ICEsoft Technologies Canada Corp.
Interim Management Discussion and Analysis – Quarterly Highlights
For the period ended June 30, 2018

MANAGEMENT'S DISCUSSION & ANALYSIS – QUARTERLY HIGHLIGHTS

This Management's Discussion & Analysis – Quarterly Highlights ("MD&A") is intended to provide readers with supplemental 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 quarter ended June 30, 2018 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 August 24, 2018 is supplemental in nature and should be read in conjunction with the annual consolidated financial statements and related notes for the quarter ended June 30, 2018 and with the full MD&A provided with the audited financial statements for year-end December 31, 2017.

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 MD&A 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.

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.

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 may have on our business. 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. Although the associated industry 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. 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 quarter ended June 30, 2018 and 2017, consist of the Company and wholly owned subsidiaries. ICEsoft wholly owns ICEsoft Technologies Holdings Ltd., which was amalgamated under the CBCA and has a wholly-owned Delaware subsidiary, ICEsoft Technologies, Inc., which in turn 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 quarter ended June 30, 2018 and 2017. 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 quarterly financial statements were approved and authorized for issue by the Board of Directors on August 24, 2018.

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 share-based compensation, capital raise commissions, and gain on debt forgiveness.

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 as well as 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.

General Business 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 on the financial statements. However, the market for ICEsoft’s legacy products is maturing in nature as evidenced by the declining revenues and should be expected to decline further over time.

ICEsoft’s latest product release, Voyent Alert! provides a multi-purpose notification / alerting service to small and medium sized municipalities and regional governments. Sales efforts have targeted Western Canadian provinces for initial deployment. Initial sales have been secured and the Corporation is seeing a strengthening sales pipeline. ICEsoft will begin recognizing revenue from sales in the next quarter. The service is in the process of displacing incumbent solutions in a number of accounts. In certain regions, over 50% of new customer opportunities are being sourced through referrals of current clients and leads.

ICEsoft anticipates that additional financing sources, either debt or equity-based will be required in order to see its recently launched Voyent Alert! product through to positive cash flow contribution and to maximize its business growth opportunities.

2018 Key Milestones

Business Objective	Description	Target Date	Year To Date Progress
Establish first Voyent Alert! sales	Secure initial sales for Voyent Alert!, targeting 10 communities by June 2018 with at least 1 sale being to a regional district or government agency.	Q3 2018	As of 06/30/18 commitments have been received from 8 communities.
Establish material Voyent Alert! Sales in Canada	Close year end Voyent Alert! sales of 35 districts and 180K in Voyent Alert! Revenue. Demonstrate sales in regions beyond Western Canada.	Q4 2018	Current sales pipeline covers 60 communities.
Increase available working capital	ICEsoft will undertake to increase its available working capital by minimum $500K required to maintain Voyent Alert! initiative prior to end Q3 to maintain and by $2.5M prior to year end to maximize sales potential for Voyent Alert!	Q1-Q4 2018	$235K equity financing raised to date.
Year End Revenue and Profitability	ICEsoft plans to deliver consolidated revenues of >$1.5M CAD and EBITDA of less than a $300K loss for the year. Deliver accounts payable reduction of 30% year over year.	Q4 2018	Tracking to meet this objective

Summary of Financial and Operational Results

The following tables set forth consolidated financial data prepared in accordance with IFRS for the six months ended June 30, 2018. All amounts expressed in $CAD.

Summary Table of Financial and Operational Results	**As at and Six Months Ended June 30, 2018 $**	**As at Six Months Ended June 30, 2017 $**
Revenue	794,667	900,043
Operating Income (Loss)	(119,111)	(116,291)
Net Loss	(175,622)	(165,572)
Working Capital	(2,022,258)	(2,770,933)
Total Assets	281,023	201,322
Total Liabilities	2,976,123	2,972,255
Cash provided by operating activities before changes to working capital	(172,501)	(146,464)
Net Loss	(175,662)	(165,572)
Add Back:		
Financing Costs	48,609	32,544
EBITDA	**(127,053)**	**(133,028)**
Add Back:		
Stock based compensation	3,121	21,918
Capital raise commissions	3,000	0
Gain/Loss on cancelled debt & trades payable	0	(5,200)
Adjusted EBITDA	**(120,932)**	**(116,310)**

Summary of Quarterly Results

The following table summarizes select financial information for ICEsoft Technologies Canada Corp. for the prior one most recently completed quarters ending at the end of June 30, 2018. All amounts expressed in $CAD.

