

ICESoft Technologies Canada Corp.
Interim Management Discussion and Analysis – Quarterly Highlights
For the period ended June 30, 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 June 30, 2020 and June 30, 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. ICESoft 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 June 30, 2020 and June 30, 2019, 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 quarter ended June 30, 2020 and June 30, 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 August 20, 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 government assistance programs, capital raise commissions and financing expense, 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 customer 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 and beyond. 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 new market verticals, including enterprise/campus related sales and home construction markets.

First revenues have been 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 June 30, 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 30% and 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 continued to be impacted through Q2, as municipal council members and key decision makers were 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 community decision makers are free to turn their attention back to more day to day needs. Increases in demo requests and higher prospect engagement are positive early indicators, but results have been intermittent to date. Voyent sales continue to be subject to delay and will continue to be until the situation improves for community decision makers. Long term, management believes that the current situation will serve to heighten community awareness of their need for public engagement tools and services. ICESoft continues to realize robust growth in its mid-term sales pipeline with an increasing interest from larger communities, cities, region districts and provincial prospects that are requesting service demonstrations and trials.

ICESoft has been managing its SG&A expenses and 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. Based on current conditions management has updated its assessment from its earlier Q1 view with regards to the timeliness of COVID-19 resolution and return to more historical market conditions. Subject to the rate at which municipalities are able to re-engage following COVID-19 mitigation, Management is re-setting as an objective that by year-end 2020 the Voyent Alert! service shall have in excess of 220 communities under service with an total addressable population exceeding 1.5M persons and associated annualized revenues of CAD\$800,000.

2020 Key Milestones

Business Objective	Description	Target Date	Q2 2020 Progress
Voyent Sales	Secure 250 communities under service with forecast annualized sales exceeding CAD\$1,000,000	Q4 2020	140 communities are presently under service with forecast annualized sales of approximately 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 Q2. Additional resources have been deployed to this objective for 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 June 30, 2020 and June 30, 2019. All amounts expressed in \$CAD.

Summary Table of Financial and Operational Results	Quarterly		YTD	
	Three months ended June 30, 2020	June 30, 2019	Six months ended June 30, 2020	June 30, 2019
Revenue	335,313	363,851	683,117	714,697
Operating Income (Loss)	(170,771)	(146,278)	(313,787)	(296,877)
Net Income (Loss)	(322,692)	(185,592)	(751,511)	(364,660)
Working Capital	(354,138)	(1,127,261)		
Total Assets	969,714	229,297		
Total Liabilities	1,869,550	2,640,995		
Net Income (Loss)	(322,692)	(185,592)	(751,511)	(364,660)
Add Back:				
Amortization of right-of-use asset	7,664	8,290	15,329	16,580
Financing Costs	8,539	26,733	40,407	54,859
EBITDA	(306,489)	(150,569)	(695,775)	(293,221)
Add Back:				
Stock based compensation	163,559	-	168,218	-
Loss on debt extinguishment	-	-	155,465	-
Capital raise expenses	-	-	93,213	-
Adjusted EBITDA	(142,930)	(150,569)	(278,879)	(293,221)

