



August 25, 2022

NR 22-12

## RIWI Reports Q2 financials; RIWI Continues Move to Subscription Sales and Updates on ROM Acquisition

**Toronto, ON** – RIWI Corp. (TSXV: RIWI) (OTC: RWCRF) (the “Company” or “RIWI”), a global trend-tracking and prediction technology firm, reported its financial results for the three months ended June 30, 2022. All figures are reported in U.S. dollars unless otherwise indicated. RIWI’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”).

### RIWI Highlights (in U.S. Dollars):

1. RIWI completed the acquisition of Research on Mobile (ROM) on July 1, 2022. ROM is a leading research platform that profiles survey respondents and dynamically matches them to global research marketplaces from which commercial customers buy data. Under the terms of the arms-length transaction, a total purchase consideration of USD \$525,000 of cash (“Consideration”) was agreed to in connection with the closing of the transaction. The Consideration includes \$125,000 held back for any post-closing adjustments. In addition, the sellers of ROM may be entitled to receive additional earn-out payments subject to the satisfaction of certain revenue and profitability targets as well as employee retention targets for the 2022, 2023 and 2024 RIWI fiscal years. There is no ROM revenue included in RIWI’s second quarter results, however, there are \$78,375 costs that are included as part of the transaction. ROM-related revenues will be included in the Company’s results beginning the third quarter of 2022.
2. RIWI signed 12 new client contracts in the three months ended June 30, 2022, including contract signings with three new RIWI customers.
3. RIWI earned \$368,680 in revenues in the second quarter of 2022 compared to \$1,260,250 for the three months ended June 30, 2021. As a result of the Company’s strategic focus in 2022 of subscription-based products and annual recurring revenues in addition to traditional projects, RIWI’s year-over-year decrease in revenue for the three months ended June 30, 2022 is partially due to the transition away from shorter-term, project-based initiatives which historically enabled the Company to recognize a majority of revenues for most projects soon after any project launch. The second quarter’s revenue decline was also affected by a delay in revenue recognition of approximately \$400,000, which, historically, has been recognized by the Company in the second quarter, but this year did not meet the IFRS revenue recognition criteria as of June 30, 2022. Management fully expects to recognize this revenue since the work with this customer is ongoing in nature. The decrease is also a result of the departure from the Company of salespeople selling mainly professional services projects; the Company continues to recruit new sales and technical personnel focused on selling data products and subscriptions. The Company remains committed to increasing its customer base and recurring revenue streams, along with focusing on sales activities and building out our sales-focused partnership ecosystem to win new, long-term and recurring business. This decrease in revenues – and technical costs incurred in the development of subscription-based products – resulted in a net loss of \$658,318 for the three months ended June 30, 2022, as compared to a net profit of \$45,241 for the three months ended June 30, 2021.
4. For the period ending June 30, 2022 the Company’s total cash and cash equivalents were \$3,235,078, as compared to \$3,257,147 for the period ending June 30, 2021, representing a year-over-year decrease of \$22,069, a decrease of less than 1 percent. Prepaid expenses and other current assets include an amount of \$379,604 wired for the upfront payment of ROM on July 1, 2022.
5. RIWI received a substantial increase, as compared to the quarter ending June 30, 2021, in high-profile international recognition – such as peer-reviewed academic journals, client reports and in international media – for its innovative technology, data quality, and access to global data. This external recognition includes: a validation of RIWI’s technology as an effective system to collect Covid-19 vaccination rates in real-time across the United States, co-authored by researchers at Johns Hopkins University and Emory University, published in the *Journal of Medical Internet Research*; academic papers published in *PLOS One* and the *International Journal for Quality in Health Care*; a study published in the *British Medical Journal Global Health*, authored by researchers at Boston University; reports published by The Wilson Center, The Carter Center, and the UN World Food Programme; a public event hosted by The Center for Strategic and International Studies; and, articles on RIWI in international media, including *Business Insider*, *Bloomberg*,



# NEWS RELEASE

TSXV: RIWI OTC: RWCRF

*The Diplomat, Yahoo News, bne IntelliNews, China Times, Deutsche Welle, The Toronto Star, and Harvard Business Review.*

“As we advance on our commitment to transition strategically toward annual recurring revenues and subscription-based products, we encountered certain challenges in the second quarter, including some revenue recognition being delayed. We made considerable progress on several fronts that we expect to set us up for sustained, predictable revenue growth and technical maturity. First, we completed our acquisition of ROM that will give RIWI, beginning in the third quarter, a new stream of ongoing, automated revenues. Second, we laid the groundwork for the next version of the RIWI platform that will be released in the fourth quarter, and this will enable us to generate new Subscription-as-a-Service (SaaS) revenues in 2023. Third, we continued to deliver our Compass Subscription product to buyers in financial services, and management expects this product to be at a profitable run rate by the end of 2022,” says Greg Wong, Chief Executive Officer of RIWI.

RIWI’s unaudited interim Financial Statements and Management’s Discussion and Analysis for the three months ended June 30, 2022, are available via RIWI’s website at <https://riwi.com> and on SEDAR at [www.sedar.com](http://www.sedar.com).

## About RIWI

RIWI is a global trend-tracking and prediction technology firm. On a monthly or annual subscription basis, RIWI offers its clients tracking surveys, continuous risk monitoring, predictive analytics and ad effectiveness tests in all countries – without collecting any personally identifiable data. <https://riwi.com>

## RIWI CORP.

*Signed: “Greg Wong”*  
Greg Wong, Chief Executive Officer

For more information, please contact [investors@riwi.com](mailto:investors@riwi.com)

**Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.**

## **CAUTION REGARDING FORWARD-LOOKING INFORMATION:**

Information and statements contained in this news release that are not historical facts are “forward-looking information” within the meaning of Canadian securities legislation that involves risks and uncertainties. Forward-looking information included herein is made as of the date of this news release and RIWI does not intend, and does not assume any obligation, to update forward-looking information unless required by applicable securities laws. Forward-looking information relates to future events or future performance and reflects management of the Company’s expectations or beliefs regarding future events. This forward-looking information is based, in part, on assumptions and factors that may change or prove to be incorrect, thus causing actual results, performance or achievements to be materially different from those expressed or implied by forward-looking information.