RIWI CORP.

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

For the Years ended December 31, 2022 and 2021

(Expressed in United States Dollars)

(Audited)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of RIWI Corp.

Opinion

We have audited the consolidated financial statements of RIWI Corp. (the Entity), which comprise:

- the consolidated statements of financial position as at December 31, 2022 and December 31, 2021
- the consolidated statements of loss and comprehensive loss for the years then ended
- the consolidated statements of changes in equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2022 and December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor’s report.

Evaluation of the acquisition-date fair value of intangible assets acquired through a business combination

Description of the matter

We draw attention to Notes 3(a)(ii), 3(t) and 4 to the financial statements. The Entity measures the consideration paid or payable, the identifiable assets acquired, and liabilities assumed in a business combination at their acquisition-date fair values. In connection with the acquisition of Research on Mobile, the Entity has recognized Technology and Customer Relationships with acquisition-date fair values of $93,000 and $61,000, respectively.

The Entity’s significant assumptions used in determining the acquisition-date fair values of intangible assets are estimated discount rate, and estimated cash flows attributable to the specific acquired intangible assets, which includes assumptions for customer attrition rate, technological obsolescence factor, and royalty rate.

Why the matter is a key audit matter

We identified the evaluation of acquisition-date fair value of intangible assets acquired through a business combination as a key audit matter. This matter represented an area of significant risk of material misstatement given the magnitude of the fair values of the intangible assets and the degree of estimation uncertainty in determining the acquisition-date fair values of the intangible assets. In addition, the involvement of those with specialized skills and knowledge was required in evaluating the results of our audit procedures.

How the matter was addressed in the audit

The following were the primary procedures we performed to address this key audit matter.

We evaluated the appropriateness of the estimated cash flows attributable to the specific acquired intangible assets, customer attrition rate, and technological obsolescence factor by performing peer company analysis.

We involved valuation professionals with specialized skills and knowledge who assisted with the evaluation of the estimated discount rate and royalty rate by comparing to ranges independently developed using publicly available data for comparable entities.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditor's report is Pardeep Singh Gill.
Vaughan, Canada
May 12, 2023

RIWI CORP.
Consolidated Statements of Financial Position
As at December 31 2022 and December 31, 2021
(Audited and Expressed in U.S. Dollars)

		December 31, 2022		December 31, 2021
Assets				
Current assets				
Cash and cash equivalents	**$**	**2,350,718**	$	4,253,537
Accounts receivable (Note 4, 14)		**835,886**		265,106
Unbilled revenue (Note 11(b))		**64,463**		160,779
Prepaid expenses and other current assets		**90,578**		226,224
Total current assets		**3,341,645**		4,905,646
Property and equipment (Note 6(a))		**4,688**		10,083
Right-of-use assets (Note 7)		**17,874**		60,769
Intangible assets (Notes 4, 6(b))		**192,167**		67,053
Goodwill (Notes 4, 6(b))		**291,074**		-
Total assets	**$**	**3,847,448**	$	5,043,551
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**341,475**	$	360,430
Current portion of lease obligations (Note 10)		**22,024**		49,778
Deferred revenue (Note 11(b))		**298,430**		31,376
		661,929		441,584
Deferred tax liability (Note 16)		**37,337**		-
Non-current lease obligations (Note 10)		**-**		22,024
Total liabilities		**699,266**		463,608
Shareholders' equity				
Share capital (Note 8)	**$**	**4,940,930**	$	4,940,930
Contributed surplus (Note 8)		**2,477,931**		2,218,483
Accumulated deficit		**(4,270,679)**		(2,579,470)
Total shareholders' equity		**3,148,182**		4,579,943
Total liabilities and shareholders' equity	**$**	**3,847,448**	$	5,043,551

Approved and authorized for issuance on behalf of the Board on May 12, 2023.

'Greg Wong" (signed)
Greg Wong
Chief Executive Officer

'Annette Cusworth" (signed)
Annette Cusworth
Chair of the Audit Committee

(The accompanying notes are an integral part of these consolidated annual financial statements)

RIWI CORP.

Consolidated Statements of Loss and Comprehensive Loss
For the Years ended December 31, 2022 and 2021
(Audited and Expressed in U.S. Dollars)

	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)**
Net loss per share		
Basic and diluted	**$ (0.09)**	$ (0.03)
Weighted average number of common shares outstanding		
Basic	18,004,428	18,004,428
Diluted	18,004,428	18,004,428

(The accompanying notes are an integral part of these consolidated annual financial statements)

RIWI CORP.
Consolidated Statements of Changes in Equity
For the Years ended December 31, 2022 and 2021
(Audited and Expressed in U.S. Dollars)

	Number of Shares	Share Capital Amount	Contributed Surplus	Accumulated Deficit	Total Equity
Balance, December 31, 2020	18,004,428	$ 4,940,930	$ 2,008,266	$ (2,038,902)	$ 4,910,294
Share-based payment expense	-	-	210,217	-	210,217
Net (loss) and comprehensive (loss) for the period	-	-	-	(540,568)	(540,568)
Balance, December 31, 2021	18,004,428	$ 4,940,930	$ 2,218,483	$ (2,579,470)	$ 4,579,943
Balance, December 31, 2021	18,004,428	$ 4,940,930	$ 2,218,483	$ (2,579,470)	$ 4,579,943
Share-based payment expense	-	-	259,448	-	259,448
Net (loss) and comprehensive (loss) for the period	-	-	-	(1,691,209)	(1,691,209)
Balance, December 31, 2022	**18,004,428**	**$ 4,940,930**	**$ 2,477,931**	**$ (4,270,679)**	**$ 3,148,182**

