

**Boardwalktech Software Corp.**  
**Condensed Interim Consolidated Financial Statements**

*As at and for the three and nine months ended December 31, 2024*

*Stated in United States dollars*  
*(Unaudited)*

## **Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements**

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In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed these unaudited condensed interim consolidated financial statements as at and for the three and nine months ended December 31, 2024.

# Boardwalktech Software Corp.

## Condensed Interim Consolidated Statements of Financial Position

(United States dollars)

(Unaudited)

As at	December 31 2024	March 31 2024
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	195,242	2,231,652
Trade and other receivables (Note 3)	514,090	444,880
Prepaid expenses and deposits	209,124	281,314
Total current assets	918,456	2,957,846
<b>Non-current assets</b>		
Property and equipment	5,196	8,769
Right-of-use assets (Note 4)	567,979	798,549
<b>Total assets</b>	<b>1,491,631</b>	<b>3,765,164</b>
<b>LIABILITIES and SHAREHOLDERS' DEFICIENCY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 5)	726,881	643,032
Deferred compensation	31,832	241,307
Deferred revenue (Note 7)	496,254	1,290,011
Current portion of lease liabilities (Note 8)	341,332	308,951
Total current liabilities	1,596,299	2,483,301
<b>Non-current liabilities</b>		
Credit facility (Note 6)	2,687,069	2,250,000
Lease liabilities (Note 8)	360,353	622,045
<b>Total liabilities</b>	<b>4,643,721</b>	<b>5,355,346</b>
<b>Shareholders' deficit</b>		
Share capital (Note 11)	43,871,564	43,871,564
Contributed surplus	7,221,710	6,716,856
Accumulated other comprehensive loss	(9,718)	(56,496)
Deficit	(54,235,167)	(52,121,627)
Total deficit attributed to shareholders	(3,151,611)	(1,589,703)
Non-controlling interest	(479)	(479)
Total shareholders' deficit	(3,152,090)	(1,590,182)
<b>Total liabilities and shareholders' deficit</b>	<b>1,491,631</b>	<b>3,765,164</b>

Approved by the Board of Directors:

(signed) "Andrew T. Duncan"  
Director

(signed) "Steve Bennet"  
Director

# Boardwalktech Software Corp.

## Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(United States dollars)

(Unaudited)

	For the three months ended December 31		For the nine months ended December 31	
	2024	2023	2024	2023
<b>Revenue</b> (Note 9)	<b>1,292,348</b>	1,469,489	<b>3,819,212</b>	4,548,990
<b>Cost of sales</b>	<b>150,167</b>	160,369	<b>446,087</b>	466,574
<b>Gross margin</b>	<b>1,142,181</b>	1,309,120	<b>3,373,125</b>	4,082,416
<b>Expenses</b>				
Salaries, wages and benefits	<b>1,050,960</b>	1,253,046	<b>3,311,531</b>	4,100,888
Share-based payments (Note 13)	<b>116,638</b>	291,798	<b>489,854</b>	896,242
General and administration (Note 10)	<b>98,633</b>	94,225	<b>343,813</b>	419,824
Professional fees	<b>108,044</b>	152,309	<b>405,969</b>	494,225
Consulting	<b>140,302</b>	74,000	<b>339,782</b>	202,400
Deferred compensation	<b>31,832</b>	121,743	<b>31,832</b>	121,743
Depreciation (Note 4)	<b>77,370</b>	79,300	<b>232,552</b>	241,646
<b>Total expenses</b>	<b>1,623,779</b>	2,066,421	<b>5,155,333</b>	6,476,968
<b>Operating loss before other expenses</b>	<b>(481,598)</b>	(757,301)	<b>(1,782,208)</b>	(2,394,552)
Interest on credit facility (Note 6)	<b>(73,770)</b>	–	<b>(221,218)</b>	–
Amortization of credit facility fees (Note 6)	<b>(15,763)</b>	–	<b>(47,631)</b>	–
Imputed interest (Note 8)	<b>(18,912)</b>	(25,521)	<b>(62,483)</b>	(48,110)
<b>Loss for the period</b>	<b>(590,043)</b>	(782,822)	<b>(2,113,540)</b>	(2,442,662)
<b>Other comprehensive income (loss)</b>				
Items that may be reclassified to profit or loss				
Exchange differences on translation of subsidiary companies	<b>626</b>	(823)	<b>46,778</b>	(2,755)
<b>Loss and comprehensive loss for the period</b>	<b>(589,417)</b>	(783,645)	<b>(2,066,762)</b>	(2,445,417)
<b>Loss per share</b> (Note 14)				
Basic and diluted	<b>(0.01)</b>	(0.02)	<b>(0.04)</b>	(0.05)

