

ICESoft Technologies Canada Corp.
Management Discussion and Analysis
For the years ended December 31, 2020 and December 31, 2019

MANAGEMENT’S DISCUSSION & ANALYSIS – Annual 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 year ended December 31, 2020 and 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 April 28, 2021, should be read in conjunction with the audited consolidated financial statements and related notes for the years ended December 31, 2020, and December 31, 2019.

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 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.

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 Technologies Canada Corp. (the "Corporation" or "ICESoft"), was incorporated on May 10, 2002 under the Canada Business Corporations Act. 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 Corporation's primary products consist of the Clickware products including ICEfaces and ICEpdf, and Voyent Alert.

ICESoft's head office is located at 261, 3553 31st Street NW, Calgary, Alberta, Canada, T2L 2K7.

The consolidated financial statements of the Corporation as at and for the years ended December 31, 2020 and 2019 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 year ended December 31, 2020, and December 31, 2019. 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 April 27, 2021.

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 expenses associated with debt extinguishment, stock-based compensation, government assistance programs associated with COVID-19, and the non-cash impact of modifying the office lease.

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.

Net Operating Income

IFRS includes non-cash expenses associated with compensation as part of operating expenses. Management chooses to remove this item from operating expenses and Net Operating Income when discussing performance with readers of the MD&A.

Communities Under Service

A key metric used by Management is the number of Communities that are covered by contract 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:

$$\frac{\text{Total Trailing 12 months fees from the Community}}{\text{Addressable Population of Community}}$$

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. The Company's core business has a subscriber base of approximately 300 medium to large scale corporations and 200 municipalities at the end of 2020. ICSOFT's legacy product: ICEfaces has been used by over 20,000 enterprises and 150,000 developers worldwide. ICSOFT has added to its legacy enterprise products with Voyent Alert!, a new Software-as-a-Service offering for delivering context-enriched notifications and content to small and medium sized municipalities, rural communities and enterprise.

ICESoft has been providing software for critical enterprise infrastructure 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 enterprise. 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 solutions by providing more localized and user specific communications. Communications go out through mobile applications, SMS/Text, Email, and Voice as well as your social media channels.

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, allowing developers to implement new feature capabilities without having to redesign legacy applications or having to upgrade existing middleware.

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 Software-as-a-Service pricing model with annual subscription fees being paid up front. 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.

ICEsoft's legacy products are typically sold on an annual subscription basis. Subscription and planned Software-As-A-Service or "SaaS" fees are pre-paid for a given subscription term. Terms generally run from one to three years. It is typical that discounts of 10-20% may be offered on pre-payment of multi-year terms. Receivables are set at 30-90 day terms depending on the product and the nature of the client. Subscribers are advised of renewal options a minimum of 30 days prior to expiration of their subscription. Subscribers who fail to renew prior to expiration of their subscription terms are often provided a 30-day grace window to complete the renewal during which time they continue to have access to upgrades and web content; however, engineering support is typically withheld.

Market for Products

ICEsoft's Voyent Alert! service product is presently being sold largely in Canada. As of March 31, 2021, ICEsoft is providing coverage to approximately 230 communities across Canada under the Voyent Alert! system. The Company has begun early U.S. expansion in 2021 and expects to begin to realize U.S. revenues in 2021 as the COVID-19 pandemic abates.

The majority of ICEsoft's commercial license sales for legacy products come from the United States (app. 60%) and Europe (app. 30%). End users of ICEsoft's free-to-use products see significant deployment in China, India, and Brazil, all regions where ICEsoft has faced historical challenges in commercialization.

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. Replacement of critical skill sets can often take up to 6 months.

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.

Seasonality

Historical trends have identified a measure of seasonality in ICESoft's business. January through April as well as September tend to be stronger months. Summer months see sales tempered as a result of holidays. The summer slowdown is most predominant with European sales. November and December are historically slow months. Seasonal holidays place downwards pressure on sales towards the calendar year end; however, contract renewals remain strong, which is where the majority of revenues are sourced.

Employees

As of December 31, 2020, ICESoft has 12 full-time employees, 2 full-time European contractors, and 5 part-time North American contractors.

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.

History

2018: In 2018, ICESoft successfully launched its Voyent Alert! Service into the market. By year end the Company had extended coverage to over 17 communities across Western Canada with an addressable population base of approximately 100,000 residents.

Legacy product sales continued to see a slow year over year decline owing to the maturing market. The Company did realize a corresponding drop in associated support and sales infrastructure costs, improving overall margin across the legacy product initiatives.

During 2018, ICESoft required additional financing to maintain operations. ICESoft issued new debt (CAD\$100,000) and participated in equity financings (CAD\$571,040) over the course of the year.

2019: During 2019, ICESoft continued to expand the Voyent Alert! footprint from 17 communities at the beginning of the year to 81 communities by the end of 2019 with a collective addressable population of 712,000 persons.

During 2019, the loss of key technical resources forced management to discontinue ICEpdf related sales and services. The result was an estimated in year reduction of approximately CAD \$175,000 in sales, with a forecast 2020 year impact of CAD \$220,000 in lost ICEpdf related revenues.

