



**BEWHERE HOLDINGS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FOR THE YEAR ENDED DECEMBER 31, 2020

Set out below is a review of the activities, results of operations, and financial condition of BeWhere Holdings Inc. ("BEW", "BeWhere", or the "Company") for the year ended December 31, 2020.

*The discussion below should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2020, and the accompanying notes, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar figures included in the following Management Discussion and Analysis ("MD&A") are quoted in Canadian dollars unless otherwise indicated. This MD&A has been prepared as at **April 15, 2021**.*

The Company is a reporting issuer in the provinces of British Columbia, Ontario, and Alberta in Canada and is listed on the TSX Venture under the symbol BEW. Additional information related to the Company is available on SEDAR at www.sedar.com.

1. COVID-19

Because BeWhere provides remote monitoring and track & trace solutions to the food, distribution, security, construction and government industries, the Company has been designated an essential service by its mobile network operator partners at AT&T and Bell Mobility and therefore continues to operate during the Covid-19 pandemic.

The Covid-19 experience has highlighted the value of BeWhere's monitoring solutions which provide two significant advantages. First the ability to fully monitor key equipment remotely, and second the collection of detailed data which allows the user to make maximum, efficient use of their assets, be it delivery trucks, construction equipment or grape vines. In fact, the Covid-19 experience has underlined the value BeWhere provides in the collection of key data and solutions that keep operations running efficiently and smoothly even under crisis conditions.

2. CONTINUED GROWTH

The Company progressed well during the fourth quarter, recording record revenue and operating income, demonstrating improvement in all key performance indicators. Highlights include:

- **Net profit** – The Company recorded profit before the impairment of capitalized development costs for the second consecutive quarter ended December 31, 2020.
- **Total annual Revenue increased by 15% year over year** – Total Revenue for the twelve months ended December 31, 2020 was \$7,037,286 compared to \$6,096,602 for the same period in 2019: an increase of \$940,684.
- **Total quarterly Revenue increased by 59% year over year** – Total Revenue for three months ended December 31, 2020 was \$1,839,441 compared to \$1,158,529 for the same period in 2019: an increase of \$680,912.
- **Annual Recurring Revenue increased by 43% year over year** – Recurring Revenue for the twelve months ended December 31, 2020 was \$3,095,179 compared to \$2,159,010 for the same period in 2019: an increase of \$936,169.

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- **Quarterly Recurring Revenue increased by 16% year over year** – Recurring Revenue for the three months ended December 31, 2020 was \$799,068 compared to \$690,530 for the same period in 2019: an increase of \$108,538.
 - **Annual Gross Profit increased by 95% year over year** – Gross profit for the twelve months ended December 31, 2020 was \$1,664,068 compared to \$853,328 for the same period in 2019: an improvement of \$810,740.
 - **Quarterly Gross Profit increased by 93% year over year** – Gross profit for the three months ended December 31, 2020 was \$562,069 compared to \$291,903 for the same period in 2019: an improvement of \$270,166.

More details on each of these items are provided later in this document.

3. BACKGROUND AND OVERVIEW OF CORE BUSINESS – Generation of Smart Data

BeWhere is an Industrial Internet of Things (“IIoT”) solutions company that designs, sells and manufactures hardware or beacons, with sensors and software applications to track real-time information on fixed and movable assets, including equipment like trucks and construction equipment.

Use for the beacons continues to expand to other industries including agriculture for the monitoring of weather conditions, and municipal services including water and sewage systems to improve reliability of those services and reduce operating and maintenance costs. BeWhere’s monitors have proven their worth in the following applications:

- Transportation trailer location, temperature monitoring and utilization,
- Construction site conditions (flooding, temperature, air pressure, humidity, and equipment location),
- Atmospheric conditions data for agriculture,
- Medical equipment utilization and distribution,
- Municipal clean water supply for rapid detection of pipe bursts and operational performance.

The most important value that BeWhere solutions deliver is precise data that ranges from location of assets to weather conditions, and at as many points-in-time wanted or needed by the client. The data generated give end-users very detailed and easily accessible level of operational visibility that significantly improves the usability and management of assets and enhances their capability to deliver reliable and cost-effective services.

