

BUILDDIRECT.COM TECHNOLOGIES INC.
Condensed Consolidated Interim
Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Unaudited)

(Expressed in United States dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated 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 condensed consolidated interim financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity.

BUILDDIRECT.COM TECHNOLOGIES INC.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited)

(Expressed in United States dollars)

	As at June 30, 2025	As at December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,070,963	\$ 2,347,491
Short-term investments	200,000	445,415
Trade and other receivables (note 4)	4,235,827	3,694,821
Inventories (note 5)	10,039,503	9,619,963
Prepaid materials, expenses, and deposits	920,832	802,978
Total current assets	19,467,125	16,910,668
Non-current assets:		
Property and equipment (note 6)	706,428	607,699
Intangible assets (note 7)	1,062,168	1,882,891
Right-of-use assets (note 8)	1,915,051	2,562,647
Non-current deposits	508,382	434,040
Loans receivable (note 9)	568,075	-
Goodwill (note 7)	2,530,622	2,530,622
Deferred tax asset	2,824,396	2,824,396
Total non-current assets	10,115,122	10,842,295
Total Assets	\$ 29,582,247	\$ 27,752,963
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 10)	\$ 8,240,292	\$ 8,500,775
Income taxes payable	995,888	707,584
Current portion of lease (note 11)	766,881	1,154,315
Deferred revenue (note 12)	1,626,290	1,385,993
Debt – current (note 13)	4,233,660	2,449,384
Total current liabilities	15,863,011	14,198,051
Non-current liabilities:		
Lease liability (note 11)	1,484,281	1,695,228
Debt – non-current (note 13)	9,429,559	8,640,727
Warrants (note 14)	311,589	63,968
Total non-current liabilities	11,225,429	10,399,923
Shareholders' equity:		
Share capital (note 15)	123,165,028	123,136,971
Share based payment reserve	11,573,403	11,515,195
Deficit	(132,244,624)	(131,497,177)
Total Shareholders' equity	2,493,807	3,154,989
Total Liabilities and Equity	\$ 29,582,247	\$ 27,752,963

Commitments and contingencies (note 19)

See accompanying notes to Condensed Consolidated Interim Financial Statements.

Approved on behalf of the Board:

Milan Roy

Director

Tim Howley

Director

BUILDDIRECT.COM TECHNOLOGIES INC.

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss

(Unaudited)

(Expressed in United States dollars)

	For the three months ended		For the six months ended	
	2025	2024	2025	2024
	June 30		June 30	
Revenue (note 16)	\$ 16,860,359	\$ 16,182,846	\$ 31,949,205	\$ 31,772,698
Cost of goods sold (note 5)	10,137,346	9,998,090	19,001,520	19,496,991
Gross Profit	6,723,013	6,184,756	12,947,685	12,275,707
Operating expenses:				
Fulfillment costs	905,380	1,007,785	1,800,978	2,005,552
Selling and marketing	1,466,217	1,384,578	2,881,276	2,747,135
Administration	3,783,809	3,320,460	7,082,585	6,667,232
Depreciation and amortization	741,148	699,559	1,511,686	1,400,395
	6,896,554	6,412,382	13,276,525	12,820,314
Profit (loss) from operations	(173,541)	(227,626)	(328,840)	(544,607)
Other income (expense):				
Interest income	9,888	15,274	16,328	37,376
Interest expense	(407,327)	(321,745)	(755,937)	(651,607)
Rental income	-	55,281	-	111,476
Fair value adjustment of warrants (note 14)	(116,552)	24,275	(247,621)	27,314
Government grant (note 22)	1,170,137	-	1,170,137	-
Restructuring costs (note 21)	(36,871)	-	(156,885)	-
Finance fee	-	(20,000)	-	(20,000)
Foreign exchange gain (loss)	(126,247)	41,887	(145,100)	85,570
Gain on disposal of equipment	7,971	-	8,471	-
	500,999	(205,028)	(110,607)	(409,871)
Income (Loss) before income taxes	327,458	(432,654)	(439,447)	(954,478)
Income tax expense	(189,000)	(84,375)	(308,000)	(151,875)
Total income (loss) and comprehensive income (loss) for the period	138,458	(517,029)	(747,447)	(1,106,353)
Deficit, beginning of period	(132,383,082)	(130,838,971)	(131,497,177)	(130,249,647)
Deficit, end of period	\$ (132,244,624)	\$ (131,356,000)	\$ (132,244,624)	\$ (131,356,000)
Profit (loss) per share:				
Basic and diluted profit (loss) per share (note 23)	0.01	(0.01)	(0.02)	(0.03)

See accompanying notes to Condensed Consolidated Interim Financial Statements.

BUILDDIRECT.COM TECHNOLOGIES INC.

Condensed Consolidated Interim Statement of Changes in Equity (Deficiency)
(Unaudited)
(Expressed in United States dollars)

For the six months ended June 30, 2025 and 2024

	Common Shares		Share based payment reserve	Deficit	Total
	Number	Amount			
Balance – December 31, 2023	41,941,535	\$ 123,109,599	\$ 11,323,580	\$ (130,249,647)	\$ 4,183,532
Exercise of deferred share units (note 15)	7,843	3,720	-	-	3,720
Exercise of stock options (note 15)	83,328	23,652	-	-	23,652
Loss and comprehensive loss for the period	-	-	-	(1,106,353)	(1,106,353)
Share-based payment expense (note 15)	-	-	115,303	-	115,303
Balance – June 30, 2024	42,032,706	\$ 123,136,971	\$ 11,438,883	\$ (131,356,000)	\$ 3,219,854
Balance – December 31, 2024	42,032,706	\$ 123,136,971	\$ 11,515,195	\$ (131,497,177)	\$ 3,154,989
Exercise of stock options (note 15)	41,918	28,057	(11,522)	-	16,535
Loss and comprehensive loss for the period	-	-	-	(747,447)	(747,447)
Share-based payment expense (note 15)	-	-	69,730	-	69,730
Balance – June 30, 2025	42,074,624	\$ 123,165,028	\$ 11,573,403	\$ (132,244,624)	\$ 2,493,807

See accompanying notes to Condensed Consolidated Interim Financial Statements.