2020: During 2020, despite the impact of COVID-19, ICESoft continued to expand its Voyent Alert! footprint from 81 communities at the beginning of the year to 191 communities by the end of 2020 with a collective addressable population of approximately 1,060,000 persons.

The impact of the COVID-19 pandemic on sales was significant. Legacy product annual renewals dropped an approximate 25% (approx. \$317K) over the year as enterprise clients were forced to roll back staff and cancel programs. For Voyent Alert!, 2020 saw a sales shift to smaller and more rural communities as the larger municipalities were prioritized on COVID-19 pandemic response. Average population size per community onboarded dropped by over 50%. The service realized significant increased usage as communities leveraged Voyent Alert! to provide critical COVID related updates to their community. Voyent Alert! realized a 100% subscription renewal rate throughout the year.

In 2020, ICEsoft closed two tranches of a non-brokered private placement resulting in the issuance and sale of 15,212,500 units for gross proceeds of \$1,217,000 and issuance of 12,767,786 units pursuant to the completion of securities for debt transactions whereby \$994,442 of secured convertible debt and accrued and unpaid interest and \$110,046 of term loans were converted into units. This transaction eliminated the majority of ICEsoft's long-term liabilities and has given the company a runway to deploy Voyent Alert!.

It is important to note that the conversion of the secured convertible notes and term loans led to non-cash expense charges on the Income Statement in alignment with IFRS 9 and IAS32. These charges totalled \$425,962 and readers of the statements should note that the expenses have no impact on the cash or operations of the business.

Business Strategy

ICEsoft is allocating resources to develop and expand its Voyent Alert! Notification Service across multiple addressable market verticals. The Voyent Alert! Service has been initially designed to meet the needs of small to medium sized communities, governments and institutions. This target vertical is typically underserved and yet makes up 50% of the North American population. With COVID-19 abating, ICEsoft is now expanding its core business within this vertical with sales and marketing efforts addressing the U.S. market. ICEsoft is also expanding its offering into a number of enterprise sales sectors over the upcoming fiscal year.

ICEsoft continues to offer both "free-to-use-trial" and commercial variants of its legacy product offering. The trial variant is constrained in terms of time, the number of users, feature set, and deployment options. The purpose is to enhance the technologies accessibility to developers and key managerial decision makers, generate market excitement and stimulate early adoption. The commercial variant is required in order to support user numbers more typical of production level releases or to support deployment or security features typically required by enterprise.

Competitive Conditions

Notable competitors to the ICEsoft's Voyent Alert! product include companies such as Everbridge, Athoc/Blackberry, RAVE Mobile Safety, and Alert Media. These companies participate predominantly in the mass notification or enterprise alerting sectors with a primary focus being on servicing large urban centers and organizations. Messaging tends to be text-based and generic in nature with a focus on static location alerting.

On April 6, 2021, Everbridge announced its definitive agreement to acquire xMatters for approximately \$240 million USD in cash and stock, pending regulatory review and other customary closing conditions.

ICEsoft's market focus has been on small to medium sized municipalities with an emphasis on enriched and personalized communications. User specific communications may include information regarding a user's distance and direction from an incident and be augmented by maps and other rich media content. Unlike other vendors, ICEsoft provides real-time location tracking to users and incidents and allows for anonymous registration.

In 2020, ICEsoft entered into a competitive evaluation across 22 accounts involving 40+ municipalities. ICEsoft and the Voyent Alert! service was successful in winning 18 or 82% of these head-to-head engagements.

The sample competitors are well financed and over time could be capable of entering the small municipality sector. Everbridge is listed on the NASDAQ with a market-cap exceeding USD\$4.8 billion.

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. While the addressable market is expanding, it is doing so as enterprises increase the number of applications using relevant technologies, rather than through the expansion of the total number of prospective enterprises using the technology having grown.

Within the addressable market, ICEsoft's competitors (to its core product offering) are split between vertically integrated solutions from large middleware providers such as Oracle or RedHat and smaller cross platform independents. ICEsoft is most successful with those potential clients that leverage multiple best-of-breed technologies rather than those that are vertically integrated within a given supplier.

General Business Outlook

ICEsoft believes that its Voyent Alert! Service offers significant differentiation to conventional alerting and community engagement services, and that this differentiation will continue to drive material adoption across the Canadian market throughout fiscal years 2021 and 2022. The Company is now launching into U.S. markets and expects to see evident market traction 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 2021, Management is planning to continue the expansion of its Voyent Alert! service into enterprise and corporate markets and to expand its community engagement and health and safety services offerings with the introduction of lone-worker monitoring capabilities and 311 community reporting services.

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 December 31, 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 uncertainty into the Company's ability to forecast and/or to achieve key performance metrics. Throughout 2020, the Company has realized a reduction of annualized legacy sales and legacy product subscription renewals of approximately \$250,000 less than 2019 levels. Little to none of the lost legacy income to date has been recovered, and Management's view is that this trend will continue into Q3 2021.