The Company develops mobile applications, middle-ware, and cloud-based solutions that stand-alone or that can readily integrate with existing software. Its solutions are very easy to implement.

BeWhere M-IoT devices are small rugged devices, powered either by two long-life AA batteries or solar energy rechargeable batteries. As they are self-powered, they are simple and quick to install, without any additional electrical wiring. They are configured to report their internal and external sensor data and GPS location to BeWhere’s servers via the M-IoT networks. Users can view and manage the information as well as set their reporting frequency to match their requirements through easy-to-understand dashboards. The solution also supports setting alarms and warnings to alert users in real-time.

These Cellular beacons are a disruptive and new innovative product that have quickly seen traction within the transportation and construction verticals where they are used to monitor the location, activity and conditions of mobile and fixed assets. Transport and construction equipment have been tracked for decades with limited market penetration due to the high cost factor but our price model overcomes that hurdle. Use for the beacons continues to expand to other industries including agriculture to monitor weather conditions, and smart-city applications to monitor water systems. The data collected allows businesses lower its operating costs.

There are a number of features which uniquely position BeWhere for growth:

First, BeWhere is an early entrant launching new low-cost, low-powered, location-based data solutions.

Second, BeWhere partners with a growing network of developers and resellers, including some of the largest North American fleet management/telematics companies, wireless carriers, and enterprise software solution providers. The advantage of working through partners, including telecommunication providers such as Bell, allows BeWhere to shorten the sales process and bring new product and application solutions to market more quickly. It also provides for an expanded customer base and allows for quick market penetration. BeWhere also works with in-house developers of client firms, and third-party software providers to develop tailored solutions that may be cost-effective.

Third, is the level of flexibility and accessibility provided to clients. Our key innovation lies in the ability to allow manufacturers and clients to connect their own existing sensors to BeWhere's M-IoT devices, enabling them to use BeWhere solutions and dashboards which delivers data over the cellular network without having to design, or invest in, a separate cellular device. This will allow BeWhere to expand into an untapped market.

Fourth, the Company has an established client base in verticals such as transportation, construction, utilities and municipalities to which it can provide and expand its suite of services.

As the application of its monitors becomes better known, BeWhere is well positioned to serve an increasingly broader market.

BeWhere Holdings Inc. (TSX-V: BEW, OTCQB: BEWFF) (the "Company" or "BeWhere") was incorporated on October 28, 2003 under the Ontario Business Corporations Act. The Corporation continued into British Columbia from Ontario on May 22, 2015 as evidenced by the Certificate of Continuation issued on that date and pursuant to the provisions of the Business Corporations Act (British Columbia). The primary office of the Company is located at 3264 Lakeshore Blvd. West Etobicoke, Ontario M8V 1M4.

4. SIGNIFICANT HIGHLIGHTS

The following were key aspects for the year ended December 31, 2020

Innovation and Business Update

Subsequent to December 31, 2020, the Company has received blanket purchase orders of approximately 25,000 devices from its existing and new customers.. These devices are planned to be rolled out during fiscal 2021. In view of the global shortage of certain parts, the Company has already placed advance orders and expects minimal interruption in production.

During the third quarter, the Company launched its M-IoT devices on the T-Mobile network as a follow up to its previously announced agreement. The Company shipped a few orders in third and fourth quarters and expects subsequent rollout in fiscal 2021.

On April 30, 2020, BeWhere and Tenna LLC announced the launch of New Construction Focused Solutions. These will integrate into Tenna's One Platform, and offer added flexibility towards the applications, allowing customers to plug the tracker directly to the engine's power source.

The Company continues to focus on its strategies of enabled growth by working on developing contracts and business opportunities with fleet management companies and service providers in North America. Our strategy of working with companies, who have existing relationships with the end users, is already paying off as it greatly diminishes the sales cycle. This strategy allows BeWhere to expand its marketing reach with a minimum sales force and therefore keep overheads low.

The Company received regulatory approval from the TSX Venture Exchange on April 30, 2020, for its request to purchase, by way of a Normal Course Issuer Bid, up to an aggregate of 4,394,400 of its Common Shares. This represents approximately 5% of the issued and outstanding Common Shares of the Company.

