

ICESoft Technologies Canada Corp.
Interim Management Discussion and Analysis – Quarterly Highlights
For the period ended June 30, 2019

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 and six months ended June 30, 2019 and 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 20, 2019, should be read in conjunction with the audited consolidated financial statements and related notes for the years ended December 31, 2018, and December 31, 2017.

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 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 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 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 was formed in 2001, incorporated under the Canada Business Corporations Act ("CBCA"), and is domiciled in Canada. ICESoft is a reporting issuer in Canada.

ICESoft and its subsidiaries are commercial Java open-source technology companies and provide 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 quarters ended June 30, 2019 and 2018, consist of the Company and wholly owned subsidiaries. ICESoft wholly owns ICESoft Technologies Holdings Ltd. and has a wholly-owned Delaware subsidiary, ICESoft 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 three and six months ended June 30, 2019, and June 30, 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 August 20, 2019.

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, one time going public costs, and stock-based compensation.

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

ICEsoft continues to see evidence that its Voyent Alert! Notification 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 2019 and 2020. Two key metrics related to service provisioning, Communities Under Service, and Addressable Populations (the aggregate population of the Communities Under Service), continue to double every three to four months. Sales pipeline indications suggest that this trend should continue. The Company anticipates a service launch into U.S. markets by the end of Q4 2019. The average subscription price per community/customer has been increasing over time and continues to do so, as (1) the Company achieves significant price increases upon subscription renewals and (2) ICEsoft's service is adopted by increasingly larger communities over time.

During 2019, Management is expecting to develop variants of its Voyent Alert! Service for deployment into one or more secondary market verticals. The most notable of these verticals is in the residential construction industry where a rebranded Voyent Alert! Service would deliver a significant value proposition to builders and trades in the area of health and safety. Initial market assessment focus groups held with prospective clients indicate substantial return on investment for clients and much shorter sales cycle times. First revenues are expected to be realized in Q1 2020.

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, although the organization is becoming increasingly challenged to do so based on legacy products alone as the market for ICEsoft's legacy products is maturing in nature and should be expected to decline further over time.

ICEsoft anticipates that a minimum of CAD\$600,000 of either debt or equity-based financing will be required to see its Voyent Alert! variants through development and into launch within secondary vertical market opportunities.

2019 Key Milestones

Business Objective	Description	Target Date	Q2 Progress
Secure Listing Approvals	Secure unconditional approval for listing on a recognized Canadian exchange	Q2 2019	Achieved. ISFT is now trading on the CSE
Increase available working capital	Increase working capital by minimum CAD\$350,000	Q2 2019	Achieved as of April 2019
Voyent New Market Introduction	Secure initial Voyent Sales within market outside of Canada and within at least one secondary market vertical	Q3 2019	Delayed to Q4 2019, Resources have been shifted towards critical feature development for current market.
Voyent Sales	Secure 100 communities under service with forecast annualized income exceeding CAD\$500,000	Q4 2019	On Track. Approx. 50 Communities under service as of Q2 19
Year-end Revenue and Profitability	Achieve annual sales in excess of CAD\$1,600,000 with Adjusted EBITDA >CAD(\$350,000)	Q4 2019	On Track

Summary of Financial and Operational Results

The following table summarizes select financial information for ICEsoft for the three and six months ended June 30, 2019 and June 30, 2018. All amounts expressed in \$CAD.

Summary Table of Financial and Operational Results	Three Months Ended June 30, 2019 \$	Three Months Ended June 30, 2018 \$	Six Months Ended June 30, 2019 \$	Six Months Ended June 30, 2018 \$
Revenue	363,851	348,554	714,697	794,677
Operating Income (Loss)	(146,278)	(137,753)	(296,877)	(119,111)
Net Income (Loss)	(185,592)	(165,703)	(364,660)	(175,622)
Working Capital	(1,127,261)	(2,022,258)		
Total Assets	229,297	281,023		
Total Liabilities	2,640,995	2,976,123		
Net Income (Loss)	(185,592)	(165,703)	(364,660)	(175,622)
Add Back:				
Financing Costs	26,733	25,728	54,859	48,609
EBITDA	(158,859)	(139,975)	(309,801)	(127,013)
Add Back:				
Stock based compensation	-	-	-	3,121
One-time costs associated with going public	11,800	-	11,800	-
Capital raise commissions	-	-	-	-
Adjusted EBITDA	(147,059)	(139,975)	(298,001)	(123,892)

Summary of Quarterly Results

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

	Q2 2019-06-30	Q1 2019-03-31	Q4 2018-12-31	Q3 2018-09-30	Q2 2018-06-30	Q1 2018-03-31	Q4 2017-12-30	Q3 2017-09-30
Total Assets	229,297	592,179	132,246	337,835	281,023	256,508	177,123	148,561
Net Working Capital*	(1,127,261)	(1,138,021)	(2,210,763)	(1,770,156)	(2,022,258)	(2,038,311)	(2,654,034)	(2,767,479)
Deferred Revenue	861,484	988,203	829,602	868,086	924,996	959,557	799,229	969,150
Total Liabilities*	2,640,995	3,007,383	2,781,998	2,798,707	2,976,123	2,949,237	2,831,157	2,916,040
Total Revenue	363,851	350,846	348,205	352,644	348,554	445,027	439,814	414,473
Net Income from Operations	(146,278)	(150,599)	(131,756)	(31,936)	(100,603)	17,973	(36,749)	(45,765)
Income (Loss) per share (basic and diluted)	-	-	-	-	-	-	-	-

*Includes deferred revenue

RESULTS OF OPERATIONS

Revenue and Sales

	Three Months Ended		Six Months Ended	
	June 30, 2019 \$	June 30, 2018 \$	June 30, 2019 \$	June 30, 2018 \$
Revenue	363,851	348,554	714,697	794,677

In reading the financial statements, it is important to note 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 and 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. Consequently, quarterly revenue may drop or appear flat while product sales over the period increase.

