Renoworks Announces Fourth Quarter and Record Fiscal Year 2019 Financial Results

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CALGARY, April 16, 2020 /CNW/ - **Renoworks Software Inc. (TSXV: RW) ("Renoworks"** or the **"Company),** the leading end-to-end visualization platform for the building construction industry, yesterday announced financial results for the three and twelve months ended December 31, 2019. The financial statements and related management's discussion and analysis ("MD&A") can be viewed on SEDAR at www.sedar.com.

Financial and business highlights for the fourth quarter and fiscal 2019:

- Annual revenue of $4,264,087, up 11% over prior year.
- Quarterly revenue of $1,004,748 for the three months ended December 31, 2019 compared to $938,133 in 2018, an increase of 8%.
- Annual recurring customer contracts comprise 40% and 39%, respectively for the fourth quarter and fiscal year 2019.
- Design Services revenue of $1,488,931 in 2019 versus $1,107,228 in 2018, an increase of 33%
- Gross margins continue to be strong at 70% and 69%, respectively for the fourth quarter 2019 and the 12 months ended December 2019.
- Net loss of $686,095 for 2019 as we focus on continued investment in our platform solution to meet client and market demand.
- As at December 31, 2019, the Company had 35,280,792 common shares issued and outstanding.

"Once again we have achieved a record setting year in revenue," stated Doug Vickerson, CEO of Renoworks. "Growth in our 6th consecutive quarter reflects the increased adoption rate of our platform solutions by new and existing clients. This is attributed by our continued investments in our platform development and value-based approach to delivering solutions tightly attuned to the needs of our customers."

"Furthermore, the team's swift action to adapt to changing circumstances have been crucial to our success in Q4 2019. Evidential to this is our quick ability to integrate remote measurements with provider EagleView, deploy our autorecognition technologies as well as enhanced user experiences found only on the Renoworks platform."

Mr. Vickerson added, "Today, the industry faces a new challenge with COVID-19 and the industry finds itself having to shift to virtual and remote-selling processes. As a remote measurement and visualization platform, Renoworks looks forward to working closely with our clients and continuing to support their goals in 2020 and beyond."

Financial results from operations for the fourth quarter 2019 with comparatives for 2018 are as follows:

	Three Months Ended December 31	
	2019	2018
Revenue	$1,004,748	$938,133
Gross Margin	$704,304	$507,617
Expenses	$747,901	$677,377
Loss	$249,016	$233,091
Loss per share	($0.01)	($0.01)
Adjusted EBITDA	($167,818)	(211,629)
Weighted Average Shares Outstanding	35,280,792	33,659,248

Financial results from operations for the fiscal year ended December 31, 2019 with comparatives for 2018 are as follows:

	Twelve Months Ended December 31	
	2019	2018
Revenue	$4,264,087	$3,843,239
Gross Margin	$2,925,803	$2,612,279
Expenses	$2,857,758	$2,683,636
Loss	$686,095	$474,888
Loss per share	$0.02	$0.01
Adjusted EBITDA	($375,563)	($339,358)
Weighted Average Shares Outstanding	35,280,792	33,659,248
Cash used in operations	$391,653	$318,125

The Company's financial position as of December 31, 2019 with comparatives from 2018 is as follows:

	December 31, 2019	December 31, 2018
Cash Balance	$500,751	$385,335
Accounts Receivable	$398,418	$464,365
Working Capital	$108,595	($94)
Deferred Revenue	$1,019,140	$956,494
Long- term liabilities	$471,531	$336,080
Shareholder's Equity (Deficiency)	($10,942)	($202,086)
Deficit	($7,928,852)	($7,242,757)
Total Assets	$1,387,516	$1,158,998

The recently declared pandemic for the COVID-19 virus has caused significant future uncertainty.

The continued spread of COVID-19 in North America and globally could have an adverse impact on the company's operations and financial results. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the immediate impact to the Company's business operations can't be reasonably estimated at this time.

The extent to which the coronavirus could impact the Company's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others.

Regarding COVID-19, management developed detailed mitigation plans commencing March 17, 2020, and meets with the Board of Directors weekly to review the Company's status.

Firstly, employee safety and health were paramount. Every employee has worked remotely since March 15 and every employee is encouraged to exercise vigilance in practicing safe and healthy habits at home. No employee nor their family are known to have contracted the coronavirus as of today's date. The transition to remote working proceeded as planned.

Further, there have been no known material negative impacts to deadlines or productivity regarding customer service, software development, or employee morale.

Finally, no employees were laid off and no employee hours were reduced as at today's date as a result of COVID-19. We continue to remotely interface with customers and monitor any cash flow impacts that may arise.

About Renoworks
Renoworks Software Inc. develops and sells unique digital visualization software and integration

solutions for the remodeling and new home construction industry. Renoworks delivers its technology to manufacturers, contractors, builders, and retailers offering solutions to one of the home improvement industry's greatest challenges: enabling homeowners to review their product selections in a hyper-realistic, virtual environment before committing to purchases and construction. Renoworks markets its technologies as an innovative engagement, sales, and marketing platform and generates revenues from five main business lines: Renoworks Enterprise, Renoworks PRO, Renoworks Design Services, Renoworks FastTrack, and Renoworks API (Application Programming Interface). For more information, visit www.renoworks.com and www.renoworkspro.com.

***Non-IFRS Measures**

Adjusted EBITDA is a measure not recognized under IFRS. However, management of Renoworks believes that most shareholders, creditors, other stakeholders and investment analysts prefer to have these measures included as reported measures of operating performance, a proxy for cash flow, and to facilitate valuation analysis. Adjusted EBITDA is defined as earnings before interest income, taxes, depreciation and amortization, stock based compensation, restructuring costs, impairment charges and other non-recurring gains or losses. Management believes Adjusted EBITDA is a useful measure that facilitates period-to-period operating comparisons.

Adjusted EBITDA does not have any standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Readers are cautioned that Adjusted EBITDA is not an alternative to measures determined in accordance with IFRS and should not, on its own, be construed as indicators of performance, cash flow or profitability. References to the Renoworks' Adjusted EBITDA should be read in conjunction with the financial statements and management's discussion and analysis of Renoworks posted on SEDAR (www.sedar.com).

Forward Looking Information

Certain statements in this news release, other than statements of historical fact, are forward looking information that involves various risks and uncertainties. Such statements relating to, among other things, the prospects for the company to enhance operating results, realize a future revenue or other return on technology and platform development in 2019, and continue without material impact to our business and operations through the COVID-19 epidemic, are necessarily subject to risks and uncertainties, some of which are significant in scope and nature. These uncertainties may cause actual results to differ from information contained herein. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. These and all subsequent written and oral forward looking statements are based on the estimates and opinions of the management on the dates they are made and expressly qualified in their entirety by this notice. The Company assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change.

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