellectual property. Proceeds from the Notes will be used to repay short term debt ,which carried a higher interest rate, and for general corporate purposes.

Summary of Financial and Operational Results

The following tables set forth consolidated financial data prepared in accordance with IFRS for the year ended December 31, 2016.

	December 31, 2016 $	**December 31, 2015 $**
Revenue	1,922,023	2,100,640
Operating Loss	(585,739)	(480,069)
Net loss	(453,001)	(2,059,624)
Working Capital (Current Assets less Current Liabilities)	(2,662,743)	(3,970,061)
Total Assets	234,832	239,327
Total Liabilities	2,897,575	4,393,251
Cash provided by operating activities before changes to working capital	(662,639)	(883,483)
Net Loss	(453,001)	(2,059,624)
Add back:		
Finance costs	45,856	243,843
EBITDA	(407,145)	(1,815,781)
Add back:		
Gain on conversion of convertible notes	(259,037)	Nil
Reverse takeover and listing expenses	Nil	381,858
Stock-based compensation	60,924	765,542
Accretion of convertible notes	38,668	309,453
Gain on fair value of derivative liability	(20,568)	(91,589)
Adjusted EBITDA	(587,158)	(450,517)

Summary of Quarterly Results
The following table summarizes select financial information for ICEsoft Technologies Canada Corp. for the prior eight most recently completed quarters ending at the end of December 31, 2016. All amounts expressed in $CAD.

	Q4 12/31/2016	**Q3 09/30/2016**	**Q2 06/30/2016**	**Q1 03/31/2016**	**Q4 12/31/2015**	**Q3 09/30/2015**	**Q2 06/30/2015**	**Q1 03/31/2015**
Total Assets	234,832	328,186	318,318	287,420	239,327	276,818	306,758	289,706
Net working Capital*	(2,662,743)	(2,431,379)	(2,247,303)	(2,631,384)	(3,970,061)	(3,516,973)	(2,993,761)	(2,513,408)
Deferred Revenue	1,219,345	1,360,139	1,404,691	1,410,981	1,359,044	1,216,091	1,155,597	1,054,385
Total Liabilities*	2,897,575	2,759,565	2,851,191	3,084,200	4,393,251	3,793,791	3,548,336	3,217,074
Total Revenue	475,563	461,201	459,000	528,425	500,037	531,114	498,806	570,683
Net loss from Operations	(184,666)	(87,852)	(198,979)	(122,012)	(408,721)	(93,721)	52,881	(30,508)
Income (Loss) per share (basic and diluted)	(0.00)	(0.00)	(0.01)	(0.00)	(0.11)	(0.05)	(0.02)	(0.06)

*Includes deferred revenue
**Results differ from financial statements due to conversion of foreign operations to CAD
*** Q4 includes all audit adjustments for the year
**** On an annualized run rate, management believes restructuring action taken in the second half of 2016 has reduced operating expenses in excess of $500,000 which will begin to present on the Q1 2017 financial statements.

RESULTS OF OPERATIONS

Revenue

	December 31, 2016 $	December 31, 2015 $
Revenue	1,922,023	2,100,640

2016 saw the continued maturation of ICEsoft's legacy products. Year over year revenues dropped approximately $179,000 or 9%. Approximately $56,000, was attributable to the continued strategic reduction in consulting services, and $34,000 due to a reduction in license fees. Subscription income increased from 87% of revenues to 91% of revenues. There was no material shift in revenue across geographic regions. Q4 2016 vs Q3 2016 saw relatively flat revenue ($475,563 vs $461,201). Due to the accounting methodology revenues are deferred and spread over the life the contract, which has a smoothing effect. On the other hand, cash sales are collected as the beginning of the service period and can be more volatile in any given month.

Operating, General & Admin Expenses

	December 31, 2016 $	December 31, 2015 $
Operating, General & Administrative Expenses	2,507,762	2,580,709

During the second half of 2016 ICEsoft undertook steps to reduce its general operating costs. The Company reduced overheads, entered a lease for office space at favourable terms, reduced its workforce, and reorganized duties. This reorganization lead to a year over year decline in operating expenses of $72,947. Most of these adjustments took place in the second half of the year. On an annualized run rate, management believes the actions taken have reduced its annualized operating expenses in excess of $500,000 per year which will begin to present in the Q1 2017 financial statements.

