



RIWI CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Three and Six Months Ended June 30, 2021 and 2020

Containing information up to and including July 28, 2021

(Expressed in United States Dollars)

RIWI CORP.**Management's Discussion & Analysis**

For the Three and Six Months ended June 30, 2021 and 2020

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 six months ended June 30, 2021 and 2020, and is prepared as at July 28, 2021. This MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements three and six months ended June 30, 2021 and 2020 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 Corp. ("RIWI" or the "Company") 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, and the Chief Executive Officer 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.

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 survey panel firms in different countries, (c) market research insights professionals in different countries, (d) external statistical firms or, (e) the collection, storage or transfer of any personally identifiable data. The Company earns revenues through monthly and annual subscriptions and through long-term, multi-year agreements with clients.

Our global platform and data-delivery dashboards offer customers high-frequency, broad-based, and scientifically rigorous sentiment data from the most diverse online 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 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, time-series, analytics, forecasts, map visualizations, and downloadable reports.

Our global flow of source data is unique, expanding, and exclusive to RIWI. 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 and economic activity in China, (ii) surprises in nonfarm payrolls, unemployment and department store sales in the United States, and (iii) real-time COVID-19 testing activity, changing adherence to public health protocols, vaccine hesitancy, and symptoms globally.

1. RIWI Highlights for three and six months ended June 30, 2021 and 2020 - in US Dollars:

- a) RIWI posted \$1,260,250 in revenue for the three months ended June 30, 2021, an increase of 26% compared to \$1,000,665 for the three months ended June 30, 2020.
- b) RIWI posted \$2,355,456 in revenue for the six months ended June 30, 2021, an increase of 1% compared to \$2,322,881 for the six months ended June 30, 2020.
- c) On an annual basis, RIWI's revenue for the twelve months ended June 30, 2021 was \$4,613,312, an increase of 18% compared to \$3,918,754 for the twelve months ended June 30, 2020.

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- d) RIWI won recognition that includes the following new developments:
- i) RIWI's CEO was invited to present at the TSX Technology Investor Day on May 27, 2021. This presentation is online at: <https://www.youtube.com/watch?v=6vRu6p7kJDg>
 - ii) RIWI's "Quiet Voices" podcast series, hosted by our CEO, has been distributed on multiple podcast platforms. This series hosted interviews with the CEOs of two of RIWI's data marketplace partners for the financial services sector, Knoema and Amass Insights. The series has also featured leaders in public health risk security, including the medical director of International SOS, which frequently disseminates RIWI data to its international clients.
 - iii) RIWI's CEO presented on novel data streams related to "Vaccine Distribution around the World" at "Datapalooza," an event hosted by a financial services data marketplace, Battlefin, on April 14, 2021. This presentation is online at: <https://vimeo.com/536543502>

2. RIWI's Commitment to Growth and Scalable Services

In all countries, RIWI seeks to be the world's exclusive provider of "quiet voices" data – the authentic views and observations of people who rarely answer traditional surveys or message tests of any other kind, and of people who rarely post their opinions online. RIWI's goal is to position its unique quiet voices data stream as an essential service for global businesses, G7 agencies, and for multilaterals in order to help our clients monitor and predict risk and thereby execute their strategies effectively. Our real-time quiet voices data stream sits on a proprietary platform which clients pay for on a monthly or annual subscription basis. Clients also increasingly retain us for longer-term contracts, with options to renew and expand these contracts.

Scaling our business requires: (i) increasing key strategic account sales wins, (ii) increasing our syndicated projects, (iii) greater marketing integration with our data reseller firms in order to build more awareness of RIWI services, and (iv) leveraging our expertise in our four portfolio data collection areas – data feeds for public health security, for the international development sector, for real-time data collection in China, and for predictive economic insights for finance clients – in order to grow our business annually with existing and new clients.

