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ICEsoft Technologies Canada Corp. Announces Closing of Secured Convertible Debt Financing Round

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CALGARY, ALBERTA, August 29, 2024 – ICEsoft Technologies Canada Corp. (CSE: ISFT) (the “Company” or “ICEsoft”) is pleased to announce it has closed its secured convertible financing (the “Debt Financing”) round raising gross cash proceeds of CAD $100,000 and the conversion of CAD $120,000 of pre-existing debt. The issued secured convertible promissory notes (the “Notes”) shall bear simple interest at a rate of 15% per annum. The term of the Notes is 36 months, and the Notes bear a conversion feature allowing the note holder to convert all or part of the principal balance and accrued interest into common shares in the capital of the Company (each, a “Common Share”) at an exchange rate of CAD $0.05 / share.

Full conversion of issued Note principal and all accrued interest through the end of term of the note would result in the issuance of 6,380,000 Common Shares.

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

Participating as part of the financing was company director and CEO Brian McKinney and company director Francis Shen.

On the basis that each of Brian McKinney and Francis Shen are directors, and both are beneficial owners of, and/or has control or direction over, directly or indirectly, more than 10% of the Common Shares, and have each participated in the Debt Financing directly or indirectly, through the sale and issuance of CAD $100,000 worth of Notes to Mr. Shen in return for cash payment, and CAD $150,000 worth of Notes to Mr. McKinney by way of converted, pre-existing debt, are “related party transactions” within the meaning of Multilateral Instrument 61 101 (“MI 61 101”).

In conducting their review and approval process of the Debt Financing, 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 Debt Financing 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 Specified Markets, (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. McKinney and Mr. Shen) have approved the Debt Financing. The material change report in relation to the related party transactions was not filed less than 21 days before the closing date of the Debt Financing as the Company wished to complete the Debt Financing expediently.

Following the Debt Financing Mr. McKinney owns or controls 10,088,821 Common Shares, Warrants to purchase 2,000,000 Common Shares, and $370,000 worth of Secured Convertible Notes bearing simple interest of 15% per annum for a 3 year term, which would be convertible into a maximum of 10,730,000 Common Shares at the maturity date of the note and assuming all accrued interest through term of the note are converted, being 9.0% of the issued and outstanding Common Shares prior to the Debt Financing and 18.3% assuming conversion or exercise of all securities owned or controlled by Mr. McKinney. Prior to the Debt Financing, Mr. McKinney owned or controlled 10,088,821 Common Shares, Warrants to purchase 2,000,000 Common Shares, and $250,000 worth of Secured Convertible Notes bearing simple interest of 15% per annum for a 3 year term, which would be convertible into a maximum of 7,250,000 Common Shares at the maturity date of the note and assuming all accrued interest through term of the note are converted, being 9.0% of the issued and outstanding Common Shares prior to the Debt Financing and 15.9% assuming conversion or exercise of all securities owned or controlled by Mr. McKinney at that time.

Following the Debt Financing Mr. Shen owns or controls 26,000,000 Common Shares, Warrants to purchase 26,000,000 Common Shares, and CAD $ 450,000.00 worth of Notes bearing simple interest of 15% per annum for a three year term which would be convertible into a maximum of 13,050,000 Common Shares at the maturity date of the Notes assuming all Note interest is accrued, carried and converted, being 23.2% of the issued and outstanding Common Shares and 43% assuming conversion or exercise of all securities owned or controlled by Mr. Shen. Prior to the Debt Financing, Mr. Shen owned or controlled 26,000,000 Common Shares, Warrants to purchase 26,000,000 Common Shares, and CAD $ 350,000.00 worth of Notes bearing simple interest of 15% per annum for a three year term which would be convertible into a maximum of 10,150,000 Common Shares at the maturity date of the Notes assuming all Note interest is accrued, carried and converted, being 23.2% of the issued and outstanding Common Shares prior to the Debt Financing and 37.6% assuming conversion or exercise of all securities owned or controlled by Mr. Shen at that time.

Each of Mr. McKinney, with an address of 2526 Bevan Avenue, Sidney, British Columbia, and Mr. Shen, with an address of 905-130 Bloor St. West, Toronto Ontario, advises that the securities have been acquired for investment purposes. Each of Mr. McKinney and Mr. Shen advises that each may, depending on the market and other conditions, increase or decrease his 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. To obtain a copy of the report filed by Mr. McKinney or Mr. Shen please contact ICEsoft Investor Relations at 403-993-3322.

The securities issued pursuant to the Debt Financing 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 Debt Financing. Closing of the Debt Financing 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.

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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 Debt Financing, and the use of proceeds of the Debt Financing.

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 Debt Financing and the use of proceeds of the Debt Financing. 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 Debt Financing, 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.