



RIWI CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Years Ended December 31, 2023 and 2022

Containing information up to and including April 24, 2024

(Expressed in United States Dollars)

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management's discussion and analysis ("MD&A") details the operating results and financial condition of RIWI Corp. ("RIWI" or the "Company") as at and for the years ended December 31, 2023 and 2022, and is prepared as at April 24, 2024. This MD&A should be read in conjunction with the Company's audited consolidated annual financial statements for year ended December 31, 2023 and the notes thereto which were prepared in accordance with *International Financial Reporting Standards* ("IFRS") (collectively referred to as the "Financial Statements"), which are available on www.sedar.com. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS. The Company's certifying Officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and these Financial Statements together with the other financial information included in these filings fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented in these filings.

The Board of Directors approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information, future-oriented financial information, or financial outlooks (collectively, "forward-looking information"), which includes disclosure regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "seeks," "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates", "projects", "budgets", "forecasts", "does not anticipate", "believes", "objective", "strives" or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this MD&A. These risk factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of this MD&A. All subsequent forward-looking information attributable to the Company herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein. The Company does not undertake any obligation to release publicly any revisions to this forward-looking information to reflect events or circumstances that occur after the date of this MD&A or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

ADDITIONAL INFORMATION

Additional information relating to the Company is available from the SEDAR website at www.sedar.com, under the Company's profile.

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RIWI OVERVIEW

RIWI Corp. ("RIWI" or the "Company") is a public company and its shares are all common shares listed on the TSX Venture Exchange (TSXV: RIWI). The Company was incorporated under the laws of Canada pursuant to the Canada Business Corporations Act on August 17, 2009. The Company's head office is located at 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, Ontario, M5K 1B7.

RIWI's vision is to help the world make better decisions by being the most trusted and transparent source of unique global data, predictive insights and actionable intelligence. This 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 technology and expertise to help customers interpret the data provided to them in order to make better predictions and action plans to further their goals. As the Company moves forward towards 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 market is large and growing rapidly, with different customer segments each having unique and dynamic sets of requirements. While RIWI's core technology platform supports customers across all industries, the Company is developing specific data feeds and building deep expertise in the following areas: (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 empowers customers to not only collect sentiment data, but also to perform message testing and conduct marketing campaigns that reach people online who are not engaged by traditional digital marketing campaigns. RIWI has several unique selling propositions, including: (i) an option to avoid the collection, storage, and transfer of personally identifiable information ("PII"), (ii) the ability to be in field collecting data, in any country, within 12 to 24 hours, to support rapid-response needs, and (iii) data science capabilities and real-time dashboard analytics for multiple users dispersed across the globe at any client organization.

RIWI customers can benefit from not only leveraging the Company's 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 2 billion responses from interviewees to RIWI surveys across 229 countries and territories. In keeping with the Company's vision, much of the RIWI data now being collected can be monetized for broader commercialization with new clients over time. Some illustrative examples of work undertaken in the 2023 calendar year, which would otherwise not be possible for clients to collect rapidly using other data collection systems, include: Predicting election outcomes in Argentina and Taiwan, conducting business-to-business studies on the data priorities of large organizations, measuring gender-based violence in different countries, evaluating perceptions of tax policy, assessing geopolitical risk across G7 countries, and determining the perceptions of artificial intelligence (AI) and its impact on daily living.

1. RIWI Highlights for the Year Ended December 31, 2023:

- a) 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

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\$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.

- b) 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.
- c) Subsequent to the year end, RIWI announced the acquisition of the assets of CoolTool Inc., a leading survey and non-conscious data collection platform. CoolTool has been used by some of the leading brands in the world to test their media, marketing campaigns and ad tests. Cool Tool will provide RIWI customers the ability to purchase software as a service (SaaS) subscriptions to both standard survey functionality as well as advanced biometric functionality such as eye-tracking and facial recognition with AI-based analysis. This will become a central part of the RIWI platform and a significant differentiator in the marketplace.
- d) 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.
- e) 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 drive profitable growth on a go forward basis. 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 and audit committee.
- f) 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.

