151 Bloor Street West
Suite 713
Toronto, Ontario
M5S 1S4
Tel: 416.677.9277
www.IoTIntl.com

Internet of Things

(formerly HTN Inc.)

MANAGEMENT DISCUSSION AND ANALYSIS

For the Three Months Ended October 31, 2015

Effective Date: December 30, 2015

Notice to Reader

The following Management Discussion & Analysis ("MD&A") of Internet of Things Inc. (formerly HTN Inc.) ("the Company" or "IoT Inc.") financial condition and results of operations, prepared as of December 30, 2015, should be read in conjunction with the Company's Condensed Consolidated Interim Financial Statements and accompanying notes for the three months ended October 31, 2015, which have been prepared in accordance with International Financial Reporting Standards 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 IoT'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 three month period. We also provide analysis and commentary that we believe is required to assess the Company's future 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 future 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 plans 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.

General Overview of Internet of Things Inc.

Internet of Things Inc. (formerly HTN Inc.) ("the Company" or "IoT Inc.") was incorporated on September 27, 1994 as a Junior Capital Pool Company under the rules of the Alberta Securities Act and under the Business Corporations Act (Alberta). The Company had no significant assets other than cash and proposed to identify and evaluate potential acquisitions or businesses with a view to completing a Change of Business Transaction, as defined in NEX Policy 8.

On May 14, 2015 the Company received approval to transfer its listing from the NEX to the TSX Venture Exchange following the closing of the Change of Business Transaction between the Company and Double Door Communications Inc. ("Double Door"). In conjunction with the Change of Business (COB), the Company raised a total of $525,000 in a private placement financing as convertible debenture and the shares of the company were listed as a Tier 2 issuer on the TSX-V.

The COB involved the acquisition of all of the issued and outstanding common shares of Double Door by the Company. As consideration, the Company issued an aggregate of 15,000,000 common shares to the former shareholders of Double Door, of which 5,000,000 common shares are subject to a performance escrow agreement between the vendors and the Company.

Concurrently with the closing of the COB, the Company completed a convertible debenture financing of $525,000 (the "Convertible Debentures"). The Convertible Debentures have a maturity date of two (2) years from the date of issuance and pay interest at the rate of 12% per year, calculated and payable quarterly in arrears. All amounts owing under the Convertible Debentures are secured by a fixed and floating charge against the assets of the Company.

Concurrent with the closing of the COB, Double Door is now a wholly-owned subsidiary of the Company. The Company continued under the Business Corporations Act (Ontario) ("OBCA") and changed its name to Internet of Things Inc. Upon the continuance becoming effective, the Articles of Continuance of the Company under the OBCA replaced the Articles of the Company under Alberta legislation, which among other things implemented By-law No. 1 as the general by-law of the Company. Further details can be found in the management information circular for the Company's shareholder meeting held on January 13, 2015, which is filed under the Company's profile at www.sedar.com.

The accompanying financial statements of the Company have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business.

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.

Market Trends

Internet of Things Inc. believes that the global market trends in Internet of Things adoption 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.

Cisco predicts the global Internet of Things market will be $14.4 trillion by 2022, including reducing the time-to-market ($3T), improving supply chain and logistics ($2.7T), cost reduction strategies ($2.5T) and increasing employee productivity ($2.5T). Cisco also found that 50% of IoT activity today is in manufacturing, transformation, smart cities and consumer markets.

ABI Research forecasts that IoT-related value-added services will grow from $50B in 2012 to $120B in 2018, attaining a 15.71% CAGR in the forecast period, while the worldwide revenue opportunity for IoT in manufacturing will grow from $472B in 2014 to $913B in 2018, attaining a 17.93% CAGR. Growth has been very rapid in these market segments, and represents particularly strong opportunities for the Company moving forward relative to others.

According to a December, 2013, survey by the American Society for Quality, only 13 per cent of the manufacturers surveyed claimed to have implemented smart manufacturing within their organization. Of those organizations, 82 per cent said they have experienced increased efficiency. IoT benefits manufacturers by collecting data from sensors, and communicating those data to factory floor workers, plant managers, software systems and many aspects of the supply chain.

Furthermore, according to BI Intelligence, software and services will be a $600B market by 2019, attaining a 44% CAGR from 2015 to 2019. The World Economic Forum notes that the number of connected devices is projected to grow from 22.9B in 2016 to 50.1B by 2020, attaining a 21.62% CAGR in four years.