Summary of Quarterly Results

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

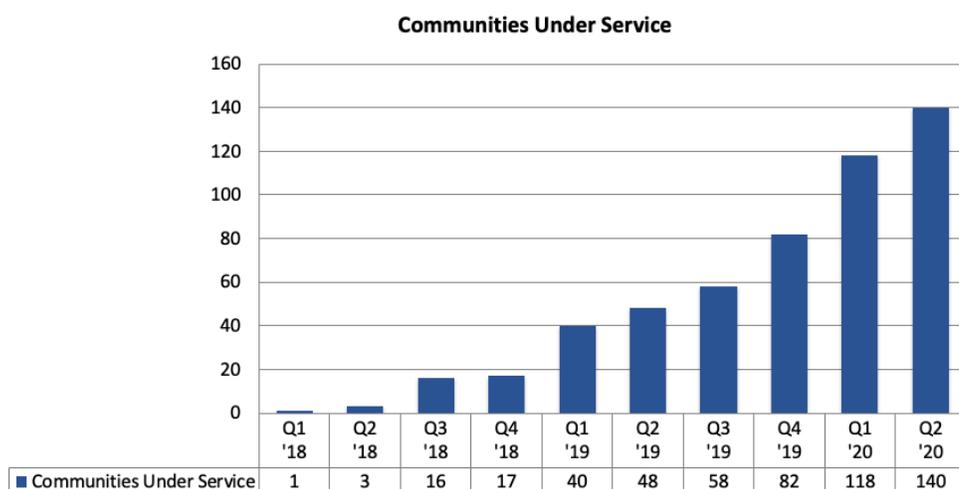
	Q2 2020-06-30	Q1 2020-03-31	Q4 2019-12-31	Q3 2019-09-30	Q2 2019-06-30	Q1 2019-03-31	Q4 2018-12-31	Q3 2018-09-30
Total Assets	969,714	1,247,360	165,283	233,507	229,297	592,179	132,246	337,835
Net Working Capital*	(354,138)	(264,824)	(1,742,405)	(1,199,584)	(1,127,261)	(1,445,561)	(2,210,763)	(1,770,156)
Deferred Revenue	813,540	857,986	728,899	839,332	861,484	988,203	829,602	868,086
Total Liabilities*	1,869,550	2,226,879	2,733,087	2,748,744	2,640,995	3,007,383	2,781,998	2,798,707
Total Revenue	335,313	347,804	333,540	366,401	363,851	350,846	348,205	352,644
Net Income from Operations	(170,771)	(143,016)	(186,584)	(127,860)	(146,278)	(150,599)	(131,756)	(31,936)
Income (Loss) per share (basic & diluted)	(0.01)	-	(0.01)	-	-	-	(0.01)	-

*Includes deferred revenue

RESULTS OF OPERATIONS

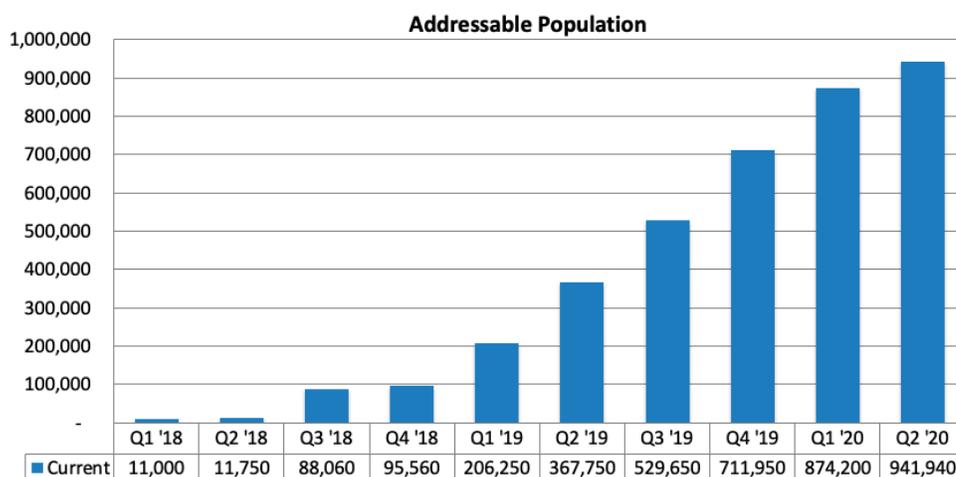
Communities Under Service

Q2 2020 vs Q2 2019 saw an approximate 200% increase in communities under service from 48 to 140 communities. Q2 2020 vs Q1 2020 saw an approximate 20% increase in communities under service despite the impact of COVID-19. 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

Q2 2020 vs Q2 2019 saw an increase in addressable population of 574,190 citizens representing a year over year increase of 156%. Q2 2020 vs Q1 2020 saw an increase of 67,740 citizens representing an increase of 8%. ICEsoft continues to target increasingly larger community sizes as it scales out its technology. The average community size as of June 30, 2020 was 6,700 persons per community vs. 7,400 persons per community the prior quarter. During the quarter, deal wins tended to skew towards smaller more rural communities that were less impacted in general by COVID-19. Larger prospects and communities continued to prioritize their COVID-19 response.



