



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

FOR THE YEAR ENDED DECEMBER 31, 2021

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*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, 2021.*

*The discussion below should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2021, 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 13, 2022**.*

*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](http://www.sedar.com).*

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## 1. COVID-19

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 where physical presence must be restricted.

## 2. CONTINUED GROWTH

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

- **Net operating income increased by 645% year over year** – The Company recorded net operating income for the twelve months ended December 31, 2021, was \$416,521 compared to Loss of \$76,485 for the same period in 2020: an increase of \$493,006.
- **Total annual Revenue increased by 21% year over year** – Total Revenue for the twelve months ended December 31, 2021, was \$8,541,075 compared to \$7,037,286 for the same period in 2020: an increase of \$1,503,789.
- **Total quarterly Revenue increased by 15% year over year** – Total Revenue for three months ended December 31, 2021, was \$2,109,965 compared to \$1,839,441 for the same period in 2020: an increase of \$270,524.
- **Annual Gross Profit increased by 38% year over year** – Gross profit for the twelve months ended December 31, 2021, was \$2,288,891 compared to \$1,664,068 for the same period in 2020: an improvement of \$624,823.
- **Quarterly Gross Profit increased by 25% year over year** – Gross profit for the three months ended December 31, 2021, was \$703,840 compared to \$562,069 for the same period in 2020: an improvement of \$141,771.

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

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### 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. The detailed information provided to owners of these assets allows them to operate these assets at maximum efficiency.

Use for the beacons continues to expand across many sectors 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, maintenance and renewing costs. BeWhere’s monitors have proven their worth in the following applications:

- Transportation trailer location, temperature monitoring of food products and efficient utilization to reduce idling costs,
- Construction site conditions, including water detection, temperature, air pressure, humidity, and equipment location,
- Atmospheric conditions data in agriculture application to trigger other equipment such as watering,
- Medical equipment utilization and distribution,
- Municipal clean water supply for rapid detection of pipe bursts and to trigger maintenance and operational service.

The most important value that BeWhere solutions deliver is provision of 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 asset owners very detailed and easily accessible operational visibility that significantly improves the usability and management of assets, triggers just-in-time maintenance, and enhances their capability to deliver reliable and cost-effective services generating maximum value from their assets.

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. They provide ‘electronic eyes’ on assets.

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 to lower its operating costs and provide significantly enhanced customer service.

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

1. BeWhere is an early entrant launching new low-cost, low-powered, location-based data solutions.
2. 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.
3. The level of flexibility and accessibility provided to asset owners is significant, it gives them 'electronic eyes' on their assets. 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.
4. BeWhere 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 2475 Skymark Avenue Mississauga, Ontario L4W 4Y6.

#### **4. SIGNIFICANT HIGHLIGHTS**

The following were key aspects for the year ended December 31, 2021

##### **Innovation and Business Update**

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.

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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.

### **Total Comprehensive profit (loss)**

Total comprehensive profit for three months ended December 31, 2021, was \$177,204 as compared to Total comprehensive loss of \$(1,873,378) for the same period in 2020 an improvement of \$2,050,582. This was mainly due to the one-time impairment of capitalized development cost of \$1,895,399 in fiscal 2020.

Total comprehensive profit for the twelve months ended December 31, 2021, was \$416,521 as compared to \$(1,971,884) for the same period in 2020 an improvement \$2,388,405.

### **Revenue increase**

Total Revenue for three months ended December 31, 2021, was \$2,109,965 which is an increase of \$270,524 from \$1,839,441 of the same period in 2020 or 15%.

For the twelve months ended December 31, 2021, the revenues were \$8,541,075 which increased by 21% or \$1,503,789 from \$7,037,286 for the same period in 2020. The Company considers this a very good result in view of the COVID-19 related challenges.

Recurring Revenue for the three months ended December 31, 2021, was \$765,178 compared to \$799,068 for the same period in 2020: a decrease of \$33,890 or 4%.

For the twelve months ended December 31, 2021, the Recurring revenue were \$2,877,876 which decreased by 7% or \$217,304 from \$3,095,180 for the same period in 2020.

The Company renegotiated a three-year contract with one of its large customers for Recurring revenue in March 2021. The initial contract entailed pass-through billing for third party application and data fees. Under the new arrangement all pass-through third-party application and data fees will not be invoiced by the Company, and the company will only invoice the monthly fees for the services supplied by BeWhere. This arrangement will have no impact on the gross profit or net income but had a negative impact on the Total revenue and Recurring revenue. This arrangement allows the Company to focus on its net profits. In spite of this arrangement, the Company saw a 15% increase in Total revenue but had a decrease of 7% in Recurring revenue. The main impact got offset by the general organic increase in Revenue due to 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, 2021, was \$703,840 which increased by \$141,771 or 25% from \$562,069 of the same period in 2020.

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For the twelve months ended December 31, 2021, the Gross profit was \$2,288,891 which increased by 38% or \$624,823 from \$1,664,068 for the same period in 2020.

