



RIWI CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Three Months Ended March 31, 2019 and 2018

Containing information up to and including May 14, 2019

(Expressed in United States Dollars)

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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 months ended March 31, 2019 and 2018, and is prepared as at May 14, 2019. This MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements for the three months ended March 31, 2019 and 2018 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.

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 while the Founder and Chief Executive Officer led a research unit affiliated with Massey College in the University of Toronto. The Company later fully commercialized in 2017, when it hired a full-time Chief Technology Officer, a full-time Chief Financial Officer, raised hedge-fund financing, and hired sales and other staff dedicated to rapid growth and profit. The head office is at 180 Bloor Street West, Suite 1000, Toronto, Ontario, M5S 2V6 and our 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 unique 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.

RIWI Highlights for the Three-Month Period Ended March 31, 2019 – Expressed in U.S. Dollars

- a) Third consecutive profitable quarter, earning net income of \$236,899 compared with a net loss of \$80,568 in Q1 2018, a positive variance of \$317,467.
- b) Revenue grew over 89% to \$673,575, compared to Q1 2018.
- c) Generated \$168,573 in cash from operations, ending the quarter with over \$1.9 million in cash.
- d) For the last 12 months, RIWI grew its revenue year-over-year by 109%, reaching revenues of \$2,985,402 for the 12 months ended March 31, 2019, compared to the same period last year.
- e) RIWI now offers current and future customers significantly longer surveys, trend-monitoring and message testing data feeds without compromising any data integrity and data quality.
- f) RIWI filed a new machine learning patent application in the US Patent and Trademark Office on April 18, 2019. The invention, which RIWI has been using for more than one year, has enabled RIWI to reduce its technology costs for data collection in all markets of the world.

Operational Highlights (Sales and Products)

RIWI achieved its goal in 2018 – to increase its long-term contracts and recurring revenues across all our business lines in order to achieve strong year-over-year revenue growth and profitability. 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.

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Specific operational highlights of the first quarter of 2019 for the three business lines are described below.

1. Global Private Enterprise business line:

For the finance sector, RIWI is now able to market and communicate to clients that it is the sole proprietary data feed to the Bank of America Merrill Lynch's ("BofA") global research and applied analytics division in all countries of the world. Fast-growing public and media recognition of our long-term agreement with BofA, which management expects will provide expanded revenues to RIWI over the next 12 months, has helped to mitigate the challenge of RIWI's brand recognition in this sector, a challenge that management noted in its MD&A for the 2018 year. BofA analysts have now written more than 50 reports for their institutional clients around the world, highlighting RIWI's proprietary data feed as a differentiated tool to identify insights that help to forecast stock trends, asset class insights, sector trends, changing consumer preferences and macro-economic risks in all parts of the world.

RIWI has now been certified by various of its clients that have engaged RIWI for data collection on a rapid-response basis globally, such as the US State Department or the United Nations World Food Programme, as collecting no personally identifiable data – ever – in all countries and territories of the world. This differentiates RIWI from data firms that invest significant money to shield the personal information they do collect, process, store and transfer across borders. The fact that RIWI has now collected opinion data and message testing data without any personally identifiable information from more than 200 countries and territories in the world – on behalf of clients and/or for the purposes of peer-reviewed scientific publications such as *Nature* or *The Lancet* – enables the Company to rapidly pass through due diligence privacy compliance reviews during sales processes. This new development has mitigated the sales cycle challenge that management noted in its MD&A for the 2018 year.

Management continues to expect that its 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/or 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. Our rapid-response, differentiated thought leadership, real-time visualizations of pilot tests, and data collection activities designed for marketing to prospective clients, an initiative the Company launched last year, has further mitigated the brand awareness challenge that management noted in its MD&A for the 2018 year. RIWI thought leadership regularly appears in prominent general, finance-focused and academic publications around the world, enabling the sales funnel of the Company to grow through in-bound sales opportunities. Management expects that RIWI's thought leadership will enjoy more international distribution through new and existing clients and partners over the next 12 months. For these reasons, and due to our pipeline of existing sales prospects for this business line, RIWI expects revenues from the broader private sector to expand in 2019.

