



RIWI CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended March 31, 2023 and 2022

Containing information up to and including May 24, 2023

(Expressed in United States dollars)

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management's discussion and analysis ("MD&A") details RIWI Corp.'s ("RIWI" or the "Company") operating results and financial condition as at and for the three months ended March 31, 2023 and 2022, and is prepared as at May 24, 2023. This MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements for the three months ended March 31, 2023 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 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 a respondent sample provider for other market research firms.

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 and brand equity, identify misinformation online, and monitor emerging threats before these threats escalate to violence.

The RIWI platform enables 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) avoiding 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 or ad tests 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 so far in the 2023 calendar year include: initiatives to measure online violence and Digital Peace, mobility and security in Ukraine, political transition in Sudan, foreign media and social media consumption in China, online hate Speech and perceptions of change in Canada, and monitoring the prevalence and intensity of polarization attitudes in North America.

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1. RIWI Highlights for the three months ended March 31, 2023 – in US Dollars:

- a) RIWI earned \$1,201,240 in revenues in the first quarter of 2023 compared to \$897,398 for the three months ended March 31, 2022, an increase of 33.9%. That revenue consisted of \$422,358 in transaction revenue, \$312,217 in recurring revenue and \$466,665 in project based revenue. RIWI also experienced a net loss of \$127,943 for the three months ended March 31, 2023, as compared to a net loss of \$174,781 for the three months ended March 31, 2022. It is important to highlight that our transaction revenue has approximately doubled in the first quarter of 2023 versus the fourth quarter of 2022 and management is projecting continued growth of this revenue stream in subsequent quarters in the current calendar year.
- b) Transactional revenue scales by increasing the conversion rates of survey respondents being matched to our platform 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 the approximately 1,800 specified in the third quarter 2022 MD&A without the need for additional resources or computing power. In the first quarter of 2023, the average number of respondents exceeded 6,000 per day.
- c) The Compass Data series product continued to see growth with both new paying customers, and several new prospective client trials are underway. In addition, our China data series has a growing pipeline and is opening up several new sales and partnership opportunities for RIWI.
- d) RIWI signed 15 new client contracts in the three months ended March 31, 2023, including contract signings with six new RIWI customers.
- e) Thirteen clients were migrated to the new RIWI platform and we expect that the legacy RIWI platform will be fully retired by the end of 2023.
- f) RIWI hired a new Chief Financial Officer subsequent to the first quarter to ensure excellence in financial operations, investor relations, commercial partnerships, governance and long-term growth.
- g) RIWI was recognized in several publications in the first quarter, including the Bank of Canada's "Canadian Survey of Consumer Expectations—Fourth Quarter of 2022," The Canadian Broadcasting Corporation's "Inflation: les Canadiens forcés de réduire leur train de vie," CSA Group's "Out of Office: The Public Policy Implications of Remote Work," Latino America's "Mexico: a democracy without 'millennials'?" and The Public Policy Forum' "Symposium: How Polarization Manifests in Canada."

2. Evolving Product Suite: From Project to Product

RIWI has three different revenue streams with which to grow

- 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 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 just subscribe to just the technology platform for access to technology solutions like 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. This revenue stream is highly predictable and scalable and provides RIWI with an ongoing relationship with customers in order to position us well to both learn about their 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 sub-categories: (1) Customer Proof of Concept in order to prove RIWIs' capabilities before a customer commits to a larger, longer-term program, (ii) Governmental or NGO-based projects that are funded at a project or program

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level where 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 every time the RIWI 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 the approximately 1,800 specified in the third quarter 2022 MD&A without the need for additional resources or computing power. In the first quarter of 2023, the average number of respondents exceeded 6,000 per day. In addition, the platform is ingesting requests for over 100,000 respondents per day providing significant opportunity for growth. Increasing the conversion rates as RIWI has done thus far, integrating more respondents into the platform as well as more survey marketplaces will continue to greatly increase revenue for the Company without the need for associated labor. It should also be noted that one of the initiatives around transactional revenue for the current 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 within our transactional revenue stream.

The Company's transaction revenue growth has exceeded RIWI expectations in the first quarter and has become our largest revenue stream. RIWI believes we can continue to grow our transactional revenue by double-digit percentages for the next several quarters. RIWI has stated an internal goal of achieving a revenue mix that is 60 percent recurring, 20 percent transactional, and 20 percent project-based by the end of 2024. This revenue allocation may get revised, however, because of the positive growth trajectory of the transaction business.