2. Evolving Revenue Mix

RIWI's goal is to build a highly profitable and predictable business that supports the Company's long-term growth objectives. In order to achieve this, RIWI has been transforming its revenue mix from a pure project-based business to include more repeatable and recurring revenues. RIWI now enjoys three revenue types:

- a) **Recurring revenue:** Recurring revenue is revenue where a customer subscribes to either (i) the RIWI platform or (ii) to one of its data products, such as the RIWI Compass data series or the China data feed or (iii) commissions a long-term tracker. Customers typically sign up for 12 months or more or have no predetermined end date. Revenue in this category is recognized every month and is highly repeatable. In terms of the RIWI platform, customers can subscribe to the platform with a specified number of credits to be used within a 12-month period or can sign up for long-term, ongoing studies that are a minimum of 12 months in duration. In the future, RIWI will also offer additional self-service functions where customers may subscribe to just the technology platform for access to technology solutions such as do-it-yourself survey-building. This category of revenue will expand over the next few years as RIWI develops new digital data products, expands the platform, and converts more customers to long-term engagements. This revenue stream is highly predictable and scalable and provides RIWI with an ongoing relationship with customers that positions the Company well to both learn about their ever-growing data needs and to expand revenue per customer over time.
- b) **Project-based revenue:** Project-based revenue is the traditional RIWI revenue where customers engage RIWI to do a specific survey or digital message test in one or more countries. Project-based

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revenue can vary from short-term projects (e.g., less than one month) to longer projects that have multiple waves and can last up to nine months. This type of revenue scales with both people and technology, thus requiring RIWI to hire more staff when there is a large growth in expected business (based on contract bookings). Project-based revenue is internally broken into three subcategories: (i) Customer proof-of-concept in order to prove RIWI's capabilities before a customer commits to a larger longer term program, (ii) governmental or non-government organization based projects which are funded at a project or program level but that customers purchase multiple times over multiple years as funding is released and (iii) one-off customers that have a specific need but may not require ongoing services.

- c) **Transactional revenue:** Transactional revenue refers to the revenue arising from the RIWI respondent marketplace and is generated every time the 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. To quantify the opportunity for scale, in December 2023, the volume of respondents had increased to approximately 7,000 per day from approximately 1,800 specified in the MD&A for the period ending September 2022 — representing a 289 percent increase in daily respondents — without the need for additional resources or computing power. In addition, the platform is now ingesting requests for over 100,000 respondents per day providing significant opportunity for growth. Increasing the conversion rates, integrating more respondents into the platform as well as more survey marketplaces, will greatly increase revenue without the need for associated new labour. It should also be noted that one of the strategic initiatives around transactional revenue for the 2024 fiscal year is to sign contracts with customers that commit to yearly volumes, thus providing a higher degree of predictability and certainty for planning purposes.

RIWI has a goal of achieving a revenue mix that is 50 to 60 percent recurring, 20 to 30 percent transactional, and 20 percent project-based. Recurring revenue in the year ending December 31, 2023 was up by 293% versus the prior year. The relatively even split of revenues across all three revenue categories positions the organization for growth and will help smooth out any bumps in any one revenue category.

3. Roadmap for Growth

RIWI has a combined organic and acquisition-focused growth strategy that is centered around helping its customers make better decisions by leveraging the Company's trusted and transparent global data and insights. This requires RIWI to build a fully integrated data platform, including new analytics tools and combined data feeds, with the goal of providing an excellent user experience to all customers and to access all their data and analytics needs in one place. As the Company grows its business through its organic growth strategy, and through a highly selective, disciplined value-based acquisition strategy, the Company will be collecting a critical set of important new customers that will enable the upselling and cross-selling of new data products, thereby significantly reducing current 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 hiring key industry experts in the focus verticals as well as building new subscription products that will enable RIWI to build longer-term recurring and repeatable revenue. In terms of industry experts, RIWI hired a new general manager to lead our International Development customer segment and RIWI also hired a market research specialist to lead our efforts in the market research sector.

In addition, RIWI has hired an internal recruiter to help find additional specialists in other key areas who will grow revenue over time and bring a knowledge base that the Company does not currently possess. The current labour marketplace continues to make the recruitment and retention of technically oriented personnel and industry experts challenging for many technology companies, which is why management felt recruiting required a more personal approach and having an internal recruiter ensures a consistency in recruiting messaging and in the candidate identification and selection experience.