- a) RIWI continues its work for BofA pursuant to its three-year 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 only proprietary data services provider for the global research and applied analytics division of BofA. RIWI management expects the size and duration of revenues from this client to increase. 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 and other BofA divisions that request capabilities demonstrations of custom RIWI services.
- b) RIWI works with YipitData, an alternative data research provider to global hedge funds and asset managers, which utilized and has marketed the capabilities of RIWI's unique opinion data feeds on Latin American business owners using point-of sale terminals. RIWI anticipates revenues from this client and other large alternative data research providers to grow substantially over the next 6-18 months.
- c) RIWI works with one of the world's largest reinsurance companies that sells an award-winning predictive risk product to the reinsurer's clients. 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 this business line and in our Global Citizen Engagement business line, the US government shutdown delayed our capacity to recognize certain of revenues during the first quarter of 2019. Further, the US government shutdown delayed the negotiation of new contracts. However, the government shutdown did not result in the discontinuation of any RIWI work in this sector.

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. As noted in its MD&A for 2018, 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 in this business line, which management expects will lead to new multi-year agreements.

Management has mitigated certain of its business challenges relating to this sector, as noted in its MD&A for 2018. First, the Company now expects that additional Company personnel will be eligible to receive security clearances necessary to support the Chief Executive Officer and the Chief Technology Officer, in order to ensure that the Company expand its work and sales activity in this business line and deliver its work with uninterrupted customer excellence. Second, the Company and its clients have invested in and now regularly use secure communications protocols and technologies; this mitigates the challenge of maintaining regular contact with our clients in order to discuss new work orders and plans collaboratively, a challenge that was noted in the Company's MD&A for 2018.

- a) RIWI continues to complete milestones on behalf of the US Department of State under its five-year agreement with the Bureau of International Information Programs (IIP) and other US government agencies affiliated with this client, for message testing and other forms of data collection on a rapid-response basis in diverse regions of the world. 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. This positive contract performance review is now viewable to any US government buyer reviewing RIWI's capabilities or comparing RIWI to other vendors.
- b) RIWI is also working with clients funded by The Bureau of Democracy, Human Rights and Labor Affairs (DRL), a bureau within the US Department of State.
- c) RIWI continues to complete milestones under a 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 continues to conduct work under a four-year contract, with expansion opportunities for new services, awarded from a G-7 agency. The Company is in regular discussions for new contract opportunities.

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 continues to expect 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 or message testing data to validate and measure the effectiveness and impact of

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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.

In the first quarter of 2019, management has mitigated several of the challenges to continued sales growth and profitability in this business line. For example, a significant development occurred in March, 2019: Following competitive tender and technical compliance review, RIWI was awarded an exclusive long-term agreement by one of the top Universities in the world (as measured by *US News & World Report*) for global digital surveying and digital outreach services. The agreement enables rapid procurement by RIWI with any of the University's departments and lasts until 2022; the client has an option to renew the agreement for two subsequent one-year terms. RIWI has started work on its first contract issued under this agreement. Of additional significance to this contract and partnership is that the University ranks in the top five Universities in the world for academic performance (i.e., academic citations in peer-reviewed journals, as measured by the Institute for Scientific Information). RIWI's new long-term agreement with the University gives the Company new opportunities to win significant new work teaming with faculty-led research units that are funded by government agencies and multi-laterals and require data collection in all fields and in all countries, especially for quantitative data collection across China. The agreement with the University further establishes that the Company adheres to strict academic ethics standards certifying the Company's privacy-compliance data collection techniques for all jurisdictions of the world.

Working to pursue new and expanded business in partnership with top Universities, such as Harvard and Australian National University, and with non-profit agencies in the United States (such as Freedom House and PeaceTech Lab) and the United Kingdom (such as the Institute for Strategic Dialogue), enables the Company to mitigate the challenges of continued sales growth in this business line as noted by management in its MD&A for 2018. Specifically, these agile and long-term partnership structures offer the Company the capacity to win new business faster, despite 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. Second, these University partnerships mitigate the long sales and procurement cycles of nine-11 months for large contracts in this sector following any competitive request-for-proposal response ("RFP") and subsequent competitor selection and technical compliance reviews. Third, these partnerships ensure the durability of our business and demonstrate our capacity to conduct business with certifiable excellence in all jurisdictions of the world, thereby mitigating 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. A management priority is to leverage these growing partnerships to bid on large numbers of 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.

