



# RIWI CORP.

## MANAGEMENT'S DISCUSSION & ANALYSIS

**For the three months ended March 31, 2024 and 2023**

Containing information up to and including May 22, 2024

(Expressed in United States dollars)

**RIWI CORP.**

Management's Discussion &amp; Analysis

For the three months ended March 31, 2024 and 2023

---

**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 March 31, 2024 and 2023, and is prepared as at May 22, 2024. This MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements for the three months ended March 31, 2024 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.

## **RIWI CORP.**

Management's Discussion & Analysis

For the three months ended March 31, 2024 and 2023

---

### **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. The 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 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 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 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 so far in the first quarter of 2024 include: tracking of political sentiment in China, a study on the efficacy of incentives provided to survey respondents in the US, a study on what creates meaning in peoples lives in 20 countries, a study on the availability of francophone workers and jobs in specific area codes in Canada, a study on entrepreneurship in Latin America and a technology study in Silicon Valley.

## RIWI CORP.

### Management's Discussion & Analysis

For the three months ended March 31, 2024 and 2023

---

#### 1. RIWI Highlights for the three months ended March 31, 2024 – in US Dollars:

- a) RIWI earned \$1,135,847 in revenues in the first quarter of 2024 compared to \$1,201,240 for the three months ended March 31, 2023, a decrease of 5.4% and compared to \$910,384 for the three months ended December 31, 2023 an increase of 25%. That March 31, 2024 revenue consisted of \$429,106 in transaction revenue, \$407,337 in recurring revenue and \$299,404 in project-based revenue. RIWI also recorded net income of \$27,087 for the three months ended March 31, 2024, as compared to a net loss of \$127,944 for the three months ended March 31, 2023 and a net loss of \$537,496 for the three months ended December 31, 2023.
- b) On April 24, 2024, RIWI announced the acquisition of the majority of the assets of CoolTool Inc., a leading survey and non-conscious data collection platform. While the acquisition is new, RIWI has begun integrating the CoolTool platform into the RIWI platform and the sales pipeline has already grown into double-digit prospects.
- c) RIWI signed 19 new client contracts in the three months ended March 31, 2024, including contract signings with eight new RIWI customers.
- d) Through the CoolTool acquisition, RIWI has named Mr. Dmitry Gaiduk as Chief Product Officer and he will lead company-wide product strategy and product management.
- e) RIWI made significant investments in marketing in order to build its brand and accelerate lead generation, such as attending multiple industry events, including Samplecon, Quirks and the Insights and Innovation Exchange. In addition, RIWI made updates to its website and launched several campaigns in various customer segments including consumer packaged goods, market research agencies, and academia – all of which are expected to boost revenue in the coming quarters.
- f) RIWI invested heavily in data quality through the addition of third-party software packages like Research Defender and improving processes to prevent fraud at the source. These measures will build trust with customers, reduce reconciliation costs, and improve transactional revenue over time.
- g) RIWI was recognized in several notable publications in the first quarter: a paper in *Frontiers in Anesthesiology*, on "Patient-Centered Perspective on Perioperative Care"; ILGA World's "Diversity as Strategic Opportunity: Exploring New Paths to Good Administration"; *Latinoamérica21's* article: "Challenges to electoral polls in the digital era"; and a paper in *Vaccine*: "Socio-demographic determinants of COVID-19 vaccine uptake in Ontario: Exploring differences across the Health Region model".

#### 2. Evolving Product Suite: From Project to Product

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 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. With the acquisition of CoolTool that was announced on April 24, 2024, RIWI is now also offering self-service tools for survey building as well as non-conscious data capture solutions that can be purchased as a long-term subscription. Management expects this category of revenue will grow substantially 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 their growing data needs and to expand revenue per customer over time.
- b) **Project-based revenue:** Project-based revenue is traditional RIWI revenue where customers engage RIWI to do 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 into three sub-categories: (1) Customer Proof of Concept in

## RIWI CORP.

### Management's Discussion & Analysis

For the three months ended March 31, 2024 and 2023

---

order to prove RIWI's capabilities before a customer commits to a larger, longer-term program, (ii) Governmental or NGO-based projects that are funded at a project or program 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 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. The platform is now ingesting requests for over 100,000 respondents per day, thereby providing significant opportunity for growth. Increasing the conversion rates, integrating more respondents into the platform, as well as servicing more survey marketplaces will greatly increase revenue without the need for associated new labor or personnel costs. 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.

