

# **RIWI CORP.**

## **MANAGEMENT'S DISCUSSION & ANALYSIS**

**For the three and nine months ended September 30, 2023 and 2022**

Containing information up to and including November 22, 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 September 30, 2023 and 2022, and is prepared as at November 22, 2023. This MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements for the three months ended September 30, 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](http://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](http://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 33 Bloor Street East, 5th Floor, Toronto, Ontario, M4W 3H1 and RIWI's registered office is located at 66 Wellington Street West, Suite 4100, Toronto ON M5K 1B7.

RIWI's vision is to be the most trusted and transparent source of global data and insights, which means, first, that RIWI needs to monetize data sets that customers consider mission critical. Second, it means that the Company needs to lead the global data industry in transparency in terms of how new, impactful data feeds are collected and aggregated. Third, it means RIWI must leverage its proven strengths and unique pedigree — RIWI's clients include some of the most data-sophisticated groups in the world and the Company's work has been peer-reviewed in top academic journals — to build new subscription-based products that meet 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 the Company moves forward toward fulfilling its 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 and insights 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, the Company is commercializing and selling specific data feeds and building deep expertise for the following sectors: (i) International Development, (ii) Financial Services, (iii) Public Policy and Macroeconomics, (iv) Consumer Brands, (v) Academia and (vi) Respondent Marketplaces, where RIWI is a respondent sample provider for market research firms across the world.

The Company currently provides a global trend-tracking and prediction technology platform. RIWI's 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 to 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 twelve to twenty four 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 also launched "RIWI Communities" in the third quarter of 2023 RIWI Communities is a validated and quality-assured group of global partners that extend the commercialization of the RIWI platform to support various research and data collection methodologies — such as telephone surveys, in person surveys, detailed statistical analysis, social media listening and various other functionalities.

RIWI customers can benefit from not only leveraging its 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 the Company builds out its global database of information and develops more long-term subscription-based trackers. The RIWI platform currently stores over two billion responses from interviewees to RIWI surveys or ad tests across 229 countries and territories. In keeping with the Company's 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 by RIWI in the third quarter of 2023 include: tracking of voter intentions for the Argentinian elections; monitoring sentiment for the Taiwan elections; a business-to-business (B2B) research study on the data priorities of large organizations; a B2B study on the state of Product Information Management (PIM); a study on optimism about youth employment in Asian countries; Conjoint experiment on tax initiatives in Haiti;

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political attitudes and social cohesion in Belarus; and, public sentiment regarding local administration and satisfaction with public services in Ukraine.

#### 1. RIWI Highlights for the three months ended September 30, 2023 – in US Dollars:

- a) RIWI earned \$1,144,838 in revenues in the third quarter of 2023 compared to \$773,674 for the three months ended September 30, 2022, an increase of 47.97%. That revenue consisted of \$438,224 in transaction revenue, \$324,165 in recurring revenue and \$382,449 in project-based revenue. RIWI experienced a net profit of \$14,288 and positive operating cash flow of \$77,629 for the three months ended September 30, 2023, as compared to a net loss of \$323,655 and net use of cash of \$163,994 for the three months ended September 30, 2022.
- b) RIWI's recurring revenues in the third quarter of 2023 increased by \$291,265 compared with the third quarter of 2022.
- c) RIWI signed 17 new client contracts in the three months ended September 30, 2023, including contract signings with 11 new RIWI customers.
- d) RIWI introduced a new measure, Adjusted EBITDA, as of Q3 2023. Adjusted EBITDA is meant to provide investors with better visibility into the operating business of RIWI as it nets out non-operating expenses. Please see page 7 of this MD&A for further information on Adjusted EBITDA.
- e) All RIWI project-based customers have now been migrated to the new RIWI platform with only long standing time-series customers remaining on the original platform. RIWI now expects that all the earlier, time-series customers will migrate to the new platform in 2024.
- f) RIWI strengthened its leadership team by hiring a new head of its International Development customer segment. RIWI has an impactful history of helping humanitarian aid organizations collect actionable data in hard-to-reach areas or conflict zones where displaced citizens are most vulnerable. RIWI management is of the view that investing in this sector is both aligned with the Company's values and good for business.
- g) RIWI launched RIWI Communities as a global network of approved and validated partners to extend the reach of RIWI, both in terms of audience and in terms of capabilities. RIWI Communities enables RIWI to deliver broader solutions to customers including: social media listening, passive spending data and search data from targeted user groups, telephone surveys, in-person surveys, and qualitative surveys. In the third quarter of 2023, RIWI delivered four customer projects using RIWI Communities.
- h) RIWI's work has been cited by publications, which include reports by the Bank of Canada, the Public Policy Forum, and The World Bank; and articles in *The Journal of Social Psychology* and *Asia Times*. Highlighted RIWI data and research noted in these publications include: perceptions of Ukraine's travel ban; Canadian consumer expectations; the rise of polarization in Canada; assessing the political leanings of Argentina's population; local and international support for governmental leadership in regards to China-US relations; and, the evaluation of public attitudes toward migration.