# Boardwalktech Software Corp.

## Condensed Interim Consolidated Statements of Changes in Shareholders' Deficit

(United States dollars)

(Unaudited)

For the nine months ended December 31	2024	2023
<b>Share capital</b> (Note 11)		
Balance, beginning of period	43,871,564	42,583,679
Unit private placement, net of share issue costs	–	1,272,016
Balance, end of period	43,871,564	43,855,695
<b>Contributed surplus</b>		
Balance, beginning of period	6,716,856	5,449,865
Unit private placement	–	235,361
Warrant issuance (Note 12)	15,000	–
Share-based payments (Note 13)	489,854	896,242
Balance, end of period	7,221,710	6,581,468
<b>Accumulated other comprehensive (loss) income</b>		
Balance, beginning of period	(56,496)	(5,928)
Exchange differences on translation of subsidiary companies	46,778	(2,755)
Balance, end of period	(9,718)	(8,683)
<b>Deficit</b>		
Balance, beginning of period	(52,121,627)	(48,989,289)
Loss for the period	(2,113,540)	(2,442,662)
Balance, end of period	(54,235,167)	(51,431,951)
<b>Non-controlling interest</b>		
Balance, beginning and end of period	(479)	(479)
<b>Total shareholders' deficit</b>	<b>(3,152,090)</b>	<b>(1,003,950)</b>

# Boardwalktech Software Corp.

## Condensed Interim Consolidated Statements of Cash Flows

(United States dollars)

(Unaudited)

For the nine months ended December 31	2024	2023
<b>Cash provided by (used in) the following activities:</b>		
<b>Operating activities</b>		
Loss for the period	(2,113,540)	(2,442,662)
Depreciation	232,552	241,646
Share-based payments (Notes 13)	489,854	896,242
Interest on credit facility (Note 6)	221,218	—
Amortization of credit facility fees (Note 6)	47,631	—
Imputed interest (Note 8)	62,483	48,110
Rent incentive (Note 8)	—	(28,057)
Unrealized foreign exchange	47,205	(2,142)
Changes in non-cash working capital:		
Trade and other receivables	(69,210)	817,727
Prepaid expenses and deposits	72,190	(76,522)
Accounts payable and accrued liabilities	74,187	(201,439)
Deferred revenue	(793,757)	(1,485,475)
Deferred compensation	(209,475)	121,743
<b>Cash flows provided by (used in) operating activities</b>	<b>(1,938,662)</b>	<b>(2,110,829)</b>
<b>Financing activities</b>		
Proceeds from credit facility (Note 6)	2,614,958	—
Repayment of credit facility (Note 6)	(2,225,520)	—
Interest paid on credit facility (Note 6)	(196,556)	—
Lease payments (Note 8)	(290,252)	(153,803)
Proceeds from unit private placement	—	1,062,213
Share issue costs	—	(83,361)
<b>Cash flows provided by financing activities</b>	<b>(97,370)</b>	<b>825,049</b>
<b>Investing activities</b>		
Proceeds from sale of property and equipment	—	334
Purchase of property and equipment	—	(6,122)
<b>Cash flows used in investing activities</b>	<b>—</b>	<b>(5,788)</b>
<b>Change in cash</b>	<b>(2,036,032)</b>	<b>(1,291,568)</b>
<b>Foreign exchange effect on cash held in foreign currencies</b>	<b>(378)</b>	<b>(426)</b>
<b>Cash, beginning of period</b>	<b>2,231,652</b>	<b>2,187,499</b>
<b>Cash, end of period</b>	<b>195,242</b>	<b>895,505</b>
Taxes paid	21,313	20,724

# Boardwalktech Software Corp.

## Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended December 31, 2024

(United States dollars unless otherwise disclosed)

(Unaudited)

### 1. Description of Business

Boardwalktech Software Corp. ("Boardwalk" or the "Company") was originally incorporated pursuant to the Business Corporations Act of Alberta. The Company operates from locations in the United States and India and provides enterprise software-as-a-service ("SaaS") to global customers. Boardwalk is a publicly traded company whose shares are listed on the TSX Venture Exchange under the symbol BWLK.V and on the OTCQB under the symbol BWLKF.