BUILDDIRECT.COM TECHNOLOGIES INC.

Condensed Consolidated Interim Statement of Cash Flows

(Unaudited)

(Expressed in United States dollars)

	For the three months ended		For the six months ended	
	June 30		June 30	
	2025	2024	2025	2024
Cash provided by (used in):				
Operating activities:				
Income (loss) for the period	\$ 138,458	\$ (517,029)	\$ (747,447)	\$ (1,106,353)
Add (deduct) items not affecting cash:				
Depreciation	756,140	699,559	1,511,686	1,400,395
Income tax expense	189,000	84,375	308,000	151,875
Stock-based compensation expense	34,865	51,122	69,730	115,303
Gain on disposal of equipment	(8,471)	-	(8,471)	-
Capitalized interest on loans payable	275,368	292,700	544,855	587,875
Amortization of financing costs (note 13)	11,246	-	18,742	-
Interest on capital leases	33,690	27,263	74,246	61,950
Interest on lease receivables and other	-	4,722	-	(17,380)
Fair value adjustment on warrants (note 14)	116,552	(24,275)	247,621	(27,314)
Unrealized foreign exchange	105,586	(39,698)	105,071	(79,492)
Change in non-cash working capital (note 18)	(1,120,097)	(489,787)	(280,834)	174,987
Income taxes paid	(3,085)	-	(19,696)	(1,000)
Total operating activities	529,253	88,952	1,823,504	1,260,845
Investing activities:				
Purchase of property and equipment (note 6)	(55,113)	(19,600)	(89,278)	(48,929)
Proceeds on disposal of equipment (note 6)	22,500	-	22,500	-
Acquisition of assets (note 3)	-	-	(593,396)	-
Payments on capital lease receivables	-	72,151	-	142,702
Total investing activities	(32,613)	52,551	(660,174)	93,773
Financing activities:				
Proceeds from exercise of options (note 15)	12,122	23,652	16,535	27,372
Deferred financing costs (note 13)	(46,278)	-	(119,217)	-
Interest paid	(66,213)	(86,992)	(120,130)	(186,758)
Capital lease payments (note 11)	(350,568)	(350,728)	(672,628)	(698,207)
Promissory note repayment (note 13)	(311,250)	(311,250)	(622,500)	(622,500)
Loan receivable (note 9)	(568,075)	-	(568,075)	-
Deferred consideration repayment	-	-	-	(675,000)
Loan advances (note 13)	1,415,743	1,000,000	2,648,866	1,000,000
Loan repayments (note 13)	(1,416)	(238,322)	(2,709)	(477,903)
Total financing activities	84,065	36,360	560,142	(1,632,996)
Increase (decrease) in cash and cash equivalents	580,705	177,863	1,723,472	(278,378)
Cash and cash equivalents, beginning	3,490,258	2,145,652	2,347,491	2,601,893
Cash and cash equivalents, end	\$ 4,070,963	\$ 2,323,515	\$ 4,070,963	\$ 2,323,515

See accompanying notes to Condensed Consolidated Interim Financial Statements.

BUILDDIRECT.COM TECHNOLOGIES INC.

Notes to Condensed Consolidated Interim Financial Statements
(Unaudited)
(Expressed in United States dollars)

For the three and six months ended June 30, 2025 and 2024

1. Nature of operations:

BuildDirect.com Technologies Inc. (“BuildDirect” or the “Company”) has been publicly traded since August 13, 2021, its predecessor company was incorporated on October 20, 1999, and operated as a private company. BuildDirect’s primary business is an online e-commerce platform for quality wood, vinyl, laminate and other flooring products. In addition, the Company has physical Pro-Centers located Canada and the United States serving the North American flooring market. The head office of the Company is located in Vancouver, British Columbia.

2. Basis of Presentation:

(a) Statement of compliance:

These condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34 Interim Financial Reporting and should be read in conjunction with the Company’s most recent annual consolidated financial statements. These interim financial statements follow the same accounting policies and methods of application.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on August 28, 2025.

BUILDDIRECT.COM TECHNOLOGIES INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)
(Unaudited)
(Expressed in United States dollars)

For the three and six months ended June 30, 2025 and 2024

2. Basis of presentation (continued):

(b) Functional and presentation currency

The Company's reporting currency is the United States Dollar.

(c) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and the following significant subsidiaries:

Entity	Jurisdiction	Ownership Interest	
		2025	2024
BuildDirect Operations Ltd.	Canada	100%	100%
BuildDirect Technology Holdings Inc	United States	100%	100%
Charter Distributing Company	United States	100%	100%
Superb Floor Covering	United States	100%	100%
BuildDirect Operations (U.S) Inc	United States	100%	-

The subsidiaries are all entities over which the Company has control. The Company controls an entity where the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. All inter-company balances and transactions have been eliminated on consolidation.

The preparation of the condensed consolidated interim financial statements in accordance with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and carrying value of assets, liabilities, revenues and expenses and disclosures of contingent assets and liabilities. Actual results may differ from these estimates and the differences could be material. Estimates and judgements are reviewed on a continuous basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods.

In April 2024, The International Accounting Standards Board issued IFRS 18 – Presentation and Disclosure in the Financial Statements ("IFRS 18") which is effective for annual reporting periods beginning on or after January 1, 2027. IFRS 18 requires significant changes to income statement presentation and requires additional disclosures around operating, investing and financing activities. Management is currently assessing the future impact to the Company's interim and annual reporting.

(d) Going Concern:

The consolidated financial statements of the Group have been prepared under the assumption the Group operates on a going concern basis, which assumes the Group will be able to discharge its liabilities as they fall due.