- a) RIWI continues to complete milestones under its long-term contract with the UN World Food Programme to monitor economic and social conditions in up to 72 countries.
- b) RIWI continues its work and/or is initiating new contracts for a wide range of clients. Customers include repeat clients, such as the British Council, the Government of Canada, International Alert, a branch of the US-based National Endowment for Democracy, the World Bank, Humanity United, Freedom House, MTV, the University of Toronto, Australian National University 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.
- 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.
- e) On behalf of Freedom House, RIWI delivered a time-sensitive data-collection project in Myanmar, a region of increasing importance for RIWI clients in this business line given the human rights abuses taking place there, and given the Company's unique data collection access to this country under military rule.

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Highlights for Q1 2019 (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. As noted earlier in this MD&A, the sales- and lead-generation efforts of this marketing program that began in 2018 are showing results in the form of increasing numbers of in-bound sales opportunities from hedge funds, private-sector clients and from buyers in the field of international security.

Highlights from January 1 to May 14, 2019 include:

- a) In the view of management, the most significant third-party technical review to advance sales across the private sector, especially for Asia-based customers, was a peer-reviewed technical paper published about RIWI – demonstrating the superior statistical data quality of RIWI technology to collect consumer diverse, reliable and continuous opinion data as compared to panel-based data – authored and led by Honda's head of research and analytics in the *International Journal of Business Innovation and Research*.
- b) University-based researchers, including at Harvard, the University of Groningen, Queen's University Belfast, and at Kedge Business School, featured RIWI data and methodologies in peer-reviewed papers.
- c) Technical capabilities about RIWI were published by RIWI clients, such as the United Nations World Food Programme and Peace Research Institute Oslo. These reports have included: a publication in the *Harvard Review of Latin America*, the *Congressional Briefing Book* prepared by the Alliance for Peacebuilding, *Africa Data Revolution Report 2018* published by the World Wide Web Foundation; a publication by the thinktank, Friends of Europe, written by the CEO of International Alert; the *Society for Economic Inequality Working Paper Series*, written by past and current clients at Australian National University and at Oxfam.
- d) In March 2019, the Prime Minister of Israel, prior to his re-election, discussed RIWI findings on trends in the Middle East in a wide range of high-profile media. This led to in-bound sales opportunities.
- e) RIWI's research and data science teams release regular insights to the public and provide findings to clients that contribute to media coverage of RIWI clients, as noted this quarter in such publications as *Business Insider*, *marketwatch.com*, *cnbc.com*, *morningstar.com* and *cbsnews.com*.
- f) RIWI's research and sales teams have presented our offerings at invited presentations to forums at the World Bank, the University of Toronto, G-7 government offices, and Freedom House in Washington, DC.
- g) RIWI's collaboration with the World Bank in Iraq was featured at the Bank's annual Spring Meetings in Washington DC, and is scheduled to be replicated in multiple countries.
- h) RIWI has been selected to present RIWI's Global Internet Sentiment Study at RightsCon in Tunis, the largest digital rights conference in the world.
- i) RIWI was invited to provide a consultation on data applications by the Center for Democracy, Rights and Governance at the United States Agency for International Development ("USAID"). USAID is the world's largest funder of global humanitarian activities.
- j) RIWI's rapid-response data collection, tracking the changing sentiment against Nicolás Maduro across Venezuela, was highlighted in leading Latin American media, such as *Diario Libre* and *Puro Higüeyano*.

Intellectual Property Development

RIWI's Chief Executive Officer and Chief Technology Officer filed a new machine learning patent application in the United States Patent and Trademark Office on April 18, 2019. This application claimed priority from the U.S. Provisional Patent that RIWI previously filed 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." The invention, which RIWI has been using for clients more than one year, has enabled RIWI to reduce its technology costs for data collection in all countries of the world.

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 continues to advance its integrated visualization tools to complement 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; 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.

