



INTERNET OF THINGS INC.

Form 51 – 102 F1

Management Discussion & Analysis

For the Year Ended January 31, 2020

July 13, 2020

Notice to Reader

The following Management Discussion & Analysis ("MD&A") of Internet of Things Inc. (the "Company" or "ITT Inc.") financial condition and results of operations, prepared as of July 13, 2020, should be read in conjunction with the Company's Consolidated Financial Statements and accompanying Notes for the years ended January 31, 2020 and 2019, which have been prepared in accordance with International Financial Reporting Standards and are incorporated by reference herein and form an integral part of this MD&A. All dollar amounts are in Canadian Dollars unless stated otherwise. These documents can be found on the SEDAR website www.sedar.com.

Our MD&A is intended to enable readers to gain an understanding of ITT Inc.'s current results and financial position. To do so, we provide information and analysis comparing the results of operations and financial position for the current period to those of the preceding comparable twelve-month period. We also provide analysis and commentary that we believe is required to assess the Company's prospects. Accordingly, certain sections of this report contain forward-looking statements that are based on current plans and expectations. These forward-looking statements are affected by risks and uncertainties that are discussed in this document and that could have a material impact on prospects. Readers are cautioned that actual results could vary.

Cautions Regarding Forward-Looking Statements

This MD&A contains certain forward-looking statements, which reflect management's expectations regarding the Company's results of operations, performance, growth, and business prospects and opportunities.

Statements about the Company's future and intentions, results, levels of activity, performance, goals or achievements or other future events constitute forward-looking statements. Wherever possible, words such as "may," "will," "should," "could," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," or "potential" or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management as at the date hereof.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully, and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including: general economic and market segment conditions, competitor activity, product capability and acceptance, international risk and currency exchange rates and technology changes. More detailed assessment of the risks that could cause actual results to materially differ than current expectations is contained in the "Quantitative and Qualitative Disclosures of Market Risk" section of this MD&A.

Summary Description of Internet of Things Inc.

Internet of Things Inc. (the “**Company**” or “**ITT Inc.**”) a software and solutions provider in the artificial intelligence and industrial IoT markets.

The Company has two operational business units including Weather Telematics Inc. (“**Weather Telematics**” or “**WTX**”), and New Hope IoT Intl Inc. (the “**JV**”). Weather Telematics is a data science company offering real-time advanced artificial intelligence based predictive road condition weather analytics for safer, connected and autonomous transportation. The JV, in partnership with New Hope Data Technology Co., Ltd. a New Hope Group (collectively “New Hope”) affiliated and invested company, is focused on bringing industrial IoT solutions to manufacturing facilities across China. The Company has formed strategic relationships with key government and industry organizations, establishing a strong presence with its IoT solutions and predictive analytics capabilities in order to turn big data into actionable intelligence.

The head office, principal address and registered and records office of the Company are located at 151 Bloor Street West, Suite 703, Toronto, Ontario, Canada, M5S 1S4.

ITT Inc. continues to execute on its strategy of being a strategic operator of emerging technology companies with innovative big data and industrial AI solutions.

Going Concern

Since inception, the Company has incurred losses amounting to \$14,495,429 (2019 - \$12,443,704). During the year, the Company reported a net loss of \$2,051,725 (2019 – \$1,729,275). As at January 31, 2020 the Company had working capital deficiency of \$995,439 (2019 – working capital \$85,254). The ability of the Company to continue as a going concern is dependent upon generating profitable operations from its acquisitions or obtaining new equity and/or debt financing on commercial terms acceptable to the Company. All of these outcomes are material uncertainties that cast significant doubt on the Company’s ability to continue as a going concern.

Corporate Highlights

- The Company appointed Tech Industry veteran Jim Grimes as Executive Chairman & Director
- Subsequent to the year end, the Company closed non-brokered private placement of 125,000,000 units at \$0.01 per unit for gross proceeds of \$1,250,000.

