

Renoworks Announces Second Quarter 2024 Financial Results and Record Second Quarter Revenue

CALGARY, AB, July 31, 2024 /CNW/ - **Renoworks Software Inc.** (TSXV: RW) ("**Renoworks**" or the "**Company**"), an industry leader in visualization and lead generation technology for the home renovation and new construction sector, announces its financial results for the six-months ended June 30, 2024. The financial statements and related management's discussion and analysis ("MD&A") can be viewed on SEDAR+ at www.sedarplus.ca. Unless otherwise stated, all dollar amounts are Canadian dollars.

Financial highlights for the fiscal year to date 2024 with comparatives for 2023 are as follows:

- Revenues of \$3,315,181, an 8% increase from the prior period's \$3,073,263.
- Deferred Revenue of \$2,434,076 June 30, 2024 compared to \$1,633,394 at December 31, 2023.
- Recurring revenue of \$1,299,529 versus \$1,072,825 for the same period in 2023, a 21% increase.
- Gross margin of 74% versus 72% in 2023.
- Net loss of \$112,694 compared to a net loss of \$352,874 for the same period in 2023, an improvement attributed primarily to the rise in licensing and hosting revenue of 21% and improved profit margins.
- Cash at June 30, 2024 was \$1,097,432, an increase of \$451,883 from \$645,549 at the end of fiscal 2023.
- The Company's working capital at June 30, 2024 was a negative \$387,420 compared to a negative working capital of \$228,357 at December 31, 2023 a decrease of \$159,063 primarily due to an increase in deferred revenue balances of \$240,515. Excluding deferred revenue, a significant non-cash item included in working capital, the Company's working capital at June 30, 2024 is positive \$1,831,156 (\$1,264,069 – Dec 31, 2023).
- As at June 30, 2024, the Company had 40,664,635 common shares issued and outstanding.

Financial highlights for the second quarter of fiscal 2024 with comparatives for 2023 are as follows:

- Quarterly revenue of \$1,835,791 for the three months ended June 30, 2024 versus \$1,719,087 in 2023.
- Recurring revenue of \$682,891 versus \$557,491 for the same period in 2023, a 22% increase.
- Gross margins continue to be strong at 73% and 71%, respectively for the second quarters of 2024 and 2023.
- Net income of \$13,059 for the quarter ended June 30, 2024 compared to a net income of \$30,442 in 2023.

Renoworks reported an 8% increase in revenues for the first half of 2024 compared to the same period in 2023. This growth was driven by a 21% rise in licensing revenue and a 5% increase in design services revenue. The Company earned aggregate revenues of \$3,315,181, including \$1,454,090 from design services, \$1,299,529 from licensing and hosting, \$318,497 from libraries, and \$243,065 from implementation fees.

Net loss for the six months ended June 30, 2024, was \$112,694, a significant improvement of approximately 68.1% compared to the net loss of \$352,874 reported for the same period in 2023. This improvement is attributed to increased revenue, and an improved gross margin of 74%, up from

72%.

"The first half of 2024 we have been focused on growing our licensing revenue through new services to our enterprise customers and the full introduction of Renoworks Pro to the market. " said Doug Vickerson, CEO of Renoworks. "Our team has been working closely with industry leaders, partners, and key customers to innovate our platform to meet their growing demand for visualization and design-led experiences. Innovations such as Renoworks Pro for contractors, which helps make project planning, sales pitches, and closing deals faster and easier, and our advancements in AI are making generational improvements. We have committed to key research and development areas and a robust roadmap of features and enhancements which we will share alongside key partners as they become available for public release.

"We also continue to focus on enhancing our software platform with integration partners," continued Mr. Vickerson. "Strategically building native integrations ensures our contractor customers can seamlessly adopt our solutions into their operating, sales, and marketing practices. This results in better returns on their investment and makes us essential to their business growth. We are committed to continuing this momentum and delivering innovative solutions to our customers."

Adjusted EBITDA for the first half of 2024 was a negative \$75,601, a considerable improvement from the negative Adjusted EBITDA of \$306,924 reported for the same period in 2023.

Financial results from operations year to date with comparatives for 2023 are as follows:

	Six Months Ended June 30	
	2024	2023
Revenue	\$3,315,181	\$3,073,263
Gross Profit	\$2,441,480	\$2,220,762
Expenses	\$2,615,723	\$2,532,376
Net Loss	\$112,694	\$352,874
Loss per share	\$0.00	\$0.01
Adjusted EBITDA	(\$75,601)	(\$306,924)
Weighted Average Shares Outstanding	40,664,635	40,663,599
Cash increase (decrease) from operations	\$450,997	(\$302,490)

Financial results from operations for the second quarter 2024 with comparatives for 2023 are as follows:

	Three Months Ended June 30	
	2024	2023
Revenue	\$1,835,791	\$1,719,087
Gross Profit	\$1,333,463	\$1,226,840
Expenses	\$1,320,012	\$1,162,116
Net Profit	\$13,059	\$30,442
Income per share	\$0.00	\$0.00
Adjusted EBITDA	\$31,634	\$53,895
Weighted Average Shares Outstanding	40,664,635	40,664,635

The Company's financial position as of June 30, 2024 and December 31, 2023 is as follows:

	June 30, 2024	December 31, 2023
Cash Balance	\$1,097,432	\$645,549
Accounts Receivable	\$639,059	\$666,193
Working Capital	(\$387,420)	(\$228,357)
Deferred Revenue	\$2,434,076	\$1,633,394
Long- term liabilities	\$215,500	\$140,968
Shareholder's Equity (Deficiency)	(\$281,521)	(\$195,192)
Deficit	(\$10,345,481)	(\$10,232,787)
Total Assets	\$2,268,847	\$1,672,766

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.sedarplus.ca).

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, 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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CNW 07:30e 31-JUL-24