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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 of the world, we have now migrated 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.
4. To accelerate the sales process and to ensure customer delivery excellence, RIWI now uses '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 Product Offerings to All Clients Launched in Q1 2019

To accelerate sales in response to client demand, RIWI now can now offer to customers significantly longer surveys, trend-monitoring and message test capabilities without compromising any data integrity and data quality. Delivery targets can be tuned to maximize data flow and overall throughput. These additional options for customers can also increase the speed of project initiation and completion.

Continued Products and Packaged Sales Offerings (as noted in the December 31, 2018 MD&A)

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, in addition to continuous public opinion survey services.
2. RIWI is selling to existing and potential clients information services in the field of "contextual cybersecurity". 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, misinformation online and cyber vulnerabilities, such as online espionage and potential data breaches.
4. RIWI's cyber-strength and resilience-testing services include tracking the changing technical strength of the Internet infrastructure in conflict and post-conflict states.
5. RIWI is offering data fusion capabilities that enable clients to compare RIWI perceptions data to text-based analytics data and to other data streams.
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 (e.g., for elections).
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.

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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.
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.

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

In the field of global data collection, high-paying customers are increasingly sensitive to quality differentiators in order to seek a competitive edge. In the past two years, RIWI's main business challenge has been far less about its technical differentiators than about market awareness among certain buyer segments. As noted in this MD&A and in the MD&A for December 31, 2018, RIWI now enjoys rapidly growing market awareness across its three business lines, in global media and in expert technical publications. On account of increased distribution of RIWI-authored reports through clients and partners, management expects this market awareness to grow steadily without the need to invest materially in external public relations or marketing.

To ensure our earnings grow and our client base diversifies, however, we need to continue to educate new buyers of data solutions about the otherwise unobtainable insights that flow from RIWI data feeds. In all three of RIWI's fastest-growing client segments – finance, international security and humanitarian aid – the proportion of potential clients that already leverage data solutions from data vendors to make decisions is a tiny fraction of the total addressable market actively seeking differentiated data for insights (e.g., China long-short hedge funds trying to understand loyalty patterns of Chinese Millennials to products in order to predict the direction of Chinese equities).

1. Growing Competitive Advantages through Quality Differentiation

Through our sales efforts and RIWI's growing market awareness among buyers in the global data marketplace, RIWI positions itself as offering substantial data quality differentiation from other dominant methods of data collection for the sectors in which RIWI competes most for business. These other data categories include:

- a) Social Media Analytics and Listening Technology for Trend Monitoring
- b) Panel-based Solutions for Surveys and Message Tests
- c) SMS (short message service) data for Surveys and Message Tests
- d) Unstructured Text data scraped from the Web for Risk Detection and Early Warnings

Unlike these other data collection techniques, RIWI offers major quality advantages that have been identified by clients and researchers in expert, independent reviews. Certain of these RIWI quality advantages include:

- a) RIWI accesses every Web-enabled country, including in countries where the Internet is censored
- b) No personally identifiable information are ever captured, stored, processed or transferred by RIWI
- c) RIWI offers randomized recruitment and random response from random representative online populations
- d) RIWI offers continuous, real-time data feeds in all file formats
- e) RIWI collects opinion and message testing data from disengaged populations who do not habitually post content online or answer survey questions online, especially questions relating to controversial topics

2. Growing Competitive Advantages through Stable Costs of Technology as Sales Grow

One of the core business benefits of RIWI technology is that our technology costs remain relatively stable even as our product offerings and sales grow. As noted earlier in this MD&A, the Company's investments in machine learning research and development have advanced our capacity to maintain strong margins and to keep costs low even as we expand long-term contracts across diverse markets of the world. This machine learning capacity has created new, substantial barriers to entry to any competitor seeking to collect reliable global trends data efficiently.

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3. 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, 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.

4. 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 or the client's partners 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.

5. Growing Cost-Reduction Advantages through RIWI Privacy Practices

By contrast to RIWI, 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-parties. Examples of specific data breaches that can expose other data firms to risk include data leakages that lead to a party using a person's data to deny them a job, credit or healthcare, or the use of personal characteristics to discriminate against a person when setting prices or determining eligibility for services. Firms that collect personally identifiable data need to ensure vigilant monitoring and restrictions on data use for advertising by third parties – including banning certain types of data for being collected or used for advertising, limiting the purposes for which advertising data may be used, and, in some cases, allowing consumers to identify their preferences regarding what advertising they do, or do not, wish to receive.

