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PREDICTIV AI INC.

(formerly Internet of Things Inc.)

Form 51 – 102 F1

Management Discussion & Analysis

For the Three Month Ended April 30, 2021

June 29, 2021

Notice to Reader

The following Management Discussion & Analysis ("MD&A") of Predictiv AI Inc. (formerly Internet of Things Inc.) (the "Company" or "PAI Inc.") financial condition and results of operations, prepared as of June 29, 2021, should be read in conjunction with the Company's Consolidated Financial Statements and accompanying Notes for the period ended April 30, 2021 and 2020, 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 PAI 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 Predictiv AI Inc.

Predictiv AI Inc. (formerly Internet of Things Inc.) (the "**Company**" or "**PAI Inc.**") is a software and solutions provider in the artificial intelligence and industrial Internet of Things markets. It is a technology company which helps businesses and organizations make smarter decisions using advanced artificial intelligence, deep machine learning and data science techniques.

The Company has two operational business units including Weather Telematics Inc. ("Weather Telematics" or "**WTX**"), and SMRT Labs 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 Commersive Solutions Corp. ("**Commersive**"), a developer of integrated, point-of-sale technologies that create unique retail experiences, is focused on bringing its first product ThermalPass™ to the market. The JV is a jointly held company owned 51% by AI Labs Inc., a wholly owned subsidiary of PAI Inc. and 49% by Commersive.

The head office, principal address and registered and records office of the Company are located at 151 Bloor Street West, Suite 609, Toronto, Ontario, Canada, M5S 1S4.

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

Since inception, the Company has incurred losses amounting to $22,007,987. During the period, PAI Inc. reported a net comprehensive loss of $269,141 (2020 – $866,529). As at April 30, 2021, the Company had working capital deficit of $54,114 (2020 – working capital deficit of $130,068). The ability of the Company to continue as a going concern is dependent upon generating profitable operations from its acquisitions and operations or obtaining equity and/or debt financings. All of these outcomes are uncertain and cast significant doubt over the ability of the Company to continue as a going concern.

Corporate Highlights

- In February, the Company launched a 12-month online digital marketing campaign through AGORACOM for the purposes of raising visibility and awareness of the Company over key online platforms
- Predictiv AI formed dynamic new partnership with the Waterloo Artificial Intelligence Institute at the University of Waterloo to allow PAI's subsidiary AI Labs Inc. to pursue its various innovations through leveraging Waterloo.AI as an extension of the Predictiv AI team.
- In June 4, 2021, the Company and Commersive Solutions Corp. entered into a shareholders agreement for SMRT Labs Inc, which is the holding company for ThermalPass.

Business Highlights

- SMRT Labs completed sales to First Nations Innus of Ekuanitshit community.
- MCL Sustainable Cleaning Solutions joined ThermalPass as a channel reseller and distributor to drive sales in the K-12 education, health care, hospitality, food service, commercial real estate, long-term care and government sectors across Canada.

- Security Identification Systems Corp. (SISCO) joined ThermalPass as a channel reseller and distributor to market and sell ThermalPass to its U.S. customers in hospitality, healthcare, commercial enterprises and government.
- WTX Inc. has formalized a strategic product integration partnership with Propel IT Inc. ("Propel"). The new partnership will significantly enhance available real-time data to which drivers and dispatchers can access. WTX's hyperlocal, advanced road weather hazard alert system warns drivers of impending dangerous conditions such as black ice, poor visibility and hydroplaning.
- ThermalPass temperature scanning devices were adopted by Memorial Healthcare System in south Broward County.
- ThermalPass temperature scanning devices were installed in Iredell-Statesville Schools, one of North Carolina's largest school districts
- Skelton Truck Lines Ltd. is first to adopt Alert Fleet Mobile App. It will be outfitting its new 70-vehicle U.S. Fleet.
- Weather Telematics is working in efforts to grow existing small contracts into multiple deals which would Ideally integrate Alert Fleet. These companies have a vast combined network of over 40,000 fleet customers and over 2MM vehicles.

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. PAI 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) 3,787,879 of the Company's treasury shares, with 50% or 10,416,666 shares to be released over three years in three equal tranches of 631,313 shares on the 12th month, 24th month and 36th month anniversaries post-closing. The 50% balance or 1,893,939 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 145,379 common shares.

