

# Boardwalktech Reports Second Quarter Fiscal 2019 Financial Results

*Investments in new go-to-market strategy generating increased growth*

CUPERTINO, CA, Nov. 29, 2018 /PRNewswire/ - (TSXV:BWLK) – Boardwalktech Software Corp. ("Boardwalktech"), a leading enterprise software solutions company, reported its financial results for the three and six month periods ended September 30, 2018. All figures are reported in U.S. dollars (\$), unless otherwise indicated. Boardwalktech's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

## **Operational and Financial Highlights for Q2-FY19:**

- Secured a significant contract with one of the largest multinational professional services and tax firms in the world to deploy our patented blockchain digital ledger data management platform;
- Expanded customer traction with two existing Fortune 100 customers (one in the wireless communication market, one in insurance) adding additional applications and services to run on the Boardwalk Blockchain Platform reflecting deeper penetration and expansion within our existing customer base.
- Selected as one of four KPMG 2018 Flashpoint Challenge Finalists – a program that recognizes influential businesses making advancements in blockchain technology;
- Revenues for Q2-FY19 grew to \$1.2 million, a 22% increase from Q1-FY19, and a 9% increase from revenue of \$1.1 million in Q2-FY18. The quarter-over-quarter increase was due to a 30% increase in bookings and associated increase in professional services. This bookings and revenue growth reflects the Company's strategy and focus on recurring software subscription (SaaS) sales of the Company's proprietary Blockchain platform;
- Gross margin for Q2-FY19 was 88.4%, a 3.0% increase and a 0.2% increase from the previous year's level of 88.2%. These increases reflect better economies of scale from higher volumes and data cost hosting efficiencies. Beginning this year, the Company began reclassifying a portion of consulting expenses from operating expenses to cost of sales, offsetting some of our margin improvements at the operational level;
- IFRS comprehensive income for Q2-FY19 was \$1.5 million, or earnings of \$0.15 per basic and diluted share. This is compared to a loss of \$(9.3) million, or a loss of \$(0.98) per basic and diluted share for Q1-FY19 and a \$(0.4) million loss in Q2- FY18, or \$(0.04) per basic and diluted share. Most of Q2-FY19 earnings was due to a one-time non-cash reclassification of \$2.6 million in share-based compensation; and

- Non-IFRS net loss for Q2-FY19 (as defined in the Non-IFRS Financial Measures section) totaled \$(1.2) million, or a loss of \$(0.12) per basic and diluted share versus a \$(0.7) million non-IFRS loss, or \$(0.07) per basic and diluted share, in Q1-2019 and \$(0.3) million in Q2-FY18, or a loss of \$(0.04) per basic and diluted share. This change reflects incremental costs associated with the Company's transaction to a public company along with investments in new experienced sales hires and new marketing programs expected to result in new customers/bookings and higher revenues in future periods;
- Bookings outlook for the second half of FY19 is projected to be similar to the bookings growth experienced in Q2-FY19, as the impact from the Company's go-to-market strategy and new sales force (hired in June) are realized.

"During the past two quarters we have made great progress toward our objective of being the leading provider of private permissioned enterprise blockchain solutions for global enterprise customers through our investments in go to market programs and expansion of our sales force. The execution of this strategy has allowed Boardwalk to continue to deliver SaaS based revenue growth by expanding existing customers, and capturing new customers at an accelerated pace. We remain on track and well positioned to deliver continued growth, driven by these investments made since our public launch", said Andrew T. Duncan, President and CEO of Boardwalktech Software Corp.

### **About Boardwalktech Software Corp.**

Founded in 2004, Boardwalktech has developed a patented, robust, digital ledger technology that allows for multi-party collaboration and verification on a trusted, shared, secure, and private information cloud. Our Boardwalk Enterprise Blockchain data management platform allows rapid blockchain application development on many platforms using any user interface, supporting "smart contract" business logic, integration with legacy systems and an easy method of connecting all participants (through Boardwalk virtual machines) enabling the exchange of secure and validated digital business information.

Boardwalktech is headquartered in Cupertino, California with offices in India and operations in North America. For more information on Boardwalktech, visit our website at [www.boardwalktech.com](http://www.boardwalktech.com).

### **Forward-Looking Information and Statements**

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking information and statements are not representative of historical facts or information or current condition, but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control. Generally, such forward-looking information or statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases

or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved".

By identifying such information and statements in this manner, the Company is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such information and statements.

An investment in securities of the Company is speculative and subject to several risks including, without limitation, the risks discussed under the heading "Risk Factors" in the Company's filing statement dated May 30, 2018. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information and forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

In connection with the forward-looking information and forward-looking statements contained in this press release, the Company has made certain assumptions. Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to the Company or persons acting on its behalf is expressly qualified in its entirety by this notice.

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