

# **RESAAS SERVICES INC.**

Interim Consolidated Financial Statements

September 30, 2024

(Expressed in Canadian dollars)

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements.

**RESAAS SERVICES INC.**Interim Consolidated Statements of Financial Position  
(Expressed in Canadian dollars)

	September 30, 2024 \$	December 31, 2023 \$
	(Unaudited)	
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	28,671	647,507
Amounts receivable (Note 13(b))	72,451	43,112
Prepaid expenses	900	69,151
<b>Total current assets</b>	<b>102,022</b>	<b>759,770</b>
<b>Non-current assets</b>		
Right-of-use assets (Note 3)	28,744	40,503
Property and equipment (Note 4)	870	1,481
Intangible assets (Note 5)	2,585	4,730
<b>Total non-current assets</b>	<b>32,199</b>	<b>46,714</b>
<b>Total assets</b>	<b>134,221</b>	<b>806,484</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 13(e))	145,682	296,357
Deferred revenue	31,130	40,466
Due to related party (Note 7 and 13(e))	545,560	477,176
Lease liability (Note 6 and 13(e))	16,376	15,541
<b>Total current liabilities</b>	<b>738,748</b>	<b>829,540</b>
Lease liability (Note 6 and 13(e))	14,548	26,936
<b>Total liabilities</b>	<b>753,296</b>	<b>856,476</b>
<b>Shareholders' deficit</b>		
Common shares (Note 8)	42,052,989	42,008,771
Share-based payment reserve (Note 10)	15,354,546	15,093,903
Deficit	(58,026,610)	(57,152,666)
<b>Total shareholders' deficit</b>	<b>(619,075)</b>	<b>(49,992)</b>
<b>Total liabilities and shareholders' deficit</b>	<b>134,221</b>	<b>806,484</b>

Approved and authorized for issuance by the Board of Directors on November 28, 2024:

/s/ Pierre Chadi  
Pierre Chadi, Director

/s/ Thomas Rossiter  
Thomas Rossiter, Director

(The accompanying notes are an integral part of these consolidated financial statements)

**RESAAS SERVICES INC.**Consolidated Statements of Comprehensive Loss  
(Expressed in Canadian dollars except share amounts)

	Three Months Ended September 30, 2024 \$	Three Months Ended September 30, 2023 \$	Nine Months Ended September 30, 2024 \$	Nine Months Ended September 30, 2023 \$
Revenue	106,372	120,688	271,924	316,098
Expenses				
Amortization (Notes 4 and 5)	395	804	2,756	8,496
Amortization of right-of-use assets (Note 3)	3,919	3,920	11,758	11,759
Consulting fees	37,728	47,108	123,816	106,833
Filing fees	6,082	5,396	26,985	21,409
General and administrative	108,175	157,130	445,366	559,405
Management fees (Note 7)	35,573	35,551	112,279	111,587
Promotion and advertising	46,248	59,531	124,866	180,770
Professional fees	6,500	–	33,000	35,000
Share-based compensation (Notes 7 and 10)	85,856	266,487	285,511	1,332,950
Travel	1,166	1,523	3,696	8,575
Total operating expenses	331,642	577,450	1,170,033	2,376,784
Loss before other income (loss)	(225,270)	(456,762)	(898,109)	(2,060,686)
Other income (loss)				
Foreign exchange gain (loss)	8,218	(5,603)	(8,628)	1,256
Interest income	269	287	1,009	1,290
Interest on lease liabilities (Note 6)	(587)	(851)	(1,963)	(2,742)
Gain on settlement of accounts payable	33,747	73,646	33,747	73,646
Net loss and comprehensive loss for the period	(183,623)	(389,283)	(873,944)	(1,987,236)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.03)
Weighted average number of common shares outstanding	79,979,176	75,347,002	79,957,878	75,304,511

(The accompanying notes are an integral part of these interim consolidated financial statements)

**RESAAS SERVICES INC.**

Consolidated Statements of Changes in Shareholders' Deficit  
(Expressed in Canadian dollars except share amounts)  
(Unaudited)

