



RIWI CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Three and Nine Months Ended September 30, 2018 and 2017

Containing information up to and including November 1, 2018

(Expressed in United States Dollars)

RIWI CORP.

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This management's discussion and analysis ("MD&A") details RIWI Corp.'s ("RIWI" or the "Company") operating results and financial condition as at and for the three and nine months ended September 30, 2018 and 2017, and is prepared as at November 1, 2018. This MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements for the three and nine months ended September 30, 2018 and 2017 and the notes thereto which were prepared in accordance with *International Financial Reporting Standards* ("IFRS") (collectively referred to as the "Financial Statements"), which are available on www.sedar.com. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS. The Company's certifying Officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and these Financial Statements together with the other financial information included in these filings fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented in these filings.

The Board of Directors approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

CHANGE IN REPORTING CURRENCY TO U.S. DOLLARS

The Company changed its functional and reporting currency in its financial statements from Canadian dollars to U.S. dollars, for fiscal periods beginning on January 1, 2018, as a result of changes in its business, which is predominantly U.S. dollar denominated. All dollar amounts referred to in this MD&A are expressed in United States dollars except where indicated otherwise. Historical financial information has been restated to U.S. dollars for comparative purposes.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information, future-oriented financial information, or financial outlooks (collectively, "forward-looking information"), which includes disclosure regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "seeks," "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates", "projects", "budgets", "forecasts", "does not anticipate", "believes", "objective", "strives" or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this MD&A. These risk factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of this MD&A. All subsequent forward-looking information attributable to the Company herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein. The Company does not undertake any obligation to release publicly any revisions to this forward-looking information to reflect events or circumstances that occur after the date of this MD&A or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

ADDITIONAL INFORMATION

Additional information relating to the Company is available from the SEDAR website at www.sedar.com, under the Company's profile.

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OVERVIEW

RIWI is a public company and its common shares are listed on the Canadian Securities Exchange (CSE: RIW). The Company was originally incorporated under the laws of Canada pursuant to the *Canada Business Corporations Act* on August 17, 2009. The head office is located at 180 Bloor Street West, Suite 1000, Toronto, Ontario, M5S 2V6 and RIWI's registered and records office is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC, V6C 2X8.

RIWI is a global trend-tracking and prediction technology firm. Our cloud-based software solutions provide a digital intelligence platform to customers needing real-time citizen sentiment data anywhere in the world in order to make faster, improved decision-making. Our platform can be accessed by large numbers of users within any large enterprise customer, offering users continuous, live data feeds and constantly updating analytics. RIWI's machine-learning properties provide real-time applied analytics, forecasts, and data aggregation for our customers seeking actionable customer insights, eliminating the need for labour-intensive manual computations.

Operational Highlights (Sales and Products)

Some key achievements made by the Company since July 1, 2018 and up to November 1, 2018 are noted below. Our goal is to increase our long-term contracts and recurring revenues across all our business lines in order to achieve strong year-over-year revenue growth and profitability in 2018. All our key success metrics – including the growing proportion of our work dedicated to long-term recurring work – seek to ensure this goal.

1. Global Finance business line:

- a. RIWI was awarded a third sales contract with a top-10 international bank as measured by assets under management. This contract is valued at \$543,000. RIWI has won \$1.1 million in business with this bank over the course of the past 13 months under its three-year long-term agreement, signed in August 2017. RIWI responds regularly to requests from the bank's global sector teams and therefore expects to win additional contracts from this client over the next two years.
- b. RIWI started work for a US-based hedge fund in October. The client enjoys the right to renew the contract for eight additional quarters until the end of 2020.
- c. RIWI continues to start new data collection projects in China, emerging markets and frontier markets for existing and new finance clients under long-term agreements ("LTAs").

2. Global Security business line:

- a. RIWI won a multi-year engagement with a G-7 government agency for work in the field of international security. This client, which maintains an active team of programmers dedicated exclusively to collaborative work with RIWI, has also requested that RIWI design new proposals for varied cyber-security related services to be undertaken over the next five years.
- b. The US Department of State exercised its first option year of \$250,000 under its five-year long-term agreement with RIWI. In October, the US Government conducted a formal review of the quality, timeliness, cost control, management and regulatory compliance of the Company's work. The government gave RIWI a positive contract performance assessment, recommending RIWI for similar global data collection work to be commissioned by any US government agency.
- c. RIWI is working on new long-term business relating to countering violent extremism on the Internet, awarded by the United States Agency for International Development.