Cost of sales consists only of sales commissions and dropped $42,633 USD or 30% year over year due to the reduction in high commission sales employees.

Product related marketing costs and investments have remained low contribution to operating expenses (17%). The Company is anticipating a significant repositioning of marketing literature and web site development in 2017 and as it prepares for the broader launch of Voyent. This is anticipated to increase sales costs in 2017 should Voyent gain market traction and begin to commercialize.

Administration costs remained relatively flat year over year and are not anticipated to increase with the market update of Voyent.

R&D saw a drop of approximately $54,000 CAD as ICEsoft reduced staffing and continued to move away from desktop and mobile development initiatives and towards ICEsoft's new context-enriched services initiative.

	December 31, 2016 $	December 31, 2015 $
Net Operating Income	(585,739)	(480,069)

Net operating income weakened approximately $106,000 on a year over year basis as the benefits from leaner operations were more than offset by weaker revenues and a higher operating cost base in the first half of the year. As a consequence of the company's second half restructuring activities, net operating income improved from approximately ($316,000) in the first half of the year to ($270,000) in the second half. Early 2016 operations were based on the expectation that additional capital would be raised by ICEsoft. As it became clear that investors were hesitant to invest until Voyent had achieved commercial success, management began to reduce expenses to maintain operations. The financial results for the year blend a heavier spend in H1 vs H2, thus distorting the late year actions taken to reduce costs. Management expects the results of restructuring in 2016 will begin to appear in the Q1 2017 financial statements.

	December 31, 2016 $	December 31, 2015 $
Net loss and comprehensive loss	(453,001)	(2,059,624)

Included in net loss and comprehensive loss for the year ended December 31, 2016 is significant non-cash costs related to the gain on conversion of convertible notes (+$259,037), accretion of convertible notes (-$38,668), gain on the fair value of derivative liability (+$20,568), and charges relating to stock-based compensation (-$60,924). Significant non-cash charges for stock and warrant based compensation as well accretion of convertible notes were also incurred in 2015. In management's view, these charges significantly skew results without actual impacts to the business operations.

Stock Based Compensation

The $60,924 of stock-based compensation for the year ended December 31, 2016 resulted from the vesting of previously issued director stock options and valuing the option grants using the Black-Scholes Option Pricing Model.

On April 15, 2016, ICEsoft granted 600,000 options to directors for a five year period at a price of $0.25 CAD. 20% of these options vested immediately and an additional 20% vest every six months. As at December 31, 2016, 240,000 options are vested and exercisable.

The Corporation's shares did not have sufficient public trading data and, therefore, ICEsoft used the historical volatilities of certain members of its peer group for input into the Black-Scholes Option Pricing Model.

Liquidity and Capital Resources

ICEsoft is able to generate sufficient amounts of cash and cash equivalents, in the short and long term from its existing portfolio of legacy products to remain solvent provided it significantly moderates its deployment of resources to new product development. ICEsoft is unable to generate sufficient amounts of cash and cash equivalents required to meet its desired growth or to fund the planned development activities required to achieve that growth. It is forecast that ICEsoft's cash flow shall improve over time as Voyent begins to establish a contributing revenue stream.

Incremental working capital requirements needed to capitalize on the the emerging market opportunity associated with Voyent are estimated to be a minimum of $1.6M CAD. Failure to secure the needed working capital by Q2/Q3 2017 will force ICEsoft to consider alternative strategies including scaling back on Voyent commercialization efforts and go-to-market plans and/or the restructuring of ICEsoft to significantly reduce operating costs in order for ICEsoft to meet its ongoing obligations.

ICEsoft liquidity is also impacted by outstanding insider debt. ICEsoft remains compliant with the current terms and repayment schedule associated with debt which has a principal balance of CAD $365,900 as of December 31, 2016.

Aside from ongoing, day to day operational requirements, ICEsoft has no additional commitments for capital expenditures.

There exists no formal additional capital resources currently in place that are available to ICEsoft.