Voyent Alert! sales have seen some recovery through Q4 2020, with the Company extending coverage to 31 new communities over the period, up approximately 33% from Q4 2019. Despite these healthy growth numbers, the impact of COVID-19 continues to be a significant barrier to Voyent Alert! rollout. While Voyent Alert! contract "wins" continue to grow, the new subscriptions are predominantly skewed towards more rural and smaller satellite communities that have been experiencing lesser impacts from the pandemic. Larger communities in which Voyent Alert! has been establishing a growing presence remain largely inaccessible and primarily focussed on their own COVID-19 response. Previously announced provincial level and large urban RFPs have largely been deferred out at least to the second half of 2021 or later.

In 2019, Pre-COVID-19, the average community size for Voyent Alert! deals was 9,500 residents with a growth trajectory of approximately 20% quarter over quarter. For 2020 (during COVID-19) the average community size per deal has dropped to 3,400 residents per deal, down 65% from pre-COVID-19 timeframes. Smaller deal sizes correspondingly result in lower subscription and usage fees and impacted 2020 revenues by approximately \$250K compared to the previous forecasted Voyent Alert! 2020 sales.

In the medium 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. Despite their smaller size, the northern and satellite community use of Voyent Alert! will create an advantage through referrals and increased exposure within larger communities as they begin to re-engage post COVID-19. Increases in demo requests and higher prospect engagement are positive early indicators, but results have been intermittent to date.

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 medium term sales pipeline.

ICESoft carefully manages its SG&A expenses and anticipates that it will have 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 Q3 2020 view with regards to the timeliness of COVID-19 resolution and now forecasts that a return to more historical market conditions won't be realized until Q3 2021.

Subject to the rate at which municipalities are able to re-engage through the second and third wave of COVID-19, Management is setting as an objective that by year-end 2021 the Voyent Alert! service shall have 300+ communities under service with a total addressable population exceeding 1.7 million persons, an installed recurring subscription base of \$600,000 per year.

Review of 2020 Key Milestones

Business Objective	Description	Target Date	Year End 2020 Progress
Voyent Sales	Secure 250 communities under service with forecast annualized sales exceeding CAD\$1,000,000	Q4 2020	191 communities are presently under service with an addressable population of 1,016,000 persons. Forecast annualized sales at maturity exceeds CAD \$300,000 / year, reflecting the impact of COVID on average deal population sizes.
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 and Q3. Additional resources have been deployed to expand this objective.
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. Sales for the year were CAD\$1,286,876 with Adjusted EBITDA loss of approximately CAD(\$786,591)

2021 Key Milestones

Business Objective	Description	Target Date	Progress
Voyent Sales	Secure 300 communities under service with forecast licensed subscription sales exceeding CAD\$600,000	Q4 2021	
Voyent New Market Expansion	Secure additional Voyent Sales within markets outside of Canada and within at least two secondary market verticals.	Q4 2021	
Year End Revenue and Profitability	Achieve annual sales in excess of CAD\$1,700,000 with Adjusted EBITDA greater than CAD (\$350,000).	Q4 2021	

Summary of Financial and Operational Results

The following table summarizes select financial information for ICEsoft Technologies Canada Corp. for the most recently completed fiscal years ending at the end of December 31, 2020 and December 31, 2019. All amounts expressed in \$CAD.

Summary Table of Financial and Operational Results	Twelve Months Ended Dec 31, 2020 \$	Twelve Months Ended Dec 31, 2019 \$
Revenue	1,286,876	1,414,638
Operating Loss	1,065,225	611,321
Net Loss	1,495,994	667,002
Working Capital	(1,200,645)	(1,742,405)
Total Assets	274,180	165,283
Total Liabilities	1,556,112	2,733,087
Net Loss	1,495,994	667,002
Add Back:		
Financing Costs	83,665	141,742
Amortization of right of use asset	29,061	30,658
EBITDA	(1,383,268)	(494,602)
Add Back:		
Stock based compensation	273,034	50,943
Gain on debt modification	-	(25,305)
Loss on valuation of derivative liability	121,565	-
Loss on inducement of settle debt	304,397	-
Loss on debt extinguishment	7,773	-
Gain on lease modification	(7,881)	-
Government assistance	(102,211)	-
Adjusted EBITDA	(786,591)	(468,964)

Summary of Quarterly Results

The following table summarizes select financial information for ICEsoft Technologies Canada Corp. for the most recently completed quarters ending at the end of December 31, 2020. All amounts expressed in \$CAD.

	Q4 2020 12-31	Q3 2020 09-30	Q2 2020 06-30	Q1 2020 03-31	Q4 2019 12-31	Q3 2019 09-30	Q2 2019 06-30	Q1 2019 03-31
Total Assets	274,180	621,882	969,714	1,247,360	165,283	233,507	229,297	592,179
Net Working Capital*	(1,200,645)	(485,197)	(354,138)	(264,824)	(1,742,405)	(1,199,584)	(1,127,261)	(1,445,561)
Deferred Revenue	611,367	680,492	813,540	857,986	728,899	839,332	861,484	988,203
Total Liabilities*	1,556,112	1,663,141	1,869,550	2,226,879	2,733,087	2,748,744	2,640,995	3,007,383
Total Revenue	296,435	307,324	335,313	347,804	333,540	366,401	363,851	350,846
Net Income from Operations excluding non-cash comp**	(289,191)	(189,213)	(170,771)	(143,016)	(186,584)	(127,860)	(146,278)	(150,599)
Income (Loss) per share (basic & diluted)	(0.01)	(0.01)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)