For these reasons, RIWI is committed to investing in: (a) the right people (including sales personnel, business development, and solutions architects), all with deep, demonstrable expertise in RIWI's priority sales portfolios; and (b) technological improvements to build new, syndicated products to service our diverse array of new buyers. Having the right people and technology solutions will set us up for strong growth in 2021 and beyond. We are continuously working on building our sales pipeline with stable, predictable, high-quality recurring revenues, which will fuel our core markers of value: revenue growth, cash in the bank, and profit. Our dominant focus is on short- and long-term revenue growth. Our platform's infrastructure is now able to support multiple long-term, voluminous data collection initiatives simultaneously, to enhance our solutions for clients across all of our sales portfolios.

At this stage of our company, our growth is best evaluated on an annual basis, to see how we are meeting our goals, as our revenue growth can vary year-over-year, and especially quarter-over-quarter. COVID-19 has created interruptions or delays in project starts and payments, especially for longer-duration contracts that involve multiple stakeholders who may need to sign off on a project milestone before we can proceed to advance the next project milestone. For the trailing 12 months ended June 30, 2021, RIWI had revenues of \$4,613,312, compared to \$3,918,754 for the twelve months ended June 30, 2020, a year-over-year increase of 18%.

3. RIWI's Commitment to Continuous Improvement and Results

RIWI is disciplined regarding our accountability for results, in line with our strategy to scale the company. We will harness the investments we recently made in people, syndicated products, technology, and new deal structures – i.e., making it easier to buy RIWI services under different subscription models. Client prospects can test RIWI's services, our time-series tools, our China-focused syndicated product, as well as provide our sales team with early feedback in our product development cycles across all four of our sales portfolios. We are always implementing improvements based on this feedback, in order to gain more industry-specific and geography-specific insights and better serve future customers.

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4. Achieving Scale through Syndication and New Offerings focused on China

During the second quarter of 2021, we had \$1,260,250 in revenue, an increase of 26% compared to the same period in 2020. We created syndicated product streams – where one product can have multiple buyers – that play to RIWI's strengths, including a new stigma measurement initiative where we uniquely report the views and experiences of people who use drugs, people experiencing addiction, and of people identifying as in recovery from substance use or addiction. The potential new buyers of this product stream include non-profit organizations, pharmaceutical companies, universities, and government agencies across the world.

In the second quarter, following customer feedback, RIWI invested in presale pilots of "RIWI Alpha," a unique, syndicated product for new and existing finance clients seeking predictive insights into the future value of US equities heavily affected by the buying habits of Chinese consumers, and by business trends in China. Working with third-party data science firms – which RIWI refers to as "augmenting partners" – RIWI expects to win repeat buyers of monthly subscriptions to this syndicated finance product, where we can uniquely access voices across all of rural and urban China in real-time to extract predictive signals on US equities with China exposure.

Management has focused on investing only in data products that buyers in our core sales portfolio areas tell us they want, and in products that will yield profitability. This strategy differentiates RIWI from data platform firms that seek to scale their businesses by offering an increasingly large menu of data assets purchased from third parties or curated from open source data. Since RIWI provides first-party, anonymous, self-reported data from anywhere in the world – i.e., the data provided to us directly by Web users – this path to scale enables RIWI to grow while abiding by national or sub-national data localization laws and data privacy laws that may change quickly.

5. Taking Advantage of Increasing Barriers to Entry

Data localization policies and laws are spreading rapidly around the world, according to a July 2021 report published by the Information Technology and Innovation Foundation (ITIF). Under these policies and laws, companies domiciled in a country that collect and store data from residents in that country are required to ensure those data are not shared outside the country. For our business, which does not have any physical presence or computer storage in the vast majority of countries from which users directly provide us data, this trend – as well as the growing client demand for sentiment and message testing data that does not retain personal information – works to our marketing and sales advantage.

To increase awareness of this competitive advantage among new customers, our sales team invested time during the second quarter to build new marketing materials for our data reseller partners – such as Thinkdata Works – and for our data marketplace partners, such as Bloomberg, Battlefin, and EagleAlpha. RIWI is now well-positioned to win new business with customers requiring sentiment data from countries with very strict data localization and data privacy laws, such as China, Indonesia, Russia, and South Africa. The increased emphasis and vigilance on privacy compliance by buyers across the world helps RIWI win market share, and helps us win the business of strategic data resellers that need to integrate their open data sets with RIWI's data feeds.

