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(formerly HTN Inc.)

**MANAGEMENT DISCUSSION AND ANALYSIS**

**For the Twelve Months Ended January 31, 2015**

**Effective Date: June 1, 2015**

The following Management Discussion & Analysis ("MD&A") of the financial condition and results of operations of Internet of Things Inc. (formerly HTN Inc.) ("IOT" or the "Company") is dated as of June 1, 2015, and should be read in conjunction with the Company's financial statements and accompanying notes for the year ended January 31, 2015, 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.

Our MD&A is intended to enable readers to gain an understanding of the Company'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 year. 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 "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "goal", "predict", "potential", "should", "believe" 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 from current expectations is contained in the "Business Risk and Uncertainties" section of this MD&A.

**General Overview**

IOT 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 has no significant assets other than cash and proposes to identify and evaluate potential acquisitions or businesses with a view to completing a Change of Business Transaction, as defined in NEX Policy 8.

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.

**Twelve Months Ended January 31, 2015 compared to Twelve Months Ended January 31, 2014**

The Corporation experienced a net loss from operations of \$179,665 for the twelve months ended January 31, 2015 compared to a net loss of \$117,216 for the comparable twelve months ended January 31, 2014.

As of January 31, 2015, the current liabilities were \$274,806, as compared to \$96,228 for the year-ended January 31, 2014. The only costs incurred are those necessary to maintain HTN as a listed company for a possible future change of business transaction to attempt to maximize shareholder value. In the event that no suitable transaction for the listed company is found within a reasonable period of time, management anticipates that it would seek shareholder approval to wind-up and dissolve the Company.

**Liquidity and Capital Resources**

As of January 31, 2015, the Company had a working capital deficit of \$250,526 as compared to \$70,561 in 2014.

**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.

**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 \$30,000 (2014 - \$30,000) to the CEO and \$30,000 (2014 - \$30,000) to the CFO. Included in accounts payable and accrued liabilities on January 31, 2015, is \$54,400 (2014 - \$19,775) payable to the CEO and \$44,800 (2014 - \$15,125) to the CFO.

The loans from related parties consist of unsecured demand loans from the CEO and CFO of the Company bearing interest at 12% per annum. The principal balances of each loan are CEO - \$12,700, CFO - \$16,700 (2014 - CEO - \$4,200, CFO - \$4,200) and total accrued interest on the loans is \$1,694 (2014 - \$225).

**Subsequent Events****Change of Business**

On May 14, 2015, the Company received approval to transfer its listing from the NEX to the TSX Venture Exchange (the "TSX-V") following the closing of the Change of Business Transaction ("COB") (as defined in TSX-V Policy 5.2) between the Company and Double Door Communications Inc. ("Double Door"). In conjunction with the COB, the Company raised a total of \$525,000 in a private placement financing and will be listed as a Tier 2 issuer on the TSX-V.

**Transaction Details**

The COB involved the acquisition of all of the issued and outstanding common shares of Double Door by IOT Inc. As consideration, the Company issued an aggregate of 15,000,000 common shares of IOT Inc. 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 private placement financing of \$525,000 of convertible debentures (the "Convertible Debentures"). The Convertible Debentures 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 Debentures is convertible into units (the "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 (a "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.

In connection with the Convertible Debenture financing, the Company paid cash finder fees of \$500 and issued 20,000 finder warrants 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. The Company has an aggregate of 156,077,557 common shares outstanding post-closing the COB.

Effective May 15, 2015, the common shares of IOT Inc. commenced trading on the TSX-V, under the trading symbol "ITT" following the issuance of the final TSX-V Bulletin in respect of the COB.

### Related Changes in Corporate Structure

Concurrent with the closing of the COB, Double Door is now a wholly-owned subsidiary of IOT Inc. 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.

### Operating Results

#### Summary of Quarterly Results

	Q1-14	Q2-14	Q3-14	Q4-14
Revenue	\$0	\$0	\$0	\$0
Expenses	29,325	15,961	33,068	101,311
Total Comprehensive Income/(Loss)	-29,325	-15,961	-33,068	101,311
Earnings/(Loss) per Share - Basic and Diluted	0	0	0	0
Total Assets	34,992	18,348	14,594	24,280

  

	Q1-13	Q2-13	Q3-13	Q4-13
Revenue	\$0	\$0	\$0	\$0
Expenses	35,057	46,826	25,168	10,165
Total Comprehensive Income/(Loss)	-35,057	-46,826	-25,168	-10,165
Earnings/(Loss) per Share - Basic and Diluted	\$0.00	\$0.00	\$0.00	\$0.00
Total Assets	195	8,509	464	25,367

**Disclosure of Outstanding Share Data**

As of June 1, 2015, the following are outstanding:

Common Shares – 156,077,557

Warrants – 20,000

First Preferred Shares - Nil

Second Preferred Shares – Nil

**Off Balance Sheet Arrangements**

The company does not have any off balance sheet arrangements.

**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**

IOT has a limited operating history and has no material revenues derived from operations. IOT may not be able to achieve profitability or continue operations on an ongoing basis. As well, IOT 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**

IOT will be pursuing a plan to market its platform throughout Canada, the United States and abroad, and will require capital in order to meet these growth plans. There can be no assurances that proceeds from the IOT Financing will enable IOT to meet these growth needs. IOT 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 IOT.

**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**

IOT 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. IOT'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, IOT may need to seek to raise additional debt or equity financing. There can be no assurance that IOT 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 IOT Shares.

**Acquisitions or Other Business Transactions**

IOT 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 which IOT has no or limited experience, and the potential loss of key employees of the acquired company. Moreover, there can be no assurances that any anticipated benefits of an acquisition will be realized. Future acquisitions by IOT 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 IOT's financial condition, results of operations and cash flows.

**Retention or Maintenance of Key Personnel**

Although IOT's management has made efforts to align the interests of key employees with IOT by, among other things, granting equity interests in IOT to its operations personnel with vesting schedules tied to continued employment, there is no assurance that IOT 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 IOT to operate its business.

**Conflicts of Interest**

IOT may contract with affiliated parties, members of management of IOT, or companies owned or controlled by members of IOT's management. These parties or persons may obtain compensation and other benefits in transactions relating to IOT. Certain members of management of IOT have other business activities in addition to the business of IOT, although each such member of management is contracted to devote the substantial majority of his or her working time to IOT. 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 IOT 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 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](http://www.sedar.com).