Year-over-year revenues increased \$15,297 (4%). The sales numbers reflect that increased early Voyent Alert! related sales are compensating for the observable decline in legacy product sales. During Q2 2019, ICEsoft collected sales of \$249,494 (including \$38,200 in Voyent Alert! sales) compared to Q2 2018 sales of \$305,780, representing a total sales decline of \$56,286 (18%). During H2 2019, ICEsoft recorded sales of \$753,614 (including \$71,329 in Voyent Alert! sales) compared to H1 2018 sales of \$857,410, representing a sales decline of \$103,796 (12%). The difference between sales and revenue is due to the period over which the sales are amortized.

Voyent Alert! sales are continuing to grow and accelerate. Importantly, during Q2 2019, ICEsoft won an additional five Voyent Alert!-related contracts covering eight new municipalities and an incremental 180,000 persons and contributed \$38,200 to sales. These new contracts include future significant

client obligations to pay additional user/usage fees, as municipality and district clients begin to utilize the features of the Voyent Alert! service to meet their needs. Management anticipates very [high?] customer retention rates in the coming years. As at June 30, 2019, Voyent Alert! is providing coverage to 47 communities with a combined addressable population of approximately 400,000 persons. This represents an approximate 100% year-over-year growth rate since first sales in Q1 2018.

There was no material shift in revenue across geographic regions.

Operating, General & Admin Expenses

	Three Months Ended		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2019	2018	2019	2018
	\$	\$	\$	\$
Operating, General & Admin Expenses	510,129	486,307	1,011,574	913,788

General & administrative (G&A) expenses in Q2 2019 increased by \$23,822 (5%) year-over-year. H1 2019 saw a similar increase in marketing and research and development (R&D) costs of \$97,786 (10%) compared to H1 2018. Increased expenses over the three- and six-month periods were related to increased sales and marketing-related investments and increased R&D efforts, offset by lower G&A costs. ICEsoft remains exceptionally lean, but expects G&A and marketing costs to increase as it further expands the Voyent Alert! sales force, continues to develop products for new business verticals, and expands customer service to new Voyent Alert! customers.

	Three Months Ended		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2019	2018	2019	2018
	\$	\$	\$	\$
Net Operating Income (Loss)	(146,278)	(137,753)	(296,877)	(119,111)

The business saw net operating income weaken \$8,525 in Q2 2019 relative to the same period last year (\$177,766 for H1 2019 vs. H1 2018), largely due to the expansion of marketing resources to expand Voyent Alert! product sales to a wider audience.

	Three Months Ended		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2019	2018	2019	2018
	\$	\$	\$	\$
Cash-based Net Operating Income	(260,635)	(180,527)	(257,960)	(56,378)

Management believes that given the nature of a software-as-a-service (SaaS)-based enterprise such as ICEsoft, cash sales are a more accurate reflection of top line business activity. As such, sales less the cash-based cost of goods sold and cash-based operating costs result in a cash-based net operating income figure. 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. However,

Management believes cash sales less cash expenses is an accurate reflection of the quarterly performance of the business.

	Three Months Ended		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2019	2018	2019	2018
	\$	\$	\$	\$
Net Income (Loss)	(185,592)	(165,703)	(364,660)	(175,622)

Net income (loss) and comprehensive loss for the quarter ended June 30, 2019 includes interest expense of \$26,733 vs \$25,728 in Q1 2018, and \$54,859 in 1H 2019 compared to \$48,609 in H1 2018. Also included in Q2 2019 net income (loss) is the one-time charge of \$11,800 for going public on the Canadian Securities Exchange under the symbol 'ISFT'.

Stock Based Compensation

See note 15 to 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 13 to the financial statements for an overview of the shares outstanding and share capital of the Corporation. As of July 30, 2019, there were 51,725,739 common A shares outstanding.

Foreign Exchange Gains and Losses

See note 19(d) to the financial statements for description of foreign exchange impacts.

Off-Balance Sheet Arrangements

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

Transactions with Related Parties

See note 17 to the financial statements for a description of related party transactions.

Capital Management

See note 18 to the financial statements for the capital structure of the corporation.

Subsequent Events

There are no material subsequent events.

Significant Accounting Judgments, Estimates and Assumptions

See note 4 to the financial statements for accounting judgments, estimates, and assumptions.

Changes in Accounting Standards

See note 3 and 4 to the financial statements for changes in accounting standards.

Risk Factors

No new risks have been identified.