### 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 actionable 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 enable them 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 its focus verticals as well as building new subscription products that will enable RIWI to build longer-term recurring and repeatable revenue. RIWI added a new industry expert, the Company's new Chief Product Officer, through the acquisition of the majority of CoolTool assets. The Chief Product Officer will help guide the Company's sales-focused product strategy and product management function.

While the Company is focused on identifying and hiring new sales staff, the labor market for technically qualified personnel is hyper-competitive, and recruitment continues to be slower than expected. In addition to recruiting key talent, RIWI has also started to increase marketing through investments in key industry events such as Samplecon, Quirks Chicago, and the Insight and Innovation Exchange conference, thereby elevating RIWI's brand recognition within its target customer base.

On the recurring revenue subscription product side of the business, RIWI continues to manage several syndicated data solutions including Compass, the Canadian Consumer Confidence Index, and the China Macro data series. RIWI is also continuously evaluating other subscription products that might be a fit for its key customer targets. 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 trusted 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. With the recently announced acquisition of CoolTool, RIWI has also started selling subscriptions to its self-service platform and has a robust and growing pipeline. RIWI expects the Company's new Software-as-a-Service platform to be a significant driver of future recurring revenues.

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-add to existing customers. The ROM acquisition in June

## **RIWI CORP.**

### Management's Discussion & Analysis

For the three months ended March 31, 2024 and 2023

---

2022, for example, now makes up approximately one-third of RIWI's revenue, is a profitable business line, and is providing RIWI additional reach in terms of survey respondents across the globe. The acquisition of the majority of CoolTool's assets is providing RIWI customers with both a self-service survey platform and a non-conscious data collection platform. Despite this acquisition being new, RIWI has already been able to significantly grow the pipeline and is expecting significant revenue growth in the coming quarters. 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 the Company's ability to find financing solutions that will maximize investor returns should the Company require funds outside of its treasury. Given the current macroeconomic climate, RIWI can make no assurances that the Company will be able to complete any additional acquisitions in 2024.

#### **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 (i.e., survey respondents) on a global basis across various sampling frameworks. This includes building capabilities to quickly evaluate and onboard new high-quality 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 streams of 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 elsewhere 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 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. One of the Company's goals is to receive excellent customer feedback on the user-friendliness of its platform.
- d. Access ready-to-use, curated data across a number of topics, years, countries, and use cases in order to enable clients 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 to current and future clients, 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 of significance to their business needs.

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

A core initiative in 2024 that will also extend into 2025 is the full integration and harmonization of the RIWI platforms. RIWI's vision is to have a fully-integrated and seamless platform to support customers in their end-to-end market research and data needs. Today, RIWI's platform is made up of different components acquired through our acquisitions. These components are the RIWI core platform, the ROM platform, and the CoolTool platform. There is a lot of technology roadmap work to be done in order to bring all of these components together and thereby ensure a seamless process for the Company's customers and suppliers. This will be critical for scale and to ensure repeat customer business. RIWI is committed to making this happen and balancing the needs of new functionality with the back-end integration needs of the business.

## RIWI CORP.

Management's Discussion & Analysis

For the three months ended March 31, 2024 and 2023

### 5. CoolTool Acquisition

On April 24, 2024, RIWI announced the acquisition of CoolTool's survey and non-conscious measurement tool. Management expects these assets will significantly strengthen the RIWI platform and further strengthen the 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 samples, and leverage the analytical capabilities of the platform. This additional capability positions RIWI as one of the most technologically advanced market research firms.

