



RIWI CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Three and Nine Months Ended September 30, 2020 and 2019

Containing information up to and including November 10, 2020

(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 and nine months ended September 30, 2020 and 2019, and is prepared as at November 10, 2020. This MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements for the three and nine months ended September 30, 2020 and 2019 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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RIWI OVERVIEW

RIWI is a public company and its shares are all common shares listed on the TSX Venture Exchange (TSXV: RIWI). The Company was 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 the CEO and Founder stopped his University teaching responsibilities. The Company's head office is located at 180 Bloor Street West, Suite 1000, Toronto, Ontario, M5S 2V6 and RIWI's registered 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 consumer and citizen sentiment data anywhere in the world in order to improve business performance, evaluate program effectiveness, enhance customer engagement, and to monitor and reduce emerging threats and 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 advance warnings for customers seeking data-enabled business insights, eliminating the need for: (a) labour-intensive manual computations, (b) online panel firms in different countries, (c) market research insights professionals in different countries, or (d) external statistical firms. The Company earns revenues through monthly, quarterly, and annual subscriptions and long-term, multi-year agreements with clients.

Our global platform and dashboards offer customers high-frequency, broad-based, and scientifically rigorous sentiment data from the most diverse audiences available in the global data marketplace in order to predict and monitor volatility that may impact a client's business operations, customer demands or risk forecasts in any region of the world. RIWI functions as a DaaS ("data as a service") recurring-revenue business powered by proprietary machine-learning systems and methods. We offer clients Web-based dashboards with continually updating data, analytics, forecasts, map visualizations, and downloadable reports.

Our global flow of source data is unique, expanding, and exclusive to RIWI. So far, we have collected response data from more than 1.6 billion interviewees in 229 countries and territories without collecting any personally identifiable information. Our technology has been extensively peer-reviewed and enjoys growing, recurring usage by top-tier clients working on otherwise impossible or labour-intensive data collection challenges, such as gaining advance predictions on: (i) rates of manufacturing in China, (ii) surprises in nonfarm payrolls and unemployment in the United States, and (iii) real-time COVID-19 testing activity, vaccine hesitancy, and symptoms globally.

1. RIWI Highlights

- a) RIWI's revenues were \$3,262,900 during the nine months ended September 30, 2020, an increase of 29% compared to revenues of \$2,521,373 during the same period in 2019. The revenue for nine months in 2020 has surpassed the twelve months of revenue in 2019 of \$3,110,878. RIWI had net income of \$690,038 during the nine months ended September 30, 2020, an increase of 10% compared to net income of \$629,822 during the same period in 2019.
- b) The Company's third quarter revenue was \$940,019, which generated profits of \$74,458 during a period of organizational change for certain of RIWI's clients amid COVID-19. As promised, RIWI invested substantially during the third quarter of 2020 in sales personnel, sales-related marketing, and sales and technical partnership initiatives to ensure long-term growth. As a result of operational interruptions facing our clients amid COVID-19, the Company encountered postponements of the initiation of certain projects by clients, and experienced delayed receivables for completed work.
- c) On July 27, the Company began trading its common shares on the TSX Venture Exchange ("TSXV"). This advances management's commitment to expand our investor base and steadily increase our global visibility in the capital markets. RIWI has been designated as a "Tier 1 Technology Issuer". Tier 1 is the TSXV's premier tier and is reserved for the TSXV's most advanced companies with the most significant financial resources. RIWI staff virtually opened the market on August 4, 2020 to celebrate RIWI's new listing on TSXV.

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- d) In July, BofA Securities signed its second General Services Agreement with RIWI, which lasts until July 31, 2023. Following a competitive tender process and technical review, RIWI received notice in July that it had won a new three-year agreement for data collection services for an international multilateral organization, and the client enjoys the option to extend this new agreement for two additional years. Both of these new agreements enable all country and analyst teams at these client organizations to issue rapid-response task orders for RIWI surveys and audience analytics in any part of the world. Further, RIWI's long-term agreements for G7 government agencies focused on international security continue uninterrupted during the fourth quarter of 2020 and are expected to continue for many years.