BUILDDIRECT.COM TECHNOLOGIES INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)

(Unaudited)

(Expressed in United States dollars)

For the three and six months ended June 30, 2025 and 2024

3. Asset acquisition:

On March 26, 2025, BuildDirect Operations (U.S.) Inc. acquired inventory and equipment from Yorkshore Sales and Marketing Inc. (“Yorkshore”) and Anchor Floor and Supply Company, LLC (“Anchor”) located in Longwood, Florida. Cash consideration paid for the acquired assets was \$593,396. Management assessed the criteria in IFRS 3 Business Combinations (“IFRS 3”) and determined that IFRS 3 would not apply to this transaction which has been recorded as an asset acquisition. The consideration was allocated to the identifiable assets acquired as follows:

Asset Class:	Amount:
Inventory	\$ 526,547
Equipment	66,849
Total consideration	\$ 593,396

Equipment consisted of office and warehouse equipment and vehicles; no liabilities were assumed. The fair value of the assets was estimated by management based on the consideration paid. The inventory is being sold in the ordinary course of business. Legal and other professional fees of \$22,723 related to the transaction, have been capitalized to equipment. BuildDirect Operations (U.S.) Inc. entered into separate employment contracts with key employees, compensation paid in advance of \$125,000 is included in prepaid expenses as at June 30, 2025.

4. Trade and other receivables:

	June 30, 2025	December 31, 2024
Trade receivables	\$ 4,205,161	\$ 3,651,869
Other receivables	30,666	42,952
	\$ 4,235,827	\$ 3,694,821

	2025	2024
Current	\$ 2,801,636	\$ 1,425,972
1-30 days	414,586	1,186,937
31-60 days	767,858	535,993
61-90 days	97,061	209,843
Over 90 days	124,020	293,124
Total	\$ 4,205,161	\$ 3,651,869

BUILDDIRECT.COM TECHNOLOGIES INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)
(Unaudited)
(Expressed in United States dollars)

For the three and six months ended June 30, 2025 and 2024

5. Inventories:

	June 30, 2025	December 31, 2024
Building materials	\$ 8,556,486	\$ 7,896,994
Building materials in transit	1,483,017	1,722,969
Total	\$ 10,039,503	\$ 9,619,963

Inventory consists primarily of flooring materials purchased for resale and is stated at the lower of cost or net realizable value. Cost is determined using the standard costing method. Inventory consists of owned inventory received and owned inventory in transit as title has passed to the Company. The costs of any consigned inventory are excluded and recognized at time of sale. The change in inventory includes an increase of \$659,491 in received inventory and a decrease of \$239,951 of in-transit inventory. Flooring products and supplies of \$526,547 acquired on March 26, 2025 acquisition (note 3) have been integrated into the Company's product lines.

Prepaid freight, duty and other costs related to in-transit inventory is \$164,909 and is included in prepaid & deposits current at June 30, 2025 (Dec. 31, 2024 - 320,244). Accounts payable and accrued liabilities include \$951,236 related to in-transit inventory (Dec. 31, 2004 - \$1,285,687).

The cost of inventories and the cost of labour recognized as cost of goods sold during the six months ended June 30, 2025 was \$19,001,520 (2024 - \$19,496,991).

BUILDDIRECT.COM TECHNOLOGIES INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)

(Unaudited)

(Expressed in United States dollars)

For the three and six months ended June 30, 2025 and 2024

6. Property and equipment:

	Computer Equipment	Office furniture and fixtures	Equipment	Leasehold improvements	Total
Cost:					
Balance at January 1, 2024	\$ 144,088	\$ 12,727	\$ 226,378	\$ 632,141	\$ 1,015,334
Additions	-	12,469	119,137	18,810	150,416
Disposals	-	-	(26,148)	-	(26,148)
Balance at December 31, 2024	144,088	25,196	319,367	650,951	1,139,602
Additions	3,039	13,606	37,473	12,435	66,553
Acquired in acquisition (note 3)	-	16,129	73,443	-	89,572
Disposals	-	-	(20,500)	-	(20,500)
Balance as at June 30, 2025	\$ 147,127	\$ 54,931	\$ 409,783	\$ 663,386	\$ 1,275,227
Accumulated amortization:					
Balance at January 1, 2024	\$ 91,734	\$ 12,727	\$ 140,522	\$ 207,120	\$ 452,103
Depreciation	20,187	4,130	46,357	20,507	91,181
Disposals	-	-	(11,381)	-	(11,381)
Balance at December 31, 2024	111,921	16,857	175,498	227,627	531,903
Depreciation	9,910	973	21,664	11,320	43,867
Disposals	-	-	(6,971)	-	(6,971)
Balance as at June 30, 2025	\$ 121,831	\$ 17,830	\$ 190,191	\$ 238,947	\$ 568,799
Carrying amounts:					
Balance as at December 31, 2024	\$ 32,167	\$ 8,339	\$ 143,869	\$ 423,324	\$ 607,699
Balance as at June 30, 2025	\$ 25,296	\$ 37,102	\$ 219,591	\$ 424,439	\$ 706,428

Management regularly assesses property and equipment for impairment indicators and has determined that no impairment is required for the six months ended June 30, 2025 (2024 - nil).

BUILDDIRECT.COM TECHNOLOGIES INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)

(Unaudited)

(Expressed in United States dollars)

For the three and six months ended June 30, 2025 and 2024

7. Intangible assets and Goodwill:

	Intangible Assets			
	Goodwill	Customer List	Brand	Total Intangible Assets
Cost:				
Opening balance as at January 1, 2024	\$ 2,530,622	\$ 11,725,800	\$ 2,360,000	\$ 14,436,185
Additions	-	-	-	-
Disposals	-	-	-	-
Balance as at January 1, 2025	2,530,622	11,725,800	2,360,000	14,436,185
Additions	-	-	-	-
Disposals	-	-	-	-
Balance as at June 30, 2025	\$ 2,530,622	\$ 11,725,800	\$ 2,360,000	\$ 14,436,185
Accumulated amortization and impairment:				
Opening balance as at January 1, 2024	-	\$ 9,333,669	\$ 1,227,797	\$ 10,910,302
Amortization	-	1,169,443	472,000	1,642,992
Balance as at December 31, 2024	-	10,503,112	1,699,797	12,553,294
Amortization	-	584,723	236,000	820,723
Balance as at June 30, 2025	-	\$ 11,087,835	\$ 1,935,797	\$ 13,374,017
Carrying amounts as at:				
December 31, 2024	\$ 2,530,622	\$ 1,222,688	\$ 660,203	\$ 1,882,891
June 30, 2025	\$ 2,530,622	\$ 637,965	\$ 424,203	\$ 1,062,168

Impairment

The Company operates as three operating segments comprised of the Superb CGU, BuildDirect.com CGU and the FloorSource group of CGUs. All goodwill and intangible assets are assessed and tested at the CGU.