3. Roadmap for Growth

RIWI has a combined organic and acquisition-focused growth strategy that is centered around a differentiated value proposition in the data marketplace: 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. 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. RIWI announced after the first quarter that we hired Travis Campbell as our Chief Financial Officer to lead our finance and back office functions. In addition, RIWI has engaged recruiters to help us find subject-matter specialists. We believe this strategy will grow our revenues over time and bring a knowledge base that we don't 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. 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 key conferences and search engine optimization in order to increase brand awareness.

On the subscription product side of our business, RIWI continues to deliver the Compass data series, which is profitable and has a growing pipeline. In addition, RIWI launched its RIWI China data package and already signed up a new customer for that package. RIWI is in discussions with key partners to develop at least two more subscription products in 2023 that we believe can yield a positive revenue impact in-year, although management cannot provide any assurances these partnerships will be formalized. It is a strategic imperative

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for RIWI to continue to search out key industry partners with which we can develop new long-term data streams that are both impactful and unique and that can provide RIWI with consistency in revenue.

For growth through highly targeted acquisition, RIWI is focused on both acquisitions that are accretive in value to shareholders, and value-add to existing customers. The ROM acquisition, for example, is providing existing customers with: (i) additional survey respondent sample and (ii) support for longer, more granular surveys of smaller audiences (e.g. business owners) while providing RIWI a growing revenue stream. RIWI is focused on acquiring businesses that we believe we can scale quickly by leveraging either our capital or existing resources (as noted above, RIWI has doubled transaction revenues since acquiring ROM on July 1st 2022). In terms of broader mergers and acquisition (M&A) activity, our M&A strategy continues to identify several opportunities offering recurring revenues and with increasingly attractive valuations that are accretive in value to RIWI shareholders. Our ability to execute on these transactions will depend on our ability to find effective financing solutions that will maximize investor returns. Given the current macroeconomic climate, management can make no assurances that the Company will be able to complete any additional acquisitions in the calendar year.

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

Management's strategic review of the addressable markets for its offerings has confirmed that the RIWI platform provides us with a strategic advantage since it is built on our patented Random Domain Intercept Technology (RDIT), which is unique, patented, scientifically peer-reviewed, and widely recognized by methodological experts as offering differentiated and high-value data. There is significant customer demand for new functionality, especially for: (i) certain self-service features, (ii) new data analysis tools, (iii) data integration and (iv) pattern identification. In addition, RIWI is committed to supporting the integration of additional data sets from other sources, which will require additional analysis tools for our customers.

Feedback from our customers tells us that if we can deliver more of this functionality, our customers will be willing to license not only our data, but also license access to our platform, providing RIWI both high-margin SaaS-based revenue and Data-as-a-Service ("DaaS") revenue. For this reason, we are investing in growing our product development team in order to better support our customers and to win new customers. Shareholders should therefore expect to see an increase in research and development ("R&D") costs in the coming quarters as we increase resources devoted to building out new technical enhancements to our platform.

In the three months ending March 31, 2023, our current technology and product development team worked to bring several new innovations to market in order to meet the expressed needs of existing and future customers. A highlight of some of these include:

- a) Built-in marketplace functionality in our platform to support sample-only projects integrated into our customers' own survey systems, as well as advanced quota management tools and enhanced reporting capabilities for clients. Additionally, new sample providers were onboarded to our platform in the second quarter of 2023 to enhance the volume of data for new and existing customers.
- b) In order for customers to extract actionable insights from their collected data, RIWI developed a "save query" functionality that will save our customers significant amounts of manual effort in terms of data analysis as well as enhance RIWI's internal project administration tools to improve delivery excellence through our professional services team's rapid-response service for all client needs.
- c) On the data products side, respondent characteristic controls (to ensure consistent demographic distribution) were developed to ensure that a consistent and high quality sample is maintained for customers that require robust time series.

We are 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 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 recurring revenue data products to market and (v) exploring strategic M&A.

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SELECTED FINANCIAL INFORMATION

	Three months ended March 31,	
	2023	2022
Revenues	\$ 1,201,240	\$ 897,398
Net loss	\$ (127,943)	\$ (174,781)
	March 31, 2023	Dec. 31, 2022
Total assets	\$ 4,083,583	\$ 3,847,448
Total non-current financial liabilities	\$ -	\$ -

FINANCIAL RESULTS (in U.S. Dollars)

The following is a discussion of the results of operations of the Company for the three months ended March 31, 2023 and 2022. The results should be read in conjunction with the unaudited interim condensed financial statements for the three months ended March 31, 2023 and 2022, and the related notes.