#### 2. Evolving Product Suite: From Projects to Products

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 the China data feed. Customers typically sign up for 12 months or more or have no predetermined end date. Revenue in this category is recognized every month and is highly repeatable. In terms of the RIWI platform, customers can subscribe to the platform with a specified number of credits to be used within a 12-month period or can sign up for long-term, ongoing studies that are a minimum of 12 months in duration. In the future, RIWI intends to offer additional self-service functions where customers may subscribe to just the technology platform for access to technology solutions such as 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 the Company well to both learn about our customers' growing and diversifying data needs and to expand revenue per customer over time.

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- b) **Project-based revenue:** Project-based revenue is the traditional RIWI revenue where customers engage RIWI to run 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 down into three sub-categories: (1) customer proof-of-concepts in order to demonstrate RIWI's capabilities before a customer commits to a larger, longer-term program of data collection, (ii) governmental or NGO-based projects that are funded at a project- or program-based 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 the respondent pool in RIWI's respondent online marketplace (i.e., ROM). The market research industry has increasingly been affected by both fraudulent survey responders and system-generated responses, often referred to as 'bots,' a trend which has affected survey quality and revenue of all major survey companies. As RIWI's vision is to be the most trusted and transparent source of global data and insights, RIWI continues to invest in significant quality-improvement measures that benefit our customers tremendously and differentiate the Company in the global data marketplace. Non-RIWI customers have reported that up to 50% of their survey responses are of low quality or fraudulent, burdening these organizations with additional costs and complexity when conducting their research analysis. To win more of these organizations as clients, RIWI's commitment to continuous improvement in terms of quality measures often requires dedicating personnel and time to experimentation and proof-of-concepts, and thus investors should expect some revenue volatility in the coming quarters in this revenue segment.

### 3. Roadmap for Growth

RIWI has a combined organic and acquisition-focused growth strategy that is centered around a differentiated value proposition in the global data marketplace: being the most trusted and transparent source of global data for customers. This requires the Company to enhance its fully integrated data platform, including new analytics tools and combined data feeds, with the goal of providing an excellent user experience to all customers. As RIWI expands its business through its organic growth strategy, and through a highly selective, disciplined value-based acquisition strategy, RIWI will be collecting a critical set of important new customers. This will enable the upselling and cross-selling of new data products, thereby significantly reducing costs associated with new customer acquisition. This strategy also helps increase the lifetime value of an increasingly diverse customer base.

RIWI's strategy for organic growth includes continuing on our path initiated this year of hiring key industry experts in focus verticals as well as building new subscription products that will enable RIWI to build longer-term recurring and repeatable revenue. In the third quarter of 2023, RIWI hired a new head of our International Development customer segment to lead the Company's business and product development efforts. The Company believes this strategy will grow revenues over time and build a new knowledge base across the organization. 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 the Company is focused on identifying and hiring new sales and technical staff, the labour market is hyper-competitive, and recruitment continues to be slower than expected. In addition to recruiting key talent, RIWI is investing in marketing, with investments in search engine optimization, website improvements and a larger focus on campaigns to increase both brand awareness and leads. For example, subsequent to the third quarter of 2023, RIWI

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attended the Corporate Researchers Conference in order to promote awareness to corporate clients and to market research firms.

On the subscription product side of the business, RIWI continues to deliver the Compass data series, which is profitable and enjoys a growing sales pipeline. The Company is exploring additional subscription products in areas where there are data gaps in various industries. It is a strategic imperative for RIWI to continue to search out key industry partners with which it can develop new long-term data streams that are both impactful and unique and can provide consistency and diversification in the Company's revenue.