The Company assesses for impairment indicators at each interim period end and performed an annual test of impairment for goodwill at December 31, 2024. The Company did not identify any indicators of impairment for any intangible asset or goodwill for the six months ended June 30, 2025.

BUILDDIRECT.COM TECHNOLOGIES INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)

(Unaudited)

(Expressed in United States dollars)

For the three and six months ended June 30, 2025 and 2024

8. Right-of-use assets:

	Premises	Equipment	Total
Cost:			
Balance as January 1, 2024	\$ 5,816,435	\$ 489,075	\$ 6,305,510
Additions	1,529,542	-	1,529,542
Balance as January 1, 2025	7,345,977	489,075	7,835,052
Additions	-	-	-
Balance as at June 30, 2025	\$ 7,345,977	\$ 489,075	\$ 7,835,052
Accumulated amortization:			
Balance as January 1, 2024	\$ 3,953,931	\$ 190,879	\$ 4,144,810
Amortization	1,057,040	70,555	1,127,595
Balance as January 1, 2025	5,010,971	261,434	5,272,405
Amortization	612,319	35,277	647,596
Balance as at June 30, 2025	\$ 5,623,290	\$ 296,711	\$ 5,920,001
Carrying amounts:			
Balance as at December 31, 2024	\$ 2,335,006	\$ 227,641	\$ 2,562,647
Balance as at June 30, 2025	\$ 1,722,687	\$ 192,364	\$ 1,915,051

On March 26, 2025, BuildDirect Operations (US) Inc. entered into a short-term operating lease for its new location in Orlando, Florida. On July 15, 2025, a new 5-year lease for a 24,496 sq ft premises was finalized. Management determined the right-of-use asset and lease obligation to be \$1,218,518 at the inception of the lease based on a 12% discount rate.

On July 1, 2025, BuildDirect Operations Ltd. entered into a 5-year lease for a 9,832 sq ft premises in Richmond, British Columbia. Management determined the right-of-use asset and lease obligation to be \$1,262,515 at the inception of the lease based on a 12% discount rate.

As the effective date is subsequent to the period end, the table above does not reflect the recognition of the right-of-use asset and lease liability (note 11).

Management regularly assesses right-of-use assets for impairment indicators and has determined that no impairment is required for the six months ended June 30, 2025 (2024 - nil).

BUILDDIRECT.COM TECHNOLOGIES INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)

(Unaudited)

(Expressed in United States dollars)

For the three and six months ended June 30, 2025 and 2024

9. Loans receivable:

	June 30, 2025	December 31, 2024
Loans receivable	\$ 568,075	\$ -
	\$ 568,075	\$ -

On May 9, 2025, in conjunction with the 2025 secured loan from Lyra Growth Partners Inc. (note 13), BuildDirect Operations Ltd. advanced an aggregate of C\$775,000 to senior management (the "Management Loans") to facilitate the purchase of previously issued common shares of the Company. The common shares purchased have been pledged as security for the loans. Interest accrues at the greater of i) 8% and ii), the prescribed rate administered by the Canada Revenue Agency. The interest rate is adjusted on March 31, June 30, September 30, and December 31 of each year. Interest is calculated daily and compounded annually, not in advance, and becomes payable commencing on May 10, 2026 (one hundred and thirty days after year-end) and continuing on that date thereafter, until the loan is paid in full. The loan matures on May 9, 2030 or earlier, in the event of default.

10. Accounts payable and accrued liabilities:

	June 30, 2025	December 31, 2024
Trade accounts payable and accruals	\$ 7,598,935	\$ 8,154,874
Payroll and health taxes	425,682	195,965
Other payables	215,675	149,936
	\$ 8,240,292	\$ 8,500,775

11. Leases:

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. The Company's lease obligations have effective annual discount rates ranging from 2.75% to 12%.

(a) As a lessee:

Maturity analysis contractual undiscounted cash flows	June 30, 2025	December 31, 2024
Less than one year	\$ 876,132	\$ 1,290,366
One to five years	1,505,582	1,726,170
More than five years	242,000	278,300
Total undiscounted lease liabilities at period end	\$ 2,623,714	\$ 3,294,836

BUILDDIRECT.COM TECHNOLOGIES INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)

(Unaudited)

(Expressed in United States dollars)

For the three and six months ended June 30, 2025 and 2024

11. Leases (continued):

Lease liabilities included in the consolidated statement of financial position as at period end	\$ 2,251,162	\$ 2,849,543
Current lease liabilities	(766,881)	(1,154,315)
Non-current lease liabilities	\$ 1,484,281	\$ 1,695,228

The above table does not reflect the lease liabilities related to the new leases referred to in note 8 as the effective date is subsequent to the period end.

The following amounts relate to the leases recognized on the consolidated statement of operations:

	June 30, 2025	June 30, 2024
Interest on lease liabilities	\$ 74,246	\$ 61,950
Income from subleasing right-of-use assets	-	(259,958)
	\$ 74,246	\$ (198,008)

(b) As a lessor:

The Company had subleases for an office and warehouse that matured during the year ended December 31, 2024. During the six months ended June 30, 2025, the Company recognized interest income of \$nil (2024 - \$4,868) on the office finance lease. The warehouse lease was classified at an operating lease.

12. Deferred revenue:

	June 30, 2025	December 31, 2024
Beginning balance	\$ 1,385,993	\$ 1,559,755
Additions to deferred revenue	1,626,290	1,385,993
Revenue recognized	(1,385,993)	(1,559,755)
Ending balance	\$ 1,626,290	\$ 1,385,993

Deferred revenue represents cash received from customers in advance of delivery.