While the Company is focused on identifying and hiring new sales staff, the labour market is hyper-competitive, and recruitment continues to be slower than expected. In addition to recruiting key talent, RIWI has also started

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to increase marketing with the launch of customer newsletters, targeted and personalized campaigns and a webinar series that began in the first quarter of 2023. RIWI is also planning to invest more in participating in key conferences and digital marketing in order to increase brand awareness. To that end, RIWI attended both Samplecon and Quirks Chicago in the first quarter of 2024.

On the recurring revenue subscription product side of the business, RIWI continues to deliver the Compass data series, which is now profitable and has a growing pipeline. In addition, RIWI has been gathering a range of continuous data series on both economic and political topics in China since 2018 and released the Canadian Consumer Confidence tracker in 2023. RIWI also has other subscription products that are currently being evaluated and management expects at least one additional subscription product will be released in 2024. For the other potential subscription products under consideration and review, it should be noted that these are being evaluated and discussed in conjunction with third-party experts since RIWI believes the best chance of long-term profitability for subscription data products is to partner with well-known industry experts who can guide development and provide expert analysis on the quality and value of the data offered to customers by any new product.

For growth through highly-targeted acquisitions, RIWI is focused on both acquisitions that are accretive in value to shareholders and on solutions that provide value-adds to existing customers. The ROM acquisition, for example, is adding significant value to existing customers by providing RIWI with: (i) additional survey respondent sample (using pre-profiled ROM respondents, for example, whose age, gender, and other attributes are known in advance of any RIWI survey deployment) and (ii) support for longer, more granular surveys of smaller audiences (e.g., homeowners or business owners) to appeal to a large number of clients in priority customer segments. In terms of broader mergers and acquisition (M&A) activity, the Company's M&A strategy continues to identify several opportunities with recurring revenues and with increasingly attractive valuations that are accretive in value to RIWI shareholders. RIWI's ability to execute on these transactions may depend on our ability to find financing solutions that will maximize investor returns should the Company require funds outside of its treasury to make an accretive acquisition that is highly desirable. Given the current macroeconomic climate, RIWI can make no assurances that the Company will be able to complete any additional acquisitions in 2024.

Subsequent to the 2023 fiscal year, RIWI has completed the acquisition of virtually all of the assets of CoolTool Inc, a next generation self-service survey platform with integrated biometrics and artificial intelligence that supports facial recognition and eye tracking. This platform will enable RIWI to offer customers a self-service option to the RIWI solution as well as enable RIWI to support new customer needs such as ad tracking, user experience testing and media effectiveness. These features are highly sought after in the Packaged Goods and retail sectors of market research.

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

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

- a. The widest available set of samples (survey respondents) on a global basis across various sampling frameworks. This includes building capabilities to quickly evaluate and onboard new data sources in order to build the Company's proprietary community of survey respondents and build capabilities to integrate different data types and survey frameworks such as telephone surveys, social media listening and generative AI systems for new, actionable insights for customers.
- b. Third-party validated data quality, matching, routing, and reporting capabilities to ensure trust and transparency in all RIWI data. The more that survey respondents and survey requesters (i.e. end customers) leverage the Company's platform, the more dynamic, precise and fast the profiling, matching and routing mechanism needs to be as this precision and speed provides higher conversion rates for respondents, quicker survey completions for survey requesters and greater revenues as noted in this MD&A.
- c. Self-service capabilities and dashboards where market researchers can conduct their analyses as well as leverage tools for survey-building and gather insights from the data. In order to provide maximum value to customers, RIWI needs to support customers that want both a full-service white-glove experience as well as those customers that have strong research experience, but require survey

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respondents, or a new survey tool or enhanced analytics. The customer view of the RIWI platform needs to enable customers to select from a menu of options where they can use all services required and at any time of their choosing. The Company's goal is to receive excellent customer feedback on the user-friendliness of our platform.

- d. Access ready-to-use, curated data across a number of topics, years, countries and use cases in order to make better decisions, such as where and why customers should re-allocate their resources. RIWI has collected over 2 billion survey responses and continues to grow its data sets every day. These data sets have significant value, especially when the data can be blended with intelligent analytics tools to identify patterns both across data sets and in places where clients did not expect to find correlations.