To increase our barriers to entry and build market share, we also onboarded new technology suppliers to increase the volume and consistency of survey and message test respondents in our priority countries where there is the most intensifying client demand. This investment has helped us maximize technological efficiency, especially in areas around the world where Internet penetration and usage is relatively low.

6. Taking Advantage of Experts to Help us Scale

We hired additional staff with expertise in priority sales portfolios to help us articulate our value proposition to new clients, and we have streamlined our customer success process to enable account expansion. We will continue to focus on our strong client retention rates, and winning new strategic accounts, working more and more closely with our data resellers, augmenting partners, and with our data marketplace partners.

As noted in our April 13, 2021 news release, RIWI has begun its search for a new revenue-focused CEO, and, after the successor is named, the current CEO, Chairman and RIWI Founder, Neil Seeman, will remain as solely the Chairman of the Board. Mr. Seeman will continue to assist RIWI's senior management to accelerate growth, add intellectual property, and to enhance the scalability of the Company's growing public health and confidential security work.

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FINANCIAL RESULTS (in U.S. Dollars)

The following is a discussion of the results of operations of the Company for the three and six months ended June 30, 2021 and 2020. The results should be read in conjunction with the unaudited interim condensed financial statements for the three and six months ended June 30, 2021 and 2020, and the related notes.

	Three Months Ended June 30		Six Months Ended June 30	
Financial Results	2021	2020	2021	2020
Revenues	\$ 1,260,250	\$ 1,000,665	\$ 2,355,456	\$ 2,322,881
General and administrative expenses	(437,140)	(426,978)	(869,897)	(716,658)
Sales and marketing expenses	(394,651)	(256,102)	(802,033)	(638,101)
Technology costs	(356,130)	(206,906)	(643,725)	(367,663)
Net interest (expense)/income	(1,351)	6,465	(2,705)	15,123
Income tax expense	(25,737)	-	(34,494)	-
Net income and comprehensive income	\$ 45,241	\$ 117,144	\$ 2,603	\$ 615,582
Net income per share: basic and diluted	\$ 0.00	\$ 0.01	\$ 0.00	\$ 0.03

	June 30, 2021	December 31, 2020
Total assets	\$ 5,354,693	\$ 5,476,332
Total non-current liabilities	47,286	71,803
Cash dividends	-	-

1. Operating Expenses

(a) General and Administrative Expenses

	Three Months Ended June 30		Six Months Ended June 30	
	2021	2020	2021	2020
Personnel costs	\$ 167,891	\$ 152,299	\$ 357,720	\$ 317,528
Director cash compensation	83,291	175,903	169,462	175,903
Consulting and professional fees	89,798	21,200	120,841	38,564
Share-based payment expense	34,895	30,832	100,623	30,832
Occupancy and office costs	49,449	38,279	101,240	85,797
Depreciation	16,432	15,484	32,334	28,922
Foreign exchange (gain)/loss	(4,616)	(7,019)	(12,323)	39,112
	\$ 437,140	\$ 426,978	\$ 869,897	\$ 716,658

(b) Sales and Marketing Expenses

	Three Months Ended June 30		Six Months Ended June 30	
	2021	2020	2021	2020
Personnel costs	\$ 255,526	\$ 196,235	\$ 527,516	\$ 326,379
Third party consulting fees	99,545	45,054	185,742	98,255
Promotion and travel	39,581	14,372	53,302	15,648
Recruiting fees	-	441	35,473	42,239
Strategic partnership payments	-	-	-	155,580
	\$ 394,651	\$ 256,102	\$ 802,033	\$ 638,101