*Includes deferred revenues

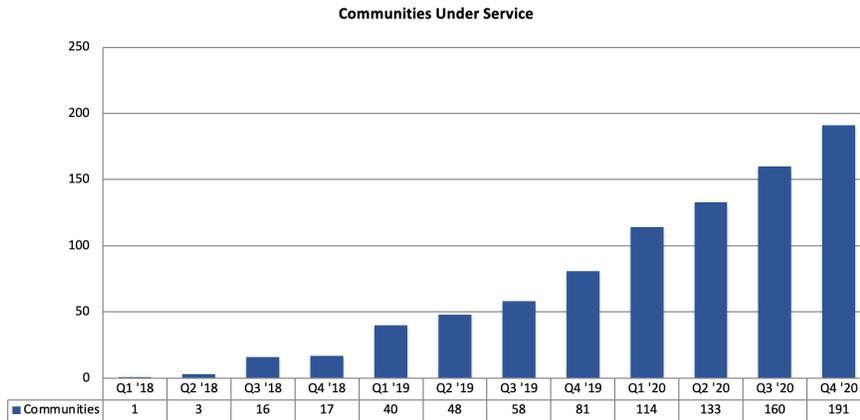
**Excludes non-cash stock-based compensation

RESULTS OF OPERATIONS

Communities Under Service

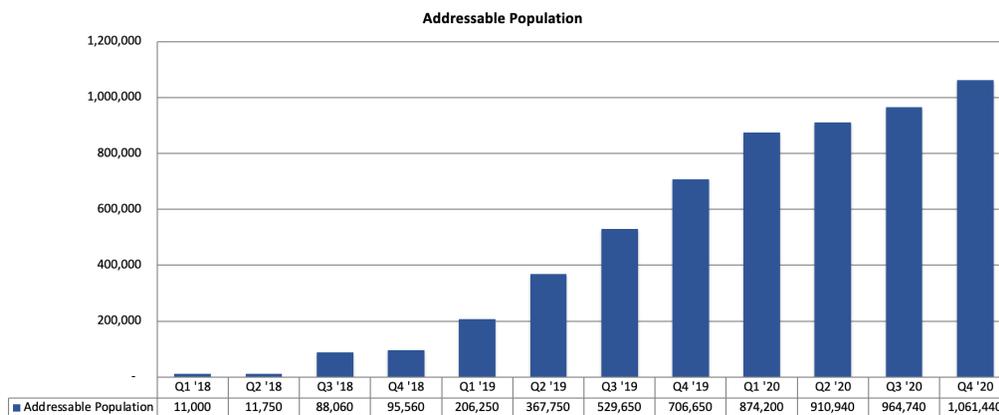
2020 saw communities under service increase from 81 at year end 2019 to 191 as of year end 2020. As mentioned above, while community acquisition rates accelerated year over year, the average size of the community fell an average of 9,500 residents / community in 2019 down to 3,400 residents per community in 2020. Management has concluded that this fall-off is a direct result of the impact of COVID-19, in particular with the inability to larger communities to make available resources to address new programs in the face of COVID-19 priorities. Management intends to deploy increasing capital to

Sales and Marketing initiatives and believes this growth rate in communities under service will continue and that average community size will recover to pre-pandemic levels as the COVID-19 crisis abates.



Addressable Population

2020 vs 2019 saw an increase in addressable population from 706,650 at year end 2019 to 1,061,440 as of year end 2020, representing a year over year increase of 50%. This is a decrease from prior 2019 growth rate which was in excess of 150%, and reflects the impact of COVID-19 on general sales activities. As mentioned above, since the advent of COVID-19, the average population of onboarded communities has dropped by 65% from 9,500 persons / community in 2019 to 3,400 persons per onboarded community in 2020. Larger prospects and communities continued to prioritize their COVID-19 response.



Revenue and Sales

	Three Months Ended		Twelve Months Ended	
	Dec 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
	\$	\$	\$	\$
Revenue	296,435	333,540	1,286,876	1,414,638

Annual 2020 vs. annual 2019 revenues declined by \$127,762 (9%). Q4 2020 vs Q4 2019 saw a decline in revenues of \$37,105 (11%). 2020 revenue declines in Legacy business lines were partially supplemented from increased Voyent Alert! revenues.

	Three Months Ended		Twelve Months Ended	
	Dec 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
	\$	\$	\$	\$
Voyent Alert! Revenues	46,559	23,754	165,278	64,198

During FY2020, ICEsoft continued to expand Voyent Alert! sales. By year end 2020, the Corporation closed deals covering 191 municipalities. In 2020, these transactions resulted in \$165,278 in realized revenues vs \$64,198 in 2019 (+157%).

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 and 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		Twelve Months Ended	
	Dec 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
	\$	\$	\$	\$
Clickware Sales	286,741	287,760	947,303	1,264,734
Voyent Alert! Sales	39,370	33,250	222,653	131,872
Sales Total	326,111	321,010	1,169,956	1,396,606

Clickware Sales in 2020 were \$947,303 vs \$1,264,734 in 2019 representing a decline of 25%. Quarter over previous year quarter was flat with Q4 2020 Clickware sales of \$286,741 vs Q4 2019 Sales of \$287,760 representing a decrease of <1%.

