



RIWI CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Years Ended December 31, 2022 and 2021

Containing information up to and including May 12, 2023

(Expressed in United States Dollars)

RIWI CORP.

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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 years ended December 31, 2022 and 2021, and is prepared as at May 12, 2023. This MD&A should be read in conjunction with the Company's audited consolidated annual financial statements for year ended December 31, 2022 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. 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's vision is to be the most trusted and transparent source of global data, which means, first, that RIWI needs to monetize data sets that our customers consider mission critical. Second, it means that we need to lead the global data industry in our transparency in terms of how we collect and aggregate new, impactful data feeds. Third, it means we need to leverage our proven strengths and our unique pedigree – RIWI's clients include some of the most data-sophisticated groups in the world and our work has been peer-reviewed in top academic journals – to build new subscription-based products that meet our clients' growing and diverse data needs. RIWI's offerings will expand to include other types of alternative data which offer new and combined products and data solutions for customers. As we move forward towards fulfilling our vision, RIWI will offer customers both a portal platform from which they can source all of their essential data needs as well as a technology and analytics tool suite within the platform to analyze and manage the diverse data which they can purchase. The global data market is large and growing rapidly, with different customer segments each having unique and dynamic sets of requirements. While RIWI's core technology platform supports customers across all industries, we are developing specific data feeds and building deep expertise in the following areas: (i) International Development, (ii) Financial Services, (iii) Public Health and Health Systems, (iv) Public Policy and Macroeconomics, (v) Consumer Brands and (vi) being an automated global respondent sample provider for other market research firms serving customers around the world.

The Company currently provides a global trend-tracking and prediction technology platform. 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, identify misinformation online, and monitor emerging threats before these threats escalate to violence. In the third quarter of 2022, RIWI announced the acquisition of ROM, an automated platform that matches survey respondents with global survey marketplaces – such as Dynata, Netquest, Cint and Lucid – dynamically offering RIWI new, transactional revenues. This acquisition enhances our platform, enabling us to support longer-form surveys and surveys from targeted pre-profiled respondent groups.

The RIWI platform empowers customers to not only collect sentiment data, but also to perform message testing and conduct marketing campaigns that reach people online who are not engaged by traditional digital marketing campaigns. RIWI has several unique selling propositions, including: (i) an option to avoid the collection, storage, and transfer of personally identifiable information ("PII"), (ii) the ability to be in field collecting data, in any country, within 12 to 24 hours, to support rapid-response needs, and (iii) data science capabilities and real-time dashboard analytics for multiple users dispersed across the globe at any client organization.

RIWI customers can benefit from not only leveraging our platform for data collection and analytics but can also benefit from buying data-only RIWI subscriptions. More RIWI customers are leveraging RIWI in a Data-as-a-Service (DaaS) model as we build out our global database of information and develop more long-term subscription-based trackers. The RIWI platform currently stores over 2 billion responses from interviewees to RIWI surveys across 229 countries and territories. In keeping with our vision to be the world's most trusted and transparent source of global data, much of the RIWI data now being collected can be monetized for broader commercialization with new clients over time. Some illustrative examples of work undertaken in the 2022 calendar year, which would otherwise not be possible for clients to collect rapidly using other data collection systems include: data across rural and urban China on support for the lockdowns and China's historic "zero Covid-19" policy, mis-information in countries across Eurasia, the social stigma associated with opioid and other forms of substance abuse, geo-political data on polarization among G7 countries and consumer confidence data in several geographies.

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1. RIWI Highlights for the Year Ended December 31, 2022 – in US Dollars:

- a) RIWI completed the acquisition of Research On Mobile (ROM) on July 1, 2022. Research On Mobile is a leading research technology platform that profiles survey respondents and dynamically matches them to global research marketplaces from which commercial customers buy data. To quantify the opportunity for scale, in December 2022, the volume of respondents had increased to approximately 3,000 per day from approximately 1,800 specified in the Q3 MD&A of 2022 — representing a 67 percent increase in daily respondents — without the need for additional resources or computing power. In addition, the platform is now ingesting requests for over 100,000 respondents per day, providing significant opportunity for growth. Although initial integration was completed in 2022 and some early customers benefited from the joint solution, full integration of both the technology and processes between the ROM and RIWI platforms will be ongoing through the 2023 calendar year with an expected completion date towards the end of Q4 2023.
- b) RIWI won 54 new contracts in 2022, including 13 new customers that had not done business with RIWI before. These customers span all of our customer segments.
- c) Revenues in 2022 include, for the first time in the Company's history, four different revenue streams: recurring revenue, transactional revenue, and project-based revenue. On the recurring revenue subscription product side of our business, RIWI continues to deliver the Compass data series, which is now profitable in its first year of launch and has a growing pipeline.
- d) RIWI launched the first release of its new platform that includes a single sign on feature across a customer's various projects, integration of both our highly secure un-incented respondents and our pre-profiled respondents, quota management and enhanced visualization features aimed at providing customers a better experience. In addition, RIWI began to build our respondent ecosystem by partnering with additional sample providers enhancing our ability to deliver more completed surveys in more regions of the world.
- e) RIWI began the transformative process from being a project-based organization to a more technology and product focused organization with diverse revenue streams. This included (i) the launch of new subscription-based digital products like the Compass Data series with our partner David Woo, a macroeconomist, and the RIWI China Data feed, (ii) the conversion of customer projects into longer term subscriptions, (iii) the evolution of our platform to enable subscriptions to our technology and (iv) the acquisition of ROM which began providing RIWI with transactional revenue. RIWI will continue to provide and offer projects that generate project-based revenue as well, but the goal is to achieve predictable and high-margin revenue that is growing above industry averages.
- f) RIWI technology and RIWI was referenced more than 100 times in 2022 across highly respected organizations and media sites such as the BBC, The World Bank, The Times (England), Investor's Business Daily, The Global Health Crisis Coordination Center (GHC3), The Asia Pacific Foundation of Canada, The Globe and Mail, Business Insider, Harvard Business Review (Japan), Center for Strategic and International Studies, Asia Times, The Diplomat, China Times and the Financial Post.

2. Evolving Revenue Mix

On July 1, 2022 RIWI announced that it had completed the acquisition of ROM. ROM was a strategic acquisition for many reasons, including its ability to provide RIWI with a new revenue stream that is being categorized as transactional revenue. RIWI now enjoys three revenue types:

- a) **Recurring revenue:** Recurring revenue is revenue where a customer subscribes to either the RIWI platform or to one of its data products, such as the RIWI Compass data series or the China data feed. Customers typically sign up for 12 months or more or have no predetermined end date. Revenue in this category is recognized every month and is highly repeatable. In terms of the RIWI platform, customers can subscribe to the platform with a specified number of credits to be used within a 12-month period or can sign up for long-term, ongoing studies that are a minimum of 12 months in duration. In the future, RIWI will also offer additional self-service functions where customers may subscribe to just the technology platform for access to technology solutions such as do-it-yourself survey-building. This category of revenue will expand over the next few years as RIWI develops new digital data products, expands the platform, and converts more customers to long-term engagements.

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2. Evolving Revenue Mix (continued)

- a) **Recurring revenue (continued):** This revenue stream is highly predictable and scalable and provides RIWI with an ongoing relationship with customers that positions us well to both learn about their ever growing data needs and to expand our revenue per customer over time.
- b) **Project-based revenue:** Project-based revenue is the traditional RIWI revenue where customers engage RIWI to do a specific survey or digital message test in one or more countries. Project-based revenue can vary from short-term projects (e.g., less than one month) to longer projects that have multiple waves and can last up to nine months. This type of revenue scales with both people and technology, thus requiring RIWI to hire more staff when there is a large growth in expected business (based on contract bookings). Project-based revenue is internally broken into three subcategories: (i) Customer proof-of-Concept in order to prove RIWI's capabilities before a customer commits to a larger longer term program, (ii) Governmental or non-government organization based projects which are funded at a project or program level but that customers purchase multiple times over multiple years as funding is released and (iii) one-off customers that have a specific need and may not require ongoing services.
- c) **Transactional revenue:** Transactional revenue refers to the revenue arising from the ROM acquisition and is generated every time the ROM system matches a survey respondent to an active survey commissioned on one of the global research marketplaces or to a direct end customer and the respondent completes the survey. Transactional revenue scales by increasing the conversion rates of survey respondents being matched and completing specific surveys as well as by increasing our respondent pool. To quantify the opportunity for scale, in December 2022, the volume of respondents had increased to approximately 3,000 per day from approximately 1,800 specified in the Q3 MD&A of 2022 — representing a 67 percent increase in daily respondents — without the need for additional resources or computing power. In addition, the platform is now ingesting requests for over 100,000 respondents per day providing significant opportunity for growth. Increasing the conversion rates, integrating more respondents into the platform as well as more survey marketplaces, will greatly increase revenue without the need for associated new labor. It should also be noted that one of the strategic initiatives around transactional revenue for the 2023 fiscal year is to sign contracts with customers that commit to yearly volumes, thus providing a higher degree of predictability and certainty for planning purposes.