Since PAI 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 631,313 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.

In June 2020, 24 months from the closing date May 31, 2018, the Company issued 631,313 shares to WTX's vendors.

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.

In March 2021, WTX Inc. formalized a strategic product integration partnership with Propel IT Inc. ("Propel"). The new partnership will significantly enhance available real-time data to which drivers and dispatchers can access. WTX's hyperlocal, advanced road weather hazard alert system warns drivers of impending dangerous conditions such as black ice, poor visibility and hydroplaning.

In April, 2021, WTX Inc. announced it will be outfitting the new 70-vehicle US fleet for Skelton Truck Lines Ltd, with the Alert Fleet Road Hazard mobile app. The WTI technology package transmits real-time data that provides hyperlocal, advanced road-weather hazard alerts to identify dangerous conditions such as black ice, poor visibility and hydroplaning for drivers and dispatchers to mitigate accidents and reduce insurance costs. Additionally, WTI is installing Skelton Truck Lines with its proven "ground truth" sensors in each of the new Skelton fleet vehicles.

SMRT Labs Inc.

In May 2020, the Company signed an agreement with Commersive Solutions Corp. ("Commersive Solutions"). to form a joint venture, SMRT Labs Inc. ("SMRT Inc."), AI Labs Inc. holds a 51% interest and Commersive Solutions holds a 49% interest in the joint venture. SMRT Inc. has been formed for the purpose of developing and commercializing ThermalPass™ which was conceived and developed jointly by AI Labs Inc. and Commersive Solutions. It is focused on bringing its first product ThermalPass™ to the market.

- SMRT Labs completed sales to First Nations Innus of Ekuanitshit community.
- MCL Sustainable Cleaning Solutions joined ThermalPass as a channel reseller and distributor to drive sales in the K-12 education, health care, hospitality, food service, commercial real estate, long-term care and government sectors across Canada.

- Security Identification Systems Corp. (“SISCO”), to pairing ThermalPass with SISCO Fast-Pass®Vistor Management System to assist with track-and-trace efforts and to provide enhanced peace of mind to building occupants and visitors.

- ThermalPass temperature scanning devices were adopted by Memorial Healthcare System in south Broward County.

- ThermalPass temperature scanning devices were installed in Iredell-Statesville Schools, one of North Carolina’s largest school districts

Below is a summary of the investment in the SMRT Labs Inc. joint venture:

	April 30, 2021	January 31, 2021
Loans advanced to SMRT Labs Inc.	**$ 171,755**	$ 498,469
Share of losses in SMRT Labs Inc.	**(24,788)**	(498,469)
Carrying value at January 31, 2021	**$ 146,967**	$ -

Reconciliation to carrying amounts:		
	April 30, 2021	January 31, 2021
Loss for the period	**$ (48,603)**	$ (1,000,181)
Closing net assets	**(48,063)**	(1,000,181)
PAI Inc.’s share - 51%	**$ (24,788)**	$ (510,092)
Summarized statement of comprehensive income		
Revenue	**$ 498,709**	$
Total expenses	**547,110**	1,140,605
Depreciation and amortization	**202**	107
Loss from operations	**(48,603)**	(1,000,181)
Loss for the period	**(48,603)**	(1,000,181)
Total comprehensive loss	**$ (48,603)**	$ (1,000,181)

The unrecognised share of losses of a joint venture for the reporting period and cumulatively are $11,623.

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 period ended April 30, 2021, there has been no financial activity within New Hope IoT Int'l. Inc. JV.

Market Trends

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

Weather Risk Market

Weather impacts all aspects of our lives, in business, adverse weather can have a material impact on operations and profitability. Weather Telematics offers weather risks solutions that assist various industries understand, plan and react to. According to:

- Harvard Business Review, every year, weather variability costs the U.S. economy USD$6.3 billion or 3.5% of GDP.
- Bloomberg, US losses from hail and severe thunderstorms breached USD$19 billion in inflation-adjusted dollars in 2019, far exceeding the USD$8 billion to USD$12 billion norm seen previously.
- Accuweather, each year trucking companies lose an estimated 32.6 billion vehicle hours due to weather-related congestion in 281 of the nation's metropolitan areas. Furthermore, nearly 12% of the total estimated truck delays are due to weather in the 20 cities with the greatest volume of truck traffic. These weather-related delays cost the United States trucking industry USD$2.2 billion to USD$3.5 billion dollars annually.
- HG.org, the total economic cost of truck accidents including death, injury and property damage was U$112 billion (per year).