While the technology 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 give rise to a negative EBITDA impact in the 2024 fiscal year of approximately \$200,000 to \$300,000 as RIWI invests in integration, development and go-to-market strategies related to the acquisition. Based on the sales in the pipeline as a result of the acquisition, management also expects that this acquisition will generate a positive return on investment within eight quarters of the completion of the acquisition.

### 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 consistently 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 the Company's revenues.

### 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 increased by \$105,000 in the first quarter of 2024 compared to the first quarter of 2023. This reflects a general positive trend as the Company seeks to achieve its goal of consistent run-rate profitability sometime in 2024. The table that follows reconciles Adjusted EBITDA to operating loss before other income (expense) for the quarters presented in the table.

<i>In thousands of US dollars</i>	<b>Mar. 31 2024</b>	<b>Dec. 31 2023</b>	<b>Sep. 30 2023</b>	<b>Jun. 30 2023</b>	<b>Mar. 31 2023</b>
Operating loss	\$ (2)	\$ (308)	\$ (10)	\$ (137)	\$ (146)
Depreciation and amortization	10	10	11	19	23
Stock-based compensation	32	128	97	35	96
Foreign exchange loss/(gain)	(2)	(19)	13	(10)	(40)
Adjusted EBITDA	\$ 38	\$ (189)	\$ 111	\$ (93)	\$ (67)

**RIWI CORP.**

## Management's Discussion &amp; Analysis

For the three months ended March 31, 2024 and 2023

**SELECTED FINANCIAL INFORMATION**

	Three months ended March 31	
	2024	2023
Revenues	\$ 1,135,847	\$ 1,201,240
Net income (loss)	\$ 27,087	\$ (127,944)

  

	March 31	December 31
	2024	2023
Total assets	\$ 4,042,159	\$ 4,065,634
Total non-current financial liabilities	\$ -	\$ -

**FINANCIAL RESULTS**

The following is a discussion of the results of operations of the Company for the three months ended March 31, 2024 and 2023. The results should be read in conjunction with the unaudited interim condensed financial statements for the three months ended March 31, 2024 and 2023, and the related notes.

**1. Revenues**

	Three months ended March 31	
	2024	2023
Project revenues	\$ 299,404	\$ 466,665
Subscription or recurring revenues	407,337	312,217
Transaction revenues	429,106	422,358
	<b>\$ 1,135,847</b>	<b>\$ 1,201,240</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 first quarter ended March 31, 2024 decreased by 5.4% or \$65,393 compared to the first quarter of 2023. The decrease was driven by a 35.8% decrease in project revenues which was offset by a 30.5% increase in subscription or recurring revenues and a 1.6% increase in transaction revenues. It should be noted that the project revenues in the first quarter of 2023 were the highest project revenues of the 2023 fiscal year driven by some one-time projects and that the first quarter project revenues of 2024 are up 80% versus the fourth quarter of 2023.

**2. Operating Expenses**

As of January 1, 2024, the Company has introduced an Operations category in the reporting of its operating expenses. The Operations category reflects the costs related to the ongoing operations of the business. After the reallocation of costs to this new category, Technology is now more considered a research and development category. Management believes that the introduction of this new expense category provides a more holistic view of the Company's expenses. Comparative figures have not been adjusted to reflect the new categorization of expenses and as such additional narrative has been provided to explain the differences.



**RIWI CORP.**

## Management's Discussion &amp; Analysis

For the three months ended March 31, 2024 and 2023

**(a) General and administrative**

	Three months ended March 31	
	2024	2023
Personnel costs	\$ 189,052	\$ 172,241
Director cash compensation	28,652	46,506
Consulting and professional fees	56,261	230,935
Share-based payment expense	32,442	95,586
Occupancy and office costs	74,611	51,126
Depreciation	9,951	23,296
Foreign exchange (gain) loss	(2,215)	(40,124)
	<b>\$ 388,754</b>	<b>\$ 579,566</b>

General and administrative expenses for the first quarter ended March 31, 2024 decreased by 32.9% or \$190,812 compared to the first quarter of 2023. The decrease is primarily as a result of the reallocation of contractors involved in the respondent marketplace to Operations and a decrease in share-based payment expense resulting from fewer options vesting during the first quarter of 2024.