Comparatively, Voyent Alert sales increased from \$131,872 in 2019 to \$222,653 in 2020 and quarter over previous year quarter showed a similar trend with Q4 2020 Voyent Alert! sales increasing from \$39,370 from \$33,250 in Q4 2019 (+18%).

There was no material shift in revenue across geographic regions.

R&D, General & Admin, Sales & Marketing Expenses

	Three Months Ended		Twelve Months Ended	
	Dec 31, 2020 \$	Dec 31, 2019 \$	Dec 31, 2020 \$	Dec 31, 2019 \$
R&D, General & Admin and Sales & Marketing Expenses	585,626	481,211	2,050,006	1,944,358

SG&A remained relatively flat during 2020 at \$2,050,006 vs 2019 at \$1,944,358 (+5%) as ICEsoft continued marketing Voyent Alert!. Overall the ICEsoft cost structure remains lean. More specifically, in year R&D costs increased \$37,215 (4%), Sales and Marketing costs increased \$32,307 (7%) and General and Administrative costs increased \$36,126 (7%) for 2020 vs. 2019.

	Three Months Ended		Twelve Months Ended	
	Dec 31, 2020 \$	Dec 31, 2019 \$	Dec 31, 2020 \$	Dec 31, 2019 \$
Net Operating Income Excluding Non-Cash Stock Based Compensation	(289,191)	(147,671)	(880,050)	(547,752)

The business saw net operating income reduce \$141,520 in Q4 2020 relative to the same period of the prior year, and year over year net operating income decline \$231,813 vs the previous year. This decline is largely due to the reduction in legacy subscription renewals.

	Three Months Ended		Twelve Months Ended	
	Dec 31, 2020 \$	Dec 31, 2019 \$	Dec 31, 2020 \$	Dec 31, 2019 \$
Cash-based Net Operating Income	(135,825)	(160,201)	(785,421)	(578,410)

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 performance of the business and maybe of interest to readers of the financial statements.

	Three Months Ended		Twelve Months Ended	
	Dec 31, 2020	Dec 31, 2019	Dec 31, 2020	Dec 31, 2019
	\$	\$	\$	\$
Net Income (Loss)	(558,611)	(145,111)	(1,495,994)	(667,002)

Included in net income / loss and comprehensive loss for the year ended December 31, 2020 is interest and financing expenses of \$83,655 (vs \$141,742 in 2019), a gain on debt modification of \$nil (vs. a gain of \$25,305 in 2019), a loss on valuation of derivative liability of \$121,565 (vs. \$nil in 2019), a loss on inducement of settle debt of \$304,397 (vs. \$nil in 2019), a loss on debt extinguishment of \$7,773 (vs. \$nil in 2019), a loss on foreign exchange of \$14,482 (vs a gain of \$18,843 in 2019), stock-based compensation of \$273,034 (vs. \$50,943 in 2019), other expense of \$8,989 (vs. a gain of \$41,913 in 2019), government assistance of \$102,211 (vs. \$nil in 2019), gain on lease modification of \$7,881 (vs. \$nil in 2019), and non-cash amortization of the office space rental lease of \$29,061 (vs. \$30,658 in 2019).

Stock Based Compensation

See note 14 of the consolidated financial statements for an update to ICEsoft's stock based compensation.

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.

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 Company 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 common shares, contributed surplus, warrants, accumulated other comprehensive income, 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
- To invest cash on hand in highly liquid and highly rated financial instruments

Shares Outstanding

See note 12 of the consolidated financial statements for an overview of the shares outstanding and share capital of the Corporation. As of April 28, 2021 there are 80,116,025 Class A common shares outstanding.

Foreign Exchange Gains and Losses

See note 18(d) of the consolidated financial statements for a description of foreign exchange impacts to the Corporation.

Off-Balance Sheet Arrangements

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

Transactions with Related Parties

See note 16 of the consolidated financial statements for a description of related party transactions.

Subsequent Events

See note 20 of the consolidated financial statements for events subsequent to year end.

Significant Accounting Judgments, Estimates and Assumptions

See note 3 of the consolidated financial statements for a description of significant accounting judgments, estimates, and assumptions.

Changes in Accounting Standards

See notes 3 and 4 of the consolidated financial statements. No accounting standards changed in 2020.

Risk Factors

An investment in ICEsoft is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below, in addition to the other information contained in this document, before making any decision to invest in ICEsoft. The directors consider the following risks and other factors to be the most significant for potential investors in ICEsoft, but the risks listed do not necessarily comprise all those associated with an investment in ICEsoft. Additional risks and uncertainties not currently known to the directors may also have an adverse effect on ICEsoft's business.

