RIWI CORP.

Condensed Interim Financial Statements

For the Three Months Ended March 31, 2017 and 2016

(Expressed in Canadian Dollars)

(Unaudited)

RIWI CORP.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company. They include appropriate accounting principles, judgment, and estimates in accordance with IFRS for interim financial statements.

The Company's independent auditors have not performed a review of these condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditors.

RIWI CORP.
Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)

	March 31, 2017 $	December 31, 2016 $
	(unaudited)	
Assets		
Current assets		
Cash	2,030,004	438,119
Term deposit	25,000	25,000
Accounts receivable (Note 3)	202,533	346,072
Prepaid expenses	34,096	34,786
Total current assets	2,291,633	843,977
Intangible assets, net (Note 4)	22,225	22,558
Total assets	2,313,858	866,535
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	83,210	105,252
Deferred revenue	135,216	221,380
Total liabilities	218,426	326,632
Shareholders' equity		
Share capital	5,479,866	4,058,500
Reserves	1,147,973	953,048
Deficit	(4,532,407)	(4,471,645)
Total shareholders' equity	2,095,432	539,903
Total liabilities and shareholders' equity	2,313,858	866,535

Nature of business and continuing operations (Note 1)
Commitments (Note 11)

Approved and authorized for issuance on behalf of the Board on May 29, 2017:

/s/ Neil Seeman
Neil Seeman, Chief Executive Officer

/s/ Robert Pirooz
Robert Pirooz, Director

(The accompanying notes are an integral part of these condensed interim financial statements)

RIWI CORP.
Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(unaudited)

	Three Months Ended March 31, 2017 $	Three Months Ended March 31, 2016 $
Sales	342,093	151,526
Expenses		
General and administrative (Notes 8 and 9)	223,371	239,105
Sales and marketing (Note 8)	34,312	165,541
Technology costs (Note 8 and 9)	145,172	191,223
Total expenses	402,855	595,869
Net loss and comprehensive loss for the period	(60,762)	(444,343)
Net loss per share, basic and diluted	–	(0.03)
Weighted average number of common shares outstanding - basic and diluted	15,594,893	15,025,433

(The accompanying notes are an integral part of these condensed interim financial statements)

RIWI CORP.
Condensed Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)
(unaudited)

	Share capital		Reserves					
	Shares \#	Amount $	Stock-based compensation reserve $	Warrants reserve $	Equity portion of convertible debenture $	Total reserves $	Deficit $	Total equity $
Balance, December 31, 2015	14,829,648	2,392,696	538,267	19,941	9,465	567,673	(2,697,290)	263,079
Stock-based compensation	–	–	46,035	–	–	46,035	–	46,035
Issuance of common shares and warrants for cash, net of issuance costs	403,356	1,097,983	–	–	–	–	–	1,097,983
Share purchase warrants exercised	62,000	71,514	–	(18,374)	–	(18,374)	–	53,140
Net loss for the period	–	–	–	–	–	–	(444,343)	(444,343)
Balance, March 31, 2016	15,295,004	3,562,193	584,302	1,567	9,465	595,334	(3,141,633)	1,015,894
Balance, December 31, 2016	15,543,826	4,058,500	915,792	27,791	9,465	953,048	(4,471,645)	539,903
Stock-based compensation	–	–	7,692	–	–	7,692	–	7,692
Issuance of common shares and warrants for cash	656,571	1,421,366	–	187,233	–	187,233	–	1,608,599
Net loss for the period	–	–	–	–	–	–	(60,762)	(60,762)
Balance, March 31, 2017	16,200,397	5,479,866	923,484	215,024	9,465	1,147,973	(4,532,407)	2,095,432

(The accompanying notes are an integral part of these condensed interim financial statements)

RIWI CORP.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars)
(unaudited)

	Three Months Ended March 31, 2017 $	Three Months Ended March 31, 2016 $
Operating activities		
Net loss for the period	(60,762)	(444,343)
Items not involving cash:		
Amortization of intangible assets	333	334
Stock-based compensation	7,692	46,035
Changes in non-cash operating working capital:		
Accounts receivable	143,539	(18,238)
Prepaid expenses	690	7,494
Accounts payable and accrued liabilities	(22,042)	(46,953)
Deferred revenue	(86,164)	–
Net cash used in operating activities	(16,714)	(455,671)
Financing activities		
Proceeds from issuance of common shares	1,608,599	1,121,333
Share issuance costs	–	(23,350)
Proceeds from exercise of share purchase warrants	–	53,141
Net cash provided by financing activities	1,608,599	1,151,124
Increase in cash	1,591,885	695,453
Cash, beginning of period	438,119	210,063
Cash, end of period	2,030,004	905,516
Non-cash financing activities:		
Fair value of share purchase warrants transferred to share capital upon exercise	–	18,374