The Company designs and sells collaborative enterprise digital ledger data management technology offered as either a cloud-based platform service that runs industry, or customer specific applications, Boardwalk Application Engine ("BAE") or Boardwalk Enterprise Blockchain ("BEB") platforms.

The address of the Company's corporate and registered office is 10050 N Wolfe Road, Cupertino, CA, 95014 USA.

### 2. Basis of Presentation

#### Statement of compliance

The unaudited condensed interim consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and adhere to the guidance of International Accounting Standard 34 – Interim Financial Reporting. Certain information and disclosures included in the March 31, 2024 audited consolidated financial statements, prepared in accordance with IFRS Accounting Standards, have been condensed or omitted. The Company has consistently applied the same accounting policies throughout all periods presented. These unaudited condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended March 31, 2024.

These unaudited condensed interim consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors on **February 25, 2025**.

#### Basis of consolidation

These consolidated financial statements include the accounts of the following entities:

Name of entity	Principle activity	Place of business and operations	Legal ownership
Boardwalk	Legal parent	Canada	–
Boardwalktech, Inc. ("Boardwalktech")	Accounting parent and operating company	United States	100% owned by Boardwalk
Boardwalktech Solutions Private Limited ("BWSPL")	Research and development company	India	98% owned by Boardwalktech

#### Functional and presentation currency

The functional currency of Boardwalk is the Canadian dollar ("CAD"), the functional currency of Boardwalktech is the United States dollar ("USD") and the functional currency of BWSPL is the Indian Rupee ("INR"). The presentation currency of the Company is the USD.

### 3. Trade and Other Receivables

The Company's trade and other receivables are exposed to the risk of financial loss if the counterparty fails to meet its contractual obligations. Trade and other receivables credit exposure is minimized by entering into transactions with creditworthy counterparties and monitoring the age and balances outstanding on an ongoing basis. Most of the Company's credit exposures are with counterparties in the consulting and technology industries and are subject to normal industry credit risk. Payment terms with customers are 30 days from invoice date.

The Company's maximum exposure to credit risk at December 31, 2024 is in respect of \$514,090 (March 31, 2024 – \$444,880) of trade and other receivables. The Company's trade and other receivables consist of:

As at	December 31 2024	March 31 2024
Trade receivables for professional services	303,840	72,880
Receivables from contracts with customers	210,250	372,000
	514,090	444,880

As at December 31, 2024, four customers accounted for 77% of trade and other receivables (March 31, 2024 – four

# Boardwalktech Software Corp.

## Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended December 31, 2024

(United States dollars unless otherwise disclosed)

(Unaudited)

customers; 88%), each with balances greater than 10%.

The Company's trade and other receivables are aged as follows:

As at	December 31 2024	March 31 2024
Current – 30 days past due	342,450	373,420
Past due for greater than 90 days	171,640	71,460
	514,090	444,880

As at December 31, 2024, the Company evaluated the collectability of trade and other receivables and lifetime expected credit losses and recognized \$nil (nine months ended December 31, 2023 – \$nil) provision for expected credit losses. The assessment of expected credit losses due to doubts of collectability did not warrant the recognition of an additional allowance for credit losses.

### 4. Right-Of-Use Assets

The Company has recognized right-of-use ("ROU") assets and corresponding lease liabilities (Note 10) related to office premises. The ROU assets are depreciated on a straight-line basis over the term of the related lease.

