

ICESoft Technologies Canada Corp.
Management Discussion and Analysis
Quarterly Highlights
For the quarters ended March 31, 2023 and 2022

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MANAGEMENT'S DISCUSSION & ANALYSIS –QUARTERLY HIGHLIGHTS

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 period ended March 31, 2023 and 2022, 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 May 30, 2023, should be read in conjunction with management prepared Q1 2023 Consolidated financial statements, and the audited consolidated financial statements and related notes for the years ended December 31, 2022, and December 31, 2021.

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 events and conditions that indicate the existence of a material uncertainty 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 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.

ICESoft advises shareholders to carefully review the reports and documents it files from time to time with the security's regulatory authorities on SEDAR at www.sedar.com.

Corporate Structure

ICESoft Technologies Canada Corp. (the "Corporation" or "ICESoft"), was incorporated on May 10, 2002 under the Canada Business Corporations Act. ICESoft and its subsidiaries are providers of community alerting and engagement solutions sold under a Software as a Service (SaaS) model, as well as enterprise middleware solutions for desktop and mobile enterprise.

ICESoft's head office is located at 340-600 Crowfoot Cres. N.W., Calgary, Alberta, Canada, T3G 0B4.

The consolidated financial statements of the Corporation as at and for the periods ended March 31, 2023 and 2022 consist of the Corporation and its wholly owned subsidiaries. ICESoft wholly owns ICESoft Technologies Holdings Ltd, which acts as the Corporation's main Canadian operating entity; and wholly owns ICESoft Technologies Inc, incorporated in the State of Delaware, which is 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 periods ended March 31, 2023, and 2022. 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 May 30, 2023.

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

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

This measure does 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 is a key indicator 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.

Annual Recurring Revenue Stream

ICESoft products and services are typically realized as either a Software as a Service (SaaS) or, as a recurring support and maintenance fee. Combined, these are realized as "Annual Recurring Revenue".

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.

Core Business

An established enterprise software portfolio

ICESoft is an enterprise software company supplying medium to large scale multi-national corporations and small to mid-sized North American Municipalities for over 10 years. Its current products include:

Voyent Alert!: Voyent Alert! is a multi-purpose communication service designed specifically to meet the needs of small to medium sized communities, regional districts, and business enterprises. It serves both as a critical event notification service as well as a day-to-day community engagement tool. Registration is fully anonymous, and the service provides each message recipient with enriched / customized communications including information such as their distance from an event, its direction, time to intercept, recommended direction of evacuation, or even turn by turn directions to get to a shelter. The service is designed to augment provincial and federal notification systems by providing localized and user specific communications. Communications are disseminated through mobile applications, SMS/Text, Email, and Voice as well as social media channels. Voyent Alert! is provided as a SaaS solution. As of year-end 2022 Voyent Alert! is servicing over 450 communities across North America.

ICEfaces: ICEfaces is a presentation layer technology solution which facilitates rich application development in both desktop and mobile environments. ICEfaces leverages responsive web-design techniques that detect the nature of the platform accessing the web-application, allowing automatic reformatting of the content being served to that particular appliance. This results in considerable savings to the enterprise in both time and cost of development. ICEfaces supports a wide range of infrastructure software in the industry. ICEfaces is licensed using a commercial open-source solution. The open-source technology has been used by over 20,000 enterprises and 150,000 developers world-wide. The ICEfaces market is mature and is expected to realize slow and continual decline over the next several years.

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.

Voyent Alert! utilizes a SaaS ("Software as a Service") pricing model with annual subscription fees. Pricing consists of a base subscription fee plus additional user and service usage fees that are calculated and billed quarterly or semi-annually in arrears.

Market for Products

ICEsoft's Voyent Alert! service product is presently being sold in Canada and the United States.

The majority of ICEsoft's commercial license sales for legacy products come from the United States (app. 60%) and Europe (app. 30%).

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 and mobile app design.

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.

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.

Competitive Conditions

ICEsoft's market focus has been on small to medium sized municipalities with an emphasis on enriched and personalized communications.

ICEsoft / Voyent Alert have realized a >80% win rate when placed in competitive bid situations or RFPs and is regularly called upon to displace other incumbent solutions.

ICEsoft sells its legacy 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.

General Business Outlook

Q1 2023 has seen continued expansion of Voyent Alert! subscription sales.

Strong referrals continue to drive down sales cycle times and by association cost of customer acquisition. Voyent Alert! has now experienced continuous growth in annualized sales over the past 10

quarters. Customer retention is high, with the product experiencing less than 4% churn.

Selected Quarterly Information

The following table summarizes select financial information for ICEsoft for Q1 2023 and Q1 2022:

Summary Table of Financial and Operational Results	Quarterly	
	Three months ended	
	March 31, 2023	March 31, 2022
Revenue	421,595	344,082
Operating Income (Loss)	(172,783)	(267,209)
Net Income (Loss)	(175,655)	(273,196)
Working Capital	(1,379,336)	(994,096)
Total Assets	438,358	743,161
Total Liabilities	2,781,429	1,928,247
Net Income (Loss)	(175,655)	(273,196)
Add Back:		
Amortization of property and equipment	0	509
Amortization of right-of-use asset	0	0
Financing Costs	1,950	4,655
EBITDA	(173,705)	(268,032)

Summary of Quarterly Results

The following table summarizes select financial information for ICEsoft for the most recently completed quarters ending at the end of March 31, 2023.