(The accompanying notes are an integral part of these condensed interim financial statements)

1. NATURE AND CONTINUANCE OF OPERATIONS

RIWI Corp. (the "Company" or "RIWI") is a public company and its shares are listed on the Canadian Securities Exchange (CSE: RIW). The Company was incorporated under the laws of Canada pursuant to the Canada Business Corporations Act on August 17, 2009. The head office is located at 459 Bloor Street West, Suite 200, Toronto, Ontario, M5S 1X9 and RIWI's registered and records office is located at 200 Burrard Street, Unit 200, Vancouver, BC, Canada, V7X 1T2.

RIWI provides digital intelligence information services to customers using a proprietary global digital data capture and message dissemination technology platform called Random Domain Intercept Technology ("RDIT™"). RIWI operates four business lines: global citizen engagement, global consumer surveys, global finance, and global security. RIWI services clients through long- and short-term agreements with non-governmental organizations, corporations, and with organizations funded as prime contractors to government agencies. RIWI's RDIT™ platform is able to generate intelligence that is of importance to customers through the conduct of digital surveys and message testing campaigns that are targeted at Web users located throughout the world. The information generated from these surveys and message campaigns enables customers to monitor the effectiveness of programs, and to make better-informed business decisions and implement more effective business strategies.

These condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the three months ended March 31, 2017, the Company had a net loss of $60,762 (March 31, 2016 - $444,343), had an accumulated deficit of $4,532,407 (December 31, 2016 – accumulated deficit of $4,471,465), and has generated negative cash flows from operating activities since inception. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company has historically been able to fund operations through equity raises. These condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards applicable to interim financial information, as outlined in International Accounting Standard ("IAS") 34, "Interim Financial Reporting" and using the accounting policies consistent with those in the audited consolidated financial statements as at and for the year ended December 31, 2016.

These unaudited condensed interim financial statements do not include all disclosures normally provided in annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended December 31, 2016. Interim results are not necessarily indicative of the results expected for the fiscal year.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Use of estimates and judgments

The preparation of these condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies regarding certain types of assets, liabilities, revenues and expenses in the preparation of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts are as follows:

- Going Concern

The Company has incurred losses to date and the Company's ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances.

- Asset carrying values and impairment charges

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value of assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- Income taxes and recoverability of potential deferred income tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred income tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Use of estimates and judgments (continued)

- Measurement of share-based compensation and warrants

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance.

(c) Recently issued accounting pronouncements

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods after the date of these financial statements.

- IFRS 9, Financial Instruments ("IFRS 9")

  IFRS 9 replaces the guidance in IAS 39 Financial Instruments: Recognition and Measurement, on the classification and measurement of financial assets. The Standard eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivable. Financial assets will be classified into one of two categories on initial recognition, financial assets measured at amortized cost or financial assets measured at fair value. Gains and losses on re-measurement of financial assets measured at fair value will be recognized in the statement of loss and comprehensive loss, except that for an investment in an equity instrument which is not held-for-trading, IFRS 9 provides, on initial recognition, an irrevocable election to present all fair value changes from the investment in other comprehensive income (OCI). IFRS 9 is effective for periods beginning on or after January 1, 2018. The Company is evaluating the potential impacts of IFRS 9 on the Company's financial statements.

- IFRS 15, Revenue from Contracts with Customers ("IFRS 15")

  In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 is effective for periods beginning on or after January 1, 2018 and is to be applied retrospectively. IFRS 15 clarifies the principles for recognizing revenue from contracts with customers. IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (i.e. service revenue and contract modifications) and improve guidance for multiple-element arrangements. The Company intends to adopt IFRS 15 in its financial statements for the annual period beginning January 1, 2018, and may consider earlier adoption. The extent of the impact of adoption of IFRS 15 has not yet been determined.

- IFRS 16, Leases ("IFRS 16")

  In January 2016, the IASB issued IFRS 16, Leases. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of a low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The mandatory effective date of IFRS 16 is for annual periods beginning on or after January 1, 2019. The Company is currently evaluating the impact of IFRS 16 on its financial statements.

