



RIWI CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Years ended December 31, 2021 and 2020

Containing information up to and including April 13, 2022

(Expressed in United States Dollars)

RIWI CORP.

Management's Discussion & Analysis

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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 year ended December 31, 2021 and 2020, and is prepared as at April 13, 2022. This MD&A should be read in conjunction with the Company's audited financial statements for the year ended December 31, 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", "strategy", "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. The Company recently hired a new Chief Executive Officer who started on September 13, 2021. 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 2021 fiscal year was a transformative year for RIWI where the Company conducted a strategic review of the business in order to identify the current and future growth drivers of the business. The outcome of this initiative was a focused strategy on specific customer segments and a vision for the future. That vision is to be the most trusted and transparent source of global data. The specific customer segments of focus include International Development, Public health and Health Systems, and Financial Services. This vision builds on the foundation RIWI started several years ago, leveraging our patented Random Domain Intercept Technology (RDIT). Our new vision will mean an expansion from survey-based sentiment data to include other types of high quality data in order to support the goals of our customers. RIWI aims to enhance our platform to support the collection of a broad range of alternative data, to ensure that data can be catalogued and organized in a clear and precise way, and offer our customers access to that data through Application Programming Interfaces (APIs) or user friendly dashboards with enhanced analytical capabilities. In short, RIWI is evolving into a customer-centric pure-play data company in order to increase offerings to existing customers and new customers on a recurring revenue basis.

The advantage of this new vision is that we will be better positioned to support our customers across vastly more of their data needs. Today, RIWI provides our customers with a very valuable set of data, but most customers use RIWI in conjunction with other data providers. As we grow our platform and develop more data sets, we should be able to support our customers more broadly.

From a business model perspective, this new vision lends itself to more traditional subscription services with predictable and long-term revenue. Traditionally, much of the RIWI work has been customer-specific. We do have a large number of repeat customers that appreciate our ability to collect data in hard-to-reach places and from hard-to-reach citizens, but nevertheless, our contracts have been predominantly deliverable-oriented. Our new vision aims to increase our Annual Recurring Revenue (ARR) as a percentage of total revenue and increase the average spend per customer by double digit percentages year over year. This focus towards longer-term subscription revenue started in the fourth quarter of 2021 and will be a focus for 2022 and beyond. The strategic advantage of this approach is predictability and greater growth on an annual basis, but management expects that there will be a short to mid term negative impact on the Company's annual recurring revenues (ARR) until mid 2023, as compared to previous quarters of 2021, since these subscription agreements will smooth out revenue over an increasingly extended period versus being more front-loaded as in the past.

Last year set the foundation for the new strategy, and 2022 will be the year of building and executing against that strategy. Our strategy is centered around both organic recurring revenue growth, and accretive acquisitions. Our thesis is that the alternative data market is highly fragmented and we have an ability to consolidate both key data providers and key technology solutions into one platform. RIWI's capability to do this - in distinction to other data firms - lies in the fact that its existing architecture is global. This strategy will enable us to lower customer acquisition costs by having a more complete and valuable solution while significantly increasing our ability to upsell existing customers across different solutions that we will acquire.

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RIWI OVERVIEW (continued)

In this context, it is also important that RIWI seeks to monetize the unique and global dataset that we have already accumulated and shall continue to accumulate. We collect approximately 200,000 responses every 90 days, giving us a total database approaching 2 billion interviewees in 229 countries and territories.

1. RIWI Highlights for year ended December 31, 2021 - in US Dollars:

a) Revenues were \$4,135,701 for the year ended December 31, 2021. The decrease in revenues, as compared to the year ended December 31, 2020, was largely due to the company's shift away from project-based revenue and toward a recurring revenue and annual recurring revenue strategy, and due to investments made in the fourth quarter in the creation of the Compass Series of Indexes, a unique, subscription-based product focused on geopolitical risk for the finance and international development sectors. RIWI started to market and sell this new product on a syndicated basis in March, 2022.