RIWI has a goal of achieving a revenue mix that is 60 percent recurring, 20 percent transactional, and 20 percent project-based by the end of 2024. The third quarter of 2022 was the first quarter that RIWI recognized transactional revenue. As noted in our MD&A for the first quarter of 2022, RIWI began the process of converting project-based revenue to recurring revenue in the current fiscal year and thus project-based revenue is still the largest revenue stream for the Company today.

3. Roadmap for Growth

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, including new analytics tools and combined data feeds, with the goal of providing an excellent user experience to all of our customers and to access all their data and analytics needs in one place. As we grow our business through our organic growth strategy, and through a highly selective, disciplined value-based acquisition strategy, RIWI will be collecting a critical set of important new customers that will enable us to upsell and cross-sell new data products, thereby significantly reducing our current costs associated with new customer acquisition. This strategy also helps us increase the lifetime value of an increasingly diverse customer base.

RIWI's strategy for organic growth includes hiring key industry experts in the verticals that we have chosen to focus on as well as building new subscription products that will enable RIWI to build longer-term recurring and repeatable revenue. In terms of industry experts, RIWI hired in 2022 Natasha Hsi to lead our International Development customer segment and RIWI also hired an academic research specialist to lead our efforts in the university sector who started in October 2022.

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3. Roadmap for Growth (continued)

In addition, RIWI has engaged recruiters to help us find additional specialists in other key areas that we believe will grow revenue over time and bring a knowledge base that we do not currently possess. The current labor marketplace continues to make the recruitment and retention of technically oriented personnel and industry experts challenging for many technology companies, including RIWI which is why RIWI has engaged specialist recruitment firms.

While we are focused on identifying and hiring new sales staff, the labor market is hyper-competitive, and recruitment continues to be slower than expected. In addition to recruiting key talent, RIWI has also started to increase our marketing with the launch of both customer newsletters and a webinar series that began in the first quarter of 2023. RIWI is also planning to invest more in participating in key conferences and digital marketing in order to increase brand awareness.

On the recurring revenue subscription product side of our business, RIWI continues to deliver the Compass data series, which is now profitable in its first year of launch and has a growing pipeline. In addition, RIWI has been gathering a range of continuous data series on both economic and political topics in China since 2018 and continues to add new series as events unfold. In the fourth quarter of 2022, RIWI launched a subscription China Data Feed that enables clients to subscribe to all or some of these ongoing studies. Topics include: consumer spending, travel intentions, housing prices, return-to-normal activities after China abandoned its "zero-COVID-19" policy, attitudes to government policies, and changing attitudes to geopolitical risk. This new product already has its first customer, and we expect this product to grow in popularity as it gets refined based on customer feedback. RIWI also has other subscription products that are currently being evaluated and management expects at least one additional subscription product will be released in 2023. For the other potential subscription products under consideration and review, it should be noted that these are being evaluated and discussed in conjunction with third-party experts since RIWI believes the best chance of long-term profitability for subscription data products is to partner with well-known industry experts who can guide the development and provide expert analysis on the quality and value of the data offered to customers by any new product.

For growth through highly targeted acquisitions, RIWI is focused on both acquisitions that are accretive in value to shareholders and on solutions that provide value-add solutions to existing customers. The ROM acquisition, for example, is adding significant value to existing customers by providing RIWI with: (i) additional survey respondent sample (using pre-profiled ROM respondents, for example, whose age, gender, and other attributes are known in advance of any RIWI survey deployment) and (ii) support for longer, more granular surveys of smaller audiences (e.g., homeowners or business owners) to appeal to a large number of clients in our priority customer segments. In terms of broader mergers and acquisition (M&A) activity, our M&A strategy continues to identify several opportunities with recurring revenues and with increasingly attractive valuations that are accretive in value to RIWI shareholders. Our ability to execute on these transactions may depend on our ability to find financing solutions that will maximize investor returns should the Company require funds outside of its treasury to make an accretive acquisition that is highly desirable. Given the current macroeconomic climate, RIWI can make no assurances that the Company will be able to complete any additional acquisitions in 2023.