	<u>Common Shares</u>		Share-based	Deficit	Total
	Number	Amount	Payment		
		\$	Reserve	\$	Shareholders'
			\$		Deficit
					\$
Balance, December 31, 2022	75,147,002	40,531,337	13,930,836	(54,895,463)	(433,290)
Issuance of common shares pursuant to the exercise of stock options at \$0.20 per share	200,000	66,311	(26,311)	–	40,000
Share-based compensation	–	–	1,332,950	–	1,332,950
Net loss	–	–	–	(1,987,236)	(1,987,236)
Balance, September 30, 2023	75,347,002	40,597,648	15,237,475	(56,882,699)	(1,047,576)
Balance, December 31, 2023	79,897,002	42,008,771	15,093,903	(57,152,666)	(49,992)
Issuance of common shares pursuant to the exercise of stock options at \$0.215 per share	90,000	44,218	(24,868)	–	19,350
Stock-based compensation	–	–	285,511	–	285,511
Net loss	–	–	–	(873,944)	(873,944)
Balance, September 30, 2024	79,987,002	42,052,989	15,354,546	(58,026,610)	(619,075)

(The accompanying notes are an integral part of these interim consolidated financial statements)

**RESAAS SERVICES INC.**

Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

(Unaudited)

	Nine Months Ended September 30, 2024 \$	Nine Months Ended September 30, 2023 \$
Operating activities		
Net loss	(873,944)	(1,987,236)
Items not affecting cash and cash equivalents:		
Amortization	2,756	8,496
Amortization of right-of-use asset	11,758	11,759
Interest on lease liability	1,963	2,742
Gain on settlement of accounts payable	(33,747)	(73,646)
Share-based compensation	285,511	1,332,950
Changes in non-cash operating working capital:		
Amounts receivable	(29,339)	(4,540)
Prepaid expenses	68,251	(8,510)
Accounts payable and accrued liabilities	(116,927)	78,163
Deferred revenue	(9,336)	1,869
Net cash and cash equivalents used in operating activities	(693,054)	(637,953)
Financing activities		
Due to related party	68,384	405,579
Proceeds from exercise of stock options	19,350	40,000
Repayment of principal portion of the lease liability	(13,516)	(13,516)
Net cash and cash equivalents (used in) provided by financing activities	74,218	432,063
Decrease in cash and cash equivalents	(618,836)	(205,890)
Cash and cash equivalents, beginning of the period	647,507	240,351
Cash and cash equivalents, end of the period	28,671	34,461
Cash and cash equivalents are comprised of:		
Cash in bank	13,071	5,961
Cashable guaranteed investment certificates	13,500	28,500
Total cash and cash equivalents	28,671	34,461
Supplemental cash flow information		
Interest paid	-	-
Income taxes paid	-	-
Non-cash investing and financing activities		
Reclassification of fair value of stock options upon exercise	24,868	26,311

(The accompanying notes are an integral part of these interim consolidated financial statements)

# RESAAS SERVICES INC.

Notes to the Interim Consolidated Financial Statements

September 30, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

## 1. Corporate Information

RESAAS Services Inc. (the "Company") was incorporated on June 4, 2009 under the Business Corporations Act (British Columbia). The Company is engaged in the development of web and mobile communications software for the real estate industry. The Company's registered office is located at Suite 2600 – 595 Burrard St., Vancouver, British Columbia, Canada, V7X 1L3.

## 2. Basis of Presentation

### (a) Statement of Compliance and Principles of Consolidation

These interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2023. The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements.

The interim consolidated financial statements were approved by the Board of Directors and authorized for issue on November 28, 2024.

These interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, RESAAS USA Inc., a company incorporated in the state of California in 2012, and Real Block Inc., a company incorporated in the province of Ontario in 2017. All intercompany transactions have been eliminated on consolidation.

### (b) Basis of Measurement

These interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value, and are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiaries.

