ICEsoft Technologies Canada Corp.

Condensed Consolidated Interim Financial Statements
($CAD) (Unaudited)
For the period ended March 31, 2025

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, continuous disclosure obligations, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Corporation's independent auditor has not performed a review of these financial statements in accordance with standards established for a review of interim financial statements by an entity's auditor.

The accompanying unaudited condensed interim financial statements of the Corporation have been prepared by and are the responsibility of the ICEsoft Management team.

ICEsoft Technologies Canada Corp.
Condensed Consolidated Interim Statements of Financial Position
($CAD)
As at March 31, 2025

	(Unaudited) March 31, 2025 $	(Audited) December 31, 2024 $
ASSETS		
Current Assets		
Cash	133,674	94,121
Accounts receivable	102,418	113,273
Prepaid expenses and deposits	33,895	17,974
Total Current Assets	**269,987**	**225,368**
Property and equipment	7,144	7,556
TOTAL ASSETS	**277,131**	**232,924**
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	818,869	805,845
Current portion of deferred revenue (note 4)	1,006,080	1,088,019
Current portion of convertible notes (note 5)	916,361	887,237
Total Current Liabilities	**2,741,310**	**2,781,101**
Convertible Debt	491,569	471,354
Deferred revenue (note 4)	188,992	82,521
Total Liabilities	**3,421,871**	**3,334,976**
Shareholders' Deficiency		
Share capital (note 6)	27,826,697	27,826,697
Equity portion of convertible notes	91,313	91,313
Warrants (note 7 and 8)	64,230	65,324
Reserves (note 8)	4,978,995	4,977,707
Foreign currency translation reserve	(2,030,619)	(2,034,564)
Deficit	(34,075,356)	(34,028,529)
Total Shareholders' Deficiency	**(3,144,740)**	**(3,102,052)**
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	**277,131**	**232,924**

Going concern (note 1)

Approved on behalf of the Board of Directors:

'Brian McKinney', Director

The accompanying notes are an integral part of the consolidated financial statements.

	Three months ended March 31,	
	2025	**2024**
	$	**$**
Revenues (note 3)		
Subscription income	506,577	443,665
Other	6,202	7,742
Total Revenue	**512,779**	**451,407**
Cost of Revenue		
Information services	105,420	109,191
Bonus and Commissions	26,555	62,547
Total Cost of Revenue	**131,975**	**171,738**
Total Gross Profit	**380,804**	**279,669**
Operating Expenses		
Research and development	152,248	124,047
General and administrative	93,058	58,695
Sales, marketing, and operations	102,434	85,288
Share-based payments	194	194
Depreciation Expense	412	808
Total Operating Expenses	**348,346**	**269,032**
Net Operating Income (Loss)	**32,458**	**10,637**
Other Income (Expense)		
Other Income and Expense	(20,551)	1
Finance expense (note 10)	(49,536)	(40,427)
Restructuring cost	(9,200)	
Interest & Foreign exchange	-	-
Total Other Income (Expense)	**(79,287)**	**(40,246)**
Net Income (Loss)	**(46,829)**	**(29,789)**
Other Comprehensive Income (Loss)		
Items which may be subsequently reclassified to profit or loss		
Translation of foreign operations	3,945	770
Comprehensive loss	**(42,884)**	**(29,019)**
Loss per share - basic and diluted (note 6 (ii))	**(0.00)**	**(0.00)**

The accompanying notes are an integral part of the consolidated financial statements.

ICEsoft Technologies Canada Corp.