As reported in FreightWaves, Chad Eichelberger, founder of Reliance Partners, a provider of insurance services to the trucking industry, said that carriers could see insurance rates double or

triple in 2020 if they had any accidents with fatalities in the past year. According to Eichelberger, a small carrier with a clean history will pay USD$5,000 - USD$7,000 in insurance per truck, but if a carrier is based in a high-risk jurisdiction, the rate could be 25%-30% higher. Eichelberger listed Louisiana, New York, New Jersey, Florida, and California as high-risk states, and suggested that rates in Georgia and Texas are increasing dramatically as payout levels accelerate.
The Truckload Carrier Association's (TCA) TPP benchmark platform reports that truckload fleets are currently paying USD$6,800 per truck for insurance. Also, the average deductible is between $20,000-$25,000 per accident and downtime cost trucking fleets $5,000-$7,000 per week per vehicle. TPP data is considered the most reliable data of fleet costs in the trucking market, benchmarking and comparing fleet costs of approximately 500 data points per month. According to TPP data, flatbed operations were in the red for most of 2019, with only June 2019 showing operating profitability.
At a savings of approximately USD$800 per unit per month in insurance cost, a carrier of 1,000 trucks has USD$800,000 dollars a month less overhead allowing them to bid freight at approximately .08 cpm (cost per mile) less than the average carrier.

Results of Operation

The following is the Company overall operational highlights for the period ended April 30, 2021:

	Predictiv AI	Weather Telematics	Total
Revenue	$ -	$ 11,109	$ 11,109
Expenses	$ 613,490	$ 111,816	$ 725,306
Share of loss (profit) of joint venture in SMRT Labs Inc.	$ 24,788	$ -	$ 24,788
Net Comprehensive Loss	$ (168,873)	$ (100,270)	$ (269,141)

A further analysis to the Company's net comprehensive loss shows the impact of increase of non-cash items:

For the three-month period ended April 30	2021	2020
Net loss and comprehensive loss for the period	$ (269,141)	$ (866,529)
Add Non-cash items:		
Revaluation of derivative liability	(463,124)	-
Change in fair value of contingent consideration	(6,466)	-
Share-based payments	257,166	445,200
Amortization – intangibles	-	31,414
Depreciation – property and equipment	226	286
	(212,198)	476,900
Adjusted Comprehensive loss:	$ (481,339)	$ (389,629)

Adjusted comprehensive loss increased from $(389,629) in 2020 to $(481,339) in 2021.

Revenues

PAI Inc. commenced sales in June 2018 after the WTX Inc. acquisition and recorded revenues of $11,109 for the period ended April 30, 2021 (2020 - $54,343). Revenues consisted of the sale of predictive road-weather analytics data and software. The decrease of the sales is due to one main customer changed the way of measuring and compensating Weather Telematics for its sensors deployment. Management anticipates this attributed revenue will appreciate as WTX Inc. deploys its latest sensors as part of its recently announced contract.

General and administrative expenses

The Company's general and administrative expenses increased from $150,140 in 2020 to $295,918 in 2021. This increase in general and administrative expenses is due to the increased marketing promotion efforts.

The details for general and administrative expenses are as follows:

For the three-month ended April 30	**2021**	2020
Salaries	**$ 90,078**	$ 105,883
Shareholder services	**41,285**	28,447
Marketing and administrative expense	**198,425**	15,810
Less: Canada emergency wage subsidy	**(33,870)**	-
	$ 295,918	$ 150,140

Government Subsidy

The Canada Emergency Wage subsidy ("CEWS") was announced on March 27, 2020. Effective April 11, 2020, the CEWS came into force providing a wage subsidy to eligible Canadian employers to enable them to continue to pay their Canadian employees through their own payroll. Due to the impact of COVID-19, the Company applied for CEWS and received $33,870 during the period and recorded this amount as a reduction of general and administrative expense.

