



RIWI CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Years Ended December 31, 2018 and 2017

Containing information up to and including March 7, 2019

(Expressed in United States Dollars)

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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 years ended December 31, 2018 and 2017, and is prepared as at March 7, 2019. This MD&A should be read in conjunction with the Company's audited financial statements for the years ended December 31, 2018 and 2017 and the notes thereto which were prepared in accordance with *International Financial Reporting Standards* ("IFRS") as issued by the International Accounting Standards Board ("IASB") (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 FUNCTIONAL AND PRESENTATION CURRENCY TO U.S. DOLLARS

The Company changed its functional currency and presentation 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 the relevant underlying transactions of the Company, which have become predominantly denominated in U.S. dollars. Historical financial information has been restated to U.S. dollars for comparative purposes, using the exchange rate as at January 1, 2018, which is the date of the change in the functional currency and presentation currency.

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 shares are all common shares 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. The Company also maintains an office in Vancouver, BC.

RIWI is a global trend-tracking and prediction technology firm. Our patented, cloud-based software solutions provide a global digital intelligence platform to clients seeking real-time citizen sentiment data anywhere in the world in order to make faster, improved decision-making to grow their earnings, assess consumer behavior, and to monitor and reduce violent conflict. Our platform can be accessed by users within any large enterprise customer, offering our clients 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 business insights, eliminating the need for labour-intensive manual computations. The Company earns revenues through monthly and annual subscriptions and long-term, multi-year agreements with clients in three business lines: Global Private Enterprise, Global Security, and Global Citizen Engagement.

For the year ended December 31, 2018, the Company had net income of \$416,536 (2017 – net loss of \$746,272) and net cash provided by operating activities of \$317,494 (2017 – net cash used by operating activities of \$107,814). As at December 31, 2018, the Company had an accumulated deficit of \$3,605,252 (December 31, 2017 – \$4,310,756). The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and/or to generate profitable cash flow from operations. The Company has historically been able to fund operations through equity raises.

Operational Highlights (Sales and Products)

As noted in the Company's Management Discussion & Analysis for the period ended September 30, 2018, our 2018 goal was 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." The Company achieved this goal in 2018. Our 2019 goal is continuous improvement on our key performance indicators across our business lines: increased revenues, increased profit, increased diversity and number of contracts, a larger average contract size, and a focus on ensuring that a strong majority of our business is long-term, recurring revenues. A diversity of contracts, and long-term recurring revenues, enables management to better forecast Company revenues, profit, and to make tactical investments as required to meet or exceed key performance indicators.

For increased operational efficiency in sales in 2019, the Company merged its finance and consumer goods sales efforts into one business line, Global Private Enterprise. This business line, whose fastest and largest area of growth is finance-focused firms – such as hedge funds, banks, private equity and insurance companies – provides clients with otherwise unobtainable consumer sentiment data that continuously monitors and predicts purchase trends, macro-economic indicators and product demand, and thereby provides these clients with automated, analytics-infused insights into stock and asset strength trends across the world.

RIWI's Global Security business line grew last year, to exceed 30 percent of the Company's overall revenues in 2018. These revenues are expected to offer the Company repeat business in at least the same amount for 2019 based on our existing, signed contracts. The Global Security business line measures the impact, readiness, and progress of local and outside influences, such as criminal gangs, and the likelihood of success of planned violence-prevention interventions, in order to enhance insights for decision-makers whose legal mandate is to advance international security.

Our Global Citizen Engagement business line, the Company's most mature business line by client base and history due to the Company's pre-commercialization origins in academic research for this sector, increased its revenues in 2018 due to its focus on long-term agreements. This business line generates unique opinion and video reaction data from hard-to-reach geographies, such as Yemen, Iraq and Myanmar, and conducts data collection in the field of conflict prevention. The work in this business line includes campaign message testing and dissemination to monitor and to reduce violence in conflict-affected areas.

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To maximize the revenue-generating value of our research and development, RIWI's product offerings serve all three of our business lines despite the growing diversity of our client base. For example, for all business lines, we offer continuous monitoring of potential significant events such as referenda, observations of dangerous activity in all countries, ongoing evaluation of Web infrastructure, digital product pre- and post- testing, predictive analytics and anonymous incident reporting. All these Company offerings leverage our core intellectual property, which includes continuous machine learning that incorporates historical regional and demographic datasets, and thereby can help us to identify anomalous or fast-changing opinions on emerging events across the world.

1. Global Private Enterprise business line:

For the finance sector, which currently constitutes most of our client base in this business line, RIWI enters advanced sales discussions for large multi-services agreements much more rapidly than it did one year ago. This sales acceleration arises from our increased brand recognition in the finance sector. Brand recognition will continue to be a challenge RIWI faces in the competitive data sector in 2019 when selling to decision-makers. However, RIWI's finance clients, whose brands are trusted worldwide, have published more than 40 reports to their clients highlighting RIWI data, insights and RIWI's technological uniqueness. Although all finance clients, and private sector clients generally, now demand data privacy compliance reviews during any sales process, RIWI now enjoys the capacity to point to third-party successful evaluations of its privacy protocols, and, further, can produce 24-hour pilot tests for prospective clients to showcase RIWI's data privacy compliance. Management expects that our finance-focused clients, which together generated approximately 25% of our combined revenues in 2018, will grow by at least 150% in 2019 based on existing contracts and contracts in active negotiation.

