BOARDWALKTECH SOFTWARE CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT AND FOR THE THREE MONTHS AND YEAR ENDED MARCH 31, 2025

DATED: JULY 28, 2025

This Management's Discussion and Analysis ("MD&A") for the three months and year ended March 31, 2025 provides detailed information on the operating activities, performance and financial position of Boardwalktech Software Corp. ("Boardwalk" or the "Company"). This discussion should be read in conjunction with the Company's March 31, 2025 audited consolidated financial statements and accompanying notes. The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in U.S. dollars, unless otherwise stated. The information contained herein is current to July 28, 2025, unless otherwise stated.

The Company's fiscal year commences April 1st of each year and ends on March 31st of the following year. The Company's current fiscal year, which ended on March 31, 2025 is referred to as "current fiscal year", "Fiscal 2025" or similar words. The previous fiscal year, which ended on March 31, 2024, is referred to as "previous fiscal year", "Fiscal 2024" or similar words. The three-month quarter ended March 31, 2025 is referred to as "Q4 Fiscal 2025"and the previous three-month quarter ended December 31, 2024 is referred to as "Q3 Fiscal 2025" and the comparative three-month quarter ended March 31, 2024 is referred to as "Q4 Fiscal 2024".

In this document unless otherwise specified, "we", "us", "our", "Company" and "Boardwalk" all refer to Boardwalktech Software Corp. collectively with its subsidiaries. The content of this MD&A has been approved by the Board of Directors, on the recommendation of its Audit Committee.

CAUTION REGARDING FORWARD LOOKING INFORMATION

Certain statements in this MD&A which are not historical facts constitute forward-looking statements or information within the meaning of applicable securities laws ("forward-looking statements"). Such statements include, but are not limited to, statements regarding Boardwalk's projected revenues, gross margins, earnings, growth rates, the impact of new product design wins, market penetration and product plans. The use of terms such as "may", "anticipated", "expected", "projected", "targeting", "estimate", "intend" and similar terms are intended to assist in identification of these forward-looking statements. Readers are cautioned not to place undue reliance upon any such forward-looking statements. Such forward-looking statements are not promises or guarantees of future performance and involve both known and unknown risks and uncertainties that may cause Boardwalk's actual results to be materially different from historical results or from any results expressed or implied by such forward-looking statements. Accordingly, there can be no assurance that forward-looking statements will prove to be accurate and readers are therefore cautioned not to place undue reliance upon any such forward-looking statements.

Factors that could cause results or events to differ materially from current expectations expressed or implied by forward looking statements contained herein include, but are not limited to: our history of losses and the risks associated with not achieving or sustaining profitability; the Company's dependence on a limited number of customers for a substantial portion of revenues; fluctuating revenue and expense levels arising from changes in customer demand, sales cycles, product mix, average selling prices, cloud hosting costs and timing of product introductions; risks associated with competing against larger and more established companies; competitive risks and pressures from further consolidation amongst competitors, customers, and suppliers; market share risks and timing of revenue recognition associated with product transitions; risks related to intellectual property, including third party licensing or patent infringement claims; the loss of any of the Company's key personnel could seriously harm its business; risks associated with adverse economic conditions; delays in the launch of customer products; price re-negotiations by existing customers; legal proceedings arising from the ordinary course of business; ability to raise needed capital; ongoing liquidity requirements; and other factors discussed in the "Risk Factors" section. All forward-looking statements are qualified in their entirety by this cautionary statement. Boardwalk is providing this information as of the current date and does not undertake any obligation to update any forward-looking statements contained herein as a result of new information, future events or otherwise except as may be required by applicable securities laws.

Risks relating to the Company include, but are not limited to, the following:

- the Company has a history of losses and may not achieve profitability in the future;
- the Company has historically received a substantial portion of its revenue from a limited number of customers;
- the Company expects its operating results to continue to fluctuate;
- the Company faces intense competition and expects continued market competition in the future;
- assertions by third parties of infringement by Boardwalk of, or of Boardwalk's failure to protect, their intellectual property rights could result in significant costs and cause Boardwalk's operating results to suffer;
- the Company may have difficulty accurately predicting revenue for the purpose of appropriately budgeting and adjusting its expenses.
- the loss of customers could affect the Company's financial returns and future plans;
- the Company's customers may cancel future subscriptions that can adversely impact future recurring revenue;
- the Company may be unable to generate funds required to meet its funding requirements and may need to raise additional funds;
- changes in industry standards or technology could impede the sale of Boardwalk's products;
- the loss of any of the Company's key personnel could seriously harm its business;
- the pattern of customer product ramps as they shift from legacy products to new products based on our more advanced designs could affect both the amount and timing of revenue recognized by the Company;
- the Company's failure to maintain compliance with applicable regulations in certain geographies or other jurisdictions may force it to cease distribution in those areas;
- the majority of the Company's operating expenses are denominated in U.S. dollars; therefore, the Company's earnings are impacted by fluctuations in exchange rates between the U.S. dollar and other currencies; and,
- the Company may be involved in legal proceedings from time to time; arising in the ordinary course of its business and such proceedings may affect the Company's financial position, results of operations or cash flows.

FINANCIAL HIGHLIGHTS

Revenue for Fiscal 2025 totaled $4.8 million compared to $6.0 million for Fiscal 2024. The portion of revenue from new and recurring SaaS licenses earned in Fiscal 2025 decreased by 23% year-over-year due to the impact from two previously disclosed customers that did not renew due to internal reorganizations but was partially offset by a 9% increase in professional services revenue.

The Company defines annual recurring revenue (“ARR”) as the recurring revenue expected based on annual license subscriptions and recurring services recognized in the quarter. ARR is a non-IFRS measure. ARR at March 31, 2025 was $4.0 million.

Gross margin for Fiscal 2025 was 87.7%, down from Fiscal 2024’s level of 89.6% primarily due to lower revenue levels. The Company expects gross margins to return to prior levels at or about 90% but expects gross margins to fluctuate by quarter.

Net loss for Fiscal 2025 was $(3.2) million, $(0.06) per basic and diluted share, versus a net loss of $(3.1) million for Fiscal 2024, $(0.06) per basic and diluted share. Adjusted operating expenses for Fiscal 2025 totaled $6.0 million, a $0.9 million decrease from the $6.9 million of adjusted operating expenses reported for Fiscal 2024 which reflect the impact of the Company’s realignment and cost efforts announced during the last fiscal year.

Non-IFRS net loss for Fiscal 2025 (as defined in the Adjusted EBITDA and Non-IFRS Financial Measures section) was $(2.2) million, $(0.04) per basic and diluted share, versus the $(1.7) million non-IFRS loss for Fiscal 2024, $(0.03) per basic and diluted share.

Adjusted EBITDA for Fiscal 2025 was $(1.8) million, compared to Adjusted EBITDA of $(1.6) million for Fiscal 2024.

OUTLOOK FOR FISCAL 2026

The Company continues to lever its “land and expand” strategy with its Velocity and Digital Ledger solutions, as recurring revenue from new SaaS licenses has grown at a compound annual growth rate (“CAGR”) of 27% over the last three years, on a trailing twelve-month basis. While those growth achievements are strong, considering the Company’s limited resources, the Company is targeting and expecting higher growth rates going forward, based on the size of its pipeline and later stage visibility on closure of several material license agreements. Despite slower than expected conversions from its sales pipeline during the first half of this fiscal year, the Company is much more optimistic exiting Fiscal 2025 and into Fiscal 2026, given a pick-up of license agreements in process of execution, with corresponding announcements expected as those license deals commence revenue contribution. The addition of new teaming partners and business development resources announced over the past year, targeted at the financial services market for our Velocity software product offering, is a positive leading indicator towards revenue growth expectations. During Fiscal 2025, the Company also augmented its product roadmap, including promising interest in its Unity Central product offering, along with supplemental product tool solution such as its EUC Asset Tracker (for Velocity) and Boardwalk Agent AI (to extend BDL data intelligence for AI and Agentic AI across all Boardwalk licensed applications). These products complement and expand our Digital Ledger solutions to manage documents, signals and unstructured data., with initial focus on closing financial services and enterprise supply chain market opportunities in Fiscal 2026.

