

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

*As at and for the three and six months ended September 30, 2022*

*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 six months ended September 30, 2022.

# Boardwalktech Software Corp.

## Condensed Interim Consolidated Statements of Financial Position

(United States dollars)

(Unaudited)

As at	September 30 2022	March 31 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	1,393,738	868,962
Trade and other receivables (Note 3)	764,127	2,515,060
Prepaid expenses and deposits	164,364	153,279
Total current assets	2,322,229	3,537,301
<b>Non-current assets</b>		
Property and equipment	16,439	16,691
Right-of-use assets (Note 4)	264,151	432,336
<b>Total assets</b>	<b>2,602,819</b>	<b>3,986,328</b>
<b>LIABILITIES and SHAREHOLDERS' DEFICIENCY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 5)	704,077	411,586
Deferred revenue (Note 6)	2,247,346	2,646,582
Current portion of lease liabilities (Note 7)	319,541	374,005
Total current liabilities	3,270,964	3,432,173
<b>Non-current liabilities</b>		
Lease liabilities (Note 7)	—	127,888
<b>Total liabilities</b>	<b>3,270,964</b>	<b>3,560,061</b>
<b>Shareholders' (deficit) equity</b>		
Share capital (Note 10)	39,618,981	36,127,078
Contributed surplus	7,198,054	9,713,848
Accumulated other comprehensive loss	(3,581)	(9,236)
Deficit	(47,481,120)	(45,404,944)
Total (deficit) equity attributed to shareholders	(667,666)	426,746
Non-controlling interest	(479)	(479)
Total shareholders' (deficit) equity	(668,145)	426,267
<b>Total liabilities and shareholders' equity</b>	<b>2,602,819</b>	<b>3,986,328</b>

Subsequent events (Note 15)

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 September 30		For the six months ended September 30	
	2022	2021	2022	2021
<b>Revenue</b> (Note 8)	<b>1,481,925</b>	1,105,594	<b>2,986,945</b>	2,121,843
<b>Cost of sales</b>	<b>143,377</b>	155,264	<b>291,091</b>	302,980
<b>Gross margin</b>	<b>1,338,548</b>	950,330	<b>2,695,854</b>	1,818,863
<b>Expenses</b>				
Salaries, wages and benefits	<b>1,471,307</b>	1,144,296	<b>2,707,291</b>	2,331,858
Share-based payments (Note 12)	<b>442,530</b>	205,269	<b>938,116</b>	271,501
Professional fees	<b>79,407</b>	99,927	<b>209,837</b>	181,476
General and administration (Note 9)	<b>357,739</b>	96,678	<b>505,551</b>	197,335
Consulting	<b>113,434</b>	43,820	<b>211,893</b>	80,559
Depreciation (Note 4)	<b>86,709</b>	71,907	<b>173,061</b>	143,451
<b>Total expenses</b>	<b>2,551,126</b>	1,661,897	<b>4,745,749</b>	3,206,180
<b>Operating loss before other income (expenses)</b>	<b>(1,212,578)</b>	(711,567)	<b>(2,049,895)</b>	(1,387,317)
Rent concessions and imputed interest (Note 7)	<b>(11,766)</b>	(4,050)	<b>(26,281)</b>	18,118
<b>Loss for the period</b>	<b>(1,224,344)</b>	(715,617)	<b>(2,076,176)</b>	(1,369,199)
<b>Other comprehensive income (loss)</b>				
Items that may be reclassified to profit or loss				
Exchange differences on translation of subsidiary companies	<b>620</b>	(2,114)	<b>5,655</b>	(2,302)
<b>Loss and comprehensive loss for the period</b>	<b>(1,223,724)</b>	(717,731)	<b>(2,070,521)</b>	(1,371,501)
<b>Loss per share</b> (Note 13)				
Basic and diluted	<b>(0.03)</b>	(0.02)	<b>(0.05)</b>	(0.03)

# Boardwalktech Software Corp.

## Condensed Interim Consolidated Statements of Changes in Shareholders' (Deficit) Equity

(United States dollars)

(Unaudited)

For the six months ended September 30	2022	2021
<b>Share capital</b>		
Balance, beginning of period	36,127,078	35,820,706
Conversion of RSUs (Note 10)	3,431,513	—
Exercise of common share warrants	60,390	200,858
Share issue costs	—	(15,938)
Balance, end of period	39,618,981	36,005,626
<b>Contributed surplus</b>		
Balance, beginning of period	9,713,848	8,507,346
Conversion of RSUs (Note 12)	(3,431,513)	—
Exercise of common share warrants	(22,397)	(17,428)
Share-based payments	938,116	271,501
Balance, end of period	7,198,054	8,761,419
<b>Accumulated other comprehensive loss</b>		
Balance, beginning of period	(9,236)	(7,740)
Exchange differences on translation of subsidiary companies	5,655	(2,302)
Balance, end of period	(3,581)	(10,042)
<b>Deficit</b>		
Balance, beginning of period	(45,404,944)	(41,841,363)
Loss for the period	(2,076,176)	(1,369,199)
Balance, end of period	(47,481,120)	(43,210,562)
<b>Non-controlling interest</b>		
Balance, beginning and end of period	(479)	(479)
<b>Total shareholders' (deficit) equity</b>	<b>(668,145)</b>	<b>1,545,962</b>