Internet of Things Inc. is uniquely positioned to take advantage of the market opportunity as an IoT technology accelerator and industry acquisition company, focused on accelerating IoT-based technology companies, and the development and implementation of disruptive IoT-based solutions. Although the market outlook remains positive, there can be no assurance that this trend will continue or that the Company will benefit from this trend.

Three Months Ended October 31, 2015 compared to Three Months Ended October 31, 2014

The Corporation experienced a net loss from operations $(133,258) for the three months ended October 31, 2015 compared to a net loss of $(33,608) for the comparable three months ended October 31, 2014.

Acquisition

On April 30, 2015 the Company acquired Double Door Communications Inc. (“Double Door”) including the purchase all of the issued and outstanding shares in Double Door for an aggregate purchase price of up to $750,000 payable in a common shares (“Common Shares”). As consideration, the Company issued an aggregated of 15,000,000 common share of IoT Inc. to the former shareholders of Double Door, or which 5,000,000 common shares are subject to performance escrow agreement between the vendors and the company.

Recent Developments and Subsequent Events

BrainGrid Joint Venture

On December 15, 2015, the Company and BrainGrid Corporation ("BrainGrid") a designer, manufacturer, and marketer of advanced digital communication devices and software systems that enable the Internet of Things, have entered into a joint venture agreement. The joint venture company, BrainGrid Solutions Ltd. ("BrainGrid Solutions" or the "JV Company") will market, sell and distribute BrainGrid's flagship product, the 'Sentroller' and related BrainGrid IoT technology applications. The BrainGrid JV enhances the technology and platform acquired through the Double Door acquisition and allows the Company to focus exclusively on the IoT marketplace.

BrainGrid Solutions effectively enables clients a way to manage system devices by reducing costs, saving time, increasing reliability, scalability and overall system performance through advanced wireless monitoring and control. Initial markets include China, Taiwan and Hong Kong, while the JV Company continues to evaluate, negotiate and develop other international markets across a wide array of applications and verticals.

BrainGrid Solutions is owned equally by both parties and shall have a license to use BrainGrid's current and future developed intellectual property, including without limitation, API's, source code, data (derived from customers of BrainGrid Solutions), data analytics, patents and trademarks. The JV Company is also the exclusive partner/distributor for any current and future products, applications and services utilizing BrainGrid's intellectual property in markets such as China, Taiwan, Hong Kong as well as any other markets that the parties may agree upon.

Internet of Things Inc. is acquiring a minority equity position in BrainGrid for $500,000 as an initial investment with an option to increase its interest over the next 6 months. The Company has agreed to issue 15.5 million warrants to BrainGrid as it directs, with each warrant exercisable into a common share at an exercise price of $0.05 per share of Internet of Things Inc. for a period of 60 months. Any common shares issued pursuant to the exercise of the warrants shall be subject to resale restrictions during the first 24 months, with 5% of the shares being available for resale on a monthly basis following expiration of the four month hold period.

In addition, the Company will be issuing 900,000 warrants to an arm's length party as a finder's fee, each warrant exercisable into a common share at an exercise price of $0.05 per share for a period of 60 months. Any shares issued pursuant to the exercise of these warrants will be subject to the same resale restrictions as govern the warrants issued to Braingrid.

Convertible Debenture Financings

On November 25, 2015, the Company closed a convertible debenture financing in the principal amount of $250,000. The convertible debentures are interest bearing at 12% per annum with a two year term from closing date and convertible into common shares of the Company at an exercise price of $0.05 per share for the first 12 months, and thereafter at a price of $0.10 per share until maturity. All securities issued pursuant to the financing are subject to a four month hold period.

On December 23, 2015, the Company proposed to close another convertible debenture financing with a principal amount of up to $500,000. The convertible debentures are interest bearing at 12% per annum with a two year term from closing date and convertible into units of the Company at an exercise price of $0.10 per unit. Each unit will be comprised of one common share and one warrant, with each warrant exercisable into a common share at an exercise price of $0.125 per share for a period of 3 years.

Liquidity and Capital Resources

As of October 31, 2015, the Company had a working capital of $15,558 as compared to working capital deficiency of $(156,089) as at January 31, 2015.

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

Since inception, the Company has incurred losses amounting to $7,043,521. During the nine-month period ended October 31, 2015, the Company reported a net loss of $350,736 (2014 – net loss of 85,229). As at October 31, 2015, the Company had working capital of $15,558 (2014 – deficiency of $156,089). The ability of the Company to continue as a going concern is dependent upon generating profitable operations from its current acquisition and change of business, the continuing financial support of shareholders or other investors, or obtaining new financing on commercial terms acceptable to the Company. All of these outcomes are uncertain and cast significant doubt over the ability of the Company to continue as a going concern.