The decrease in our reported license revenue is primarily due to expired licenses that were not renewed by two customers due to large scale reorganizations at each customer. The residual contribution from those events ended in December 2024, so there was no impact in Fiscal 4Q Fiscal 2025 or going forward. This is consistent with the challenging market headwinds and internal customer issues described and discussed this past year, though the Company is not directly impacted by U.S. tariffs actions, though its customers operations might be impacted (though BDL could be used to better manage tariffs and associated audit trails). Recent engagements would indicate those headwinds have or are in the process of dissipating, leading to a higher degree of confidence for revenue growth in the next 12 months. We believe these factors and delays were not so much related to the sales cycle of customers choosing our products *per se*, but more customer-centric delays in this "year of efficiency" focus. 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.

As part of its strategy to improve execution and reduce reliance on slower than expected sales pipeline conversions, the Company recognized over $0.9 million of savings in Fiscal 2025 (versus Fiscal 2024) from its sales and marketing realignment efforts implemented over the past year, as the Company reallocated resources to more targeted, effective sales and marketing channels including leverage its growing network of teaming partners. This savings in Fiscal 2025 actually exceeded the $600,000-$800,000 range the Company mentioned in prior disclosures, and is $1.2 million lower from the peak operating expense levels in Fiscal 2023, before the Company's actions, As evidence of that realignment process, over the past three quarters, the Company executed four new teaming or partnership agreements with leading IT consultancy and service firms. These firms have existing business relationships with targeted customers in the banking, financial services, Consumer Products group (CPG) and manufacturing markets who would benefit from Boardwalk's Digital Ledger, Unity Central and Velocity solutions. These partners have already or are currently identifying opportunities where they can leverage our offerings across their customer base, which should lead to new licenses for Boardwalk. The Company will continue to leverage more teaming/alliance arrangement with these partners who are doing the majority of the professional services work for implementing the Digital Ledger, Velocity and Unity Central products (thereby also alleviating the Company of operating expenses needed for growth). Thus, these agreements provide operating leverage as these partners provide customer access and scale that Boardwalk could not if it relied on only its own direct sales efforts. The Company also has several other partnership agreements pending as of this filing.

It is a combination of the restructured actions, new product roadmap features/offerings, and leveraging of teaming partners that should enable Boardwalktech to be more efficient and effective in closing new deals in Fiscal 2026 and beyond.

Consequently, the Company still expects to achieve cash breakeven (Adjusted EBITDA) based on modest revenue growth assumptions and less reliance on large pipeline conversions (than in previous projections), concurrent with the cost savings measures implemented in Fiscal 2025.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth selected financial information derived from the Company's March 31, 2025 audited consolidated financial statements. The selected quarterly financial information was prepared in accordance with interim financial reporting requirements in a manner consistent with the Company's annual consolidated financial statements.

in thousands of U.S. dollars	for Three-month period ended			Fiscal Year, period ended	
except per share amounts	**Mar 31, 2025**	**Dec 31, 2024**	**Mar 31, 2024**	**Mar 31, 2025**	**Mar 31, 2024**
Revenue	978	1,292	$1,423	4,797	$5,972
Cost of sales	144	150	155	590	622
Gross Profit	$834	$1,142	$1,267	$4,207	$5,350
SG&A expenses *	$1,586	$1,430	$1,614	$6,019	$6,953
Share-based payments	113	117	111	603	1,007
Depreciation	77	77	79	310	321
Operating Loss	(942)	(482)	(537)	(2,725)	(2,931)
Severance	-	-	$104	$0	$104
Interest on credit facility	80	74	2	301	2
Loss on debt settlement	52	-	-	52	-
Imputed interest, lease	17	19	24	79	73
Financing costs & other expenses	15	16	-	63	-
Loss before taxes	(1,107)	(590)	($667)	($3,220)	($3,110)
Taxes	19	-	23	19	23
Loss for the period	**($1,126)**	**($590)**	**($690)**	**($3,240)**	**($3,132)**
Loss per share, basic and diluted	($0.02)	($0.01)	($0.01)	($0.06)	($0.06)

* SG&A expenses: comprised of salaries, wages and benefits, professional fees, general and adminsitrative, deferred compensation, and consulting.

in thousands of U.S. dollars	**as at March 31, 2025**		**as at March 31, 2024**	
Current Assets				
Cash	$	359	$	2,232
Trade and other receivables		600		445
Prepaid expenses and deposits		222		281
Total Current Assets	**$**	**1,181**	**$**	**2,958**
Total non-current assets		**496**		**807**
`	**$**	**1,677**	**$**	**3,765**
Current liabilities				
Account payables and accrued liabilities	$	913	$	643
Deferred revenue		707		1,290
Deferred compensation		178		241
Credit facility		2,622		0
Current portion of lease liability		353		309
Total current liabilities	**$**	**4,773**	**$**	**2,483**
Credit facility		-		2,250
Lease liabilities		268		622
Total Liabilities	**$**	**5,041**	**$**	**5,355**
Shareholders' Equity		**(3,364)**		**(1,590)**
Total Liabilities and Shareholders' Equity	**$**	**1,677**	**$**	**3,765**