For ICEsoft to execute and fund targeted growth and associated commercialization activities associated with Voyent, through fiscal year 2017, it shall be required that ICEsoft raise a minimum additional $1,600,000 of working capital equity through either debt, equity financing or incremental sales which is deemed unlikely in the view of management. Incremental debt and equity investment prospects so far hinge on the Company being able to evidence initial market traction associate with the Voyent product.

Capital Management

Management closely monitors cash flow requirements. The Corporation is actively pursuing sales and commercialization efforts of Voyent. The Corporation's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development and sales of its new product releases. However, it should be noted that the Corporation is at an early stage of its Voyent commercialization initiatives and the Company will continue to be dependent on its ability to manage cash on hand through additional restructuring, an increase in revenues, a raise of incremental working capital or renegotiation of loan terms in order to meet its obligations and repay its liabilities arising from normal business operations when they become due.

The management of capital includes the components of shareholders' deficiency, comprised of common shares, contributed surplus, warrants, accumulated other comprehensive income, and deficit.

The Corporation strives to maximize the value associated with shareholders' equity. To maintain or adjust its capital structure, the Corporation may, from time to time, issue shares, issue new debt, dispose of assets or adjust its spending, considering changes in economic conditions and the risk characteristics of the underlying assets. ICEsoft manages its working capital through timely collection of receivables, controlling exposure to future commitments and securing favorable terms from suppliers. In order to preserve cash, the Corporation does not currently pay dividends. ICEsoft is not subject to externally imposed capital requirements and the Corporation's overall strategy with respect to managing its capital structure is:

- To safeguard the Corporation's ability to continue as a going concern
- To maintain appropriate cash reserves on hand to meet ongoing development and operating costs
- To invest cash on hand in highly liquid and highly rated financial instruments

Shares Outstanding

See note 10 on the financial statements for an overview of the shares outstanding and share capital of the Corporation. No changes to share capital have taken place since the year ended December 31, 2016.

Foreign Exchange Gains and Losses

See note 16(d) on the financial statements for description of foreign exchange impacts to the Corporation.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements at this time.

Transactions with Related Parties

See note 13 on the financial statements for a description of related party transactions.

Commitments

See note 14(a) on the financial statements for outstanding commitments the corporation faces.

Subsequent Events

No subsequent event of note took place.

Significant Accounting Judgments, Estimates and Assumptions

See note 4 on the financial statements for a description of significant accounting judgments, estimates and assumptions.

Changes in Accounting Standards

See note 4 on the financial statements for changes in accounting standards.

Risk Factors

An investment in ICEsoft is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below, in addition to the other information contained in this document, before making any decision to invest in ICEsoft. The directors consider the following risks and other factors to be the most significant for potential investors in ICEsoft, but the risks listed do not necessarily comprise all those associated with an investment in ICEsoft. Additional risks and uncertainties not currently known to the directors may also have an adverse effect on ICEsoft's business.

Additional requirements for Capital

Substantial additional financing may be required if ICEsoft is to be successful developing its business. No assurances can be given that ICEsoft will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to ICEsoft, if at all. If ICEsoft is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Competition

ICEsoft has experienced, and expects to continue to experience, competition from a number of companies. ICEsoft's competitors may announce new products, services or enhancements that better meet the needs of customers or changing industry standards. Increased competition may cause price reductions, reduced gross margins and loss of market share, any of which could have a material adverse effect on ICEsoft's business, results of operations and financial condition.

Many of the competitors and potential competitors of ICEsoft have significantly greater financial, technical, marketing and/or service resources than does the Company. Many of these companies also have a larger base of users, longer operating histories or greater brand recognition than ICEsoft. Customers of ICEsoft are particularly concerned that their suppliers will continue to operate and provide upgrades and maintenance over a long-term period. ICEsoft's smaller size may be considered negatively by prospective customers. Even if competitors of ICEsoft provide products with more limited system functionality than those of ICEsoft, these products may incorporate other capabilities of interest to some customers and may be appealing due to a reduction in the number of different types of systems used to operate such customers' businesses. Further, competitors of ICEsoft may be able to respond more quickly than ICEsoft to changes in customer requirements and devote greater resources to the enhancement, promotion and sale of their products.