Additional requirements for Capital

Additional financing may be required if ICEsoft is to be successful developing its business. No assurances can be given that ICEsoft will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to ICEsoft, if at all. If ICEsoft is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Failure of information technology system

ICESoft's operations could suffer as a result of a failure of its information technology system infrastructure. ICESoft's business will be dependent upon an information technology infrastructure to effectively manage and operate several key business functions, including order processing, customer service, installation and payments. These systems and operations are vulnerable to damage and interruption from fires, earthquakes, telecommunications failures, and other events. They are also subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct. Any such errors or inadequacies in the software that may be encountered could adversely affect operations, and such errors may be expensive or difficult to correct in a timely manner.

Competition

ICESoft has experienced, and expects to continue to experience, competition from a number of companies. ICESoft's competitors may announce new products, services or enhancements that better meet the needs of customers or changing industry standards. Increased competition may cause price reductions, reduced gross margins and loss of market share, any of which could have a material adverse effect on ICESoft's business, results of operations and financial condition.

Many of the competitors and potential competitors of ICESoft have significantly greater financial, technical, marketing and/or service resources than does the Company. Many of these companies also have a larger base of users, longer operating histories or greater brand recognition than ICESoft. Customers of ICESoft are particularly concerned that their suppliers will continue to operate and provide upgrades and maintenance over a long-term period. ICESoft's smaller size may be considered negatively by prospective customers. Even if competitors of ICESoft provide products with more limited system functionality than those of ICESoft, these products may incorporate other capabilities of interest to some customers and may be appealing due to a reduction in the number of different types of systems used to operate such customers' businesses. Further, competitors of ICESoft may be able to respond more quickly than ICESoft to changes in customer requirements and devote greater resources to the enhancement, promotion, and sale of their products.

Market uncertainty

ICESoft's success depends to a significant degree on its ability to develop the market and gain acceptance for its products and services. There is no assurance that a significant market will develop for ICESoft's principal products and services. There can be no assurances that the additional commercial applications and markets for ICESoft's products will develop as currently contemplated. To manage such development ICESoft must continue to expand its existing resources and management information systems and must attract, train, and motivate qualified marketing, management, technical, and administrative personnel. There can be no assurance that ICESoft will be able to achieve these goals.

Maturing market

A major contributor to ICESoft's revenue stream sources from one of its core product offerings, ICEfaces. ICEfaces leverages a widely adopted technology infrastructure known as Java Enterprise Edition (Java EE) developed by Oracle. Java EE is characterized as a maturing technology. The Java EE market has largely saturated over the past years and ICESoft's growth opportunity resides in securing a greater portion of the already mature market sector. Any negative material change in the size of the addressable Java EE market would result in negative impact on revenue streams sourcing from ICESoft's core product offering.

Management of growth

ICESoft may be subject to growth-related risks including pressure on its internal systems and controls. ICESoft's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of ICESoft to deal with this growth could have a material adverse impact on its business, operations, and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, ICESoft may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for ICESoft's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, ICESoft will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage, and retain its employees. There can be no assurance that ICESoft will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support ICESoft's operations, or that ICESoft will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

High degree of product concentration

Substantially all of ICESoft's currently anticipated revenues will be derived from a limited number of products and services that are ancillary to the products and services provided by third parties. Consequently, ICESoft's performance will depend on market acceptance of those third-party products and services, as well as establishing market acceptance for its own products and services and enhancing the performance of such products and services to meet the evolving needs of customers. ICESoft, like other entities involved in a rapidly evolving new industry, faces the risk that ICESoft's products and services may not prove to be commercially successful or may be rendered obsolete by technological developments. There can be no assurances that ICESoft will establish and maintain a position at the forefront of emerging technological trends. Any reduction in anticipated future demand or anticipated future sales of these products or any increase in competition could have a material adverse effect on ICESoft's business prospects, operating results, or financial condition.

Product failures and mistakes

ICESoft's products and services incorporate complex software and it encourages employees to quickly develop and help it launch new and innovative features. Its software has contained, and may now or in the future contain, errors, bugs or vulnerabilities. Some errors in its software code may only be discovered after the product or service has been released. Any errors, bugs or vulnerabilities discovered in its code after release could result in significant costs of correcting the failure or mistake, damage to its reputation, loss of users, or liability for damages, any of which could adversely affect its business and operating results.

Technological obsolescence

Competitors and new companies could launch new products. In order to remain on the cutting edge of technology, ICESoft may need to launch a new generation of products and services. Whether it is competition from development companies or a merger or acquisition of existing companies, competition within certain software industry sectors offering solutions similar to what ICESoft offers could increase. Some of ICESoft's competitors have significantly greater financial, technical, distribution, and marketing resources than ICESoft. Technological progress and product development could make ICESoft's products obsolete or reduce their value.

Mobile devices and third-party operating systems

Mobile devices are increasingly being used and if our products and services do not operate as effectively when accessed through these devices it could harm the business. ICESoft is dependent on the interoperability of its platform with third-party mobile devices and mobile operating systems as well as web browsers that it does not control. Any changes in such devices, systems or web browsers that degrade the functionality of its platform or give preferential treatment to competitive services could adversely affect usage of its products and services. Effective mobile functionality is integral to our long-term development and growth strategy. In the event that ICESoft's merchants and customers have difficulty accessing and using products and services on mobile devices, ICESoft's business and operating results could be adversely affected.