For growth through highly-targeted acquisitions, 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 additional survey respondent sample and support for longer, more granular surveys of smaller audiences (e.g., business owners or homeowners) while providing RIWI a growing revenue stream. RIWI is focused on acquiring businesses that the Company believes can be scaled quickly by leveraging either the Company's capital or existing resources. In terms of broader mergers and acquisition (M&A) activity, the Company's M&A strategy continues to identify several opportunities offering recurring revenues and that could be strategic in nature; however, management has observed a major gap between buyers and sellers in the data marketplace concerning valuations. This gap arises, in part, due to the current costs of labor and capital; further, many private data companies expect much higher valuations than comparable public companies are currently receiving. The Company's ability to execute on transactions will therefore depend on its ability to find effective financing solutions that will maximize investor returns after identifying sellers who express realistic valuation expectations. Given the current macroeconomic climate, management can make no assurances that the Company will be able to complete any acquisitions in the current 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 a strategic advantage since it is built on the Company's 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 its customers.

Customer feedback indicates that if the Company can deliver more of this functionality, customers will be willing to license not only the Company's data, but also license access to its platform, providing RIWI both high-margin SaaS-based revenue and Data-as-a-Service ("DaaS") revenue. For this reason, the Company is investing in growing its product development team in order to better support 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 the Company increases resources devoted to building out new technical enhancements to its platform.

In the three months ending September 30, 2023, the technology and product development teams worked to bring several new innovations to market in order to meet the expressed needs of existing and future customers. Highlights include:

- a) The integration of 13 new supply side partners into the RIWI respondent marketplace, expanding our reach and respondent supply.
- b) The successful implementation of several quality measures and fraud detection measures that will help reduce survey reconciliations on an ongoing basis. Survey reconciliations refer to reversals of completed surveys because of low quality responses or fraudulent behavior. Reconciliations can reduce revenue and can negatively impact RIWI's margins. This is an

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ongoing focus and RIWI will continue to invest significantly here in both the fourth quarter of 2023 and into 2024.

- c) The integration of Toluna, one of the largest research agencies, into the RIWI respondent marketplace, thus increasing demand for our survey respondents.
- d) Architectural backend improvements to the RIWI platform's data pipelines that will lead to more automation of the RIWI dashboards in the first quarter of 2024. This functionality is required to build the self-service functionality that both customers and suppliers have requested.

The Company is committed to moving forward and accelerating all aspects of its business to fulfill its vision to be the world's most trusted and transparent source of global data and insights. This path means: (i) an unwavering commitment to excellence in customer service; (ii) building out the RIWI technical and sales team; (iii) platform innovation; (iv) bringing new recurring revenue data products to market; and, (v) exploring strategic M&A.

**NON-IFRS FINANCIAL MEASURE: Adjusted EBITDA**

Within this MD&A, we use the term Adjusted EBITDA. Adjusted EBITDA does not have any standardized meaning prescribed under IFRS and is therefore unlikely to be comparable to similar measures presented by other companies. Adjusted EBITDA allows us to compare our operating performance over time on a consistent basis. This measure may evolve over time as the Company seeks to provide the best information possible.

Adjusted EBITDA continues to trend in a positive direction, improving by \$401,000 in Q3 2023 as compared to Q2 2022. The table below reconciles Adjusted EBITDA to operating loss/profit before other income (expense) for the quarters presented.

<i>In thousands of US dollars</i>	Sep. 30 2023	Jun. 30 2023	Mar. 31 2023	Dec. 31 2022	Sep. 30 2022
Operating loss	\$ (10)	\$ (137)	\$ (146)	\$ (395)	\$ (375)
Depreciation and amortization	11	19	23	20	27
Stock-based compensation	97	35	96	57	67
Foreign exchange loss/(gain)	13	(10)	(40)	47	(9)
<b>Adjusted EBITDA</b>	<b>\$ 111</b>	<b>\$ (93)</b>	<b>\$ (67)</b>	<b>\$ (271)</b>	<b>\$ (290)</b>

**SELECTED FINANCIAL INFORMATION**

	Three months ended Sept. 30		Nine months ended Sept. 30	
	2023	2022	2023	2022
Revenues	\$ 1,144,838	\$ 773,674	\$ 3,274,493	\$ 2,039,752
Net income (loss)	\$ 14,288	\$ (323,655)	\$ (275,845)	\$ (1,156,414)

  

	September 30 2023	December 31 2022
Total assets	\$ 3,641,846	\$ 3,847,448
Total non-current financial liabilities	\$ -	\$ -

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**FINANCIAL RESULTS**

The following is a discussion of the results of operations of the Company for the three months ended September 30, 2023 and 2022.