Market uncertainty

ICEsoft's success depends to a significant degree on its ability to develop the market and gain acceptance for its products and services. There is no assurance that a significant market will develop for ICEsoft's principal products and services. There can be no assurances that the additional commercial applications and markets for ICEsoft's products will develop as currently contemplated. To manage such development, ICEsoft must continue to expand its existing resources and management information systems and must attract, train, and motivate qualified marketing, management, technical and administrative personnel. There can be no assurance that ICEsoft will be able to achieve these goals.

Maturing market

A major contributor to ICEsoft's revenue stream sources from one of its core product offerings, ICEfaces. ICEfaces leverages a widely adopted technology infrastructure known as Java Enterprise Edition (Java EE) developed by Oracle. Java EE is characterized as a maturing technology. The Java EE market has largely saturated over the past years and ICEsoft's growth opportunity resides in securing a greater portion of the already mature market sector. Any negative material change in the size of the addressable Java EE market would result in negative impact on revenue streams sourcing from ICEsoft's core product offering.

Management of growth

ICEsoft may be subject to growth-related risks including pressure on its internal systems and controls. ICEsoft's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of ICEsoft to deal with this growth could have a material adverse impact on its business, operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, ICEsoft may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for ICEsoft's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, ICEsoft will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that ICEsoft will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support ICEsoft's operations or that ICEsoft will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

High degree of product concentration

Substantially all of ICEsoft's currently anticipated revenues will be derived from a limited number of products and services that are ancillary to the products and services provided by third parties. Consequently, ICEsoft's performance will depend on market acceptance of those third party products and services, as well as establishing market acceptance for its own products and services and enhancing the performance of such products and services to meet the evolving needs of customers. ICEsoft, like other entities involved in a rapidly evolving new industry, faces the risk that ICEsoft's products and services may not prove to be commercially successful or may be rendered obsolete by technological developments. There can be no assurances that ICEsoft will establish and maintain a position at the forefront of emerging technological trends. Any reduction in anticipated future demand or anticipated future sales of these products or any increase in competition could have a material adverse effect on ICEsoft's business prospects, operating results, or financial condition.

Product failures and mistakes

ICEsoft's products and services incorporate complex software and it encourages employees to quickly develop and help it launch new and innovative features. Its software has contained, and may now or in the future contain, errors, bugs or vulnerabilities. Some errors in its software code may only be discovered after the product or service has been released. Any errors, bugs or vulnerabilities discovered in its code after release could result in significant costs of correcting the failure or mistake, damage to its reputation, loss of users, or liability for damages, any of which could adversely affect its business and operating results.

Technological obsolescence

Competitors and new companies could launch new products. In order to remain on the cutting edge of technology, ICEsoft may need to launch a new generation of products and services. Whether it is competition from development companies or a merger or acquisition of existing companies, competition within certain software industry sectors offering solutions similar to what ICEsoft offers could increase. Some of ICEsoft's competitors have significantly greater financial, technical, distribution, and marketing resources than ICEsoft. Technological progress and product development could make ICEsoft's products obsolete or reduce their value.

Mobile devices and third-party operating systems

Mobile devices are increasingly being used and if our products and services do not operate as effectively when accessed through these devices it could harm the business. ICEsoft is dependent on the interoperability of its platform with third-party mobile devices and mobile operating systems as well as web browsers that it does not control. Any changes in such devices, systems or web browsers that degrade the functionality of its platform or give preferential treatment to competitive services could adversely affect usage of its products and services. Effective mobile functionality is integral to our long-term development and growth strategy. In the event that ICEsoft's merchants and customers have difficulty accessing and using products and services on mobile devices, ICEsoft's business and operating results could be adversely affected.

Pricing policies

The competitive market in which ICEsoft operates could force it to reduce its prices. If its competitors offer large discounts on certain products and services in order to gain market share or sell products and services, ICEsoft may need to lower its prices and offer other favorable terms in order to compete successfully. Such changes could reduce profit margins and have an unfavorable impact on its operating results. Some of ICEsoft's competitors could offer products and services that compete with theirs as part of a long-term pricing strategy or offer price guarantees or product implementation. With time, these practices could limit the prices ICEsoft may charge for its products and services. If ICEsoft cannot offset these price reductions with a corresponding increase in sales volume or decreased expense, the decreased revenues from products and services could unfavorably affect its profit margins and its operating results.