Towards the end of 2022, RIWI released the next iteration of its platform and started the process of onboarding customers to the new platform. As of the end of 2023 all project-based customers are now fully migrated to the next generation platform and only some long-term time series customers remain on the legacy platform. All customers will be fully migrated in 2024 providing RIWI development teams and project teams with better ability to scale as the business grows.

Although initial platform integration between ROM and RIWI was completed in 2022 and some early customers benefited from the joint solution, full integration of both the technology and processes between the ROM and RIWI platforms will be ongoing through the 2024 calendar year with an expected completion date towards the end of 2024.

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

5. CoolTool Acquisition

On April 24, 2024, RIWI announced the acquisition of CoolTool's survey and nonconscious measurement tool. These assets will significantly strengthen the RIWI platform and further strengthen our platform's competitive differentiation. Management believes that this acquisition will open up a new Software-as-a-Service revenue stream and provide RIWI a significant new revenue driver. In addition, RIWI customers will now be able to leverage the RIWI platform to manage their own surveys, conduct new types of research, purchase respondent sample and leverage the analytical capabilities in the platform. This additional capability positions RIWI as one of the most technologically advanced market research firms.

While the technology being acquired is a significant step forward for RIWI, CoolTool as a business was more of a research and development company with little sales and marketing. As such, RIWI expects that the acquisition will reduce profitability in the 2024 fiscal year by approximately \$200,000 to \$300,000 as RIWI invests in integration, development and go to market strategies. Management also expects that this acquisition will generate a positive return on investment within eight quarters of the acquisition completion.

Summary of RIWI's Vision

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

Management also understands that in the current economic climate, the need for a balanced approach between profitability and growth is crucial. To that end, management expects RIWI to become run rate profitable sometime in 2024 while achieving growth through a mix of revenue sources in order to ensure a diversity of customers, and to ensure the scalability of our revenues.

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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 decreased in the fourth quarter of 2023 compared to previous quarters during the fiscal year, but was an improvement of \$84,000 compared to the same quarter in 2022. The three months ended December 31, 2023 includes the accrual of employee performance bonuses and was an unusually weak quarter for project-based revenue, which is the revenue stream most susceptible to change on a quarter-by-quarter basis. The table that follows reconciles Adjusted EBITDA to operating loss before other income (expense) for the quarters presented.

<i>In thousands of US dollars</i>	Dec. 31 2023	Sep. 30 2023	Jun. 30 2023	Mar. 31 2023	Dec. 31 2022
Operating loss	\$ (308)	\$ (10)	\$ (137)	\$ (146)	\$ (392)
Depreciation and amortization	10	11	19	23	20
Stock-based compensation	128	97	35	96	57
Foreign exchange loss/(gain)	(19)	13	(10)	(40)	45
Adjusted EBITDA	\$ (189)	\$ 111	\$ (93)	\$ (67)	\$ (270)

SELECTED FINANCIAL INFORMATION

	Year ended December 31		
	2023	2022	2021
Revenues	\$ 4,184,877	\$ 2,787,380	\$ 4,135,701
Net loss	(813,341)	(1,691,209)	(540,568)
Total assets	4,065,634	3,847,448	5,043,551
Total non-current financial liabilities	-	-	22,024

FINANCIAL RESULTS FOURTH QUARTER 2023

The following is a discussion of the results of operations of the Company for the fourth quarter ending on December 31, 2023 and 2022. The results should be read in conjunction with the audited financial statements for the fiscal year ending December 31, 2023.

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	Three months ended December 31	
	2023	2022
Revenues	\$ 910,384	\$ 747,628
Expenses		
General and administrative	560,360	579,879
Technology costs	719,358	266,390
Sales and marketing	(61,387)	293,510
Total expenses	1,218,331	1,139,779
Loss before interest and taxes	(307,947)	(392,151)
Other income/(expense)	(264,559)	18,376
Loss before taxes	(572,506)	(373,775)
Income tax recovery (expense)	35,010	(160,678)
Net loss	\$ (537,496)	\$ (534,453)

FINANCIAL RESULTS FOURTH QUARTER 2023 (continued)**1. Revenues**

	Three months ended Dec. 31	
	2023	2022
Project revenues	\$ 166,309	\$ 157,762
Subscription or recurring revenues	347,254	390,263
Transaction revenues	396,821	199,603
	\$ 910,384	\$ 747,628

