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RIWI Releases 2023 Audited Financials and Announces Acquisition of the Majority of CoolTool Assets

Toronto, ON – RIWI Corp. (TSXV: RIWI) (OTC: RWCRF) (the “Company” or “RIWI”), a global trend-tracking and prediction technology firm, reported its financial results for the year ended December 31, 2023. All figures are reported in U.S. dollars unless otherwise indicated. RIWI’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”).

RIWI Highlights for the Year Ended December 31, 2023:

- RIWI earned \$4,184,877 in revenues in the fiscal year ending December 31, 2023 compared to \$2,787,380 for the fiscal year ending December 31, 2022, an increase of 50.1%. The Company’s 2023 revenue consisted of \$1,493,631 in transaction revenue, \$1,341,418 in recurring revenue and \$1,349,828 in project-based revenue. RIWI experienced an operating loss of \$601,361 and a net loss of \$813,341 (net loss was largely due to a non-cash goodwill impairment charge related to the Research on Mobile acquisition in 2022) for the fiscal year ending December 31, 2023, as compared to an operating loss of \$1,730,567 and net loss of \$1,691,209 for the fiscal year ending December 31, 2022, an improvement of 65.2% and 51.9% respectively.
- RIWI won 60 new contracts in 2023, including 29 new customers that had not done business with RIWI before. These customers span all of our customer segments.
- The RIWI platform had several significant enhancements in 2023 including the launch of RIWI Communities - the Company’s trusted and validated partner network - which enables RIWI to deliver more types of survey data including business-to-business surveys, healthcare-focused surveys and other highly targeted audience surveys, with such targeting capabilities being the key initiative accelerating RIWI’s new sample-only business. The RIWI platform also integrated new research marketplaces such as Toluna and Morning Consult, helping increase the daily volume of completed survey responses from 1,800 per day in December 2022 to approximately 7,000 per day at the end of December 2023.
- RIWI strengthened its board of directors in 2023 by conducting a board refresh. Three new board members were added, including Greg Wong, current RIWI Chief Executive Officer, David Kincaid, founder of Level 5 Consulting and a member of the Marketing Hall of Legends in Canada, and Leonard Murphy, market research subject matter expert and Chief Advisor at Greenbook. These new board members bring significant experience in RIWI’s key strategic areas of focus and will help support management priorities, including growth and strategic partnerships. Continuing on as board members and providing RIWI with consistency are Neil Seeman, RIWI founder, and Annette Cusworth, now current chairperson of the RIWI board.
- RIWI technology and RIWI data were referenced extensively in 2023 across highly respected organizations and in media sites such as the Bank of Canada, The Canadian Broadcasting Corporation, The Public Policy Forum, The World Bank, AidData, *The Journal of Social Psychology*, *Asia Times*, The Australian Strategic Policy Institute, and Poverty and Equity Global Practice.

RIWI Acquires Assets of CoolTool Inc.

RIWI announces the acquisition of the majority of the assets of CoolTool Inc., a leading survey and non-conscious data collection platform. CoolTool has been used by leading global brands to test media, marketing campaigns, and ad tests. CoolTool will provide RIWI customers with the ability to purchase software-as-a-service (SaaS) subscriptions for both the platform’s standard survey functionality and its advanced biometric and nonconscious functionality, such as eye-tracking and facial recognition with AI-based analysis. This functionality will become a central part of the RIWI platform and a significant differentiator in the marketplace.

CoolTool CEO and founder, Dmitry Gaiduk, will remain with RIWI and lead the product management unit within RIWI. Dmitry is considered a visionary in the market research sector and a leader in AI and nonconscious measurements. Mr. Gaiduk will provide RIWI with both a strong product management methodological approach and will drive innovation in all parts of our platform and business processes.



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The integration of CoolTool into the RIWI platform and the consolidation of the technology platforms are expected to start in the second quarter of 2024 and be completed sometime in 2025.

Transaction Details (“the Transaction”)

Under the terms of the arms-length Transaction, a total purchase consideration of USD \$292,000 of cash (“Consideration”) will be paid by RIWI to CoolTool in connection with the closing of the Transaction. In addition, CoolTool may be entitled to receive additional earn-out payments subject to the satisfaction of certain revenue targets as well as customer acquisition targets for the 2024, 2025 and 2026 RIWI fiscal years.