b) RIWI's loss before interest and taxes were \$622,551 for the year ended December 31, 2021, with this loss resulting from higher costs in technology, products, and general and administrative costs relating to investments made for the purposes of propelling recurring revenue growth. This loss also occurred due to strategic changes in our executive leadership, including the departure of the Company's Chief Revenue Officer, and the departure of salespeople selling fixed price custom projects as opposed to recurring revenue business with new and flexible monetization models.

c) RIWI increased its number of customers by 12.5 percent for the year ended December 31, 2021, helping to reduce revenue reliance on any one customer. A key focus towards the end of 2021 and into 2022 has been to de-risk the Company by focusing on sustainable and repeat customers with long-term data and analytical needs.

d) RIWI had 68 revenue-generating projects for its customers in the year ending December 31, 2021 versus 43 in the same period ending December 31, 2020, representing an increase in the Company's distinct projects of 58 percent. The increase in projects is due to the focus on account management and on growing our net customer retention.

i) September 13, 2021: Proven public company executive and technology leader Greg Wong joined the Company as CEO to lead RIWI's next phase of growth and platform development. Neil Seeman, RIWI's Founder, serves as non-executive Chairman of the Company.

ii) Formed a sales and co-marketing partnership with David Woo, the former head of economic research at Bank of America and current owner and chief analyst of the media platform, David Woo Unbound, in order to develop and sell data products for customers in the financial services industry.

iii) RIWI launched "RIWI Alpha – China," a novel, real-time syndicated data stream for financial market participants, which tracks changing demand for varied electric vehicles and luxury goods. These benchmarks are meant to help traders understand the sentiment toward brands in China and help be a predictor of: (a) consumer demand in the region; and (b) the future health of US publicly traded equities that are heavily influenced by changing purchase activity of these goods in China.

iv) November 17, 2021: RIWI recognized by Deloitte as a technology Fast 50 winner for its rapid revenue growth, entrepreneurial spirit, and bold innovation.

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1. RIWI Highlights for year ended December 31, 2021 and 2020 - in US Dollars (continued):

- v) Launched the Substance Use Stigma and Recovery Index, in partnership with US-based partners Elevyst LLC and the Pennsylvania Organizations Recovery Alliance (Pro-A), which captures changing sentiment data towards people with substance use disorders and in recovery from addiction, targeting customers in the pharmaceutical sector and in the government sector.

2. Evolving Product Suite: From Project to Product

Traditionally, RIWI leveraged its RDIT as a means for global data collection, message testing and digital campaigns. Our solutions are unique, differentiated and protected by both our technology platform and our patented systems. We believe this technology has been proven through academic peer review and other methodological reviews to truly be the only real time, unbiased solution for surveys that also does not collect personal identifiable information (PII) – thus ensuring privacy compliance.

Historically, the majority of RIWI customers leveraged the RDIT technology for custom surveys that continue to be a significant driver for our Company, both in terms of value creation for customers, a strong reputation among data scientists, and for revenues for RIWI. These projects generally help our customers gather data that cannot be gathered any other way and offer RIWI gross margins that are generally in the high double digits.

In 2021, RIWI began the process of building additional data products and technology solutions on top of our RDIT technology stack that could be sold as off-the-shelf subscriptions with low variable cost and high margins. These products include “RIWI - Alpha China” for new insights into demand for luxury goods, RIWI - Alpha China” for electric vehicles, long-term subscriptions to our data dashboards, and analytics and multi-year trackers to support other health and economic indexes. These products have higher startup costs, but once they achieve minimum scale, each additional customer that purchases the product delivers to RIWI a 100 percent contribution margin. RIWI targets approximately 5 to 10 customers in order for a long-term data product to become breakeven, and 10 to 20 customers in order to achieve target product gross margins of 80 percent. Many customers in the financial services sector also prefer to purchase syndicated subscription products than custom products, so RIWI’s approach makes it easier for many asset managers to buy RIWI services.

In addition to the products listed above, RIWI is continuously investing in new data products like the Compass Data series that was launched in March 2022. Most of our new data products are being launched with either partners or with a group of customers that are committed to leveraging these products early on and providing feedback to ensure they meet the needs of our target customers.

