Condensed Interim Financial Statements of

RENOWORKS SOFTWARE INC.

For the three months ended March 31, 2025 and 2024

(Unaudited)

The auditors of RenoWorks Software Inc. have not performed a review of the condensed interim financial statements for the three-month period ended March 31, 2025 and March 31, 2024.

RENOWORKS SOFTWARE INC.

Condensed Interim Statements of Financial Position

As at March 31, 2025 and December 31, 2024
In Canadian dollars
(Unaudited)

	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 1,174,750	$ 1,536,671
Trade and other receivables	947,347	547,746
Prepaid expenses	94,085	74,118
Contract assets (note 6)	107,985	120,408
Loans receivable (note 11)	5,031	4,920
Total current assets	2,329,198	2,283,863
Non-current assets:		
Property, plant and equipment	60,389	61,490
Contract assets (note 6)	241,063	253,134
Loans receivable (note 11)	41,631	42,932
Total assets	$ 2,672,281	$ 2,641,419
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade and other payables	$ 122,527	$ 125,984
Deferred revenue (notes 5 and 7)	2,255,154	2,279,330
Total current liabilities	2,377,681	2,405,314
Non-current liabilities:		
Deferred revenue (notes 5 and 7)	212,097	240,467
Total liabilities	2,589,778	2,645,781
Shareholders' equity		
Share capital (note 9)	8,782,234	8,781,734
Warrants	26,787	26,787
Contributed surplus	1,306,119	1,286,846
Deficit	(10,032,637)	(10,099,729)
Total shareholders' equity (deficiency)	82,503	(4,362)
Total liabilities and shareholders' equity	$ 2,672,281	$ 2,641,419

Going concern (note 2 (e))

See accompanying notes to the condensed interim financial statements.
The interim financial information contained herein has not been reviewed by the Company's Auditors

RENOWORKS SOFTWARE INC.

Condensed Interim Statements of Profit (Loss) and Comprehensive Profit (Loss)

Three months ended March 31, 2025 and 2024
In Canadian dollars

(Unaudited)

	2025	2024
Revenue (note 5)	$ 1,847,981	$ 1,479,390
Cost of sales	461,885	371,373
Gross margin	1,386,096	1,108,017
Selling, general and administrative expenses	1,031,610	852,741
Research and development expenses	418,556	442,970
Total expenses	1,450,166	1,295,711
Loss from operating activities	(64,070)	(187,694)
Net finance income (note 8)	6,948	-
Foreign exchange gain	124,214	61,941
	131,162	61,941
Net profit (loss) and comprehensive profit (loss)	$ 67,092	$ (125,753)
Net profit (loss) per share - basic and diluted	$ 0.00	$ (0.00)
Weighted average shares outstanding – basic	40,667,968	40,664,635
Weighted average shares outstanding – diluted	40,666,027	40,664,635

See accompanying notes to the condensed interim financial statements.
The interim financial information contained herein has not been reviewed by the Company’s Auditors.

RENOWORKS SOFTWARE INC.

Condensed Interim Statement of Changes in Shareholders' Equity (Deficiency)

Three month ended March 31, 2025 and 2024
In Canadian dollars

(Unaudited)

	Number of common shares	Share capital	Warrants	Contributed surplus	Deficit	Total equity/(deficiency)
Balance at January 1, 2024	40,664,635	8,781,734	26,787	1,229,074	(10,232,787)	(195,192)
Share-based compensation (notes 9 and 10)	-	-	-	13,182	-	13,182
Net loss and comprehensive loss	-	-	-	-	(125,753)	(125,753)
Balance at March 31, 2024	40,664,635	$ 8,781,734	$ 26,787	$ 1,242,256	$ (10,358,540)	$ (307,763)
Balance at January 1, 2025	40,664,635	8,781,734	26,787	1,286,846	(10,099,729)	(4,362)
Share-based compensation (notes 9 and 10)	-	-	-	19,273	-	19,273
Conversion of share options	3,333	500				500
Net profit and comprehensive profit	-	-	-	-	67,092	67,092
Balance at March 31, 2025	40,667,968	$ 8,782,234	$ 26,787	$ 1,306,119	$ (10,032,637)	$ 82,503

See accompanying notes to the condensed interim financial statements.
The interim financial information contained herein has not been reviewed by the Company's Auditors.