Pricing policies

The competitive market in which ICESoft operates could force it to reduce its prices. If its competitors offer large discounts on certain products and services in order to gain market share or sell products and services, ICESoft may need to lower its prices and offer other favorable terms in order to compete successfully. Such changes could reduce profit margins and have an unfavorable impact on its operating results. Some of ICESoft's competitors could offer products and services that compete with theirs as part of a long-term pricing strategy or offer price guarantees or product implementation. With time, these practices could limit the prices ICESoft may charge for its products and services. If ICESoft cannot offset these price reductions with a corresponding increase in sales volume or decreased expense, the decreased revenues from products and services could unfavorably affect its profit margins and its operating results.

Patent infringement

While ICESoft believes that its products and operations do not violate the intellectual property rights of third parties, other parties could bring legal actions against ICESoft claiming damages and seeking to enjoin the marketing and sale of ICESoft's products for allegedly conflicting with patents held by them. Any such litigation could result in substantial cost to ICESoft and diversion of effort by its management and technical personnel. If any such actions are successful, in addition to any potential liability for damages, ICESoft could be required to obtain a license in order to continue to market the affected products. There can be no assurance that ICESoft would prevail in such action or that any license required under any such patent would be available on acceptable terms, if at all. Failure to obtain needed patents, licenses or proprietary information held by others may have material adverse effect on ICESoft's business. In addition, if ICESoft were to become involved in such litigation, it could consume a substantial portion of ICESoft's time and resources.

Labour and key personnel

ICESoft depends on the services of its key management personnel. The loss of one of these people could have a significantly unfavorable impact on ICESoft, its operating results, and its financial position. The success of ICESoft is largely dependent upon its ability to identify, hire, train, motivate, and retain highly skilled management employees, engineers, technical employees, and sales and marketing personnel. Competition for its employees can be intense, and ICESoft cannot ensure that it will be able to bring in and retain highly skilled technical and management personnel in the future. Its ability to bring in and retain management and technical personnel and the necessary sales and marketing employees could have an unfavorable impact on its growth and future profitability. The company may be obligated to increase the compensation paid to current or new employees, which could substantially increase operating expenses.

Lack of control in transactions

ICESoft's business plan relies in part on retaining other companies to perform a variety of resale services. ICSOFT may not be in a position to control or direct the activities of the parties with whom it transacts business. Success of the Company may be subject to, among other things, the success of such other parties, with each being subject to their own risks.

Reliance on third party services and app store distribution

ICESoft relies on certain technology services provided to it by third parties, and there can be no assurance that these third-party service providers will be available to the Company in the future on acceptable commercial terms or at all. If ICSOFT were to lose one or more of these service providers, it may not be able to replace them in a cost effective manner, or at all. This could harm the business and results of operations of the Company.

In addition, ICSOFT's future product technology relies in part on the deployment of ICSOFT's application code onto end user mobile appliances. This deployment is typically achieved via app stores associated with the different mobile platforms. ICSOFT does not control these app stores, their acceptance criteria or ultimately approval of their deployment. Rejection of ICSOFT's mobile application or utility by app store administrators would negatively impact ICSOFT's technology adoption and rollout.

ICESoft may be subject to litigation

ICESoft may be involved in disputes with other parties in the future, which may result in litigation. If ICSOFT is unable to resolve these disputes favorably, it may have a material adverse impact on ICSOFT's financial condition.

Failure to secure intellectual property

ICESoft's products leverage a variety of proprietary rights that enable its competitive positioning and are critical to its success. ICSOFT has been protecting its Intellectual Property through copyright, trademark and patent applications. Because the Intellectual Property associated with ICSOFT's technology is evolving and rapidly changing, current intellectual property rights may not adequately protect the Company. ICSOFT may not be successful in securing or maintaining proprietary or future patent protection for the technology used in its systems or services, and protection that is secured may be challenged and possibly lost. ICSOFT generally enters into confidentiality or license agreements, or has confidentiality provisions in agreements with ICSOFT's employees, consultants, strategic partners and clients and controls access to and distribution of its technology, documentation and other proprietary information. ICSOFT's inability to protect its Intellectual Property adequately for these and other reasons could result in weakened demand for its systems or services, which would result in a decline in its revenues and profitability.

Use of "open source" software

ICESoft's solutions incorporate and are dependent to a significant extent on the use and development of "open source" software and ICSOFT intends to continue our use and development of open source software in the future. Such open source software is generally licensed by its authors or other third-parties under open source licenses and is typically freely accessible, usable and modifiable. Pursuant to such open source licenses ICSOFT may be subject to certain conditions, including requirements that ICSOFT offer its proprietary software that incorporates the open source software for no cost, that it make available source code for modifications or derivative works it creates based upon, incorporating, or using the open source software, and that ICSOFT license such modifications or derivative works under the terms of the particular open source license. If an author or other third party that uses or distributes such open source software were to allege that ICSOFT had not complied with the conditions of one or more

of these licenses, ICEsoft could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from the sale of ICEsoft's solutions that contained or are dependent upon the open source software and required to comply with the foregoing conditions, which could disrupt the distribution and sale of some of ICEsoft's solutions. Litigation could be costly for ICEsoft to defend, have a negative effect on ICEsoft's operating results and financial condition or require ICEsoft to devote additional research and development resources to change ICEsoft's platform.

