



BEWHERE HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2018 AND 2017

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 three and six months ended June 30, 2018.

The discussion below should be read in conjunction with the Company's unaudited interim consolidated financial statements and the accompanying notes for the three and six months ended June 30, 2018, which are prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The discussion should also be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2017. Those financial statements were also 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 **August 16, 2018.***

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. BACKGROUND AND OVERVIEW OF CORE BUSINESS

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).

BeWhere is an Industrial Internet of Things ("IIOT") solutions company that designs, sells and manufactures hardware with sensors and software applications to track real-time information on fixed and movable 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 enable end-users a level of operational visibility that is more easily accessible and significantly easier to implement than in the past.

IIOT industrial sector, specifically the B2B sector is expected to double in size by 2020 as per analyst forecasts. A range of new users are entering the market as low-cost location-based data solutions come available as an alternative to high-priced traditional solutions. As BeWhere is one of the early entrants and at the cusp of launching new low-cost, low-powered products, the management believes the Company is well placed for growth.

BeWhere is partnering with the major telecommunication providers in bringing the new product and application solutions to the market which will expedite the sale process. Our innovation lies in the ability to allow manufactures and clients to connect their own sensor to BeWhere hardware which delivers data over the cellular network without having to design a cellular device. The Company already has client base in verticals such as transport, construction, utilities and municipalities. As BeWhere's hardware and applications allows clients to bring their own sensors, the Company can capitalize on untapped market.

The primary office of the Company is located at 3264 Lakeshore Blvd. West Etobicoke, Ontario M8V 1M4.

2. SIGNIFICANT HIGHLIGHTS

The following were key aspects for the three and six months ended June 30, 2018

Business update

BeWhere M-IoT devices are small rugged devices, powered either by two long-life AA batteries or solar energy rechargeable. 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 edit their reporting frequency to match their requirements through easy-to-understand dashboards. The solution also supports alarms and warnings that can alert users in real-time.

These Cellular beacon as a disruptive and new innovative product has quickly seen traction within the transportation and construction verticals. Transport equipment has been tracked for decades with limited market penetration due to high cost factor but our price model overcomes that hurdle. During this quarter, the Company launched its M-IoT product line and was awarded a 20,000-unit order, as previously announced. The Company plans to deploy these units in 2018.

The Company continues to focus on its strategies of enabled growth by working on developing partnership with fleet management companies and service providers in North America. Our strategy of working with partners, who have existing relationship with the end users, is already paying off as it greatly diminishes the sales cycle. This strategy allows BeWhere to operate with a minimum sales force and therefore keep overheads low. Subsequent to the quarter ended June 30, 2018, the Company has signed a contract with a US distributor of navigation equipment who has committed to 10,000-unit order. The Company plans to deploy these units in 2018. The Company is very encouraged with recent wins and continues its efforts to convert its sales opportunities to revenue by closely working with its customers.

Revenues increase

Revenues for three months ended June 30, 2018 was \$610,698 which is an increase of \$205,882 from \$404,816 of the same period in 2017, an increase of 51%. For the six months ended June 30, 2018 the revenues were \$1,145,312 which is an increase of \$608,431 from \$536,881, an increase of 113%.

Revenue is also higher as compared to three months ended March 31, 2018 which is an increase of \$76,084 or of 14% from \$534,614.

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 ending June 30, 2018 were \$259,230 which increased by \$99,100 or 62% from \$160,130 of the same period in 2017. For the six months ended June 30, 2018, gross profit was \$476,241 compared to \$186,720 for the same period in 2017, an increase of \$289,521 or 155%.

Operating expenses

Operating expenses for three months ended June 30, 2018 were \$485,522 which increased of \$25,393 or 6% from \$460,129 of the same period in 2017. For the six months ended June 30, 2018 the operating expenses were \$1,101,175 an increase of \$232,920 or 27% from \$868,255 for the same period of 2017. This was mainly due to increased marketing initiatives including attendance at trade shows and related travel, as the Company launched new cellular devices, in addition to the general increase for planned staffing levels.

Working capital balance remains healthy

The Company continued its focus on managing the efficient use of its capital, including its cash on hand balances. Cash balance was \$2,006,413 and working capital balance of \$2,540,050 on June 30, 2018.