RIWI CORP.
Consolidated Statements of Cash Flows
For the Years ended December 31, 2022 and 2021
(Audited and Expressed in U.S. Dollars)

	Years Ended December 31 2022	2021
Operating activities		
Net loss for the year	**$ (1,691,209)**	$ (540,568)
Items not involving cash:		
Interest (income)/expense	**(38,195)**	4,598
Depreciation and amortization of property and equipment, right-of-use assets, and intangible assets	**79,555**	65,275
Loss on disposals	**-**	374
Deferred tax (recovery)/expense	**(1,163)**	8,284
Share-based payment expense (Note 9, 12)	**259,448**	210,217
	(1,391,564)	(251,820)
Changes in non-cash operating working capital:		
Accounts receivable	**(399,267)**	427,820
Unbilled revenue	**96,316**	276,676
Prepaid expenses and other assets	**45,463**	(138,140)
Accounts payable and accrued liabilities	**(256,169)**	85,060
Income taxes payable	**-**	(94,864)
Deferred revenue	**267,054**	(45,739)
Interest received	**34,754**	1,248
Interest paid	**(2,954)**	-
Income taxes received	**130,737**	-
Net cash generated (used) by operating activities	**(1,475,630)**	260,241
Investing activities		
Additions of property and equipment, right-of-use assets, and intangible assets	**(2,379)**	(12,559)
Acquisition of business, net of cash acquired (Note 4)	**(378,958)**	-
Net cash (used) by investing activities	**(381,337)**	(12,559)
Financing activities		
Lease payments (Note 10)	**(49,778)**	(52,733)
Net cash (used)/provided by financing activities	**(49,778)**	(52,733)
Effect of exchange rate changes on cash and cash equivalents	**3,926**	-
Change in cash and cash equivalents	**(1,902,819)**	194,949
Cash and cash equivalents, beginning of the period	**4,253,537**	4,058,588
Cash and cash equivalents, end of the period	**$ 2,350,718**	$ 4,253,537

(The accompanying notes are an integral part of these annual consolidated financial statements)

1. NATURE OF OPERATIONS

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 originally 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 is a global trend-tracking and prediction technology firm. Our patented, cloud-based software solutions provide a global digital intelligence platform to clients seeking real-time consumer and citizen sentiment data anywhere in the world in order to improve business performance, evaluate program effectiveness, enhance customer engagement, and to monitor and reduce emerging threats and violent conflict.

These consolidated financial statements of the Company for the year ended December 31, 2022 (the "Financial Statements") have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

2. BASIS OF PRESENTATION

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The Financial Statements were authorized for issuance by RIWI's Board of Directors on May 12, 2023.

These Financial Statements have been prepared on the historical cost basis, consistent with the Company's significant accounting policies. The Company's functional and reporting currency is the United States Dollar.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of estimates and judgments

The preparation of these Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies regarding certain types of assets, liabilities, revenues and expenses. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future quarter affected. Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts are as follows:

(i) Asset carrying values and impairment charges
Management exercises judgement at each reporting period to determine whether there are indicators of impairment of RIWI's non-financial assets. If such indicators are identified, management will perform an impairment test to determine whether the recoverable amount of the asset is in excess of the carrying value of RIWI's one cash generating unit ("CGU").

(ii) Business combinations
In order to determine the acquisition date fair values of the assets acquired and liabilities assumed in a business combination, the Company uses appropriate valuation techniques which are generally based on a forecast of the total expected future net discounted cash flows and at discount rate that would be assumed by a market participant. See note 4 details regarding the estimates.

(iii) Measurement of share-based compensation
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the share awards are determined at the date of grant using the Black-Scholes Method. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the Company's stock price, and the expected life of the options.

(iv) Depreciation and amortization
The Company makes estimates when determining the estimated useful lives of its property, equipment and intangible assets, taking into consideration company specific factors such as the intended use of the assets and technological advancements. Management also applies judgement when determining the pattern in which the assets' future economic benefits are expected to be consumed by the Company.

(v) Revenue
The Company exercises judgement in measuring its progress towards complete satisfaction of its performance obligation in project revenue contract, which are satisfied over time. RIWI uses the output method to measure progress for performance obligations associated with project revenues for which revenue is recognized over time. Each of the Company's project revenue contracts is comprised of one performance obligation comprising a number of milestones, and the Company assesses the stage of completion of satisfying the performance obligations at each milestone.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Use of estimates and judgments (continued)

(vi) Income taxes and recoverability of potential deferred income tax assets
In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income considering applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and judgements regarding the application of existing tax laws. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates and judgements can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred income tax assets. The Company reassesses unrecognized income tax assets on an annual basis.

(b) Basis of consolidation:

(i) Subsidiary:
A subsidiary is an entity controlled by the Company. The financial statements of the subsidiary is included in the consolidated financial statements from the date that control commences until the date that control ceases. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Intercompany balances and transactions are eliminated upon consolidation and preparation of these Consolidated Financial Statements. The Company's only subsidiary and its jurisdiction of incorporation are as follows:

Subsidiary	Jurisdiction of Incorporation	Functional Currency	RIWI Ownership %
Research on Mobile ("ROM")	France	Euro	100%

(ii) Transactions eliminated on consolidation:
Inter-company balances and transactions, and any unrealized income and expenses arising from inter-group transactions, are eliminated in preparing the consolidated financial statements.