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

RIWI is building a fully integrated next generation market research and data platform that will provide customers with:

- a. The widest available set of samples (survey respondents) on a global basis across various sampling frameworks. This includes building capabilities to: quickly evaluate and onboard new data sources in order to build our proprietary community of survey respondents; build capabilities to integrate different data types and survey frameworks such as telephone surveys, social media listening and generative AI systems for new, actionable insights for customers.

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

- b. Third-party validated data quality, matching, routing, and reporting capabilities to ensure trust and transparency in all of our data. The more that survey respondents and survey requesters (i.e. end customers) leverage our platform, the more dynamic, precise and fast our profiling, matching and routing mechanism needs to be as this precision and speed provides higher conversion rates for respondents, quicker survey completions for our survey requesters and greater revenues as noted in this MD&A.
- c. Self-service capabilities and dashboards where market researchers can conduct their analyses as well as leverage tools for survey-building and gather insights from the data. In order to provide maximum value to customers, RIWI needs to support customers that want both a full-service white-glove experience as well as those customers that have strong research experience, but require survey respondents, or a new survey tool or enhanced analytics. The customer view of our platform needs to enable customers to select from a menu of options where they can use all services required and at any time of their choosing. Our goal is to receive excellent customer feedback on the user-friendliness of our platform.
- d. Access ready to use, curated data across a number of topics, years, countries and use cases in order to make better decisions, such as where and why customers should re-allocate their resources. RIWI has collected over 2 billion survey responses and continues to grow our data sets every day. These data have significant value, especially when the data can be blended with intelligent analytics tools to identify patterns both across data sets and in places where clients did not expect to find correlations.

On December 21, 2022, RIWI released the first version of its next-generation platform that includes single sign-on, multi-tenancy architecture, aggregation of a projects into a single dashboard for customers with multiple projects and support for multiple sampling frameworks including: RIWI's patented and award-winning Random Domain Intercept Technology (RDIT); pre-profiled respondents and third-party partner delivered survey respondents. In addition, the new platform provides the RIWI development team with an updated technology stack which will accelerate product development with new features being released regularly.

As RIWI mentioned earlier in this MD&A, although initial platform integration was completed in 2022 and some early customers benefited from the joint solution, full integration of both the technology and processes between the ROM and RIWI platforms will be ongoing through the 2023 calendar year with an expected completion date towards the end of Q4 2023.

Feedback from our customers tells us that if we can deliver more of this enriched functionality, our customers will be willing to license not only our data, but also pay to license access to our platform, providing RIWI both high-margin SaaS-based revenue and Data-as-a-Service ("DaaS") revenue – both of which fall within the recurring revenue category of revenues described earlier in this MD&A. For this reason, RIWI is investing in growing our product development team to better support our customers and to win new customers.

5. The Acquisition of ROM

As previously mentioned, RIWI acquired ROM on July 1, 2022. This acquisition is very strategic to RIWI for several reasons: 1) it provides RIWI customers with an additional survey respondent pool globally, 2) it is a fully automated platform that scales with technology and not people, 3) it provides RIWI with a new revenue stream and 4) it brings both additional technology and market research skills to the RIWI team. In addition, management expects this deal to be accretive to both revenue and profitability in 2023. To that end, RIWI has been able to increase the volumes progressing through the ROM system on a run rate basis by over 67% from the acquisition date through the end of December 2022. This is considerably ahead of management's original expectations.

In addition, the ROM acquisition opens up additional strategic acquisition opportunities as it provides access to a demand funnel of respondents that potential acquisitions could leverage.

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Summary of RIWI's Vision

RIWI is committed to moving forward and accelerating all aspects of our business to fulfill our vision to be the world's most trusted and transparent source of global data. This path, as documented throughout this MD&A, means: (i) an unwavering commitment to excellence in customer service, (ii) building out the RIWI technical and sales team, (iii) innovating our platform, (iv) bringing new data products to market, and (v) exploring strategic, highly targeted M&A in a manner that is accretive in value to RIWI shareholders.

