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PREDICTIV AI INC.

Form 51 – 102 F1

Management Discussion & Analysis

For the Three Months Ended October 31, 2024

December 20, 2024

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 December 20, 2024, should be read in conjunction with the Company's Consolidated Financial Statements and accompanying Notes for the years ended October 31, 2024 and 2023, 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 PLUS website www.sedarplus.ca.

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. (the “**Company**" or "**PAI Inc.**") is a software and solutions provider in the artificial intelligence and industrial IoT markets. PAI Inc. 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 an operational business unit, Weather Telematics Inc. (“Weather Telematics” or “**WTX**”). 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 head office, principal address and registered and records office of the Company are located at 20 Bay Street, 11th Floor, Toronto, Ontario, Canada, M5J 2N8.

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 $23,838,926. During the period, PAI Inc. reported a net comprehensive loss of $(107,372) (2023 – $(95,442)). As at October 31, 2024, the Company had working capital deficit of $155,254 (2023 –$1,064,566). The ability of the Company to continue as a going concern is dependent upon 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 March 2024, the Company completed a debt settlement with certain creditors of the Company (the "Creditors"), pursuant to which Predictiv AI has issued to the Creditors an aggregate of 25,000,000 Common Shares at a price of $0.02 per Common Share in full and final settlement of accrued and outstanding indebtedness in the aggregate amount of $500,000 (the "Debt Settlement"). All securities issued pursuant to the Debt Settlement are subject to a statutory hold period of four months from the date of issuance.

- In May 2024, the Company completed its previously announced non-brokered private placement (the "Private Placement") of 10,000,000 units of the Company ("Units") at a price of $0.02 per Unit for total gross proceeds of $200,000. Each Unit consists of one common share (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant is exercisable for one additional Common Share at an exercise price of $0.05 for a period of 24 months. If the volume weighted average price of the Common Shares is equal to or greater than $0.10 for any 10 consecutive trading days, 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 pursuant to the Private Placement will be subject to a statutory hold period of four months from the date of issuance.

- In August 2024, the Company entered into a letter of intent (the “LOI”) to acquire all issued and outstanding shares of Shift Technologies Canada Inc. (“Shift”) and HouseStack Holdings Inc. (“HouseStack”), both private companies which are each 83% owned by Suman Pushparajah.

  Predictiv AI intends for the Proposed Transaction to constitute a Reverse-Takeover Transaction pursuant to the policies of the TSX Venture Exchange (the "TXSV"). The trading in the common shares of Predictiv AI (“PAI Shares") is anticipated remain halted until the completion of the Proposed Transaction.

- On October 2, 2024, the Company announced additional details of its proposed financing of up to $1,500,000 pursuant to the previously announced reverse takeover transaction (the "RTO") with Shift Technologies Canada Inc. (“Shift”) and HouseStack Holdings Inc. (“HouseStack”).

  Immediately prior to the closing of the RTO, and subject to Predictiv AI shareholder and TSX Venture Exchange ("TSXV") approval, it is anticipated that the Company will undertake a share consolidation on the basis of one (1) post-consolidation common share for five and half (5.5) pre-consolidation common shares (the "Consolidation"). The financing (the "RTO Financing") is expected to be completed via a non-brokered private placement financing.

  Trading in the common shares of Predictiv AI has been halted since the initial announcement of the RTO in August 2024. It is anticipated that trading in the common shares of the Company will resume after the completion of RTO.

Operational Focus

With over 10 years of intense data collection, AI based algorithmic development, and a clear sense of market direction versus our strengths and weaknesses, PAI inc. viewed this as a key shift to building a focused future. The Company started the process of creating a baseline DaaS model that could allow PAI Inc. to adopt wide spectrum in market opportunities. The focus would be that we build PAI Inc. as a provider of curated intelligent data sets. These data sets could be utilized by any number of companies, verticals of geographies to integrate this curated data into a larger application specific platform. Data is mission critical. The volume of data now available is often becoming overwhelming for business. The real key to success going forward will be those companies that can curate data intelligently and present data in a way that can be consumable for many.