The normal course issuer bid will extent over a 12-month period. It commenced on May 6, 2020 and will terminate on May 5, 2021 or the earlier of the date all shares which are subject to the Normal Course Issuer Bid are purchased. No shares were purchased up to the date of this MD&A.

The Company continues to invest in the development of next generation devices and solutions. The Company expects these new solutions to both improve product margin, enhance functionality and reduce price points ensuring continued leadership in the M-IOT asset tracking and connected sensor markets.

The Company continues to work on a number of other opportunities in its sales pipeline.

Profit (loss) before impairment of capitalized development costs

The Company recorded its profit before the impairment of capitalized development costs for the second consecutive quarter ended December 31, 2020.

Profit before the impairment of capitalized development costs for three months ended December 31, 2020 was \$22,019 as compared to a loss of (\$100,291) for the same period in 2019 an improvement of \$122,310 or 122%.

For the twelve months ended December 31, 2020, Loss before the impairment of capitalized development costs was (\$76,485) as compared to loss of (\$1,229,945) for the same period in 2019 an improvement of \$1,153,460 or 94%.

The Company plans to continue its efforts and build on the momentum to convert its sales opportunities to revenue by closely working on the various opportunities in its pipeline.

Development cost impairment

Development costs are related to the development and testing of prototypes and software. The development costs capitalized consisted of expenditures incurred in developing the new technology for devices. At December 31, 2020, the Company determined that the capitalized development costs of \$1,895,399 for its next generation connected sensor device were impaired. In addition to its existing market, these devices were targeted for the Smart City initiatives. Due to the pandemic, various government agencies are diverting their funds towards Covid-19 related efforts and there is some uncertainty of the timing of orders for these new devices. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity for orders related to Smart City initiatives to materialize.

Total Comprehensive profit (loss)

Total comprehensive profit (loss) for three months ended December 31, 2020 was \$(1,873,380) as compared to (\$100,291) for the same period in 2019 an increase of \$1,773,089. This increase is due to the one-time impairment of capitalized development cost of \$1,895,399 as detailed above.

Total comprehensive loss for the twelve months ended December 31, 2020, was (\$1,971,884) as compared to (\$1,229,945) for the same period in 2019 an increase of \$741,939 or 60%.

Revenue increase

Total Revenue for three months ended December 31, 2020 was \$1,839,441 which is an increase of \$680,912 from \$1,158,529 of the same period in 2019 or 59%.

For the twelve months ended December 31, 2020 the revenues were \$7,037,286 which increased by 15% or \$940,684 from \$6,096,602 for the same period in 2019. The Company considers this a very good result in view of the COVID-19 related delay in various government related purchase orders.

Recurring Revenue for the three months ended December 31, 2020 was \$799,068 compared to \$690,530 for the same period in 2019: an increase of \$108,538 or 16%.

For the twelve months ended December 31, 2020 the Recurring revenue were \$3,095,179 which increased by 43% or \$936,169 from \$2,159,010 for the same period in 2019.

This increase reflects the ramping up on sales efforts and activities directly related to delivery of technology solutions on previously announced customer wins.

Gross profit

Gross profit for the three months ended December 31, 2020 was \$562,069 which increased by \$270,166 or 93% from \$291,903 of the same period in 2019.

For the twelve months ended December 31, 2020 the Gross profit was \$1,664,068 which increased by 95% or \$810,740 from \$853,328 for the same period in 2019.

Gross profit is also higher as compared to three months ended September 30, 2020 which increased by \$123,288 or 28% from \$438,781.

Gross margin

Gross margin for the three months ended December 31, 2020 was 31% which is a significant improvement from the 25% of the same period in 2019. Gross margin for the quarter ended September 30, 2020 was 20%.

Gross margin for the twelve months ended December 31, 2020 was 24% which is a significant improvement from the 14% of the same period in 2019.

Operating expenses

Operating expenses, which do not include Share-based compensation expenses, for three months ended December 31, 2020 were \$490,548 which is an increase of \$70,098 or 17% from \$420,450 of the same period in 2019. This was mainly due to slight increase in expenses in three months ending December 31, 2020, but mainly due to reversal of Bad debt expense in same period in 2019.

