

**Boardwalktech Software Corp.**

**Fiscal Third Quarter 2025 Quarterly Conference Call**

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## **CORPORATE PARTICIPANTS**

**Sean Peasgood**

*Sophic Capital Inc. — Investor Relations*

**Andy Duncan**

*Boardwalktech Software Corp. — Chief Executive Officer*

**Charlie Glavin**

*Boardwalktech Software Corp. — Chief Financial Officer*

## PRESENTATION

### Operator

Good afternoon, ladies and gentlemen, and welcome to the Boardwalktech Software Corporation Fiscal Third Quarter 2025 Quarterly Conference Call. At this time, all lines are in a listen-only mode.

Following the presentation, we will conduct a question-and-answer session.

If at any time during this call you require immediate assistance, please press \*, 0 for the Operator.

This call is being recorded on Tuesday, February 25, 2025.

I would now like to turn the conference over to Sean Peasgood from Sophic Capital. Please go ahead.

**Sean Peasgood** — Investor Relations, Sophic Capital Inc.

Thank you, John (phon). Good afternoon and welcome, everyone, to Boardwalktech's third quarter of fiscal 2025 conference call for the period ended December 31, 2024.

On our call today is Boardwalktech's President and Chief Executive Officer, Andy Duncan, and the Company's Chief Financial Officer, Charlie Glavin. Andy will start the call with his opening comments, followed by Charlie's overview of the quarterly financial results. Then Andy will share the Company's outlook. Following their prepared remarks, we'll open the conference call to a question-and-answer session.

Before we begin with our formal remarks, I would like to remind everyone that some of the statements on this conference call may be forward-looking. Forward-looking statements may include, but

are not limited to, financial projections or other statements of the Company's plans, objectives, expectations, or intentions.

These matters involve certain risks and uncertainties. The Company's actual results may differ significantly from those projected or suggested and any forward-looking statements, due to a variety of factors which are discussed in detail in our regulatory filings.

Today, we issued our third quarter of fiscal 2025 financial results, copy of which is available in the Investor Relations section of our website, as well as SEDAR+ and at Sophic Capital's website.

All figures are reported in US dollars unless otherwise indicated.

Boardwalktech's financial statements are prepared in accordance with International Financial Reporting Standards.

Please refer to the unaudited, condensed, consolidated financial statements and Management Discussion & Analysis for the three and nine-month period ended December 31, 2024, filed on SEDAR+, for more information.

I'd like to remind everybody that today's call is being recorded on Tuesday, February 25, 2025.

I'll now turn the call over to Boardwalktech's President and Chief Executive Officer, Andy Duncan. Go ahead, Andy.

**Andy Duncan** — Chief Executive Officer, Boardwalktech Software Corp.

Thank you, Sean, and welcome, everyone, to Boardwalktech's quarterly earnings call to discuss the Company's financial results for the third quarter of fiscal 2025.

Calendar 2024 was a very pivotal year for Boardwalktech.

We delivered on some very significant milestones, including we repositioned our go-to-market strategy, the Boardwalk Intelligent Information Platform, to highlight our product's competitive

differentiation at solving customer needs, while aligning our offerings to close deals; this involvement of realignment of sales resources netting substantial expense savings in the process, while expanding our channel partner program, having now signed 10 channel partners and advisors, ranging from TCS to ServiceNow.

You can look for us to discuss more details about our Intelligent Information Platform in future announcements.

We also saw continued progress with our Unity Central product with several early-adopter customers.

We successfully executed a coordinated road map with three partners on the delivery and implementation of our Velocity product at our largest customer in the financial services market, a top-five US bank, where our partners have dedicated additional resources to delivering the Boardwalk Velocity product across the bank.

And we also executed the launch of our first big business process outsourcing or BPO client for the world's largest BPO, that includes implementation with two of their large customers.

And we also closed a \$4 million line of credit facility, which has given us working capital flexibility.

So it's been a very busy calendar 2024.

As a reminder for existing shareholders and for any new shareholders joining the call, Boardwalk provides a software platform to enterprise customers with a patented time-based database, avoiding the need for constant coding or queries to better manage and analyze structured and unstructured data, in order to make better business decisions.

And yes, AI will play an integral part of our holistic solution as we integrate and augment AI functionality into our existing offerings.

Despite the success we have seen in several areas and the new strategy we have put in place, we cannot ignore the past 12 months has been a challenge, and our revenue did decline. This was mainly due to the fact that we lost two customers and roughly \$1 million of annual recurring revenue, as previously disclosed.

This was due not to our product's capabilities, but as a— but we were effectively a victim of mandated cuts and reorganizations at those customers. We actually anticipate reengagements with these customers once the dust settles.