As we look forward to 2022, strategic acquisitions that are accretive to shareholder value will also play an important part in our product vision and roadmap. We have undertaken an exercise to identify the various data needs of our customers. RIWI is transforming into a data company with multiple offerings and away from being solely a scientific survey company. Part of that transformation is adding new data products specific to our identified customer segments that are unique, offer time series and have a clear value proposition to our customers. Any data product that we acquire must be transparent and trusted with significant third-party evidence – like RDIT – in order to validate the authenticity of our growing product suite.

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3. RIWI's Growth Strategy

RIWI has a combined organic- and acquisition-focused growth strategy that is centered around being the most trusted and transparent source of global data for our customers. This requires us to build a fully integrated data platform that provides a consistent user experience to all of our customers. As we grow through both organic and value based-acquisition means, RIWI will be collecting a critical set of important customers that will enable us to upsell and cross sell new and acquired data products at a significantly lower cost than our current customer acquisition costs.

From an organic growth perspective, RIWI is focused on better understanding the needs of our different customer segments, building both a mature outbound and inbound sales organization as well as a very strong account management function, developing a highly active partner ecosystem that is revenue-focused, and developing new products and services, based on customer feedback, with long-term subscription potential.

From an acquisition perspective, management has observed that the current alternative data market for the customers we seek is highly fragmented with many data sellers being sub-scale, lacking both access to capital as well as skilled sales and marketing functions, thus limiting the growth potential of these firms. RIWI believes that it can harness the technology of smaller data firms that have developed unique and differentiated data products or technology solutions by providing entrepreneurs with a landing spot where they can continue to drive their solutions forward, but with access to a larger potential customer base – in every country of the world where RIWI operates – and with access to a growing sales and marketing team. We believe we can be a destination company that seeks to consolidate best-in-class data solutions to deliver more comprehensive, actionable insights for our customers and increased value to shareholders. RIWI's approach should not be mistaken for an umbrella or holding company or roll-up that seeks to acquire firms and run them independently in a loose 'federation model'. RIWI can be a destination firm since it is proven and trusted. We seek to acquire and quickly integrate new solutions into one platform to empower our customers to have an amazing user experience. We aim to provide better analysis tools, reporting, filtering as well as additional sentiment data to offer a more complete solution and new monetizable offerings.

With the new strategy management has embarked upon, RIWI's three customer segments – International Development, Public health and health systems, and Financial services – each have very large addressable markets. Our goal is to build each customer segment to be a minimum of \$15-20 million in annual revenues over the course of the next five years as we believe that is the point where these customer segments will achieve economies of scale, significant brand awareness and operating maturity worldwide. This will take time and focus. Once we have at least one customer segment at scale, we can then plan on entering new customer segments. We have identified a potential of 10 other customer segments that could leverage our platforms, data and skill sets, but there are undoubtedly more as the demand for alternative data sets grows across the world, and across new business sectors. In the interim, we are not focused on these other 10 customer segments as we need to leverage our resources and capital carefully in a highly focused and disciplined manner.

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4. Mergers and acquisitions

Although we have noted in the sections above that acquisitions will, with time, become an important part of our growth strategy, our approach to mergers and acquisitions (M&A) needs to align with value accretion to shareholders in both the short and long-run. After reviewing the alternative data marketplace, RIWI has documented its M&A process, as well as key metrics including valuation criteria and internal rate of return (IRR) targets. We believe that in the fragmented alternative data space, smaller data companies can be acquired at a lower multiple to RIWI's current valuation multiple, thus providing RIWI an early valuation boost as well as technology and gross margin benefits that will result in lower customer acquisition costs, higher net customer retention and greater annual recurring revenues. We are confident that the combination of our proprietary platform, uniquely global reach and market expertise offers the opportunity to sub-scale data firms to generate much higher organic growth and economies of scale inside the fold of RIWI. Only by having rich global RIWI data on public sentiment and the changing nature of the active online population in each country is it possible to contextualize and provide additive value to customers from new, alternative data sets in any one country. RIWI's global architecture thus offers RIWI a clear M&A advantage: M&A prospects will know that their data, contextualized with RIWI's data, can multiply in value. When sold and integrated with RIWI, a technology solution to capture alternative data, whose customer concentration had been in one continent, can scale globally.