Operating expenses, which do not include Share-based compensation expenses, for the twelve months ended December 31, 2020 were \$1,688,295, a decrease of \$339,122 or 17% from \$2,027,417 for the same period of 2019. This was mainly due to Covid-19 related decreased marketing initiatives including attendance at trade shows and related travel.

Working capital balance

The Company continued its focus on managing the efficient use of its capital, including its cash on hand balances. Cash balance was \$2,466,630 and working capital balance of \$3,683,075 on December 31, 2020.

Non-IFRS Measures

Adjusted EBITDA is a non-IFRS measure and does not have standardized meaning as it relates to performance measures and may not be comparable to other issuer disclosures of similar performance measures. The Company

has provided a reconciliation of Adjusted EBITDA to IFRS loss in the following table. Adjusted EBITDA is defined as earnings before interest income, taxes, depreciation and amortization, share-based compensation, and other non-recurring gains and losses. Management believes that Adjusted EBITDA is a useful measure that facilitates period to period operating comparisons. Adjusted EBITDA should not be considered superior to IFRS net income (loss).

	Three months ended		Twelve months ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Comprehensive loss	\$ (1,873,380)	\$ (100,291)	\$ (1,971,884)	\$ (1,229,945)
Foreign exchange gain	49,709	(15,540)	57,658	(24,242)
Interest income	(2,760)	(25,424)	(18,743)	(25,424)
Interest expense	1,800	221	1,891	1,662
Taxes	-	-	-	-
Impairment of capitalized development cost	1,895,399	-	1,895,399	-
Amortization for Internally developed technology	73,855	101,918	295,420	441,983
Amortization & depreciation	16,477	26,744	76,416	102,464
Share-based compensation	18,634	12,487	29,336	103,860
Adjusted EBITDA	\$ 179,734	\$ 113	\$ 365,493	\$ (629,643)

The Company recorded its highest positive Adjusted EBITDA for the year ended December 31, 2020 in its history. The Company recorded second consecutive quarter of Profit before Impairment of capitalized development costs in three months ended December 31, 2020.

5. SELECTED FINANCIAL INFORMATION

5.1 Annual Information

The following table represents selected financial information of the Company for the recent three years audited financial statements:

	2020	2019	2018
	\$	\$	\$
Total revenue	7,037,286	6,096,602	3,608,676
Profit (loss) before Impairment of capitalized development costs	(76,485)	(1,229,945)	(1,407,523)
Total comprehensive loss	(1,971,884)	(1,229,945)	(1,407,523)
Total assets	5,640,195	6,989,004	4,827,438
Total liabilities	1,599,868	1,006,129	1,465,576
Basic loss per common share	(0.02)	(0.01)	(0.02)

5.2 Results of operations for the three and twelve months ended December 31, 2020 and 2019

Revenue:

Total Revenue for the three months ended December 31, 2020 was \$1,839,441 compared to \$1,158,529 for the same period in 2019, an increase of \$680,912 or 59%.

For the twelve months ended December 31, 2020 the Total Revenue was \$7,037,286 which increased by 15% or \$940,684 from \$6,096,602 for the same period in 2019.

Total Revenue increased despite COVID-19 related delay in various government related purchase orders.

Recurring Revenue for the three months ended December 31, 2020 was \$799,068 compared to \$690,530 for the same period in 2019, an increase of \$108,538 or 16%.

For the twelve months ended December 31, 2020 the Recurring revenue was \$3,095,179 which increased by 43% or \$936,169 from \$2,159,010 for the same period in 2019. The Company has seen a constant increase in its Recurring revenue. This is primarily due to the continuing roll out of MIOT devices.

Major components of revenues are as follows:

	Three months ended		Twelve months ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Product sales	\$ 1,016,036	\$ 438,485	\$ 3,849,484	\$ 3,592,102
Service fees	24,337	29,514	92,623	345,490
Recurring fees	799,068	690,530	3,095,179	2,159,010
	\$ 1,839,441	\$ 1,158,529	\$ 7,037,286	\$ 6,096,602

Our new mobile-IoT (M-IoT) devices generate both one-time and recurring revenue. Revenue from recurring fees has increased due to expansion of the existing solutions and addition of new subscribers as more mobile-IoT devices are deployed.