RENOWORKS SOFTWARE INC.

Condensed Interim Statements of Cash Flows

Three months ended March 31, 2025 and 2024

In Canadian dollars

(unaudited)

	2025	2024
Cash flows from operating activities:		
Net profit (loss) and comprehensive profit (loss)	$ 67,092	$ (125,753)
Adjustments for:		
Depreciation of property, plant and equipment	4,642	5,334
Employee benefit portion on loan (note 11)	440	(1,162)
Bad debt expense	-	4,633
Share-based compensation (note 10)	19,273	13,182
	91,447	(103,766)
Change in trade and other receivables	(399,601)	63,905
Change in prepaid expenses	(19,967)	(22,654)
Change in contract assets	24,492	(70,304)
Change in trade and other payables	(3,457)	(122,111)
Change in deferred revenue	(52,545)	423,909
	(359,631)	168,979
Net cash from (used in) operating activities	(359,631)	168,979
Cash flows used in investing activities:		
Purchase of property, plant and equipment	(3,540)	(1,814)
Proceeds received on loan repayment (note 11)	750	2,250
Net cash from (used in) investing activities	(2,790)	436
Cash flows from financing activities:		
Proceeds from exercise of share options (note 9)	500	-
Net cash from financing activities	500	-
Net increase (decrease) in cash and cash equivalents	(361,921)	169,415
Opening cash and cash equivalents	1,536,671	645,549
Closing cash and cash equivalents	$1,174,750	$ 814,964

See accompanying notes to the condensed interim financial statements.

The interim financial information contained herein has not been reviewed by the Company’s Auditors.

1. Reporting entity:

RenoWorks Software Inc. ("RenoWorks" or the "Company") is a company registered in Alberta, Canada. The address of the Company's registered office is 2720, 308 - 4 Avenue SW Calgary, AB, T2P 0H7. RenoWorks develops and distributes digital visualization software for the renovation and new home construction sectors. RenoWorks is a publicly-traded company listed on the TSX Venture Exchange under the symbol "RW".

2. Basis of presentation:

(a) Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The financial statements were authorized for issue by the Board of Directors on April 30, 2025.

(b) Basis of measurement:

The financial statements have been prepared on the historical cost basis, except for certain financial assets as disclosed in Note 4.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars which is the Company's functional currency.

(d) Use of estimates and judgements:

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical estimates that have the most significant effect on the amounts recognized in the financial statements is included in Note 4: Determination of fair values.

2. Basis of presentation (continued):

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in Note 3(g): Share-based payment transactions and Note 3(h): Revenue. Determination of the separately identifiable performance obligations and the relative fair value and revenue recognition timing of the performance obligations is subject to critical judgements. Critical judgements are required to assess whether or not a deferred tax asset should be recognized for temporary tax differences.

(e) Going concern:

These financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. The Company had a net profit of $67,092 for the three months ended March 31, 2025. The Company has a history of operating losses and has a deficit of $10,032,637 at March 31, 2025 (December 2024 - $10,099,729).

These factors indicate the existence of material uncertainty that may cast significant doubt as to the ability of the Company to continue as a going concern. The Company’s ability to continue as a going concern is dependent on generating a profit from operations through increased sales volumes.