(c) Cash and cash equivalents

Cash and cash equivalents consists of cash held on deposit in bank accounts and short-term guaranteed investments with original maturities less than ninety days that can be readily converted into cash.

(d) Property and equipment

Property and equipment are recorded upon initial recognition at cost and the Company begins recognizing depreciation when the asset is ready for its intended use. After commencing recognition of depreciation, property and equipment are subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recorded over the useful lives of the assets using the straight-line method.

The Company conducts an annual assessment of the residual values, useful lives and depreciation methods being used for property and equipment, and any changes in estimates arising from the assessment are applied by the Company prospectively.

An item of property and equipment is derecognized upon disposal. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the statement of loss and comprehensive loss.

(e) Intangible assets

The costs of acquiring intangible assets are capitalized when they meet the criteria in IAS 38 – Intangible Assets. Upon initial recognition, intangible assets are measured at cost. The Company begins recognizing amortization when the asset is ready for its intended use. After commencing recognition of amortization, intangible assets are subsequently carried at cost less accumulated amortization and accumulated impairment losses. Costs are amortized using the straight-line method over the estimated useful life of the intangible asset.

The Company conducts an annual assessment of the residual values, useful lives and amortization methods being used for intangible assets, and any changes in estimates arising from the assessment are applied by the Company prospectively.

An intangible asset is derecognized upon disposal. Any gain or loss arising on disposal of the intangible asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the statement of loss and comprehensive loss.

(f) Impairment

The Company's non-financial assets are assessed for indicators of impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of an asset or CGU exceeds its recoverable amount. Goodwill is tested for impairment annually in the fourth quarter or more often if events or circumstances indicate there may be an impairment. The Company groups its assets into CGUs for purposes of testing each CGU for impairment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Company has two CGUs, one being the assets of ROM and the second being the assets of RIWI, which comprise 100% of the Company's assets excluding ROM.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Impairment (continued)

When testing for impairment of the CGUs, the recoverable amount of the CGU is estimated in order to determine the extent of the impairment, if any. An impairment exists if the carrying value of CGU is in excess of the recoverable amount of the CGU. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of loss and comprehensive loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of loss and comprehensive loss.

(g) Revenue, Unbilled Revenue and Deferred Revenue

The Company receives payments from customers based on previously agreed upon billing schedules, as established in each contract. The timing of revenue recognition, billings and cash collections might result in the recognition of: (x) accounts receivable; (y) unbilled revenue; and (z) deferred revenue on the Statement of Financial Position.

Generally, billing occurs after revenue recognition, resulting in the recognition of unbilled revenue until billing occurs. However, if the Company receives payments from customers before revenue is recognized, the payments are recognized as deferred revenue. Deferred revenue is recognized as revenue when the Company satisfies the performance obligations under the contract for which the deferred revenue was recognized.

Performance obligations and revenue recognition

RIWI records revenue from contracts with customers in accordance with the five steps in IFRS 15, Revenue from Contracts with Customers as follows:
- (i) identify the contract with a customer;
- (ii) identify the performance obligations in the contract;
- (iii) determine the transaction price, which is the total consideration provided by the customer;
- (iv) allocate the transaction price among the performance obligations in the contract based on their relative fair values; and
- (v) recognize revenue when the relevant criteria are met for each performance obligation.

Project revenues – Project revenue is recognized over time as RIWI's performance in accordance with contracts does not create an asset with an alternative use and the Company has the right to payment for performance completed to date. These contracts are related to programs customized specifically for the customer. The Company recognizes project revenue over time based on the achievement of delivery milestones. Progress is determined based on completion of standard milestones (i.e. output method).

Other revenues – RIWI also enters into contracts where it will provide data analysis services to customers. For these services, RIWI charges a fixed hourly rate, and recognizes revenue as the services are performed.

Transaction revenues – Transaction revenue is recognized when RIWI platform matches a survey respondent with a third party survey and the respondent completes the survey. RIWI charges a fee for the survey being completed by the respondent and recognizes revenue when the survey results are provided to the third party customer.

Subscription revenues – Subscription revenue is generated when customers subscribe to receive a continuous data feed for a period of time, typically 12 months. This revenue is recognized on a monthly basis in equal amounts for the length of the contract as the performance obligation is being satisfied equally on a daily basis as the customer as continuous access to the data feed.

(h) Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(i) Share-based payments

The grant date fair value of share-based payment awards granted to employees (including directors, senior executives and consultants, which meet the definition of an "employee" under IFRS 2 Share-based Payment) is recognized as share-based payment expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the "vesting date"). The cumulative expense is recognized for equity-settled transactions at each reporting date reflecting the Company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of loss and comprehensive loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period, and the corresponding amount is reflected in capital reserves.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currency, U.S. Dollars, at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the Company's functional currency at the period end exchange rate. Non-monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognized in the statement of loss and comprehensive loss.

Transactions in foreign currencies are translated to the respective functional currencies of the subsidiaries that incurred the transaction at exchange rates at the dates of the transactions. Monetary assets and monetary liabilities denominated in foreign currencies at the reporting date are remeasured to the functional currency of the subsidiary in which the transactions are recorded at the exchange rate at the reporting date and the date they are settled. Non-monetary items that are based on historical cost in the functional currency of the subsidiary in which the amounts are recorded are translated into the functional currency of the respective subsidiary to which the item relates using the exchange rate at the date of the transaction. Foreign currency gains and losses due to translating foreign currency transactions are reported in the consolidated statement of loss and comprehensive and loss on a net basis. The effect of currency translation adjustments on cash and cash equivalents is presented separately in the statements of cash flows and separated from investing and financing activities when deemed significant.