Gross profit:

Gross profit for the three months ended December 31, 2020 was \$562,069 compared to \$291,903 for the same period in 2019, which is an increase of \$270,166 or 93%.

Gross profit for the twelve months ended December 31, 2020 was \$1,664,068 compared to \$853,328 for the same period in 2019, an increase of \$810,740 or 95%. The increase is primarily a result of increased volume of product and solution deliveries.

Total expenses:

Total expenses, which include Share-based compensation expense, for three months ended December 31, 2020 were \$509,182, an increase of \$76,245 or 18% from \$432,937 for the same period of 2019. This was mainly due to slight increase in expenses in three months ending December 31, 2020, but mainly due to reversal of Bad debt expense in same period in 2019.

Total expenses for the twelve months ended December 31, 2020 were \$1,717,631 compared to \$2,131,277 for the same period in 2019, an improvement of \$413,646 or 19%. This was mainly due to Covid-19 related decreased marketing initiatives including attendance at trade shows and related travel.

Profit (loss) before impairment of capitalized development costs

The Company recorded its profit before Impairment of capitalized development costs for the second consecutive quarter ended December 31, 2020.

Profit before Impairment of capitalized development costs for three months ended December 31, 2020 was \$22,019 as compared to a loss of (\$100,291) for the same period in 2019 an improvement of \$122,310 or 122%.

For the twelve months ended December 31, 2020, Loss before Impairment of capitalized development costs was (\$76,485) as compared to (\$1,229,945) for the same period in 2019 an improvement of \$1,153,460 or 94%.

Total Comprehensive profit (loss)

Total comprehensive profit (loss) for three months ended December 31, 2020 was \$(1,873,380) as compared to (\$100,291) for the same period in 2019 an increase of \$1,773,089.

Total comprehensive profit (loss) for the twelve months ended December 31, 2020, was (\$1,971,884) as compared to (\$1,229,945) for the same period in 2019 an increase of \$741,939 or 60%.

5.3 Cash flows for the period ended December 31, 2020 compared to 2019

Cash generated by operating activities amounted to \$840,203 compared to Cash used in operating activities of \$(1,187,679) in the same period in 2019 as the Company managed its accounts receivable and payable balances, while maintaining its inventory level on hand.

Cash used in investing activities amounted to \$805,838 compared to \$898,597 used in the comparative twelve months in 2019. The Company used \$786,221 (2018 - \$753,228) for the development costs on technology related to its unique next generation IoT sensors and solution. The Company continued to incur costs related to the development of its unique next generation IoT sensors and solution.

Cash provided by financing activities in twelve months ended December 31, 2020 was \$40,000 compared to

\$3,747,098 for the same period in 2019. The Company received net cash of \$3,592,863 from private financing and \$154,235 from exercising of warrants in twelve-month period in 2019.

5.4 Summary of quarterly results

The following table shows information for each of the eight most recent quarters. The quarterly information has derived from our interim consolidated financial statements which have been prepared on a basis consistent with the annual audited consolidated financial statements.

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	1,839,441	2,172,029	1,619,568	1,406,248	1,158,529	1,923,667	1,580,478	1,433,928
Gross Profit	562,069	438,781	316,502	346,716	291,903	271,337	102,085	188,003
Profit (Loss) before the following:	22,019	25,808	(39,133)	(85,179)	(100,291)	(212,777)	(410,274)	(506,603)
Impairment of capitalized development costs	(1,895,399)	-	-	-	-	-	-	-
Comprehensive loss	(1,873,380)	25,808	(39,133)	(85,179)	(100,291)	(212,777)	(410,274)	(506,603)
Basic loss per share	0.02	0.00	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)

Revenues during the three months ended December 31, 2020 were \$1,839,441 with Gross profit of \$562,069. Total expenses were \$509,182 including Stock-based compensation expense of \$18,634 resulting in Profit before Impairment of capitalized development costs of \$22,019. The Company recognized impairment of capitalized development cost of \$1,895,399 resulting in Total comprehensive loss of \$(1,873,380).

