

PREDICTIV AI INC.

Form 51 – 102 F1

Management Discussion & Analysis

For the Three Months Ended October 31, 2025

December 23, 2025

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 23, 2025, should be read in conjunction with the Company's Consolidated Financial Statements and accompanying Notes for the years ended October 31, 2025 and 2024, 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 sector. The Company focuses on technologies designing solutions which deliver predictive outcomes. 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.

One of the Company's operational business units, Weather Telematics Inc. ("Weather Telematics" or "WTX") was a wholly owned subsidiary and was consolidated until its disposition on December 16, 2024.

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 \$24,291,439. During the period, PAI Inc. reported a net comprehensive loss of \$(124,401) (2024 – 107,252)). As at October 31, 2025, the Company had working capital deficit of \$(1,246,246) (2024 – \$(189,773)). 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

- On July 22, 2025, Predictiv AI, Shift, Housestack, Suman Pushparajah and Sana Srithas entered into an acquisition agreement (the "**Acquisition Agreement**") pursuant to which PAI will acquire all of the issued and outstanding shares of Shift and Housestack from Suman Pushparajah and Sana Srithas, in exchange for the issuance of PAI common shares (on a post-Consolidation basis) (the "**Resulting Issuer Shares**") of the resulting issuer that will exist upon completion of the RTO Transaction (the "**Resulting Issuer**") in the aggregate amount of 62,678,641 Resulting Issuer Shares to Suman Pushparajah and Sana Srithas.

In connection with the closing of the RTO Transaction, Predictiv AI will consolidate its common shares (the "**Consolidation**") on a ratio of 1 new share for each 9 old shares. Based on the number of common shares currently issued and outstanding of 128,500,616, it is expected that the Company will have approximately 14,277,846 common shares outstanding post-Consolidation prior to completion of the RTO Transaction.

Completion of the RTO Transaction is subject to a number of conditions, including the requisite shareholder approval of the Consolidation and the Canadian Securities Exchange (the "**CSE**") approving the listing of the Resulting Issuer's common shares.

- It is a condition of closing of the Proposed Transaction that the Resulting Issuer obtains a listing of its common shares on the Canadian Securities Exchange ("**CSE**"). In connection with the Proposed Transaction, the Company intends to voluntarily delist its common shares from the NEX Board of the TSX Venture Exchange and apply for a listing of the common shares of the Resulting Issuer on the CSE. As a result, it is anticipated that the Proposed Transaction will be governed by the policies of the CSE. While it is anticipated that the

Resulting Issuer will qualify for listing, the CSE has not reviewed the Proposed Transaction and there is no certainty that the application will be approved.

- As part of the RTO Transaction, an equity financing (the "Financing") has been completed for gross proceeds of \$1,641,467 through the issuance of subscription receipts (the "Subscription Receipts") at a price of \$0.10 per Subscription Receipt. The funds from the Subscription Receipts will be held in escrow until the closing of the RTO Transaction and the satisfaction of certain escrow release conditions (collectively, the "Release Conditions"). Each Subscription Receipt, upon satisfaction of the Release Conditions, will automatically convert into one Resulting Issuer Share and one (1) transferable share purchase warrant (a "Warrant"), subject to adjustment in certain events. Each Warrant will entitle the holder thereof to purchase one Resulting Issuer Share at an exercise price of \$0.15 per share for a period of 24 months from the closing date of the RTO Transaction, provided that, if, following four months and a day after the closing date of the RTO Transaction, the volume weighted average price of the common shares on the CSE is equal to or greater than \$0.30 for any 10 consecutive trading days, the Resulting Issuer 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.
- Predictiv AI held its annual and special meeting on September 10, 2025. At the Annual Meeting, the shareholders have re-elected Messrs. Jim Grimes, Khurram Qureshi, Robert Barlow, Andrew Lindzon, and Eduardo Rebagliati as directors of the Company.