3. Global Citizen Engagement business line:

- a. RIWI completed its work on a first project with International Alert and the British Council, which included data collection from over 110,000 citizens in 15 countries. The work was presented by our clients at the United Nations and at the US Senate. RIWI expects the work to expand over multiple years and to ultimately include approximately 100 countries.
- b. RIWI won new work with an existing client, an organization funded by a US government agency, to measure perceptions of human rights organizations in fragile and conflict-affected regions.
- c. RIWI won a new contract with the UN World Food Programme to monitor economic and social conditions in certain Middle East and African countries. This contract represents wave one of a multi-wave project for which the budget can expand for data collection in up to 72 countries.

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Operational Highlights (Sales and Products) (continued)

4. Global Consumer business line:

- a. RIWI hired Bruce Caven as a sales lead responsible for growing RIWI's recurring revenues in this business line. Mr. Caven is the former Director of Data Networks for Canadian Satellite Communications Inc. (now owned by Shaw Communications); former Vice President of Sales for fONOROLA (purchased by Sprint Canada); former Vice President of Sales for Intercon Security; and former Vice President of Commercial Services for The Weather Network.
- b. With an automobile sector client, RIWI is planning the work phases of a multi-country continuous sales forecasting tool. The Company expects to begin work on this engagement in early 2019.
- c. For a repeat client, RIWI started brand tracking work in over 30 countries.

Operational Highlights (Academic Validations and Public Relations)

1. RIWI data, technology and reports were profiled in leading international finance media, including *The Financial Times*, *CNBC*, *Forbes*, *Investopedia*, *Seeking Alpha*, *TheStreet* and *MarketWatch*.
2. RIWI data and reports were profiled in leading humanitarian aid publications, including *Peace News* and in client reports from the British Council and from International Alert.
3. RIWI's work, technology and methods were presented by clients and by RIWI executives at the United Nations, the US Senate, various G-7 agencies and at The World Bank.
4. Reviews of RIWI's predictive methods and applications continue to be accepted for publication in peer-reviewed publications and statistical organizations, including *The Proceedings of the Japan Marketing Academy*, the *European Society for Opinion and Marketing Research*, the *Japan Association for Public Opinion Research*, and the 15th annual edition of research techniques, published by Saitama University.
5. RIWI executives continue to be invited to provide high-profile public lectures about data mining, data privacy, international data collection best practices and RIWI findings at Universities and clients, such as the United Nations and at the University of Toronto.

Operational Highlights (Technical)

1. To accelerate the sales process and to ensure customer delivery excellence, RIWI has adopted 'Material Design' standards for its Big Data analytics platform. The new 'app'-like user interface offers a sense of familiarity to new onboarding clients as they are introduced to a richer set of analytic capabilities.
2. To meet growing customer demand from countries globally, RIWI has introduced a new automated measure called "Scored Ranking". The implementation of Scored Ranking has been extended with statistical measures including post-stratified weighting, p-values, contingency tables and time-series.
3. As the volume of RIWI visitors to its surveys and ad tests has exceeded 1.5 billion and is expected to grow steadily over the coming months and years, RIWI has optimized its frontend technology for eight times its historic throughput. This was achieved by porting a bottleneck to a Golang implementation. This implementation has provided RIWI and its customers significant speed improvements.