Operational Highlights

- Weather Telematics Inc. announces launch of Predictiv RC Micro-Scale road conditions platform
- WTX Inc. conducted two automotive industry Proofs-of-Concept
- WTX Inc. was selected by a global automotive Tier 1 supplier to integrate its proprietary data into software being developed to manage the impact of weather on electric vehicles
- WTX Inc. launched Predictiv SA road safety alert platform

- New Hope IoT Intl Inc. launched pilot with FreePoint Technologies in China
- WTX Inc. won contract to provide hazard alerts service to Creek County Emergency Medical Service ('EMS')
- Subsequent to the year end, the Company developed a new fever-detection system called ThermalPass™, designed to enhance public safety. It will be brought to market by a jointly held company, SMRT Labs Inc., 51% owned by AI Labs Inc, a wholly owned subsidiary of Internet of Things, and 49% by Commersive Solutions Corp.

Weather Telematics Inc.

On June 1, 2018, the Company completed the acquisition of Weather Telematics Inc ("WTX Inc."), a data science company offering real-time advanced artificial intelligence based predictive road condition weather analytics for safer, connected and autonomous transportation. ITT Inc. acquired 100% of the issued and outstanding shares of WTX Inc. on the following terms:

- (i) \$230,000 in cash paid at closing
- (ii) \$300,000 in cash payable on the 6-month anniversary post-closing
- (iii) 20,833,332 of the Company's treasury shares, with 50% or 10,416,666 shares to be released over three years in three equal tranches of 3,472,222 shares on the 12th month, 24th month and 36th month anniversaries post-closing. The 50% balance or 10,416,666 shares to be released on WTX Inc. achieving \$8.2 million minimum net sales target over 36 months with pro-rata releases every six months.

The total consideration was estimated as \$1,225,075, of which \$628,286 was allocated as intangibles and \$821,492 was goodwill.

In addition, the Company paid a finder's fee in the amount of \$48,000 in cash and in shares priced at \$0.0963 representing 799,585 common shares.

Since ITT Inc. completed the acquisition of WTX Inc., it has been granted a patent from the European Patent Office for the mobile collection, analysis and processing meteorological data, originally filed in 2015. The patent of WTX Inc.'s existing hardware and software solutions enables the collection of granular data, in addition to providing the ability to license and protect its technology. WTX Inc. uses an AI (artificial intelligence) system, a proprietary mobile sensor network and a data fusion platform to generate its information. WTX Inc. has developed a unique set of meteorological data (based on hundreds of millions of miles of road weather data) that enables the company to make real-time hyperlocal road condition predictions.

On February 28, 2019, the Company made a payment of \$44,239 to the vendors of WTX Inc. In March 2019, the Company made payment of \$6,900 to the vendor of WTX Inc. In June 2019, 12 months from the closing date, the Company made final payment of \$98,802 to WTX vendors excluding \$10,000 contingent funds and issued 3,472,222 shares to WTX's vendors. In August 2019, the Company paid out \$10,000 contingent funds withheld previously.

If the transaction had taken place on February 1, 2018, it is estimated that the assets acquired had contributed incremental revenues and net loss before taxes of \$333,536 and \$(336,089) respectively, for the year ended January 31, 2019.

WTX Inc. has been actively introducing new solutions into the marketplace, entering into multiple proof-of-concepts, and securing an agreement with a global automotive Tier 1 supplier:

- *Predictiv RC* is the advanced “micro-scale” road conditions platform with resolution ranging from 500 metres to below 200 metres. The platform improves the ability of vehicles and drivers to manage and mitigate the risks associated with drive in poor weather conditions.
- *Predictiv SA* API combines road weather conditions and road weather hazards into one consolidated road safety “score”. The driver only receives the *Predictiv SA* Safety Alert when the “score” exceeds minimum risk thresholds which helps minimize driver distraction.
- For connected and autonomous vehicle OEMs and Tier 1 suppliers, WTX’s *Predictiv RC* and new *Predictiv SA* help manage adverse road conditions for safer driving, while predicting road weather conditions ahead of the vehicle to mitigate risk and ensure safer route selection.
- The Company is actively exploring opportunities to extend the predictive AI platform to provide additional real time predictive solutions in real time for OEM clients and other industrial and logistic customers.