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

	Three months ended Dec. 31	
	2023	2022
Personnel costs	\$ 183,905	\$ 147,431
Director cash compensation	28,599	132,139
Consulting and professional fees	149,004	44,189
Share-based payment expense	127,684	57,325
Occupancy and office costs	80,094	143,342
Depreciation	10,078	10,491
Foreign exchange (gain) loss	(19,004)	44,962
	\$ 560,360	\$ 579,879

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(b) Technology Expenses

	Three months ended Dec. 31	
	2023	2022
Personnel costs	\$ 85,857	\$ 39,013
Third party consulting fees	42,858	25,527
Project costs	154,543	130,890
Transactional costs	436,100	70,960
	\$ 719,358	\$ 266,390

(c) Sales and Marketing Expenses

	Three months ended Dec. 31	
	2023	2022
Personnel costs	\$ 55,387	\$ 142,518
Third party consulting fees	72,467	67,509
Promotion and travel	(190,335)	83,483
Recruiting fees	1,094	-
	\$ (61,387)	\$ 293,510

3. Financial Performance for the three months ending December 31, 2023 and 2022:

Revenues are fees that are charged to customers for providing digital surveys, subscriptions to digital data products or transaction fees for matching survey respondents to survey marketplaces. RIWI's revenue for the fourth quarter ending December 31, 2023 increased by 21.8% or \$162,756, rising from \$747,628 in the fourth quarter of 2022 to \$910,384 in the fourth quarter of 2023. 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.

Total operating expenses increased by 6.9% or \$78,552 for the fourth quarter ending December 31, 2023 compared to the fourth quarter ending December 31, 2022. The key expense movements are summarized as follows:

- a) **General and administrative expenses** decreased by \$19,519, or 3.4% to \$560,360 during the three months ended December 31, 2023 as compared to the three months ended December 31, 2022. This decrease is primarily as the result of foreign exchange gains of \$19,004 compared to a foreign exchange losses in the fourth quarter of 2022 of \$44,962, as well as decreased director cash compensation of \$103,540 from a change in the director's compensation plan and fewer directors, and decreased occupancy and office costs of \$63,248, which were primarily as a result of decreased management consulting and insurance costs. These decreases were offset by increased consulting and professional fees of \$104,815, which were a result of increased accounting professional fees and third-party accounting contractors, increased personnel costs of \$36,474 as a result of the accrual of employee performance bonuses, and increased share-based payment expense of \$70,359.
- b) **Technology expenses** increased by \$452,968 to \$719,358 during the three months ended December 31, 2023 as compared to the three months ended December 31, 2022. This increase was the result of the reallocation noted below in of sales and marketing expenses as well as increased personnel costs of \$46,844, increased project costs of \$23,653 and further growth in transaction revenue-related costs over and above the reallocation noted below as the result of increased transactional revenues.
- c) **Sales and marketing expenses** decreased by \$354,896 to (\$61,387) during the three months ended December 31, 2023 as compared to the three months ended December 31, 2022. The expense recovery is

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a result of a reallocation of certain costs related to the transaction revenue stream that had been classified as promotions and travel expenses up until September 30, 2023. The amount of \$218,495 was reallocated to transactional costs under technology expenses at year-end. Further, personnel costs decreased by \$87,131 as a result of decreased headcount.

RIWI incurred a loss before taxes of \$572,506 for the three months ended December 31, 2023, as compared to \$373,775 for the three months ended December 31, 2022. A significant portion of this loss was the result of the charge incurred for the impairment of the goodwill related to the ROM acquisition.

As at December 31, 2023, the Company assessed the goodwill recorded in connection with the acquisition in 2022 of ROM for impairment. The key assumptions used in the estimation of the recoverable amounts for cash-generating units (CGUs) are management's cash flow projections based on expectations of revenue growth and expense and margin changes which are based on data from both external and internal sources. Cash flows were projected over a five-year period including considerations of past experience and actual operating results.

Based on ongoing forecasts of profitability in the ROM CGU being lower than forecast at the time of acquisition, the Company determined the carrying value of the ROM CGU was \$814,815 compared to a recoverable amount (calculated using the value in use method) of \$537,015. As a result of the ROM CGU carrying value exceeding its recoverable amount as at December 31, 2023, the Company recognized an impairment loss of \$291,074 (December 31, 2022 - \$nil), which was allocated entirely to goodwill.