(k) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Canadian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Canadian dollars using average exchange rates for the month during which the transactions occurred. These foreign currency differences are recognized in other comprehensive income in the reserve for foreign currency translations.

(l) Taxation

Income tax expense represents the sum of current income tax expense and deferred income tax expense. Current income tax expense is based on taxable income for the year. Income tax is recognized in the statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current income tax is the expected income tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax assets and liabilities are recognized based on differences in the financial statement carrying amount for assets and liabilities and the associated tax balance. Deferred income tax liabilities are generally recognized for all taxable temporary differences. The amount of deferred income tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. Deferred income tax assets are generally recognized for all deductible temporary differences, unused tax credits carried forward and unused tax losses to the extent that it is probable that there will be taxable income against which deductible temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities, when they relate to income taxes levied by the same taxation authority and when the Company intends to settle its current income tax assets and liabilities on a net basis.

(m) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity.

The Company has adopted the relative fair value method with respect to the measurement of common shares and warrants issued as equity units. The relative fair value method requires an allocation of the net proceeds received based on the pro rata relative fair value of the components. When warrants are exercised, the applicable amounts are transferred from reserve for warrants to share capital.

(n) Income per share

The Company presents basic income per share, calculated by dividing the income attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. The Company presents diluted income per share, calculated by dividing the income attributable to common shareholders of the Company by the weighted average number of diluted common shares.

(o) Financial assets

On initial recognition, financial assets are classified as measured at amortized costs, Fair Value Through the Statement of Profit or Loss ("FVTPL"), or Fair Value Through the statement of Other Comprehensive Income ("FVTOCI"). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company recognizes trade receivables initially when they are originated. All other financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument. All trade receivables without a significant financing component as defined in IFRS 15 are initially measured at their transaction prices as defined in IFRS 15. All other financial assets are initially measured at fair value plus, for items not classified as FVTPL, transaction costs that are directly attributable to its acquisition.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Financial assets (continued)

Subsequent to initial recognition, financial assets classified as measured at amortized costs are measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of loss and comprehensive loss. Any gain or loss on derecognition is recognized in the statement of income and comprehensive loss.

(p) Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. The Company recognizes debt securities it issues when they originate. All other financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred. At the end of each reporting period, financial liabilities at FVTPL are remeasured to their fair value, with changes in fair value recognized directly in the statement of loss and comprehensive loss in the period in which they arise.

(q) Impairment of financial assets

Under IFRS 9 Financial Instruments, the loss allowance for trade receivables must be calculated using the expected lifetime credit loss and recorded at the time of initial recognition. There is no loss currently recognized.

(r) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. Any increase in a provision due solely to the passage of time is recognized as interest expense.

(s) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

(t) Business combinations

The Company accounts for business combinations using the acquisition method when control is transferred to the Company. The Company measures the consideration paid or payable, the identifiable assets acquired, and liabilities assumed in a business combination at their acquisition-date fair values. Acquisition related costs are recognized as expenses in the periods in which the costs are incurred, and the services are received. The excess of the consideration paid or payable to obtain control, over the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed, is recognized as goodwill as of the acquisition date. Subsequent to the acquisition date, goodwill is measured at historical cost less accumulated impairment losses, if any. Goodwill is not depreciated.

(u) Government subsidies

RIWI might receive governmental subsidies, grants and credits (collectively, the “Subsidies”), from time to time related to operating expenditures. The Company recognizes such Subsidies when there is reasonable assurance that RIWI qualifies for, and has complied with the conditions of the Subsidies, and that the Subsidies will be received. If the Company receives Subsidies but cannot reasonably assure that it has complied with the conditions, it will defer recognition of the Subsidies and record a liability until the conditions are fulfilled. The Company recognizes the Subsidies as a reduction to the expenditure that the Subsidies were intended to offset, in the period the cost is incurred or when the conditions are fulfilled if they were not met when the costs were incurred.

(v) New accounting pronouncements adopted in 2022

We adopted the following IFRS amendments effective January 1, 2022. They did not have a material effect on our financial statements.

- Amendments to IFRS 3, Business Combinations – Updating a Reference to the Conceptual Framework, updating a reference in IFRS 3 to now refer to the Conceptual Framework.
- Amendments to IAS 16, Property, Plant and Equipment: Proceeds before intended use, prohibiting reducing the cost of property, plant and equipment by proceeds while bringing an asset to capable operations.
- Amendments to IAS 37, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts, specifying costs an entity should include in determining the “cost of fulfilling” a potential onerous contract.

(Audited and Expressed in U.S. Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Recent accounting pronoucements not yet adopted

The IASB has issued the following new standard and amendments that will become effective in future years:
• IFRS 17, Insurance Contracts, a replacement of IFRS 4, Insurance Contracts, that aims to provide consistency in the application of accounting for insurance contracts (January 1, 2023).
• Amendments to IAS 1, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, clarifying the classification requirements in the standard for liabilities as current or non-current (January 1, 2023).
• Amendments to IAS 1, Presentation of Financial Statements – Disclosure of Accounting Policies, requiring entities to disclose material, instead of significant, accounting policy information (January 1, 2023).
• Amendments to IAS 8, Accounting Policies – Changes in Accounting Estimates and Errors, clarifying the definition of "accounting policies" and "accounting estimates" (January 1, 2023).
• Amendments to IAS 12, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction, narrowing the scope for exemption when recognizing deferred taxes (January 1, 2023).
• Amendments to IFRS 16, Leases – Lease Liability in a Sale and Leaseback, clarifying subsequent measurement requirements for sale and leaseback transactions for sellers-lessees. (January 1, 2024).
• Amendments to IAS 1, Presentation of Financial Statements – Non-current Liabilities with Covenants, modifying the 2020 amendments to IAS 1 to further clarify the classification, presentation, and disclosure requirements in the standard for non-current liabilities with covenants. (January 1, 2024).