2. RIWI's Commitment to Strong Annual Growth as COVID-19 Delays Purchase Decisions

RIWI prides itself in delivering the markers of foundational value: growth, profitability, and cash in the bank. Management remains committed to activities that make RIWI a value- and growth-style investment. In our third quarter of 2020 we invested substantially in sales personnel for long-term growth, and in operational systems and processes to more easily integrate our offerings with a growing number of global resellers and data platform companies that are committed, through new partnership agreements, to promote and sell RIWI data feeds - such as Benzinga, the information and media marketplace for investors; Eagle Alpha, the alternative data marketplace for the finance community; and ThinkData Works, a company that resells RIWI data and supplements our data with access to public datasets that enrich our proprietary datasets for diverse, international customers.

Management made these investment decisions in order to ensure a strong year-over-year growth trajectory in the context of what management considers to be the potential long-term nature of COVID-19, which may continue to impede the ability for sales personnel to travel to conduct in-person sales presentations of RIWI's capabilities. Additionally, sensitive to the potential long-term impact of COVID-19 and resulting delays in customer purchase decisions, management invested substantial time and resources in global marketing efforts in the third quarter of 2020, such as regular webinars and media interviews by RIWI personnel, in order to promote the brand awareness of RIWI for new and diverse buyers in the United States and across the world. This investment resulted in considerable international media coverage, including profiles of our work forecasting the health of the US economy, for clients in the finance sector, in media such as NPR, Bloomberg, The Wall Street Journal, Forbes, National Review, CNN, Business Insider, Fox Business, CBS News and CNBC.

As noted in our December 31, 2019 Management Discussion & Analysis, RIWI's goals continue to be: "strong revenue and profitable 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."

COVID-19 has challenged the majority of businesses in different ways. We are growing at a time when many other companies are laying off staff, acquiring debt or shutting down. RIWI has hired numerous people since the start of 2020. Our cash reserves enable us to manage unexpected events amid a turbulent economy. In the third quarter, we chose to invest in sales activity and sales-focused marketing to build recurring revenues for the long run, and to boost innovation to serve our current and future clients.

A few examples of how RIWI invested in long-term growth objectives are as follows:

- a) From the beginning of 2020 to September 30, 2020, RIWI added nine full-time employees or consultants, all in sales and sales-focused marketing, along with additional part-time sales consultants, to drive our current and future growth. Due to the typical sales cycle of our technology solution, ranging from six to 12 months on average for a new long-term client to onboard, it can take new sales staff more than 6 months to obtain signed agreements and generate material revenue. RIWI remains committed to measured and intelligent growth to secure quality revenues. Increasing from 13 full-time staff to 22 during the year requires time, resources and effort to recruit the most qualified people, and to onboard these sales personnel effectively, while continuing to constrain unnecessary general and administrative costs and preserving strong annual profitability.
- b) RIWI has signed agreements with data resellers in different sectors to broaden our reach and attract clients seeking unique global data feeds in different structures and formats.

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- c) In 2020, we invested in technology for internal projects, in order to showcase our capabilities for the purpose of increasing sales. Demonstrating RIWI's global solutions through specific use cases can help potential clients understand the "art of the possible" and make it easier for them to buy.

We have taken measures to mitigate risks of COVID-19, including: substantially reducing in-person meetings at our offices and enabling all staff to work from home; enacting strict travel restrictions in accordance with public health guidance; and recommending all staff to practice safe physical distancing in accordance with the guidelines of health authorities. In the interests of additional safety and to increase sales efficiencies, we have leased new, flexible meeting space in Toronto that enables safe physical distancing for staff and clients.

3. RIWI's Commitment to Creating Sustained Value and Growth for our Shareholders

Although RIWI's technology platform is unique, management's approach to creating a value-based, steady growth and profit trajectory is traditional. We carry no debt. We have one class of shares.

Based on this strategy, our milestones to create sustained growth and value in 2020 include:

- a) Maintaining our recurring revenue model, where roughly 92% of our revenues for the nine months ended September 30, 2020 are recurring. Our definition of recurring revenue includes: (i) ongoing subscription-based services, and (ii) long-term contracts of six months or longer that have a reasonably strong chance of being renewed or expanded. Management considers recurring revenues as growth engines for long-term vitality. All agreements for non-recurring revenues are structured to enable clients to renew or expand the agreement pending their satisfaction with our work product.
- b) Seeking to increase annualized revenue at a pace that positions us well to invest in new data products and services, to increase intellectual property development and to recruit exceptional staff. Some of these products include: RIWI's high-frequency economic indicators for financial services clients, and RIWI's global pandemic data initiative for government and corporate clients.
- c) Expanding the diversity of our client base to ensure resilience and further growth. This is the goal of our investment in substantial sales and marketing personnel during 2020.
- d) Increasing our number of channel partners in order to generate many new revenue opportunities. Working as an extended sales force, our partners can be the first feet on the ground to access new customers, co-develop joint products, test out markets, and mitigate our risk of relying only on our own sales staff to generate new recurring revenues. RIWI is excited to now be working closely in a sales capacity with BattleFin, Eagle Alpha, Benzinga, Knoema, ThinkData Works and Vividata.