Management also understands that in the current economic climate, the need for a balanced approach between profitability and growth is crucial. To that end, management expects RIWI to return to profitability in 2023 while achieving growth through a mix of revenue sources, as noted in this MD&A, in order to ensure a diversity of customers, and to ensure the scalability of our revenues.

Selected Annual Information

	Year ended December 31		
	2022	2021	2020
Revenues	\$ 2,787,380	\$ 4,135,701	\$ 4,580,738
Net income/(loss)	(1,691,209)	(540,568)	686,534
Total assets	3,847,448	5,043,551	5,476,332
Total non-current financial liabilities	-	22,024	71,803

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FINANCIAL RESULTS FOURTH QUARTER 2022 (in U.S. Dollars)

The following is a discussion of the results of operations of the Company for the fourth quarter ending on December 31, 2022 and 2021. The results should be read in conjunction with the audited financial statements for the fiscal year ending December 31, 2022.

	Three Months Ended December 31	
	2022	2021
Revenues	\$ 747,628	\$ 621,704
Expenses		
General and administrative	579,879	574,894
Sales and marketing	293,510	244,508
Technology costs	266,390	292,051
Total expenses	1,139,779	1,111,453
Loss before interest and taxes	(392,151)	(489,748)
Net interest income/(expense)	18,376	(829)
Loss before taxes	(373,775)	(490,577)
Income tax recovery	(160,678)	121,075
Net loss attributable to the owners of the Company	\$ (534,454)	\$ (369,502)

1. Operating Expenses**(a) General and Administrative Expenses**

	Three Months Ended December 31	
	2022	2021
Personnel costs	\$ 147,431	\$ 219,170
Director cash compensation	132,139	114,142
Occupancy and office costs	143,342	135,598
Consulting and professional fees	44,189	63,021
Share-based payment expense	57,325	68,690
Depreciation	10,491	16,524
Foreign exchange loss (gain)	44,962	(42,251)
	\$ 579,879	\$ 574,894

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FINANCIAL RESULTS FOURTH QUARTER 2022 (in U.S. Dollars) (continued)**1. Operating Expenses (continued)****(b) Sales and Marketing Expenses**

	Three Months Ended December 31	
	2022	2021
Personnel costs	\$ 142,518	\$ 141,758
Third party consulting fees	67,509	89,081
Promotion and travel	83,482	13,669
	<u>\$ 293,510</u>	<u>\$ 244,508</u>

(c) Technology Expenses

	Three Months Ended December 31	
	2022	2021
Personnel costs	\$ 39,013	\$ 68,751
Third party consulting fees	25,527	10,783
Project costs	201,850	212,517
	<u>\$ 266,390</u>	<u>\$ 292,051</u>

2. Financial Performance for the three months ending December 31, 2022 and 2021 – in US Dollars:

Revenues are fees that are charged to customers for providing digital surveys, subscriptions to digital data products or transaction fees for matching survey respondents to survey marketplaces. RIWI's revenue for the fourth quarter ending December 31, 2022 increased by 20.3% or \$125,924, going from \$621,704 in the fourth quarter of 2021 to \$747,628 in the fourth quarter of 2022. The Company remains committed to increasing its customer base, its recurring revenue streams and its transaction revenues, along with focusing on sales activities and building out our sales-focused partnership ecosystem to win new business.

Total operating expenses increased by 2.7% or \$30,472 for the fourth quarter ending December 31, 2022 compared to the fourth quarter ending December 31, 2021. The key expenses are summarized as follows:

- General and administrative expenses** increased by \$4,985 to \$579,879 during the three months ended December 31, 2022 as compared to the three months ended December 31, 2021, mostly explained by personnel costs decreasing by \$71,739 and an \$87,213 increase in foreign exchange loss due to the movement of the currency exchange rates.
- Sales and marketing expenses** increased by \$49,002 to \$293,510 during the three months ended December 31, 2022 as compared to the three months ended December 31, 2021. During that period, promotion and travel expenses increased by \$69,813 as a result of the newly acquired ROM business.
- Technology expenses** decreased by \$25,661 to \$266,390 during the three months ended December 31, 2022 as compared to the three months ended December 31, 2021. Payroll costs decreased by \$29,738, as a result of a restructuring of the workforce.