The Shareholders elected Suman Pushparajah, Sana Srithas, Robert Barlow, and Etienne Grima as directors of the Company to replace the Original Board, conditional and effective upon the completion of the Corporation's proposed transaction with Shift Technologies Canada Inc. and HouseStack Holdings Inc.,

In addition, shareholders also approved the matters listed below:

- ◇ Voluntarily delist the Corporation's common shares from the NEX board of the TSX Venture Exchange and subsequent listing of the common shares on the Canadian Securities Exchange.
- ◇ Consolidate the capital of the Corporation on the basis of nine (9) pre-consolidation common shares to one (1) post consolidation common share.
- ◇ Re-appoint AGT Partners as auditors.
- ◇ Approve the proposed omnibus long-term incentive plan to replace the Corporation's current Stock Option Plan.

The directors held a board meeting subsequent to the Annual Meeting and re-appointed Jim Grimes as President & CEO and Khurram Qureshi as Chief Financial Officer.

- On December 16, 2025, the Company announced that it has completed its acquisition (the "Transaction") of 100% of the issued and outstanding securities of Shift Technologies Canada Inc. ("Shift") and HouseStack Holdings Inc. ("HouseStack") pursuant to an acquisition agreement dated July 22, 2025, among the Company, Shift, HouseStack and the

securityholders of Shift and HouseStack (the "Selling Securityholders"). Pursuant to the completion of the Transaction, the Company issued 62,678,641 common shares to the Selling Securityholders in exchange for 100% of the issued and outstanding securities of Shift and HouseStack. Upon completion of the Transaction, Shift and HouseStack have become wholly-owned subsidiaries of the Company and the Company intends to continue the business of Shift and HouseStack. Upon completion of the Transaction, there are an aggregate of 118,348,537 common shares of the Company issued and outstanding

- On December 22, 2025, PAI received final approval from the Canadian Securities Exchange (the "CSE") and that its common shares has commenced trading at market same day under the symbol PAI.

Operational Focus

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, 2025:

	Predictiv AI	IoT Labs	Total
Revenue	\$ -	\$ -	\$ -
Expenses	112,666	-	112,666
Net comprehensive income (loss)	\$ (124,401)	\$ -	\$ (124,401)

General and administrative expenses

General and administrative expenses increased to \$34,046 for the third quarter of 2025 from \$7,914 in the comparable period of 2024. The prior-year amount reflects the impact of account reclassification, which resulted in lower reported general and administrative expenses for that period. The year-over-year increase was primarily attributable to higher shareholder services expenses, which increased to \$11,040 in 2025 from \$3,534 in 2024, mainly due to costs associated with the Company's Annual General Meeting held in September 2025. In addition, general and administrative expenses increased to \$23,006 in 2025 from \$4,380 in 2024, primarily due to account reclassification as a result of lower 2024 general and administrative expense and higher meal-related expenses during the quarter of 2025.

The details for general and administrative expenses are as follows:

Three-month Period ended October 31	2025	2024
Shareholder services	\$ 11,040	\$ 3,534
General and administrative expense	23,006	4,380
	\$ 34,046	\$ 7,914

Management fees

Management fees for the three months period ended October 31, 2025 were \$36,000 compared to \$36,000 in 2024.

Professional and consulting fees

The Company's professional and consulting fees decreased from \$59,816 in 2024 to \$42,500 in 2024 for the three months period ended October 31, 2024. This decrease is due to less legal fee expenditures occurred during the third quarter of 2025.

Net loss for the three months period

The Company experienced a net loss from operations before interest expense and foreign exchange loss of \$(112,666) for the three-month period ended October 31, 2025, compared to net loss of \$(103,880) for the three months period ended October 31, 2024.

Summary of Quarterly Results

	Q4-25		Q1-26		Q2-26		Q3-26	
Revenue	\$	-	\$	-	\$	-	\$	-
Expenses		18,416		79,648		169,557		112,666
Total Comprehensive Loss		(8,242)		(86,059)		(179,573)		(124,401)
Loss per Share - Basic and		(0.00)		(0.00)		(0.00)		(0.00)
Total Assets	\$	21,047	\$	4,857	\$	1,650,292	\$	1,648,173
	Q4-24		Q1-25		Q2-25		Q3-25	
Revenue	\$	-	\$	-	\$	-	\$	-
Expenses		7,490		92,893		96,078		111,690
Total Comprehensive Loss		(97,627)		(96,585)		(103,120)		(107,372)
Loss per Share - Basic and		(0.00)		(0.00)		(0.00)		(0.00)
Total Assets	\$	23,636	\$	47,833	\$	91,486	\$	10,701

During the third quarter, the Company recorded expenses of \$112,666, and total comprehensive loss of \$(124,401).