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(c) Technology Expenses

	Three Months Ended June 30		Six Months Ended June 30	
	2021	2020	2021	2020
Personnel costs	\$ 57,899	46,558	\$ 117,084	\$ 94,642
Third party consulting fees	35,445	15,879	60,769	19,115
Project costs	262,786	144,469	465,872	253,906
	<u>\$ 356,130</u>	<u>\$ 206,906</u>	<u>\$ 643,725</u>	<u>\$ 367,663</u>

(d) Government Subsidies

The governments of various jurisdictions have approved legislation and taken actions intended to aid businesses that have been adversely impacted by COVID-19. Some of these actions include providing subsidies to eligible entities to subsidize or offset qualifying expenses. RIWI received \$4,966 of the Canadian Emergency Wage Subsidy ("CEWS") subsidy from the Government of Canada during the six months ended June 30, 2021, and have recorded the CEWS subsidy received as a reduction in general and administrative expense of \$1,300, as a reduction in sales and marketing expenses of \$3,143 and as a reduction in technology expenses of \$523. RIWI received \$2,549 of the Canadian Emergency Rent Subsidy ("CERS") subsidy from the Government of Canada during the six months ended June 30, 2021, and have recorded the CERS subsidy received as a reduction in general and administrative expense.

2. Financial Performance for the three months ended June 30, 2021 and 2020

Revenues are 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 June 30, 2021 increased by 26% or \$259,585 to \$1,260,250 compared to \$1,000,665 for the three months ended June 30, 2020. RIWI remains committed to increasing its customer base and recurring revenue streams, along with focusing on sales activities to expand into new markets.

Total operating expenses increased by \$297,936 for the three months ended June 30, 2021 compared to the three months ended June 30, 2020. The key expenses are summarized as follows:

- a) **General and administrative expenses** increased by \$10,162 to \$437,140 during the three months ended June 30, 2021 compared to the three months ended June 30, 2020. In the second quarter of 2021, the Company incurred cash compensation (\$83,291) and share-based payment expense (\$34,895) for its independent directors, compared to \$175,903 and \$30,832 respectively, in the second quarter of 2020. In the second quarter 2020, the Company changed the compensation model for its independent directors, so RIWI provided cash compensation to its directors for their January 1 to June 30, 2020 services during the second quarter of 2020, resulting in the larger amount noted above. Personnel costs increased slightly as the Company has grown, and professional fees increased due to the additional costs of being listed on the TSX Venture Exchange along with the fees for conducting the CEO search led by executive search firm Korn Ferry. The other general and administrative expenses did not materially fluctuate.
- b) **Sales and marketing expenses** increased by \$138,549 to \$394,651 during the three months ended June 30, 2021 compared to the three months ended June 30, 2020. Personnel costs and consulting fees increased as the Company hired additional staff and consultants related exclusively to sales and marketing. RIWI is committed to investing in sales and marketing initiatives in order to help grow to expand into new markets and win new customers.

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- c) **Technology expenses** increased by \$149,224 to \$356,130 during the three months ended June 30, 2021 compared to the three months ended June 30, 2020. Project costs increased in 2021 due to data integration costs to address certain customer requests. Our clients can now more easily ingest and restructure RIWI's raw data, which helps RIWI be customer-focused and helps RIWI and our partners source new clients who demand these services. RIWI also invested in additional internal projects to showcase our capabilities for the purpose of increasing sales. Technology costs not directly related to client projects increased due to data collection and the prototyping of new products and features following customer feedback, in order to sell these refined products to new and existing customers

RIWI's income before interest and taxes was \$72,329 for the three months ended June 30, 2021, compared to \$110,679 for the three months ended June 30, 2020.

RIWI's income tax expense for the three months ended June 30, 2021 was \$25,737, compared to \$nil for the three months ended June 30, 2020. Prior to 2021, the Company assessed income tax matters on an annual basis, and the company had historical tax losses to use against any taxable income it generated.