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FINANCIAL RESULTS FOURTH QUARTER 2022 (in U.S. Dollars) (continued)

For the many reasons noted earlier in this MD&A, RIWI incurred a loss before taxes of \$375,921 for the three months ended December 31, 2022, as compared to \$490,577 for the three months ended December 31, 2021. RIWI is committed to investing its cash reserves to recruit new sales and business development personnel with deep expertise in RIWI's priority customer segments, and to recruit technical personnel in order to expand the Company's product suite for new recurring revenues and for enhanced functionality for our platform.

FINANCIAL RESULTS YEAR END 2022 (in U.S. Dollars)

The following is a discussion of the results of operations of the Company for the fiscal years ending on December 31, 2022 and 2021. The results should be read in conjunction with the unaudited condensed consolidated interim financial statements for the fiscal year ending December 31, 2022.

	Years Ended December 31	
	2022	2021
Revenues (Note 11)	\$ 2,787,380	\$ 4,135,701
Expenses		
General and administrative (Note 12)	2,189,214	1,957,889
Sales and marketing (Note 12)	1,175,220	1,350,140
Technology costs (Note 12)	1,153,513	1,450,223
Total expenses	4,517,947	4,758,252
Loss before interest and taxes	(1,730,567)	(622,551)
Net interest income/(expense)	38,195	(4,598)
Loss before taxes	(1,692,372)	(627,149)
Income tax recovery (Note 16)	1,163	86,581
Net loss and comprehensive loss	\$ (1,691,209)	\$ (540,568)

1. Operating Expenses**(a) General and Administrative Expenses**

	Year Ended December 31	
	2022	2021
Personnel costs	\$ 589,858	\$ 773,578
Director cash compensation	474,684	372,912
Consulting and professional fees (Note 4)	337,030	277,584
Occupancy and office costs	309,456	292,106
Share-based payment expense	259,448	210,217
Acquisitions costs	78,338	-
Depreciation and amortization	79,555	65,275
Foreign exchange loss (gain)	60,845	(33,783)
	\$ 2,189,214	\$ 1,957,889

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FINANCIAL RESULTS YEAR END 2022 (in U.S. Dollars) (continued)**1. Operating Expenses****(b) Sales and Marketing Expenses**

	Year Ended Dec. 31	
	2022	2021
Personnel costs	\$ 509,415	\$ 852,858
Third party consulting fees	375,728	362,183
Promotion and travel	234,780	99,626
Recruiting fees	55,297	35,473
	\$ 1,175,220	\$ 1,350,140

(c) Technology Expenses

	Year Ended Dec. 31	
	2022	2021
Personnel costs	\$ 166,544	\$ 241,194
Third party consulting fees	63,801	95,676
Project costs	923,168	1,113,353
	\$ 1,153,513	\$ 1,450,223

2. Financial Performance for the fiscal years ending December 31, 2022 and 2021 – in US Dollars:

Revenues are fees that are charged to customers for providing digital surveys, subscriptions to digital data products or transaction fees for matching survey respondents to survey marketplaces. RIWI's revenue for the year ended December 31, 2022 decreased by 32.6% or \$1,348,321 representing a decline from \$4,135,701 to \$2,787,380 compared to the year ended December 31, 2021. One reason for the revenue decline relates to the Company's focus on technology integration, new product launches, and process improvements to boost monthly transactional revenues, with the goal of reaching profitability for 2023. Another reason for the year-over-year decline in revenues is a reduction in project-based revenues which vary from year to year. The Company remains committed to increasing its customer base, its recurring revenue streams and its transaction revenues, along with focusing on sales activities and building out our sales-focused partnership ecosystem to win new business.

Total operating expenses decreased by \$240,305 for the year ended December 31, 2022 compared to the year ended December 31, 2021. The key expenses are summarized as follows:

- a) **General and administrative expenses** increased by \$231,325 to \$2,189,214 during the year ended December 31, 2022. This increase is mostly explained by director cash compensation rising by \$101,772 and \$78,338 in acquisition costs for ROM. Payroll costs decreased by \$183,720, as a result of a decrease in revenue and a restructuring of the workforce.