# Boardwalktech Software Corp.

## Condensed Interim Consolidated Statements of Cash Flows

(United States dollars)

(Unaudited)

For the six months ended September 30	2022	2021
<b>Cash provided by (used in) the following activities:</b>		
<b>Operating activities</b>		
Loss for the period	(2,076,176)	(1,369,199)
Depreciation	173,061	143,451
Share-based payments (Notes 12)	938,116	271,501
Rent concessions and imputed interest (Note 7)	26,281	(18,118)
Unrealized foreign exchange	7,948	(1,796)
Changes in non-cash working capital:		
Trade and other receivables	1,750,933	(20,627)
Prepaid expenses and deposits	(11,085)	(57,946)
Accounts payable and accrued liabilities	292,491	(146,758)
Deferred revenue	(399,236)	181,290
Deferred compensation	—	(14,830)
<b>Cash flows provided by (used in) operating activities</b>	<b>702,333</b>	<b>(1,033,032)</b>
<b>Financing activities</b>		
Lease payments (Note 7)	(204,760)	(113,390)
Proceeds from common share issuances, net of issue costs (Note 16)	37,993	282,999
<b>Cash flows provided (used in) by financing activities</b>	<b>(166,767)</b>	<b>169,609</b>
<b>Investing activities</b>		
Purchase of property and equipment	(9,146)	(12,661)
<b>Cash flows used in investing activities</b>	<b>(9,146)</b>	<b>(12,661)</b>
<b>Change in cash</b>	<b>526,420</b>	<b>(876,084)</b>
<b>Foreign exchange effect on cash held in foreign currencies</b>	<b>(1,644)</b>	<b>(381)</b>
<b>Cash, beginning of period</b>	<b>868,962</b>	<b>3,101,006</b>
<b>Cash, end of period</b>	<b>1,393,738</b>	<b>2,224,541</b>
Taxes paid	—	—

# Boardwalktech Software Corp.

## Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended September 30, 2022

(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

These unaudited condensed interim consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, applicable to the preparation of interim financial statements as set out in International Accounting Standard 34 Interim Financial Reporting.

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, 2022.

#### Authorization

These unaudited interim consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors on November 17, 2022.

#### Consolidation

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

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

#### Functional and presentation currency

The functional currency of BWSC 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 maximum exposure to credit risk at September 30, 2022 is in respect of \$764,127 (March 31, 2022 – \$2,515,060) of trade and other receivables. The Company's trade and other receivables consist of:

As at	September 30 2022	March 31 2022
Trade receivables	237,055	427,810
Receivables from contracts with customers	527,072	2,087,250
	764,127	2,515,060

As at September 30, 2022, four customers accounted for 59% of trade and other receivables (March 31, 2022 – two customers; 84%), each with balances greater than 10%.

## Boardwalktech Software Corp.

### Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended September 30, 2022

(United States dollars unless otherwise disclosed)

(Unaudited)

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

As at	September 30 2022	March 31 2022
Current	633,947	2,399,180
31 – 60 days past due	46,590	49,680
61 – 90 days past due	20,590	10,200
Past due for greater than 90 days	63,000	56,000
	764,127	2,515,060

During the six months ended September 30, 2022, the Company evaluated the collectability of trade and other receivables and lifetime expected credit losses and recognized \$nil (six months ended September 30, 2021 – \$nil) of bad debt expense. 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 leases.

	United States	India	Total
Carrying amount, March 31, 2022	367,091	65,245	432,336
Depreciation	(137,658)	(27,050)	(164,708)
Foreign exchange translation	–	(3,477)	(3,477)
Carrying amount, September 30, 2022	229,433	34,718	264,151

During the six months ended September 30, 2022, the Company recognized \$173,061 of depreciation expense comprised of \$164,708 for ROU assets and \$8,353 for property and equipment (six months ended September 30, 2021 – \$143,451 depreciation expense; \$137,658 ROU asset; \$5,793 property and equipment).