**1. Revenues**

	Three months ended Sept. 30	
	2023	2022
Project revenues	\$ 382,449	\$ 540,716
Subscription or recurring revenues	324,165	32,900
Transaction revenues	438,224	200,058
	<b>\$ 1,144,838</b>	<b>\$ 773,674</b>

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 third quarter ended September 30, 2023 increased by 48.0% or \$371,164 compared to the third quarter of 2022. The increase was driven by significant growth in subscription and recurring revenues as well as the 2022 acquisition of ROM; the Company saw a decline of 29.3% or \$158,267 in project-related 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.

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

	Three months ended Sept. 30	
	2023	2022
Personnel costs	\$ 135,922	\$ 119,461
Director cash compensation	28,517	110,753
Consulting and professional fees	127,391	98,822
Share-based payment expense	97,268	67,204
Occupancy and office costs	49,110	79,583
Depreciation	10,754	27,084
Foreign exchange loss/(gain)	12,944	(6,420)
	<b>\$ 461,905</b>	<b>\$ 496,487</b>

General and administrative expenses for the quarter ended September 30, 2023 decreased by 7.0% or \$34,582 compared to the third quarter of 2022. The decrease is a result of lower cash compensation paid to directors, decreased depreciation as well as decreased occupancy and office costs. These decreases were offset by increased personnel costs (a result of a reversal of vacation accruals in Q3 2022), consulting fees (increased costs due to acquisition of ROM) and share-based payment expenses. A change to the size and composition of the Board of Directors at the end of Q2 caused the decreased cash compensation, and increased share-based payment expenses as more compensation was taken in the form of stock options as opposed to cash.

Depreciation declined as a result of the end of the Company's lease for its head office premises.



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**(b) Technology Expenses**

	Three months ended Sept. 30	
	2023	2022
Personnel costs	\$ 45,801	\$ 40,446
Third party consulting fees	34,228	25,167
Project costs	399,236	295,605
	<b>\$ 479,265</b>	<b>\$ 361,218</b>

Technology expenses for the quarter ended September 30, 2023 increased by 32.7% or \$118,047 compared to the third quarter of 2022. The increase is a result of direct costs incurred as part of ROM's operations that are attributable to increased transactional revenue. Further, the increase is partly a result of the Company's investment in quality enhancements in its respondent sampling supply in order to differentiate the firm in the data marketplace and to win over new customers, as noted earlier in this MD&A.

**(c) Sales and Marketing Expenses**

	Three months ended Sept. 30	
	2023	2022
Personnel costs	\$ 49,641	\$ 97,899
Third party consulting fees	53,914	89,076
Promotion and travel	67,060	101,217
Recruiting fees	43,480	5,837
	<b>\$ 214,095</b>	<b>\$ 294,029</b>

Sales and marketing expenses for the third quarter ended September 30, 2023 decreased by 27.2% or \$79,934 compared to the third quarter of 2022. The decrease is primarily as a result of decreased personnel and consulting fees, offset by increased recruitment fees for the hire of a new salesperson. Management expects personnel costs to increase in this area in subsequent quarters as RIWI ramps up its sales team.

**3. Financial Performance for the three months ended September 30, 2023 and 2022**

RIWI's operating loss before other income/expense items and taxes was \$10,428 for the three months ended September 30, 2023, as compared to a loss of \$378,061 for the same period in 2022, which represents an improvement of \$367,633.

RIWI achieved a net income of \$14,288 for the three months ended September 30, 2023, as compared to a net loss of \$323,655 for the three months ended September 30, 2022. The positive difference of \$337,943 is indicative of the Company's revenue growth, cost containment efforts and substantial progress in accelerating its recurring and transactional revenue streams.

The net operating loss in the third quarter of 2023 was primarily driven by: (i) the decreased volume of project-based revenues, which declined in the third quarter as compared to the third quarter of 2022 and (ii) one-time non-recurring recruitment fees that were incurred in the hiring of some personnel. Looking forward to the fourth quarter of 2023, RIWI expects additional costs tied to employee variable compensation and additional costs as part of RIWI's investment in data quality to win over new customers.

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The following is a discussion of the results of operations of the Company for the nine months ended September 30, 2023 and 2022.

