

ICESoft Technologies Canada Corp.
Interim Management Discussion and Analysis – Quarterly Highlights
For the period ended March 31, 2020

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 “ICESoft Technologies” or the “Corporation” or the “Company”), believes is required to gain an understanding of the financial results of the Corporation for the three months ended March 31, 2020 and March 31, 2019 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 June 1, 2020, should be read in conjunction with the audited consolidated financial statements and related notes for the years ended December 31, 2019, and December 31, 2018.

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. In making its going concern assessment, management is aware 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 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. 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 ongoing 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 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 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 is domiciled in Canada. ICSOFT is a reporting issuer company.

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 March 31, 2020 and March 31, 2019, consist of the Company and wholly owned subsidiaries. ICSOFT wholly owns ICSOFT Technologies Holdings Ltd. and has a wholly-owned Delaware subsidiary, ICSOFT 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 quarter ended March 31, 2020 and March 31, 2019 as well as the year ended December 31, 2019, and December 31, 2018. 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 June 1, 2020.

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 capital raise commissions, loss on debt extinguishment, share-based compensation and non-cash other expenses.

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.

Communities Under Service

A key metric used by Management is the number of Communities that are contracted to receive Voyent Alert! services. This metric shows overall Voyent Alert! service uptake.

Addressable Population

Addressable Population represents the sum of the populations of all communities and regional districts covered by the Voyent Alert! service. It represents the maximum number of potential subscribers across the system.

Annualized Fees per Resident

A key metric used by Management to monitor customer contract value is the Annualized Fees per Resident ("AFR"). It is determined as:

$$\frac{(\text{Contracted Annual Subscription Fee} + \text{Annual Usage Fees})}{\text{Population of Community}}$$

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

ICESoft believes that its Voyent Alert! Service offers significant differentiation to conventional alerting services, and that this differentiation will continue to drive material adoption across the Canadian market throughout fiscal years 2020 and 2021. The Company anticipates a service launch into U.S. markets by late 2020 or early 2021 as the COVID-19 crisis abates. The average subscription price per community is expected to climb as the service is adopted by increasingly larger communities over time and additional feature upsell opportunities become available.

During 2020 Management is planning to launch variants of its Voyent Alert! service into one or more secondary market verticals, including enterprise/campus related sales and home construction markets.

First revenues are currently being realized in the enterprise sales sector.

Management believes that ICESoft's core/legacy business products and increasing Voyent Alert! sales will generate sufficient income and cashflow for ICESoft to remain solvent to meet its financial obligations, however the Corporation has not yet been able to generate the transaction volumes required to create positive cash flows from operations. Whether and when the Corporation can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to March 31, 2020 is uncertain. Until this time, management may have to raise funds by way of debt or equity issuances.

The onset of the COVID-19 pandemic has introduced considerable uncertainty into the Company's ability to forecast and/or to achieve key performance metrics. At the present time the Company is seeing a fall off of legacy sales and legacy product subscription renewals in excess of 25% and increasing delays in accounts receivables collections. It is unknown at this time if these lost renewals will be recoverable at some future time.

Short term Voyent Alert! sales and sales pipeline development have also been impacted as municipal council members and key decision makers are engaged with managing the COVID-19 crisis across their communities. Countering softness in near-term Voyent Alert! sales is a realized increase in Voyent Alert! service usage which is anticipated to drive usage fees higher than forecast. It is not expected that increased usage fees will be sufficient to offset the new sales slowdown in the short term.

In the mid-term, ICESoft is forecasting a sales resurgence as the impact of COVID-19 begins to recede and communities are free to re-engage. Management believes that the current situation will serve to heighten community awareness of their need for public engagement tools and services. ICESoft is realizing robust growth in its mid-term sales pipeline with an increasing interest from larger communities and cities that are requesting service demonstrations and trials.

ICESoft anticipates that it has the required capital to fully launch the Voyent Alert! product through to positive cashflow contribution and to maximize its business growth opportunities.