Condensed Consolidated Interim Statements of Changes in Shareholders' Deficiency

($CAD) (Unaudited)

For the periods ended March 31, 2024

	Share Capital	Equity component of convertible notes	Warrants	Reserves	Deficit	Accumulated Other Comprehensive Loss	Total
	$	$	$	$	$	$	$
Balance December 31, 2023	**27,826,697**	**77,028**	**343,656**	**4,685,621**	**(33,792,508)**	**(1,944,392)**	**(2,803,898)**
Convertible notes issued		14,285		-	-	-	14,285
Share-based payments (note 11)	-	-	11,194	2,560	-		13,754
Expiration of warrants (note 11)	-	-	(289,526)	289,526	-	-	-
Net loss and comprehensive loss	-	-	-	-	(236,021)	(90,172)	(326,193)
Balance December 31, 2024	**27,826,697**	**91,313**	**65,324**	**4,977,707**	**(34,028,529)**	**(2,034,564)**	**(3,102,052)**
Share-based compensation	-	-		194			194
Expiration of warrants (note 8 and 9)	-	-	(1,094)	1,094	-	-	-
Net Loss and Comprehensive Loss	-	-	-	-	(46,829)	3,945	(42,884)
Balance March 31, 2025	**27,826,697**	**91,313**	**64,230**	**4,978,995**	**(34,075,358)**	**(2,030,619)**	**(3,144,742)**

The accompanying notes are an integral part of the consolidated financial statements.

	Three months ended March 31	
	2025	**2024**
	$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(46,829)	(29,789)
Add back (deduct) items not involving cash:		
Finance expense (note 10)	49,339	40,427
Share-based compensation	194	
Amortization of property and equipment		808
Amortization of right-of-use asset	412	-
	3,115	11,446
Changes in non-cash working capital items:		
Accounts receivable	10,855	(52,830)
Prepaid expenses and deposits	(15,921)	13,372
Accounts payable and accrued liabilities	13,024	(7,396)
Deferred revenue (note 4)	24,532	182,257
Net cash used in operating activities	**35,606**	**146,849**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liability	-	-
Net cash generated by financing activities	**-**	**-**
Effect of change in foreign exchange rates on cash	3,947	(49,648)
Change in cash for the period	**39,553**	**97,201**
Cash, beginning of the period	94,121	70,871
Cash, end of the period	**133,674**	**168,072**

See notes 10 for the details of non-cash transactions.

The accompanying notes are an integral part of the consolidated financial statements.

NATURE OF OPERATIONS

ICEsoft Technologies Canada Corp. (the "Corporation" or "ICEsoft"), was incorporated on May 10, 2002 under the Canada *Business Corporations Act*. ICEsoft and its subsidiaries develop and license a comprehensive suite of web technologies and Software as a Service (SaaS) solutions for both enterprise and government clients. The Corporation's primary products consist of the Clickware products including ICEfaces and ICEpdf, and the SaaS-based Voyent Alert! Notification Service licensed to government and enterprise clients on a subscription basis.

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

These condensed consolidated interim financial statements of the Corporation as at March 31, 2025 and December 31, 2024 and for the periods ended March 31, 2025 and March 31, 2024 ("Financial Statements") 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 acts as the United States operating entity.

1. GOING CONCERN

These Financial Statements have been prepared on the basis that the Corporation will continue as a going concern, which assumes that the Corporation will be able to realize its assets and discharge its liabilities for the foreseeable future. Management is aware, in making its going concern assessment, of events and conditions that indicate the existence of a material uncertainty that may cast significant doubt upon the Corporation's ability to continue as a going concern.

As at March 31, 2025, the Corporation had negative net working capital of $2,471,323 (December 31, 2024 - $2,555,733) and an accumulated deficit of $34,075,356 (December 31, 2024 - $34,028,529). The Corporation incurred a net loss during the three months ended March 31, 2025 of $42,884 (three months ended March 31, 2024 – $29,019).

The Corporation was able to generate positive cash flows from operations of $35,606 across the quarter. Whether the Corporation can continue to generate positive cash flows on an ongoing basis in order to pay for its expenditures and settle its obligations as they fall due subsequent to March 31, 2025 is uncertain. Until this time, management may have to raise funds by way of debt or equity issuances. The Corporation will closely monitor its cash and will take the necessary measures to preserve cash, such as reducing spending as needed until the Corporation succeeds in gathering sufficient sales volumes to consistently achieve profitable operations and generate positive cash flows from operations.

These 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 were the going concern assumption inappropriate. These adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and interpretations of the IFRS Interpretations Committee (IFRIC's).