1. Revenues

	Three months ended March 31	
	2023	2022
Project revenues	\$ 466,665	\$ 890,398
Subscription or recurring revenues	312,217	7,000
Transaction revenues	422,358	-
	\$ 1,201,240	\$ 897,398

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 first quarter ended March 31, 2023 increased by 33.9% or \$303,842 compared to the first quarter of 2022. The increase was driven by the 2022 acquisition of ROM — and the greater-than-expected capacity for our technical team to effectively improve the transaction revenues resulting from the RIWI-ROM integration — which was offset by decreased project-related recurring revenues. 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 a sales-focused partnership ecosystem to win new business.

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

	Three months ended March 31	
	2023	2022
Personnel costs	\$ 172,241	\$ 167,425
Director cash compensation	46,506	117,151
Consulting and professional fees	230,935	96,333
Share-based payment expense	95,586	65,852
Occupancy and office costs	51,126	79,223
Depreciation	23,296	16,524
Foreign exchange gain	(40,124)	17,797
	\$ 579,566	\$ 560,305

General and administrative expenses for the first quarter ended March 31, 2023 increased by 33.9% or \$146,809 compared to the first quarter of 2022. The increase is primarily as a result of increased consulting costs following the ROM acquisition (including a one-time revenue-driven bonus of \$134,000), and increased depreciation as a result of the acquisition of ROM's intangible assets — offset by decreased personnel costs and by decreased costs related to the remuneration for the Company's directors.

(b) Sales and Marketing Expenses

	Three months ended March 31	
	2023	2022
Personnel costs	\$ 79,607	\$ 126,273
Third party consulting fees	56,234	83,714
Promotion and travel	132,334	23,213
Recruiting fees	-	49,461
	\$ 268,175	\$ 282,661

Sales and marketing expenses for the first quarter ended March 31, 2023 decreased by 5.1% or \$14,486 compared to the first quarter of 2022. The decrease is primarily as a result of decreased personnel, consulting and recruiting fees, offset by increased promotional and travel expenses which are categorized as advertising expenses incurred as part of ROM's operations.

(c) Technology Expenses

	Three months ended March 31	
	2023	2022
Personnel costs	\$ 43,987	\$ 45,861
Third party consulting fees	31,847	3,113
Project costs	423,696	240,053
	\$ 499,530	\$ 289,027

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Technology expenses for the first quarter ended March 31, 2023 increased by 72.8% or \$210,503 compared to the first quarter of 2022. The increase is a result of increased direct costs incurred as part of ROM's operations as well as increased consulting fees.

3. Financial Performance for the three months ended March 31, 2023 and 2022

RIWI's loss before interest and taxes was \$146,030 for the three months ended March 31, 2023, as compared to loss before interest and taxes of \$234,595 for the three months ended March 31, 2022.

RIWI's income tax expense for the three months ended March 31, 2023 was \$1,408, as compared to a recovery of \$58,261 for the three months ended March 31, 2022.

RIWI incurred a net loss of \$127,943 for the three months ended March 31, 2023, as compared to a net loss of \$174,781 for the three months ended March 31, 2022. The decrease in the net loss is indicative of the Company's revenue growth, cost containment efforts and substantial progress in accelerating its transactional revenue stream.

The net loss for the three months ended March 31, 2023 was driven by two factors in the ROM business - firstly, a one-time bonus of \$134,000 to ROM consultants which was a proof of concept in driving a substantial increase in ROM revenues. These increased revenues brought to light a systemic issue in costs which decreased overall margins in the first quarter of 2023 compared to the fourth quarter of 2022 and is being addressed to improve profitability.

SUMMARY OF QUARTERLY RESULTS:

This is a summary of selected results for the eight most recently completed quarters to March 31, 2023.

Summary of Quarterly Results (in US Dollars)	2023	2022				2021		
	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30
Revenues	\$ 1,201,240	\$ 747,628	\$ 773,674	\$ 368,680	\$ 897,398	\$ 621,705	\$ 1,158,541	\$ 1,260,250
Income/(loss) from operations	\$ (146,030)	\$ (394,619)	\$ (375,252)	\$ (726,100)	\$ (234,595)	\$ (472,774)	\$ (17,263)	\$ 72,329
Net income/(loss)	\$ (127,943)	\$ (537,263)	\$ (320,847)	\$ (658,318)	\$ (174,781)	\$ (473,604)	\$ (173,667)	\$ 45,241
Net income/(loss) per share:								
basic	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.04)	\$ (0.01)	\$ (0.03)	\$ (0.01)	\$ 0.00
diluted	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.04)	\$ (0.01)	\$ (0.03)	\$ (0.01)	\$ 0.00

RIWI has historically had strong revenues on an annual basis and, as noted throughout this MD&A, is in a strategic transformational process to rely less on project-based revenues and more on annual recurring revenues, transaction revenues and SaaS-based subscription products. RIWI continues to invest in sales and partnership initiatives to ensure long-term growth, strong gross margins and predictable growth. As noted earlier in this MD&A, RIWI has enjoyed success in delivering on this strategy as demonstrated in its growth in 2023 of its transaction revenues.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2023, the Company had working capital of \$2,669,501 as compared to working capital of \$2,679,716 as at December 31, 2022, an increase of \$10,215.