#### 5. Accounts Payable and Accrued Liabilities

As at	September 30 2022	March 31 2022
Accounts payable (United States)	108,517	67,332
Accounts payable (India)	119,357	154,249
Total accounts payable	227,874	221,581
Accrued liabilities (United States)	476,203	190,005
	704,077	411,586

#### 6. Deferred Revenue

A continuity of deferred revenue is as follows:

Balance, March 31, 2022	2,646,582
Invoiced in the period, excluding amount recognized as revenue	1,891,434
Amount recognized as revenue	(2,290,670)
Balance, September 30, 2022	2,247,346



## Boardwalktech Software Corp.

### Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended September 30, 2022

(United States dollars unless otherwise disclosed)

(Unaudited)

#### 7. Lease Liabilities

The Company incurs lease payments related to office premises.

	2022		
	United States	India	Total
Balance, March 31, 2022	431,268	70,625	501,893
Imputed interest	24,042	2,239	26,281
Payments	(175,188)	(29,572)	(204,760)
Foreign currency translation	–	(3,873)	(3,873)
Balance, September 30, 2022	280,122	39,419	319,541

During the six months ended September 30, 2022, the Company recognized \$26,281 of imputed interest related to lease liabilities. During the three months ended September 30, 2021, the Company recognized \$38,577 of imputed interest offset by \$56,695 of rent concessions.

Annual future lease payments under the office lease agreements are as follows:

	United States	India	Total
October 1, 2022 to March 31, 2023	176,939	30,430	207,369
April 1, 2023 to expiry	120,296	10,143	130,439
Total	297,235	40,573	337,808

#### 8. Revenue

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

	For the three months ended September 30		For the six months ended September 30	
	2022	2021	2022	2021
Software-as-a-service (SaaS)	1,092,676	528,979	2,088,038	1,025,093
Legacy (hosting and maintenance)	109,159	86,240	202,632	167,130
Software subscriptions and services	1,201,835	615,219	2,290,670	1,192,223
Professional services	280,090	490,375	696,275	929,620
<b>Total revenue</b>	<b>1,481,925</b>	<b>1,105,594</b>	<b>2,986,945</b>	<b>2,121,843</b>

The Company's revenue is generated in the United States. For six months ended September 30, 2022, 64.7% of the Company's revenue was earned through sales to two major customers (six months ended September 30, 2021 – 41.0% of revenue to one major customer). As at September 30, 2022, trade and other receivables (Note 3) included \$527,072 of receivables from software subscriptions and services customers (March 31, 2022 – \$2,087,250) and \$237,055 of receivables from professional services customers (March 31, 2022 – \$427,810).

#### 9. Nature of Expenses

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

	For the three months ended September 30		For the six months ended September 30	
	2022	2021	2022	2021
Office	39,828	36,591	93,686	72,749
Marketing	251,051 <sup>(1)</sup>	27,004	283,889 <sup>(1)</sup>	50,826
Utilities	31,385	26,398	51,184	53,143
Travel and lodging	21,970	1,100	53,421	11,888
Shareholder, regulatory and other	13,505	5,585	23,371	8,729
	<b>357,739</b>	<b>96,678</b>	<b>505,551</b>	<b>197,335</b>

<sup>(1)</sup> Includes \$204,168 of amortization of revenue contract costs. In connection with certain new revenue contracts, the Company incurred incremental costs to obtain such contracts. When revenue contract costs become payable, they are amortized to marketing costs over the remaining term of the related license period.

# Boardwalktech Software Corp.

## Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended September 30, 2022

(United States dollars unless otherwise disclosed)

(Unaudited)

### 10. Share Capital

Issued common shares:	Number of Shares	Amount (\$)
Balance, March 31, 2022	42,558,809	36,127,078
Conversion of RSUs (Note 12)	1,814,417	3,431,513
Exercise of common share warrants	88,800	60,390
Balance, September 30, 2022	44,462,026	39,618,981

During August and September 2022, the Company issued 88,800 common shares on the exercise of 88,800 common share warrants for gross cash proceeds of \$37,993 (CAD 50,400) plus \$22,397 of fair value reclassified from contributed surplus.

#### Non-voting common shares:

Non-voting common shares are included in the balance of issued common shares and have the same rights and privileges as other common shares, including the same dividend rights, except for the purpose of electing the Company's directors, in which case they are not entitled to vote. These non-voting common shares obtain voting rights to elect the Company's directors upon the Company's receipt of written notice by the non-voting common shareholders to convert the share status to voting common shares following their release from escrow. As at September 30, 2022, the balance of non-voting common shares was 2,206,668 (March 31, 2022 – 2,206,668).