	United States	India	Total
Carrying amount, March 31, 2024	726,070	72,479	798,549
Depreciation	(204,210)	(24,934)	(229,144)
Foreign exchange translation	–	(1,426)	(1,426)
Carrying amount, December 31, 2024	521,860	46,119	567,979

During the nine months ended December 31, 2024, the Company recognized \$232,552 of depreciation expense comprised of \$229,144 for ROU assets and \$3,408 for property and equipment (nine months ended December 31, 2023 – \$241,646 of depreciation expense comprised of \$233,470 for the ROU asset and \$8,176 for property and equipment).

### 5. Accounts Payable and Accrued Liabilities

As at	December 31 2024	March 31 2024
Accounts payable (United States)	541,864	377,769
Accounts payable (India)	157,755	173,484
Total accounts payable	699,619	551,253
Accrued liabilities (United States)	27,262	91,779
	726,881	643,032

### 6. Credit Facility

On March 28, 2024, the Company secured a three-year \$4 million credit facility with Celtic Bank, for which the available amount is based 60% of trailing 12-month annual recurring revenue. The credit facility matures on March 27, 2027 at which time the unpaid principal amount plus any unpaid interest is due in full and requires interest-only payments during the initial three-year term at an initial interest rate of 12.5% based on the prime rate plus 4%. In connection with the credit facility, the Company paid \$187,441 of fees which have been net against the credit proceeds and will be amortized over the term of the credit facility.

Amount drawn on March 28, 2024	2,437,441
Fees paid	(187,441)
Balance, March 31, 2024	2,250,000
Proceeds	2,614,958
Repayment	(2,225,520)
Amortization of credit facility fees	47,631
Balance, December 31, 2024	2,687,069

The credit facility agreement requires that the Company maintain gross working capital of at least \$500,000 at all times,



# Boardwalktech Software Corp.

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measured quarterly. Gross working capital, for the purposes of the financial covenant, is defined as the sum of (1) cash on hand plus (2) the borrowing base less the outstanding principal balance of the loan. The financial covenant was met as at December 31, 2024.

During the nine months ended December 31, 2024, the Company recognized \$221,218 (nine months ended December 31, 2023 – \$nil) of interest expense on the credit facility.

### 7. Deferred Revenue

Balance, March 31, 2024	1,290,011
Invoiced in the period, excluding amount recognized directly in revenue	2,452,445
Amount recognized as revenue	(3,246,202)
Balance, December 31, 2024	496,254

### 8. Lease Liabilities

The Company incurs lease payments related to office premises.

	United States	India	Total
Balance, March 31, 2024	854,582	76,414	930,996
Imputed interest	57,623	4,860	62,483
Payments	(260,950)	(29,302)	(290,252)
Foreign currency translation	–	(1,542)	(1,542)
Balance, December 31, 2024	651,255	50,430	701,685

The current and non-current portions of lease liabilities are as follows:

	United States	India	Total
Balance, December 31, 2024	651,255	50,430	701,685
Current portion	(305,362)	(35,970)	(341,332)
Non-current portion	345,893	14,460	360,353

As at December 31, 2024, the annual future undiscounted lease payments under the office lease agreements are as follows:

	United States	India	Total
Fiscal year ended March 31, 2025	88,153	9,548	97,701
Fiscal year ended March 31, 2026	359,627	39,867	399,494
Fiscal year ended March 31, 2027	273,599	4,767	278,366
	721,379	54,182	775,561

### 9. Revenue

The following table presents the Company's revenue disaggregated by type:

	For the three months ended December 31		For the nine months ended December 31	
	2024	2023	2024	2023
Software-as-a-service (SaaS)	937,966	1,270,183	3,029,976	3,705,523
Legacy (hosting and maintenance)	73,502	72,044	216,226	270,405
Software subscriptions and services	1,011,468	1,342,227	3,246,202	3,975,928
Professional services	280,880	127,262	573,010	573,062
<b>Total revenue</b>	<b>1,292,348</b>	<b>1,469,489</b>	<b>3,819,212</b>	<b>4,548,990</b>

As at December 31, 2024, trade and other receivables (Note 3) included \$210,250 of receivables from software subscriptions and services customers (March 31, 2024 – \$372,000) and \$303,840 of receivables from professional services customers (March 31, 2024 – \$72,880).