RIWI generated net income of \$45,241 for the three months ended June 30, 2021, compared to \$117,144 for the three months ended June 30, 2020. RIWI remains committed to investing its cash reserves prudently to recruit new sales and business development personnel with deep expertise in RIWI's priority sales portfolios, and technical personnel and engineering resources to expand the Company's competitive moat through the evaluation and integration-testing of third-party datasets.

3. Financial Performance for the six months ended June 30, 2021 and 2020

RIWI's revenue for the six months ended June 30, 2021 increased by 1% or \$32,575 to \$2,355,456 compared to \$2,322,881 for the six months ended June 30, 2020. RIWI revenue was affected by certain, multi-stakeholder longer-duration contracts which delay certain revenue recognition milestones.

Total operating expenses increased by \$593,232 for the six months ended June 30, 2021 compared to the six months ended June 30, 2020. The key expenses are summarized as follows:

- a) **General and administrative expenses** increased by \$153,239 to \$869,897 during the six months ended June 30, 2021 compared to the six months ended June 30, 2020. As discussed earlier, RIWI changed its compensation model for its independent directors in the second quarter of 2020. The vesting periods for the stock option grants to the independent directors in 2021 coincides with the calendar year, compared to the stock option grants 2020, where the vesting periods began in the second quarter and ended in the first quarter of 2021, resulting in a larger share-based compensation expense in the first half of 2021 (\$100,623 in 2021 compared to \$30,832 in 2020). Personnel costs increased as the Company has grown, and professional fees increased due to the additional costs of being listed on the TSX Venture Exchange along with the fees for conducting the CEO search. The other general and administrative expenses did not materially fluctuate.
- b) **Sales and marketing expenses** increased by \$163,932 to \$802,033 during the six months ended June 30, 2021 compared to the six months ended June 30, 2020. Personnel costs and consulting fees increased as the Company hired additional staff and consultants related exclusively to sales and marketing. The strategic partnership payments in 2020 relate to external referral fee commissions paid in conjunction with certain sales contracts. The Company has not signed any such contracts in 2021. RIWI is committed to investing in sales and marketing initiatives in order to help grow to new markets and customers.

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- c) **Technology expenses** increased by \$276,062 to \$643,725 during the six months ended June 30, 2021 compared to the six months ended June 30, 2020. Project costs increased in 2021 due to data integration costs to address certain customer requests. Our clients can now more easily ingest and restructure RIWI's raw data, which helps RIWI be customer-focused and helps RIWI and our partners source new clients who demand these services. RIWI also invested in additional internal projects to showcase our capabilities for the purpose of increasing sales. Technology costs not directly related to client projects increased due to data collection and the prototyping of new products and features following customer feedback, in order to sell these refined products to new and existing customers.

RIWI's income before interest and taxes was \$39,801 for the six months ended June 30, 2021, compared to \$600,459 for the six months ended June 30, 2020.

RIWI's income tax expense for the six months ended June 30, 2021 was \$34,494, compared to \$nil for the six months ended June 30, 2020. Prior to 2021, the Company assessed income tax matters on an annual basis, and the company had historical tax losses to use against any taxable income it generated.

RIWI generated net income of \$2,603 for the six months ended June 30, 2021, compared to \$615,582 for the six months ended June 30, 2020. RIWI remains committed to investing its cash reserves prudently to recruit new sales and business development personnel with deep expertise in RIWI's priority sales portfolios, and technical personnel and engineering resources to expand the Company's competitive moat through the evaluation and integration-testing of third-party datasets.

SUMMARY OF QUARTERLY RESULTS

This is a summary of selected results for the eight most recently completed quarters to June 30, 2021.