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New Products

1. RIWI is selling to existing and potential clients information services in the field of contextual cyber-security. For example, RIWI can provide continuous brand opinion tracking data using its survey technology and simultaneously apply proprietary domain name system ("DNS") algorithms that provide insights into emerging global and regional cyber-threats toward client brands in all parts of the world.
2. RIWI has expanded its suite of cyber-security offerings. RIWI's services include tracking the changing technical strength of the Internet infrastructure in conflict states, identifying cyber-threats and misinformation campaigns that target corporations, and countering violent extremism across the world.
3. RIWI is offering new data fusion capabilities that enable clients to compare RIWI perceptions data to social media listening data and to other data streams (e.g., MMS/SMS data).
4. RIWI is increasingly providing unique video and ad test data mining services that provide our clients in the security, commercial, and humanitarian aid sectors with measurements to scientifically assess the effectiveness and return-on-investment of different digital advertisements and Web-based campaigns.
5. RIWI is leveraging its new in-house expertise in monetizing historic datasets to package these datasets that the Company has archived on different themes, and in different countries, for potential sales to clients that can leverage the datasets to help predict consumer purchasing and behavior trends.

OUTLOOK

Across all of RIWI's business lines, the commercial outlook is excellent for revenue growth year-over-year.

1. In its Global Finance business line, the commercial outlook is strong. Due to RIWI's long-term global work with a top-10 bank, the bank's clients at hedge funds, sovereign wealth funds, private equity and asset allocation firms seeking differentiated datasets approach RIWI to negotiate long-term engagements. Clients in this sector are seeking an information edge from RIWI for improved asset allocation, stock selection, investment due diligence, and for identifying new trends in frontier markets and in emerging markets.
2. In its Global Security business line, RIWI data solutions are now in use by G-7 agencies after testing, pilots, and technical reviews that have occurred since 2014. Contracts from these client agencies have now made RIWI eligible for sole-source, multi-year contracts ranging from \$1 million to \$20 million or more. RIWI expects its security work to increase substantially and steadily over the next 20 years. The Company is regularly preparing priced proposals in response to client inquiries from this sector. Additional offerings for this sector may require new Big Data analytics expansions. We expect that the US Government's positive October 2018 review of the quality, timeliness, cost control, management and regulatory compliance of the Company's past work will help diversify and increase Company sales.
3. In its Global Citizen Engagement business line, RIWI is now able to capture fast-rising and longer-term revenues. Each new contract where RIWI serves as a prime contractor to G-7 agencies in this business line creates a range of \$250,000 to \$5 million or more in new revenues to RIWI. Government agencies and multilateral organizations engage RIWI in these sectors since these clients need privacy-compliant data to justify and measure the effectiveness and impact of global humanitarian aid investments.
4. In its Global Consumer business line, large contracts made available to RIWI are now renewable annually. Firms request RIWI data from global audiences that typically do not answer surveys or respond to digital ad tests of any other kind. RIWI continues to expand its content-marketing initiatives in this sector to build its brand further to increase sales. As noted earlier, RIWI recently hired Bruce Caven as a sales lead responsible for growing RIWI's recurring revenues in this business line.

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Current trends in the Big Data and applied analytics marketplace offer RIWI significant commercial advantages:

1. New fiber-optic cable deployments across less populated areas of Africa, rapidly expanding network capacity and global Internet access, are expanding RIWI technology's reach.
2. Data firms that collect, store, or transfer any personal data, such as emails or IP addresses, put customers and related parties at financial risk under strict new EU regulations. Firms collecting personal data are under increased scrutiny from US and EU regulatory agencies and from clients concerned about data breaches. Firms collecting personal data for ad targeting purposes or consumer preference insights now need to incur significant costs to continually monitor and prevent unauthorized disclosure of personal data to third-party customers. By contrast, the RIWI solution is privacy-compliant, collecting no personal data, since RIWI was designed in 2009 as a privacy-first, rapidly scalable global platform.
3. In active litigation in the EU's Court of Justice in Luxembourg, the EU is asserting that European cyber-laws that affect technology companies' legal obligations, such as the "right to be forgotten" and the obligation to avoid collecting personal data, cannot be avoided by national, non-EU laws. For non-EU based data collection companies, including social media listening technology firms or companies that mine unstructured text data on the Internet, the EU's position, if successful, will mean that EU privacy-compliance requirements cannot be evaded in any jurisdiction.
4. The exponential growth of "alternative data" sets for the finance sector that have not been independently proven scientifically are increasingly viewed as burdensome for analysts to use or to integrate into their knowledge dashboards. RIWI enjoys a competitive advantage in the global finance sector since clients do not need to download new software to access RIWI's secure Web-based intelligence platform. Unlike most alternative data sets, RIWI has been validated by research units of G-7 government agencies and has been profiled in scientific publications such as *Nature* and *The Lancet*.
5. As environmental, social and governance ("ESG") becomes a dominant factor in assessing the future health and risks of stocks, it is increasingly important for financial analysts to gauge insights about Millennials' changing habits and preferences. The RIWI platform enjoys a competitive advantage over other data firms in accessing the views of the Millennial population in all regions of the world.
6. As China becomes an increasingly dominant influence in the global economy, a growing client base is demanding what only RIWI can offer: continuous, uninterrupted, real-time data feeds from across all regions and cities in China. Cross Marketing Inc. (TYO: 3675) of Tokyo has committed its sales and marketing force to sell RIWI's "China Pulse" product to its customers wishing to track sales trends, economic trends, and consumers' purchase trends in China.
7. As social media companies face growing public scrutiny over millions of fake accounts, customers are questioning the veracity of data feeds that use social media data as the source of consumer trends. Further, social media firms now need to invest significant human resources expunging fake accounts and filtering out offensive content. Consumer insights firms applying social media content as the sole source of their data feeds need to invest significant resources in data cleansing to ensure the integrity of the data which they offer to clients.