BUILDDIRECT.COM TECHNOLOGIES INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)

(Unaudited)

(Expressed in United States dollars)

For the three and six months ended June 30, 2025 and 2024

13. Debt:

	June 30, 2025	December 31, 2024
Total debt	\$ 13,663,219	\$ 11,090,111
Current	(4,233,660)	(2,449,384)
Non-current	\$ 9,429,559	\$ 8,640,727

	Lyra Secured Debt	Insider Lenders Secured Debt	Promissory Note	Credit Facility	Vehicle Financing	Total
December 31, 2024	-	\$ 8,330,335	\$ 1,494,907	\$ 1,232,402	\$ 32,467	\$ 11,090,111
Advances	\$ 561,100	-	-	2,087,766	-	2,648,866
Repayments	-	-	(622,500)	-	(2,709)	(625,209)
Non-cash interest	-	508,164	36,691	-	-	544,855
Amortization of financing costs	-	-	-	18,742	-	18,742
Capitalized fees	-	-	-	(119,217)	-	(119,217)
Foreign exchange	6,975	-	-	98,594	(498)	105,071
June 30, 2025	\$ 568,075	\$ 8,838,499	\$ 909,098	\$ 3,318,287	\$ 29,260	\$ 13,663,219
Current	-	-	\$ 909,098	\$ 3,318,287	\$ 6,275	\$ 4,233,660
Non-current	\$ 568,075	\$ 8,838,499	-	-	22,985	9,429,559
Total	\$ 568,075	\$ 8,838,499	\$ 909,098	\$ 3,318,287	\$ 29,260	\$ 13,663,219

(a) Lyra secured debt:

On May 9, 2025, Lyra Growth Partners Inc. ("Lyra") loaned BuildDirect Operations Ltd. an aggregate principal amount of C\$775,000 under a non-revolving term loan (the "Term Loan"). The loan was divided into tranches and funded the loans to senior management which are an offset to loan receivable (note 9) for the purpose of purchasing issued and outstanding shares of BuildDirect.com Technologies Inc.

Interest accrues at the greater of i) 8% and ii), the prescribed rate administered by the Canada Revenue Agency. The interest rate is adjusted on March 31, June 30, September 30, and December 31 of each year. Interest is calculated daily and compounded annually, not in advance, and becomes payable commencing on May 10, 2026 (one hundred and thirty days after year-end) and continuing on that date thereafter, until the loan is paid in full. The loan matures on May 9, 2030 or earlier, in the event of default.

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Notes to Condensed Consolidated Interim Financial Statements (continued)

(Unaudited)

(Expressed in United States dollars)

For the three and six months ended June 30, 2025 and 2024

13. Debt (continued):

(b) Secured debt:

On February 15, 2022, and on June 29, 2022, BuildDirect Operations Ltd. negotiated new loans in an aggregate amount of \$3,000,000 and \$1,500,000 respectively via the issuance of secured notes (the "2022 Notes") to Pelecanus Investments Ltd. ("Pelecanus"), Lyra Growth Partners Inc., and Beedie Investments Ltd. ("Beedie") all related parties, and together (the "Insider Lenders").

Further advances of \$1,000,000 on June 5, 2024 and \$700,000 on October 8, 2024 were made under this facility from the Insider Lenders. This secured debt bears interest at an annual rate of 12%, compounded monthly but does not require on-going cash principal and interest payments because full repayment is due upon final repayment of the loan. Commitment fees of 2% on the Additional Loans were capitalized to the loan principal. On June 27, 2025, the maturity date was extended by two years to April 1, 2028.

This debt is secured by all property, assets, and rights of the Company, excluding the property assets and rights of FloorSource. These notes from the Insider Lenders were subordinated to the 2018 Notes and are now subordinated to the new Credit Facility (see note 12(c) below). The Company has met all covenants associated with the 2022 Notes and Additional Loans as at June 30, 2025.

(c) Promissory note:

The promissory note was originally issued on December 31, 2020, in the amount of \$6,193,725 bearing 5% interest, compounded annually and paid quarterly. The note formed part consideration on the acquisition of FloorSource and is secured by all present and future property, assets, and rights of FloorSource. Annual principal payments of \$1,245,000 commenced on December 31, 2021, and continues on a quarterly basis in equal instalments of \$311,250. The note matures on January 1, 2026.

(c) Promissory note (continued):

In accordance with *IFRS 3 Business Combinations*, the note was initially recorded at fair value using a discounted cash flow model with a risk adjusted discount rate of 12%. Subsequently accounted for using amortized cost, the resulting discount from using the 12% rate is accreted over the remaining term of the loan as a charge to interest expense.

The Company recorded the following amounts for the six-month period ended June 30, 2025:

Accrued interest of \$36,691 (2024 - \$71,093),

Interest payments of \$ 37,773 (2024 - \$61,064), and

Principal payments of \$622,500 (2024 - \$311,250).

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Notes to Condensed Consolidated Interim Financial Statements (continued)
(Unaudited)
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For the three and six months ended June 30, 2025 and 2024

13. Debt (continued):

(d) Credit Facility:

On December 20, 2024, the Company entered into a revolving credit facility ("RCF") agreement with a Tier 1 Canadian Bank with an aggregate borrowing limit of up to CAD\$9,466,000. The RCF is payable upon demand and subject to certain financial covenants calculated on a consolidated basis. The credit facility includes C\$1,126,000 of Letters of Guarantee ("Facility 1") and a C\$8,340,000 revolving demand facility by way of prime plus 1.50% Canadian currency or prime plus 1.00% US dollar loans ("Facility 2"). The RCF has a general security agreement and a first priority position on all of the Company's assets and property.

The facility does not have a fixed term and is due on demand. The RCF is also supported by the Export Development Canada's ("EDC") Trade Expansion Lending Program. Borrowing amount under the RCF is based on certain percentages of accounts receivable and inventory balances, less prior encumbrances.

As at June 30, 2025, the Company has drawn \$3,445,730 on the facility (2024 - \$1,232,402). The 2024 advance was used to repay higher rate debt. On March 26, the Company utilized \$750,000 to fund an asset acquisition (note 3). Letters of guarantee of \$254,747 have been issued under Facility 1 of the RCF as at June 30, 2025 (note 18(b)).

(e) Vehicle Financing:

On August 28, 2024, the Company financed a delivery vehicle in the amount of C\$46,142 at a fixed rate of 9.49% with blended principal and interest payments over five years. The outstanding principal at June 30, 2025 is \$29,260 of which \$6,275 is due in the next twelve months.