3. SELECTED FINANCIAL INFORMATION

3.1 Annual Information

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

	2017	2016	2015
	\$	\$	\$
Total revenue	1,686,708	225,379	103,648
Loss for the year	(1,765,742)	(1,358,133)	(71,691)
Comprehensive loss for the year	(1,808,394)	(2,684,813)	(72,416)
Total assets	4,608,325	2,329,660	336,352
Total liabilities	417,742	344,625	417,112
Basic loss per common share	(0.03)	(0.07)	(0.02)
Fully diluted loss per common share	(0.02)	(0.07)	(0.02)

3.2 Results of operations for the three and six months ended June 30, 2018 and 2017

Revenue:

Revenues for the three months ended June 30, 2018 were \$611 thousand compared to \$405 thousand for the

three months ended June 30, 2017, an increase of \$206 thousand or 51%. For the six months ended June 30, 2018 the revenues were \$1,145,312 which is an increase of \$608,431 from \$536,881, an increase of 113%. Revenue increased primarily as a result of adding new customers and the continuing roll out of previously announced customer wins and including recurring service revenues.

Major components of revenues are as follows:

	Three months ended		Six months ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Product sales	\$ 299,237	\$ 297,075	\$ 517,838	\$ 378,753
Service fees	5,038	63,696	50,081	92,154
Recurring fees	306,423	44,045	577,393	65,974
	\$ 610,698	\$ 404,816	\$ 1,145,312	\$ 536,881

Our new mobile-IOT devices generate both one-time and recurring revenue. Revenue from Recurring fees has increased due to expansion of the existing solutions with Brinks Inc. and addition of new subscribers as more mobile-IOT devices are sold. Recurring fees increase is also partially due to acquisition of subscriber base that was acquired on January 3, 2018 from a Virginia based telematics company.

Gross profit:

Gross profit for the three months ended June 30, 2018 were \$259 thousand compared to \$160 thousand for the three months ended June 30, 2017, which is an increase of \$99 thousand or 62%. For the six months ended June 30, 2018, gross profit was \$476,241 compared to \$186,720 for the same period in 2017, an increase of \$289,521 or 155%. The increase is primarily as a result of increased volume of product and solution deliveries.

Total expenses:

Total expenses, which include Stock-based compensation expense, for the three months ended June 30, 2018 were \$595 thousand compared to \$544 thousand for the same period in 2017. For the six months ended June 30, 2018 total expenses were \$1,257 thousand an increase of \$305 thousand or 32% from \$952 thousand for the same period of 2017.

Net loss:

Net loss for the three months ended June 30, 2018 was \$329 thousand compared to \$388 thousand for the three months ended June 30, 2017 which decreased by \$59 thousand or 15%. This decrease was primarily due to planned and controlled expenses along with general increase of gross profit. For the six months ended June 30, 2018 net loss was \$784 thousand compared to \$770 thousand for the same period of 2017 which is an increase of \$14 thousand or 2%. This increase in net loss is primarily due to planned marketing related expenses in Q1. The Company is following a managed growth strategy and continues to build its team count in line with customer

wins and new technology development requirements.

3.3 Cash flows for the period ended June 30, 2018 compared to 2017

Cash used in operating activities amounted to \$612 thousand: a decrease from \$990 thousand used in operating activities for the comparative six months period ended June 30, 2017 as the Company managed its accounts receivable and payable balances, while it increased its inventories on hand.

Cash used in investing activities amounted to \$859 thousand compared to \$64 thousand used in the comparative six months period. The Company used \$213 thousand for the purchase of assets of a Virginia based company. The Company used \$643 thousand for the development costs. The Company continued to incur costs related to the development of its unique next generation IoT sensors and solution.

Cash provided by financing activities amounted to \$272 thousand compared to \$246 thousand provided by financing activities in the comparative six months period in 2017. The difference is primarily due to the exercising of warrants and options.