We do not expect IFRS 17, Insurance Contracts, or the amendments effective January 1, 2023, will have an effect on our consolidated financial statements. We are assessing the impacts, if any, of the remaining amendments will have on our consolidated financial statements; however we currently do not expect any material impacts.

4. BUSINESS ACQUISITION

Research on Mobile

On July 1, 2022, the Company purchased 100% of the shares of Research on Mobile (ROM) for an aggregate purchase price of $379,604, which was all paid in cash by RIWI prior to July 1, 2022. ROM offers an application programming interface to link companies to consumer data via an existing project management system or market place. The primary reason for the business combination was to add a new revenue stream for the Company and also increase the Company's 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, including increased revenues from cross-selling and cost efficiencies.

Purchase price

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

Purchase Price Allocation

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

The acquired technology generated a deferred tax liability of $38,500. The estimated remaining useful lives of the Technology and Customer relationships were determined to be five and seven years, respectively. The goodwill is not amortized and will be tested for impairment yearly or earlier if there are indications of impairment. Goodwill is not tax deductible. The consolidated results of operations includes $78,338 of expenses incurred for acquisition costs in connection with the business combination in General and Administrative Expenses.

The Company's significant assumptions used in determining the acquisition-date fair values of intangible assets are estimated discount rate, and estimated cash flows attributable to the specific acquired intangible assets, which includes assumptions for customer attrition rate, technological obsolescence factor, and royalty rate.

From the date of the acquisition of ROM to December 31, 2022, ROM generated revenues of $399,661 and net income $380 , which were recognized in the Company's statement of loss and comprehensive loss.

(Audited and Expressed in U.S. Dollars)

5. ACCOUNTS RECEIVABLE

Accounts receivable consists of trade receivables from clients. Please see Note 14(a) for aged trade receivable information.

6. NON-CURRENT ASSETS

(a) Property and Equipment

The Company's property and equipment consist of computers and leasehold improvements. The Company depreciates its computers using the straight-line method over 24 months. The Company is depreciating the leasehold improvements over the remaining term of its office lease, which terminates on May 31, 2023.

2021		Computers	Leasehold Improvements	Total
Cost:	December 31, 2020	$ 6,952	$ 31,496	$ 38,448
	Additions	1,063	-	1,063
	Disposals	(4,120)	-	(4,120)
	December 31, 2021	3,895	31,496	35,391
Accumulated depreciation:	December 31, 2020	(4,328)	(16,938)	(21,266)
	Depreciation	(1,764)	(6,024)	(7,788)
	Disposals	3,746	-	3,746
	December 31, 2021	(2,346)	(22,962)	(25,308)
Carrying value:	December 31, 2020	2,624	14,558	17,182
	December 31, 2021	$ 1,549	$ 8,534	$ 10,083

2022		Computers	Leasehold Improvements	Total
Cost:	December 31, 2021	$ 3,895	$ 31,496	$ 35,391
	Additions	2,379	-	2,379
	December 31, 2022	6,274	31,496	37,770
Accumulated depreciation:	December 31, 2021	(2,346)	(22,962)	(25,308)
	Depreciation	(1,750)	(6,024)	(7,774)
	December 31, 2022	(4,096)	(28,986)	(33,082)
Carrying value:	December 31, 2021	1,549	8,534	10,083
	December 31, 2022	**$ 2,178**	**$ 2,510**	**$ 4,688**

Depreciation in the amount of $7,774 has been included under general and administrative expenses for the year ended December 31, 2022 (2021 – $7,788).

(b) Intangible Assets

Intangible assets consist of a patent, domain names, trademarks, website, technology acquired and goodwill.

The Company owns US Patent #8,069,078. This patent, which expires in July 2030, relates to a method of obtaining a representative online polling sample or ad test globally. The Company classified the patent as a finite life intangible asset and is amortizing it using the straight-line method over 20 years.

The Company purchased Internet domain names in 2017 which have strategic value for ongoing intellectual property development. The Company classified the domain names as finite life intangible assets and is amortizing them using the straight-line method over 10 years.

In 2020, RIWI obtained the trademarks of the word mark “RIWI” in in the US and the EU, and in 2021, obtained the trademark in Canada. The Company classified the trademarks as finite life intangible assets. The Company is amortizing the trademarks using the straight-line method over 10 years.

In previous years, the Company enhanced its website to ensure technical privacy compliance. The Company is amortizing this capital expenditure using the straight-line method over 3 years.