	Q1 31-03-22	Q4 31-12-22	Q3 30-09-22	Q2 30-06-22	Q1 31-03-22	Q4 31-12-21	Q3 30-09-21	Q2 30-06-21
Assets	438,358	477,902	818,240	476,415	743,161	840,620	1,403,705	109,926
Net Working Capital	(1,460,118)	(1,527,789)	(599,223)	(1,199,887)	(994,096)	(847,642)	(80,397)	(999,133)
Deferred Revenue	1,046,009	830,859	901,052	965,296	900,229	674,702	782,581	859,854
Liabilities	2,781,429	2,619,093	2,614,735	2,013,927	1,928,247	1,754,200	1,934,567	1,890,469
Revenue	422,594	413,679	387,705	356,060	344,082	336,233	336,898	307,578
NOI*	(172,783)	(295,723)	(269,890)	(314,470)	(267,209)	(310,693)	(252,421)	(270,445)
Income (Loss) per share (basic and diluted)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

*Net Operating Income

RESULTS OF OPERATIONS

Annual Recurring Revenue

The Corporation ended Q1 2023 with approximately \$1.6M in annual recurring revenue. Management anticipates this number will continue to grow with ongoing expansion of its Voyent Alert! service.

Revenue

	Three Months Ended	
	March 31, 2023	March 31, 2022
	\$	\$
Revenue	422,594	344,082

Q1 2023 revenue vs. Q1 2022 revenue increased by \$78,512 (+23%). Revenue declines in Legacy business lines were more than supplemented from increasing Voyent Alert! revenues. There was no material shift in revenue across geographic regions. Note 3 on the financial statements provides more details to the reader.

Cost of Goods Sold / Information Services

	Three Months Ended	
	March 31, 2023	March 31, 2022
	\$	\$
Information Services	113,340	83,306

Information services includes web and server hosting as well as specialized software tools to develop, expand, and support the Voyent Alert! and ICEfaces subscription services. During Q1 2023, Information services costs increased to \$113,340 from \$83,306 in Q1 2022 (+36%). These increased costs are reflective of increased Voyent Alert! system usage as more clients come on board and existing clients are increasing their day-to-day usage of the service.

Operating Expenses

	Three Months Ended	
	March 31, 2023	March 31, 2022
	\$	\$
Operating Expenses	436,766	495,675

Operating expenses dropped by approximately \$59,000 in Q1 2023 relative to Q1 2022 (approx. 12%). The reduction reflects ongoing cost reduction and reduction in force efforts by Management. Subsequent to Q1 quarter end additional reductions of approximately \$30,000 per month have been further implemented.

	Three Months Ended	
	March 31, 2023	March 31, 2022
	\$	\$
Net Operating Loss	(172,783)	(267,209)

The business saw net operating income improve by \$94,426 or +35% in Q1 2023 relative to Q1 2022. This improvement was a function of increased sales and a reduction in operating costs.

	Three Months Ended	
	March 31, 2023	March 31, 2022
	\$	\$
Net Income (Loss)	(175,655)	(273,196)

Included in net income / loss and comprehensive loss for the quarter ended March 31, 2021 is interest and financing expenses of \$1,950 (compared to \$4,655 in 2022), and a loss of foreign exchange of \$2,547 (compared to a loss of \$1,332 in 2022).

Stock-Based Compensation

See notes 7,8,9 and 11 of the consolidated financial statements for an update to ICEsoft's stock-based compensation. No new options or warrants were extended in Q1. President and CEO, Brian McKinney took a voluntary and temporary reduction in salary effective February 1, 2023 to \$32,000 / year. Also in February of 2023, the Company replaced the financial services provided by CFO David Gordon (approx. \$92,000 / year) with those of Caitlin Charron (approx. \$40,400 / year).

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. It is forecast that ICEsoft's cash flow will improve over time as Voyent Alert! begins to establish a contributing revenue stream and additional cost reduction measures are realized.

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

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

Capital Management

Management closely monitors cash flow requirements. The Corporation is actively pursuing sales and commercialization efforts of Voyent Alert!. 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 remains at an early stage of its Voyent Alert! commercialization initiatives and the Corporation will continue to be dependent on its ability to manage cash on hand.

The management of capital includes convertible debentures and the components of shareholders' deficiency, comprised of share capital, reserves, warrants, accumulated other comprehensive loss, and deficit.

The Corporation strives to maximize the value associated with shareholders' equity. In order to achieve this objective, the Corporation may, from time to time, issue shares, issue new debt, dispose of assets or adjust its spending. 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

Shares Outstanding

See note 7 of the consolidated financial statements for an overview of the shares outstanding and share capital of the Corporation. As of May 29, 2023 there are 112,116,025 Class A common shares outstanding. There are also 6,668,000 stock options outstanding with an average strike price of \$0.10. All options are out of the money and anti-dilutive. There are 35,727,917 warrants outstanding with an average strike price of \$0.08. All warrants are out of the money and anti-dilutive. There is a \$100,000 convertible note outstanding with the option to convert to common shares at \$0.15 per unit. This option to convert is out of the money and anti-dilutive. There are \$900,175 convertible notes outstanding with the option to convert to common shares at \$0.05 per unit. This option to convert is out of the money and anti-dilutive.

Off-Balance Sheet Arrangements

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

Transactions with Related Parties

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

Subsequent Events

See note 13 of the consolidated financial statements for events subsequent to quarter end.

Changes in Accounting Standards

No accounting standards changed in the presentation of the Q1 2023 financial statements.

Risk Factors

An investment in ICEsoft is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider the non-exhaustive description of specific risk factors highlighted in the annual MD&A posted on SEDAR.