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Growth Plan for the Next Five Years

Over the next five years, RIWI expects to serve as a prime contractor to a vastly larger number of G-7 agencies and enterprise clients in the private sector. As revenues increase, RIWI will consider investing in the following activities to ensure higher revenues and to sustain delivery excellence for our customers:

1. Open offices with sales teams around the world to service our international clients.
2. Increase our machine learning and adopt new artificial intelligence tools to integrate into our citizen intelligence platform.
3. Automate new data science applications and new domain name system technologies and APIs for additional global intelligence, such as Internet-of-Things (IoT) data capture, of value to our clients.
4. Monetize, package and sell our historic, archived privacy-compliant longitudinal data sets, especially for those related to financial and consumer habits, to clients wishing to predict sales or other consumer purchase behaviour trends across different countries and across diverse sectors.

FINANCIAL RESULTS – EXPRESSED IN U.S. DOLLARS

The following is a discussion of the results of operations of the Company for the three and nine months ended September 30, 2018 and 2017. The results should be read in conjunction with the unaudited condensed interim financial statements for the three and nine months ended September 30, 2018 and 2017, and the related notes.

Financial Results	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2018	2017	2018	2017
Revenues	\$ 807,205	\$ 271,978	\$ 1,858,554	\$ 833,958
General and administrative expenses	(399,409)	(579,135)	(1,417,967)	(1,027,815)
Sales and marketing expenses	(17,896)	(19,767)	(44,702)	(82,202)
Technology costs	(91,218)	(121,857)	(245,899)	(451,251)
Net income/(loss) and comprehensive income/(loss) for the period	\$ 298,683	\$ (448,781)	\$ 149,987	\$ (727,310)
Net income/(loss) per share: basic and fully diluted	\$ 0.02	\$ (0.03)	\$ 0.01	\$ (0.04)
Total assets	2,297,228	1,755,908	2,297,228	1,755,908
Total non-current liabilities	-	-	-	-
Cash dividends	-	-	-	-

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For the three months ended September 30, 2018 and 2017

Revenues are comprised of fees that are charged to customers for providing digital surveys or ad tests and automated analytics of the findings. Revenues increased by \$535,227 or 197% to \$807,205 during the three months ended September 30, 2018 compared to the same period last year. RIWI increased its strong customer base and recurring revenue streams.

Total expenses decreased by \$212,236 to \$508,522 during the three months ended September 30, 2018 compared to the same period last year. The key expenses are summarized as follows:

- a) **General and administrative expenses** decreased by \$179,727 to \$399,409 during the three months ended September 30, 2018 compared to the same period last year. This decrease was partly due to the non-cash share-based payment expense of \$265,328 related to the grant of stock options to certain directors and an officer of the Company in 2017. In 2018, the grant of stock options was expensed during the three months ended June 30, 2018. The Company incurred additional costs of hiring a Head of Global Research in April 2018 and moving the costs of the Chief Technology Officer to general and administrative expenses.
- b) **Sales and marketing** decreased by \$1,872 to \$17,896 during the three months ended September 30, 2018 compared to the same period last year. The Company is reviewing the return-on-investment of its sales and marketing expenses rigorously. RIWI has moved sales and marketing initiatives away from external consultants to bring it in-house.
- c) **Technology costs** decreased by \$30,638 to \$91,218 during the three months ended September 30, 2018 compared to the same period last year. This decrease is attributable to: (i) RIWI's data-as-a-service economics, which generally reduces the costs associated with deliverables and marketing activities as the volume, duration-in-field and geographic reach of our data collection increases, and (ii) a shift from more research-based and *ad hoc* testing activities, especially for the Global Security business line, to an increased focus on executing only profitable contracts with longer-duration customers. This decrease also resulted from: (i) optimization of our frontend technology for eight times its historic throughput; (ii) ongoing research and development advances to increase the frequency of analytic updates, improving real-time data ingestion; and (iii) moving the costs of the Chief Technology Officer to general and administrative expenses.

The Company generated net income of \$298,683 during the three months ended September 30, 2018, compared to a net loss of \$448,781 during the same period last year, a positive variance of \$747,464.

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For the nine months ended September 30, 2018 and 2017

Revenues increased by \$1,024,596 or 123% to \$1,858,554 during the nine months ended September 30, 2018 compared to the same period last year. This nine-month revenue surpasses the revenues earned during the twelve months ended December 31, 2017 (full year 2017 revenue was \$1,654,268, which includes the positive adjustment to opening equity). The Company's nine-month revenue ended September 30, 2018 therefore exceeds the revenues earned during the twelve months ended December 31, 2017 by \$204,286, or 112%.

Total expenses increased by \$147,300 to \$1,708,567 during the nine months ended September 30, 2018 compared to the same period last year. The key expenses are summarized as follows:

- a) **General and administrative expenses** increased by \$390,151 to \$1,417,967 during the nine months ended September 30, 2018 compared to the same period last year. This increase was due to various factors, including: the additional costs of hiring a Head of Global Research in April 2018, a full-time Chief Financial Officer in July 2017 and moving the costs of the Chief Technology Officer to general and administrative expenses. The Company also began offering health insurance benefits to employees.
- b) **Sales and marketing** decreased by \$37,500 to \$44,702 during the nine months ended September 30, 2018 compared to the same period last year. The reason for the decrease is that the Company is reviewing the return-on-investment of its sales and marketing expenses rigorously. RIWI has moved sales and marketing initiatives away from external consultants to bring it in-house.
- c) **Technology costs** decreased by \$205,351 to \$245,899 during the nine months ended September 30, 2018 compared to the same period last year. This decrease is attributable to our shift from more research-based and testing activities, especially for the Global Security business line, to an increased focus on executing only profitable contracts with long-term customers. The decrease also relates to moving the costs of the Chief Technology Officer to general and administrative expenses. As noted, this decrease is also attributable to RIWI's data-as-a-service economics, which generally reduces the costs associated with deliverables and marketing activities as the volume, duration-in-field and geographic reach of our data collection activities increase.

The Company generated net income of \$149,987 during the nine months ended September 30, 2018, compared to a net loss of \$727,310 during the same period last year, a positive variance of \$877,296.

SUMMARY OF QUARTERLY RESULTS – EXPRESSED IN U.S. DOLLARS

This is a summary of selected results for the eight most recently completed quarters to September 30, 2018.

Summary of Quarterly Results <i>(in U.S. Dollars)</i>	2018				2017			2016
	Sept. 30	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30	Mar. 31	Dec. 31
Revenues	\$ 807,205	\$ 690,969	\$ 360,381	\$ 514,504	\$ 271,978	\$ 289,287	\$ 272,693	\$ 142,292
Net income/(loss) for the period	298,683	(68,128)	(80,568)	(18,961)	(448,781)	(230,093)	(48,435)	(206,721)
Net income/(loss) per share: basic and diluted	\$ 0.02	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.03)	\$ (0.01)	\$ (0.00)	\$ (0.01)

Note: the prior year results may differ by an immaterial amount due to the foreign exchange reconciliation of the CAD figures to the USD figures.