The preparation of these interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. These estimates are, by their nature, uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities include the following:

- i) The useful life and recoverability of long-lived assets
- ii) The inputs used in the valuation of stock-based compensation
- iii) Revenue recognition for special contracts and projects
- iv) Incremental borrowing rate
- v) Allowance for credit losses

Significant areas of judgment include:

- i) Application of the going concern assumption
- ii) Leases
- iii) Deferred tax assets

## RESAAS SERVICES INC.

Notes to the Interim Consolidated Financial Statements

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(Expressed in Canadian dollars)

(Unaudited)

### 2. Basis of Presentation (continued)

#### (c) Going Concern

These interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As of September 30, 2024, the Company had not yet generated significant revenue or positive cash flow from operations and had an accumulated deficit of \$58,026,610. These factors, among others, may cast substantial doubt as to the ability of the Company to continue as a going concern. Management believes that the proceeds from additional equity financing activities that it is currently pursuing, combined with revenue that the Company expects to generate in subsequent periods, will provide the Company with sufficient working capital to satisfy its liabilities and commitments as they become due for the foreseeable future. There can be no assurances that sufficient equity can be raised on acceptable terms on a timely basis.

These interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements. Such adjustments could be material.

### 3. Right-of-use Assets

	Right-of-Use Vehicle*
	\$
Cost:	
Balance, December 31, 2023 and June 30, 2024	62,715
Accumulated amortization:	
Balance, December 31, 2023	22,212
Additions	11,758
Balance, September 30, 2024	33,970
Carrying amounts:	
Balance, December 31, 2023	40,503
Balance, September 30, 2024	28,744

\* Right-of-use vehicle is amortized using the straight-line basis until its lease expiration in July 2026.

**RESAAS SERVICES INC.**

Notes to the Interim Consolidated Financial Statements

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**4. Property and Equipment**

	Computer Equipment \$
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Cost:	
Balance, December 31, 2023 and September 30, 2024	90,620
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Accumulated amortization:	
Balance, December 31, 2023	89,139
Additions	611
Balance, September 30, 2024	89,750
<hr/>	
Carrying amounts:	
Balance, December 31, 2023	1,481
Balance, September 30, 2024	870

**5. Intangible Assets**

	Cost \$	Accumulated Amortization \$	Carrying Amounts \$
Balance, December 31, 2023	850,041	845,311	4,730
Amortization	–	2,145	(2,145)
Balance, September 30, 2024	850,041	847,456	2,585

The Company reviews the carrying value of its intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. During the nine months ended September 30, 2024 and 2023, the Company did not recognize any impairment.

**6. Lease Liability**

The lease liability consists of a lease of a vehicle. The lease has been discounted using a 7.00% interest rate.

	\$
Balance at December 31, 2023	42,477
Interest expense	1,963
Lease payments	(13,516)
Balance at September 30, 2024	30,924
Less: current portion	(16,376)
	14,548

## RESAAS SERVICES INC.

Notes to the Interim Consolidated Financial Statements  
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### 6. Lease Liability (continued)

The following is a schedule of future minimum lease payments as of September 30, 2024:

Fiscal year ending December 31:	Vehicle \$
2024	4,505
2025	18,022
2026	10,513
Net minimum lease payments	33,040
Less: amount representing interest payments	(2,117)
Present value of net minimum lease payments	30,924

### 7. Related Party Transactions

Key management includes members of the Board of Directors and executive officers of the Company. The following table summarizes the compensation of the Company's key management:

	Nine Months Ended September 30,	
	2024	2023
	\$	\$
Management fees	112,279	111,587
Stock-based compensation to officers and directors	155,194	859,515

As of September 30, 2024, the Company owed \$545,560 (December 31, 2023 - \$477,176) for loans from the Chief Executive Officer of the Company, which is unsecured, non-interest bearing, and due on demand.

### 8. Share Capital

#### Preferred Shares

The Company is authorized to issue an unlimited number of non-voting, non-transferable Class A preferred shares with a par value of \$0.01 per share. The Class A preferred shares cannot be issued at a price less than \$2.00 per share. Holders of Class A preferred shares are not entitled to receive any dividends. Each issued and outstanding Class A preferred share shall be converted into one fully paid common share immediately prior to the consummation of any "Change of Control Event".