RIWI has a target to complete at least one acquisition in 2022, but given the dynamics of the M&A market, and given our criteria for acquisition, there can be no guarantee of this.

We seek acquisition targets with the following characteristics:

- diversified customer base
- low customer attrition
- leading or increasing market share
- strong capacity to grow faster under the RIWI organization
- strong leadership to complement our executive team
- trusted and proven technology and data offerings
- access to high-value monetizable global data

Management believes that there are well over 500 alternative data firms in North America and Europe representing more than \$2.4 billion in annual revenue servicing customer segments in which we now operate.

5. Platform: Innovating and Investing Strategically to Drive Future Growth

RIWI provides a unique competitive advantage through our proprietary platform, which meets the growing client demand for sentiment and message testing data. Our platform mitigates risk for our clients since it does not retain personal information. Our platform uniquely offers clients the ability to reach hard-to-reach people, such as migrant populations, in hard-to-reach areas of the world, such as conflict zones. We continue to innovate and invest in our platform to optimize its ability to address our client's changing data needs.

RIWI is well-positioned to win new business with customers requiring sentiment data from countries with strict data localization and data privacy laws. The increased emphasis on privacy compliance required by buyers across the world helps RIWI win new business. We expect the demand for this type of compliant RIWI data to intensify over the coming years as consumers, regulators and companies demand stricter privacy rules.

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5. Platform: Innovating and Investing Strategically to Drive Future Growth (continued)

We are working towards allowing certain clients access to our platform in a self-service manner, which will open up RIWI's ability to reach customers of various sizes. This approach will also afford us the capacity to leverage inbound digital sales and marketing strategies to win new business with less reliance on direct salespeople. Our development approach is to be very agile and thus have platform releases on a consistent and ongoing basis.

In addition, as RIWI transforms into a pure-play data company that serves a far more diverse set of customer data needs, we will be adding other data sets that could include diverse forms of social media listening data feeds, news feeds, geospatial data, or other alternative data. Our platform is currently being enhanced to support enhanced data ingestion, data quality management, data integration and enhanced analytics.

FINANCIAL RESULTS (in U.S. Dollars)

The following is a discussion of the results of operations of the Company for the years ended December 31, 2021 and 2020. The results should be read in conjunction with the Company's audited financial statements for the years ended December 31, 2021 and 2020, and the related notes.

Financial Results	2021	2020
Revenues	\$ 4,135,701	\$ 4,580,738
General and administrative expenses	(1,957,889)	(1,400,775)
Sales and marketing expenses	(1,350,140)	(1,287,263)
Technology costs	(1,450,223)	(978,365)
Net interest (expense)/income	(4,598)	12,780
Income tax recovery/(expense)	86,581	(270,581)
Net (loss)/income and comprehensive (loss)/income	\$ (540,568)	\$ 656,534
Net (loss)/income per share: basic	\$ (0.03)	\$ 0.04
Net (loss)/income per share: diluted	\$ (0.03)	\$ 0.03

	December 31, 2021	December 31, 2020
Total assets	\$ 5,043,551	\$ 5,476,332
Total non-current liabilities	22,024	71,803
Cash dividends	-	-

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1. Operating Expenses

(a) General and Administrative Expenses

	Year Ended December 31	
	2021	2020
Personnel costs	\$ 773,578	\$ 654,245
Director cash-based compensation	372,912	351,570
Consulting and professional fees	277,584	93,429
Share-based payment expense	210,217	92,496
Occupancy and office costs	292,106	143,332
Depreciation	65,275	60,115
Foreign exchange (gain) loss	(33,783)	5,588
	<u>\$ 1,957,889</u>	<u>\$ 1,400,775</u>

