

May 10, 2024



Letter To Our Shareholders

By Greg Wong, Chief Executive Officer

Preparing for Growth. In 2022, we began the path of transforming RIWI from a pure project-based revenue organization to a multi-streamed revenue organization with diverse and predictable revenues. In 2023, we began to see the results of that strategy as RIWI returned to growth (growing 50.1% versus the market research industry growth rate of approximately 3.4%) and diversified our revenue in almost equal percentages between recurring revenue, transactional revenue and project-based revenue.

As we think about RIWI and the strategy of the organization, it is important to keep in mind that we are focused on building a global data and technology organization that will be a leader in the market research industry with a minimum of \$50 million in annualized revenue, high growth rates and strong EBITDA margins. This will require scale, time and focus. As we journey toward that goal, there will be bumps along the way and several adjustments to our operations and strategy as we adapt to new technologies and market dynamics. I encourage all current and prospective investors to think about RIWI over the next three to five years, not quarters. At our size and with our ambitions, management is focused on winning the long game, not trying to maximize revenue or profitability in any one quarter.

If our objective is to become ten times our current size over the next three to five years, how will we get there? In 2023, we revisited our strategy and made several adjustments to align to where we believe we can achieve growth and higher operating margins. To that end, we updated our strategy and vision as follows: “Help the world make better decisions by being the most trusted and transparent source of unique global data, predictive insights and actionable intelligence.” In order to achieve this, we would need to develop a global Software as a Service (SaaS) platform, build out our database of unique global data and layer on top an ability to analyze and predict trends coming from our and other data. In addition to our platform and data, RIWI would build out a community of data and technology partners to help our customers solve the holistic problems they are struggling with and build deep domain expertise in our core customer segments so that we can become embedded in our customers’ processes.

What does that mean for the coming years? RIWI will continue to focus on both profitable growth and strategic enhancements to our platform and data solutions, both through organic developments and strategic M&A.

On the M&A side, we recently announced the acquisition of the majority of the assets of CoolTool Inc., a fully-integrated survey platform that captures both conscious and nonconscious respondent information. This was a strategic acquisition that provides RIWI with true self-service capabilities for traditional surveys (enabling SaaS revenues) and the innovative AI-supported eye tracking and facial recognition capabilities that are growing in importance in the research industry. While this will require some additional investments, both in R&D and marketing, management believes this acquisition will become a core pillar of the RIWI platform over the next several years and drive considerable recurring revenues and additional transactional revenues. RIWI continues to have a full M&A pipeline and is focused on adding other strategic assets or scale to existing customer segments. Investors should expect RIWI to continue to be active in M&A as long as there are strategic acquisitions available within our valuation framework and we can either self-fund them or gain access to capital.

On the organic development and growth side, RIWI has three focus areas:

1. Build a world-class sales and marketing organization that has a deep understanding of the market trends in their specific sub-industries, deep contacts with key target customers and a focus on building brand in order to reduce our customer acquisition costs. Currently the RIWI brand is still relatively unknown and we aim to change that in our key verticals. As this evolves, our project and recurring revenue-based sales should increase.

2. Enhance and fully integrate our technology platforms in order to improve customer experience and drive operational excellence. RIWI has acquired and developed multiple unique and valuable technologies that now must be brought together into a singular end-to-end global market research and data platform. This will drive revenue growth, operational efficiencies and market differentiation.
3. Strengthen our professional services and research teams to support the evolving needs of our customers. RIWI has historically been more of a data collection solution as our unique technology enabled us to capture data in hard to reach places. With rapidly changing geo-political and economic environments, customers now need help in figuring out how to achieve their goals and that means more up-front consulting, evidence-based data collection and real interpretation and predictive analytics. This needs to be done by leveraging a great professional services team and complementing them with machine learning.

Although we made good progress in 2023, in 2024 we need to accelerate both our platform development and our growth in order to achieve a minimum scale where we can start to leverage our industry position and gain synergies across our operating units. With that in mind, RIWI will continue to make strategic investments in personnel, technology, branding and operational excellence. As mentioned above, management expects these investments to deliver above average returns for investors wanting to be on a longer-term journey with us.

Please accept our invitation to listen to the Annual General Meeting of the shareholders of RIWI Corp., to be held on June 19, 2024 at 11:00 a.m. (Toronto time) at RIWI's Toronto office, 33 Bloor Street East, 5th Floor, Toronto, Ontario, M4W 3H1.

RIWI encourages shareholders to vote in advance of the Meeting using one of methods noted in the Notice of Annual Meeting in the Information Circular.

We thank our team, our clients and our shareholders around the world who champion our vision to become the world's most trusted and transparent source of global data. We are on the right path, we have the will, the integrity, the energy, and the endurance.

Very respectfully,

Greg Wong
Chief Executive Officer

CAUTION REGARDING FORWARD-LOOKING INFORMATION:

Information and statements contained in this letter 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 letter and RIWI Corp. (the "Company") 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.