The Company saw an improvement in operating loss before other income, with the loss decreasing by \$84,204, resulting in an operating loss of \$307,947 in the fourth quarter of 2023 as opposed to \$392,151 in 2022. RIWI continues to invest in both our platform as well as sales and marketing and is committed to achieving above industry average growth for the next few years.

FINANCIAL RESULTS YEAR ENDED DECEMBER 31, 2023

The following is a discussion of the results of operations of the Company for the fiscal years ending on December 31, 2023 and 2022. The results should be read in conjunction with the consolidated annual financial statements for the fiscal year ending December 31, 2023.

	Year ended December 31	
	2023	2022
Revenues	\$ 4,184,877	\$ 2,787,380
Expenses		
General and administrative	2,048,520	2,189,214
Technology costs	2,080,370	1,153,513
Sales and marketing	657,348	1,175,220
Total expenses	4,786,238	4,517,947
Loss before interest and taxes	(601,361)	(1,730,567)
Other income/(expense)	(234,389)	38,195
Loss before taxes	(835,750)	(1,692,372)
Income tax recovery (expense)	22,409	1,163
Net loss	\$ (813,341)	\$ (1,691,209)

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1. Revenues

	Year ended December	
	2023	2022
Project revenues	\$ 1,349,828	\$ 1,930,656
Subscription or recurring revenues	1,341,418	457,063
Transaction revenues	1,493,631	399,661
	\$ 4,184,877	\$ 2,787,380

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

	Year ended December	
	2023	2022
Personnel costs	\$ 660,429	\$ 589,858
Director cash compensation	151,476	474,684
Consulting and professional fees	630,757	337,030
Share-based payment expense	355,206	259,448
Acquisition costs	-	78,338
Occupancy and office costs	243,616	309,456
Depreciation	63,419	79,555
Foreign exchange (gain) loss	(56,385)	60,845
	\$ 2,048,520	\$ 2,189,214

(b) Technology Expenses

	Year ended December	
	2023	2022
Personnel costs	\$ 215,850	\$ 166,544
Third party consulting fees	133,590	63,801
Project costs	648,775	788,231
Transactional costs	1,082,155	134,937
	\$ 2,080,370	\$ 1,153,513

(c) Sales and Marketing Expenses

	Year ended December	
	2023	2022
Personnel costs	\$ 251,416	\$ 509,415
Third party consulting fees	231,138	375,728
Promotion and travel	96,469	234,780
Recruiting fees	78,325	55,297
	\$ 657,348	\$ 1,175,220

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3. Financial Performance for the fiscal years ending December 31, 2023 and 2022:

Revenues are fees that are charged to customers for providing digital surveys, subscriptions to digital data products or transaction fees for matching survey respondents to survey marketplaces. RIWI's revenue for the year ended December 31, 2023 increased by 50.1% or \$1,397,497 representing an improvement to \$4,184,877 compared to \$2,787,380 for the year ended December 31, 2022. The Company experienced strong growth in transactional revenues and recurring revenues, while experiencing a decline in certain project revenues.

The Company has two operating segments for the year ended December 31, 2023, being ROM, acquired in 2022 and RIWI which is comprised of the Company's operations excluding the ROM 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.

Total operating expenses increased by \$268,291 for the year ended December 31, 2023 compared to the year ended December 31, 2022. The key expenses are summarized as follows:

- a) **General and administrative expenses** decreased by \$140,694 to \$2,048,520 during the year ended December 31, 2023. This decrease is primarily due to a decrease of \$323,208 in director cash compensation due to a change in the directors' compensation plan and fewer directors, offset by an increase of \$95,758 in share-based payment expenses, as well as an increase in foreign exchange gains of \$117,230, and a decrease of \$65,840 in occupancy and office costs as a result of decreased management consulting and insurance costs. The Company also experienced an increase in consulting and professional fees of \$293,727 as a result of a full year of ROM-related costs in 2023 versus six months in 2022, as well as increased personnel costs of \$70,571 primarily due to the accrual of employee year performance bonuses. Acquisition costs of \$78,338 related to the acquisition of ROM in 2022 are included as part of general and administrative expenses.
- b) **Technology expenses** increased by \$926,857 to \$2,080,370 during the year ended December 31, 2023 as compared to the year ended December 31, 2022. This increase was primarily as the result of the acquisition of ROM, with a full year of ROM-related costs in 2023 versus six months in 2022, as well as significant growth in transactional revenues which drive increased transactional costs.
- c) **Sales and marketing expenses** decreased by \$517,872 to \$657,348 during the year ended December 31, 2023 as compared to the year ended December 31, 2022. Payroll costs and sales-related commissions decreased by \$257,999, and third party consulting fees decreased by \$144,590, both as a result of continued restructuring of personnel. Furthermore, promotion and travel expenses decreased by \$138,311 in 2023 based on the reallocation of transactional costs discussed previously in this MD&A, which in 2022 were treated as advertising costs.