The Financial Statements were approved and authorized for issue by the Board of Directors on May 29, 2025.

(b) Basis of preparation

These Financial Statements have been prepared under the historical cost convention, except for certain financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value, and are expressed in in Canadian dollars unless otherwise indicated. Other measurement bases used are detailed in the Corporation's annual consolidated financial statements ("Annual Financial Statements").

Certain comparative figures have been reclassified to conform to the current period's presentation.

The notes presented in these Financial Statements include only significant events and transactions occurring since the Corporation's last fiscal year end and are not fully inclusive of all matters required to be disclosed by IFRS in the Corporation's annual consolidated financial statements. As a result, these Financial Statements should be read in conjunction with the Annual Financial Statements.

These Financial Statements follow the same accounting policies and methods of application as the most recent Annual Financial Statements.

3. REVENUE

The Corporation disaggregates revenue by two major service lines: (1) "Clickware" and (2) "Voyent Alert" revenue. Both categories include subscription revenue earned on software access licence agreements and support and maintenance revenue earned from providing customer-requested assistance and updates within the reporting period.

	Three months ended March 31,	
	2025 $	**2024 $**
Revenue by major category		
Clickware		
Subscription income	218,214	238,477
Voyent Alert		
Subscription income	288,363	205,188
Customizations and upgrades	6,202	7,742
Usage fees	-	-
Total	**512,799**	**451,407**

4. DEFERRED REVENUE

Timing differences between invoicing, cash collection, and revenue recognition result in accounts receivable and also result in deferred revenue on the consolidated statements of financial position. Amounts are billed in accordance with the terms of each customer contract. For most contracts, the Corporation receives payments for contract subscriptions prior to satisfying contracted obligations and recognizing revenue, resulting in deferred revenue.

All deferred revenue recorded in 2025 and 2024 relates to certain subscription agreements. Changes in deferred revenue during the periods consist of:

	March 31, 2025 $	December 31, 2024 $
Deferred revenue		
Opening balance	**1,170,540**	925,496
Sales collected	527,855	2,073,852
Recognized in revenue		
From opening balances	(455,445)	(790,749)
From additions in the period	(51,132)	(1,095,275)
Foreign exchange effect	3,254	57,216
Total deferred revenue	**1,195,072**	**1,170,540**
Less: current portion	(1,006,080)	(1,088,019)
Long-term portion	**188,992**	**82,521**

As at March 31, 2025, revenues allocated to remaining performance obligations from subscription contracts, extending through to 2027, total $1,195,072. Of this amount, approximately $1,006,080 is expected to be recognized in the remainder of 2025, $188,612 is expected to be recognized in 2026 and $380 is expected to be recognized in 2027.

5. CONVERTIBLE NOTES

The balance of convertible notes as of March 31, 2025 and December 31, 2024 is reconciled as follows:

	March 31, 2025 $	December 31, 2024 $
Opening Balance	**1,358,591**	**1,079,984**
Modification of notes	-	-
Accretion	4,112	26,007
Interest accrued	45,227	156,950
Interest paid	-	(10,065)
Additions (ii, iii and iv)	-	220,000
Repayment of convertible notes (i)	-	(100,000)
Equity conversion feature	-	(14,285)
Total debt outstanding	**1,407,930**	**1,358,591**
Less: current portion	916,361	887,237
Long-term portion	**491,569**	471,354

(i) The convertible note with a face value of $100,000 was extended for one year on each of December 31, 2020, November 15, 2021, and December 12, 2022. As part of the first loan extension in 2020, the note holder was entitled to 300,000 warrants which could be converted to common shares. There was no change to the expiry date of the warrants due to the extensions. The 300,000 warrants are set to expire December 1, 2024. During the year ended December 31, 2022, 300,000 warrants were granted to the lender as compensation for the loan extension. The warrants have an expiry date of December 12, 2025 and are exercisable at $0.06 per common share. The warrants are presently valued at $Nil.