Patent infringement

While ICEsoft believes that its products and operations do not violate the intellectual property rights of third parties, other parties could bring legal actions against ICEsoft claiming damages and seeking to enjoin the marketing and sale of ICEsoft's products for allegedly conflicting with patents held by them. Any such litigation could result in substantial cost to ICEsoft and diversion of effort by its management and technical personnel. If any such actions are successful, in addition to any potential liability for damages, ICEsoft could be required to obtain a license in order to continue to market the affected products. There can be no assurance that ICEsoft would prevail in such action or that any license required under any such patent would be available on acceptable terms, if at all. Failure to obtain needed patents, licenses or proprietary information held by others may have material adverse effect on ICEsoft's business. In addition, if ICEsoft were to become involved in such litigation, it could consume a substantial portion of ICEsoft's time and resources.

Labour and key personnel

ICEsoft depends on the services of its key management personnel. The loss of one of these people could have a significantly unfavorable impact on ICEsoft, its operating results, and its financial position. The success of ICEsoft is largely dependent upon its ability to identify, hire train, motivate, and retain highly skilled management employees, engineers, technical employees, and sales and marketing personnel. Competition for its employees can be intense, and ICEsoft cannot ensure that it will be able to bring in and retain highly skilled technical and management personnel in the future. Its ability to bring in and retain management and technical personnel and the necessary sales and marketing employees could have an unfavorable impact on its growth and future profitability. The company may be obligated to increase the compensation paid to current or new employees, which could substantially increase operating expenses.

Lack of control in transactions

ICEsoft's business plan relies in part on retaining other companies to perform a variety of resale services. ICEsoft may not be in a position to control or direct the activities of the parties with whom it transacts business. Success of the Company may be subject to, among other things, the success of such other parties, with each being subject to their own risks.

Reliance on third party services and app store distribution

ICEsoft relies on certain technology services provided to it by third parties, and there can be no assurance that these third party service providers will be available to the Company in the future on acceptable commercial terms or at all. If ICEsoft were to lose one or more of these service providers, it may not be able to replace them in a cost effective manner, or at all. This could harm the business and results of operations of the Company.

In addition, ICEsoft's future product technology relies in part on the deployment of ICEsoft's application code onto end user mobile appliances. This deployment is typically achieved via app stores associated with the different mobile platforms. ICEsoft does not control these app stores, their acceptance criteria or ultimately approval of their deployment. Rejection of ICEsoft's mobile application or utility by app store administrators would negatively impact ICEsoft's technology adoption and rollout.

ICEsoft may acquire businesses and assets which are not successfully integrated

ICEsoft undertakes evaluations of opportunities to acquire additional properties and businesses. Any acquisitions may change the scale of ICEsoft's business and may expose ICEsoft to new geographic, political, operating, and financial risks. ICEsoft's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, acquire them on acceptable terms, and integrate their operations successfully. Any acquisitions would be accompanied by risks, such as the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of ICEsoft's ongoing business; the inability of management to realize anticipated synergies and maximize the financial and strategic position of ICEsoft; the failure to maintain uniform standards, controls, procedures and policies; the impairment of relationships with employees and contractors as a result of any integration of new management personnel, and the potential unknown liabilities associated with acquired assets and businesses. There can be no assurance that any assets or business acquired will prove to be beneficial or that ICEsoft will be able to integrate the required businesses successfully, which could slow ICEsoft's rate of expansion and ICEsoft's business and financial condition could suffer.

ICEsoft may be subject to litigation

ICEsoft may be involved in disputes with other parties in the future, which may result in litigation. If ICEsoft is unable to resolve these disputes favorably, it may have a material adverse impact on ICEsoft's financial condition.