ADJUSTED EBITDA AND NON-IFRS FINANCIAL MEASURES

In addition to disclosing results in accordance with IFRS as issued by the International Accounting Standards Board, the Company also provides Adjusted EBITDA and Non-IFRS financial measures disclosed as a supplement to financial results in order to provide a further understanding of Boardwalk's results and operational performance from management's perspective. In particular, Boardwalk uses Adjusted EBITDA and Non-IFRS financial measures to highlight trends in its core business that may not otherwise be readily apparent solely from IFRS measures. Boardwalk management uses Adjusted EBITDA and Non-IFRS financial measures to facilitate operating performance comparisons from period to period, to prepare annual operating budgets, and to assess Boardwalk's ability to meet its future expenditures and working capital requirements. Boardwalk believes that securities analysts, investors and other interested parties frequently use Adjusted EBITDA and Non-IFRS financial measures in the evaluation of publicly traded companies.

Non-IFRS net income (loss) is defined as net income (loss) before share-based payments, depreciation, certain financing and non-recurring or one-time items which may arise from time to time. Non-IFRS net income (loss) does not have any standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures presented by other companies. Non-IFRS net income (loss) should not be considered in isolation or as a substitute for net income (loss) reported in accordance with IFRS.

Adjusted EBITDA is defined as operating income (loss) for the period (as reported in the consolidated statement of loss and comprehensive loss) less depreciation and share-based payments.

Boardwalk has provided a comparison of net income (loss) to Non-IFRS net income (loss) and Adjusted EBITDA measures in the following tables:

except per share amounts	**2025**	**2024**	**2024**	**2025**	**2024**
Net Loss for the period	**($1,126)**	**($590)**	**($690)**	**($3,240)**	**($3,132)**
Adjustments:					
Share-Based Payments	113	117	111	603	1,007
Depreciation	77	77	79	310	321
Amortization of credit facility fees	15	16	0	63	0
Loss on debt settlement	52	0	0	52	0
Severance	0	0	104	0	104
Total Adjustments	258	210	294	1,028	1,432
Non-IFRS Net Loss	**($868)**	**($380)**	**($396)**	**($2,212)**	**($1,701)**
Non-IFRS amount per share, basic and diluted:	($0.02)	($0.01)	($0.01)	($0.04)	($0.03)

Adjusted-EBITDA	for Three-month period ended			Fiscal Year, period ended	
figures in U.S. dollars, thousands	March 31, **2025**	Dec 31, **2024**	March 31, **2024**	March 31, **2025**	March 31, **2024**
Operating Loss for the Period	**($942)**	**($482)**	**($537)**	**($2,725)**	**($2,931)**
Add back (deduct)					
Depreciation	77	77	79	310	321
Share-Based Payments	113	117	111	603	1,007
Adjusted EBITDA	**($752)**	**($288)**	**($346)**	**($1,812)**	**($1,603)**

OVERVIEW

Our Company

Boardwalk was incorporated pursuant to the Business Corporations Act of British Columbia. The Company operates from locations in the United States and India and provides enterprise software-as-a-service (SaaS) to global customers.

Boardwalk designs and licenses industry-leading enterprise software solutions based upon its unique patented digital ledger technology. The Company has over 50 employees and full-time contractors at its Cupertino, California headquarters and its wholly owned subsidiary in Mumbai, India. Through its extensive data management/database technology expertise, Boardwalk was first to market in 2005 with a proprietary and patented positional, cell data management technology (aka "digital ledger') - what we call "transaction chaining"- which addresses the digital transformation issues companies face when working with multiple parties and exchanging information in real-time. The Company's solutions resolve two enterprise business problems – connecting multiple users in the enterprise value chain to improve planning and results and the alignment of data from various/multiple enterprise systems of record used in planning and information exchange processes. Boardwalk's unique technology allows multiple users to secure simultaneous access to the same data in a relational database environment which supports concurrent access to record objects while being edited. Another key enterprise problem that is solved with Boardwalk's technology is the chaining of transactions in a database to support provenance and immutable versioning and change management/change history. Concurrent with the Company's initial go-to-market activities, a patent was filed to protect the IP associated with versioned sharing, consolidating, and reporting enterprise information. Also, in 2014 the Company applied for a patent to protect the IP associated with cell-based data management, and this patent was issued in September 2018 which coincides with an existing patent issued July 2005 for managing time-based data at the cell or atomic unit level. Boardwalk's revenue comes primarily from new and recurring license subscription agreements, maintenance, and service contracts. Boardwalk's customers include over 20 companies in the Global 1000 / Fortune 500.