(b) Sales and Marketing Expenses

	Year Ended December 31	
	2021	2020
Personnel costs	\$ 852,858	\$ 772,321
Third party consulting fees	362,183	222,635
Promotion and travel	99,626	34,343
Recruiting fees	35,473	50,524
Strategic partnership payments	-	207,440
	<u>\$ 1,350,140</u>	<u>\$ 1,287,263</u>

(c) Technology Expenses

	Year Ended December 31	
	2021	2020
Personnel costs	\$ 241,194	\$ 203,696
Third party consulting fees	95,676	58,716
Project costs	1,113,353	715,953
	<u>\$ 1,450,223</u>	<u>\$ 978,365</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 \$30,050 (\$129,399 in 2020) of the Canadian Emergency Wage Subsidy ("CEWS") and Canadian Emergency Rent Subsidy ("CERS") from the Government of Canada during the year ended December 31, 2021, and has recorded the subsidies received as a reduction in general and administrative expense of \$7,902 (\$36,079 in 2020), as a reduction in sales and marketing expenses of \$18,324 (\$81,698 in 2020) and as a reduction in technology expenses of \$3,824 (\$11,622 in 2020).

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2. Financial Performance for the years ended December 31, 2021 and 2020

Revenues are fees that are charged to customers for providing digital surveys or message tests and automated analytics of the findings. RIWI's revenue for the year ended December 31, 2021 decreased by 9.7% or \$445,037 to \$4,135,701 compared to \$4,580,738 for the year ended December 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 \$1,091,849 for the year ended December 31, 2021 compared to the year ended December 31, 2020. The key expenses are summarized as follows:

- a) **General and administrative** expenses increased by \$557,114 to \$1,957,889 during the year ended December 31, 2021 compared to the year ended December 31, 2020. In 2021, the Company hired Greg Wong, our new Chief Executive Officer, which increased personnel costs. RIWI also incurred consulting fees for conducting the CEO search, stock based compensation for the new CEO, training fees for the organization as well as the use of new consultants which led to an increase in the total general and administrative expenses.
- b) **Sales and marketing expenses** increased by \$62,877 to \$1,350,140 during the year ended December 31, 2021 compared to the year ended December 31, 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 focused sales and marketing initiatives in order to help grow and to expand into new markets and win new customers. The Company plans to increase the sales and marketing team in 2022.
- c) **Technology expenses** increased by \$471,858 to \$1,450,223 during the year ended December 31, 2021 compared to the year ended December 31, 2020. Technology expenses increased as RIWI experimented with some new data offerings, and initiated data collection for some long-term trackers in order to build buyer interest in trackers with a time series. This process required investments in advance of these trackers, such as "RIWI Alpha - China" and "RIWI Compass," becoming revenue-generating products. Further, certain technology costs incurred in 2021 resulted from proof-of-concept trials with customers, and from contracts that were signed in 2020 and took longer than expected to complete.

SUMMARY OF QUARTERLY RESULTS

This is a summary of selected results for the eight most recently completed quarters to December 31, 2021.

Summary of Quarterly Results (in US Dollars)	2021			
	Dec. 31	Sep. 30	Jun. 30	Mar. 31
Revenues	\$ 621,705	\$ 1,158,541	\$ 1,260,250	\$ 1,095,205
Income/(loss) from operations	\$ (645,089)	\$ (17,263)	\$ 72,329	\$ (32,528)
Net income/(loss)	\$ (369,503)	\$ (173,667)	\$ 45,241	\$ (42,639)
Net income/(loss) per share:				
basic	\$ (0.02)	\$ (0.01)	\$ 0.00	\$ (0.00)
diluted	\$ (0.02)	\$ (0.01)	\$ 0.00	\$ (0.00)

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SUMMARY OF QUARTERLY RESULTS (continued)