Intangibles

On April 30, 2015 the Corporation acquired all of the issued and outstanding common shares of Double Door. The purchase price is unallocated as of July 31, 2015. The Corporation is currently in the process of fair valuing the intangible assets acquired and therefore the purchase price is unallocated.

Convertible Debenture

On April 30, 2015, the Company completed a convertible debenture financing for gross proceeds of $525,000. The financing is comprised of the issuance of convertible debenture which have a maturity date of two years from the date of issuance and pay interest at the rate of 12% per year, calculated and payable quarterly in arrears. All amounts owing under the Convertible Debentures are secured by a fixed and floating charge against the assets of IoT Inc.

The principal amount of the Convertible Debenture is convertible into units of IoT Inc. at a conversion price of $0.05 per unit for the first 12 months, and thereafter at a price of $0.10 per unit until maturity, with each unit comprised of one common share of IoT Inc. and one common share purchase warrant. Each warrant will be convertible into a common share of IoT Inc. at an exercise price of $0.075 per share for a period of three years from the date of issuance of the Convertible Debentures.

The Convertible Debenture is allocated to fair value of liability component and fair value of equity component. The value of the equity component is the difference between the net present value of the liability component of the Convertible Debenture and the total proceeds using the interest rate of a similar debt instrument. The transaction cost of the financing is also allocated to debt component and equity component.

Share Capital

On June 20, 2013, the Company completed a private placement financing for gross proceeds of $180,000. The Company issued 36,000,000 units at a price of $0.005 per unit with each unit comprising one common share of the Company and one non-transferable common share purchase warrant (a "Warrant"). Each Warrant entitled the holder to acquire one common share of the Company at an exercise price of $0.05 until June 20, 2014.

In connection with the private placement, the Company incurred $3,500 in issuance costs and issued 2,260,000 finders' units with each finders' unit comprising one common share and one warrant with the same terms as the Warrants above. In addition, the Company issued 2,260,000 Finders' Warrants (a "Finders' Warrant") which entitled the holder to acquire one common share of the Company at an exercise price of $0.075 for one year.

On April 30, 2015 the Company completed a private placement financing of $525,000 of Convertible Debentures. In connection with the financing, the Company paid cash finder fees of $500 and issued 20,000 finder warrants (a “Finder Warrant”) which are convertible into units for a period of two years at an exercise price of $0.05 per unit, with each unit comprised of one common share and one warrant. Each warrant convertible into a common share for a period of two years at an exercise price of $0.075 per share.

Related Party Balances and Transactions

During 2015, 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 related parties.

The Company considers its Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") to be key management. The Company incurred management fees in the amount of $48,000 (2014 - $45,000), $28,500 payable to the CEO and $19,500 payable to the CFO are deferred and included in current liabilities.

During the first quarter ending April 30, 2015, the loans from related parties was repaid in full with accrued interests at 12% per annum.

Operating Results

Summary of Quarterly Results

	Q4-14	Q1-15	Q2-15	Q3-15
Revenue	$ -	$ -	$ 16,572	-
Expenses	101,311	85,789	132,382	117,378
Total Comprehensive Income/(Loss)	(101,311)	(85,789)	(131,689)	(133,258)
Earnings/(Loss) per Share - Basic and Diluted	(0.00)	(0.00)	(0.00)	(0.00)
Total Assets	$ 24,280	$1,203,917	$ 920,931	$ 884,928

	Q4-13	Q1-14	Q2-14	Q3-14
Revenue	$ 0	$ 0	$ 0	$ 0
Expenses	10,165	29,325	15,961	33,068
Total Comprehensive Income/(Loss)	(10,165)	(29,325)	(15,961)	(33,068)
Earnings/(Loss) per Share - Basic and Diluted	$0.00	$0.00	0	0.00
Total Assets	$ 25,367	$ 34,992	$ 18,348	$ 14,594

Off Balance Sheet Arrangements

The company does not have any off balance sheet arrangements.

Disclosure of Outstanding Share Data

As of **December 30, 2015**, the following are outstanding:

Common Shares – 156,077,557
Warrants – 20,000
Stock Options – 7,600,000
First Preferred Shares - Nil
Second Preferred Shares – Nil

Approval

The Directors of IOT 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.