Subject to the rate at which municipalities are able to re-engage following COVID-19 mitigation, Management is setting as an objective that by year-end 2020 the Voyent Alert! service shall have in excess of 250 communities under service with an total addressable population exceeding 2M persons and associated annualized revenues of CAD\$1,000,000.

2020 Key Milestones

Business Objective	Description	Target Date	Q1 2020 Progress
Voyent Sales	Secure 250 communities under service with forecast annualized sales exceeding CAD\$1,000,000	Q4 2020	125 communities are presently under service with forecast annualized sales approaching CAD \$400,000 / year.
Voyent New Market Introduction	Secure initial Voyent Sales within market outside of Canada and within at least two secondary market verticals.	Q4 2020	Enterprise sales have been realized in Q1. Additional resources will be deployed to this objective in Q3 and Q4 2020
Year End Revenue and Profitability	Achieve annual sales in excess of CAD\$1,800,000 with Adjusted EBITDA loss less than CAD (\$250,000).	Q4 2020	Negatively impacted due to drop in legacy product renewals attributed to COVID-19

Summary of Financial and Operational Results

The following table summarizes select financial information for ICEsoft for the three months ended March 31, 2020 and March 31, 2019. All amounts expressed in \$CAD.

Summary Table of Financial and Operational Results	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Revenue	347,804	350,846
Operating Income (Loss)	(172,879)	(150,599)
Net Income (Loss)	(428,819)	(179,068)
Working Capital	(264,824)	(1,138,021)
Total Assets	1,247,360	162,983
Total Liabilities	2,226,879	3,007,383
Net Income (Loss)	(428,819)	(179,068)
Add Back:		
Financing Costs	31,868	28,126
EBITDA	(396,951)	(150,942)
Add Back:		
Capital Raise Commissions	63,350	-
Loss on Debt extinguishment	147,847	-
Stock based compensation	4,659	-
Other non-cash expenses	7,618	-
Adjusted EBITDA	(173,477)	(150,942)

Summary of Quarterly Results

The following table summarizes select financial information for ICEsoft for the following quarters. All amounts expressed in \$CAD.

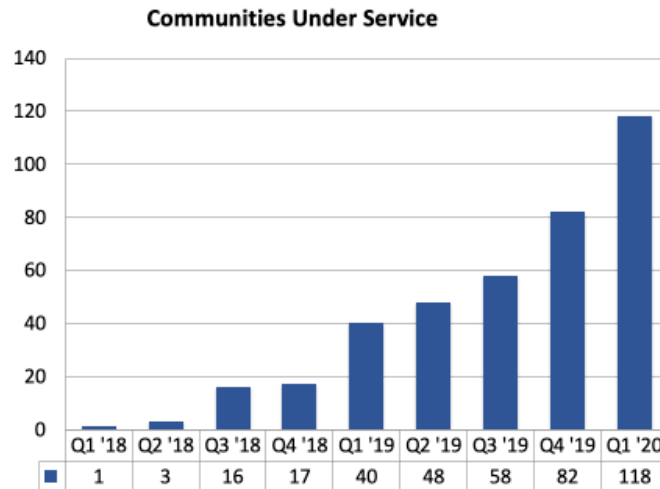
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	2020-03-31	2019-12-31	2019-09-30	2019-06-30	2019-03-31	2018-12-31	2018-09-30	2018-06-30
Total Assets	1,247,360	165,283	233,507	229,297	592,179	132,246	337,835	281,023
Net Working Capital*	(264,824)	(1,742,405)	(1,199,584)	(1,127,261)	(1,445,561)	(2,210,763)	(1,770,156)	(2,022,258)
Deferred Revenue	857,986	728,899	839,332	861,484	988,203	829,602	868,086	924,996
Total Liabilities*	2,226,879	2,733,087	2,748,744	2,640,995	3,007,383	2,781,998	2,798,707	2,976,123
Total Revenue	347,804	333,540	366,401	363,851	350,846	348,205	352,644	348,554
Net Income from Operations	(172,879)	(186,584)	(127,860)	(146,278)	(150,599)	(131,756)	(31,936)	(100,603)
Income (Loss) per share (basic & diluted)	-	(0.01)	-	-	-	(0.01)	-	-