	March 31, 2023	December 31, 2022
Current Assets	\$ 3,600,503	\$ 3,341,645
Current Liabilities	(931,002)	(661,929)
Working Capital	\$ 2,669,501	\$ 2,679,716

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Contractual Obligations and Commitments

The Company's head office currently shares space with a third-party firm, and RIWI is responsible for 50% of the monthly lease payments. The Company's lease payments are \$4,410 per month and the office lease expires on May 31, 2023.

Contractual Obligations	Payment due by period	
	Total	Apr. 1, 2023 - May 31, 2023
Office lease	\$ 8,820	\$ 8,820

CAPITAL STRUCTURE

- a) **Common Shares:** The Company's authorized share capital consists of an unlimited number of common shares without par value. As of May 24, 2023, the Company has 18,004,428 issued and outstanding common shares (December 31, 2022 - 18,004,428). The closing share price prior to May 24, 2023 was CAD \$0.35 per share.
- b) **Stock Options:** As of May 24, 2023, the Company has 2,380,837 options outstanding (December 31, 2022 - 1,837,917).

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

For the three months ended March 31, 2023, the Company provided compensation in the form of salaries and short-term benefits to directors and executives of the Company in the amount of \$311,941 (2022 - \$292,541), and recognized share-based payment expenses of \$81,310 (2022 - \$99,656) 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 \$50,420 for his consulting services in the three months ended March 31, 2023 (2022 - \$53,194).

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at March 31, 2023, 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

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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 FVTPL.

The following is a discussion of the Company's risk exposures:

(a) Credit risk

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 +
March 31, 2023	44%	18%	23%	15%
December 31, 2022	5%	90%	0%	5%

The following table identifies customers comprising 10% or more of the Company's accounts receivable as at March 31, 2023 and December 31, 2022:

	March 31, 2023	December 31, 2022
Customer A	0%	86%
Customer B	15%	0%

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 expected credit losses as at March 31, 2023 and December 31, 2022. The Company recognized \$nil expected credit losses during the three months ended March 31, 2023 and March 31, 2022.

The following table identifies customers comprising 10% or more of the Company's revenue for the three months ended March 31, 2023 and March 31, 2022:

	March 31, 2023	March 31, 2022
Customer A	12%	0%
Customer B	11%	3%
Customer C	9%	40%
Customer D	0%	18%
Customer E	0%	16%

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(b) Liquidity risk

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 comprised of invoices and accruals payable to trade suppliers for operating expenses, wages and salaries payable, 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.

(c) Market risk

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 is denominated in Canadian dollars. The Company has not entered into foreign exchange rate contracts to mitigate this risk.

As at March 31, 2023, certain financial instruments were converted at a rate of US\$1.00 to CAD\$1.3534. Balances denominated in foreign currencies as at March 31, 2023 were as follows:

	In CAD	Converted to USD
Cash and cash equivalents	\$ 635,726	\$ 469,379
Accounts receivable	\$ 116,068	\$ 85,760
Accounts payable and accrued liabilities	\$ 169,241	\$ 125,049

The estimated impact on net income for the three months ended March 31, 2023 with a +/- 10% change in exchange rates is approximately \$58,000 (2022 – \$64,000).

As at March 31, 2023, certain financial instruments were converted at a rate of EUR \$1.00 to USD \$1.0867. Balances denominated in foreign currencies as at March 31, 2023 were as follows:

	In EUR	Converted to USD
Cash and cash equivalents	€ 69,122	\$ 75,116
Accounts receivable	€ 358,142	\$ 389,200
Accounts payable and accrued liabilities	€ 138,976	\$ 151,028

RIWI CORP.

Management's Discussion & Analysis

For the three months ended March 31, 2023 and 2022

(d) Capital management

The Company's capital is defined to be shareholders' equity. The Company's objective in managing capital is to ensure it has adequate working capital to meet day to day needs and access to sources of capital sufficient to finance its operations and to make planned capital expenditures or capital acquisitions as opportunities present themselves. The Company manages its capital structure and makes changes to it in light of changes in economic conditions, anticipated or planned capital expenditures, opportunities for acquisitions and the risk characteristics of the underlying investments.

The Company is not subject to any externally imposed capital requirements.

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.