Revenue and Sales

Three Months Ended

June 30, 2020 **June 30, 2019**
\$ \$

Revenue	335,313	363,851
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Q2 2020 vs Q2 2019 revenues declined by \$28,538 (7.8%). Revenue declines in Legacy business lines were partially supplemented from increased Voyent Alert! revenues.

Three Months Ended

June 30, 2020 **June 30, 2019**
\$ \$

Voyent Alert! Revenues	37,699	14,405
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During Q2 2020 Voyent Alert revenues increased from \$14,405 in Q2 2019 to \$37,699 in Q2 2020 as ICESoft continued to win early Voyent Alert! sales. By quarter end Q2 2020, the Corporation closed deals covering 140 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

June 30, 2020 **June 30, 2019**
\$ \$

Legacy Sales	244,316	211,295
Voyent Alert! Sales	54,308	38,930
Sales Total	298,624	250,225

Legacy product sales in Q2 2020 were \$244,316 vs \$211,295 in Q2 2019 representing an increase of \$33,021 or 15.6%. This increase is due to the timing of renewals and should not be confused with growth in the legacy product sales. Approximately \$80,000 of realized Q2 legacy sales were advanced from forecast Q3 renewals. Adjusting for the difference Q2 legacy renewals dropped approximately \$40,000 or 25% year over year.

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 \$38,930 in Q2 2019 to \$54,308 in Q2 2020 for an increase of \$15,378 or 40%.

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. In total 741 alerts were sent out to 223,500 users in Q2 2020, up from 572 alerts to 122,640 users in Q1 2020. This translates into an approximate 82% quarter over quarter growth in system usage.

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. Year to date AFR for six months ending June 30, 2020 for communities in service is \$0.38 / 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	
	June 30, 2020	June 30, 2019
	\$	\$
Marketing, Operating, General and Admin Expenses	506,084	510,129

During Q2 2020 SG&A costs remained relatively static, decreasing \$4,045 (0.79%) compared to Q2 2019. Sales and Marketing costs declined \$21,166 (20.1%) 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	
June 30, 2020	June 30, 2019
\$	\$

Net Operating Income	(170,771)	(146,278)
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The business saw net operating income decrease \$24,493 (16.7%) in Q2 2020 relative to the same period of the prior year. Much of the change is due to weaker Q2 2020 revenues due to the decline in legacy product sales and purchasing delays of Voyent Alert! due to COVID-19.

Three Months Ended	
June 30, 2020	June 30, 2019
\$	\$

Net Income (Loss)	(322,692)	(185,592)
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Included in net income / loss and comprehensive loss for the quarter ended June 30, 2020 includes the Canadian Emergency Wage Subsidies of \$34,429 (vs. nil in Q2 2019), financing expense of \$8,539 (vs. \$26,733 in Q2 2019), a non-cash loss on debt extinguishment of nil (vs. \$155,465 in Q2 2019), non-cash stock based compensation of \$163,559 (vs. nil in Q2 2019), and foreign exchange charges of \$14,252 (vs. \$781 in Q2 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 June 30, 2020, there were 80,116,025 common A shares outstanding.

Off-Balance Sheet Arrangements

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

Transactions with Related Parties

See note 13 to the financial statements for a description of related party transactions.

Subsequent Events

See note 15 to the financial statements for a description of subsequent events.

Risk Factors

No new risks have been identified.