**1. Revenues**

	Nine months ended Sept. 30	
	2023	2022
Project revenues	\$ 1,183,519	\$ 1,772,894
Subscription or recurring revenues	994,164	66,800
Transaction revenues	1,096,810	200,058
	<b>\$ 3,274,493</b>	<b>\$ 2,039,752</b>

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 nine months ended September 30, 2023 increased by 60.5% or \$1,234,741 compared to the nine months ended September 30, 2022. The increase was driven by significant growth in subscription and recurring revenues as well as the 2022 acquisition of ROM. 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.

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

	Nine months ended Sept. 30	
	2023	2022
Personnel costs	\$ 476,524	\$ 442,427
Director cash compensation	122,877	342,545
Consulting and professional fees	481,755	223,510
Share-based payment expense	227,522	202,123
Occupancy and office costs	163,522	244,112
Depreciation	53,341	60,057
Foreign exchange loss/(gain)	(37,381)	16,223
	<b>\$ 1,488,159</b>	<b>\$ 1,530,997</b>

General and administrative expenses for the nine months ended September 30, 2023 decreased by 2.8% or \$42,838 compared to the nine months ended September 30, 2022. The decrease is a result of lower director cash compensation paid to directors as well as lower occupancy and office costs. These decreases were offset by increased share-based payment expenses, consulting costs (as a result of nine full months of ROM operations compared to three months in 2022) and personnel costs.

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**(b) Technology Expenses**

	Nine months ended Sept. 30	
	2023	2022
Personnel costs	\$ 129,993	\$ 127,531
Third party consulting fees	90,732	38,274
Project costs	1,140,287	721,318
	<b>\$ 1,361,012</b>	<b>\$ 887,123</b>

Technology expenses for the nine months ended September 30, 2023 increased by 53.4% or \$473,889 compared to the nine months ended September 30, 2022. The increase is a result of direct costs incurred as part of ROM's operations, in fees paid to vendors and consultants, as well as direct costs attributable to increased transactional revenues.

**(c) Sales and Marketing Expenses**

	Nine months ended Sept. 30	
	2023	2022
Personnel costs	\$ 196,029	\$ 366,898
Third party consulting fees	158,671	308,219
Promotion and travel	286,805	151,298
Recruiting fees	77,231	55,296
	<b>\$ 718,735</b>	<b>\$ 881,711</b>

Sales and marketing expenses for the nine months ended September 30, 2023 decreased by 18.5% or \$162,976 compared to the nine months ended September 30, 2022. The decrease is primarily as a result of decreased personnel costs and consulting fees, offset by increased recruitment fees and promotional and travel expenses which are categorized as advertising expenses incurred as part of ROM's operations.

**3. Financial Performance for the nine months ended September 30, 2023 and 2022**

RIWI's operating loss before other income and expense items and taxes was \$293,414 for the nine months ended September 30, 2023, as compared to an operating loss of \$1,260,079 for the same period in 2022, an improvement of \$966,665.

RIWI incurred a net loss of \$275,845 for the nine months ended September 30, 2023, as compared to a net loss of \$1,156,414 for the nine months ended September 30, 2022. The decrease in the net loss of \$880,569 is indicative of the Company's revenue growth, cost containment efforts and substantial progress in accelerating its recurring and transactional revenue streams.

The net loss in the nine months ending September 30, 2023 is primarily driven by the Company's inconsistent ability to generate project revenues as well as by quality issues in the ROM transactional revenue stream which caused increased reconciliations (i.e., revenue reversals) from vendor marketplaces through to the end of September 2023. An increase in revenue reconciliation decreases revenue but does not decrease the associated cost of revenue to the same extent due to timing differences in the allowable reconciliation periods.

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**SUMMARY OF QUARTERLY RESULTS:**

This is a summary of selected results for the eight most recently completed quarters to September 30, 2023.

Summary of Quarterly Results (in US Dollars)	2023			2022			2021	
	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31
Revenues	\$ 1,144,838	\$ 928,415	\$ 1,201,240	\$ 747,628	\$ 773,674	\$ 368,680	\$ 897,398	\$ 621,705
Income/(loss) from operations	\$ (10,428)	\$ (136,954)	\$ (146,030)	\$ (394,619)	\$ (378,060)	\$ (647,424)	\$ (234,595)	\$ (472,774)
Net income/(loss)	\$ 14,288	\$ (162,190)	\$ (127,943)	\$ (537,263)	\$ (323,655)	\$ (657,977)	\$ (174,781)	\$ (473,604)
Net income/(loss) per share:								
basic	\$ 0.00	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.04)	\$ (0.01)	\$ (0.03)
diluted	\$ 0.00	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.04)	\$ (0.01)	\$ (0.03)

As noted throughout this MD&A, the Company has enjoyed success in delivering on its 2023 growth strategy arising from expanding its transactional and recurring revenues. The Company continues to build on its strategic transformational process to rely less on project-based revenues and more on annual recurring revenues, transactional 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.