(Audited and Expressed in U.S. Dollars)

6. NON-CURRENT ASSETS (continued)

(b) Intangible Assets (continued)

2021	Patent	Domain Names	Trademarks	Website	Technology	Customer relationships	Goodwill	Total
Cost:								
December 31, 2020	$ 21,239	$ 80,810	$ 7,016	$ 5,072	$ -	$ -	$ -	$ 114,137
Additions	-	-	-	11,496	-	-	-	11,496
December 31, 2021	21,239	80,810	7,016	16,568	-	-	-	125,633
Accumulated Amortization:								
December 31, 2020	(12,607)	(27,947)	(1,040)	(2,394)	-	-	-	(43,988)
Amortization	(909)	(8,081)	(717)	(4,885)	-	-	-	(14,592)
December 31, 2021	(13,516)	(36,028)	(1,757)	(7,279)	-	-	-	(58,580)
Carrying value:								
December 31, 2020	8,632	52,863	5,976	2,678	-	-	-	70,149
December 31, 2021	$ 7,723	$ 44,782	$ 5,259	$ 9,289	$ -	$ -	$ -	$ 67,053

2022	Patent	Domain Names	Trademarks	Website	Technology	Customer relationships	Goodwill	Total
Cost:								
December 31, 2021	$ 21,239	$ 80,810	$ 7,016	$ 16,568	$ -	$ -	$ -	$ 125,633
Additions	-	-	-	-	93,000	61,000	291,074	445,074
December 31, 2022	21,239	80,810	7,016	16,568	93,000	61,000	291,074	570,707
Accumulated Amortization:								
December 31, 2021	(13,516)	(36,028)	(1,757)	(7,279)	-	-	-	(58,580)
Amortization	(909)	(8,081)	(717)	(5,522)	(9,300)	(4,357)	-	(28,886)
December 31, 2022	(14,425)	(44,109)	(2,474)	(12,801)	(9,300)	(4,357)	-	(87,466)
Carrying value:								
December 31, 2021	7,723	44,782	5,259	9,289	-	-	-	67,053
December 31, 2022	**$ 6,814**	**$ 36,701**	**$ 4,542**	**$ 3,767**	**$ 83,700**	**$ 56,643**	**$ 291,074**	**$ 483,241**

Amortization in the amount of $28,886 has been included under general and administrative expenses for the year ended December 31, 2022 (2021 – $14,592).

7. RIGHT-OF-USE ASSETS

The following table presents the Company's right-of-use assets, which is comprised of its head office lease.

2021		Right-of-use assets
Cost:	December 31, 2020	$ 189,455
	December 31, 2021	189,455
Accumulated Amortization:	December 31, 2020	(85,791)
	Amortization	(42,895)
	December 31, 2021	(128,686)
Carrying value:	December 31, 2020	103,664
	December 31, 2021	$ 60,769

(Audited and Expressed in U.S. Dollars)

7. RIGHT-OF-USE ASSETS (continued)

2022			Right-of-use assets
Cost:	December 31, 2021	$	189,455
	Additions		-
	December 31, 2022		189,455
Accumulated Amortization:	December 31, 2021		(128,686)
	Amortization		(42,895)
	December 31, 2022		(171,581)
Carrying value:	December 31, 2021		60,769
	December 31, 2022	**$**	**17,874**

Amortization in the amount of $42,895 has been included under general and administrative expenses for the year ended December 31, 2022 (2021 – $42,895).

8. SHARE CAPITAL AND CONTRIBUTED SURPLUS

Authorized: unlimited number of common shares without par value.

Contributed surplus reconciliation is noted below:

		Share-based Payment Reserve		Other Capital Reserves		Total Contributed Surplus
Balance, December 31, 2020	$	1,614,510	$	393,756	$	2,008,266
Share-based payment expense		210,217		-		210,217
Stock options expired		(365,355)		365,355		-
Balance, December 31, 2021	$	1,459,372	$	759,111	$	2,218,483
Balance, December 31, 2021	$	1,459,372	$	759,111	$	2,218,483
Share-based payment expense		259,448		-		259,448
Stock options expired		(196,341)		196,341		-
Balance, December 31, 2022	**$**	**1,522,479**	**$**	**955,452**	**$**	**2,477,931**

9. SHARE-BASED PAYMENTS

The Company has a stock option plan under which it is authorized to grant options to directors, employees, and consultants enabling them to acquire in aggregate up to maximum of 3,600,885 shares of the Company. Under the plan, the exercise price of each option shall equal the market price of RIWI's common share on grant date, a minimum price, or a discounted amount of the Company's common share price as calculated on the date of grant. The options can be granted for a maximum term of five years and are subject to vesting provisions as determined by the Board of Directors of the Company.

The following table summarizes the continuity of the Company's stock options:

	Number of Options		Weighted average exercise price (CAD)
Balance, December 31, 2020	1,531,312	$	2.44
Granted	499,244		1.92
Exercised	(482,500)		2.30
Balance, December 31, 2021	1,548,056	$	2.37
Balance, December 31, 2021	1,548,056		2.37
Granted	554,861		0.90
Expired	(265,000)		1.78
Balance, December 31, 2022	1,837,917	$	2.01

(Audited and Expressed in U.S. Dollars)

9. SHARE-BASED PAYMENTS (continued)

On March 3, 2021, the Company granted an aggregate of 145,140 stock options to certain independent directors. These stock options expire on March 3, 2026 and are exercisable at a price of CAD $2.47 per share. These options vested 25% on each of the following dates: March 31, 2021; June 30, 2021; December 31, 2021; and December 31, 2021.

On September 13, 2021, the Company granted 354,104 stock options to certain executives of the company. These stock options will expire on September 13, 2026 and are exercisable at a price of CAD $1.70 per share. These options vest 25% on each of the following dates: September 13, 2022, September 13, 2023, September 13, 2024 and September 13, 2025.