Any requirement to disclose our proprietary source code, termination of open source license rights or payments of damages for breach of contract could be harmful to ICEsoft's business, results of operations or financial condition, and could help ICEsoft's competitors develop products and services that are similar to or better than ICEsoft's.

In addition to risks related to license requirements, usage of open source software can lead to greater risks than the use of third-party commercial software, as open source licensors generally do not provide warranties, controls on the origin or development of the software, or remedies against the licensors. Many of the risks associated with usage of open source software cannot be eliminated and could adversely affect ICEsoft's business.

Advertising and search traffic

The promotions marketing industry is very dynamic with new technology and services being introduced by a range of players from larger established companies to start-ups on a frequent basis. ICEsoft's success in part requires that it is successful in conceiving and executing a variety of marketing campaigns into its targeted verticals. Desired wide scale adoption of ICEsoft's newest products is in part dependent upon ICEsoft successfully leveraging social media marketing techniques and campaigns. Failure to conceive and/or successfully execute on required marketing activities could negatively impact ICEsoft's forecast results and operations.

ICEsoft depends in part on internet search engines, such as Google, Bing and Yahoo!, to drive traffic to its website. For example, when a user types an inquiry into a search engine, ICEsoft relies on a high organic search result ranking of its webpages in these search results to refer the user to its website. However, ICEsoft's ability to maintain high organic search result rankings is not within its control. ICEsoft's competitors' search engine optimization, or SEO, efforts may result in their websites receiving a higher search result page ranking than ICEsoft's, or internet search engines could revise their methodologies in a way that would adversely affect ICEsoft's search result rankings. If internet search engines modify their search algorithms in ways that are detrimental to ICEsoft, or if ICEsoft's competitors' SEO efforts are more successful than ICEsoft's, the growth in ICEsoft's user base could slow. ICEsoft's website has experienced fluctuations in search result rankings in the past, and it anticipates similar fluctuations in the future. Any reduction in the number of users directed to ICEsoft's website through search engines could harm its business and operating results.

Foreign exchange

As ICEsoft looks to expand and monetize its user base internationally, it will become exposed to the effects of fluctuations in currency exchange rates. Since ICEsoft conducts business in currencies other than Canadian dollars, but reports its operating results in Canadian dollars, it faces exposure to fluctuations in currency exchange rates. Consequently, exchange rate fluctuations between the Canadian dollar and other currencies could have a material impact on ICEsoft's operating results.

Insurance coverage

ICEsoft does not have insurance to adequately protect against risks associated with its business and operations, nor is it intended that ICEsoft will purchase any such insurance for the

foreseeable future. It is not always possible to fully insure against business and other risks and ICEsoft may decide to not take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, it could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of ICEsoft.

No Dividend History

No dividends have been paid by ICEsoft to date. ICEsoft anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of ICEsoft's board of directors' after taking into account many factors, including ICEsoft's financial condition and current and anticipated cash needs.

Government Regulation

Government regulations influence the design, components or operation of ICEsoft's products. New regulations and changes to current regulations are always possible and, in some jurisdictions, regulations may be introduced with little or no time to bring related products into compliance with these regulations. ICEsoft's failure to comply with these regulations may prevent us from selling our products in a certain country. In addition, these regulations may increase our cost of supplying products by forcing us to redesign existing products or to use more expensive designs or components. In these cases, ICEsoft may experience unexpected disruptions in its ability to supply customers with products, or it may incur unexpected costs or operational complexities to bring products into compliance. This could have an adverse effect on ICEsoft's results of operations and increase the volatility of its financial results.

Impact of Recently Launched Government Alerting Services

Recently launched government alerting services, provincial and federal, such as Alert Ready could negatively impact sales and lengthen sales cycles. The Alert Ready system addresses large scale threat-to-life incidents such as Tsunamis, Earthquakes etc. It leverages the telecom infrastructure to deliver a text-based warning to end users mobile devices. Some of the communities within ICEsoft's target market may view this as a viable alternative to more detailed, community administrated solutions making it more difficult for ICEsoft to sell into them. The same argument holds in that the presence of this system may negatively impact potential investors view of the opportunity making it more difficult for ICEsoft to raise the working capital it requires.

Subsequent Events and Outlook

The continuation of the COVID-19 pandemic has introduced considerable uncertainty into the Company's ability to forecast and/or to achieve key performance metrics. Short term Voyent Alert! sales and sales pipeline development have been impacted as municipal council members and key decision makers are otherwise engaged with managing the COVID-19 crisis across their communities. Countering softness in near-term sales is increased 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 long term, ICEsoft is forecasting a sales resurgence as the impact of COVID-19 begins to recede and communities are free to re-engage. How quickly communities can return to pre COVID-19 behaviours and buying practices is uncertain. At present, Management believes that COVID-19 will continue to negatively impact sales through Q3, 2021, and is not forecasting a recovery to COVID-19 average community populations / deal sizes until the end of 2022. In the longer term, Management believes that the current situation will only serve to heighten community awareness and underscore their need for public engagement tools and services.