4. RIWI's increased Rapid-response Technology to meet Growing Channel Partner Needs

RIWI continues to advance event-driven architecture and event-sourcing into our technology stack. As such, RIWI benefits from growing scalability, dependency decoupling and increased data pipeline opportunities such as partner and reseller integration. For example, a wide range of consulting firms and "platform" companies - i.e., data aggregators and data access firms for finance, pharmaceutical or other data-focused industries - can now easily ingest RIWI's raw data and normalize our data to fit the diverse parameters of their data delivery systems.

This technology approach offers RIWI scalability and a competitive advantage: (a) we can sell our data feeds in a curated form if our clients request our dashboard access, or (b) we can export our raw data - without any personally identifiable elements - into the systems of our growing number of channel partners, including resellers such as Vividata, a source of consumer insights for Canadian marketers; data access providers to international clients, such as our partners BattleFin, Eagle Alpha, Benzinga, Knoema and ThinkData Works. In this manner, RIWI can empower the operations of other data firms that may or may not possess proprietary or global data of their own. This technology architecture enables more 'event-driven' insights for clients seeking early warnings of the behavioral and economic consequences of significant events, such as regulatory approvals of COVID-19 vaccines.

In anticipation of current and new client requests, RIWI has made enhancements to its privacy compliance architecture for global privacy-compliance coverage immediately upon the inception of any project. For example, RIWI's data collection and message testing solutions accommodate not only the requirements of the General Data Protection Regulation (EU-GDPR) and the California Consumer Privacy Act (CCPA), but also satisfy Canadian and UK compliance requirements.

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Data interfacing has been extended for certain business intelligence ("BI") tools. This feature is necessary as we advance into long-term data acquisition and sophisticated comparative analytics. These BI tools improve time-series analytics and automated insights into the causal relationships among variables in different data sets.

FINANCIAL RESULTS

The following is a discussion of the results of operations of the Company for the three and nine months ended September 30, 2020 and 2019. The results should be read in conjunction with the unaudited condensed financial statements for the three and nine months ended September 30, 2020 and 2019, and the related notes.

Financial Results	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Revenues	\$ 940,019	\$ 1,006,367	\$ 3,262,900	\$ 2,521,373
General and administrative expenses	(316,508)	(225,874)	(1,033,167)	(1,225,162)
Sales and marketing expenses	(304,199)	(128,274)	(942,300)	(346,316)
Technology costs	(247,786)	(117,058)	(615,449)	(344,495)
Net interest income	2,931	8,812	18,054	24,422
Net income and comprehensive income	\$ 74,458	\$ 543,974	\$ 690,038	\$ 629,822
Net income per share: basic	\$ 0.00	\$ 0.03	\$ 0.04	\$ 0.04
Net income per share: diluted	\$ 0.00	\$ 0.03	\$ 0.04	\$ 0.03
	September 30,	December 31,		
	2020	2019		
Total assets	\$ 5,358,510	\$ 4,452,806		
Total non-current liabilities	83,788	118,689		
Cash dividends	-	-		

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Operating Expenses

Effective January 1, 2020, the Company modified its classification of operating expenses by nature, including allocating personnel costs between the general and administrative, sales and marketing, and technology expense categories. Previously, all of the Company's employee salaries and benefit costs were allocated to the general and administrative expense category. The comparative historical information has been updated to reflect the allocation.

Management modified its classification of operating expenses by nature since we wish to provide additional insights into the expense trends, along with highlighting RIWI's investment priorities for future growth.