BUILDDIRECT.COM TECHNOLOGIES INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)

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(Expressed in United States dollars)

For the three and six months ended June 30, 2025 and 2024

14. Warrants:

The warrants to purchase common shares of the Company were issued on December 30, 2020 and expire on December 30, 2030; the exercise price is C\$4.23. As the functional currency at the date of issuance was USD, the value of the warrants are accounted for as a derivative liability and carried at fair value through profit or loss.

During the period ended June 30, 2025, the liability increased by \$247,621 due to an increase in the share price (2024 – gain \$27,314).

	June 30, 2025		December 31, 2024	
	Number	Amount	Number	Amount
Beginning of year	753,725	\$ 63,968	753,725	\$ 75,224
Change in fair value	-	247,621	-	(11,256)
Ending balance	753,725	\$ 311,589	753,725	\$ 63,968

The fair value of the warrants is determined using the Black-Scholes pricing model with the following assumptions:

Issue Date: December 30, 2020	At June 30, 2025:	At December 31, 2024:
Exercise price (per share)	C\$4.2281	C\$4.2281
Time to maturity (in years)	5.50	6.00
Volatility	67%	67%
Risk-free rate	0.41%	0.45%
Value of common shares	C\$1.58	C\$0.60

15. Shareholders' equity:

(a) Share capital:

Authorized:

Unlimited common shares, without par value

Unlimited preference shares, without nominal or par value

	Six months ended June 30, 2025		Year ended December 31, 2024	
	Number	Amount	Number	Amount
Common Shares:				
Beginning of year	42,032,706	\$ 123,136,971	41,941,535	\$ 123,109,599
Exercise of deferred share units	-	-	7,843	3,720
Exercise of stock options	41,918	28,057	83,328	23,652
Ending balance	42,074,624	\$ 123,165,028	\$ 42,032,706	\$ 123,136,971

For the six months ended June 30, 2025, 41,918 options were exercised for cash proceeds of \$16,535 and \$11,522 in fair value of the exercised options was transferred to share capital from share-based payment reserve for a total increase of \$28,057.

BUILDDIRECT.COM TECHNOLOGIES INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)
(Unaudited)
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For the three and six months ended June 30, 2025 and 2024

15. Shareholders' equity (continued):

(a) Share capital (continued):

Subsequent to the end of the period, on August 1, 2025, the Company closed a non-brokered private placement (the "Private Placement"). The Company issued 6,087,173 common shares at a price of C\$1.15 per share, for gross proceeds of C\$7,000,250 (U\$5,193,044). The Company incurred U\$37,000 of share issue costs for legal fees, transfer agent and exchange fees. No finder's fee, or commissions are payable in connection with the Private Placement. The shares issued are subject to a four-month hold period ending December 2, 2025.

(b) Share based payments:

Since July 2018, the Company has an incentive stock option plan under which up to a total 8,388,307 options can be issued. Stock options vest over a four-year period. 25% of a grant vests on the first anniversary, and the remaining 75% vests over 36 months, subsequent to the first 25% vesting.

Share-based payment expense of \$69,730 was recognized during the six months ended June 30, 2025 (2024 - \$115,303).

The following table summarizes stock option activity for the six months ended June 30, 2025 and the year ended December 31, 2024:

	2025		2024	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Options to purchase common shares:				
Outstanding, beginning of year	4,092,933	\$ 0.39	3,656,941	\$ 0.42
Granted to employees	200,000	1.10	900,000	0.31
Exercised	(41,918)	0.39	(83,328)	0.29
Cancelled or forfeited	(366,009)	1.22	(380,680)	0.45
Outstanding, end of period	3,885,006	\$ 0.37	4,092,933	\$ 0.39

BUILDDIRECT.COM TECHNOLOGIES INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)

(Unaudited)

(Expressed in United States dollars)

For the three and six months ended June 30, 2025 and 2024

15. Shareholders' equity (continued):

(b) Share based payments (continued):

The following tables summarize the outstanding and exercisable options as at June 30, 2025:

Expiry date	Exercise price (U\$)	Outstanding options	Options exercisable	Weighted average remaining contractual life (years)
Oct. 8, 2027	\$ 0.29	100,000	66,667	2.27
Jul. 20, 2028	\$ 0.57	1,131	1,131	3.06
Dec. 19, 2028	\$ 0.56	204	204	3.47
May 2, 2029	\$ 0.56	278	278	3.84
Oct. 31, 2029	\$ 0.41	11,274	11,274	4.34
Dec. 16, 2020	\$ 0.42	927	927	5.47
Apr. 20, 2031	\$ 1.54	98,275	98,275	5.81
May 23, 2033	\$ 0.29	2,422,917	1,547,917	7.90
Dec. 23, 2033	\$ 0.41	450,000	450,000	8.49
Sep. 5, 2034	\$ 0.31	600,000	-	9.19
Oct. 8, 2034	\$ 0.29	150,000	-	9.28
Apr. 29, 2035	\$ 1.09	50,000	-	9.84
	\$ 0.35	3,885,006	2,176,673	8.04

The following tables summarize the outstanding and exercisable options as at December 31, 2024:

Expiry date	Exercise price (U\$)	Outstanding options	Options exercisable	Weighted average remaining contractual life (years)
Oct. 8, 2027	\$ 0.29	100,000	-	2.77
Jun. 30, 2028	\$ 0.54	42,509	42,509	3.50
Jul. 20, 2028	\$ 0.76	19,832	19,832	3.55
Oct. 28, 2030	\$ 2.12	7,536	7,536	5.83
Apr. 20, 2031	\$ 1.94	126,700	120,826	6.30
Dec. 17, 2031	\$ 1.36	46,356	41,809	6.96
May 23, 2033	\$ 0.29	2,500,000	1,310,348	8.40
Dec. 23, 2033	\$ 0.41	450,000	421,875	8.98
Sep. 5, 2034	\$ 0.31	650,000	-	9.68
Oct. 8, 2034	\$ 0.29	150,000	-	9.78
	\$ 0.38	4,092,933	1,964,735	8.42

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Notes to Condensed Consolidated Interim Financial Statements (continued)

(Unaudited)

(Expressed in United States dollars)

For the three and six months ended June 30, 2025 and 2024

16. Revenue:

Revenues from external customers are split into four main streams. Product revenue is earned from customers who purchase goods in store and online through the Company's website. Service revenue is made up of three streams of revenue, freight, warehouse and installation revenue. Freight revenue is the amount collected for the freight shipping and handling of products, either ones sold on the Company's website, or for third parties requiring the logistics services. Warehouse revenue is earned for the storage of third-party inventory. Installation revenue is the amount charged to customers for installation services. Product revenue, and service revenue related to freight and warehouse are recognized at the point in time when the customer obtains control of the good or when the service provided. Service revenue related to installation is recognized at the point in time when the service is provided or for larger scale installations over the period that the service is provided.