**(b) Operations**

	Three months ended March 31	
	2024	2023
Personnel costs	\$ 28,618	\$ -
Third party consulting fees	52,210	-
Project costs	145,144	-
Transactional costs	279,514	-
	<b>\$ 505,486</b>	<b>\$ -</b>

The primary components of Operations costs are project and transactional costs which formerly were included as part of Technology expenses, as well as personnel and third-party consulting fees that were formerly included as part of Technology, Sales and Marketing and General and Administrative expenses.

**(c) Technology**

	Three months ended March 31	
	2024	2023
Personnel costs	\$ 52,077	\$ 43,987
Third party consulting fees	54,641	31,847
Project costs	-	423,696
	<b>\$ 106,718</b>	<b>\$ 499,530</b>

Technology expenses for the first quarter ended March 31, 2024 decreased by 78.6% or \$392,812 compared to the first quarter of 2023. The decrease is primarily as a result of the reallocation of project costs to Operations.

**RIWI CORP.**

## Management's Discussion &amp; Analysis

For the three months ended March 31, 2024 and 2023

**(d) Sales and marketing**

	Three months ended March 31	
	2024	2023
Personnel costs	\$ 33,496	\$ 79,607
Third party consulting fees	86,887	56,234
Promotion and travel	16,742	132,334
	<b>\$ 137,125</b>	<b>\$ 268,175</b>

Sales and marketing expenses for the first quarter ended March 31, 2024 decreased 48.9% or \$268,175 compared to the first quarter of 2023. This decrease is the result of the reallocation of salaried personnel costs to Operations as well as the reallocation of certain costs related to transaction revenues to Operations. These decreases were offset by an increase in third-party consulting fees as the result of higher contracted sales headcount.

**3. Financial Performance for the three months ended March 31, 2024 and 2023**

RIWI's operating loss was \$2,236 for the three months ended March 31, 2024, as compared to an operating loss of \$146,031 for the three months ended March 31, 2023.

RIWI achieved a net income of \$27,087 for the three months ended March 31, 2024, as compared to a net loss of \$127,944 for the three months ended March 31, 2023. The achievement of profitability in the quarter is indicative of the Company's revenue growth in recurring or subscription revenues, and reflects cost containment efforts and sustained progress in accelerating its transactional revenue stream at higher profit margins. The comparative net loss for the three months ended March 31, 2023 also included a one-time bonus of \$134,000 to the ROM consultants as a proof of concept in driving a substantial increase in transaction revenues in the time period.

**SUMMARY OF QUARTERLY RESULTS:**

This is a summary of selected results for the eight most recently completed quarters to March 31, 2024.

Summary of Quarterly Results (in US Dollars)	2024	2023				2022		
	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30
Revenues	\$ 1,135,847	\$ 910,384	\$ 1,144,838	\$ 928,415	\$ 1,201,240	\$ 747,628	\$ 773,674	\$ 368,680
Loss from operations	\$ (2,236)	\$ (307,947)	\$ (10,428)	\$ (136,954)	\$ (146,030)	\$ (394,619)	\$ (378,060)	\$ (647,424)
Net income/(loss)	\$ 27,087	\$ (537,496)	\$ 14,288	\$ (162,190)	\$ (127,943)	\$ (537,263)	\$ (323,655)	\$ (657,977)
Net income/(loss) per share:								
basic	\$ 0.00	\$ (0.03)	\$ 0.00	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.04)
diluted	\$ 0.00	\$ (0.03)	\$ 0.00	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.04)

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.