New Hope IoT Intl. Inc.

The JV has deployed FreePoint's ShiftWorx platform to three production machines in a New Hope Group facility in its China chemicals division. The system is currently gathering data and analyzing output in order to measure real-time production flows and assess inventory management. The platform will help manufacturers improve efficiencies in their operations and reduce unnecessary downtime. The successful pilot will enable broad deployment throughout the New Hope Group network of companies.

In March 2019, the JV appointed Mr. Li Hui Wen as Chief Executive Officer. Mr. Li has more than twenty years of experience successfully delivering technological solutions to large organizations. He held positions of increasing responsibility at IBM before transferring to Bank of Montreal where he, most recently, was Senior Technology Officer and Solution Architect. Mr. Li holds master's degree in both Engineering and Computer Science from the university of Western Ontario.

For the year ended January 31, 2020, there has been no financial activity within New Hope IoT Intl. Inc. JV.

Market Trends

Internet of Things Market

ITT Inc. believes that the global market trends in IoT and Artificial Intelligence are strong and will continue to grow at a rapid pace as the potential to streamline and deliver greater time and cost savings to a broad spectrum of enterprise tasks is proliferating.

Internet of things technology helps connect various smart devices (sensors, mobile devices, etc.) together and adds intelligence to systems. The increasing need for data analysis is expected to propel the utilization of the Internet of Things technology. According to Reportlinker, the global IoT market is expected to reach a value of USD 1 trillion by 2025 from USD 690 billion in 2019 at a CAGR of 10.53%, during the period 2020-2025

The growing adoption of IoT technology across industries, such as manufacturing, automotive, and healthcare, is driving the market's growth and fueling the next industrial revolution of intelligent connectivity. This is changing the way industries approach increasingly complex processes of systems and machines to improve efficiency and reduce downtime.

The global industrial internet of things market size is expected to reach USD 949 billion by 2025, according to a new report by Grand View Research with a Compound Annual Growth Rate (CAGR) of 29.4% (2019- 2025).

According to Valuate, the global Industrial IoT (IIoT) Market size is expected to grow from USD 65 billion in 2018 to USD 118 billion by 2025, at a CAGR) of 8.83% during the forecast period 2025.

Connected Car Market

According to Adroit Market Research, connected cars can be defined as a vehicle equipped with intelligent services and systems connected to the internet. Contemporary connected cars are equipped with integrated intelligent systems and powerful built-in. This led to the emergence of new feature like automotive telematics which is referred to as the remote transfer of computer data from the user's car to service providers.

The global connected cars market size was valued at USD 73 billion in 2018 and is projected to grow at a CAGR of 14.2% to hit \$237 billion by 2025. The global connected cars market is primarily driven by high adoption in the telematics segment. Along with that factors that have reinforced the market includes trend of connectivity solutions, increase in need for safety & security of pedestrian and more informed means of travel enabling travelers to make informed choices of travel and less time in traffic leading increased productivity levels while on the move. MarketsandMarkets reports that the market is projected to reach USD 213 billion by 2027, from an estimated value of USD 43 billion in 2019, at a CAGR of 22.3%. An increase in efforts by governments for developing intelligent transportation system, increasing demand for smartphone features in the car, and automated driving technologies along with passenger safety features will boost the connected cars market.

According to Allied Market Research, the global connected car market was valued at USD 63 billion in 2019, and is forecasted to reach USD 225 billion by 2027, with a CAGR of 17.1%. Connected cars facilitate connectivity that enhances drivers' comfort, safety and vehicle performance.

Fever Detection/Thermal Scanning Market

Traditionally thermal scanning technology was used in the medical, industrial or military industries, however due to the global threat posed by COVID-19, this technology has found new use as one of the front line solution to detect fevers.