Outside of the finance sector, management foresees winning a diversity of long-term clients in the private sector through leveraging new people, sales processes and technology established by RIWI in the second half of 2018. These sales-generation actions undertaken by management include: (a) the hiring of a head of consumer-focused sales within this private enterprise business line, Bruce Caven, a sales executive with over 30 years of experience selling commercialized data feeds and data solutions to enterprise customers in the security, weather and telecommunications sectors; (b) the hiring of a head of finance- and private-sector research for lead generation, Danielle Goldfarb, a research executive with more than 30 years of experience; (c) the hiring of data analytics, data visualization and digital communications personnel; (d) the development of automated real-time visualizations of pilot tests in order to quickly demonstrate our offerings to prospective customers; and (e) regular "Insights of the Week" targeting new customers. For these reasons, and due to our pipeline of existing sales prospects for this business line, RIWI expects revenues from the non-finance private sector to expand in 2019.

Specific operational highlights of 2018 for the Global Private Enterprise business line include:

- a) RIWI continues its work for a top-10 international bank, as measured by assets under management, pursuant to its three-year long-term master services agreement, scheduled for renewal in 2020. Following a Fall 2018 performance appraisal by the bank's sector teams (e.g., automotive and mobile phone analyst teams) of the value proposition of RIWI services, RIWI has been notified that it is the sole data services provider now for the global research and applied analytics division of this client. Accordingly, RIWI management expects the size and duration of revenues from this client to increase in 2019 and beyond. Bank analysts release stock predictions, publications and hold analyst calls and finance conferences based on RIWI trend-tracking and predictive data for the bank's institutional clients across the world. To grow its finance client base, RIWI provides regular sales presentations to the bank's clients that request capabilities demonstrations of custom RIWI services.
- b) RIWI completed its first project for a large US-based alternative data provider servicing the global hedge fund sector. RIWI is co-designing a longer-term engagement across multiple sectors and countries, and, for this reason, anticipates revenues from this client to be similar to revenues in 2019 from its top-10 banking client.
- c) RIWI works with one of the largest reinsurance companies in the world that sells an award-winning predictive risk product to the reinsurer's clients around the world. RIWI is the data supplier for this product.
- d) RIWI continues its work under its long-term agreement with an existing client, Omidyar Network, a US-based social impact investment firm, to assess changing consumer needs on a variety of topics.

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2. Global Security business line:

In terms of contract size and duration, this business line, which represented approximately 30% of the Company's 2018 revenues, offers RIWI what management considers to be sustained revenue growth over the next 5-20 years. Contracts from these client agencies have now made RIWI eligible for multi-year contracts ranging from \$1 million to \$20 million or more. RIWI expects its security work to increase steadily over the next 20 years. Management makes this assessment based on: (a) significant investments made by our clients, following several years of due diligence of our personnel and technical capabilities, to certify certain of our leadership personnel with the highest level of clearance classification; (b) the collaborative nature of this ongoing work, exemplified by the fact that our clients maintain active teams of programmers dedicated extensively to RIWI-related analytics; (c) the varied nature of new requests for costed proposals that are either sole-sourced to RIWI or tendered to a very small number of qualified vendors; and (d) several successful performance appraisals by clients of RIWI's work in this field, which management expects will lead to new multi-year agreements. One challenge for RIWI in this business line is to deliver its projects with uninterrupted customer excellence, and, in so doing, to ensure that it maintains high quality controls for delivering exceptional work. The second challenge for RIWI in this business line is to continue to stay relevant to its clients and to anticipate its clients' varied future data needs. RIWI is addressing both challenges through regular in-person contact with its current and potential clients in this sector. Through office space afforded to RIWI by partners and clients in this sector, RIWI is able to meet with clients efficiently and frequently in different secure locations in order to discuss new projects.

Specific operational highlights of 2018 for the Global Security business line include:

- a) Certain of RIWI's executive-level personnel successfully received the necessary security clearances to win new contracts and to support clients that demand the highest degree of trust, security protocols and confidentiality. The Company's Chief Executive Officer and Chief Technical Officer have Top Secret clearances.
- 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 2018, the US Government conducted a formal review of the quality, timeliness, cost control, management and regulatory compliance of the Company's work and operations. The government gave RIWI a positive contract performance assessment, recommending RIWI for similar global data collection work (i.e., audience message testing globally) to be commissioned by any US government agency.
- c) RIWI was awarded a new long-term contract relating to better understanding the sources, causes and solutions to online violence, awarded by the United States Agency for International Development.
- d) RIWI was awarded a four-year contract, with expansion opportunities for new services, from a G-7 agency.