On December 12, 2023, the Corporation extended the maturity of the convertible note by two years to December 12, 2025 and increased the interest rate to 15% per annum. During the year ended December 31, 2023, 200,000 warrants were granted to the lender as compensation for the loan extension. The warrants have an expiry date of December 10, 2027 and are exercisable at $0.06 per common share.

The note is convertible to common shares at a conversion price of $0.15 per share. The convertible note is secured by all assets, including the intellectual property, of the Corporation.

The note was repaid in full on August 31, 2024, no shares were issued on settlement.

(ii) On September 21, 2022, the Corporation completed a secured convertible note financing transaction raising gross cash proceeds of $650,175 from various related parties. The notes are secured against all assets of the Corporation. The issued secured convertible promissory notes bear simple interest at a rate of 15% per annum for a term of 36 months from the date of issuance. The notes bear a conversion feature allowing the note holder to convert all or part of the principal balance and accrued interest into common shares of the Corporation at a conversion price of $0.05 per share. The debt component of the convertible notes were fair valued using a discount rate of 18%. The resulting calculations allocated $51,289 as the residual value of the equity conversion feature.

(iii) On February 27, 2023, the Corporation completed a secured convertible note financing transaction raising gross cash proceeds of $100,000 and converted $150,000 of debt and deferred compensation from various related parties into convertible notes. The issued secured convertible promissory notes bear simple interest at a rate of 15% per annum for a term of 36 months from the date of issuance. The notes are secured against all assets of the Corporation, pari-passu with the other pre-existing secured convertible notes. The notes bear a conversion feature allowing the note holder to convert all or part of the principal balance and accrued interest into common shares of the Corporation at a conversion price of $0.05 per share. The debt component of the convertible notes were fair valued using a discount rate of 18%. The resulting calculations allocated $19,665 as the residual value of the equity conversion feature.

(iv) On August 31, 2024, the Corporation completed a secured convertible note financing transaction raising gross cash proceeds of $100,000 and converted $120,000 of accounts payable and accrued compensation due to the CEO into convertible notes. The issued secured convertible promissory notes bear simple interest at a rate of 15% per annum for a term of 36 months from the date of issuance. The notes are secured against all assets of the Corporation, pari-passu with the other pre-existing secured convertible notes. The notes bear a conversion feature allowing the note holder to convert all or part of the principal balance and accrued interest into common shares of the Corporation at a conversion price of $0.05 per share. The debt component of the convertible notes were fair valued using a discount rate of 18%. The resulting calculations allocated $14,285, as the residual value of the equity conversion feature.

6. SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Preferred Shares without nominal or par value and an unlimited number of Common Shares without nominal or par value. No Preferred Shares were issued in the current period or prior year.

The Corporation has the following Common Shares issued and outstanding:

	Number of Shares #	Share Capital $
Balance, December 31, 2020	**80,116,026**	**26,861,053**
Issuance of shares with units for cash (i)	30,000,000	973,149
Issuance of shares with units on settlement of debt (ii)	2,000,000	64,877
Share issuance costs	-	(72,382)
Balance, December 31, 2021, 2022, 2023 & 2024	**112,116,025**	**27,826,697**
Balance, March 31, 2025	**112,116,025**	**27,826,697**

(i) No new shares were issued during period ending March 31, 2025 and year ended December 31, 2024.

(ii) The weighted average number of common shares outstanding used to calculate basic and diluted loss per share is 112,116,026 for the three months ended March 31, 2025 (three months ended March 31, 2024 – 112,116,026). The Corporation excluded all convertible notes, warrants, and stock options from the calculation of diluted loss per share for the three months ended March 31, 2025 and 2024, as they would be anti-dilutive.

7. WARRANTS

Warrants are used to recognize the fair value of financial instruments which are granted to agents of the Corporation typically as a form of compensation related to capital raising activities. When warrants are subsequently exercised, the fair value of such warrants is credited to the share capital account. When warrants expire, their value is credited to reserves.