	Q2 2018-06-30	Q1 2018-03-31	Q4 2017-12-31	Q3 2017-09-30	Q2 2017-06-30	Q1 2017-03-31	Q4 2016-12-31	Q3 2016-09-30
Total Assets	281,023	256,508	177,123	148,561	201,322	236,638	234,832	328,186
Net Working Capital*	(2,022,258)	(2,038,311)	(2,654,034)	(2,767,479)	(2,770,933)	(2,725,992)	(2,651,870)	(2,431,379)
Deferred Revenue	924,305	959,557	799,229	969,150	1,070,080	1,191,653	1,219,345	1,360,139
Total Liabilities*	2,976,123	2,949,237	2,831,157	2,916,040	2,972,255	2,962,629	2,886,702	2,759,565
Total Revenue	348,554	445,027	439,814	414,473	432,273	467,414	462,526	461,201
Net Income from Operations	(137,753)	17,973	(36,749)	(45,765)	(77,445)	(56,359)	(138,484)	(87,852)
Income (Loss) per share (basic and diluted)	(0.00)	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

*includes deferred revenue

RESULTS OF OPERATIONS

Revenue and Sales

	Three Months Ended		Six Months Ended	
	June 30, 2018 $	June 30, 2017 $	June 30, 2018 $	June 30, 2017 $
Revenue	348,554	432,273	794,677	900,043

In reading the quarterly financials, the reader needs to be cognizant of the fact that in a subscription-based business, sales do not translate immediately into revenue over the reporting time period. The Company secures payment in advance of subscription-based sales. Revenue is subsequently amortized and recognized over the term of the subscription. Unamortized amounts of the pre-paid subscription show up as a liability under Deferred Revenue on the balance sheet. As a consequence, quarterly revenue may drop or appear flat while product sales over the period increase.

Q2 2018 vs Q2 2017 saw a decline in revenues of $83,719 or 19%. H1 2018 vs H1 2017 revenues declined by $105,366 or 11.7%. Q2 2018 vs. Q2 2017 sales declined from $326,829 to $298,882 ($27,946 or 9%) H1 2018 vs H1 2018 sales increased to $838,070 from $769,893 ($68,177 or 8%)

due to a strong Q1 2018. The translation from a year over year increase in sales to a year over year decrease in associated revenue is due in part to:

a) Term of Subscription: H1 2018 saw a greater number of multi-year deals close.
b) Sales mix: 2018 year to date sales are nearly 100% subscription based which is amortized over follow on periods vs. 2017 which saw a broader mix of in period service and license income.
c) Currency exchange fluctuations: The majority of ICEsoft revenue is in USD

There was no material shift in revenue across geographic regions.

Operating, General & Admin Expenses

	Three Months Ended		Six Months Ended	
	June 30, 2018 $	June 30, 2017 $	June 30, 2018 $	June 30, 2017 $
Cost of Sales, Operating, General and Admin Expenses	486,307	509,719	913,788	1,016,334

G&A costs in Q2 2018 continued to be effectively managed and minimized, however further reductions of scale are not possible without impacting customer level of service. That said, reductions of $23,412 or 4.5% were realized in Q2 2018 vs Q2 2017 ($102,546 or 10% H1 2018 vs H1 2017) during the period largely due to staffing reductions.

	Three Months Ended		Six Months Ended	
	June 30, 2018 $	June 30, 2017 $	June 30, 2018 $	June 30, 2017 $
Net Operating Income	(137,753)	(77,446)	(119,111)	(116,291)

The business saw net operating income weaken $60,307 in Q2 2018 relative to the same period of the prior year due to weakening revenue over the quarter.

	Three Months Ended		Six Months Ended	
	June 30, 2018 $	June 30, 2017 $	June 30, 2018 $	June 30, 2017 $
Net Income	(165,703)	(103,918)	(175,662)	(165,572)

Included in net loss and comprehensive loss for the quarter ended June 30, 2018 are interest charges the company pays on its Notes outstanding. These interest charges amount to $48,609 in H2 2018 vs $32,544 in H1 2017.

Stock Based Compensation

See note 11, 12 and 13 on the financial statements for an update to ICEsoft's stock based compensation.

Liquidity and Capital Resources

No new changes to ICEsoft's liquidity and capital resources or financing requirements have taken place. Please review the annual MD&A for more details.

Shares Outstanding

See note 10 on the financial statements for an overview of the shares outstanding and share capital of the Corporation.

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

There have been no material subsequent events that have occurred since 06/30/2018 financial statements.

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

No new risks have been identified.