Failure to secure intellectual property

ICEsoft's products leverage a variety of proprietary rights that enable its competitive positioning and are critical to its success. ICEsoft has been protecting its Intellectual Property through copyright, trademark and patent applications. Because the Intellectual Property associated with ICEsoft's technology is evolving and rapidly changing, current intellectual property rights may not adequately protect the Company. ICEsoft may not be successful in securing or maintaining proprietary or future patent protection for the technology used in its systems or services, and protection that is secured may be challenged and possibly lost. ICEsoft generally enters into confidentiality or license agreements, or has confidentiality provisions in agreements with ICEsoft's employees, consultants, strategic partners and clients and controls access to and distribution of its technology, documentation and other proprietary information. ICEsoft's inability to protect its Intellectual Property adequately for these and other reasons could result in weakened demand for its systems or services, which would result in a decline in its revenues and profitability.

Use of "open source" software

ICEsoft's solutions incorporate and are dependent to a significant extent on the use and development of "open source" software and ICEsoft intends to continue our use and development of open source software in the future. Such open source software is generally licensed by its authors or other third-parties under open source licenses and is typically freely accessible, usable and modifiable. Pursuant to such open source licenses ICEsoft may be subject to certain conditions, including requirements that ICEsoft offer its proprietary software that incorporates the open source software for no cost, that it make available source code for modifications or derivative works it creates based upon, incorporating, or using the open source software, and that ICEsoft license such modifications or derivative works under the terms of the particular open source license. If an author or other third party that uses or distributes such open source software were to allege that ICEsoft had not complied with the conditions of one or more of these licenses, ICEsoft could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from the sale of ICEsoft's solutions that contained or are dependent upon the open source software and required to comply with the foregoing conditions, which could disrupt the distribution and sale of some of ICEsoft's solutions. Litigation could be costly for ICEsoft to defend, have a negative effect on ICEsoft's operating results and financial condition or require ICEsoft to devote additional research and development resources to change ICEsoft's platform.

Any requirement to disclose our proprietary source code, termination of open source license rights or payments of damages for breach of contract could be harmful to ICEsoft's business, results of operations or financial condition, and could help ICEsoft's competitors develop products and services that are similar to or better than ICEsoft's.

In addition to risks related to license requirements, usage of open source software can lead to greater risks than the use of third-party commercial software, as open source licensors generally do not provide warranties, controls on the origin or development of the software, or remedies against the licensors. Many of the risks associated with usage of open source software cannot be eliminated and could adversely affect ICEsoft's business.

ICEsoft has not previously been listed

ICEsoft has never been listed on a public securities exchange. There is currently no established trading market through which common shares of ICEsoft may be sold. An active, liquid and orderly trading market for ICEsoft's securities may not develop or be maintained and an investor may find it difficult to resell any securities of ICEsoft. The market price for ICEsoft's securities may be volatile and difficult to predict which could result in losses for investors.

ICEsoft will incur increased costs and regulatory burden and devote substantial management time as a result of being a public company. ICEsoft has not previously been subject to the continuous and timely disclosure requirements of securities laws and the rules, regulations and policies of the CSE. As a public company, ICEsoft will incur increased legal, accounting and other costs not incurred as a private company. ICEsoft's management team has limited experience managing a public company, and regulatory compliance may divert its attention from the day-to-day management of ICEsoft's business.

Failure of information technology system

ICEsoft's operations could suffer as a result of a failure of its information technology system. ICEsoft's business will be dependent upon an information technology infrastructure to effectively manage and operate several key business functions, including order processing, customer service, installation and payments. These systems and operations are vulnerable to damage and interruption from fires, earthquakes, telecommunications failures, and other events. They are also subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct. Any such errors or inadequacies in the software that may be encountered could adversely affect operations, and such errors may be expensive or difficult to correct in a timely manner.

Advertising and search traffic

The promotions marketing industry is very dynamic with new technology and services being introduced by a range of players from larger established companies to start-ups on a frequent basis. ICEsoft's success in part requires that it is successful in conceiving and executing a variety of marketing campaigns into its targeted verticals. Desired wide scale adoption of ICEsoft's newest products is in part dependent upon ICEsoft successfully leveraging social media marketing techniques and campaigns. Failure to conceive and/or successfully execute on required marketing activities could negatively impact ICEsoft's forecast results and operations.