6. FINANCIAL POSITION, LIQUIDITY, AND CAPITAL RESOURCES

At December 31, 2020, the Company's working capital balance amounted to \$3,683,075 including cash of \$2,466,630. This compares with the working capital balance of \$4,177,841 including cash of \$2,392,265 at December 31, 2019. The Company invested \$786,221 in its Internally generated technology of MIOT devices and development costs.

The Company maintains a Revolving demand facility of \$250,000. During the year the Company incurred no interest expense. At December 31, 2020 the Company had not drawn against the credit facility. The Revolving demand facility is secured by a first ranking security interest in all personal property of the Company. The Revolving demand facility has no financial or non-financial covenants.

The non-cash component of working capital amounted to \$1,216,445 at December 31, 2020 as compared to \$1,785,576 at December 31, 2019, a decrease of \$569,131, primarily due to increase in trade payables.

The business model of the Company comprises of sale of hardware as well as the provision of application fees. Recurring monthly fees have started to generate a constant stream of revenue which is expected to grow as more units are deployed.

The Company's continued development is contingent upon its ability to raise sufficient financing both in the short and long-term, successfully execute its business plan, generate sufficient cash flows, and achieve profitable operations as it continues to scale. There are no guarantees that additional sources of funding will be available to the Company however, management is committed to pursuing all possible sources of financing and to continue to execute its business plan.

7. OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of Common Shares without nominal or par value. At December 31, 2020, there were 87,888,039 Common Shares outstanding.

At December 31, 2020, 11,614,473 share purchase warrants were outstanding.

Exercisable warrants	Exercise price \$	Expiry date
10,592,105	0.35	February 15, 2024
1,022,368	0.19	February 15, 2024
11,614,473		

During the period subsequent to December 31, 2020 and up to the date of this MD&A, 167,529 warrants were exercised for net cash receipt of \$31,830.

Employees, directors, officers, and consultants have been granted options to purchase common shares under the Company's stock option plan. As of the year ended, December 31, 2020, there were 2,694,500 exercisable stock options outstanding. During the period subsequent to December 31, 2020 and up to the date of this MD&A, no options were exercised.

8. OFF-BALANCE SHEET ARRANGEMENTS

At December 31, 2020, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations, or any obligations that trigger financing, liquidity, market or credit risk to the Company.

9. PROPOSED TRANSACTIONS

There are no proposed transactions as at the date of this report that have not been disclosed.

10. SUBSEQUENT EVENTS

There is no subsequent event to report.

11. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

- a. For the three months ended December 31, 2020, the CEO, CFO and COO of the Company were paid Salaries and consulting fees of \$116,745 (2019 - \$118,788). For the twelve months ended December 31, 2020, the CEO, CFO and COO of the Company were paid salaries and consulting fees of \$548,457 (2019 - \$581,706).
- b. For the three months ended December 31, 2020, the Independent Directors of the Company were paid Salaries and consulting fees of \$13,500 (2019 - \$13,500). For the twelve months ended December 31, 2020, the Independent Directors of the Company were paid salaries and consulting fees of \$54,000 (2019 - \$54,000).
- c. Total accrued fees due to Directors as at December 31, 2020 is \$40,500 (2019 - \$27,000). The amounts due are unsecured, due on demand, and bear no interest.

12. CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates

- i. Share-based payments is subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes Option Valuation Model. The Option Valuation Model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.
- ii. The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations and estimates that there are no taxes payable resulting from the financial results for the year ended December 31, 2020. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence, and any new legislation may result in an increase or decrease in our provision for income taxes. At this time, the Company is not recording any deferred income tax asset balances related to its tax loss carryforward balance.
- iii. Impairment exists when the carrying amount of a cash-generating unit ("CGU") exceeds its recoverable

amount, which is the higher of its fair value less costs to sell or its value in use. The Company measures the recoverable amount for each CGU by using a fair value less costs to sell ('market') approach. The market approach assumes that companies operating in the same industry will share similar characteristics and that Company values will correlate to those characteristics.

- iv. In valuing inventories at the lower of cost and net realizable value, the Company makes estimates in determining the net realizable price of products.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments are agreements between two parties that result in promises to pay or receive cash or financial instruments. The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL. Trade receivables and accounts payable are classified at amortized cost. Cash is classified and recorded at FVTPL. The Company does not have any other financial instruments classified in other categories. The carrying value of these instruments approximates their fair values due to their short term to maturity.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is held in a Canadian financial institution. The Company does not have any asset-backed commercial paper.