Whether the Corporation can continue to generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to March 31, 2025 is uncertain. Until this time, management may have to raise funds by issuing debt or equity issuances or by improve profitability.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

3. Material accounting policies:

Recent accounting pronouncements:

IFRS 18 Presentation and Disclosure in Financial Statements, new structure and disclosure requirements:

In April 2024, the International Accounting Standards Board issued IFRS 18, Presentation and Disclosure in Financial Statements, which establishes the overall requirements for financial statement presentation and disclosure. The standard introduces structured subtotals in the statement of profit or loss, including a standardized 'operating profit' measure to enhance comparability. IFRS 18 replaces IAS 1, Presentation of Financial Statements, though much of IAS 1's substance remains. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. Management is currently assessing its impact and does not expect a material effect on the financial statements.

3. Material accounting policies (continued):

These unaudited condensed interim financial statements have been prepared in accordance with IFRS using the same accounting policies as outlined in Note 3 of the consolidated financial statements for the year ended December 31, 2024. The accounting policies have been applied consistently by the Company.

4. Determination of fair values:

A number of the Company's accounting policies and disclosures require the determination of fair values for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Share-based payment transactions and warrants:

The fair values of the employee share options and warrants are measured using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, expected forfeiture rates and the risk-free interest rate (based on a government bond with a comparable term). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair values.

5. Revenue by product:

	Three months ended March 31	
	2025	2024
Design services	$ 659,662	$ 563,798
Licensing and hosting	879,726	616,638
Libraries	190,618	173,893
Implementation	117,975	125,061
Total Revenue	$ 1,847,981	$ 1,479,390

Revenue by geographical area:

	Three months ended March 31	
	2025	2024
Canada	$ 50,167	$ 62,238
United States	1,793,317	1,412,415
Other	4,497	4,737
Total Revenue	$ 1,847,981	$ 1,479,390

5. Revenue (continued):

For the three months ended March 31, 2025, 32% (2024 - 29%) was earned from one major customer.

As at March 31, 2025, the Company expects to recognize revenue related to the unsatisfied or partially unsatisfied implementation, licensing and hosting performance obligation, that are unsatisfied or partially unsatisfied of $2,467,251. Of this amount, $1,932,643 is expected to be recognized in 2025, $224,215 in 2026, $93,253 in 2027, and $5,043 in 2028.

6. Contract assets:

Contract assets consist of commissions paid on new contracts and costs incurred in advance to fulfil contracts. The changes in contract costs during the period consist of:

	March 31 2025	December 31 2024
Balance, beginning of year	$ 373,542	$ 169,152
Additions	18,950	396,040
Recognized in costs:		
From opening balances	(41,200)	(117,368)
From additions during the year	(2,243)	(74,282)
Balance, end of year	$ 349,049	$ 373,542
Current portion	107,985	120,408
Non-current portion	241,064	253,134
Total	$ 349,049	$ 373,542

7. Deferred revenue:

Timing differences between invoicing, cash collection and revenue recognition results in accounts receivable and deferred revenue on the statement of financial position. The changes in deferred revenue during the year consist of:

	March 31 2025	December 31 2024
Balance, beginning of year	$ 2,519,797	$ 1,633,394
Collected	343,258	2,727,181
Recognized in revenue:		
From opening balances	(299,165)	(1,352,069)
From additions during the year	(96,638)	(488,709)
Balance, end of period	$ 2,467,251	$2,519,797
Current portion	2,255,154	2,279,330
Non-current portion	212,097	240,467
Total	$ 2,467,251	$ 2,519,797

8. Finance income and finance cost

	Three months ended March 31	
	2025	2024
Other interest expense	-	(219)
Interest income	6,948	9,742
Net finance income	$ 6,948	$ 9,523

9. Share capital:

(i) Share capital: Authorized:

Unlimited number of common shares
Unlimited number of preferred shares

(ii) Issued:

Common shares	March 31 2025	December 31 2024
Issued and outstanding at January 1	$ 8,781,734	$ 8,781,734
Issued via option exercise	500	-
Issued and outstanding at March 31/Dec 31	$ 8,782,234	$ 8,781,734
Number of shares		
Shares issued and outstanding at January 1	40,664,635	40,664,635
Issued via option exercise	3,333	-
Issued and outstanding at March 31/Dec 31	40,667,968	40,664,635

9. Share capital (continued):

(a) Warrants:

Balance, December 31, 2024	$	26,787
Balance, March 31, 2025	$	26,787

As at March 31, 2025 the Company has 805,000 unexercised warrants which will expire on October 20, 2025. The fair value of $0.03 for the April 20, 2022 warrants was calculated using the Black-Scholes model. The fair value of these warrants was calculated using a term of 1.5 years, a volatility of 61% based on the Company's historical volatility, and a discount rate of 2.7%.