On August 8, 2024, the Company entered into a letter of intent (the “LOI”) dated August 2, 2024 to acquire all issued and outstanding shares of Shift Technologies Canada Inc. (“Shift”) and HouseStack Holdings Inc. (“HouseStack”), both private companies which are each 83% owned by Suman Pushparajah (“Pushparajah”).

Predictiv AI will acquire all issued and outstanding shares in the capital of both Shift and HouseStack (the “Target Shares”) in exchange for 70% of Predictiv AI’s total and outstanding common shares immediately prior to the closing of the Proposed Transaction. Based on the number of PAI Shares currently issued and outstanding of 128,500,616, it is expected that the holders of Target Shares will be issued approximately 300,000,000 PAI Shares (on a pre-Consolidation basis, as discussed below).

In addition to the issuance of PAI Shares, on closing of the Proposed Transaction, Pushparajah will receive (i) a cash payment of $250,000, and (ii) a promissory note (the "Note") issued by the Resulting Issuer with a principal amount of $250,000, accruing interest at an annual rate of 6%. Pushparajah shall have the option to convert the principal amount of the Note into PAI Shares at the issue price of the PAI Shares under the equity financing (the "Financing") completed concurrent with completion of the Proposed Transaction (as described below); or receive cash repayment under the Note once the Resulting Issuer achieves positive cash flow for at least two consecutive financial years.

As per the LOI, a condition of closing the Proposed Transaction, Predictiv AI will complete the Financing in an amount that is sufficient to meet the initial listing requirements of the TSXV, at a price to be determined in the context of the market.

Immediately prior to the closing of the Proposed Transaction, and subject to Predictiv AI shareholder approval and TSXV approval, it is anticipated that Predictiv AI will undertake a share consolidation on the basis of one (1) post-consolidation common share for up to 6 pre-consolidation common shares (the "Consolidation").

Closing of the Proposed Transaction will be subject to a number of conditions precedent including, without limitation:

(a) receipt of all required regulatory, corporate and third-party approvals, including TSXV approval, and compliance with all applicable regulatory requirements and conditions necessary to complete the Proposed Transaction;

(b) completion of satisfactory results from due diligence investigations for each of the parties;

(c) completion of the Financing; and

(d) other mutual conditions precedent customary for a transaction such as the Proposed Transaction.

The Proposed Transaction is not a Related Party Transaction under TSXV Policy 5.2, and it is not expected that the Proposed Transaction will be subject to approval by PAI's shareholders. There are no Non-Arm's Length Parties of PAI that are Insiders, officers or shareholders of Shift or HouseStack.

Market Trends

The Company has spent the last 18 months focusing on identifying asset(s) PAI Inc. could partner with or acquire. The Company has been investigating the communications service providers sector and the wireless network technology sector.

Management has a clear focus of what we need to find, as a result we remain convinced predictive outcomes is the true value in any AI based solution. Those companies that can deliver an application or a service that focuses on a predictive outcome to a specific vertical segment, will be the ultimate winners.

Results of Operation

The following is a breakdown of company overall operational highlights for the three months period ended October 31, 2024:

	Predictiv AI	Weather Telematics	IoT Labs	Total
Revenue	$ -	$ -	$ -	$ -
Expenses	104,459	-	7,231	111,690
Net comprehensive income (loss)	$ (107,192)	$ -	$ (180)	$ (107,372)

General and administrative expenses

The Company's general and administrative expenses decreased from $11,161 in 2023 to $15,724 for the third quarter of 2024. This increase in general and administrative expenses is mainly related to the costs associated to shareholder service. For the nine-month period ended October 31, 2024, the Company's general and administrative expenses increased from $275,019 in 2023 to $355,966.

The details for general and administrative expenses are as follows:

Three-month Period ended October 31	**2024**	2023
Shareholder services	**$ 3,535**	$ 2,469
General and administrative expense	**12,189**	8,692
	$ 15,724	$ 11,161

Management fees

Management fees for the three months period ended October 31, 2024 were $36,000 compared to $36,000 in 2023.