Summary of Quarterly Results <i>(in U.S. Dollars)</i>	2021		2020				2019	
	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30	Mar. 31	Dec. 31	Sept. 30
Revenues	\$ 1,260,250	\$ 1,095,205	\$ 1,317,838	\$ 940,019	\$ 1,000,665	\$ 1,322,216	\$ 589,505	\$ 1,006,368
Income/(loss) from operations	72,329	(32,528)	242,351	71,526	110,678	489,780	90,732	535,162
Net income/(loss)	45,241	(42,639)	(33,504)	74,457	117,143	498,438	279,994	543,974
Net income/(loss) per share:								
basic	\$ 0.00	\$ (0.00)	\$ (0.00)	\$ 0.00	\$ 0.01	\$ 0.03	\$ 0.02	\$ 0.03
diluted	\$ 0.00	\$ (0.00)	\$ (0.00)	\$ 0.00	\$ 0.01	\$ 0.03	\$ 0.01	\$ 0.03

RIWI has had strong revenue growth on an annual basis. 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 June 30, 2021, the Company had working capital of \$4,882,739 compared to working capital of \$4,782,818 as at December 31, 2020.

	June 30, 2021	December 31, 2020
Current Assets	\$ 5,176,626	\$ 5,277,053
Current Liabilities	(293,887)	(494,235)
Working Capital	\$ 4,882,739	\$ 4,782,818

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Contractual Obligations and Commitments

The Company's head office currently shares space with a third-party firm, and RIWI is responsible for 50% of the monthly lease payments. The Company's lease payments are CAD \$5,968 (US \$4,816) per month and the office lease expires on May 31, 2023.

Contractual Obligations	Payments due by Period			
	Total	July 1, 2021 - Dec. 31, 2021	Jan. 1, 2022 - Dec. 31, 2024	Jan. 1, 2025 - beyond
Office leases	\$ 110,759	28,894	81,865	-

CAPITAL STRUCTURE

- a) **Common Shares:** As of July 28, 2021, the Company has 18,004,428 issued and outstanding common shares. The closing share price prior to July 28, 2021 was CAD \$1.40 per share.
- b) **Stock Options:** As of July 28, 2021, the Company has 1,393,952 options outstanding.

Common Shares on a Diluted Basis – as of July 28, 2021

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, 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	
	December 31, 2026	\$ 2.47	145,140	
		\$ 2.49		1,393,952
Common shares, on a diluted basis				19,398,380

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

- (a) For the six months ended June 30, 2021, the Company provided cash compensation to independent directors in the amount of \$169,462 (2020 – \$175,903), and recognized share-based payment expense of \$100,623 (2020 – \$30,832) for stock options granted to independent directors.
- (b) From September 1, 2020 to February 28, 2021, the Company entered into an office lease agreement in a building owned by an officer of the Company that enabled safe physical distancing for staff and clients. The monthly rent was CAD \$2,300. For the six months ended June 30, 2021, the expense recognized for this lease agreement was \$3,601 (2020 – \$nil).

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FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at June 30, 2021, the Company's financial instruments are comprised of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. The carrying values of these financial instruments 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

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 +
June 30, 2021	48%	0%	3%	50%
December 31, 2020	96%	4%	0%	0%

The accounts receivable beyond 91+ days relates to payment processing delays due to COVID-19, and management does not view these amounts to be at risk of collection.

At each period end, the Company reviews the collectability of outstanding accounts receivable and estimates a credit loss provision. 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 as at June 30, 2021 and December 31, 2020.

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 its continuing operations.

RIWI CORP.

Management's Discussion & Analysis

For the Three and Six Months ended June 30, 2021 and 2020

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

- (i) *Interest rate risk:* The Company has cash balances and no interest-bearing debt, and is not exposed to any significant interest rate risk.
- (ii) *Foreign currency risk:* The Company's activities are conducted in foreign jurisdictions; 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 June 30, 2021, financial instruments were converted at a rate of US\$1.00 to CAD\$1.2394. Balances denominated in foreign currencies as at June 30, 2021 were as follows:

	In CAD	Converted to USD
Cash and cash equivalents	\$ 137,463	\$ 110,905
Accounts receivable	675,175	544,731
Accounts payable and accrued liabilities	85,036	68,607

The estimated impact on net income for the six months ended June 30, 2021 with a +/- 10% change in Canadian Dollar exchange rate is approximately \$90,000 (2020 – \$60,000).

RECENT ACCOUNTING PRONOUNCEMENTS

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