(a) General and Administrative Expenses

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Personnel costs	\$ 112,650	\$ 134,689	\$ 430,178	\$ 427,554
Director cash compensation	86,933	-	262,836	-
Consulting and professional fees	36,669	21,416	75,233	50,907
Share-based payment expense	30,832	-	61,664	541,043
Occupancy and office costs	32,306	55,477	118,104	161,150
Depreciation	15,611	15,287	44,533	45,625
Foreign exchange loss/(gain)	1,507	(995)	40,619	(1,117)
	\$ 316,508	\$ 225,874	\$ 1,033,167	\$ 1,225,162

(b) Sales and Marketing Expenses

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Personnel costs	\$ 174,851	\$ 103,570	\$ 501,230	\$ 301,759
Third party consulting fees	65,968	11,167	164,223	19,167
Promotion and Travel	3,895	13,537	19,543	25,390
Recruiting fees	7,624	-	49,863	-
Strategic partnership payments	51,860	-	207,440	-
	\$ 304,199	\$ 128,274	\$ 942,300	\$ 346,316

(c) Technology Expenses

	Three Months Ended September 30		Nine Months Ended September 30	
	2020	2019	2020	2019
Personnel costs	\$ 35,845	46,190	\$ 130,487	\$ 150,946
Third party consulting fees	9,372	589	28,487	2,378
Project costs	202,569	70,279	456,475	191,171
	\$ 247,786	\$ 117,058	\$ 615,449	\$ 344,495

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For the three months ended September 30, 2020 and 2019

Revenues are comprised of fees that are charged to customers for providing digital surveys or ad tests and automated analytics of the findings. RIWI's revenue for the three months ended September 30, 2020 decreased by 7% or \$66,348 to \$940,019 compared to the same three-month period in 2019. Certain clients postponed projects due to COVID-19 related budget changes, which caused a decrease in our revenue during the quarter. Based on commitments made by our clients, management remains confident that these projects will continue in the current quarter and in the future, and expects these client relationships to grow over the next 12 months.

Total expenses increased by \$397,287 for the three months ended September 30, 2020 compared to the same period in 2019. The key expenses are summarized as follows:

- a) **General and administrative expenses** increased by \$90,634 to \$316,508 during the three months ended September 30, 2020 compared to the same period in 2019. The increase was mainly due to the change in the compensation structure for independent directors. In 2020, the Company began compensating its independent directors with a combination of cash and stock options, compared to exclusively stock options in the past. Historically, the annual grant of stock options to the independent directors occurred during the second quarter, resulting in a large non-cash share-based payment expense. In the third quarter of 2020, the Company's general and administrative expenses included cash compensation and the non-cash vesting amortization expense of the recent stock option grant to the independent directors. The other general and administrative expenses did not materially fluctuate. Management strives to limit all costs that do not foster a clear path to revenue growth.
- b) **Sales and marketing expenses** increased by \$175,925 to \$304,199 during the three months ended September 30, 2020 compared to the same period in 2019. The Company hired additional staff and consultants related exclusively to sales and marketing in 2020, which increased personnel costs, consulting fees and recruiting fees. The strategic partnership payments during the third quarter of 2020 relate to external referral fee commissions paid in conjunction with certain sales contracts. RIWI is committed to investing in sales and marketing initiatives in order to help grow to new markets and customers.
- c) **Technology expenses** increased by \$130,728 to \$247,786 during the three months ended September 30, 2020 compared to the same period in 2019. Project costs increased this quarter due to data integration costs to address certain customer requests from the private and public sector, including improving the ease and speed with which our channel partners can integrate and normalize our data streams in accordance with their technology architectures. Our channel partners, including data aggregators and data access firms, can now more easily ingest and normalize RIWI's raw data to fit the parameters of their data delivery systems, which helps RIWI be customer-focused and helps RIWI and our partners source new clients who demand these services. RIWI extended data interfacing for certain business intelligence tools, which is necessary as we advance into long-term data acquisition and sophisticated comparative analytics, to improve time-series analytics and automated insights into the causal relationships among variables in different data sets. RIWI also invested in additional internal projects, such as advance predictions of official labor statistics, to showcase our capabilities for the purpose of increasing sales.

RIWI had another profitable quarter, generating net income of \$74,458 during the three months ended September 30, 2020.

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For the nine months ended September 30, 2020 and 2019

RIWI's revenue for the nine months ended September 30, 2020 grew by 29% or \$741,527 to \$3,262,900 compared to the same nine-month period in 2019. This increase resulted from RIWI increasing its customer base and recurring revenue streams, and the increased focus on sales activities for new markets and customers.