3. Global Citizen Engagement business line:

RIWI's Global Citizen Engagement business line accounted for approximately 45% of RIWI's revenues in 2018, and, based on the growing diversity of inbound customer inquiries and continued long-term signed agreements, management expects its 2019 revenues to exceed 150% of its 2018 revenues in this business line. In this business line, RIWI is now able to capture agreements that are expected to generate rising revenues over longer terms. Most new contracts where RIWI serves as a prime contractor to G-7 agencies range from \$100,000 to \$5 million or more. Government agencies and multilateral organizations engage RIWI since these clients require privacy-compliant sentiment data to validate and measure the effectiveness and impact of humanitarian aid investments and activities. Management's expectation for continued organic growth in this business line results from RIWI's growing brand recognition in this sector, and from the growing number of inbound requests for sales proposals that the Company receives.

Management sees three challenges that it seeks to mitigate to support this business line's continued sales growth: (a) the centralized nature of our sales force being located outside some of the countries of greatest revenue opportunity, notably, the United States and the United Kingdom; (b) the long sales and procurement cycles of nine months on average for large contracts in this sector following any competitive request-for-proposal response

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("RFP") and subsequent competitor selection and technical compliance reviews; and (c) the risk of a government shutdown or interruption in a funding agency's activity that potentially delays the ability of our program staff to activate or complete project milestones and thereby recognize revenues after a contract has been signed. Management has sought to address these past challenges in 2018 through three main activities, which it continues to improve upon: first, management has secured access to office space from our partners in Washington, DC and in London, UK, in order to advance sales with new clients. Second, the Company has implemented systematized sales processes to bid on a much larger, diversified number of proposals for which it is qualified, following successful client implementations with partners in the United States, such as Freedom House, or, in the United Kingdom, the Institute for Strategic Dialogue. Third, RIWI began bidding increasingly in 2018 on contracts with prospective clients controlling discretionary budgets that are not dependent on federal government activity, such as certain private foundations, and, increasingly, private sector clients.

Specific operational highlights of 2018 for the Global Citizen Engagement business line include:

- a) 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 represented wave one of a multi-wave project for which the budget expanded for data collection, under a long-term agreement, in up to 72 countries.
- b) RIWI continues to work for a wide range of internationally respected clients that have given RIWI positive endorsements, enabling the Company to win expanded work in this field. These customers include repeat customers, such as the British Council, International Alert, a branch of the US-based National Endowment for Democracy, the World Bank, Humanity United, Freedom House, MTV, and RNW Media.
- c) RIWI has increased its work and capacity to work with Universities, where grant holders, often referred to as "Principal Investigators", are funded by multi-lateral organizations such as the US Department of State, the Bill and Melinda Gates Foundation and the United States Agency for International Development. Of particular sales relevance to long-term revenue generation prospects in the University sector are two recent milestones: first, the signing of a three-year agreement (ending in 2022), followed by options to renew the agreement, with one of the largest teaching Universities in the world. This agreement enables the University to exclusively source projects of large size and duration to RIWI without going through a competitive tender process. Second, the continued exemption or approval of RIWI data collection processes in more than 70 countries by University ethics review boards, including such RIWI clients as the Harvard University School of Public Health and the University of Toronto, can help RIWI win more sales more quickly. RIWI has been certified by independent third parties to be compliant with all EU laws and research ethics rules that forbid the collection of personal data. Management is therefore confident that these external certifications, and long-term agreements of this nature with internationally renowned Universities, will enable the Company to earn more recurring revenues.
- d) Following presentations of RIWI's work, including at the United Nations and at offices of the US Senate, in measuring the causes and the efficacy of potential solutions to address violent conflict in 15 countries, the British Council and International Alert have committed to working to allocate sufficient funds to expand RIWI's work in this field of "peace technology" over multiple years and to include more than 100 countries.

Operational Highlights (Academic Validations, Global Media and Content Marketing for Sales)

Following the hiring of new data analytics personnel in late 2018 and an executive lead in content marketing in mid-2018, management expects that our marketing efforts will accelerate RIWI's brand recognition and resulting sales across its three business lines. Although RIWI has received hundreds of media citations, regular invitations to high-profile conferences and third-party academic validations in top academic journals, brand recognition continues to be a challenge in the competitive and fast-growing data sector. Management finds this challenge to be less significant in the Global Security and in the Global Citizen Engagement business lines than in the Private Enterprise business line. For this reason, RIWI's content-marketing team is focused primarily on sales-generation activities in areas where RIWI's value proposition is easily differentiated for new private sector clients, such as continuous data collection in China or the global measurement of trends in the adoption of online consumer technologies in emerging, fast-growing and frontier markets.

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Specific operational highlights of 2018 for academic validations, media and content marketing include:

1. Global Private Enterprise:

- a) RIWI data, technology and reports were profiled in leading international finance media, including *The Financial Times*, CNBC, *Forbes*, *US News and World Report*, Bloomberg, the *New York Times*, *Benzinga*, *TheStreet*, *Business Insider*, morningstar.com, cbsnews.com and *MarketWatch*.
- b) For its consumer-focused data feeds, RIWI was named one of the Top 50 most innovative data companies for the sixth year in a row by Greenbook, as assessed by peer-group data firms.
- c) RIWI's market-sizing data relating to the business impact and opportunity presented by the 2018 legalization of recreational cannabis across Canada, prepared in conjunction with RIWI's client Deloitte LLP, continues to receive regular citations by financial media around the world.
- d) On behalf of a private sector client, and for sales and marketing purposes, RIWI successfully predicted the landslide victory and the reasons for this victory by Mexican President Andrés Manuel López Obrador. RIWI's work was widely reported in Mexico and in Canada.
- e) YipitData, an alternative data research provider to global hedge funds and asset managers, utilized the capabilities of RIWI's unique opinion data feeds on Latin American business owners using point-of sale sale-terminals.
- f) RIWI's client Egta, the European trade association ("Trade Association") for marketers of advertising solutions, released RIWI-generated data from 50 countries. The results measure consumer engagement with television as compared to other media on emotional response, social sharing and effectiveness. These data were reported in major Italian media, such as *Pubblicità Italia*, *Millecanali*, and *La mescoLanza*, and in a News Release by the Trade Association.
- g) RIWI behavioural reaction data on how the flu is affecting the United States were presented in a joint presentation by the US Centers for Disease Control and International SOS to Fortune 500 Executives.

2. Global Citizen Engagement

- a) RIWI served as the official insights provider to RightsCon 2018, the largest digital human rights conference in the world, presenting RIWI data to potential customers on: perceptions of access, safety and trust in countries around the world. RIWI is actively selling this data stream to new clients.
- b) RIWI data and reports were profiled in publications from international clients, including the Alliance for Peacebuilding, the British Council, International Alert, SAGE, Australian National University, Harvard University, Viacom, the World Bank, MTV, the United Nations World Food Programme, Norway's Peace Research Institute Oslo, Oxfam, and Canada's Privy Council Office.
- c) RIWI's work on peace and conflict resolution, in conjunction with the British Council and International Alert, was presented by our clients at the United Nations and at offices of the US Senate.
- d) RIWI executives continue to receive regular invitations to present RIWI technology at client events and at University forums, such as Harvard University, the World Bank and Freedom House.
- e) RIWI's work on behalf of clients in this business line continued to be profiled regularly in media around the world, including in Finland's *Italehti* newspaper, Brazil's *A Tribuna*, Russia's Sostav.ru, Italy's *Pubblicità Italia*, Canada's *Globe and Mail*, and Taiwan's *International News Lens*.
- f) RIWI co-marketed and co-released the Oxfam Global Income Inequality study and the Open for Business City Rankings at the World Economic Forum in Davos, Switzerland.
- g) In collaboration with the MTV Staying Alive Foundation, Viacom and the Joint United Nations Programme on HIV/AIDS (UNAIDS), RIWI conducted a multi-country HIV/AIDS perceptions and awareness study that was released on December 1, 2018, the 30th anniversary of World AIDS Day.
- h) The *Lancet Global Health Commission on High Quality Health Systems* contracted with RIWI as the Internet-based survey collector to compare the healthcare user experience in multiple countries.

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3. Global Security

- a) RIWI data collected in 54 nations and disseminated by its client, the Israeli Ministry for Foreign Affairs, was published in *The Wall Street Journal*, discussed on television by the Prime Minister of Israel, and was cited widely in Israeli media, including in Israel's *Jerusalem Post*, *The Times of Israel* and *Haaretz*.
- b) RIWI executives were invited to speak at a conference on digital diplomacy at New York University's Rennert Forum on "Technology and International Relations: Disruption and Re-Calibration".
- c) *Marketing News*, the official publication of the American Marketing Association, released recommendations by Westat, a US-based consultancy, on how to best conduct online dialogues on controversial topics, citing RIWI data in online counter-marketing technology solutions.
- d) Ron Moultrie, RIWI's Senior Advisor in Global Risk and Threat Analysis, was selected by the US Secretary of the Navy to participate in a review of the US Department of the Navy's cybersecurity.

Third-Party Technical Quality Reviews of RIWI Technology and Processes

RIWI technologies continue to be profiled for quality and data privacy in peer-reviewed publications, including:

- a) A publication of the journal *Government and Opposition* (Cambridge University Press).
- b) *Research World*, the official journal of the European Society for Opinion and Marketing Research.
- c) *The Proceedings of the Japan Marketing Academy*, the *Japan Association for Public Opinion Research*, and the 15th annual edition of research techniques, published by Saitama University.
- d) Publications by University-based researchers, including at Harvard University, Kedge Business School in France, and at the University of Barcelona.
- e) *MRS Bulletin*, the engineering journal and publication of Cambridge University Press, the *Journal of Psychiatry and Brain Science*, *Sustainability*, and *Harvard Review of Latin America*.

Trademarks and Intellectual Property Developments

- a) RIWI has obtained the trademarks for its company name in the EU and United States.
- b) RIWI's Chief Technology Officer and Chief Executive Officer filed a new machine learning patent application in the United States Patent and Trademark Office on April 20, 2018. The title of the described invention written by the above-noted RIWI Officers is: "Systems and Methods for Optimizing Web Traffic Performance."