### 11. Warrants

	Number of Warrants	Weighted Average Exercise Price (USD Equivalent) <sup>(2)</sup>
<b>Common share warrants</b>		
Balance, March 31, 2022	12,768,125	0.62
Exercised	(88,800)	(0.41)
Expired	(2,110,655)	(0.46)
Balance, September 30, 2022	10,568,670	0.66

Information about common share warrants outstanding and exercisable at September 30, 2022 is as follows:

Number of Warrants	Weighted Average Exercise Price (CAD)	Weighted Average Exercise Price (USD Equivalent) <sup>(2)</sup>	Weighted Average Life Remaining (Years)
65,296	0.50	0.36	0.10
1,209,400	0.70	0.51	0.10
1,061,309	0.70	0.51	0.32
7,913,125	0.90	0.66	0.32
319,540	–	1.67	5.23
10,568,670	0.85	0.66	0.44

<sup>(2)</sup> Translated to CAD at the September 30, 2022 USD exchange rate.

## Boardwalktech Software Corp.

### Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended September 30, 2022

(United States dollars unless otherwise disclosed)

(Unaudited)

## 12. Share-Based Payments

### Stock options:

As at March 31, 2022 and September 30, 2022, the Company had 818,915 stock options outstanding. Information about the Company's stock options outstanding and exercisable as at September 30, 2022 is summarized in the following table:

Expiry Date	Number of Options	Weighted Average Exercise Price	Weighted Average Life Remaining (Years)
December 3, 2023	173,915	0.44	1.18
December 3, 2025	10,000	0.44	3.18
January 28, 2026	40,000	0.44	3.33
April 26, 2026	7,500	0.44	3.57
February 10, 2028	587,500	2.00	5.37
	818,915	1.56	4.34

### RSUs:

	Number
Balance, March 31, 2022	6,095,817
Vested and converted to common shares	(1,814,417)
Granted	1,994,000
Forfeited	(16,000)
Balance, September 30, 2022	6,259,400
Vested, September 30, 2022	2,476,115

RSUs entitle participants the conditional right to receive one common share of the Company for each share unit. Vested RSUs are converted to common shares following approval by the Company's Board of Directors.

On April 6, 2022, 1,814,417 vested RSUs were converted to common shares and the related fair value of \$3,431,513 was transferred from contributed surplus to share capital.

On August 31, 2022, the Company granted 1,994,000 RSUs to officers, directors and employees of the Company, of which 672,996 RSUs vest on August 31, 2023, 672,996 RSUs vest on August 31, 2024 and 648,008 RSUs vest on August 31, 2025. The fair value of these RSUs was determined to be \$1,267,900 based on the \$0.64 (CAD 0.84) market price of the Company's common shares on the grant date.

Vesting information for RSUs outstanding at September 30, 2022 is summarized below:

Vesting Date	Number of RSUs
August 31, 2022	2,476,115
February 28, 2023	58,331
August 31, 2023	1,825,990
February 28, 2024	58,332
August 31, 2024	1,139,621
February 28, 2025	58,337
August 31, 2025	642,674
	6,259,400

### Share-based payments expense:

During the three and six months ended September 30, 2022, the Company recognized \$495,586 and \$938,116 (three and six months ended September 30, 2021 – \$205,269 and \$271,501), respectively, of share-based payment expense in respect of RSUs. As at September 30, 2022, the remaining unvested balance of share-based payments was \$1,762,208.

## Boardwalktech Software Corp.

### Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended September 30, 2022

(United States dollars unless otherwise disclosed)

(Unaudited)

#### 13. Per Share Amounts

	For the three months ended September 30		For the six months ended September 30	
	2022	2021	2022	2021
Loss for the period	(1,224,344)	(715,617)	(2,076,176)	(1,369,199)
Basic and diluted weighted average number of shares	44,402,635	42,348,479	44,328,523	42,288,484
Basic and diluted net loss per share	(0.03)	(0.02)	(0.05)	(0.03)

For the three and six months ended September 30, 2022 and 2021, all warrants, stock options and RSUs were excluded from the diluted per share amounts as their effect is anti-dilutive in loss periods.

#### 14. 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.

The Company has current assets of \$2,322,229 to satisfy its financial liabilities as they come due. As at September 30, 2022, maturities of the Company's financial liabilities are as follows:

	Carrying Amount	Contractual cash flows	Remainder of fiscal year 2023	Fiscal year 2024
Accounts payable and accrued liabilities (Note 5)	704,077	704,077	704,077	–
Lease liability (Note 7)	319,541	337,808	207,369	130,439
	1,023,618	1,041,885	911,446	130,439

#### 15. Subsequent events

Subsequent to September 30, 2022, the Company issued 705,096 common shares on the exercise of 705,096 common share warrants for gross cash proceeds of \$350,522 (CAD 481,348).

Subsequent to September 30, 2022, 565,400 common share warrants exercisable at CAD 0.70 and 4,200 common share warrants exercisable at CAD 0.50 expired.