

INTERNET OF THINGS INC.

Form 51 – 102 F1

Management Discussion & Analysis

For the Three Months Ended April 30, 2020

July 30, 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 30, 2020, should be read in conjunction with the Company's Consolidated Financial Statements and accompanying Notes for the years ended April 30, 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 \$15,361,958 (2019 - \$12,801,100). During the period, the Company reported a net loss of \$866,529 (2019 - \$357,396). As at April 30, 2020 the Company had working capital deficiency of \$130,068 (2019 – \$4,674). 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

- April 20, 2020, the Company closed non-brokered private placement of 125,000,000 units at \$0.01 per unit for gross proceeds of \$1,250,000.
- The Company appointed Michael Lende as its President & CEO and its board of directors.
- The Company announced its new management team to be led by four seasoned industry veterans.

Operational Highlights

- The Company launched ThermalPass fever detection system to reduce transmission of all fever bearing contagions.
- The Company secured Health Canada approval to deploy breakthrough fever detection system, ThermalPass
- ThermalPass was prominently featured in an article on Fox.com. The report focuses on how businesses are looking to fever screening technology to safely reopen and as an added layer pf protection for their employees and customers against the spread of COVID-19.

- ThermalPass was featured on Reuters TV as one of the go-to thermal body temperature scanners to help economies around the world start to open-up post COVID-19.
- Weather Telematics Inc. launched *Alert Fleet*, a cost-saving software/sensor system that will provide fleet owners with the tools they need to run significantly safer and more efficient fleets.
- Weather Telematics Inc. signed new multi-year sales contract with Synoptic Data to provide meteorological data

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 three months period ended April 30, 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 three months period ended April 30:

2020	ITT	WTX	Total
Revenue	\$ -	\$ 54,343	\$ 54,343
Expenses	740,778	160,457	901,235
Other Expenses	2,219	17,418	19,637
Net Comprehensive Loss	\$ (742,997)	\$ (123,532)	\$ (866,529)

2019	ITT	WTX	Total
Revenue	\$ -	\$ 88,499	\$ 88,499
Expenses	255,344	191,626	446,970
Other Income	(833)	(242)	(1,075)
Net Comprehensive Loss	\$ (254,511)	\$ (102,885)	\$ (357,396)

Revenues

ITT Inc. commenced sales in June 2018 after the WTX Inc. acquisition and recorded revenues of \$54,343 for the three months period ended April 30, 2020 (2019 - \$88,499). 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 \$213,589 in 2019 to \$150,140 in 2020. This decrease in general and administrative expenses is due to the reduction of shareholder service expenditure, salaries and received government grant and subsidy.

The details for general and administrative expenses are as follows:

Period ended April 30	2020	2019
Salaries	\$ 105,883	\$ 130,308
Shareholder service	28,447	65,441
Selling, general and administrative expense	15,810	17,840
	\$ 150,140	\$ 213,589

Management fees

Management fees for the three months period ended April 30, 2020 were \$24,000 compared to \$100,000 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 \$24,102 for the three months period ended April 30, 2020 compared to \$28,476 in 2019.

Professional and consulting fees

The Company's professional and consulting fees increased from \$71,409 in 2019 to \$226,093 in 2020 for the three months period ended April 30, 2020. The increase is due to the additional consulting services provided for business development.

Share-based payments

The Company amortizes share-based payments with a corresponding increase to the contributed surplus account. During the period, the Company recorded an expense of \$445,200 compared to \$2,503 in 2019. This is related to the stock options vested during the period.

Amortization expenses – intangible

The amortization expenses of intangible assets were \$31,414 for the three months period compared to \$30,640 in 2019.

Net loss for the three months period

The Company experienced a net loss from operations before accretion, interest expense, of \$846,892 for the three-month period ended April 30, 2020, compared to \$258,472 for the three months period ended April 30, 2019.

Summary of Quarterly Results

	Q2-20	Q3-20	Q4-20	Q1-21
Revenue	\$ 94,329	\$ 57,275	\$ 17,785	\$ 30,469
Expenses	369,938	532,027	939,794	877,361
Total Comprehensive Loss	(375,238)	(508,374)	(882,528)	(866,529)
Loss per Share - Basic and Diluted	(0.00)	(0.00)	(0.01)	(0.00)
Total Assets	\$ 1,383,449	\$ 1,238,912	\$ 597,731	\$ 1,066,879

	Q2-19	Q3-19	Q4-19	Q1-20
Revenue	\$ 63,714	\$ 82,452	\$ 76,191	\$ 88,499
Expenses	251,926	477,723	1,361,324	446,971
Total Comprehensive Loss	(187,189)	(368,680)	(888,009)	(357,396)
Loss per Share - Basic and Diluted	\$(0.00)	\$(0.00)	(0.00)	(0.00)
Total Assets	\$ 880,581	\$ 818,227	\$ 1,753,965	\$1,588,913

During the first quarter, the Company recorded revenue of \$30,469, expenses of \$877,361, and total comprehensive loss of \$866,529.

General Financial Condition

As of April 30, 2020, ITT Inc., had working capital deficit of \$130,068 compared to \$4,674, as at April 30, 2019. The Company had cash on hand as at April 30, 2020 of \$378,688 (April 30, 2019 - \$54,636) 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 April 30, 2020, the Company had working capital deficit of \$130,068 as compared to \$4,674 in 2019.

During the quarter, the Company received loan of \$40,000 from its bank, guaranteed by the Government of Canada. 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 \$15,361,958 (2019 – 12,801,100). During the three months period, the Company reported a net loss of \$866,529 (2019 – \$357,396). 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 at April 30, 2020, the Company incurred management fees to related parties in the amount of \$24,000 (2019 - \$100,000) and consulting fees to related parties in the amount of \$2,500 (2019 - \$12,000), of which \$12,000 was paid to the CEO (2019 - \$40,000), \$12,000 was paid to the CFO (2019 - \$12,000) and \$8,000 (2019 - \$4,520) management fees was included in the payables.

The Company was charged \$2,700 (2019 - \$6,417) by a corporation with director and officer in common for rent, administration, office charges and telecommunications. At the end of the period, \$6,442 (2019 - \$3,391) was included in accounts payable, \$8,100 (2019 - \$nil) was included in accrued liabilities.

Subsequent Event

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. ThermalPass™ will screen for higher than normal body temperatures in potential carriers of Coronavirus and other fevers. ThermalPass™ will 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. 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.™.

Off Balance Sheet Arrangements

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

Disclosure of Outstanding Share Data

As of July 30, 2020, the following are outstanding:

Common Shares – 337,401,919
Warrants – 139,976,667
Stock Options – 22,500,000

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.