*Includes deferred revenue

RESULTS OF OPERATIONS

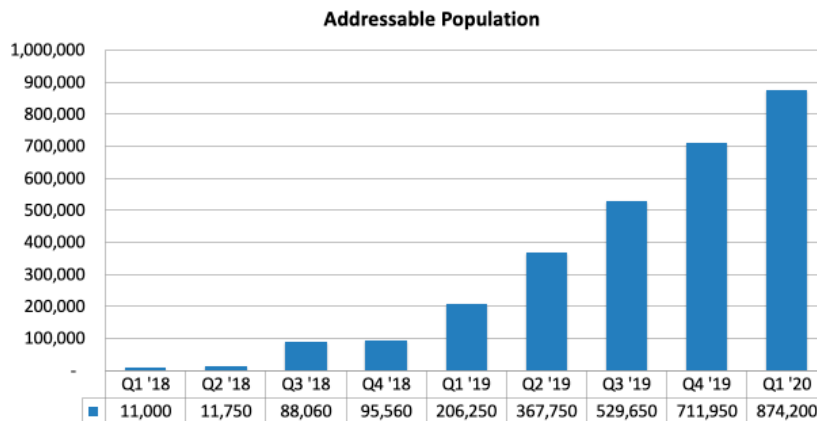
Communities Under Service

Q1 2020 vs Q1 2019 saw an approximate 200% increase in communities under service. Q1 2020 vs Q4 2019 saw a 44% increase in communities under service. This service increase has largely been achieved largely through referrals from existing customers. Management intends to deploy increasing capital to Sales and Marketing initiatives and believes this growth rate in communities under service will continue as the COVID-19 crisis abates.



Addressable Population

Q1 2020 vs Q1 2019 saw an increase in addressable population of 667,950 citizens representing an increase of 323%. Q1 2020 vs Q4 2019 saw an increase of 162,250 citizens representing an increase of 23%. ICESoft continues to target increasingly larger community sizes as it scales out its technology. The average community size as of March 31, 2020 was 7,400 persons per community vs. 5,150 persons per community as of March 31, 2019 representing a 44% increase. Management intends to deploy increasing capital to Sales and Marketing initiatives and believes this growth rate in addressable population will continue as the COVID-19 crisis abates.



Revenue and Sales

	Three Months Ended	
	March 31, 2020	March 31, 2019
	\$	\$
Revenue	347,804	350,846

Q1 2020 vs Q1 2019 revenues declined by \$3,042 (1%). Revenue declines in Legacy business lines were supplemented from increased Voyent Alert! revenues.

	Three Months Ended	
	March 31, 2020	March 31, 2019
	\$	\$
Voyent Alert! Revenues	31,633	5,200

During Q1 2020 Voyent Alert revenues increased from \$5,200 in Q1 2019 to \$31,633 in Q1 2020 as ICESoft continued to win early Voyent Alert! sales. By quarter end Q1 2020, the Corporation closed deals covering 118 municipalities.

These contracts include future client obligations to pay additional user/usage fees as municipality and district clients begin to use the features of Voyent Alert! to meet their needs. Management expects the contracts to generate annual recurring revenues from the Voyent Alert! System to remain very sticky with little to no customers offboarding the system in the coming years.

In reading the financial statements, 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. The long-term difference between sales and revenues is derived from multi-year contracts and management believes cash sales better represent the business activities than realized and deferred revenues.

As such Management believes it is important for investors to have visibility in cash sales and chooses to report this information. Readers should note that cash-based sales is not a IFRS measure.

	Three Months Ended	
	March 31, 2020	March 31, 2019
	\$	\$
Legacy Sales	274,942	470,689
Voyent Alert! Sales	73,500	43,900
Sales Total	348,442	514,589

Legacy product sales in Q1 2020 were \$274,942 vs \$470,689 in Q1 2019 representing a decline of \$195,747 or 42%. This decline is due to the COVID-19 crisis which is impacting the decision-making process and renewal purchases of ICESoft's legacy product clients. It is unknown at this time if these renewal sales will be recovered at a later time.