In the meantime, we've been adding new professional services revenue and POCs, which is proof of concepts, to the Company, not just to backfill the revenue gap, but to grow annual recurring revenue. Investors should recall that professional services tends to be a good leading indicator to future licences.

Despite the revenue impacts and delivering on the new go-to-market, we were able to make continued progress on improving EBITDA.

With the success of our Velocity product and financial services, the introduction of our new product, Unity Central, the opportunity in front of us to partner with large and leading BPO providers, and the new partners we have signed, our pipeline is stronger now than ever for both our Velocity and our Unity Central products.

Our Velocity product targets Excel spreadsheets and currently is gaining traction in the financial services sector, as we help banks not just meet regulatory hurdles but improve risk management capabilities, so banks can expand revenue opportunities and manage costs.

With our first banking customer for Velocity, we are officially partnered with three major IT firms at the client's request to help the bank deploy Velocity across their organization. I am pleased to announce

that just a few weeks ago, we announced an expansion here, and the project with the bank and our partners is going very well.

However, the opportunity is not confined here, as these partners, who are being trained on our products and experienced the high ROI of Velocity firsthand, are now selling and generating new opportunities for us with their other financial institution clients that they have trusted relationships with.

Our second product is Unity Central, which manages all messages, files, documents, workflows, and alerts into a single intelligent platform, enabling automation and reducing manual work to lower operating costs and increase efficiencies.

We have also expanded our partnership with Accenture, a long-term customer for our Digital Ledger, now to deploy the Unity Central extension to several new opportunities associated with their Business Process Outsourcing division.

We hope to be able to share new customer wins from this relationship in the coming quarters.

I will now pass the call over to our CFO, Charlie Glavin, who will provide an overview of the financial results of our third quarter of fiscal 2025. Charlie, please go ahead.

**Charlie Glavin** — Chief Financial Officer, Boardwalktech Software Corp.

Thanks, Andy.

Before I begin, I'd like to take a moment to remind our listeners that all figures reported on today's call are in US dollars and that our fiscal year ends March 31st, with reported figures based on IFRS standards unless otherwise specified.

Additional details can be found in our financial statements and MD&A, as filed on SEDAR+.

Total revenue for the third quarter fiscal 2024 was—fiscal 2025 was \$1.29 million, which was a 1 percent sequential increase on revenue from the second quarter and a 12 percent decrease from the \$1.47 million of revenue in the third quarter of last year.

Professional services revenue, which was 22 percent of total revenue in the third quarter, increased 61 percent sequentially as the Company opted to recognize a six-month recurring development and maintenance contract paid in arrears at the end of the third quarter and subsequently renewed for another year as professional services than as a recurring licence. That final determination will be done at our fiscal year-end audit.

Licence revenue decreased both sequentially and year over year due to, as Andy mentioned, expired licences that two customers did not renew, given mandated reorganization actions undertaken by those customers. Some of that impact will spill over into the fourth quarter.

What we do know, based on direct feedback from these customers, is that these actions were not due to our products, but rather the mandated cost-cutting by the customers during the reorganizations, also consistent with the market headwinds and internal customer issues that we've described and discussed previously this past year.

Annual recurring revenue, or ARR, is a non-IFRS measure, which the Company calculates as the recurring revenue expected based on annual licence subscriptions and recurring services on a trailing three-month basis.

ARR, at the end of December 31st of 2024, was \$4.2 million.

Gross margin for the third quarter of fiscal 2025 was 88.4 percent, down slightly from the second quarter level of 88.6 percent due to slightly higher hosting expenses sequentially, and down from the 89.1 percent in the third quarter of fiscal 2024 due to the lower revenue levels.



Net loss for the third quarter of fiscal 2025 was \$0.59 million, or a \$0.01 loss per basic and diluted share. And the net loss during the quarter improved over the prior quarter's loss of \$0.72 million, or \$0.01 per share.

The quarter's net loss also improved over the \$0.78 million loss, or \$0.02 per basic diluted (phon) shares, in the third quarter of last year.

Year-over-year and sequential improvements were primarily driven by lower operating expenses from the previously announced cost-saving and realignment actions.

Total adjusted operating expenses, which exclude share-based payments and depreciation, in the third quarter was \$1.43 million, which is down from the \$1.5 million in the second quarter and a \$400,000 reduction from the \$1.7 million in the third quarter of last year.

The Company has already recognized \$900,000 in cost savings year to date in fiscal 2025 from our previously announced marketing efforts. This is on a comparable relative to the year-to-date period versus last year. The \$900,000 also exceeds our targeted range of \$600,000 to \$800,000, which we mentioned in previous calls.

On a non-IFRS basis, net loss for third quarter of fiscal 2025 was \$0.4 million or \$0.01 per basic and diluted share, versus the \$0.5 million non-IFRS loss or \$0.01 per basic and diluted share in the second quarter, and the \$400,000 or \$0.01 loss in the third quarter a year ago.