The developed mobile infrared thermal imaging screening systems can instantly screen for high fevers that may be caused by influenza and pneumonia in crowded areas. Its main features include non-contact quick body temperature screening, large area detection, long distance, smart alarm, high temperature measurement accuracy, fast response, infrared and visible image overlay measurement analysis. According to:

- Yole Développement, the Covid-19 virus has triggered a boom in the market for thermal technologies. Based on industry indicators, thermal imagers will be a \$7.6 billion market, up 76% from 2019. Previous forecasts predicted a \$4.5 billion market, 8% year-over-year. Yole said it expects that more than 1.5 million fever detection cameras will be deployed over the next four years.

To perpetuate thermal imagers, some weaknesses need to be addressed. The temperature accuracy is one of them as thermal imagers detect temperature with a ± 2 to 5°C accuracy. "Technically, in the thermal imaging industry, for applications such as thermography or public surveillance, we did not need very good accuracy, but for fever detection, "you need to be around or below $\pm 0.5^{\circ}\text{C}$, and ideally 0.1°C " to avoid letting feverish people through.

- Reportlinker, the Global Thermal Scanners Market size is expected to reach \$6.7 billion by 2025, rising at a market growth of 10.3% CAGR (2020 – 2025).

Results of Operation

The following is a breakdown of company overall operational highlights for the year ended January 31, 2020:

	ITT	WTX	Total
Revenue	\$ -	\$ 329,699	\$ 329,699
Expenses	1,626,322	662,408	2,288,729
Other Expenses (Income)	47,309	45,385	92,694
Net Comprehensive Loss	\$ (1,673,631)	\$ (378,094)	\$ (2,051,725)

Revenues

ITT Inc. commenced sales in June 2018 after the WTX Inc. acquisition and recorded revenues of \$329,699 for the year ended January 31, 2020 (2019 - \$222,357). Revenues consisted of the sale of predictive road-weather analytics data, software and hardware.

General and administrative expenses

The Company's general and administrative expenses decreased from \$798,734 in 2019 to \$655,262 in 2020. This decrease in general and administrative expenses is due to the reduction in shareholder service expenditure and an increase in salaries.

The details for general and administrative expenses are as follows:

Year ended January 31	2020	2019
Salaries	\$ 499,179	\$ 341,348
Shareholder service	116,527	370,115
Marketing and administrative expense	39,556	87,271
	\$ 655,262	\$ 798,734

Management fees

Management fees for the year ended January 31, 2020 were \$126,000 compared to \$223,500 in 2019. The decrease is due to the restructuring of ITT Inc.'s executive management team.

Direct cost

The Company records all expenses related to its services as direct costs, including data purchase costs, sales commission expenses and hosting fees. The Company's direct cost was \$111,006 in 2020 for the year ended January 31, 2020 compared to \$52,680 in 2019.

Professional and consulting fees

The Company's professional and consulting fees increased from \$469,141 in 2019 to \$532,425 for the year ended January 31, 2020. The increase is due to additional consulting fees related to business development.

Share-based payments

The Company amortizes share-based payments with a corresponding increase to the contributed surplus account. During the year, the Company recorded an expense of \$78,430 compared to \$497,259 during 2019. This is related to the stock options and warrants that vested during the year.

Amortization expenses – intangible

The amortization expenses of intangible assets were \$122,559 for the year compared to \$83,711

in 2019.

Net loss for the year

The Company experienced a net loss from operations before interest expense, changes in fair values, loss on investments and foreign exchange gain of \$1,959,031 for the year ended January 31, 2020, compared to \$2,154,060 for the year ended January 31, 2019.