Overall, RIWI has increased its revenues significantly since 2016. The first three quarters in 2017 generated over \$270,000 in revenue and the fourth quarter of 2017 generated over \$510,000 in revenue. In 2018, RIWI continued its strong revenue trend by generating over \$360,000 in the first quarter, over \$690,000 in the second quarter, and over \$800,000 in the third quarter, the Company's highest quarter of revenue to date. The RIWI team focuses on signing new long-term contracts and establishing strong recurring revenue streams. The Company has also targeted its sales efforts toward enterprise customers across its four business lines.

RIWI is pleased to report that it reached profitability during this quarter, as the team focused on generating repeat and recurring sales along with rigorously reviewing the return-on-investment of all its expenditures.

In Q2 of 2018 and Q3 of 2017, the Company incurred higher expenses mostly due to the non-cash share-based payment expense related to the stock options granted to certain directors and an officer of the Company.

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“Percentage of Completion” Revenue Recognition Policy and Rise in Equity Balance – January 1, 2018

The Company's customer contracts are becoming longer in term, and as a result the Company began recognizing revenue over time from January 1, 2018. The Company applied IFRS 15 using the cumulative effect method for contracts that were not fully completed, as an adjustment to the opening balance of equity as at January 1, 2018. Therefore, the Company has not restated comparative information and continues to be reported under IAS 18, Revenue. The positive adjustment to the opening balance of equity as at January 1, 2018 was \$305,806, with corresponding adjustments to deferred revenue of \$299,906 and accrued revenue of \$5,900.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2018, the Company had working capital of \$2,020,956 compared to working capital of \$1,205,070 as at December 31, 2017. This 68% increase in working capital is primarily due to the increase in sales revenue.

	September 30, 2018		December 31, 2017	
Current Assets	\$	2,173,848	\$	1,713,066
Current Liabilities		(152,892)		(507,996)
Working Capital	\$	2,020,956	\$	1,205,070

The Company will continue to assess the necessity for debt or equity financing as we proceed with the development of our business. We may, from time to time, develop additional new products or services to expand our operations beyond the scope that is presently contemplated. This could result in a requirement to seek new financing in order to finance such undertakings. There is no assurance that we will be able to achieve such financings if and when required.

Contractual Obligations and Commitments

The Company's head office currently shares space with a third-party firm. The total lease payments are \$8,903 per month which began on June 1, 2018, increasing to \$9,009 per month on June 1, 2020. The Company is responsible for 50% of the monthly lease payments. The office lease expires on May 31, 2023.

Contractual Obligations	Payments due by Period				
	Total	Oct. 1 - Dec. 31, 2018	Jan. 1, 2019 - Dec. 31, 2020	Jan. 1, 2021 - Dec. 31, 2022	Jan. 1, 2023 - beyond
Office lease	\$ 251,188	13,354	107,206	108,106	22,522

CAPITAL STRUCTURE

- a) **Common Shares:** As of November 1, 2018, the Company has 17,277,282 issued and outstanding common shares. The Company's closing share price prior to November 1, 2018 was CAD \$1.05 per share.
- b) **Stock Options:** As of November 1, 2018, the Company has 2,141,602 options outstanding.
- c) **Share Purchase Warrants:** As at November 1, 2018, the Company has 662,071 share purchase warrants outstanding.

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Common Shares, on a Fully Diluted Basis

Expiry date	Exercise Price (CAD)	Number of securities	Number of shares
Common shares issued and outstanding			17,277,282
Stock options, at weighted average exercise price			
expiring in the year ending: December 31, 2018	\$ 0.57	354,102	
December 31, 2019	\$ -	-	
December 31, 2020	\$ 0.86	567,000	
December 31, 2021	\$ 2.21	282,500	
December 31, 2022	\$ 2.02	520,000	
December 31, 2023	\$ 2.00	390,000	
December 31, 2024	\$ 0.86	28,000	
	\$ 1.48		2,141,602
Warrants, at weighted average exercise price			
expiring in the year ending: December 31, 2019	\$ 3.50	656,571	
December 31, 2020	\$ 0.86	5,500	
	\$ 3.48		662,071
Common shares, on a fully diluted basis			20,080,955

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS BETWEEN RELATED PARTIES

- (a) For the nine months ended September 30, 2018, included in technology costs are consulting fees and wages to the Company's Chief Technology Officer in the amount of \$nil (2017 – \$76,525). During September 2017, the Company's Chief Technology Officer transitioned from being a consultant to being appointed an officer of the Company, and those costs were moved to salaries expense under general and administrative expenses.
- (b) For the nine months ended September 30, 2018, the Company recognized share-based payment expense of \$328,435 (2017 – \$251,454) for stock options granted to directors and officers.