The carrying amounts of cash and accounts receivable on the consolidated financial position represent the Company's maximum credit exposure at December 31, 2020. The Company reduces its credit risk on cash by placing cash with institutions of high credit worthiness and by monitoring customers creditworthiness on an ongoing basis. The amounts disclosed in the consolidated financial statements for accounts receivable are net of allowance for doubtful accounts, estimated by management based on its assessment of the current economic environment.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company collecting its accounts receivable in a timely manner and by maintaining sufficient cash in excess of anticipated needs. At December 31, 2020 the Company's accounts payable and accrued liabilities were \$1,506,549 (December 31, 2019 - \$899,834). The Company maintained cash at December 31, 2020 in the amount of \$2,466,630 (December 31, 2018 - \$2,392,265).

c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange, will affect the Company's income or the value of its holdings of financial instruments. At December 31, 2020 the Company carried no debt.

Interest rate risk

As of December 31, 2020, the Company does not have any financial instruments subject to this risk.

Foreign exchange risk

Foreign currency exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has financial assets and liabilities denominated in the American dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates.

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in American dollars:

	December 31, 2020	December 31, 2019
Financial assets		
Cash	\$ 958,878	\$ 291,471
Trade receivable	1,149,119	1,139,967
	2,107,997	1,431,438
Financial liabilities		
Accounts payable	1,170,079	720,545
	\$ 1,170,079	\$ 720,545

14. RISK FACTORS

Prior to making an investment decision, investors should consider the investment risks set out below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set out below to be the most significant to potential investors in the Company, but these are not all of the risks associated with

an investment in securities of the Company. If any of these risks materialize into actual events or circumstances, or other possible additional risks and uncertainties of which the management are currently unaware, or which they consider not to be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business, and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline, and investors may lose all or part of their investment.

Potential Acquisitions and Investments

The Company expects to continue acquiring or investing in businesses, products and technologies that expand or complement the Company's current business, products, and services. Such acquisitions or investments may involve significant commitments of financial or other resources of the Company. There can be no assurance that any such acquisition or investment can be satisfactorily financed or, if acquired, will generate revenue, income or other returns for the Company, or that financial or other resources committed to such activities will not be lost. Such activities could also place additional strains on the Company's administrative and operational resources and its ability to manage growth.

Financial Condition, Liquidity, and Requirements Outlook

The Company's cash balance and working capital position are not adequate to sustain the Company's existing operations. If the Company is unable to continue to raise capital from issuances of shares, loans, or by other means, its cash and working capital position could be affected.

Major Contracts

The Company has, and may enter into, major contracts that are complex and have several delivery milestones. These contracts are often subject to delay, change, revision and renewal. There is no guarantee that the Company can complete all activities on time and on budget and that the funding available will be adequate to meet adjustments to the contract. Failure by the Company to fulfill such contracts on a timely basis is a significant risk to the Company.

Risk to Reputation

Reputation is a critical asset in the investment industry. Potential damage to that reputation is a significant risk for the Company. Any of the risks identified herein could damage the Company's reputation, which in turn, could result in a lack of client or employee confidence, legal liability, and difficulties in raising capital.

Risks Related to Investments

The Company intends to expand its operations and business by investing in additional businesses, products or technologies. Investments may involve a number of special risks, including diversion of management's attention, failure to retain key personnel, unanticipated events or circumstances, and legal liabilities. In addition, there can be no assurance that the businesses, products or technologies, if any, will achieve anticipated revenues and

income. Investments could also result in potentially dilutive issuances of equity securities. The failure of the Company to manage its investment and acquisition strategy successfully could have a material adverse effect on the Company's business, results of operations and financial condition.