### **Gross margin**

Gross margin for the three months ended December 31, 2021, was 33% which is a slight improvement from the 31% of the same period in 2020.

Gross margin for the twelve months ended December 31, 2021, was 27% which is a slight improvement from the 24% of the same period in 2020.

### **Operating expenses**

Operating expenses, which do not include Share-based compensation expenses, for three months ended December 31, 2021, were \$511,903 which is an increase of \$21,355 or 4% from \$490,548 of the same period in 2020.

Operating expenses, which do not include Share-based compensation expenses, for the twelve months ended December 31, 2021, were \$1,840,531, an increase of \$152,236 or 9% from \$1,688,295 for the same period of 2020. This was mainly due to increase in Salary expenses partially offset by Covid-19 related decreased marketing expenses.

### **Working capital balance**

The Company continued its focus on managing the efficient use of its capital, including its cash on hand balances. In fiscal 2021, the Company became cash positive. As of December 31, 2021, Cash balance was \$2,558,673, which improved by 4% or \$92,043, as compared to Cash Balance of \$2,466,630 on December 31, 2020.

Working capital balance on December 31, 2021, was \$3,890,962, which increased by 5% or \$183,971, as compared to Working capital balance of \$3,706,991 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, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Comprehensive loss	\$ 177,204	\$ (1,873,380)	\$ 416,521	\$ (1,971,884)
Foreign exchange gain	4,066	49,709	(1,729)	57,658
Interest income	(1,656)	(2,760)	(8,454)	(18,743)
Interest expense	-	1,800	2,811	1,891
Taxes	-	-	-	-
Impairment of capitalized development cost	-	1,895,399	-	1,895,399
Amortization for Internally developed technology	55,636	73,855	277,202	295,420
Amortization & depreciation	17,085	16,477	64,887	76,416
Share-based compensation	12,323	18,634	51,229	29,336
Adjusted EBITDA	\$ 264,658	\$ 179,734	\$ 802,467	\$ 365,493

The Company recorded its second consecutive year of positive Adjusted EBITDA for the year ended December 31, 2021.

## 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:

	2021	2020	2019
	\$	\$	\$
Total revenue	8,541,075	7,037,286	6,096,602
Profit (loss) before Impairment of capitalized development costs	416,521	(76,485)	(1,229,945)
Total comprehensive loss	416,521	(1,971,884)	(1,229,945)
Total assets	5,657,208	5,640,195	6,989,004
Total liabilities	1,073,025	1,599,868	1,006,129
Income (loss) per share – basic	0.00	(0.02)	(0.01)
Income (loss) per share – diluted	0.00	(0.02)	(0.01)

### 5.2 Results of operations for the three and twelve months ended December 31, 2021, and 2020

#### Revenue:

Total Revenue for the three months ended December 31, 2021, was \$2,109,965 compared to \$1,839,441 for the same period in 2020, an increase of \$270,524 or 15%.

For the twelve months ended December 31, 2021, the Total Revenue was \$8,541,075 which increased by 21% or \$1,503,789 from \$7,037,286 for the same period in 2020.

This is primarily due to the continuing roll out of MIOT devices.

Recurring Revenue for the three months ended December 31, 2021, was \$765,178 compared to \$799,068 for the same period in 2020, a decrease of \$33,890 or 4%.

For the twelve months ended December 31, 2021, the Recurring revenue was \$2,877,876 which decreased by 7% or \$217,303 from \$3,095,179 for the same period in 2020.

The Company renegotiated a three-year contract with one of its large customers for Recurring revenue in March 2021. The initial contract entailed pass-through billing for third party application and data fees. Under the new arrangement all pass-through third-party application and data fees will not be invoiced by the Company, and the company will only invoice the monthly fees for the services supplied by BeWhere. This arrangement will have no impact on the gross profit or net income but had a negative impact on the Total revenue and Recurring revenue. This arrangement allows the Company to focus on its net profits. In spite of this arrangement, the Company saw a 15% increase in Total revenue but had a decrease of 7% in Recurring revenue. The main impact got offset by the general organic increase in Revenue due to the ramping up on sales efforts and activities directly related to delivery of technology solutions on previously announced customer wins.

The Company has majority of its revenue generated in USD and with appreciating Canadian dollar, exchange translation also impacts revenues.

Major components of revenues are as follows:

	Three months ended		Twelve months ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Product sales	\$ 1,326,258	\$ 1,016,036	\$ 5,595,365	\$ 3,849,484
Service fees	18,529	24,337	67,834	92,623
Recurring fees	765,178	799,068	2,877,876	3,095,179
	<b>\$ 2,109,965</b>	<b>\$ 1,839,441</b>	<b>\$ 8,541,075</b>	<b>\$ 7,037,286</b>

Our 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, 2021, was \$703,840 compared to \$562,069 for the same period in 2020, which is an increase of \$141,771 or 25%.

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Gross profit for the twelve months ended December 31, 2021, was \$2,288,891 compared to \$1,664,068 for the same period in 2020, an increase of \$624,823 or 38%. 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, 2021, were \$524,226, an increase of \$15,044 or 3% from \$509,182 for the same period of 2020. This was mainly due to slight increase in expenses in general.