ICEsoft depends in part on internet search engines, such as Google, Bing and Yahoo!, to drive traffic to its website. For example, when a user types an inquiry into a search engine, ICEsoft relies on a high organic search result ranking of its webpages in these search results to refer the user to its website. However, ICEsoft's ability to maintain high organic search result rankings is not within its control. ICEsoft's competitors' search engine optimization, or SEO, efforts may result in their websites receiving a higher search result page ranking than ICEsoft's, or internet search engines could revise their methodologies in a way that would adversely affect ICEsoft's search result rankings. If internet search engines modify their search algorithms in ways that are detrimental to ICEsoft, or if ICEsoft's competitors' SEO efforts are more successful than ICEsoft's, the growth in ICEsoft's user base could slow. ICEsoft's website has experienced fluctuations in search result rankings in the past, and it anticipates similar fluctuations in the future. Any reduction in the number of users directed to ICEsoft's website through search engines could harm its business and operating results.

Foreign exchange

As ICEsoft looks to expand and monetize its user base internationally, it will become exposed to the effects of fluctuations in currency exchange rates. Since ICEsoft conducts business in currencies other than Canadian dollars, but reports its operating results in Canadian dollars, it faces exposure to fluctuations in currency exchange rates. Consequently, exchange rate fluctuations between the Canadian dollar and other currencies could have a material impact on ICEsoft's operating results.

Market volatility

The securities markets in the United States and Canada have recently experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any market for ICEsoft's common shares will be subject to market trends generally, notwithstanding any potential success of ICEsoft. The value of the Common Shares may be affected by such volatility.

Insurance coverage

ICEsoft does not have insurance to adequately protect against risks associated with its business and operations, nor is it intended that ICEsoft will purchase any such insurance for the foreseeable future. It is not always possible to fully insure against business and other risks and ICEsoft may decide to not take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, it could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of ICEsoft.

Global Economic Conditions

Current global economic conditions could have a negative effect on ICEsoft's business and results of operations. Market disruptions have included extreme volatility in securities prices, as well as severely diminished liquidity and credit availability. The economic crisis may adversely affect ICEsoft in a variety of ways. Access to lines of credit or the capital markets may be severely restricted, which may preclude ICEsoft from raising funds required for operations and to fund continued expansion. It may be more difficult for ICEsoft to complete strategic transaction with third parties. The financial and credit market turmoil could also negatively impact suppliers, customers and banks with whom ICEsoft does business. Such developments could decrease ICEsoft's ability to source, produce and distribute its products or obtain financing and could expose it to risk that one of its suppliers, customers or banks will be unable to meet their obligations under agreements with them.

While it is not possible to predict with certainty the duration or severity of the current disruption in financial and credit markets, if economic conditions continue to worsen, it is possible these factors could significantly impact ICEsoft's financial condition.

No Dividend History

No dividends have been paid by ICEsoft to date. ICEsoft anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of ICEsoft's board of directors' after taking into account many factors, including ICEsoft's financial condition and current and anticipated cash needs.

Government Regulation

Government regulations influence the design, components or operation of ICEsoft's products. New regulations and changes to current regulations are always possible and, in some jurisdictions, regulations may be introduced with little or no time to bring related products into compliance with these regulations. ICEsoft's failure to comply with these regulations may prevent us from selling our products in a certain country. In addition, these regulations may increase our cost of supplying products by forcing us to redesign existing products or to use more expensive designs or components. In these cases, ICEsoft may experience unexpected disruptions in its ability to supply customers with products, or it may incur unexpected costs or operational complexities to bring products into compliance. This could have an adverse effect on ICEsoft's results of operations and increase the volatility of its financial results.

Outlook

Management believes that ICEsoft's core/legacy business products will continue to generate sufficient income and cash flow for ICEsoft to remain solvent to meet its financial obligations as demonstrated from Note 17 – Segmented Information. However, the market for ICEsoft's legacy products is maturing in nature as evidenced by the 2016 declining revenues and should be expected to decline further over time.

ICEsoft anticipates that additional financing sources, either debt or equity-based will be required in order to complete its new product development initiatives and maximize its business growth opportunities. It is Management's opinion that in order to access these resources the Company must first evidence initial market success and sales with its Voyent product.