Professional and consulting fees

The Company's professional and consulting fees increased from $42,400 in 2023 to $59,816 in 2024 for the three months period ended October 31, 2024. This increase is due to the efforts the Company made towards business development.

Net loss for the three months period

The Company experienced a net loss from operations before interest expense and foreign exchange loss of $(107,372) for the three-month period ended October 31, 2024, compared to net loss of $(95,442) for the three months period ended October 31, 2023.

Summary of Quarterly Results

	Q4-24	Q1-25	Q2-25	Q3-25
Revenue	$ -	$ -	$ -	$ -
Expenses	7,490	92,893	151,383	111,690
Total Comprehensive Loss	(97,627)	(96,585)	(128,468)	(107,372)
Loss per Share - Basic and Diluted	(0.00)	(0.00)	(0.00)	(0.00)
Total Assets	$ 23,636	$ 45,786	$ 85,970	$ 10,701
	Q4-23	Q1-24	Q2-24	Q3-24
Revenue	$ 40,488	$ -	$ -	$ -
Expenses	119,627	83,764	101,507	89,749
Total Comprehensive Loss	(82,435)	(87,138)	(106,941)	(95,442)
Loss per Share - Basic and Diluted	(0.00)	(0.00)	(0.00)	(0.00)
Total Assets	$ 71,977	$ 16,314	$ 40,436	$ 23,369

During the third quarter, the Company recorded expenses of $111690, and total comprehensive loss of $(107,372).

General Financial Condition

As of October 31, 2024, PAI Inc. had working capital deficit of $155,254 compared to the working capital deficit of $1,064,566, as at October 31, 2023. The Company had cash on hand as at October 31, 2024 of $2,739 (October 31, 2023 - $10,635) 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 October 31, 2024, the Company had working capital deficit of $155,254 as compared to the working capital deficit of $1,064,566 in 2023.

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 order to finance its working capital requirements. The Company has been successful in raising sufficient working capital in the past.

Since inception, the Company has incurred losses amounting to $23,838,929. During the three months period, the Company reported a net loss of $(107,372) (2023 – $(95,442)). The ability of the Company to continue as a going concern is dependent upon obtaining new equity and/or debt financing.

Related Party Balances and Transactions

The Company's key management includes Jim Grimes, President & CEO and Khurram Qureshi, CFO.

The Company had the following transactions with related parties, made in the normal course of operations, and accounted for at an amount of consideration established and agreed to by the Company and the related parties.

During the 3-month period ended October 31, 2024, the Company incurred management fees to related parties in the amount of $36,000 (2023 - $36,000), of which $18,000 was recorded as owing to the CEO (2023 - $18,000), and $18,000 was recorded as owing to the CFO (2023 - $18,000). At the end of period, $196,885 (2023 – $nil) to CEO and $168,742 (2023 - $nil) to CFO were converted to unsecured, non-interest-bearing loans, due on January 31, 2026.

The table below lists the loans owed to the management and director at October 31, 2024 and 2023.

	October 31, 2024	January 31, 2024
(i) Loans payable, set-up fee of 5%, interest bearing at 1% per month, interest payable monthly, principal due on demand	**$ -**	$ 10,000
(ii) Management fee converted to un-secured, non-interest-bearing loan	**365,627**	60,000
Total	**$ 365,627**	$ 70,000

Off Balance Sheet Arrangements

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

Disclosure of Outstanding Share Data

As of December 20, 2024, post share consolidation, the following are outstanding:

Common Shares – 128,500,616
Stock Options – Nil
Warrants – 10,000,000

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 US 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.

Internal Controls over Financial Reporting

In accordance with National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, management is responsible for establishing and maintaining adequate internal controls over financial reporting ("ICFR"). The Company's management, including the CEO and CFO, has designed Internal Control-Integrated Framework to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS.

Notwithstanding human errors that impose inherent limitations in the financial reporting process, our board of directors is responsible for the approval process of our disclosure documents. All significant disclosures are subject to review and approval by the board prior to submission. This process ensures that our disclosures align with our corporate objectives and comply with regulatory requirements.

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 Plus at www.sedarplus.ca.