Summary of Quarterly Results

	Q1-20	Q2-20	Q3-20	Q4-20
Revenue	\$ 160,310	\$ 94,329	\$ 57,275	\$ 17,785
Expenses	446,971	369,938	532,027	939,794
Total Comprehensive Loss	(285,585)	(375,238)	(508,374)	(882,528)
Loss per Share - Basic and Diluted	(0.00)	(0.00)	(0.00)	(0.01)
Total Assets	\$ 1,660,724	\$ 1,383,449	\$ 1,238,912	\$ 597,731

	Q1-19	Q2-19	Q3-19	Q4-19
Revenue	\$ -	\$ 63,714	\$ 82,452	\$ 76,191
Expenses	285,441	251,926	477,723	1,361,324
Total Comprehensive Loss	(285,397)	(187,189)	(368,680)	(888,009)
Loss per Share - Basic and Diluted	(0.00)	\$(0.00)	\$(0.00)	(0.00)
Total Assets	\$1,664,042	\$ 2,825,167	\$ 2,479,563	\$ 1,914,607

During the fourth quarter, the Company recorded revenue of \$17,785, expenses of \$939,794, and total comprehensive loss of \$(882,528).

General Financial Condition

As of January 31, 2020, ITT Inc., had working capital deficit of \$995,439 compared to working capital of \$85,254, as at January 31, 2019. The Company had cash on hand as at January 31, 2020 of \$43,286 (January 31, 2019 - \$288,120) and relies on operating cash flow from sales of software and hardware, and future equity and/or debt financing(s) to fund its operations.

Liquidity and Capital Resources

As of January 31, 2020, the Company had working capital deficit \$995,439 as compared to working capital surplus \$85,254 in 2019.

The Company plans on raising additional working capital through an equity private placement financing or a convertible debt financing, as the capital markets permit, in an effort to finance its growth plans and expansion into new markets. The Company has been successful in raising sufficient working capital in the past.

Since inception, the Company has incurred losses amounting to \$14,495,429. During the year, the Company reported a net loss of \$2,051,725 (2019 – \$1,729,275). The ability of the Company

to continue as a going concern is dependent upon generating profitable operations from its acquisitions and JV and obtaining new equity and/or debt financing.

Related Party Balances and Transactions

As of January 31, 2020, the Company incurred management fees to related parties in the amount of \$126,000 (2019 - \$223,500) and consulting fees to related parties in the amount of \$102,833 (2019 - \$83,333), of which \$50,000 was paid to the CEO (2019 - \$55,000), \$48,000 was paid to the CFO (2019 - \$44,000), \$28,000 was paid to the COO (2019 - \$73,000), and \$157,388 (2019 - \$158,379) management fees and consulting fees were unpaid of which \$26,555 (2019 - \$158,379) in fees including taxes was included in accounts payable.

As at January 31, 2020, the Company had loan payables due to the officer and directors in the amount of \$27,053 (2019 - \$nil) and interest payable \$2,440 (2019 - \$nil) disclosed in Note 12.

The Company was charged \$14,517 (2019 - \$37,595) by a corporation with director and officer in common for rent, administration, office charges and telecommunications. At the end of the year, \$6,442 (2019 - \$2,033) was included in accounts payable, \$5,400 (2019 - \$nil) was included in accrued liabilities.

Options granted to related parties during the year have a fair value of \$42,405 (2019 - \$198,060).

Subsequent Event

Private Placement

The Company closed a non-brokered private placement of 125,000,000 Units at \$0.01 per Unit for gross proceeds of \$1,250,000 (the "**Offering**").

Each Unit is comprised of one common share of the Company ("**Share**") and one share purchase warrant ("**Warrant**"). Each Warrant entitles the holder to acquire one additional Share of the Company at an exercise price of \$0.01 per Share (on a pre-Consolidation basis and prior to the Consolidation being completed or if the Consolidation is not completed, the exercise price will be \$0.05 per Share) for a period of 24 months from the date of issuance. If the volume weighted average price of the Shares on the TSXV is equal to or greater than \$0.05 (on a minimum pre-Consolidation basis and \$0.25 on a minimum post-Consolidation basis) for any 10 consecutive trading days, four months and a day after the closing of the Offering, The Company may, upon providing written notice to the holders of Warrants, accelerate the expiry date of the Warrants to the date that is 30 days following the date of such written notice. All securities issued in connection with the Offering are subject to a statutory hold period of four months plus a day from the date of issuance.