Operational Highlights (Technical Advances and Business Rationale)

- 1. To eliminate costs associated with outsourcing to data visualization firms, and to capture more revenues, the Company developed an integrated visualization tool that complements the real-time statistical results rendered by our dashboards. Visualizations are now rapidly customizable for clients' targeted reporting needs. Currently, a wide variety of real-time visualizations are supported, such as bar, pie and time-series, and new visualization offerings, such as choropleth maps, are provided in response to client demand. These real-time visualizations also support our sales and marketing efforts in all our business lines, since data collected for non-client projects can be quickly visualized for new sales demonstrations.
- 2. To increase margins and the speed of project delivery of data that does not contain any personal identifiers as mandated by EU law, we have created machine learning tools that increase response rates and observations. These machine learning techniques have also improved data integrity as measured by increased response rates and statistical falsification tests of repeat observations over time.
- 3. To mitigate the potential risk of any interruption in our real-time continuous data collection in all regions, we started to migrate to Kubernetes for scaling project deployments on demand. Kubernetes is a cloud-provider agnostic infrastructure platform that supports workload management and accelerated deployments. With modularity at its core, we can scale horizontally (i.e., more servers) or scale vertically (i.e., servers with more power) without interruption in service and we can benefit from automated self-corrective components.

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4. To accelerate the sales process and to ensure customer delivery excellence, RIWI adopted 'Material Design' standards for its Big Data analytics platform. RIWI's 'app'-like user interface offers a sense of familiarity to new, onboarding clients as they are introduced to a richer set of analytic capabilities.

New Products and Packaged Sales Offerings

1. RIWI is selling to existing and potential clients, in its Global Private Enterprise and Global Citizen Engagement business lines, an Election Services package that includes "randomized control trial" message testing services, a similar service to the non-political message testing that RIWI provides to the US Department of State across the world, in addition to continuous public opinion survey services.
2. 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 facing client brands in all parts of the world.
3. New cyber-offerings from RIWI relate to new tools for online counter-marketing to remove false or threatening information from the Web that may be harming the brand of government agencies, people or of corporations. These technology solutions can help to identify active online frauds and cyber vulnerabilities, such as online espionage and potential data breaches.
4. RIWI's new cyber-strength and resilience-testing services include tracking the changing technical strength of the Internet infrastructure in conflict and post-conflict states, identifying cyber-threats and misinformation campaigns that target corporations, and monitoring violent conflict across the world.
5. 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., weather data or 'breaking news' feeds).
6. With for-profit and non-profit partner organizations working in the field of peace technology, RIWI seeks to increase its revenues by offering complementary data services to clients that wish to combine our data feeds with access to expert analysts to help these clients interpret the significance of the data.
7. RIWI is increasingly providing unique video and ad test data mining services that provide our clients in all our business lines with granular measurements to scientifically assess and compare the effectiveness and return-on-investment of varied digital advertisements and Web-based campaigns.
8. 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 these datasets to help predict consumer purchasing and behavior trends.
9. For existing and potential clients in the strategy consulting sector, RIWI is offering a suite of packaged offerings that may be embedded by global consultancies into all their client offerings. These services include: (a) early detection and warning data of product uptake or consumer backlash; (b) continuous tracking of emergent socio-economic or consumer trends; (c) prediction of consumer demand or events affecting consumer trends; and (d) testing of new concepts and consumer trends in new markets.
10. To increase revenues and respond to client requests, RIWI is offering the capacity to apply natural language processing ("NLP") of random observations from open text. NLP of RIWI open text data can supplement RIWI's other sentiment data, offering clients a new stream of analytics on attitudes toward electoral issues and international events, or on reactions to public policy or economic volatility.
11. To increase revenues and improve data quality, RIWI works with consultants and partner organizations that offer ancillary services to clients, such as data science, to offer our clients a range of alternate interpretations of RIWI data feeds and to independently validate RIWI's computational findings.

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OUTLOOK: COMPETITIVE LANDSCAPE OF THE COMPANY IN THE GLOBAL DATA SECTOR

Growing Competitive Advantages through Diversification

Management seeks to ensure strong revenue and profit growth year-over-year through the increased diversification of our client base, the increased proportion of our revenues that are recurring in nature, access to new clients in new markets, financial vitality during economic downturns, and the increased relevance and diversity of our product offerings. Diversification of our client base and our product offerings helps to mitigate the risk of interruptions in any one client's activity. Across our three business lines, management continues to differentiate its offerings from competitors in the data collection sector by ensuring that none of the technical services offered by RIWI process, collect, store or transfer data that contains or could potentially contain personal identifiers. In 2018, all RIWI's sales into the financial services sector, the University sector and into the G-7 government sector have required technical compliance reviews to ensure that RIWI does not violate EU laws or other regulations that forbid the collection of personally identifiable data or personal data.

Growing Competitive Advantages through Data Privacy

RIWI has earned technical certifications that help to expand and diversify the number of large clients seeking to purchase privacy-compliant RIWI data solutions so as not to put the client at risk of data leakage of personally sensitive data. In 2018, RIWI's key leadership and technical personnel earned the official security clearances needed to support clients that mandate the highest degree of trust, security and data privacy protocols and confidentiality. In October 2018, the US Government gave RIWI a positive contract performance assessment, based on its formal review of the quality, timeliness, cost control, management and regulatory compliance of RIWI's work for the US Department of State. RIWI continues to work with the US Department of State pursuant to a multi-year agreement for data collection initiatives around the world. The positive performance assessment recommends RIWI for global data collection work for any US government agency.

