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## **ICESoft Technologies Canada Corp. Announces Closing of Private Placement Led by Shen Capital**

*Early Warning Report Issued Pursuant to National Instrument 62-103*

September 9, 2021 / by news release

CALGARY, ALBERTA, September 9, 2021 – ICESoft Technologies Canada Corp. (CSE: ISFT) (the “Company” or “ICESoft”) is pleased to announce the issuance and sale of 32,000,000 units at \$0.05 per unit for gross cash proceeds of CAD \$1,500,000 and the settlement of CAD \$100,000 of debt as part of the previously announced private placement (the “Private Placement”). Each unit consists of (i) one common share in the capital of the Company (each, a “Common Share”), and (ii) one common share purchase warrant (each full warrant, a “Warrant”), with each Warrant entitling the holder to subscribe for one additional Common Share at an exercise price of CAD \$0.08 per share at any time prior to the day that is 36 months from the grant of the Warrant.

No finder’s fees were paid with respect to the completion of the Private Placement. The proceeds, net of transaction costs, of the Private Placement are expected to be used for general working capital and to accelerate sales and fund new market expansion efforts.

The Private Placement was led by I Shen Capital Fund I L.P., through its General Partner, Shen Capital Management Inc. (“**Shen Capital**”) which subscribed for CAD \$1,300,000 of units. Following the Private Placement, Shen Capital will own or control 26,000,000 Common Shares and 26,000,000 Warrants to purchase Common Shares, being 23.2% of the issued and outstanding Common Shares and 37.6% assuming conversion or exercise of all securities owned or controlled by Shen Capital and its joint actors. Neither Shen Capital nor any of its affiliates owned any Common Shares or other securities of the Company prior to the completion of the Private Placement.

As part of the Private Placement, the Company entered into a nominating rights agreement with Shen Capital pursuant to which Shen Capital was granted a right to designate one nominee for election at any applicable shareholders meeting of the Company and one board observer so long as it holds at least 5% of the issued and outstanding Common Shares on a non-diluted basis. Accordingly, Mr. Francis Shen, President of Shen Capital has been appointed to the Company’s Board of Director’s and Mr. Andrew Shen has been designated an observer on the Company’s Board of Directors with immediate effect, each as nominees of Shen Capital. In order to provide room, Mr. Bruce Derrick has resigned from the Company’s Board of Director’s with immediate effect.

On the basis that Bruce Derrick is a director and a beneficial owner of, and/or has control or direction over, directly or indirectly, more than 10% of the Common Shares, and Nine Three Holdings LLC is a beneficial

owner of, and/or has control or direction over, directly or indirectly, more than 10% of Common Shares, and Brian McKinney is a director and a beneficial owner of, and/or has control or direction over, directly or indirectly, more than 10% of the Common Shares, have each participated in the Private Placement, the sale and issuance of 1,000,000 units for gross proceeds of CAD \$50,000 to Mr. Derrick, and the sale and issuance of 3,000,000 units for gross proceeds of CAD \$150,000 to Nine Three Holdings LLC, and the sale and issuance of 2,000,000 units to Mr. McKinney in exchange for debt settlement of CAD \$100,000 in subordinated unsecured debt, including accrued and unpaid interest and deferred salary, are a “related party transactions” within the meaning of Multilateral Instrument 61 101 (“MI 61-101”).

In conducting their review and approval process of the Private Placement, the board of directors of the Company determined that the preparation and distribution of a formal valuation and the seeking of shareholder approval for, and in connection with, the Private Placement was not necessary under MI 61 101 because: (a) for the purposes of Sections 5.5(b) and 5.7(1)(a) of MI 61 101, the issuer is not listed on certain specified markets as provided by MI 61-101, (b) at the time the related party transactions were agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the related party transactions, exceeded 25 per cent of the Company’s market capitalization; and (c) the disinterested directors of the Company (i.e., those other than Mr. Derrick and Mr. McKinney) have approved the Private Placement. The material change report in relation to the related party transactions was not filed less than 21 days before the closing date of the Private Placement as the Company wished to complete the Private Placement expediently.

Following the Private Placement, Mr. Derrick owns or controls 18,041,959 Common Shares, Options to purchase 150,000 Common Shares, and Warrants to purchase 4,374,867 Common Shares, being 16.1% of the issued and outstanding Common Shares and 19.3% assuming conversion or exercise of all securities owned or controlled by Mr. Derrick. Mr. Derrick owned or controlled 17,041,959 Common Shares, Options to purchase 150,000 Common Shares, and Warrants to purchase 3,374,867 Common Shares, being 21.3% of the issued and outstanding Common Shares prior to the Private Placement and 24.6% assuming conversion or exercise of all securities owned or controlled by Mr. Derrick.