The Company's revenue is generated in the United States. For the nine months ended December 31, 2024, 54.4% of the

# Boardwalktech Software Corp.

## Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended December 31, 2024

(United States dollars unless otherwise disclosed)

(Unaudited)

Company's revenue was earned through sales to two major customers (nine months ended December 31, 2023 – 67.7% of revenue; two major customers), each with revenues of 10% or greater in any of the reported quarters:

For the nine months ended December 31	2024	2023
Customer 1	34.4%	30.6%
Customer 2	20.0%	37.1%
	54.4%	67.7%

### 10. Nature of Expenses

The nature of the Company's general and administrative expenses is as follows:

	For the three months ended December 31		For the nine months ended December 31	
	2024	2023	2024	2023
Office	49,484	43,222	143,098	144,770
Marketing	3,362	17,015	68,215	136,695
Utilities	9,978	12,262	27,401	35,938
Travel and lodging	23,410	8,526	50,702	46,033
Shareholder, regulatory and other	12,399	13,200	54,397	56,388
	98,633	94,225	343,813	419,824

### 11. Share Capital

Issued common shares:	Number of Shares	Amount (\$)
Balance, March 31, 2024 and December 31, 2024	55,622,576	43,871,564

### 12. Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance, March 31, 2024	7,919,343	0.35 <sup>(1)</sup>
Issued	810,810	0.14 <sup>(2)</sup>
Balance, December 31, 2024	8,730,153	0.33

On November 8, 2024, the Company issued 810,810 warrants to a financial advisor who elected to receive its \$15,000 financing success fee (included in credit facility fees, Note 6) in the form of warrants in lieu of cash. The warrants are exercisable at CAD 0.20 per share and expire on November 8, 2029.

Information about the Company's warrants outstanding as at December 31, 2024 is summarized in the following table:

Expiry Date	Number of Warrants Outstanding	Weighted Average Exercise Price	Weighted Average Life Remaining (Years)
December 28, 2026	7,375,246	0.35 <sup>(1)</sup>	2.0
April 26, 2026	544,097	0.35 <sup>(1)</sup>	2.2
November 8, 2029	810,810	0.14 <sup>(2)</sup>	4.9
	8,730,153	0.33	2.3

<sup>(1)</sup> CAD 0.50, the USD equivalent of which is \$0.35 on December 31, 2024.

<sup>(2)</sup> CAD 0.20, the USD equivalent of which is \$0.14 on December 31, 2024.

# Boardwalktech Software Corp.

## Notes to Condensed Interim Consolidated Financial Statements

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(United States dollars unless otherwise disclosed)

(Unaudited)

### 13. Share-Based Payments

#### Stock options:

	Number of Stock Options	Weighted Average Exercise Price
Balance, March 31, 2024	395,000	1.77
Granted	500,000	0.10 <sup>(3)</sup>
Forfeited	(10,000)	(0.44)
Balance, December 31, 2024	885,000	0.84

On October 9, 2024, the Company entered into an investor relations agreement for an initial term of 12 months for a monthly fee of CAD 8,000 and 500,000 stock options. The stock options are exercisable at CAD 0.14 per share, vest 25% every three months following the grant date and expire on October 9, 2029. The issue date fair value of the stock options was estimated to be \$32,520 (CAD 44,520) using the Black-Scholes pricing model based on the following assumptions:

Share price	CAD 0.14	Exercise price	CAD 0.14
Expected volatility	80%	Expected dividend yield	0%
Expected life	5 years	Risk-free interest rate	3.07%
Forfeiture rate	3%		

Information about the Company's stock options outstanding as at December 31, 2024 is summarized in the following table:

Expiry Date	Number of Options Outstanding	Weighted Average Exercise Price	Weighted Average Life Remaining (Years)	Number of Options Exercisable
January 28, 2026	40,000	0.44	1.1	40,000
April 26, 2026	7,500	0.44	1.3	7,500
February 10, 2028	337,500	2.00	3.1	337,500
October 9, 2029	500,000	0.10 <sup>(3)</sup>	4.8	—
	885,000	1.81	3.9	385,000

<sup>(3)</sup> CAD 0.14, the USD equivalent of which is \$0.10 on December 31, 2024.