Unlike many of its competitors, RIWI does not collect, store or transfer personally identifiable data. RIWI does not "scrape" opinions from social media sources. RIWI avoids potential liability, and thereby protects its clients that require data from EU nations, under: (a) *The General Data Protection Regulation 2016/679*, and (b) the EU Directive on *Copyright in the Digital Single Market 2016/0280(COD)*. For these reasons, RIWI has passed strict due diligence tests with global clients that demand the highest levels of privacy and legal compliance, including: The World Bank, USAID, the UN World Food Programme, and top international hedge funds and banks. Due to the anonymous nature of random inbound audience interaction, RIWI's technology has been exempted or approved from Institutional Research Ethics Board ("IRB") scrutiny at several leading Universities, including Harvard University, the University of Toronto, and Australian National University.

RIWI monitors regulatory and policy reactions to publicly reported data breaches at firms around the world that collect, store or transfer personal data. RIWI actively monitors the degree to which any firms active in online data collection, Big Data, ad testing, and predictive analytics publicly report their capacity to be compliant or in contradiction with: (i) the EU *General Data Protection Regulation*, specifically, any requirements relating to EU rules regulating the collection of personal data and the transfer of the data across borders; (ii) new rules from social media companies limiting the degree to which they can share data with third parties; and (iii) the degree to which these competitors report that their revenues, expenses, offerings, client base and/or market share are affected due to (i) and/or (ii). RIWI management is therefore responding to clients in ad testing who value the fact that RIWI global technology solutions do not collect or store personally identifiable information.

Current trends in the Big Data and applied analytics marketplace offer RIWI certain 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 and robustness.
2. Firms collecting personal data are under increased scrutiny from US and EU regulatory agencies and from clients concerned about alleged 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. Notwithstanding RIWI's data-privacy

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protocols and practices, the Company must continually assess how government agencies interpret data collection best practices. The Company needs to continue to allocate time to monitoring trends and being proactive with data privacy organizations in order that RIWI serve as, and be recognized as, a data privacy leader and thus avoid brand risk that may come from public scrutiny paid to the broader data sector. This potential brand risk to the Company also demands that RIWI be vigilant about reviewing the data privacy and data security practices of potential partners and sub-contractors.

3. The exponential growth of “alternative data” sets for the finance sector that have not been independently proven as scientific are increasingly viewed as burdensome for analysts to use or to integrate into their knowledge dashboards. RIWI thus 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*.
4. 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.
5. As China becomes an increasingly dominant influence in the global economy, a growing client base is demanding what RIWI offers in order to better understand changing market sentiment – i.e., continuous, uninterrupted, real-time data feeds from across all regions and cities in China.
6. As social media companies face growing public scrutiny over millions of fake accounts, customers are questioning the veracity of data feeds and Big Data analytics firms 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 a major 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.

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 and public sectors. As revenues and profits rise, 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 in order to increasingly identify anomalous events of potential concern to clients in any geography and across all our business lines.
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 data 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.
5. Enter into new strategic partnerships with organizations that enable the Company to reach new clients in new markets and ensure the Company's vitality during economic downturns in any one jurisdiction.

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FINANCIAL RESULTS – EXPRESSED IN U.S. DOLLARS

The following is a discussion of the results of operations of the Company for the years ended December 31, 2018 and 2017. The results should be read in conjunction with the audited financial statements for the years ended December 31, 2018 and 2017, and the related notes. Note that 2017 financial information has been restated to U.S. dollars for comparative purposes in accordance with changes to the Company's accounting policy with respect to functional and presentation currencies.

Financial Results	2018	2017
Revenues	\$ 2,667,677	\$ 1,346,057
General and administrative expenses	(1,830,850)	(1,364,051)
Sales and marketing expenses	(111,604)	(124,709)
Technology costs	(332,348)	(605,974)
Interest income	23,661	2,405
Net income/(loss) and comprehensive income/(loss)	\$ 416,536	\$ (746,272)
Net income/(loss) per share: basic and diluted	\$ 0.02	\$ (0.04)
Total assets	2,649,337	1,807,839
Total non-current liabilities	11,800	-
Cash dividends	-	-

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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 \$1,321,620 or 98% to \$2,667,677 during the year ended December 31, 2018 compared to 2017. RIWI increased its customer base and recurring revenue streams. Also, the increase is partially due to the adoption of IFRS 15, as revenues were recognized earlier than in 2017.

Total expenses increased by \$180,068 to \$2,274,802 during the year ended December 31, 2018 compared to 2017. The key expenses are summarized as follows:

- General and administrative expenses** increased by \$466,799 to \$1,830,850 during the year ended December 31, 2018 compared to 2017. This increase was due to various factors, one of which is increased salaries expense, driven by: 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 in September 2017. The Company also began offering health insurance benefits to employees. The non-cash share-based payment expense increased by \$92,356 in 2018 compared to 2017 related to the grant of stock options to certain directors and an officer of the Company.
- Sales and marketing** decreased by \$13,105 to \$111,604 during the year ended December 31, 2018 compared to 2017. 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 these activities in-house, which reduced the sales and marketing expenses.
- Technology costs** decreased by \$273,626 to \$332,348 during the year ended December 31, 2018 compared to 2017. 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) reducing spending on consultants by transitioning the Chief Technology Officer ("CTO") from being a consultant to being appointed an officer of the Company in September 2017. While the CTO was a consultant, his consulting fees were expensed as technology costs.