Total expenses increased by \$674,943 for the nine months ended September 30, 2020 compared to the same period in 2019. The key expenses are summarized as follows:

- a) **General and administrative expenses** decreased by \$191,995 to \$1,033,167 during the nine months ended September 30, 2020 compared to the same period in 2019. The decrease was mainly due to the change in the compensation structure for independent directors as noted above. Historically, the annual grant of stock options to the independent directors occurred during the second quarter, resulting in a large non-cash share-based payment expense (\$541,043 in 2019). In 2020, the Company granted fewer stock options to the independent directors than in previous years, and the stock options vest over 12 months (share-based payment expense of \$61,664 for the nine months ended September 30, 2020), and the Company provided cash compensation (\$262,836 for the nine months ended September 30, 2020). The other general and administrative expenses did not materially fluctuate, despite the Company's growth. Management strives to limit all costs that do not foster a clear path to revenue growth.
- b) **Sales and marketing expenses** increased by \$595,984 to \$942,300 during the nine months ended September 30, 2020 compared to the same period in 2019. From the beginning of 2020 to September 30, 2020, RIWI added nine full-time employees or consultants, all in sales and marketing, along with additional part-time consultants to drive our future growth. Due to the typical sales cycle of our technology solution, ranging from six to 12 months on average for a new long-term client to onboard, it can take new sales staff more than 6 months to obtain signed agreements and generate revenue. The strategic partnership payments relate to external referral fee commissions paid in conjunction with certain new sales contracts. RIWI is committed to investing in sales and marketing initiatives in order to help grow to new markets and customers.
- c) **Technology expenses** increased by \$270,954 to \$615,449 during the nine months ended September 30, 2020 compared to the same period in 2019. Project costs increased due to data integration costs to address certain customer requests from the private and public sector, including improving the ease and speed with which our channel partners can integrate and normalize our data streams in accordance with their technology architectures. Our channel partners can now more easily ingest and normalize RIWI's raw data to fit the parameters of their data delivery systems, which helps RIWI and our partners be customer-focused and source new clients who demand these services. RIWI extended data interfacing for certain business intelligence tools, which is necessary as we advance into long-term data acquisition and sophisticated comparative analytics, to improve time-series analytics and automated insights into the causal relationships among variables in different data sets. RIWI also invested in additional internal projects, such as advance predictions of official labor statistics, to showcase our capabilities for the purpose of increasing sales. The Company also hired a part-time consultant during the second quarter of 2020 to assist with technical matters.

RIWI generated net income of \$690,038 during the nine months ended September 30, 2020, an increase of 10% compared to net income of \$629,822 during the same period in 2019.

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SUMMARY OF QUARTERLY RESULTS

This is a summary of selected results for the eight most recently completed quarters to September 30, 2020.

Summary of Quarterly Results	2020				2019				2018
	Sept. 30	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30	Mar. 31	Dec. 31	
Revenues	\$ 940,019	\$ 1,000,665	\$ 1,322,216	\$ 589,505	\$ 1,006,368	\$ 841,431	\$ 673,575	\$ 825,789	
Income/(loss) from operations	71,527	110,678	489,780	90,732	535,162	(159,287)	226,577	259,554	
Net income/(loss)	74,458	117,143	498,438	279,994	543,974	(151,052)	236,900	266,549	
Net income/(loss) per share:									
basic	\$ 0.00	\$ 0.01	\$ 0.03	\$ 0.02	\$ 0.03	\$ (0.01)	\$ 0.01	\$ 0.02	
diluted	\$ 0.00	\$ 0.01	\$ 0.03	\$ 0.01	\$ 0.03	\$ (0.01)	\$ 0.01	\$ 0.01	

Overall, RIWI has had strong quarters, with revenue and profits growing on an annual basis. The Company's third quarter revenue and profits were down compared to earlier quarters in 2020 due to the turbulent economic times, and navigating postponements of certain projects by clients. RIWI continues to invest in sales and partnership initiatives to ensure long-term growth, along with continuing to focus on diversifying its client base, signing new long-term contracts and establishing strong recurring revenue streams.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2020, the Company had working capital of \$4,607,454 compared to working capital of \$3,759,534 as at December 31, 2019. This 23% increase was primarily due to the Company's increase in sales revenue.

	September 30, 2020	December 31, 2019
Current Assets	\$ 4,969,210	\$ 4,022,706
Current Liabilities	(361,756)	(263,172)
Working Capital	\$ 4,607,454	\$ 3,759,534

Contractual Obligations and Commitments

The Company's head office currently shares space with a third-party firm, and it is responsible for 50% of the monthly lease payments. The Company's lease payments are CAD \$5,995 (US \$4,494) per month and the office lease expires on May 31, 2023. The Company also leases space in a shared working environment in Vancouver, BC. The monthly lease payments are CAD \$900 (US \$675) and the lease expires on December 31, 2020.