Management fees

Management fees for the period ended April 30, 2021 were $54,000 compared to $24,000 in 2020. The increase is due to the restructure of PAI 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 $14,602 for the period ended April 30, 2021 compared to $24,102 in 2020.

Professional and consulting fees

The Company's professional and consulting fees decreased from $226,093 in 2020 to $103,394 in 2021 for period ended April 30, 2021.

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 $257,166 compared to $445,200 same period in 2020. This is related to the stock options vested during the period. The share-based payments consist fair value of shares & options issued as management signing bonus and stock options vested during the year.

Amortization expenses – intangible

The amortization expenses of intangible assets were $nil for the period compared to $31,414 in 2020.

Loss from operations

The Company experienced a net loss from operations of $714,196 for the period ended April 30, 2021, compared to $846,892 for the period ended April 30, 2020. The decrease of loss from operations is due to the decrease of non-cash items listed below:

	2021	**2020**
Share-based payments	257,166	445,200
Amortization – intangibles	-	31,414
Depreciation – property and equipment	226	286
	$ 257,392	$ 476,900

With adding back non-cash items, the net loss from operations was $(456,804) for the period ended April 30, 2021, comparing to the loss of $(369,992) in 2020.

Net loss and net comprehensive loss

For the three-month period ended April 30	**2021**	**2020**
Net loss and comprehensive loss for the period	$ (269,141)	$ (866,529)
Add Non-cash items:		
Revaluation of derivative liability	(463,124)	-
Change in fair value of contingent consideration	(6,466)	-
Share-based payments	257,166	445,200
Amortization – intangibles	-	31,414
Depreciation – property and equipment	226	286
	(212,198)	476,900
Adjusted Comprehensive loss:	$ (481,339)	$ (389,629)

Adjusted comprehensive loss increased from $(389,629) in 2020 to $(481,339) primarily due to the company’s share of loss of joint venture and increase in Marketing expenses.

Summary of Quarterly Results

	Q2-21	Q3-21	Q4-21	Q1-22
Revenue	$ 14,131	$ 4,879	$ 28,845	$ 11,109
Expenses	397,629	918,342	1,286,086	725,306
Total Comprehensive Loss	(400,835)	(935,481)	(5,040,572)	(269,141)
Loss per Share - Basic and Diluted	(0.00)	(0.00)	(0.12)	(0.00)
Total Assets	$ 960,738	$ 1,833,351	$ 457,830	$ 643,087
	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

General Financial Condition

As of April 30, 2021, PAI Inc., had working capital deficit of $54,114 compared to the working capital deficit of $130,068, as at April 30, 2020. The Company had cash on hand as at April 30, 2021 of $233,232 (2020 - $378,688) 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, 2021, the Company had working capital deficit of $54,114 as compared to the working capital deficit of $130,068 in 2020.

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 $22,007,987. During the period, the Company reported a net loss of $269,141 (2020 – net loss $866,529). 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.

Subsequent to the quarter-end, 7,167,256 warrants were exercised at an exercise price of $0.055 for the total gross proceeds of $394,199. 108,696 stock options were exercised at an exercise price of $0.23, for the total gross proceeds of $25,000.

Related Party Balances and Transactions

As at April 30, 2021, the Company incurred management fees to related parties in the amount of $54,000 (2020 - $24,000) and consulting fees to related parties in the amount of $6,000 (2020 - $2,500), of which $36,000 was paid to the Chief Executive Officer (CEO) (2020 - $12,000),

$18,000 was paid to the Chief Financial Officer (2020 - $12,000), and $7,500 (2020 - $8,000) management fees were unpaid and was included in accrued liabilities and $6,780 consulting fees were unpaid (2020 - $Nil) which were included in accounts payable.

During the period, 181,818 liability warrants were exercised by related party at an exercise price of $0.055 for the gross proceeds of $10,000.

COVID-19

Since January 31, 2020, 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.

PAI Inc. 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.

Off Balance Sheet Arrangements

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

Disclosure of Outstanding Share Data

As of June 29, 2021, post share consolidation, the following are outstanding:

Common Shares – 93,349,923
Warrants – 1,089,977
Stock Options – 4,585,217

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 Predictive AI Inc. have approved the disclosure contained in this MD&A as of June 1, 2021.

Additional Information

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