(Expressed in Canadian dollars)

3. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	March 31, 2017 $	December 31, 2016 $
GST input tax credits	64,661	60,703
Trade receivables	137,872	285,369
	202,533	346,072

4. INTANGIBLE ASSETS

	Patents $
Cost:	
Balance December 31, 2016 and March 31, 2017	26,644
Accumulated amortization:	
Balance December 31, 2015	(2,754)
Amortization	(1,332)
Balance December 31, 2016	(4,086)
Amortization	(333)
Balance March 31, 2017	(4,419)
Carrying amounts:	
Balance December 31, 2016	22,558
Balance March 31, 2017	22,225

Intangible assets consist of a patent. US Patent #8,069,078 relates to a method of obtaining a representative online polling sample that is intended to substantially eliminate coverage bias from the sample; to recruit users to an online panel for future survey targeting; to segregate members of the representative sample by any location in the world; to conduct real-time instant polls globally; to provide instant feedback of the results segmented by region; to track website popularity; to predict political or economic events based on the results; and to provide advertising or any other digital content. The patent was filed in 2007 and expires in 2027.

5. SHARE CAPITAL

Authorized: unlimited number of common shares without par value

On March 24, 2017, the Company completed a non-brokered private placement and issued 656,571 units at $2.45 per share for net proceeds of $1,608,599. Each unit consisted of one common share and one share purchase warrant exercisable to purchase one common share at $3.50 per share expiring on September 24, 2018. The share purchase warrants have a fair value of $187,233, calculated using the Black-Scholes option pricing model assuming an expected life of 18 months, a risk-free interest rate of 0.57%, an expected dividend rate of 0%, and an expected annual volatility of 80%.

(Expressed in Canadian dollars)

6. SHARE PURCHASE WARRANTS

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price $
Balance, December 31, 2016	254,322	2.37
Issued	656,571	3.50
Balance, March 31, 2017	910,893	3.18

As at March 31, 2017, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
656,571	3.50	September 24, 2017
248,822	2.40	September 30, 2017
5,500	0.857	March 15, 2020
910,893		

7. STOCK OPTIONS

The Company has a stock option plan under which it is authorized to grant options to directors, employees, and consultants enabling them to acquire in aggregate up to 20% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price, minimum price, or a discounted price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 10 years and are subject to vesting provisions as determined by the Board of Directors of the Company.

The following table summarizes the continuity of the Company’s stock options:

	Number of options	Weighted average exercise price $
Outstanding, December 31, 2016 and March 31, 2017	2,439,900	0.66

(Expressed in Canadian dollars)

7. STOCK OPTIONS (continued)

Additional information regarding stock options outstanding as at March 31, 2017 is as follows:

	Outstanding		Exercisable	
Range of exercise prices $	Number of shares	Weighted average remaining contractual life (years)	Number of shares	Weighted average exercise price $
0.296	1,534,400	0.6	1,534,400	0.296
0.857	623,000	2.8	616,000	0.857
2.14	232,500	0.2	232,500	2.14
2.51	50,000	3.9	33,334	2.51
0.66	2,439,900	1.2	2,416,234	0.647

The fair value for stock options granted have been estimated using the Black-Scholes option pricing model assuming no expected dividends and the following weighted average assumptions:

	2017	2016
Risk-free interest rate	–	0.58%
Expected life (in years)	–	2.5 - 3.5 years
Expected volatility	–	83%
Forfeiture rate	–	10%

The weighted average fair value of the stock options granted during the three months ended March 31, 2017 was $nil (2016 - $1.28) per option.

For the three months ended March 31, 2017, the Company recorded stock-based compensation expense, with a corresponding credit to reserves of $7,692 (2016 - $46,035). The total fair value of the stock options granted during the three months ended March 31, 2017 was $nil (2016 - $169,777).