10. Share-based compensation:

The Company has an option program that entitles officers, directors, employees and certain consultants to purchase shares in the Company. Options granted are exercisable at the market price of the shares at the date of grant, have a five-year term and vest in accordance with the terms of the individual grants.

The number and weighted average exercise prices of share options are as follows:

	March 31, 2025		December 31, 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at January 1	2,944,500	$ 0.35	3,543,000	$ 0.34
Forfeited during the year	46,667	0.45	(408,500)	0.16
Expired during the year	-	-	(950,000)	0.31
Exercised during the year	(3,333)	0.15	-	-
Granted during the year	-	-	860,000	0.24
Outstanding at March 31/December 31	2,994,500	$ 0.33	3,044,500	$ 0.35
Exercisable at March 31/December 31	1,774,500	$0.43	1,704,667	$ 0.42

During the three months ended March 31, 2025 3,333 options were exercised by employees (2024 – nil). The Company's weighted average share price at the time the options were exercised in 2025 was $0.16.

Share-based compensation of $19,273 was expensed during the first three months of 2025 (2024 - $13,182).

The weighted average remaining lives of the Company's outstanding options as at March 31, 2025 is 1.31 years (2024 – 2.45 years).

11. Loans receivable:

Loans receivable	March 31, 2025	December 31, 2024
Opening balance	$ 47,852	$ 52,352
Repayment of loan	(750)	(2,250)
Employee benefit portion adjustment	(440)	4,500
Total Loans receivable	$ 46,662	$ 47,852
Less current portion	5,031	4,920
Long-term loans receivable	41,631	42,932

The Company has an unsecured non-interest-bearing loan agreement totaling $75,000 with a director and officer of the Company. The initial terms of the loan were 24 equal payments of $3,125 beginning on October 12, 2022.

In 2023 the loan agreement was amended. The loan was re-measured at fair value using an effective interest rate of 8.5% per annum. The principal balance of the loan is $64,500 (2023 – 65,250). A total of $16,180 (2024 - $17,241) is included in prepaid expenses representing the employee benefit portion of the loan amount. The new terms of the amended unsecured loan agreement are 105 equal monthly payments of $750 beginning on December 1, 2023.

12. Government grants:

The Company received funding from various government programs in 2025 and 2024. During the three months ended March 31, 2024, the Company received $nil (March 31, 2024 - $8,438) of funding from the Alberta Innovates Technology grant which was recorded as a reduction to general and administrative costs.

The Company was entitled to investment tax credits due to its expenditures in scientific research and experimental development ("SR&ED"). For the three months ended March 31, 2025, the Company received $30,222 (2024 – nil) as a direct result of these SR&ED expenditures. This entire amount has been accounted for as a reduction from research and development expense.

13. Contingent liability:

The Company, whose customers are primarily across the United States, is currently reviewing its various sales channels as they relate to the wide-ranging implementation of US State sales tax. The Company has recognized a provision in the financial statements for a state sales tax liability in the three months ended March 31, 2025 of $33,750 (2024 – nil). The overall sales tax liability likelihood is uncertain and the ultimate magnitude not reliably determinable as at March 31,2025. An estimate of the potential liability ranges from $33,750 to $450,000. The Company will continue to monitor the situation and update its assessment as more information becomes available.

14. Subsequent event:

During the month of April, 2025 officers exercised 33,333 options for proceeds of $5,000.