Contractual Obligations	Payments due by Period				
	Total	Oct. 1 - Dec. 31, 2020	Jan. 1, 2021 - Dec. 31, 2022	Jan. 1, 2023 - Dec. 31, 2024	Jan. 1, 2025 - beyond
Office leases	\$ 145,837	15,507	107,860	22,471	-

CAPITAL STRUCTURE

- Common Shares:** As of November 10, 2020, the Company has 18,004,428 issued and outstanding common shares. The closing share price prior to November 10, 2020 was CAD \$4.00 per share.
- Stock Options:** As of November 10, 2020, the Company has 1,531,312 options outstanding.

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Common Shares on a Diluted Basis – as of November 10, 2020

Expiry date	Exercise Price (CAD)	Number of securities	Number of shares
Common shares issued and outstanding			18,004,428
Stock options, at weighted average exercise price			
expiring in the year ending: December 31, 2021	\$ 2.21	282,500	
December 31, 2022	\$ 2.02	400,000	
December 31, 2023	\$ 2.00	390,000	
December 31, 2024	\$ 3.25	370,000	
December 31, 2025	\$ 3.56	88,812	
	<u>\$ 2.44</u>		<u>1,531,312</u>
Common shares, on a diluted basis			<u>19,535,740</u>

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL COMPENSATION

- (a) For the nine months ended September 30, 2020, the Company provided cash compensation to independent directors in the amount of \$262,836 (nine months ended September 30, 2019 – \$nil), and recognized share-based payment expense of \$61,664 (nine months ended September 30, 2019 – \$541,043) for stock options granted to independent directors and one officer.
- (b) In April 2020, the Company entered into a consulting agreement with a former director of the Company, who is a relative of a current director, for assistance on technical matters, such as the generation of new or additive intellectual property for the Company, and sales. The consideration for services provided is a monthly fixed fee of CAD \$6,500 and a 15% commission of any sales generated by this individual. The Company may, at any given time, give 30 days' advance notice to terminate this consulting agreement. The terms and conditions of these transactions were no more favorable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related companies on an arm's length basis. For the nine months ended September 30, 2020, the transaction value in relation to this consulting contract amounted to \$24,619 (September 30, 2019 – \$nil). The balance payable at September 30, 2020 is \$nil (September 30, 2019 – \$nil).
- (c) The Company entered into an office lease agreement in a building owned by an officer of the Company starting on September 1, 2020 that enables safe physical distancing for staff and clients. The monthly rent is CAD \$2,300 which is no more favorable than rent in similar transactions with non-key management personnel on an arm's length basis. The Company may, at any given time, give 60 days' advance notice to terminate this lease agreement. For the nine months ended September 30, 2020, the transaction value of this lease agreement amounted to \$1,756 (September 30, 2019 – \$nil).

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at September 30, 2020, 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 follows:

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

RIWI CORP.

Management's Discussion & Analysis

For the Three and Nine Months ended September 30, 2020 and 2019

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 the Statement of Profit or Loss.

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. The following table provides information regarding the aged trade receivables:

	Current	31-60 days	61-90 days	91 days +
September 30, 2020	42%	3%	55%	0%
December 31, 2019	52%	48%	0%	0%

At each period end, the Company reviews the collectability of outstanding receivables. The specific accounts are only written off once all the collection avenues have been explored or when legal bankruptcy has occurred. The Company has a \$nil balance for allowance for doubtful accounts on September 30, 2020 and December 31, 2019.

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.

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; the majority of the Company's operating expenses are in Canadian dollars; and a portion of the Company's cash and cash equivalents is denominated in Canadian dollars. The Company has not entered into foreign exchange rate contracts to mitigate this risk.

As at September 30, 2020, financial instruments were converted at a rate of US\$1.00 to CAD\$1.3339. Balances denominated in foreign currencies as at September 30, 2020 were as follows:

	In CAD	Converted to USD
Cash and cash equivalents	\$ 44,696	\$ 33,508
Accounts receivable	1,099,201	824,071
Accounts payable and accrued liabilities	244,875	183,583

The estimated impact on net income for the nine months ended September 30, 2020 with a +/- 10% change in Canadian Dollar exchange rate is approximately \$21,000 (2019 – \$19,000).

RECENT ACCOUNTING PRONOUNCEMENTS

There are no recent accounting pronouncements that materially affect the Company.