Despite the revenue headwinds, as Andy alluded to, adjusted EBITDA loss for the third quarter was less than \$290,000, which is a 21 percent sequential improvement over the \$370,000 loss in the second quarter, and a 26 percent year-over-year improvement versus a \$390,000 loss in the third quarter of fiscal 2024.

Turning to the balance sheet. As of December 31st, Boardwalk had over \$200,000 of cash, plus \$500,000 of collectible receivables, versus \$2.3 million of debt on our \$4 million credit facility. As of January 31st, which is the most recent monthly certification on that credit facility, the Company had approximately \$600,000 of its credit facility available.

This concludes my prepared remarks, and I'll now turn it back over to Andy.

**Andy Duncan**

Thank you, Charlie.

For some time now, I've highlighted the Company's land and expand strategy as a key growth driver. And for the last three months, recurring revenue from new SaaS licences has grown at a 39 percent compounded annual growth rate on a trailing 12-month basis.

I'd like to point out that even though we've grown the Company with limited resources, we expect higher growth rates going forward. The reason I say this is because our addressable pipeline has also scaled and has a number of engagements which are in later stages.

We admit that many of these opportunities haven't closed as quickly as we'd like. Large enterprises move at their own speed and have their own processes of evaluating external solutions, while our prior sales resources lack the deep industry knowledge.

Not enough to sell a superior product; you need to address and resolve customer needs. But broadly speaking, enterprises are looking at data and automation to drive efficiencies and reduce costs, leaving us much more optimistic exiting fiscal 2025 and heading into fiscal 2026, given a pickup of licence agreements in process of execution.

A great example of automation comes from a proof of concept we did with a large consumer food company, where we compared our Digital Ledger versus the existing manual batch and merge. This

traditional process used by many companies involves ingesting daily data, like feedstock data in this case, and inputting it into a master spreadsheet, which is time-consuming and prone to errors and outdated inputs.

Based on this POC, the ROI was in the range of 5 to 10x.

Companies across all sectors need to be able to track and record every change and be able to keep an immutable record of these transactions in a much easier and auditable manner.

With the movement toward more automation and AI, our potential customers are now recognizing Boardwalk's technology as a key tool to drive efficiencies and accuracy.

This example illustrates why large enterprise companies are using our products, validating our solutions, as well as our business strategy.

Although investors ask for specific customer names, we typically do not provide them, not because we don't want to, but because many customers don't want to disclose that they need solutions to address regulatory and even privacy issues, thereby admitting that they have issues.

What I can say is that our customers' brands have global recognition and include the top-five global bank I mentioned, as well as the previously mentioned Fortune 100 food company.

Over the past three quarters, we've signed several new teaming and partnership agreements with leading IT consultancy and service firms that have existing business relationships with targeted customers in the banking, financial services, consumer products group, and manufacturing markets.

Our new partners have already or are currently identifying opportunities to leverage our offerings across their customer base, which should lead to new licences for us.

Recent engagements indicate that prior headwinds have or are in the process of dissipating.

While the lead times to close transactions with large, multinational organizations and financial institutions remain long, these have already been factored into our pipeline and projections.

Overall, the future is bright for Boardwalktech. Our strategy and go-to-market are now set correctly. We are seeing significant new revenue opportunities, and they are advancing every day. Our pipeline is building, which should drive revenue growth.

We also have made major strides in improving EBITDA, and we will see sustainable EBITDA-positive quarters ahead, and we are close.

With a few more customers and modest growth in ARR, we continue to focus on EBITDA positive and with strong margins, going forward, we should certainly see improving operating leverage in the business.

This concludes my remarks. Operator, we are now ready to take any questions.

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## Q&A

### Operator

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. Should you have a question, please press \*, followed by the number 1 on your touch-tone phone. You will hear a prompt that your hand has been raised. If you wish to decline from the polling process, please press \*, followed by the number 2. If you are using a speakerphone, please lift the handset before pressing any keys.

One moment, please, for your first question.

Once again, it is \*, 1 if you wish to ask a question.

### Andy Duncan

Okay. Operator, well, it looks like we don't have any questions, so I will then go ahead and move forward to closing remarks.

I would like to thank everyone for taking the time to join us here today, and we truly appreciate your support. We look forward to giving you additional updates and announcements regarding our progress in the near future.

If you have any further questions, please reach out to our Investor Relations team at any time, and we look forward to providing you with more news and more updates. Once again, thank you for joining our call. Have a pleasant afternoon and evening.

Thank you, Operator. This concludes the call.

**Operator**

Ladies and gentlemen, this concludes today's conference call. Thank you for your participation. You may now disconnect.