For this reason, RIWI takes pride in being the 2018 insights provider to Rightscon (held in Toronto) and in being invited to present at Rightscon in 2019 (in Tunis). Rightscon is the world's leading digital human rights assembly.

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6. Growth Plan for the Next Five Years (consistent with RIWI's December 31, 2018 MD&A)

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:

- a) Open new offices with sales teams around the world to service our international clients, while continually reviewing return on investment.
- b) 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.
- c) 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.
- d) 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.
- e) 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 three months ended March 31, 2019 and 2018. The results should be read in conjunction with the unaudited condensed financial statements for the three months ended March 31, 2019 and 2018, and the related notes.

Financial Results	Three Months Ended March 31	
	2019	2018
Revenues	\$ 673,575	\$ 355,850
General and administrative expenses	(371,162)	(362,484)
Sales and marketing expenses	(8,774)	(13,923)
Technology costs	(67,062)	(64,541)
Interest income	10,323	4,530
Net income/(loss) and comprehensive income/(loss)	\$ 236,899	\$ (80,568)
Net income/(loss) per share: basic and fully diluted	\$ 0.01	\$ (0.00)

	March 31, 2019	December 31, 2018
Total assets	\$ 2,996,712	\$ 2,649,337
Total non-current liabilities	135,219	11,800
Cash dividends	-	-

For the three months ended March 31, 2019 and 2018

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 \$317,724 or 89% to \$673,575 during the three months ended March 31, 2019 compared to the same period in 2018. This increase in revenues resulted from RIWI increasing its customer base and recurring revenue streams.

Total expenses increased slightly by \$6,050 to \$446,998 during the three months ended March 31, 2019 compared to 2018. The key expenses are summarized as follows:

- a) **General and administrative expenses** increased by \$8,678 to \$371,162 during the three months ended March 31, 2019 compared to 2018. This small increase was due to various factors, including an increase in salaries expense due to additional staff, offset by a decrease in share-based payment expense. The other expenses remained fairly stable.
- b) **Sales and marketing** decreased by \$5,149 to \$8,774 during the three months ended March 31, 2019 compared to 2018. 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 has reduced the sales and marketing expenses.
- c) **Technology costs** increased by \$2,521 to \$67,062 during the three months ended March 31, 2019 compared to 2018. The slight increase is due to the increase in revenues. The Company is always looking at ways to reduce its technology costs associated with sales, and, as noted earlier in this MD&A, our new technological advances have increasingly reduced our technology costs linked to sales.

RIWI is pleased to report that it generated a profit during the three months ended March 31, 2019, as the team focused on generating repeat and recurring sales along with rigorously reviewing the return-on-investment of all expenditures. The Company generated net income of \$236,899 during the three months ended March 31, 2019, compared to a net loss of \$80,568 during the three months ended March 31, 2018, a positive variance of \$317,467.

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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 March 31, 2019.

Summary of Quarterly Results <i>(in U.S. Dollars)</i>	2019		2018				2017		
	Mar. 31	Dec. 31	Sept. 30	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30	
Revenues	\$ 673,575	\$ 825,789	\$ 801,435	\$ 684,603	\$ 355,850	\$ 514,504	\$ 271,978	\$ 289,287	
Net income/(loss) for the quarter	236,899	266,549	298,683	(68,128)	(80,568)	(18,961)	(448,781)	(230,093)	
Net income/(loss) per share:									
basic	0.01	\$ 0.02	\$ 0.02	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.03)	\$ (0.01)	
diluted	0.01	\$ 0.01	\$ 0.02	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.03)	\$ (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 the beginning of 2017. In 2018, RIWI maintained strong quarterly revenue by generating over \$355,000 in the first quarter, over \$680,000 in the second quarter, and more than \$800,000 in each of the third and fourth quarters of the year. In 2019, the first quarter revenue decreased from the previous quarter, due partly to the shutdown of the US government (December 22, 2018 until January 25, 2019), which delayed the ability of the Company to complete milestones and thereby recognize revenues associated with certain projects in the period ending March 31, 2019. The shutdown also delayed the expected start of certain new work orders. The RIWI team continues to focus on diversifying its client base, signing new long-term contracts and establishing strong recurring revenue streams with clients in all major markets. An analysis of revenue-recognition activity over the past two years reveals that there appears to be some seasonality to RIWI's revenue trajectory, given that the nature of RIWI's current client base tends to activate and/or accelerate new projects in the late stage of the first quarter of the calendar year, which means that revenues earned by the Company tend to grow over the course of any year.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2019, the Company had working capital of \$2,572,933 compared to working capital of \$2,349,503 as at December 31, 2018. This 10% increase in working capital is primarily due to the increase in sales revenue and controlling costs.