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FINANCIAL RESULTS YEAR END 2022 (in U.S. Dollars) (continued)**2. Financial Performance for the fiscal years ending December 31, 2022 and 2021 – in US Dollars (continued):**

- b) **Sales and marketing expenses** decreased by \$174,920 to \$1,175,220 during the year ended December 31, 2022 as compared to the year ended December 31, 2021. Payroll costs and sales-related commissions decreased by \$343,443, as a result of a decrease in revenue and a restructuring of the workforce. Furthermore, promotion and travel expenses increased by \$135,154 in 2022 as a result of the one-time advertising cost associated with the newly acquired ROM business.
- c) **Technology expenses** decreased by \$296,710 to \$1,153,513 during the year ended December 31, 2022 as compared to the year ended December 31, 2021. Project-related technology costs decreased by \$190,185 in the year due primarily to lower revenue.

RIWI's income tax recovery for the year ended December 31, 2022 was \$1,163 and \$86,581 for the year ended December 31, 2021. The Company assessed income tax matters on an annual basis, and the Company has historical tax losses to use against any taxable income it will generate. The non-capital losses in Canada of \$1,420,158 will expire between 2041 and 2042. The non-capital losses in France of \$67,952 do not expire.

For the many reasons noted earlier in this MD&A, RIWI incurred a net loss of \$1,691,209 for the year ended December 31, 2022, as compared to a net loss of \$540,568 for the year ended December 31, 2021. RIWI is committed to investing its cash reserves to recruit new sales and business development personnel with deep expertise in RIWI's priority customer segments, and to recruit technical personnel in order to expand the Company's product suite for new recurring revenues and for enhanced functionality for our platform.

SUMMARY OF QUARTERLY RESULTS – in U.S. Dollars:

This is a summary of selected results for the eight most recently completed quarters to December 31, 2022.

Summary of Quarterly Results	2022				2021			
	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31
Revenues	\$ 747,628	\$ 773,674	\$ 368,680	\$ 897,398	\$ 621,705	\$ 1,158,541	\$ 1,260,250	\$ 1,095,205
Income/(loss) from operations	(394,619)	(375,252)	(726,100)	(234,595)	(645,089)	(17,263)	72,329	(32,528)
Net income/(loss)	(537,263)	(320,847)	(658,318)	(174,781)	(369,503)	(173,667)	45,241	(42,639)
Net income/(loss) per share:								
basic	\$ (0.02)	\$ (0.02)	\$ (0.04)	\$ (0.01)	\$ 0.02	\$ (0.01)	\$ 0.00	\$ (0.00)
diluted	\$ (0.02)	\$ (0.02)	\$ (0.04)	\$ (0.01)	\$ 0.02	\$ (0.01)	\$ 0.00	\$ (0.00)

RIWI has historically had strong revenues on an annual basis and as noted throughout this MD&A, the company is in a strategic transformational process to rely less on project-based revenues and more on annual recurring revenues, transactional revenues, and on SaaS-based subscription products. RIWI continues to invest in sales and partnership initiatives to ensure long-term, predictable growth and strong gross margins.

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LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2022, the Company had working capital of \$2,679,716 as compared to working capital of \$4,464,062 as at December 31, 2021.

	December 31, 2022	December 31, 2021
Current Assets	\$ 3,341,645	\$ 4,905,646
Current Liabilities	(661,929)	(441,584)
Working Capital	2,679,716	4,464,062

Contractual Obligations and Commitments

The Company's head office currently shares space with a third-party firm, and RIWI is responsible for 50 percent of the monthly lease payments. The Company's lease payments are \$CAD 5,960 (\$US 4,405) per month and the office lease expires on May 31, 2023.

	Payments due by period	
	Total	Jan. 1, 2023 - Dec. 31, 2023
Contractual obligations		
Office leases	\$ 22,024	\$ 22,024

CAPITAL STRUCTURE

- a) **Common Shares:** The Company has 18,004,428 issued and outstanding common shares.
- b) **Stock Options:** The Company has 2,380,837 options outstanding as of April 27 2023.