In late February 2020, Voyent Alert! sales momentum began to slow from a rate of 2 communities a week down to 1 community as key purchase decision makers became increasingly occupied in dealing with the COVID-19 crisis within their communities. Unlike the situation with legacy products,

communication across the Voyent Alert! sales pipeline remains very high as does prospects commitment to purchase. Despite the impact of COVID-19, quarterly Voyent Alert sales increased from \$43,900 in Q1 2019 to \$73,500 in Q1 2020 for an increase of \$29,600 or 67%.

While COVID-19 continues to negatively impact near term subscription sales, it is driving increased usage of the system and associated usage fees across existing clients. Notifications sent by the system increased from 25,306 in Q4, 2019 up to 156,015 in Q1, 2020. Associated usage fees generated by the service for quarter ending March 31, 2020 were CAD \$21,650.

A key metric Management uses for forecasting purposes and to monitor deal quality is Annualized Fees per Resident (“AFR”). It is determined as being:

$(\text{Contracted Annual Subscription Fee} + \text{Annual Usage Fees}) / \text{Population of Community}$.

The targeted annual usage fee uses contracted rate schedules and is calculated assuming 30% of the communities population receives on average 18 communications per year. As service adoption increases across a community and as service usage increases, realized usage fees will build, and the communities AFR will increase.

The target AFR for 2020 is CAD \$0.47 / resident. Actual AFR for three months ending March 31, 2020 for communities in service is \$0.35 / resident.

Feedback from clients during the COVID-19 crisis has highlighted the need for local government to have a communication service in place to effectively disseminate critical information to their communities. Management believes this will ultimately increase demand for services like Voyent Alert! and expects Voyent Alert! sales to accelerate further once the COVID-19 crisis abates.

There was no material shift in revenue across geographic regions.

Marketing, Operating, General & Admin Expenses

	Three Months Ended	
	March 31, 2020	March 31, 2019
	\$	\$
Marketing, Operating, General and Admin Expenses	520,683	501,445

During Q1 2020 SG&A costs remained relatively static, increasing \$19,238 (3.8%) compared to Q1 2019. Readers should expect Sales and Marketing costs will drive total SG&A higher in the coming quarters as ICEsoft ramps up sales efforts related to Voyent Alert!

	Three Months Ended	
	March 31, 2020	March 31, 2019
	\$	\$
Net Operating Income	(172,879)	(150,599)

The business saw net operating income reduce \$22,280 (15%) in Q1 2020 relative to the same period of the prior year. Much of the change is due to slightly higher SG&A costs as the business prepared to ramp up commercial traction. Sales and Marketing costs declined as ICEsoft was unable to attend trade

show and marketing events due to the COVID-19 crisis. Management forecasts that Voyent Alert! sales traction will push the business into a profitable net operating income position in the coming quarters; however, additional marketing expenses will be required to drive Voyent Alert! deeply into the market.

	Three Months Ended	
	March 31, 2020	March 31, 2019
	\$	\$
Net Income (Loss)	(428,819)	(179,068)

Included in net income / loss and comprehensive loss for the quarter ended March 31, 2020 includes capital raise commissions of \$63,350 (vs. nil in Q1 2019), financing expense of \$31,884 (vs. \$28,126 in Q1 2019), a non-cash loss on debt extinguishment of \$147,847 (vs. nil in Q1 2019), non-cash stock based compensation of \$4,659 (vs. nil in Q1 2019), and other expenses of \$7,618 (vs. nil in Q1 2019).

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 8 to the financial statements for an overview of the shares outstanding and share capital of the Corporation. As of March 31, 2020, there were 78,710,245 common A shares outstanding.

Off-Balance Sheet Arrangements

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

Transactions with Related Parties

See note 11 to the financial statements for a description of related party transactions.

Subsequent Events

See note 14 to the financial statements for a description of subsequent events.

Risk Factors

No new risks have been identified.