On March 1, 2022, the Company granted 65,000 stock options to certain executives of the company. These stock options will expire on March 1, 2027 and are exercisable at a price of CAD $0.99 per share. These options vest 25% on each of the following dates: March 1, 2023, March 1, 2024, March 1, 2025 and March 1, 2026.

On March 11, 2022, the Company granted an aggregate of 331,529 stock options to certain independent directors. These stock options expire on March 11, 2027 and are exercisable at a price of CAD $0.92 per share. These options vest on March 11, 2023.

On April 20, 2022, the Company granted an aggregate of 25,000 stock options to certain executives of the company. These stock options will expire on April 20, 2027 and are exercisable at a price of CAD $0.98 per share. These options vest 25% on each of the following dates: April 20, 2023, April 20, 2024, April 20, 2025 and April 20, 2026.

On July 3, 2022, the Company granted an aggregate of 66,666 stock options to certain executives of ROM. These stock options will expire on July 3, 2027 and are exercisable at a price of CAD $0.80 per share. These options vest 25% on each of the following dates: July 3, 2023, July 3, 2024, July 3, 2025 and July 3, 2026.

On July 3, 2022, the Company granted an aggregate of 66,666 stock options to certain executives of ROM. These stock options will expire on July 3, 2027 and are exercisable at a price of CAD $0.80 per share. These options vest 25% on each of the following dates: July 3, 2023, July 3, 2024, July 3, 2025 and July 3, 2026.

The fair value for stock options granted have been estimated using the Black-Scholes option pricing model assuming no expected dividends and the following weighted average assumptions:

	2022	2021
Risk-free interest rate	1.57% - 3.03%	0.29% - 0.85%
Expected life	3.0 - 4.5 years	3.0 - 4.5 years
Expected volatility	79% - 105%	98% - 106%
Forfeiture rate	10%	10%

For the year ended December 31, 2022, the Company recorded share-based payment expense, with a corresponding credit to contributed surplus of $259,448 (December 31, 2021 – $210,217).

Additional information regarding stock options outstanding as at December 31, 2022 is as follows:

		Outstanding		Exercisable		
Range of exercise prices (CAD)		Number of shares	Weighted average remaining contractual life (years)	Number of shares	Weighted average exercise price (CAD)	
$	0.80	133,332	4.4	-	$	-
$	0.92	331,529	4.2	-	$	-
$	0.98	25,000	4.3	-	$	-
$	1.70	354,104	3.7	88,526	$	1.70
$	2.00	390,000	0.4	390,000	$	2.00
$	2.47	145,140	3.2	145,140	$	2.47
$	3.25	370,000	1.4	370,000	$	3.25
$	3.56	88,812	2.4	88,812	$	3.56
$	2.01	1,837,917	2.6	1,082,478	$	2.59

(Audited and Expressed in U.S. Dollars)

10. LEASE OBLIGATIONS

The Company's head office currently shares space with a third-party entity, and RIWI is responsible for 50% of the monthly lease payments. The Company's lease payments are CAD $5,968 (US $4,405) per month and the office lease expires on May 31, 2023.

	Payment due by Period	
Contractual Obligations	**Total**	Jan. 1, 2023 - May 31, 2023
Office leases	$ 22,024	22,024

For the year ended December 31, 2022, the lease payments totaled $49,778. For year ended December 31, 2021, the lease payments totaled $52,733.

11. REVENUE

(a) Revenue streams

The Company generates revenue primarily from the provision of analytical solutions to its clients in the form of compilation, analysis and communication of real-time data. All the Company's revenue is generated from contracts from customers in relation to the Company's principal activities. The Company has four revenue streams; project revenue, subscription or recurring revenue, transaction revenue and other revenue, which includes hourly revenue and partnership revenue. RIWI's revenue disaggregated by geographical locations is analyzed in Note 15.

	Year Ended December 31	
	2022	2021
Project revenues	$ 1,900,930	$ 4,135,701
Subscription or recurring revenues	457,063	-
Transaction revenues	399,661	-
Other revenues	29,726	-
Balance, end of the period	$ 2,787,380	$ 4,135,701

(b) Unbilled revenue and deferred revenue

Unbilled revenue relates to RIWI's right to consideration for work completed but not yet billed. RIWI transfers unbilled revenue to accounts receivable on invoicing. Below is a summary of unbilled revenue from contracts with customers and the significant changes in those balances during the year ended December 31, 2022 and 2021.

	Year Ended December 31	
	2022	2021
Balance, beginning of the period	$ 160,779	$ 437,455
Additions during the period	740,464	2,058,631
Reclassification of unbilled revenue to accounts receivable	(836,780)	(2,335,307)
Balance, end of the period	$ 64,463	$ 160,779

Deferred revenue relates to advance consideration received from customers for services yet to be performed. Deferred revenue will be recognized as revenue as RIWI satisfies its performance obligation. Below is a summary of deferred revenue from contracts with customers and the significant changes in those balances during the year ended December 31, 2022 and 2021.

	Year Ended December 31	
	2022	2021
Balance, beginning of the period	$ 31,376	$ 77,115
Deferred revenue recognized as revenue during the period	(437,545)	(411,146)
Additions during the period	704,599	365,407
Balance, end of the period	$ 298,430	$ 31,376

(Audited and Expressed in U.S. Dollars)

12. 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	337,030	277,584
Occupancy and office costs	309,456	292,106
Share-based payment expense	259,448	210,217
Acquisitions costs (Note 4)	78,338	-
Depreciation and amortization	79,555	65,275
Foreign exchange loss (gain)	60,845	(33,783)
	$ 2,189,214	$ 1,957,889

(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

13. 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).