Common Shares on a Diluted Basis

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, 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	\$ 0.89	489,861
	Dec. 31, 2028	\$ 0.64	542,920
		\$ 1.70	2,380,837
Common shares, on a diluted basis			20,385,265

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

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RELATED PARTY TRANSACTIONS

For the year ended December 31, 2022, the Company provided compensation in the form of salaries and short-term benefits to directors and executives of the Company in the amount of \$1,112,220 (2021 - \$1,110,502), and recognized share-based payment expenses of \$248,965 (2021 - \$210,217) for stock options granted to the directors and executives of the Company. Additionally, Neil Seeman, the Company's founder and non-executive Chairman of the Board, is also acting as a consultant for the Company and the Company incurred cash based compensation of \$128,854 for his consulting services in year ended December 31, 2022.

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 year ended December 31, 2021, the expense recognized for this lease agreement was \$3,601 (2020 – \$6,974).

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at December 31, 2022, the Company's financial instruments are 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 +
December 31, 2022	5%	90%	0%	5%
December 31, 2021	77%	20%	0%	2%

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 of December 31, 2022 and December 31, 2021.

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FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS (continued)

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. ROM's activities are conducted in Euros. The Company has not entered into foreign exchange rate contracts to mitigate this risk.

As at December 31, 2022, financial instruments were converted at a rate of US \$1.00 to CAD \$1.3545. Balances denominated in foreign currencies as at December 31, 2022 were as follows:

	In CAD	Converted to USD
Cash and cash equivalents	\$ 172,686	\$ 127,491
Accounts receivable	625,679	461,926
Accounts payable and accrued liabilities	60,342	44,549

The estimated impact on net income for the year ended December 31, 2022 with a +/- 10% change in exchange rates is approximately \$121,052 (2021 – \$136,098).

As of December 31, 2022, financial instruments were converted at a rate of US \$1.00 to EUR \$1.0726. Balances denominated in foreign currencies as of December 31, 2022 were as follows:

	In EUR	Converted to USD
Cash and cash equivalents	€ 80,257	\$ 86,084
Accounts receivable	3,942	4,228
Accounts payable and accrued liabilities	10,578	11,346

The estimated impact on net loss for the year ended December 31, 2022 with a +/- 10% change in Euro exchange rate is approximately \$5,462 (2021 – \$nil).

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RESEARCH ON MOBILE ACQUISITION

On July 1, 2022, the Company purchased 100% of the shares of Research on Mobile (ROM) for an aggregate purchase price of \$379,604. ROM offers an application programming interface to link companies to consumer data via an existing project management system or respondent marketplace. The primary reason for the business combination was to add a new revenue stream and also increase the client portfolio in order to upsell different products and services offered by RIWI. The goodwill results from synergies that are expected by combining the operations of RIWI and ROM.

Purchase Price

The following table represents the preliminary purchase price allocation based on the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition, with any excess allocated to goodwill.

Assets acquired	
Cash	646
Accounts receivable	175,517
Other receivables	34,159
	<u>210,322</u>
Liabilities assumed	
Accounts payable and accrued liabilities	(237,292)
	<u>(237,292)</u>
Net assets acquired	<u>(26,970)</u>
Deferred tax liability	(38,500)
Technology	93,000
Customer relationships	61,000
Goodwill	291,074
Purchase price	<u>379,604</u>

The consolidated results of operations include \$78,338 of expenses incurred for acquisition costs in General and Administrative Expenses.

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CRITICAL ACCOUNTING ESTIMATES

The consolidated financial statements have been prepared in accordance with IFRS. Management makes certain estimates and relies on certain assumptions relating to reporting the Company's assets and liabilities as well as operating results in order to prepare the audited financial statements in conformity with IFRS. On an ongoing basis, the Company evaluates its estimates and assumptions including those related to revenue, the estimation of useful lives of the various classes of capital assets, the valuation of assets acquired in business combinations, stock-based compensation expense, and the measurement of deferred income tax assets. Actual results could differ from those estimates, which are as follows:

- The estimation of useful lives of the various classes of capital assets is based upon history and experience of similar assets within each class.
- The Company estimates the value of the assets acquired in the business combinations on the basis of fair value to the ongoing operations of the acquired business.
- The fair value of stock options is based on certain estimates applied to the Black-Scholes option pricing model as disclosed in the Company's financial statements.
- The measurement of the income tax valuation allowance is based upon estimates of future taxable income and the expected timing of reversals of temporary differences.

RECENT ACCOUNTING PRONOUNCEMENTS

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