The Company recognizes the product, freight, warehouse and installation revenue on a gross basis.

As all payments for items purchased through the product and freight streams are paid for at the time of order, deferred revenue is recorded for the period between when the order is placed and when the order has been delivered at the customer's chosen destination.

For the three months ended June 30, 2025, the Company recognized \$58,413 (2024 - \$34,718) for refund liability which is included in accounts payable and accrued liabilities.

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Product revenue	\$ 15,416,060	\$ 13,393,889	\$ 29,520,905	\$ 27,285,300
Service revenue				
Freight	224,669	166,605	402,163	348,342
Warehouse	15,100	9,032	18,616	13,203
Installation	1,204,529	2,613,320	2,007,520	4,125,853
	\$ 16,860,359	\$ 16,182,846	\$ 31,949,205	\$ 31,772,698

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Notes to Condensed Consolidated Interim Financial Statements (continued)

(Unaudited)

(Expressed in United States dollars)

For the three and six months ended June 30, 2025 and 2024

17. Segment information:

The Company's Chief Operating Decision-Maker (CODM), which consists of the Executive Leadership Team ("ELT"), regularly assesses the performance of, and makes resource allocation decisions based on two operating segments, BuildDirect.com and Pro Centers which are broken out below. In presenting the following information, segment revenue has been based on the geographic location of customer and non-current assets have been based on the geographic location of the assets.

(a) Revenue:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
<u>BuildDirect.com:</u>				
United States	\$ 3,587,113	\$ 4,062,690	\$ 7,715,917	\$ 7,773,121
Canada	68,777	87,372	161,379	226,926
<u>Pro Centers:</u>				
United States	13,204,469	12,032,784	24,071,909	23,772,651
	\$ 16,860,359	\$ 16,182,846	\$ 31,949,205	\$ 31,772,698

(b) Non-current assets:

	June 30, 2025	December 31, 2024
<u>BuildDirect.com:</u>		
United States	\$ -	\$ 996,158
Canada	1,227,869	709,488
<u>Pro Centers:</u>		
United States	8,887,254	9,136,649
	\$ 10,115,122	\$ 10,842,295

BUILDDIRECT.COM TECHNOLOGIES INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)
(Unaudited)
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For the three and six months ended June 30, 2025 and 2024

18. Supplemental Cash Flow Information:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2025	2024	2025	2024
Change in non-cash operating working capital:				
Short-term investments	\$ -	\$ -	\$ 245,415	\$ -
Trade and other receivables	(1,221,882)	176,350	(541,005)	469,152
Inventories	(1,059,427)	375,066	107,007	603,079
Prepaid expenses and deposits	(123,434)	2,768	(192,196)	(474,551)
Accounts payable and accruals	1,114,628	(1,033,510)	(140,352)	(436,358)
Deferred revenue	170,019	(10,461)	240,298	13,665
Total	\$ (1,120,097)	\$ (489,787)	\$ (280,834)	\$ 174,987

For the three months ended June 30, 2025, the change in non-cash working capital of (\$1,120,097) includes incremental accounts receivable of (\$459,829) and accounts payable of \$330,715 from the acquisition of Anchor/Yorkshore (note 3). Excluding the acquisition, the change in non-cash working capital would have been (\$990,443).

19. Commitments and contingencies:

- Claims are made against the Company in the ordinary course of operations. The Company has made provisions for such claims, when necessary.
- The Company issues letters of guarantee through its financial institution to provide guarantees for duty on cross-border shipments. Outstanding letters of guarantee amount to \$254,747 (December 31, 2024 - \$254,747).

20. Financial risk management:

The Company's operations expose it to a variety of financial risks including liquidity risk, market risk and credit risk.

(a) Liquidity risk:

Liquidity risk is the risk that the Company will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Company manages its liquidity risk by monitoring its operating requirements and through ongoing review of working capital balances and management of cash. The Company prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. The ability to fund operating requirements depends on future operating performance and cash flows, which are subject to economic, financial, competitive, and other factors.

The Company incurred net income of \$138,459 and a loss of (\$747,447) in the three and six months ended June 30, 2025 respectively. For the same period, positive cash flow from operations after working capital changes is \$529,253 and \$1,823,504 respectively.

Working capital increased by \$891,497 to \$3,604,114 at June 30, 2025 from \$2,712,617 at December 31, 2024 while cash increased by \$1,723,472 to \$4,070,963 at June 30, 2025 compared to \$2,347,491 at December 31, 2024. As such, the Company believes that it will be able to meet its financial obligations, see note 2(c) for details.

BUILDDIRECT.COM TECHNOLOGIES INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)

(Unaudited)

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For the three and six months ended June 30, 2025 and 2024

20. Financial risk management (continued):

(a) Liquidity risk (continued):

The following table summarizes the amount of contractual undiscounted future cash flows for the Company's financial liabilities, including interest as at June 30, 2025:

	2025	2026	2027	2028	2029	Total
Accounts payable and accrued liabilities	\$ 8,240,291	\$ -	\$ -	\$ -	\$ -	\$ 8,240,291
Revolving credit facility	3,318,287	-	-	-	-	3,318,287
Promissory note	909,098	-	-	-	-	909,098
Loans payable	6,275	4,524	9,418	12,269,140	4,962	12,294,319
	\$ 12,473,951	\$ 4,524	\$ 9,418	\$ 12,269,140	\$ 4,962	\$ 24,761,995

(b) Market risk:

(i) Currency risk:

Currency risk reflects the risk that the Company's earnings will decline due to fluctuations in exchange rates.

