

Boardwalktech Reports First Quarter Fiscal 2021 Financial Results

Continued Progress to Profitability with 62% Improvement in Adjusted EBITDA

CUPERTINO, Calif., Aug. 27, 2020 /CNW/ - (TSXV: BWLK) (OTCQB: BLWKF) – Boardwalktech Software Corp. ("Boardwalktech" or the "Company"), a leading digital ledger platform and enterprise software solutions company, is pleased to report its financial results for the three-month period ended June 30, 2020. 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").

Financial Highlights:

- Revenues for Q1-FY21 of \$1.2 million grew 10% versus \$1.1 million of revenue in Q1-FY20, and increased 6% sequentially over Q4-FY20.
- Revenue from subscription licenses grew 15% in Q1-FY21 from Q1-FY20. Annualized Recurring Revenue for Q1-FY21 was \$3.9 million, an increase of 11% from \$3.5 million in Q1-FY20 and up 3% from Q4-FY20.
- Sales pipeline not only rebounded to pre-COVID levels but now exceeds \$7 million for the first time.
- Gross margin in Q1-FY21 was 87.0%, an increase of 1.7% from Q4-FY20 and in line with Q1-FY20.
- Net cash flow used in the quarter for Q1-FY21 totaled \$(0.2) million compared to a net cash inflow of \$0.1 million in Q1-FY20.
- Adjusted EBITDA loss of \$(0.3) million in Q1-FY21, a 62% improvement from a loss of \$(0.8) million in Q1-FY20, and a 40% improvement versus Q4-FY20.
- Non-IFRS net loss for Q1-FY21 (as defined in the Non-IFRS Financial Measures section) totaled \$(0.5) million, or \$(0.02) per basic and diluted share versus a \$(1.0) million loss in Q1-FY20, or \$(0.09) per basic and diluted share.
- Reported loss for Q1-FY21 was \$(0.6) million, or loss of \$(0.03) per basic and diluted share, representing an 85% improvement versus a \$(1.9) million loss, or \$(0.16) per basic and diluted share in Q1-FY20.

Operations highlights

- On April 1, 2020, the Company announced it had signed a new licensing deal with Sekisui Specialty Chemicals;
- On April 9, 2020, the Company announced a limited time free trial promotion of its Diamond Lane product (Excel-based multi-user collaboration tool) to help remote work by business impacted from COVID-19 and generate new business opportunities for its enterprise solutions;
- On April 22, 2020, the Company announced it had secured \$700,100 of funding under the Payroll Protection Program of CARES Act;

- On May 7, 2020, the Company announced the expansion of its recurring license with HCL Technologies;
- On June 12, 2020, the Company closed a non-brokered private placement of equity units for 1,768,389 Units at CAD 0.50 per Unit, for gross proceeds of \$636,620 (CAD \$884,195);

Subsequent to the quarter:

- On July 3, 2020, the Company completed a new amendment with its existing investor, SQN Venture Income Fund LP, to extend the maturity of its loan to August 2022, extended interest-only payment until August 2020, and a best efforts option to prepay another \$250,000 of principal (with fees waived).

"We are quite pleased with the continued progress made during the first quarter of the new fiscal year as we not only achieved good sequential revenue growth but are quickly working towards profitability, even amidst challenging market conditions," said Andrew T. Duncan, Chief Executive Officer of Boardwalktech. "Recent global events have corroborated what we have been telling large enterprises over the last two years – that legacy systems are woefully unprepared to adequately enable enterprises to conduct real-time remote work nor can they handle the mass influx of both structured and unstructured data that is being shared and processed within any given organization. With our pipeline of prospective business now at \$7 million, the highest in our company's history, we believe Boardwalktech is now positioned better than it has ever been to become a leading provider of digital ledger driven information management systems focused on structured and unstructured data for large enterprises."

Mr. Duncan continued, "While COVID-19 has resulted in unanticipated delays towards closing contracts that exist within our pipeline, these opportunities are very much active. In fact, the resulting work-from-home policies that are becoming the norm, will likely expedite the need for companies to implement our proprietary digital ledger solutions. As well, I am extremely excited to report that we have made substantial developments with our Network of Words technology, which allows companies to transfer unstructured data into an environment that allows companies to manage and make decisions surrounding this information. While additional details will be announced over the remainder of this year, we believe Network of Words can be a catalyst to propel revenue both substantially and rapidly."

About Boardwalktech Software Corp.

Boardwalktech has developed a patented Digital Ledger Technology Platform currently used by Fortune 500 companies running mission-critical applications worldwide. Boardwalktech's digital ledger technology and its unique method of managing vast amounts of structured and unstructured data is the only platform on the market today where multiple parties can effectively work on the same data simultaneously while preserving the fidelity and provenance of the data. Boardwalktech can deliver collaborative, purpose-built enterprise information management applications on any device or user interface with full integration with enterprise systems of record in a fraction of the time it takes other non-digital ledger technology-based platforms. 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.

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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