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FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument to another entity. Upon initial recognition all financial instruments, including derivatives, are recognized on the balance sheet at fair value. Subsequent measurement is then based on the financial instruments being classified into one of the following categories: fair value through the statement of loss and comprehensive loss, held-to-maturity, loans and receivables, available-for-sale and other liabilities. The Company has designated its financial instruments into the following categories applying the indicated measurement methods:

Financial Instruments	Category	Measurement Method
Cash and cash equivalents	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

The Company will assess at each reporting period whether any financial assets are impaired. An impairment loss, if any is recorded on the statement of loss and comprehensive loss.

It is management's opinion that the Company is not exposed to significant interest rate risk or credit risk. The fair values of these financial instruments approximate their carrying value due to the relatively short-term maturity of these instruments.

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 are subject to normal credit 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, if required.

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 and cash equivalents is denominated in Canadian dollars ("CAD"). The Company has not entered into foreign exchange rate contracts to mitigate this risk.

As at September 30, 2018, financial instruments were converted at a rate of US\$1.00 to CAD\$1.2945 and UK Pound Sterling (GBP) 0.7671. Balances denominated in foreign currencies as at September 30, 2018 were as follows:

	In USD	In CAD	In GBP
Cash and cash equivalents	\$ 1,101,630	\$ 81,990	\$ -
Accounts Receivable	445,255	15,848	43,334
Accounts Payable	5,504	14,586	-

The estimated impact on net income for the nine months ended September 30, 2018 with a +/- 10% change in Canadian Dollar exchange rate is approximately \$1,000 (2017 – \$84,000).

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RECENT 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 this MD&A.

(a) Adoption of new and amended accounting pronouncements

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

IFRS 9 replaces the guidance in IAS 39, Financial Instruments: Recognition and Measurement. 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.

In the current period the Company has applied IFRS 9. The Company has chosen to apply IFRS 9 to the current period only and has retained its prior period figures as allowed by the standard. There was no impact of IFRS 9 on the Company's financial statements.

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

In the current period the Company has applied IFRS 15, which clarifies the principles for recognizing revenue from contracts with customers. The Company's customer contracts are becoming longer in term, and as a result the Company now recognizes revenue over time. The Company transitioned to the new standard based on the cumulative effect method for contracts that were not fully completed prior to January 1, 2018 and has retained its prior period figures as allowed by the standard.

IFRS 15 uses the terms "contract asset" and "contract liability" to describe what might more commonly be known as "accrued revenue" and "deferred revenue", however the standard does not prohibit an entity from using alternative descriptions in its Statement of Financial Position.

The Company applied IFRS 15 using the cumulative effect method for contracts that were not fully completed, as an adjustment to the opening balance of equity as at January 1, 2018. Therefore, the Company has not restated comparative information and continues to be reported under IAS 18, Revenue. The positive adjustment to the opening balance of equity as at January 1, 2018 was \$305,806, with a corresponding adjustment to the deferred revenue balance.

The Company previously followed the completed contract revenue recognition policy. Under IFRS 15, the Company now recognizes revenue over time, based on different contract milestones being reached. The impact of adopting IFRS 15 on the Company's unaudited interim financial statements for the nine months ended September 30, 2018 is noted in the table below:

	As reported	Adjustments	Balances without adoption of IFRS 15
Revenues			
Sales	\$ 1,841,888	\$ 508,375	\$ 1,333,513
Interest	16,666	-	16,666
Total revenues	\$ 1,858,554	\$ 508,375	\$ 1,350,179

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(b) Accounting pronouncements issued but not yet effective

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 evaluating the potential impacts of IFRS 16 on its financial statements.