RIWI's income tax recovery for the year ended December 31, 2023 was \$22,409 and \$1,163 for the year ended December 31, 2022. The Company assesses income tax matters on an annual basis, and the Company has historical tax losses to use against any taxable income it will generate. During the year ended December 31, 2023, the Company recognized non-capital losses valued at \$37,337 to offset the deferred tax liability set up during the acquisition of ROM. The non-capital losses in Canada of \$1,639,341 will expire between 2041 and 2043. The non-capital losses in France of \$67,952 do not expire.

RIWI incurred a net loss of \$813,341 for the year ended December 31, 2023, as compared to a net loss of \$1,691,209 for the year ended December 31, 2022. A significant portion of this loss was the result of the charge incurred for the impairment of the goodwill related to the ROM acquisition, as discussed previously in this MD&A. The Company saw an improvement in operating loss before other income, with the loss decreasing by \$1,129,206, resulting in an operating loss of \$601,361 in 2023 as opposed to \$1,730,567 in 2022.

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SUMMARY OF QUARTERLY RESULTS:

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

Summary of Quarterly Results (in US Dollars)	2023				2022			
	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31
Revenues	\$ 910,384	\$ 1,144,838	\$ 928,415	\$ 1,201,240	\$ 747,628	\$ 773,674	\$ 368,680	\$ 897,398
Loss from operations	\$ (307,947)	\$ (10,428)	\$ (136,954)	\$ (146,030)	\$ (394,619)	\$ (378,060)	\$ (647,424)	\$ (234,595)
Net income/(loss)	\$ (537,496)	\$ 14,288	\$ (162,190)	\$ (127,943)	\$ (537,263)	\$ (323,655)	\$ (657,977)	\$ (174,781)
Net income/(loss) per share:								
basic	\$ (0.03)	\$ -	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.04)	\$ (0.01)
diluted	\$ (0.03)	\$ -	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.04)	\$ (0.01)

Revenue in Q4 2023 was up versus Q4 2022, but was RIWI's lowest revenue quarter of the year which resulted in a high operating loss. The revenue decrease was expected and guided in the Company's Q3 release and is the result of lower project-based revenue as a result of some project delays and some chargebacks in our transaction revenue because of low quality survey respondent supply. In addition, annual employee bonuses were accrued in Q4 2023.

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

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2023, the Company had working capital of \$2,565,392 as compared to working capital of \$2,679,716 as at December 31, 2022.

	Dec. 31, 2023	Dec. 31, 2022
Current Assets	\$ 3,911,137	\$ 3,341,645
Current Liabilities	(1,375,587)	(661,929)
Working Capital	\$ 2,535,550	\$ 2,679,716

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.

CAPITAL STRUCTURE

- a) **Common Shares:** The Company's authorized share capital consists of an unlimited number of common shares without par value. As of April 24, 2024, the Company has 18,004,428 issued and outstanding common shares (December 31, 2022 - 18,004,428). The closing share price prior to April 24, 2024 was CAD \$0.74 per share.
- b) **Stock Options:** As of April 24, 2024 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 year ended December 31, 2023, the Company provided compensation in the form of salaries and short-term benefits to directors, executives and related parties of the Company in the amount of \$781,681 (2022 - \$1,112,220). For the year ended December 31, 2023, the Company recognized share-based payment expenses in the amount of \$331,608 (2022 - \$248,965) for stock options granted to the directors and executives of the Company. Additionally, the Company's founder and a director of the Company, acted as a consultant for the Company and the Company incurred cash-based compensation of \$112,521 for his consulting services in the year ended December 31, 2023 (2022 - \$128,854).