#### Restricted share units ("RSUs"):

As at March 31, 2024, the Company had 5,687,575 RSUs outstanding.

On August 31, 2024, the Company granted 2,671,300 RSUs to officers, directors and employees of the Company, of which 890,424 RSUs vest on August 31, 2025, 890,424 RSUs vest on August 31, 2026, and 890,452 RSUs vest on August 31, 2027. The grant date fair value of these RSUs was determined to be \$178,980 based on the \$0.07 (CAD 0.09) market price of the Company's common shares on the grant date.

As at December 31, 2024, the Company had 8,358,875 RSUs outstanding, of which 3,695,003 are exercisable. RSUs entitle participants the conditional right to receive one common share of the Company for each share unit.

Vesting information for RSUs outstanding at December 31, 2024 is summarized below:

Vesting Date	Number of RSUs
February 28, 2023	58,331
August 31, 2023	1,799,812
February 28, 2024	197,997
August 31, 2024	1,638,863
February 28, 2025	98,004
August 31, 2025	2,097,041
February 28, 2026	40,001
August 31, 2026	1,538,374
August 31, 2027	890,452
	8,358,875

# Boardwalktech Software Corp.

## Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended December 31, 2024

(United States dollars unless otherwise disclosed)

(Unaudited)

### Share-based payments expense:

During the nine months ended December 31, 2024, the Company recognized \$489,854 of share-based payment expense in respect of RSUs and stock options (nine months ended December 31, 2023 – \$896,242; RSUs). As at December 31, 2024, the remaining unvested balance of share-based payments was \$447,729.

### 14. Per Share Amounts

	For the three months ended December 31		For the nine months ended December 31	
	2024	2023	2024	2023
Loss for the period	(590,043)	(782,822)	(2,113,540)	(2,442,662)
Basic and diluted weighted average number of shares	55,622,576	48,329,759	55,622,576	48,177,530
Basic and diluted net loss per share	(0.01)	(0.02)	(0.04)	(0.05)

For the three and nine months ended December 31, 2024 and 2023, all warrants, stock options and RSUs were excluded from the diluted per share amounts as their effect is anti-dilutive.

### 15. Financial Risk Management

The Company is exposed to the following financial risks as at and for the three months ended December 31, 2024:

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company generally relies on funds generated from operations, acquisitions and/or equity financing to provide sufficient liquidity to meet budgeted operating requirements.

As at December 31, 2024, maturities of the Company's financial liabilities are as follows:

	Carrying amount	Contractual cash flows	Within 1 year	2 years	Thereafter
Accounts payable and accrued liabilities (Note 5)	726,881	726,881	726,881	–	–
Credit facility (Note 6)	2,687,069	2,826,879	–	–	2,826,879
Lease liability (Note 8)	701,685	775,561	97,701	399,494	278,366
Deferred compensation	31,832	31,832	31,832	–	–
	4,147,467	4,361,153	856,414	399,494	3,105,245

The Company has current assets of \$918,456 to satisfy its financial liabilities to satisfy liabilities as they come due.

#### Interest rate risk

The Company is not exposed to interest rate risk as there are no investments of excess cash in short-term money market investments at variable rates of interest. The credit facility (Note 8) bears interest based on the prime rate plus 4%. A 1% increase/decrease in the prime rate of interest would increase/decrease interest expense and loss for the nine months ended December 31, 2024 by approximately \$18,300.

### 16. Capital Management

The Company's objectives when managing capital are to:

- Deploy capital to provide an appropriate return on investment to its shareholders;
- Maintain financial flexibility in order to preserve the Company's ability to meet financial obligations; and
- Maintain a capital structure that provides financial flexibility to execute on strategic opportunities.

The Company's strategy is formulated to maintain a flexible capital structure consistent with the objectives as stated above and to respond to changes in economic conditions and the risk characteristics of the underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather promotes year-over-year sustainable profitable growth. The Company is not subject to any externally imposed capital requirements.

The Company's capital structure consists of equity and working capital. In order to maintain or alter the capital structure, the Company may adjust capital spending, obtain credit facilities, raise new debt and issue share capital.