“We began to see the results of our strategy take shape in 2023. As we look into 2024 and beyond, success will be setting the right balance between continued investments in our data and platform with the need for profitable growth,” says Greg Wong, Chief Executive Officer of RIWI. “We are also thrilled to welcome the CoolTool team members into RIWI as they will expand our leadership in the global market research platform sector and drive additional long-term recurring revenues.”

“This strategic acquisition combines our advanced tools for attention tracking, emotional measurement, and implicit perception with RIWI’s unparalleled ability to gauge consumer and citizen sentiment globally,” says Dmitry Gaiduk, founder and Chief Executive Officer of CoolTool. “This business combination will not only expand our market presence and accelerate our growth but also reaffirm our commitment to enhancing decision-making, digital engagement, and deepening our understanding of consumer behaviors, focusing on the ‘whys’ behind consumer decisions.”

RIWI CORP.

Consolidated Statements of Loss and Comprehensive Loss
For the years ended December 31, 2023 and 2022
(Expressed in U.S. dollars)

	2023	2022
Revenues (Note 8)	\$ 4,184,877	\$ 2,787,380
Operating expenses		
General and administrative (Note 9)	2,048,520	2,189,214
Technology costs (Note 9)	2,080,370	1,153,513
Sales and marketing (Note 9)	657,348	1,175,220
Total operating expenses	4,786,238	4,517,947
Operating loss before other income (expense)	(601,361)	(1,730,567)
Other income (expense)		
Interest income	92,942	38,195
Gain on asset disposal	971	-
Impairment of goodwill (Note 6)	(291,074)	-
Other expenses (Note 9)	(37,228)	-
Total other expense	(234,389)	38,195
Net loss before income taxes	(835,750)	(1,692,372)
Income tax recovery (Note 13)	22,409	1,163
Net loss and comprehensive loss for the year	\$ (813,341)	\$ (1,691,209)
Net loss per share		
Basic and diluted	\$ (0.05)	\$ (0.09)
Weighted average number of common shares outstanding		
Basic and diluted	18,004,428	18,004,428



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RIWI CORP.

Consolidated Statements of Financial Position
As at December 31, 2023 and December 31, 2022
(Expressed in U.S. dollars)

	December 31, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents (Note 5)	\$ 3,094,542	\$ 2,350,718
Accounts receivable (Note 11(a))	637,894	835,886
Unbilled revenue (Note 8(b))	81,948	64,463
Contract costs	43,182	-
Prepaid expenses and other assets	53,571	90,578
Total current assets	3,911,137	3,341,645
Property and equipment	3,116	4,688
Right-of-use assets	-	17,874
Intangible assets (Note 6)	151,381	192,167
Goodwill (Note 6)	-	291,074
Total assets	\$ 4,065,634	\$ 3,847,448
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 472,703	\$ 341,475
Current portion of lease obligations	-	22,024
Deferred revenue (Note 8(b))	902,884	298,430
	1,375,587	661,929
Deferred tax liability (Note 13)	-	37,337
Total liabilities	1,375,587	699,266
Shareholders' equity		
Share capital (Note 7)	4,940,930	4,940,930
Contributed surplus (Note 7)	2,833,137	2,477,931
Accumulated deficit	(5,084,020)	(4,270,679)
Total shareholders' equity	2,690,047	3,148,182
Total liabilities and shareholders' equity	\$ 4,065,634	\$ 3,847,448

RIWI's audited Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2023, are available via RIWI's website at <https://riwi.com> and on SEDAR at www.sedar.com.

About CoolTool

CoolTool Inc. is a leading research technology firm dedicated to transforming consumer insights with advanced AI-powered tools and cutting-edge neuromarketing techniques. Specializing in a holistic combination of conscious and nonconscious measurements, CoolTool's innovative platform solutions—CoolTool.com, UxReality.com, and Empath.video—provide deep insights into the 'whys' of consumer decisions. These insights enable the creation of products, experiences, and media that not only empathize with but also deeply resonate with users and consumers, thereby enhancing market success and boosting consumer satisfaction.



About RIWI

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

RIWI CORP.

Signed: "Greg Wong"
Greg Wong, Chief Executive Officer

For more information, please contact investors@riwi.com or call 1-833-FOR-RIWI (367-7494)

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CAUTION REGARDING FORWARD-LOOKING INFORMATION:

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