The Company issued 4,500,000 finder warrants in connection with the completion of the Offering, with each finder warrant exercisable into a unit ("Finder Unit") at an exercise price of \$0.01 per Finder Unit (on a pre-Consolidation basis) for a period of two years. Each Finder Unit is comprised of one Share and one Warrant. Among \$1.25M, \$647,200 is settled by cash and \$602,800 is shares for debt settlement.

On April 24, 2020, the Company announced appointment of Michael Lende as its President & CEO and to its board of directors. Mr. Lende is entitled to and issued a share-based bonus of \$100,000 plus HST (the "Bonus") payable in 10,000,000 common shares of the Company and will be released to the executive based on milestones determined based on agreed contract.

Stock Option Grant

On April 21, 2020, the Board of Directors approved the grant of 15,000,000 stock options to the consultants. The options have an exercise price of \$0.05 per shares, vested immediately. The Options have a 6-month term from the date of the grant.

Loan Repayment

Subsequent to the year end, the Company has repaid loan \$271,439 outstanding as at January 31, 2020.

New Subsidiary – AI Labs Inc. and Joint Venture – SMRT Labs Inc.

In April 2020, the Company incorporated a new subsidiary, AI Labs Inc. and formed a partnership with Commersive Solutions Corp. called SMRT Labs Inc.

New Product – ThermalPass™

The Company began the development of a new fever-detection system called ThermalPass™, www.thermalpass.com, designed to enhance public safety. ThermalPass™ will instantly screen for higher than normal body temperatures in potential carriers of Coronavirus and other fevers. ThermalPass™ will be the first product brought to market by a SMRT Labs Inc. to be owned 51% by AI Labs Inc. ("AI Labs"), a wholly owned subsidiary of ITT Inc., and 49% by Commersive Solutions Corp. ("Commersive"), a developer of integrated, point-of-sale technologies that create unique retail experiences. The new joint venture will combine ITT's technology assets with Commersive's end to end product ideation and development capabilities and retail market reach, to commercialize ThermalPass™ for the global marketplace.

Weather Telematics Acquisition Shares

The Company issued 3,472,222 shares to Weather Telematics ("WTX") vendors on second anniversary of WTX acquisition date. The final tranche will be issued on June 1, 2022.

Covid - 19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19," has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses

globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The extent to which COVID-19 and any other pandemic or public health crisis impacts the Company's business, affairs, operations, financial condition, liquidity, availability of credit and results of operations will depend on future developments that are highly uncertain and cannot be predicted with any meaningful precision, including new information which may emerge concerning the severity of the COVID-19 virus and the actions required to contain the COVID-19 virus or remedy its impact, among others. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

Internet of Things has taken measures to protect its management, employees and contractors and has advised them to work from home and maintain a safe environment to ensure they are healthy and have minimal exposure to the risk of infection.

The Company has contacted all the parties it is working with to ensure they are all working in a safe environment. A number of such parties have had an impact on their operations and ability to collaborate, while, a large number have identified multiple new business opportunities due to COVID-19 and the stay at home order of students in many countries. Internet of Things began the development of a new fever-detection system called ThermalPass™, www.thermalpass.com, designed to enhance public safety.

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Disclosure of Outstanding Share Data

As of July 13, 2019, the following are outstanding:

Common Shares – 337,401,919
Warrants – 15,076,667
Stock Options – 7,900,000

Business Risk and Uncertainties

We are subject to a number of risks and uncertainties that can significantly affect our business, financial condition and future financial performance, as described below. In particular, there remain significant uncertainties in capital markets impacting the availability of equity financing. While these uncertainties in capital markets do not have a direct impact on our ability to carry out our business, the Company may be impacted should it become more difficult to gain access to capital when and if needed. These risks and uncertainties are not necessarily the only risks the Company faces. Additional risks and uncertainties that are presently unknown to the Company may adversely affect our business.