At June 30, 2025, the Company has cash and cash equivalents of C\$145,016 (2024 - C\$8,794).

At June 30, 2025, the Company has accounts payable and accrued liabilities of C\$1,207,947 (2024 - C\$1,131,716).

The drawn balance on the Company's Credit Facility of U\$3,445,730 (note 12) includes C\$3,309,424 (2024 - C\$1,764,318).

The secured debt payable to Lyra Growth Partners Inc. is C\$775,000 (2024 - C\$nil), this is offset by the C\$775,000 (2024 C\$nil) loan receivable from senior management. As such, there is no net foreign exchange impact on the Company's earnings.

If the period-end foreign exchange rate of Canadian dollar had been 10% higher, or 10% lower, with all other variables held constant, the effect on the Company's foreign exchange for the six-months ended June 30, 2025 would have been \$513,275 (2024 - \$442,316) higher or lower.

(ii) Interest risk:

Interest risk is the risk that the fair value or cash flows from a financial instrument will fluctuate due to a change in market interest rates. The Company bears interest rate risk to the extent of its drawings on the revolving credit facility (note 12). All other debt is at fixed rates. The interest rate risk on cash and short-term investments is considered insignificant due to the low interest rates in the current economic environment and short-term nature of its holdings and as such the Company does not take any actions to manage interest rate risk.

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Notes to Condensed Consolidated Interim Financial Statements (continued)
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For the three and six months ended June 30, 2025 and 2024

20. Financial risk management (continued):

(c) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Company, in its normal course of business, evaluates the financial condition of its customers on a regular basis and requires the majority of its customers to prepay for orders before shipment can be made. Therefore, the Company has determined there is no significant exposure to customer credit risk.

(d) Capital management:

The Company's objective when managing its capital structure is to maintain a strong financial position and to provide returns with sufficient liquidity to undertake further growth for the benefit of its shareholders. The Company's capital is comprised of long-term obligations and equity as outlined below:

	June 30, 2025	December 31, 2024
External debt	\$ 13,663,219	\$ 11,090,111
Less cash	(4,070,963)	(2,347,491)
Net external debt	9,592,256	8,742,620
Total shareholders' equity	2,493,807	3,154,989
Total capitalization	\$ 12,086,063	\$ 11,897,609

There were no changes to the Company's approach to capital management during the period. The Company's strategy is to ensure it remains in compliance with all of its debt covenants to ensure continuous access to the required capital to fund growth. Management reviews results and forecasts to monitor the Company's compliance.

(e) Fair value hierarchy:

- Level 1: The fair value of financial instruments traded in active markets and based on quoted market prices at the end of the reporting period.
- Level 2: The fair value of financial instruments that are not traded in an active market and determined by using valuation techniques using observable market data and rely little on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3 (i.e. unlisted equity securities).

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Notes to Condensed Consolidated Interim Financial Statements (continued)
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20. Financial risk management (continued):

(e) Fair value hierarchy (continued):

The carrying value of the Company's cash, trade and other receivables, short-term investments, accounts payable and accrued liabilities approximate fair value due to their short-term nature. The carrying value of the revolving credit facility approximates fair value as it is prime-based and resets based on current market conditions.

The terms of the Company's promissory notes and loans payable were previously modified, as such, the carrying amounts approximate fair value.

Warrants have key observable Level 1 inputs of exercise price and time to maturity, a Level 2 input of risk-free rate and a Level 3 input of volatility (note 14).

21. Expenses by nature:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Building materials and consumables	\$ 11,042,725	\$ 11,005,876	\$20,802,498	\$ 21,502,544
Employee costs	3,069,922	2,658,371	5,820,279	5,292,933
Marketing and promotion	818,898	556,188	1,610,804	1,249,852
Professional services	666,589	556,630	1,243,149	1,088,820
Depreciation and amortization	748,644	699,559	1,511,686	1,400,395
Share-based compensation expense	34,865	51,122	69,730	115,302
Rent and other	652,257	882,726	1,219,899	1,667,459
	\$ 17,033,900	\$ 16,410,472	\$ 32,278,046	\$ 32,317,305

Employee costs include \$156,885 (2024 - \$Nil) of severance as a result of restructuring at the parent company level.

22. Government grant:

On May 21, 2025, the Company received \$1,170,137 from the U.S. Internal Revenue Service for COVID benefits applied for in 2023 under the Employee Retention Tax Credit ("ERTC") by Chartered Distributing Company. As at June 30, 2025, there are no unfulfilled conditions or other contingencies attached to the government assistance, the amounts received have been reported in other income, \$985,100 for benefits and \$185,037 for interest. The amounts are taxable in the year received, as such, the Company estimates a tax impact of approximately \$301,000 for the year ended December 31, 2025.

BUILDDIRECT.COM TECHNOLOGIES INC.

Notes to Condensed Consolidated Interim Financial Statements (continued)

(Unaudited)

(Expressed in United States dollars)

For the three and six months ended June 30, 2025 and 2024

23. Earnings (loss) per Share:

Loss per share represents loss from the period divided by the weighted average number of common and preference shares outstanding during the period. The weighted average number of shares is as follows:

	June 30, 2025	June 30, 2024
Beginning balance, shares outstanding	42,032,706	41,941,535
Effect of share issuances	11,245	22,624
Weighted average number of shares	42,043,951	41,964,159

Diluted loss per share is calculated by dividing the applicable loss by the sum of the weighted average number of shares outstanding and all additional common shares that would have been outstanding if potentially dilutive shares had been issued during the period. The calculation has not been provided as the effects of dilution would result in anti-dilutive loss per share:

	For the three months ended June 30		For the six months ended June 30	
	2025	2024	2025	2024
Income (loss) for the period	\$ 138,459	\$ (517,029)	\$ (747,447)	\$ (1,106,353)
Basic weighted average number of shares	42,053,279	41,983,635	42,043,951	41,964,159
Basic earnings (loss) per share	0.01	(0.01)	(0.02)	(0.03)