A summary of warrant transactions is as follows:

	March 31, 2025		**December 31, 2024**	
	Number of Warrants	**Weighted average exercise price**	**Number of Warrants**	**Weighted average exercise price**
Outstanding at beginning of year	2,327,917	0.09	33,977,917	0.09
Issued	-	0.05	650,000	0.05
Expired	-	(0.08)	(32,300,000)	(0.08)
Outstanding at end of period	**2,327,917**	**0.08**	**2,327,917**	**0.08**

No warrants were exercised during the three months ended March 31, 2025. 650,000 warrants were issued the year ended December 31, 2024. The weighted average remaining life of all warrants outstanding at March 31, 2025 is 1.33 years (December 31, 2024 – 1.58 years).

The fair value of the warrants used in the input into the bifurcation of units and of other warrants issued was estimated on the date of the grant, as determined by using the Black-Scholes option-pricing model with the following weighted average assumptions:

	Three months ended March 31, 2025	**Year ended December 31, 2024**
Exercise Price	$0.05	$0.05
Share Price	$0.02	$0.02
Dividend Yield	-	-
Forfeiture %	-	-
Risk-free interest rate	4%	4%
Expected life of warrants	3 years	3 years
Expected volatility	195%	195%

8. RESERVES

Reserves are used to recognize the fair value of stock options granted and the fair market value of expired warrants. When options are subsequently exercised, the fair value of such options in reserves are credited to share capital. Should the options expire unexercised, their fair market value remains in the reserves account.

The Corporation has a stock option plan ("the Plan"). Under the Plan, the Board of Directors of the Corporation may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable options to purchase common shares. The maximum number of common shares reserved for issuance under the Plan shall not exceed 15% of the then issued and outstanding common shares of the Corporation. The options will be exercisable for a period of up to ten years. The Board of Directors will determine the price per common share and the number of common shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of the TSX Venture Exchange and the Canadian Stock Exchange.

A summary of the Plan transactions for the three months ended March 31, 2024 and for the year ended December 31, 2024 are as follows:

	March 31, 2025		**December 31, 2024**	
	Number of Options	**Weighted average exercise price**	**Number of Options**	**Weighted average exercise price**
Outstanding at beginning of year	450,000	0.05	6,378,000	0.10
Granted	8,400,000	0.05	-	-
Expired	-	-	(5,928,000)	(0.10)
Outstanding at end of year/term	**8,850,000**	**0.05**	**450,000**	**0.05**
Exercisable at end of year/term	**8,803,750**	**0.05**	**337,500**	**0.05**

The weighted average remaining life of all options outstanding at March 31, 2025 is 2.8 years (December 31, 2024 – 1.51 years).

No options were exercised during the three months ended March 31, 2025 or the year ended December 31, 2024.

9. FINANCE EXPENSE

	Three months ended March 31	
	2025	**2024**
	$	**$**
Interest on convertible notes	45,227	37,572
Other finance expense	4,309	2,855
	49,536	**40,427**

10. RELATED PARTY TRANSACTIONS AND PERSONNEL COSTS

The Corporation considers its key management personnel to be its Chief Executive Officer; Chief Financial Officer, directors, and close family members of the previously mentioned individuals. Key management compensation is comprised of wages and salaries, stock-based compensation and consulting fees paid to key management and companies controlled by key management. During the three months ended March 31, 2025, key management compensation amounted to $67,208 (three months ended March 31, 2024 - $49,288), split between general and administrative, marketing and operations, and research and development expenses based on work performed.

Key management personnel have accounts payable owing from the Corporation, including payroll and vacation accruals, in the amount of $551,022 at March 31, 2025 (December 31, 2024 - $532,336).

Total personnel expenses for employees, consultants, directors and management included in expenses in the consolidated statement of loss and comprehensive loss total $257,606 for the three months ended March 31, 2025 (three months ended March 31, 2024 - $225,754), split between general and administrative, marketing and operations, and research and development expenses, based on work performed.

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

Due to the short-term nature of cash, accounts receivable, deposits, and accounts payable and accrued liabilities, the Corporation determined that the carrying amounts of these financial instruments approximate their fair value. The carrying amounts of the term loans and convertible notes approximate their fair value due to either the interest rate approximating market rates or because of the short period to maturity.