Dependence on Key Personnel

The success of the Company is largely dependent on the performance of its key senior management employees. Failure to retain key employees and to attract and retain additional key employees with necessary skills could impact the Company's growth and profitability. The Company's progress to date in commercializing its proprietary products has been dependent, to a significant extent, on the skills of its senior management. The departure or death of certain members of the executive team could have an adverse effect on the Company. The Company has experienced changes in its management personnel and further changes may occur in the future. The Company may face transitional difficulties in connection with these changes, and there can be no assurance that the Company will be able to attract and retain highly skilled and qualified personnel to replace employees who leave the Company.

Industry Growth

There can be no assurance that the market for the Company's existing products will continue to grow or that the Company will be successful in independently establishing markets for its products. If the markets in which the Company's products compete fail to grow or grow more slowly than the Company currently anticipates, or if the Company is unable to establish markets for its new products, the Company's operating results and financial condition could be adversely affected.

Economic Slowdown

From time to time markets have witnessed the weakening of global macro-economic conditions. This weakness could have adverse effects on the investments of the Company's ability to continue as a going concern.

Management of Future Growth and Expansion

Planned expansion of the Company's business and its future success will depend on its ability to manage growth as it expands its products and marketing capacities, which may place a significant strain on the Company's management resources, employees, and operations, as well as its ability to finance such growth. To manage growth effectively, the Company will be required to continue to implement changes in certain aspects of its business, expand its operations, and develop, train, manage and assimilate an increasing number of management-level and other employees. If management is unable to manage growth effectively, the Company's business, prospects, financial condition, and operating results could be affected. The Company can give no assurance that it will produce revenue, operate profitably, or provide a return on investment in the future.

Legislative, Insurance, Compliance Costs, Regulatory Action and Environment

To comply with various increasing and complex regulatory reporting and standards involves significant cost. Changes to securities regulatory standards, account policy, and compliance reporting could place an additional expense burden on the Company. Insurers may increase premiums as the Company's business continue to grow so future premiums for the Company's insurance policies, including directors' and officers' insurance policies, could be subject to increase.

15. CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

Forward-looking information typically contains statements including words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information in this MD&A includes, but is not limited to, expectations regarding future revenues, earnings, capital expenditures, operating and other costs; business strategy and objectives; market trends; acquisition and disposition plans; the sufficiency of cash and working capital for future operations; and the timing and the completion of various development projects.

Forward-looking information is based on a number of assumptions, which may prove to be incorrect. In addition to other assumptions identified in this MD&A, assumptions have been made regarding, among other things, the Company's transition to new products and releases; a continuing increase in the number of customer relationships; the length of the sales cycles; the competitive environment; the ability to maintain or accurately forecast revenue from the Company's products or services; the ability of the Company to identify, hire, train, motivate, and retain qualified personnel; the ability of the Company to develop, introduce, and implement new products as well as enhancements or improvements for existing products that respond in a timely fashion to customer/product requirements and rapid technological change; risks associated with operations; the impact of any changes in the laws and regulations in the jurisdictions in which the Company operates; and the effect of new accounting pronouncements or guidance.

Although the Company believes that the expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because the Company can give no assurance that such expectations will prove to be correct. The forward-looking information contained herein is based on BeWhere's current expectations, estimates, and projections, and is subject to a number of significant risks and uncertainties that could cause actual results to differ materially from those anticipated. Such risks and uncertainties include, among others; general business and economic conditions; the overall performance of stock markets; actions of competitors and partners; the regulatory environment; the corporate governance environment and regulatory reporting requirements for BeWhere's clients; product capability and acceptance; the Company's ability to generate sufficient cash flow from operations to meet its current and future obligations; and the Company's ability to access external sources of financing, if required.

A more detailed assessment of the risks that could cause actual results to materially differ from current expectations is contained in the Risk Factors section of this MD&A, and in the Annual Information Form filed by the Company on November 13, 2018. The foregoing list is not exhaustive and other risks are detailed from time to time in other continuous disclosure filings of the Company.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, or expected. Forward-looking information contained herein is based on estimates and opinions of management at the date the statements are made. Except as required by law, BeWhere does not undertake any obligation to update forward-looking information even if management's estimates or opinions should change. The Company uses future-oriented financial information for budgeting and planning purposes and the information may not be appropriate for other purposes. Future-oriented financial information and financial outlooks, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to the risks set out above.

This Management's Discussion and Analysis was approved by the Audit Committee and the Board for release on April 15, 2021.