Total expenses for the twelve months ended December 31, 2021, were \$1,891,760 compared to \$1,717,631 for the same period in 2020, an increase of \$174,129 or 10%. This was mainly due to increase in Salary expenses partially offset by COVID-19 related decreased marketing expenses.

**Total comprehensive profit (loss)**

Total comprehensive profit for three months ended December 31, 2021, was \$177,204 as compared to Total comprehensive loss of (\$1,873,378) for the same period in 2020 an improvement of \$2,050,582. This was mainly due to the one-time impairment of capitalized development cost of \$1,895,399 in fiscal 2020

Total comprehensive profit for the twelve months ended December 31, 2021, was \$416,521 as compared to (\$1,971,884) for the same period in 2020 an improvement \$2,388,405.

**5.3 Cash flows for the period ended December 31, 2021, compared to 2020**

Cash generated by operating activities amounted to \$690,081 compared to \$840,203 in the same period in 2020 as the Company managed its accounts receivable and payable balances, while maintaining its inventory level on hand.

Cash used in investing activities amounted to \$694,144 compared to \$805,838 used in the comparative twelve months in 2020. The Company used \$667,632 (2020 - \$786,221) 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, 2021, was \$96,106 compared to \$40,000 for the same period in 2020.

**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 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	2,109,965	2,421,851	2,278,809	1,730,450	1,839,441	2,172,029	1,619,568	1,406,248
Gross Profit	703,840	542,035	608,906	434,110	562,069	438,781	316,502	346,716
Profit (loss) before the following:	177,204	145,132	129,873	(35,689)	22,019	25,808	(39,133)	(85,179)
Impairment of capitalized development costs	-	-	-	-	(1,895,399)	-	-	-
Comprehensive profit (loss)	177,204	145,132	129,873	(35,689)	(1,873,380)	25,808	(39,133)	(85,179)
Income (loss) per share – basic	0.00	0.00	0.00	(0.00)	(0.02)	0.00	(0.00)	(0.00)

Revenues during the three months ended December 31, 2021, were \$2,109,965 with Gross profit of \$703,840. Total expenses were \$524,226 including Stock-based compensation expense of \$12,323 resulting in Total comprehensive profit of \$177,204.

## 6. FINANCIAL POSITION, LIQUIDITY, AND CAPITAL RESOURCES

At December 31, 2021, the Company's working capital balance amounted to \$3,890,962 including cash of \$2,558,673. This compares with the working capital balance of \$3,706,991 including cash of \$2,466,630 at December 31, 2020. The Company invested \$667,632 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, 2021 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 \$1,332,289 at December 31, 2021 as compared to \$1,240,361 at December 31, 2020, an increase of \$91,928, primarily due to decrease 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

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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, 2021, there were 88,296,488 Common Shares outstanding.

At December 31, 2021, 11,281,024 share purchase warrants were outstanding.

Exercisable warrants	Exercise price \$	Expiry date
10,592,105	0.35	February 15, 2024
688,919	0.19	February 15, 2024
<b>11,281,024</b>		

During the period subsequent to December 31, 2021, and up to the date of this MD&A, 25,000 warrants were exercised for net cash receipt of \$4,750.

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, 2021, there were 2,979,500 exercisable stock options and 3,474,500 stock options outstanding. During the period subsequent to December 31, 2021, and up to the date of this MD&A, no options were exercised.

## 8. OFF-BALANCE SHEET ARRANGEMENTS

At December 31, 2021, 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

Subsequent to the year ended, December 31, 2021, the Company moved to new premises and signed a three-year lease with an option to renew for two additional years.

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## 11. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

- a. For the twelve months ended December 31, 2021, the CEO, CFO and COO of the Company were paid salaries and consulting fees of \$633,750 (2020 - \$548,457).
- b. For the twelve months ended December 31, 2021, the Independent Directors of the Company were paid salaries and consulting fees of \$54,000 (2020 - \$54,000).
- c. Total accrued fees due to Directors as at December 31, 2021 is \$13,500 (2020 - \$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, 2021. 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.

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### 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, 2021. 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, 2021 the Company's current liabilities were \$1,005,977 (December 31, 2020 - \$1,524,990). The Company maintained cash at December 31, 2021 in the amount of \$2,558,673 (December 31, 2020 - \$2,466,630).

**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, 2021 the Company carried no debt.

Interest rate risk

As of December 31, 2021, 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:

		<b>December 31, 2021</b>		<b>December 31, 2020</b>
Financial assets				
Cash	\$	<b>976,374</b>	\$	958,878
Trade receivable		<b>906,244</b>		1,149,119
		<b>1,882,678</b>		2,107,997
Financial liabilities				
Accounts payable		<b>642,325</b>		1,170,079
	\$	<b>642,325</b>	\$	1,170,079

**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.

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*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.

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*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.

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## 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

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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 13, 2022.