**LIQUIDITY AND CAPITAL RESOURCES**

As at September 30, 2023, the Company had working capital of \$2,679,858 as compared to working capital of \$2,679,716 as at December 31, 2022.

	Sept. 30, 2023	December 31, 2022
Current Assets	\$ 3,186,834	\$ 3,341,645
Current Liabilities	(506,976)	(661,929)
Working Capital	\$ 2,679,858	\$ 2,679,716

**Contractual Obligations and Commitments**

Until May 31, 2023, the Company's head office shared space with a third-party firm, with the Company responsible for 50% of the monthly lease payments. The lease expired as of May 31, 2023. As of June 1, 2023, the Company entered into a one-year membership agreement at a coworking space, with optional month-to-month renewals following the initial term. Under IFRS 16, the Company considers this arrangement to be a short-term lease and as such is expensing the cost monthly.

**CAPITAL STRUCTURE**

- a) **Common Shares:** The Company's authorized share capital consists of an unlimited number of common shares without par value. As of November 22, 2023, the Company has 18,004,428 issued and outstanding common shares (December 31, 2022 - 18,004,428). The closing share price prior to November 22, 2023 was CAD \$0.82 per share.
- b) **Stock Options:** As of November 22, 2023, the Company has 2,762,271 options outstanding (December 31, 2022 - 1,837,917).

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

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**RELATED PARTY TRANSACTIONS**

For the three months ended September 30, 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 \$173,681 (2022 - \$222,020), and for the nine months ended September 30, 2023 in the amount of \$540,033 (2022 - \$685,791). For the three months ended September 30, 2023, the Company recognized share-based payment expenses in the amount of \$92,615 (2022 - \$62,911), and for the nine months ended September 30, 2023 in the amount of \$208,578 (2022 - \$193,737) for stock options granted to the directors and executives of the Company. Additionally, Neil Seeman, the Company's founder and a director of the Company, is also acting as a consultant for the Company and the Company incurred cash based compensation of \$4,996 for his consulting services in the three months ended September 30, 2023 (2022 - \$34,218) and \$63,245 for the nine months ended September 30, 2023 (2022 - \$121,976).

**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

As at September 30, 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

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 +
September 30, 2023	79%	14%	2%	5%
December 31, 2022	5%	90%	0%	5%

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The following table identifies customers comprising 10% or more of the Company's accounts receivable as at September 30, 2023 and December 31, 2022:

	<b>September 30 2023</b>	<b>December 31 2022</b>
Customer A	<b>0%</b>	<b>86%</b>
Customer B	<b>36%</b>	<b>0%</b>
Customer C	<b>14%</b>	<b>0%</b>

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 September 30, 2023 and December 31, 2022. The Company recognized \$nil expected credit losses during the three and nine months ended September 30, 2023 and September 30, 2022.

The following table identifies customers comprising 10% or more of the Company's revenue for the nine months ended September 30, 2023 and September 30, 2022:

	<b>September 30 2023</b>	<b>September 30 2022</b>
Customer A	<b>17%</b>	<b>6%</b>
Customer B	<b>13%</b>	<b>9%</b>
Customer C	<b>10%</b>	<b>17%</b>
Customer D	<b>0%</b>	<b>12%</b>

**(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

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

As at September 30, 2023, CAD\$ financial instruments were converted at a rate of CAD\$1.00 to US\$0.7396. Balances denominated in CAD\$ as at September 30, 2023 were as follows:

	In CAD	Converted to USD
Cash and cash equivalents	\$ 131,444	\$ 97,222
Accounts receivable	\$ 9,299	\$ 6,878
Accounts payable and accrued liabilities	\$ 57,109	\$ 42,241

As at September 30, 2023, EUR financial instruments were converted at a rate of EUR1.00 to USD \$1.0580. Balances denominated in EUR as at September 30, 2023 were as follows:

	In EUR	Converted to USD
Cash and cash equivalents	€ 45,033	\$ 47,645
Accounts receivable	€ 295,797	\$ 312,953
Accounts payable and accrued liabilities	€ 60,876	\$ 64,407

**(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.

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**RECENT ACCOUNTING PRONOUNCEMENTS**

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