**RIWI CORP.**

Management's Discussion &amp; Analysis

For the three months ended March 31, 2024 and 2023

**LIQUIDITY AND CAPITAL RESOURCES**

As at March 31, 2024, the Company had working capital of \$2,604,552 as compared to working capital of \$2,535,550 as at December 31, 2023, an increase of \$69,002.

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
Current Assets	<b>\$ 3,897,135</b>	<b>\$ 3,911,137</b>
Current Liabilities	<b>(1,292,583)</b>	<b>(1,375,587)</b>
Working Capital	<b>\$ 2,604,552</b>	<b>\$ 2,535,550</b>

**CAPITAL STRUCTURE**

- a) **Common Shares:** The Company's authorized share capital consists of an unlimited number of common shares without par value. As of May 22, 2024, the Company has 18,004,428 issued and outstanding common shares (December 31, 2022 - 18,004,428). The closing share price prior to May 22, 2024 was CAD \$0.90 per share.
- b) **Stock Options:** As of May 22, 2024, the Company has 2,870,541 options outstanding (December 31, 2023 - 2,762,271).

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

**RELATED PARTY TRANSACTIONS**

For the three months ended March 31, 2024, the Company provided compensation in the form of salaries and short-term benefits to directors and executives of the Company in the amount of \$202,746 (2023 - \$311,941). For the three months ended March 31, 2024, the Company recognized share-based payment expenses in the amount of \$30,036 (2023 - \$81,310) 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, acted as a consultant for the Company and the Company incurred cash based compensation of \$nil for his consulting services in the three months ended March 31, 2024 (2023 - \$50,420).

**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

As at March 31, 2024, 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

**RIWI CORP.**

## Management's Discussion &amp; Analysis

For the three months ended March 31, 2024 and 2023

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 +
March 31, 2024	55%	33%	6%	6%
December 31, 2023	40%	24%	28%	8%

The following table identifies customers comprising 10% or more of the Company's accounts receivable as at March 31, 2024 and December 31, 2023:

	March 31 2024	December 31 2023
Customer A	22%	11%
Customer B	12%	12%
Customer C	6%	27%

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 March 31, 2024 and December 31, 2023. The Company recognized \$nil expected credit losses during the three months ended March 31, 2024 and 2023.

The following table identifies customers comprising 10% or more of the Company's revenue for the three months ended March 31, 2024 and March 31, 2023:

**RIWI CORP.**

## Management's Discussion &amp; Analysis

For the three months ended March 31, 2024 and 2023

	<b>March 31 2024</b>	<b>March 31 2023</b>
Customer A	<b>22%</b>	12%
Customer B	<b>13%</b>	5%
Customer D	<b>1%</b>	11%

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

As at March 31, 2024, CAD\$ financial instruments were converted at a rate of CAD\$1.00 to USD\$0.7367. Balances denominated in CAD\$ as at March 31, 2024 were as follows:

	<b>In CAD</b>	<b>Converted to USD</b>
Cash and cash equivalents	\$ 1,240,239	\$ 913,684
Accounts receivable	\$ 123,646	\$ 91,090
Accounts payable and accrued liabilities	\$ 214,677	\$ 158,153

The estimated impact on net income for the three months ended March 31, 2024 with a +/- 10% change in exchange rates is approximately \$84,700 (2023 – \$98,000).

As at March 31, 2024, EUR financial instruments were converted at a rate of EUR \$1.00 to USD \$1.0800. Balances denominated in EUR as at March 31, 2024 were as follows:

**RIWI CORP.**

## Management's Discussion &amp; Analysis

For the three months ended March 31, 2024 and 2023

---

	In EUR		Converted to USD	
Cash and cash equivalents	€	126	\$	136
Accounts receivable	€	-	\$	-
Accounts payable and accrued liabilities	€	6,682	\$	7,217

---

The estimated impact on net income for the three months ended March 31, 2024 with a +/- 10% change in exchange rates is approximately \$700 (2023 – \$29,000).

**(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 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.
- 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.