Summary of Quarterly Results <i>(in US Dollars)</i>	2020			
	Dec. 31	Sep. 30	Jun. 30	Mar. 31
Revenues	\$ 1,317,838	\$ 940,019	\$ 1,000,665	\$ 1,322,216
Income from operations	\$ 242,351	\$ 71,526	\$ 110,678	\$ 489,780
Net income/(loss)	\$ (33,504)	\$ 74,457	\$ 117,143	\$ 498,438
Net income/(loss) per share:				
basic	\$ (0.00)	\$ 0.00	\$ 0.01	\$ 0.03
diluted	\$ (0.00)	\$ 0.00	\$ 0.01	\$ 0.03

RIWI generally has had strong revenue growth on an annual basis, with a five-year revenue growth of 412%. Management's commitment to recurring revenues and product professionalization – powered by its strategy formalized in the fourth quarter of 2021 – seeks to enhance shareholder value year over year. RIWI continues to invest in sales and partnership initiatives for long-term growth, to focus on diversifying its client base, to win new long-term contracts and to ensure delivery excellence for every customer.

LIQUIDITY AND CAPITAL RESOURCES

As at December 30, 2021, the Company had working capital of \$4,464,062 compared to working capital of \$4,782,818 as at December 31, 2020.

	December 31, 2021	December 31, 2020
Current Assets	\$ 4,905,646	\$ 5,277,053
Current Liabilities	\$ (441,584)	\$ (494,235)
Working Capital	\$ 4,464,062	\$ 4,782,818

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 \$4,685) per month and the office lease expires on May 31, 2023.

Contractual obligations	Payments due by period			
	Total	Jan. 1, 2022 - Dec. 31, 2022	Jan. 1, 2023 - Dec. 31, 2024	Jan. 1, 2025 - beyond
Office leases	\$ 79,645	\$ 56,220	\$ 23,425	-

CAPITAL STRUCTURE

- a) **Common Shares:** As of March 31, 2022, the Company has 18,004,428 issued and outstanding common shares. The closing share price prior to March 31, 2022 was CAD \$1.05 per share.
- b) **Stock Options:** As of March 31, 2022, the Company has 1,944,585 options outstanding.
- c) **Common Shares on a Diluted Basis:** As of March 31, 2022

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CAPITAL STRUCTURE (continued)

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:	Dec. 31, 2022	\$ 2.04	200,000
	Dec. 31, 2023	\$ 2.00	390,000
	Dec. 31, 2024	\$ 3.25	370,000
	Dec. 31, 2025	\$ 3.56	88,812
	Dec. 31, 2026	\$ 1.92	499,244
	Dec. 31, 2027	\$ 0.93	396,529
	\$ 2.08		1,944,585
Common shares, on a diluted basis			19,949,013

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS - KEY MANAGEMENT PERSONNEL

- a) For the year ended December 31, 2021, the Company provided cash-based compensation to independent directors in the amount of \$372,912 (2020 – \$351,570), and recognized share-based payment expense of \$210,217 (2020 – \$92,496) for stock options granted to independent directors and the Chief Executive Officer.
- b) From December 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 year ended December 31, 2021, the expense recognized for this lease agreement was \$3,601 (2020 – \$1,756).

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at December 31, 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.

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FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS (continued)

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 +
December 31, 2021	77%	20%	0%	2%
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. Out of the entire balance of accounts receivable on December 31, 2021, the Company received 98% of this balance as of the date of this MD&A.

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 December 31, 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.

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 December 31, 2021, financial instruments were converted at a rate of US\$1.00 to CAD\$1.2677. Balances denominated in foreign currencies as at December 31, 2021 were as follows:

	In CAD	Converted to USD
Cash and cash equivalents	\$ 1,027,952	\$ 810,849
Accounts receivable	\$ 188,616	\$ 148,780
Accounts payable and accrued liabilities	\$ 364,756	\$ 287,720

The estimated impact on net income for the year ended December 31, 2021 with a +/- 10% change in Canadian Dollar exchange rate is approximately \$136,098 (2020 – \$55,000).

RIWI CORP.

Management's Discussion & Analysis

For the Years ended December 31, 2021 and 2020

RECENT ACCOUNTING PRONOUNCEMENTS

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