Following the Private Placement, Nine Three Holdings LLC owns or controls 14,250,000 Common Shares, and Warrants to purchase 4,875,000 Common Shares, being 12.7% of the issued and outstanding Common Shares and 16.3% assuming conversion or exercise of all securities owned or controlled by Nine Three Holdings LLC. Nine Three Holdings LLC owned or controlled 11,250,000 Common Shares, and Warrants to purchase 1,875,000 Common Shares, being 14.0% of the issued and outstanding Common Shares prior to the Private Placement and 16.0% assuming conversion or exercise of all securities owned or controlled by Mr. Derrick.

Mr. McKinney also acquired 1,155,781 Common Shares on June 15, 2020 upon the conversion of CAD\$173,367.23 of debt (the “2020 PP”). Following the Private Placement, Mr. McKinney owns or controls 13,088,821 Common Shares, Options to purchase 1,500,000 Common Shares, and Warrants to purchase 3,680,000 Common Shares, being 11.7% of the issued and outstanding Common Shares and 15.6%

assuming conversion or exercise of all securities owned or controlled by Mr. McKinney. Mr. McKinney owned or controlled 9,933,040 Common Shares, and Warrants to purchase 1,680,000 Common Shares, being 12.6% of the outstanding Common Shares prior to the 2020 PP and 14.4% assuming conversion or exercise of all securities owned or controlled by Mr. McKinney.

Following the Private Placement, Shen Capital and its joint actors beneficially owned, controlled or directed 26,000,000 Common Shares and 26,000,000 Warrants to purchase Common Shares, being 23.2% of the issued and outstanding Common Shares and 37.6% assuming conversion or exercise of all securities owned or controlled by Shen Capital and its joint actors. Neither Shen Capital nor any of its affiliates owned any Common Shares or other securities of the Company prior to the completion of the Private Placement. Each of Mr. Derrick, with an address of 3900 Essex Lane, Suite 340, Houston Texas, Nine Three Holdings LLC, with an address of 3900 Essex Lane, Suite 340 Houston Texas, Brian McKinney with an address of 324 30 Royal Oak Plaza NW, Calgary, Alberta and Shen Capital with an address of 905-130 Bloor Street West, Toronto, Ontario, M5S 1N5 advises that the securities have been acquired for investment purposes. Each of Mr. Derrick, Mr. McKinney and Shen Capital advises that each may, depending on the market and other conditions, increase or decrease his or its beneficial ownership of the Company's securities, whether in the open market, by privately negotiated agreements or otherwise, subject to a number of factors, including general market conditions and other available investment and business opportunities. A copy of the Early Warning Report filed by each of Mr. Derrick, Nine Three Holdings LLC, Mr. McKinney and Shen Capital with additional information in respect of the foregoing matters may be found on [www.SEDAR.com](http://www.SEDAR.com) or copy can be requested from ICEsoft Investor Relations at 403-993-3322.

The securities issued pursuant to the Private Placement will be subject to a hold period under applicable securities laws, which will expire four months plus one day from the date of the applicable closing of the Private Placement. Closing of the Private Placement is subject to receipt of all necessary corporate and regulatory approvals, including approval of the Canadian Securities Exchange.

#### **About ICEsoft Technologies Canada Corp.**

ICEsoft Technologies Canada Corp. is a software-as-a-service ("SaaS") company. ICEsoft's current software, which is available as freeware with a pay to use version, is used by some 150,000 developers, 20,000 companies, and some 400 paying customers. ICEsoft's newest product Voyent Alert! is an affordable Community Alerting Service specifically designed to meet the needs of small to medium sized municipalities, regional governments and enterprise. The flexible platform serves the dual purpose of alerting and advising residents and employees during a critical incident as well as providing targeted day-to-day communication services.

For more information, please contact:

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### **Forward-Looking Information Advisory**

*Certain statements made herein may contain forward-looking statements or information within the meaning of the applicable Canadian securities laws. Often, but not always, forward-looking statements and forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements or information herein include, but are not limited, to statements or information with respect to the completion of the Private Placement, and the use of proceeds of the Private Placement.*

*Forward-looking statements and forward-looking information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. We have made certain assumptions about the forward-looking statements and information, including receipt of all approvals required for the Private Placement and the use of proceeds of the Private Placement. Although our management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that the forward-looking statements or information will prove to be accurate. Furthermore, should one or more of the risks, uncertainties or other factors materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements or information. These risks, uncertainties and other factors include the ability to receive the approvals necessary to complete the Private Placement, and those factors discussed in the section entitled “Risk Factors” in the Company’s Listing Statement dated May 27, 2019 and in the Company’s most recent Management Discussion and Analysis filed on SEDAR.*

*There can be no assurance that forward-looking statements or information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, you should not place undue reliance on the forward-looking statements or information contained herein. Except as required by law, we do not expect to update forward-looking statements and information continually as conditions change and you are referred to the full discussion of the Company’s business contained in the Company’s reports filed with the securities regulatory authorities in Canada.*

*All forward looking statements and information contained in this News Release are qualified by this cautionary statement.*