	March 31, 2019		December 31, 2018	
Current Assets	\$	2,732,027	\$	2,536,997
Current Liabilities		(159,094)		(187,494)
Working Capital	\$	2,572,933	\$	2,349,503

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 \$8,874 per month beginning on June 1, 2018, increasing to \$8,980 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 \$675 per month.

Contractual Obligations	Payments due by Period				
	Total	Apr. 1 - Dec. 31, 2019	Jan. 1, 2020 - Dec. 31, 2021	Jan. 1, 2022 - Dec. 31, 2023	Jan. 1, 2024 - beyond
Office leases	\$ 225,537	41,922	107,351	76,264	-

CAPITAL STRUCTURE

- Common Shares:** As of May 14, 2019, the Company has 17,625,742 issued and outstanding common shares. The Company's closing share price prior to May 14, 2019 was CAD \$3.25 per share.
- Stock Options:** As of May 14, 2019, the Company has 1,637,500 options outstanding.
- Share Purchase Warrants:** As at May 14, 2019, the Company has 662,071 share purchase warrants outstanding.

Common Shares, on a Fully Diluted Basis – as of May 14, 2019

Expiry date	Exercise Price (CAD)	Number of securities	Number of shares
Common shares issued and outstanding			17,625,742
Stock options, at weighted average exercise price			
December 31, 2020	\$ 0.86	417,000	
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	
	\$ 1.71		1,637,500
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.

RELATED PARTY TRANSACTIONS

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

- For the three months ended March 31, 2019, the Company recognized share-based payment expense of \$2,650 (three months ended March 31, 2018 – \$32,153) for stock options granted to directors and officers.

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FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at March 31, 2019, 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 March 31, 2019 as follows:

- Cash and cash equivalents – amortized cost
- Accounts receivable – amortized cost
- 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.

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.

- Interest rate risk:* The Company has cash balances and no interest-bearing debt, and is not exposed to any significant interest rate risk.
- 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 March 31, 2019, financial instruments were converted at a rate of US\$1.00 to CAD\$1.3363. Balances denominated in foreign currencies as at March 31, 2019 were as follows:

	In USD	In CAD
Cash and cash equivalents	\$ 1,902,578	\$ 38,121
Accounts Receivable	154,079	145,160
Accounts Payable	1,714	13,771

The estimated impact on net income for the three months ended March 31, 2019 with a +/- 10% change in Canadian Dollar exchange rate is approximately \$25,000 (March 31, 2018 - \$25,000).

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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.

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. 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.

The Company adopted IFRS 16 retrospectively from January 1, 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening Statement of Financial Position on January 1, 2019.

On transition, the Company has opted to apply the following practical expedients:

- (i) Used a single discount rate to the operating leases; and
- (ii) Opted not to apply IFRS 16 to operating leases for which the lease term ends within 12 months of the date of initial application.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are stated as assets of the Company at the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated amortization and impairment losses. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation. Finance costs are charged to profit or loss over the term of the relevant lease so as to produce an interest charge on the remaining balance of the lease obligations each month.

Adjustments recognized on adoption of IFRS 16

On adoption of IFRS 16, the Company recognized lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019, which was 6%.

As at	January 1, 2019
Operating lease obligations as at December 31, 2018	\$ 235,932
Discounted using the Company's incremental borrowing rate of 6%	180,409
Lease obligations as at January 1, 2019	\$ 180,409
Current portion of lease obligations	35,879
Non-current lease obligations	144,530
Lease obligations as at January 1, 2019	\$ 180,409

The right-of-use assets of \$166,254 were measured at the amount equal to the lease obligations of \$180,409, reduced by the prior period lease inducement of \$14,155. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.