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at December 31, 2023, the Company's financial instruments are cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. The carrying values of these financial instruments reflected in the statement of financial position are carrying amounts and approximate their fair values due to their short-term nature. These financial instruments are classified as follows:

- Cash and cash equivalents – amortized cost
- Accounts receivable – amortized cost
- Accounts payable and accrued liabilities – other financial liabilities

The evaluation of the financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 of the fair value hierarchy includes unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 of the hierarchy includes inputs that are observable for the asset or liability, either directly or indirectly; and
- Level 3 includes inputs for the asset or liability that are not based on observable market data.

The Company has no financial instruments measured at fair value through the Statement of Profit or Loss.

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

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's trade accounts receivable are due from customers and are subject to normal credit risk. The following table provides information regarding the aged trade receivables:

	Current	31-60 days	61-90 days	91 days +
December 31, 2023	40%	24%	29%	8%
December 31, 2022	5%	90%	0%	5%

The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging.

The expected loss rates are based on the Company's historical credit losses experienced over the three year period prior to year end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers. The Company has identified the gross domestic product, unemployment rate and inflation rate as the key macroeconomic factors in the countries where the Company operates.

The Company has a \$nil balance for expected credit losses as at December 31, 2023 and December 31, 2022. The Company recognized \$nil expected credit losses during the years ended December 31, 2023 and 2022.

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Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company has in place a planning and budgeting process which helps determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company's financial liabilities consist of accounts payable and accrued liabilities and consist of invoices payable to trade suppliers for online advertising technology services, server hosting, general and administrative, and other expenses and are paid within one year. The Company expects to fund these liabilities through the use of existing cash resources and its continuing operations.

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's net earnings or the value of financial instruments. The objective of the Company is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

- (i) *Interest rate risk:* The Company has cash balances and no interest-bearing debt, and is not exposed to any significant interest rate risk.
- (ii) *Foreign currency risk:* The Company's activities are conducted in foreign jurisdictions; the majority of the Company's operating expenses are in Canadian dollars; and a portion of the Company's cash and cash equivalents is denominated in Canadian dollars. ROM's activities are conducted in Euros. The Company has not entered into foreign exchange rate contracts to mitigate this risk.

As at December 31, 2023, financial instruments were converted at a rate of CAD \$1.00 to USD \$0.7561. Balances denominated in foreign currencies as at December 31, 2023 were as follows:

	In CAD	Converted to USD
Cash and cash equivalents	\$ 1,430,160	\$ 1,081,325
Accounts receivable	\$ 789	\$ 596
Accounts payable and accrued liabilities	\$ 133,382	\$ 100,849

The estimated impact on net loss and comprehensive loss for the year ended December 31, 2023 with a +/- 10% change in exchange rates is approximately \$98,000 (2022 – \$121,052).

As at December 31, 2023, EUR financial instruments were converted at a rate of EUR \$1.00 to USD \$1.1037. Balances denominated in EUR as at December 31, 2023 were as follows:

	In EUR	Converted to USD
Cash and cash equivalents	€ 12,949	\$ 14,292
Accounts receivable	€ 3,752	\$ 4,142
Accounts payable and accrued liabilities	€ 1,733	\$ 1,913

The estimated impact on net loss and comprehensive loss for the year ended December 31, 2023 with a +/- 10% change in exchange rates is approximately \$1,600 (2022 – \$5,462).

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RESEARCH ON MOBILE (ROM) ACQUISITION

On July 1, 2022, the Company purchased 100% of the shares of 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. The table that follows represents the preliminary purchase price allocation based on the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition, with any excess allocated to goodwill.

Purchase Price

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

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 for 2022 includes \$78,338 of expenses incurred for acquisition costs in connection with the business combination in general and administrative expenses.

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 intangible assets, revenue, 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 assessment of any impairment of property and equipment, and intangible assets is dependent upon estimates of recoverable amounts that take into account factors, such as economic and market conditions and the useful lives of assets.

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- 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 progress towards complete satisfaction of the Company's performance obligations over time in project revenue contracts is based on the output method.
- The measurement of the income tax valuation allowance is based upon estimates of future taxable income and the expected timing of reversals of temporary differences.

RECENT ACCOUNTING PRONOUNCEMENTS

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