8. EXPENSES BY NATURE

The Company has chosen to present its statement of loss and comprehensive loss based on the functions of the entity. The statement of loss and comprehensive loss include the following costs by nature:

For the three months ended	March 31, 2017 $	March 31, 2016 $
Depreciation	333	333
Short term wages and benefits	176,070	153,198
Stock-based compensation	7,692	46,035
Included in general and administrative expenses	184,095	199,566

For the three months ended	March 31, 2017 $	March 31, 2016 $
Subcontractor fees	23,491	152,500
Included in sales and marketing	23,491	152,500

(Expressed in Canadian dollars)

8. EXPENSES BY NATURE (continued)

For the three months ended	March 31, 2017 $	March 31, 2016 $
Subcontractor fees	57,747	52,722
Included in technology costs	57,747	52,722

9. RELATED PARTY TRANSACTIONS

(a) For the three months ended March 31, 2017, included in technology costs are consulting fees to the Company's CTO in the amount of $36,000 (2016 - $36,000).

As at March 31, 2017, included in accounts payable and accrued liabilities is $22,644 (December 31, 2016 - $18,060) due to related parties for consulting fees.

(b) During the three months ended March 31, 2017, the Company incurred $138,000 (2016 - $116,250) in wages to the Company's management team, including the Company's directors, President/ CEO, and CFO.

As at March 31, 2017, included in accounts payable and accrued liabilities is $2,546 (December 31, 2016 - $nil) due to related parties for reimbursement of expenses.

(c) During the three months ended March 31, 2017, the Company recognized stock-based compensation of $6,005 (2016 - $46,035) for stock options granted and vested for directors, President/ CEO, and CFO.

10. FINANCIAL RISK MANAGEMENT

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's trade accounts receivable are due from customers and GST input tax credits due from the Government of Canada and are subject to normal credit risk. The following table provides information regarding the aged trade receivables:

	Current	31-60 days	61-90 days	91 days +
March 31, 2017	14%	4%	49%	33%
December 31, 2016	60%	8%	22%	10%

(Expressed in Canadian dollars)

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

At each period end, the Company reviews the collectability of outstanding receivables. The specific accounts are only written off once all the collection avenues have been explored or when legal bankruptcy has occurred. The following is a reconciliation of the allowance for doubtful accounts:

	March 31, 2017 $	March 31, 2016 $
Balance, beginning of period	3,470	15,995
Change in provision	–	–
Balance, end of period	3,470	15,995

The following table identifies customers comprising 10% or more of the Company's revenue:

	March 31, 2017 $	March 31, 2016 $
Customer A	–	12%
Customer B	–	49%
Customer C	–	16%
Customer D	32%	–
Customer E	39%	–

The following table identifies the percentage of trade accounts receivable from individual customers comprising 10% or more of the Company's trade receivables:

	March 31, 2017 $	March 31, 2016 $
Customer A	–	12%
Customer B	–	49%
Customer C	–	16%
Customer D	79%	–
Customer E	13%	–

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company has in place a planning and budgeting process which helps determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives.

The Company's financial liabilities consist of accounts payable and accrued liabilities and consist of invoices payable to trade suppliers for online advertising technology services, server hosting, general and administrative, and other expenses and are paid within one year.

The Company expects to fund these liabilities through the use of existing cash resources and funds raised through equity financings.

10. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's net earnings or the value of financial instruments. The objective of the Company is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

(i) Interest rate risk

The Company has cash balances and no interest-bearing debt, and is not exposed to any significant interest rate risk.

(ii) Foreign currency risk

The Company's activities are conducted in foreign jurisdictions and a portion of the Company's cash is denominated in US dollars (US$). The Company has not entered into foreign exchange rate contracts to mitigate this risk.

As at March 31, 2017, financial instruments were converted at a rate of $1.00 Canadian to US$0.7480 and EUR$0.7017.

Balances denominated in foreign currencies as at March 31, 2017 were as follows:

	$	US$
Cash	401,759	303,409
Accounts receivable	137,871	103,492
Accounts payable	8,349	6,267

The estimated impact on net loss at March 31, 2017 with a +/- 10% change in US dollars would result in a change in net loss of $108,200 (March 31, 2016 - $65,000).

(d) Capital management

The Company's capital is defined to be shareholders' equity. The Company's objective in managing capital is to ensure it has adequate working capital to meet day to day needs and access to sources of capital sufficient to finance its operations and to make planned capital expenditures or capital acquisitions as opportunities present themselves. The Company manages its capital structure and makes changes to it in light of changes in economic conditions, anticipated or planned capital expenditures, opportunities for acquisitions and the risk characteristics of the underlying investments.

The Company is not subject to any externally imposed capital requirements.

11. COMMITMENTS

The Company currently has an office space lease commitment of $5,700 per month. The lease expires on August 31, 2017.