3.4 Summary of quarterly results

	Q2 2018 \$	Q1 2018 \$	Q4 2017 \$	Q3 2017 \$	Q2 2017 \$	Q1 2017 \$	Q4 2016 \$	Q3 2016 \$
Revenue	610,698	534,614	442,871	706,956	404,816	132,065	87,828	41,538
Net loss	(329,114)	(454,589)	(730,085)	(308,381)	(388,393)	(381,535)	(738,326)	(331,205)
Basic loss per share	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)
Diluted loss per share	(0.00)	(0.01)	(0.01)	(0.00)	(0.01)	(0.01)	(0.02)	(0.01)

4. FINANCIAL POSITION, LIQUIDITY, AND CAPITAL RESOURCES

At June 30, 2018, the Company's working capital balance amounted to \$2,540 thousand, including cash of \$2,006 thousand. This compares favorably with the working capital balance of \$1,305 thousand, including cash of \$1,016 thousand at June 30, 2017.

The non-cash component of working capital amounted to \$947 thousand at June 30, 2018 as compared to \$653 thousand for the same period ended June 30, 2017, an increase of \$294 thousand, primarily due to increase in revenues and related accounts receivable, and inventory, as the Company commercializes its technology and its sales and marketing efforts continued to result in new customer wins.

The business model of the Company comprises of sale of hardware as well as provide application service 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.

5. OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of Common Shares without nominal or par value. At June 30, 2018, there were 66,061,888 Common Shares outstanding.

At June 30, 2018 there were 5,089,635 share purchase warrants outstanding, all exercisable at \$0.25 each. During the period subsequent to June 30, 2018 and up to the date of this MD&A, no warrants were exercised.

Employees, directors, officers, and consultants have been granted options to purchase common shares under the Company's stock option plan. As of the period ended, June 30, 2018, there were 2,107,000 exercisable stock options outstanding. During the period subsequent to June 30, 2018 and up to the date of this MD&A, no options were exercised.

6. OFF-BALANCE SHEET ARRANGEMENTS

At June 30, 2018, 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.

7. PROPOSED TRANSACTIONS

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

8. SUBSEQUENT EVENTS

There were no subsequent events to disclose for the Company.

9. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

- 1) Paid salaries to key personnel of the Company during the six months ended June 30, 2018 of \$155,770 (2017 - \$106,720) recognized as salaries and wages in the interim consolidated statement of loss and comprehensive loss.

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- 2) Paid previously accrued unpaid salary to key personnel of the Company during the six months ended June 30, 2018 of \$68,614 (2017 - \$nil).
 - 3) Paid professional fees to the CFO during the six months ended June 30, 2018 of \$40,000 (2017 - \$nil).
 - 4) Paid salaries to the former CFO during the six months ended June 30, 2018 of \$nil (2017 - \$43,754).
 - 5) Paid professional fees to the former CFO of the Company for the six months ended June 30, 2018 of \$22,383 (2017 - \$5,000).
 - 6) Paid professional fees to the Director of the Company for the six months ended June 30, 2018 of \$30,000 (2017 - \$42,000).
 - 7) Accrued unpaid salaries to the Directors of the Company for the six months ended June 30, 2018 of \$22,500 (2017- \$30,000) recognized as accounts payable and accrued liabilities in the interim consolidated statement of financial position.
 - 8) Granted 250,000 options each to a Director and to the CFO of the Company.

10. 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, 2017 period. 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. The Company uses historical warranty claim information, as well as recent trends that might suggest that post cost information may differ from future claims. Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives, as well as parts and

labor costs. Actual claims costs may differ from management's estimates depending upon whether the actual claims costs were significantly different than the estimates.

- iv. Management reviews the useful lives of depreciable assets including property, plant and equipment and customer contracts at each reporting date based on the expected utility of the assets to the Company. Actual results, however, may vary due to technical obsolescence and changes in management's estimate of bad debts.

11. 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 as follows: cash is classified as a financial asset at FVTPL; GST/HST receivables as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities, which are measured at amortized cost. 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 Company's receivables primarily consist of trade receivables due from customers in the normal course of doing business and GST/HST receivables due from the government of Canada. As at June 30, 2018, the Company's exposure to credit risk is minimal, and management has recorded an allowance for doubtful accounts that reflects current estimates for credit risk.

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 June 30, 2018 the Company's accounts payable and accrued liabilities were \$389,154 (December 31, 2017 - \$417,742).

c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings of financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature and maturity.

12. 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 does not have a history of mining operations and there is 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.

13. 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 October 23, 2017. 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 on August 16, 2018.