General Financial Condition

As of October 31, 2025, PAI Inc. had working capital deficit of \$(1,246,246) compared to the working capital deficit of \$(189,773), as at October 31, 2024. The Company had subscription fund held in trust for \$1,641,467 and Bank indebtedness of \$4,786 as at October 31, 2025 (October 31, 2024 - \$2,739) 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, 2025, the Company had working capital deficit of \$(1,246,246) compared to the working capital deficit of \$(189,773) in 2024.

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 \$24,291,439. During the three months period, the Company reported a net loss of \$(124,401) (2024 – \$(107,252)). 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.

- (i) For the three months ended October 31, 2025, the Company recorded management fee to related parties in the amount of \$36,000 (three months ended July 31, 2025 - \$36,000), of which \$18,000 was recorded to the CEO (three months ended October 31, 2024 - \$18,000), and \$18,000 was recorded to the CFO (three months ended October 31, 2024 - \$18,000), and \$36,000 (three months ended October 31, 2024 - \$36,000) management fees were unpaid and was included in loans payable. At the end of the period, \$268,885 (2024 - \$196,885) was included in loans payable to the CEO and \$240,742 (2024 - \$168,742) was included in loans payable to the CFO.
- (ii) For the nine months ended October 31, 2025, the Company recorded management fee to related parties in the amount of \$108,000 (nine months ended October 31, 2025 - \$108,000), of which \$54,000 was recorded to the CEO (nine months ended October 31, 2024 - \$54,000), and \$54,000 was recorded to the CFO (nine months ended October 31, 2024 - \$54,000), and \$108,000 (nine months ended October 31, 2024 - \$108,000) management fees were unpaid and was included in loans payable.
- (iii) During the period ended October 31, 2025, one director advanced \$7,000 to the company. The amount is interest free and has no fixed term of repayment.
- (iv) For the three months ended October 31, 2025, the Company paid \$Nil (three months ended October 31, 2024 - \$Nil) directors fees to independent directors.
- (v) For the nine months ended October 31, 2025, the Company paid \$Nil (nine months ended October 31, 2024 - \$9,000) directors fees to independent directors.
- (vi) As at October 31, 2025, the Company's accounts payable include \$15,771 (2024 - \$15,771) for rent and office expenses to a company controlled by an executive of the company.

The table below lists the loans owed to the management and director at October 31, 2025 and January 31, 2025.

	October 31, 2025	January 31, 2025
(i) Loan from director	\$ 7,000	\$ -
(ii) Management fee converted to un-secured, non-interest-bearing loan	509,628	401,628
Total	\$ 516,628	\$ 186,742

Subsequent Event

On December 16, 2025, the Company announce that it has completed its acquisition (the "Transaction") of 100% of the issued and outstanding securities of Shift Technologies Canada Inc ("Shift") and HouseStack Holdings Inc. ("HouseStack") pursuant to an acquisition agreement dated July 22, 2025, among the Company, Shift, HouseStack and the securityholders of Shift and HouseStack (the "Selling Securityholders"). Pursuant to the completion of the Transaction, the Company issued 62,678,641 common shares to the Selling Securityholders in exchange for 100% of the issued and outstanding securities of Shift and HouseStack. Upon completion of the Transaction, Shift and HouseStack have become wholly-owned subsidiaries of the Company and the Company intends to continue the business of Shift and HouseStack. Upon completion of the Transaction, there are an aggregate of 118,348,537 common shares of the Company issued and outstanding.

On December 22, 2025, the Company received final approval from the Canadian Securities Exchange (the "CSE") and that its common shares commenced trading at market under the symbol PAI.

Off Balance Sheet Arrangements

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

Disclosure of Outstanding Share Data

As of December 23, 2025, 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.