Limited Operating History

The Company has a limited operating history and has limited revenues derived from its operations. The Company may not be able to achieve profitability or continue operations on an ongoing basis. As well, the Company has encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing industries, including challenges in accurate financial planning and forecasting.

Problems Resulting from Rapid Growth

The Company will be pursuing a plan to market its solutions and platform throughout Canada, the USA and abroad, and will require capital in order to meet these growth plans. There can be no assurances that proceeds from the Company's financings will enable the Company to meet these growth needs. The Company expects to require significant working capital and other financial resources to implement its plan for rapid growth, including attracting and retaining qualified personnel. No assurance exists that the plan will be successful, and this may have a material adverse consequence on the business of the Company.

Growth of E-Commerce

The business of selling goods and services over the internet is dynamic and relatively new. Concerns about fraud, privacy and other challenges may discourage consumers and customers from adopting the internet as a medium of commerce.

Liquidity and Capital Requirements

The Company faces significant challenges in order to achieve profitability. There can be no assurance that it will be able to maintain adequate liquidity or achieve long-term viability. The Company's ability to meet its obligations in the ordinary course of business is dependent upon management's ability to establish profitable operations or raise capital, as needed, through public, or private debt or equity financing, or other sources of financing to fund operations.

The disruption of the capital markets and/or a decline in economic conditions, amongst other factors, could negatively impact the Company's ability to achieve profitability or raise additional capital when needed. In order to optimize the growth of the business, the Company may need to raise additional debt or equity financing. There can be no assurance that the Company will be able to identify a source of such financing, or that such financing will be available on acceptable terms, if at all. Moreover, should the opportunity to raise additional capital arise, any additional debt or equity financing could result in significant dilution of the existing holders of the Company's common shares.

Acquisitions or Other Business Transactions

The Company may, when and if opportunities arise, acquire other products, technologies or businesses that are complementary to its business. Acquisitions involve numerous risks, including difficulties in the assimilation of the operations, technologies and products of the acquired companies, the diversion of management's attention from other business concerns, risks associated with entering new markets or conducting operations in industry segments in the

Company has no or limited experience, and the potential loss of key employees of the investee companies. Moreover, there can be no assurances that any anticipated benefits of an acquisition will be realized. Future acquisitions by the Company, could result in potentially dilutive issuances of equity securities, the use of cash, the incurrence of debt and contingent liabilities, and write-off of acquired research and development costs, all of which could materially adversely affect the Company's financial condition, results of operations and cash flows.

Retention or Maintenance of Key Personnel

Although the Company's management has made efforts to align the interests of key employees by, among other things, granting equity interests in the Company to its operations personnel with vesting schedules tied to continued employment, there is no assurance that the Company can attract or retain key personnel in a timely manner as the need arises. Failure to have adequate personnel may materially compromise the ability of the Company to operate its business.

Conflicts of Interest

The Company may contract with affiliated parties, members of management of the Company, or companies owned or controlled by members of the Company's management. These parties or persons may obtain compensation and other benefits in transactions relating to the Company.

Certain members of management of the Company have other business activities in addition to the business of the Company, although each such member of management is contracted to devote the substantial majority of his or her working time to the Company. Despite management's intention to act fairly, it is possible that the Company could inadvertently enter into arrangements with related parties that feature less favourable terms than could have been obtained from unrelated parties.

Proprietary Rights Could Be Subject to Suits or Claims

No assurance exists that the Company or any company with which it conducts business can or will be successful in pursuing protection of the Company's proprietary rights such as business names, logos, marks, ideas, inventions, copyrights in photos and other visual works, and technology. In many cases, governmental registrations may not be available or advisable, considering legalities and expense, and even if registrations are obtained, adverse claims or litigation could occur.

Approval

The Directors of Internet of Things Inc. have approved the disclosure contained in this MD&A.

Additional Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com.