The Company is authorized to issue an unlimited amount of Class B preferred shares without par value. The Class B preferred shares allow the Board to fix the number of shares in the series and to fix the preferences, special rights and restrictions, privileges, conditions and limitations attached to the shares of that series, before the issuance of shares of any particular series. The Board has the authority to fix, amongst other things, the number of shares constituting any such series, the voting powers, designation, preferences and relative participation, optional or other special rights and qualifications, limitations or restrictions thereof, including the dividend rights and dividend rate, terms of redemption (including sinking fund provisions), redemption price or prices, conversion rights and liquidation preferences of the shares constituting any series, without any further vote or action by the shareholders of the Company.

As at September 30, 2024 and December 31, 2023, there are no Class A or Class B preferred shares issued and outstanding.

## RESAAS SERVICES INC.

Notes to the Interim Consolidated Financial Statements  
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### 8. Share Capital (continued)

#### Common Shares

The Company is authorized to issue an unlimited number of common shares without par value.

During the nine months ended September 30, 2024, the Company issued a total of 90,000 common shares pursuant to the exercise of stock options at \$0.215 per share for gross proceeds of \$19,350. Upon exercise, the Company reclassified the original fair value of the stock options of \$24,868 from share-based payment reserve to common shares.

During the nine months ended September 30, 2023, the Company issued a total of 200,000 common shares pursuant to the exercise of stock options at \$0.20 per share for gross proceeds of \$40,000. Upon exercise, the Company reclassified the original fair value of the stock options of \$26,311 from share-based payment reserve to common shares.

### 9. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price \$
Balance, December 31, 2023	3,074,999	0.65
Expired	(1,000,000)	0.75
Balance, September 30, 2024	2,074,999	0.60

### 10. Stock Options

The Company adopted a stock option plan (the "Plan") to grant options to directors, senior officers, employees and consultants of the Company. Pursuant to the Plan, the maximum outstanding options reserved for issuance is 13,767,600 options to acquire common shares. The option exercise price under each option shall be not less than the Discounted Market Price as defined in the policies of the exchange on the Grant Date.

The following table summarizes information about the stock options.

	Nine Months Ended September 30, 2024		Nine Months Ended September 30, 2023	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Outstanding – beginning of period	8,135,000	0.50	6,238,000	0.48
Granted	–	–	6,575,000	0.22
Forfeited/Expired	–	–	(4,228,000)	0.44
Exercised	(90,000)	0.215	(200,000)	0.20
Outstanding – end of period	8,045,000	0.30	8,385,000	0.30
Exercisable – end of period	7,032,500	0.31	4,255,836	0.36

## RESAAS SERVICES INC.

Notes to the Interim Consolidated Financial Statements

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(Unaudited)

### 10. Stock Options (continued)

The following table summarizes information about stock options outstanding and exercisable as at September 30, 2024.

Exercise Price \$	Expiry Date	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining Contracted Life (Years)
0.305	November 20, 2025	200,000	200,000	1.14
1.11	March 30, 2026	200,000	200,000	1.50
0.66	November 9, 2026	25,000	25,000	2.11
0.36	March 14, 2027	25,000	25,000	2.45
0.205	October 5, 2027	10,000	10,000	3.01
0.64	March 8, 2031	1,000,000	1,000,000	6.44
0.215	March 16, 2033	6,485,000	5,572,500	8.46
0.215	November 20, 2033	100,000	–	9.15
		8,045,000	7,032,500	7.82

The fair value of stock options granted was determined using the Black-Scholes option pricing model.

During the nine months ended September 30, 2024, the Company granted nil (2023 - 6,575,000) stock options with a fair value of \$nil (2023 - \$1,319,148), of which \$nil (2023 - \$1,258,551) was expensed relating to stock options that vested during the period.

During the nine months ended September 30, 2024, the Company expensed \$202,161 (2023 - \$74,399) and reversed \$2,506 (2023 - \$nil) for the vesting of previously granted unvested stock options.