RIWI is pleased to report that it generated a profit in the year ended December 31, 2018, as the team focused on generating repeat and recurring sales along with rigorously reviewing the return-on-investment of all its expenditures. The Company generated net income of \$416,536 during the year ended December 31, 2018, compared to a net loss of \$746,272 during 2017, a positive variance of \$1,162,808.

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

This is a summary of selected results for the eight most recently completed quarters to December 31, 2018.

Summary of Quarterly Results <i>(in U.S. Dollars)</i>	2018				2017			
	Dec. 31	Sept. 30	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30	Mar. 31
Revenues	\$ 825,789	\$ 801,435	\$ 684,603	\$ 355,850	\$ 514,504	\$ 271,978	\$ 289,287	\$ 270,288
Net income/(loss) for the quarter	266,549	298,683	(68,128)	(80,568)	(18,961)	(448,781)	(230,093)	(48,436)
Net income/(loss) per share:								
basic	\$ 0.02	\$ 0.02	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.03)	\$ (0.01)	\$ (0.00)
diluted	\$ 0.01	\$ 0.02	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.03)	\$ (0.01)	\$ (0.00)

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 the beginning of 2017. During the first three quarters of 2017, the Company generated over \$270,000 in revenue, and during the fourth quarter RIWI generated over \$510,000 in revenue. In 2018, RIWI continued its strong revenue trend by generating over \$355,000 in the first quarter, over \$680,000 in the second quarter, and over \$800,000 in both the third and fourth quarters. The fourth quarter of 2018 was 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. 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.

Adoption of IFRS 15, Revenue from Contracts with Customers – January 1, 2018

The Company has adopted IFRS 15, Revenue from Contracts with Customers using the cumulative effect method with an initial adoption date of January 1, 2018. Accordingly, the information presented for 2017 has not been restated and continues to be reported under the Company's previous revenue recognition policy. The Company began recognizing revenue over time from January 1, 2018 for contracts that were not fully completed as at the date of transition, as an adjustment to the accumulated deficit as at January 1, 2018. The adoption of IFRS 15 resulted in an adjustment to decrease the accumulated deficit as at January 1, 2018 by \$317,395, with corresponding adjustments to decrease deferred revenue by \$311,495 and increase unbilled revenue by \$5,900 as at January 1, 2017.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2018, the Company had working capital of \$2,349,503 compared to working capital of \$1,205,070 as at December 31, 2017. This 95% increase in working capital is primarily due to the increase in sales revenue. The adoption of IFRS 15 also factored into the increased sales revenue, which affected accounts receivable, unbilled revenue and deferred revenue compared to 2017.

	December 31, 2018	December 31, 2017
Current Assets	\$ 2,536,997	\$ 1,713,066
Current Liabilities	(187,494)	(507,996)
Working Capital	\$ 2,349,503	\$ 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.

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Contractual Obligations and Commitments

The Company's head office currently shares space with a third-party firm. The total lease payments are \$8,686 per month beginning on June 1, 2018, increasing to \$8,789 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. The Company signed a short-term lease for its Vancouver office, which begins on January 1, 2019 and ends on June 30, 2019. The total lease payments are \$670 per month.

Contractual Obligations	Payments due by Period				
	Total	Jan. 1 - Dec. 31, 2019	Jan. 1, 2020 - Dec. 31, 2021	Jan. 1, 2022 - Dec. 31, 2023	Jan. 1, 2024 - beyond
Office leases	\$ 235,932	56,073	105,155	74,704	-

CAPITAL STRUCTURE

- Common Shares:** As of March 7, 2019, the Company has 17,475,742 issued and outstanding common shares. The Company's closing share price prior to March 7, 2019 was CAD \$2.10 per share.
- Stock Options:** As of March 7, 2019, the Company has 1,787,500 options outstanding.
- Share Purchase Warrants:** As at March 7, 2019, the Company has 662,071 share purchase warrants outstanding.

Common Shares, on a Fully Diluted Basis – as of March 7, 2019

Expiry date		Exercise Price (CAD)	Number of securities	Number of shares
Common shares issued and outstanding				17,475,742
Stock options, at weighted average exercise price				
expiring in the year ending:	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	
		\$ 1.66		1,787,500
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				19,925,313

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

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RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Related party transactions are comprised solely of compensation for the Company's management

- (a) During September 2017, the Company's Chief Technology Officer ("CTO") transitioned from being a consultant to being appointed an officer of the Company. While the CTO was a consultant, his consulting fees were expensed as technology costs. As an officer of the Company, the CTO's salary is now being expensed under general and administrative expenses. For the year ended December 31, 2018, included in technology costs are consulting fees for the Company's CTO in the amount of \$nil (2017 – \$76,525).
- (b) For the year ended December 31, 2018, the Company recognized share-based payment expense of \$379,541 (2017 – \$223,123) for stock options granted to directors and officers.
- (c) For the year ended December 31, 2018, the Company incurred wages and benefits of \$589,778 (2017 – \$521,451) for the Company's senior management team, including CEO, CFO, CTO and Global Head, Citizen Engagement. The Company's directors are compensated through stock option grants.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at December 31, 2018, the Company's financial instruments are comprised of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. The amounts reflected in the statement of financial position are carrying amounts and approximate their fair values due to their short-term nature. These financial instruments are classified as at December 31, 2018 as follows:

- Cash and cash equivalents – amortized cost
- Accounts receivable – amortized cost
- Accounts payable and accrued liabilities – other financial liabilities

Prior to the adoption of IFRS 9, the Company classified its financial instruments as follows:

- Cash and cash equivalents – loans and receivables
- Accounts receivable – loans and receivables
- Accounts payable and accrued liabilities – other financial liabilities

The evaluation of the financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 of the fair value hierarchy includes unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 of the hierarchy includes inputs that are observable for the asset or liability, either directly or indirectly; and
- Level 3 includes inputs for the asset or liability that are not based on observable market data.

The Company has no financial instruments measured at fair value through profit or loss ("FVTPL").

The following is a discussion of the Company's risk exposures:

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.

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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 December 31, 2018, financial instruments were converted at a rate of US\$1.00 to CAD\$1.3642. Balances denominated in foreign currencies as at December 31, 2018 were as follows:

	In CAD	Converted to USD
Cash and cash equivalents	\$ 190,541	\$ 139,672
Accounts Receivable	56,500	41,416
Accounts Payable	228,522	167,513

The estimated impact on net income for the year ended December 31, 2018 with a +/- 10% change in Canadian Dollar exchange rate is approximately \$26,000.

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")

Effective January 1, 2018, the Company adopted IFRS 9, which includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance.

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI"), and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminated the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead the hybrid financial instruments as a whole is assessed for classification. IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the Company's financial reporting related to financial assets and financial liabilities and had no measurement impact.

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

Prior to January 1, 2018, revenue generated from surveys or ad tests delivered by the Company was recognized when the survey or ad test was complete and collection of the revenue was reasonably assured. Revenue reported in these financial statements for the year ended December 31, 2017 was recognized based on this revenue recognition policy as the Company adopted IFRS 15 based on the cumulative effect method.

Effective January 1, 2018, the Company adopted IFRS 15, which introduced a single model for recognizing revenue from contracts with customers. This standard applies to all contracts with customers, with only some exceptions, including certain contracts accounted for under other IFRSs. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services. This is achieved by applying the following five steps:

1. identify the contract with a customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract; and
5. recognize revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also provides guidance relating to the treatment of contract acquisition and contract fulfillment costs. In accordance with IFRS 15, effective January 1, 2018, the Company recognizes revenue when a contract has been signed that identifies the rights and obligations of each party with respect to the contract, it is probable that the entity will collect the consideration it is entitled to in exchange for the services provided to date, and agreed upon milestones have been achieved. Under IFRS 15, revenues are recognized over time, as the services are performed. The Company has applied the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

In accordance with IFRS 15, assets shall be recognized for incremental costs of obtaining a contract and certain costs incurred to fulfill a contract. The Company has applied the practical expedient in paragraph 94 of IFRS 15, and recognizes the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that would have been recognized is one year or less. The adoption of IFRS 15 did not have a material effect to the Company's accounting for contract costs.

The Company receives payments from customers based on previously agreed upon billing schedules, as established in each contract. The timing of revenue recognition, billings and cash collections might result in the recognition of: (x) accounts receivable; (y) unbilled revenue; and (z) deferred revenue on the Statement of Financial Position.

Generally, billing occurs after revenue recognition, resulting in unbilled revenue until billing occurs. However, if the Company receives deposits from customers before revenue is recognized, the payments are recognized as deferred revenue. Deferred revenue is recognized as revenue when the Company performs under the contract.

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The following table summarizes the impact of adopting IFRS 15 on the Company's financial statements for the year ended December 31, 2018:

	December 31, 2018		December 31, 2018
	As reported	Adjustments	without adoption of IFRS 15
Assets:			
Accounts receivable	\$ 151,479	\$ (59,850)	\$ 91,629
Unbilled revenue	580,507	(446,635)	133,872
Total assets	731,986	(506,485)	225,501
Liabilities:			
Deferred revenue	24,236	413,540	437,776
Shareholders' equity:			
Accumulated deficit	(3,605,252)	(920,025)	(4,525,277)
Total liabilities and shareholders' equity	(3,581,016)	(506,485)	(4,087,501)
Revenues			
	Year ended December 31, 2018 As reported	Adjustments	Year ended December 31, 2018 without adoption of IFRS 15
	2,667,677	(602,630)	2,065,047

The adoption of IFRS 15 had no impact to cash from or used in operating, financing, or investing activities on our consolidated statement of cash flows.

(b) Accounting pronouncements issued but not yet effective

IFRS 16, Leases ("IFRS 16")

In January 2016, the IASB issued IFRS 16, Leases. The mandatory effective date of IFRS 16 is for annual periods beginning on or after January 1, 2019. The Company adopted IFRS 16 effective January 1, 2019. 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 Company is currently in the process of calculating the impact of IFRS 16 on its financial statements.