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at December 31, 2022, 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 consolidated statements of financial position 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 FVTPL.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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 +
December 31, 2022	5%	90%	0%	5%
December 31, 2021	77%	20%	0%	2%

The following table identifies customers comprising 10% or more of the Company's accounts receivable as at December 31, 2022 and December 31, 2021:

	December 31, 2022	December 31, 2021
Customer A	86%	0%
Customer B	0%	38%
Customer C	1%	12%

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 December 31, 2022 and December 31, 2021.The Company recognized $nil expected credit losses during the years ended December 31, 2022 and December 31, 2021.

The following table identifies customers comprising 10% or more of the Company's revenue for the year ended December 31, 2022 and December 31, 2021:

	December 31, 2022	December 31, 2021
Customer A	19%	9%
Customer B	13%	17%
Customer C	12%	2%
Customer D	9%	11%
Customer E	0%	18%

(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: Certain of the Company's activities are conducted in foreign jurisdictions; the majority of the Company's operating expenses are in Canadian dollars and Euros; and a portion of the Company's cash is denominated in Canadian dollars and Euros. The majority of the Company's revenues are contracted and settled in US Dollars. 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

(Audited and Expressed in U.S. Dollars)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(c) Market risk (continued)

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

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

(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.

15. SEGMENT REPORTING

The Company is required to disclose certain information regarding operating segments, products, services and geographic areas. Operating segments are defined as components of an enterprise for which separate financial information is available that is regularly evaluated by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company's chief operating decision maker is its Chief Executive Officer.

The approximate sales revenue based on geographic location of customers for the year ended December 31, 2022 and 2021 is as follows:

	Year Ended December 31	
	2022	2021
United States	$ 1,732,720	$ 2,366,394
Canada	$ 509,935	$ 1,112,387
Europe	$ 413,393	$ 557,026
Other	$ 131,331	$ 99,894
	$ 2,787,380	**$ 4,135,701**

	December 31, 2022	December 31, 2021
Total non-current assets held in Canada	**$ 74,386**	**$ 137,905**

The Company had two operating segments for the year ended December 31, 2022, being ROM and RIWI which is comprised of the Company's operations excluding the ROM operating segment. ROM amounts are only included subsequent to the date of acquisition. Prior year comparatives all belong to RIWI only since the Company was one operating segment. All of the Company's Transaction revenues were generated in the ROM operating segment, and all other revenues were generated in the RIWI operating segment.

	RIWI	ROM
Revenues	$ 2,387,719	$ 399,661
Net loss/(income)	1,690,589	(380)
Non-current assets	74,386	431,417
Total assets	3,039,641	807,807
Total liabilities	621,840	77,426
Interest income	41,149	-
Interest expense	2,954	-
Depreciation and amortization	65,898	13,657
Income tax recovery	-	1,163

(Audited and Expressed in U.S. Dollars)

16. INCOME TAX

As stated in Note 3(a), the Company reassesses income tax assets on an annual basis. The following table reconciles the income tax expense and recovery at Canadian statutory income tax rates to the amounts recognized in the statement of loss and comprehensive loss for the years ended December 31, 2022 and 2021:

	Year Ended December 31 2022	2021
Pre-tax loss for the year	$ (1,692,372)	$ (627,149)
Statutory tax rate	26.50%	26.50%
Income tax at statutory rate	$ (448,479)	$ (166,194)
Non-deductible expenses	$ 89,776	$ 56,314
Current year loss for which no benefit is recognized	361,090	-
Recognition of previously unrecognized deferred tax assets	-	23,299
Others, including foreign exchange	(3,550)	-
Income tax expense/(recovery)	$ (1,163)	$ (86,581)
Current income tax	$ -	$ (94,865)
Deferred income tax	(1,163)	8,284
Income tax expense/(recovery)	$ (1,163)	$ (86,581)

Below is a summary of the movement of the deferred tax assets and liabilities during the years ended December 31, 2022 and 2021:

	December 31, 2022	Recognized in net loss	Acquired in business combination	December 31, 2021
Deferred tax asset - lease obligations	$ 4,737	$ (11,367)	$ -	$ 16,104
Deferred tax liability - right-of-use assets	(4,737)	11,367	-	(16,104)
Deferred tax liability - technology and customer relationships	(37,337)	1,163	(38,500)	
Net deferred tax assets (liabilities)	$ (37,337)	$ 1,163	$ (38,500)	$ -

	December 31, 2021	Recognized in net loss	December 31, 2020
Lease obligations	$ 16,104	$ (15,349)	$ 31,453
Property, equipment and intangible assets	-	(4,302)	4,302
Total deferred tax assets	16,104	(19,651)	35,755
Deferred tax liability - right-of-use assets	(16,104)	11,367	(27,471)
Net deferred tax assets (liabilities)	$ -	$ (8,284)	$ 8,284

The Company has not recognized deferred tax assets in respect of the following temporary differences:

	December 31, 2022	December 31, 2021
Non-capital losses	$ 1,500,524	$ 58,900
Other deductible temporary differences	19,213	29,000
Total	$ 1,519,737	$ 87,900

The non-capital losses in Canada of $1,432,572 will expire between 2041 and 2042. Other deductible temporary differences do not expire.
The non-capital losses in France of $67,952 do not expire.