The weighted average fair value of the options granted during the nine months ended September 30, 2024 was \$nil per option (2023 - \$0.20). During the nine months ended September 30, 2024, 90,000 stock options were exercised. The weighted average share price for options exercised during the nine months ended September 30, 2024 was \$0.40. During the nine months ended September 30, 2023, 200,000 stock options were exercised. The weighted average share price for options exercised during the nine months ended September 30, 2023 was \$0.32.

Weighted average assumptions used in calculating the fair value of stock-based compensation expense are as follows:

	2024	2023
Risk-free rate	2.80%	3.22%
Dividend yield	–	–
Volatility	114%	112%
Expected forfeitures	–	–
Weighted average expected life of the options (year)	9.09	9.12

### 11. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of issued share capital, share-based payment reserve and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its board of directors, will balance its overall capital structure through new equity issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2023.

## RESAAS SERVICES INC.

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(Expressed in Canadian dollars)  
(Unaudited)

### 12. Commitments and Contingencies

The Company had no significant commitments or contractual obligations with any parties respecting executive compensation, consulting arrangements, or other matters. Management services provided are on a month-to-month basis. See Note 6 for minimum lease payments.

### 13. Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

#### (a) Fair Values

The fair values of financial instruments, which include cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, due to related party approximate their carrying values due to the relatively short-term maturity of these instruments. Lease liabilities approximate fair value as they are recorded as estimated market interest rates.

#### (b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is in its cash and receivables. Cash is held with major banks in Canada and the United States, which are high credit quality financial institutions as determined by rating agencies. The carrying amount of financial assets represents the maximum credit exposure.

#### Amounts Receivable

Amounts receivable consists of trade receivable of \$70,744 (December 31, 2023 - \$35,789), and GST refunds of \$1,707 (December 31, 2023 - \$7,323). To reduce the credit risk of amounts receivable, the Company regularly reviews the collectability of the amounts receivable to ensure there is no indication that these amounts will not be fully recoverable.

The following table represents the customers that represented 10% or more of total revenue:

Nine Months Ended September 30,	2024	2023
Customer A	–	19%
Customer B	7%	17%
Customer C	18%	–

#### (c) Currency Risk

The Company's functional currency is the Canadian dollar. Currency risk is the risk that the fair value of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company's head office and operating expenses are mainly denominated in Canadian dollars. A large portion of the Company's revenue is denominated in US dollars. If the US dollar depreciates compared to the Canadian dollar revenue would decrease in Canadian dollars. Management has chosen not to hedge its foreign exchange risk.

The Company is mainly exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in US dollars:

	September 30, 2024 US\$	December 31, 2023 US\$
Cash	2,781	17,491
Amounts receivable	51,592	27,250
Accounts payable and accrued liabilities	(28,066)	(75,041)
Net exposure	26,307	(30,300)
Canadian dollar equivalent	35,511	(40,075)

## RESAAS SERVICES INC.

Notes to the Interim Consolidated Financial Statements

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(Expressed in Canadian dollars)

(Unaudited)

### 13. Financial Instruments and Risk Management (continued)

A 10% change in the foreign exchange rate of US dollars is not expected to have a material impact on the Company's consolidated financial statements.

#### (d) Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates and its short-term term deposits at prescribed market rates. The fair value of the Company's cash is not significantly affected by changes in short-term interest rates. The income earned from the bank accounts and short-term term deposits is subject to movements in interest rates.

#### (e) Liquidity and Funding Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. A summary of the Company's obligations is as follows:

As at September, 2024	Carrying amount \$	Contractual cash flows \$	1 year or less \$	1-5 years \$
Accounts payable and accrued liabilities	145,682	145,682	145,682	–
Lease liability	30,924	33,040	18,022	15,018
Due to related party	545,560	545,560	545,560	–
	722,166	724,282	709,264	15,018

### 14. Subsequent Events

On October 9, 2024, TSX Venture Exchange approved extending the expiry date of the 2,075,000 warrants outstanding from October 17, 2024 to October 17, 2025.

On October 22, 2024, the Company issued a total of 50,000 common shares pursuant to the exercise of stock options at \$0.215 per share for gross proceeds of \$10,750.