On June 11, 2018, Boardwalk began trading on the TSX Venture Exchange under the symbol 'BWLK'; and on November 13, 2019, Boardwalk began trading on the OTC Markets Group/OTCQB under the symbol "BWLKF".

Products and Solutions

The Boardwalk Digital Ledger enterprise platform is a complete enterprise platform that resolves trust and collaboration issues companies face when working with multiple parties, which enables customers to automate manual business processes and turn them into enterprise "digital" applications using our patented digital ledger data management technology. The Boardwalk Digital Ledger platform can be used to build and maintain applications with multiple internal or external users working in Excel, a web form, or mobile environment as the user interface. The Company's software supports a dynamic, cell-based/atomic unit smart contract and machine learning-enabled information exchange that combines Boardwalk's temporal data management and enterprise integration environment with digital ledger-based trust and validation capabilities. The result is a private permissioned enterprise data management environment that supports time-based multi-party workflow transactions and consensus models for automating previously established manual-based processes and turning them into connected digital applications. The Company has developed two solutions that run on the core Boardwalk Digital Ledger technology including Boardwalk Velocity which is focused on risk management and compliance within the financial services sector and Unity Central which is targeted at improving enterprise supply chain visibility and order execution fulfillment metrics.

Growth Strategy

Boardwalk's objective is to be the leading provider of private, permissioned digital ledger solutions for global enterprise customers of any size. Elements key to this strategy include:

- expand our network of direct salespeople;
- expand our network of teaming partners and reseller sales channels;
- broader adoption of Boardwalk's solutions by new markets and new customers;
- greater penetration of our existing customer base;
- introduction of new features and capabilities including digital predictive analytics;
- extending our digital ledger technology into an end-to-end operating system solution; and,
- delivering high ROI industry solutions like Velocity and Unity Central.

Sales and Distribution

Boardwalk primarily uses a direct sales model where the Boardwalk Digital Ledger enterprise platform creates a unique go-to-market opportunity for the Boardwalk solution. For direct sales, the Company uses regional sales representatives paired with a Sales Development Representative (“SDR”) who will guide lead development, with sales representatives on a standard back-end weighted commission plan while the SDR will have a base salary plus variable compensation. Boardwalk is also starting to grow its partner sales ecosystem by recruiting new teaming partners that can build and manage solutions for their clients with a focus in the financial services area leveraging the Boardwalk Velocity for financial services customers running on the Boardwalk Digital Ledger platform. Deployment and professional services for direct sales Boardwalk customers are handled by Boardwalk professional services group while deployment and professional services for teaming partner sales are mainly handled by the partner.

Boardwalk offers the Boardwalk Digital Ledger enterprise platform on an annual subscription basis, with pricing built around multiple digital applications and scale/size of data. Boardwalk engages enterprise clients with an annual subscription for the platform and associated applications and all platform capabilities are included such as:

- Boardwalk Digital Ledger Server;
- Boardwalk Application Design Studio;
- Boardwalk Integration Framework;
- Boardwalk Smart Contract engine;
- Boardwalk APIs;
- Boardwalk Virtual Machines (Nodes);
- Boardwalk Velocity product; and
- Boardwalk Unity Central product.

CORPORATE DEVELOPMENTS

- On April 1, 2024, the Company announced it had secured a three-year US$4.0 million Line-of-Credit ("LOC") facility with Celtic Bank, for growth needs including expansion of its recurring revenue. The LOC is a non-dilutive, interest-only during the three-year period (at 12.5%) with available funds based on 60% of trailing 12-month ARR (annual recurring revenue).
- On April 8, 2024, the Company announced it signed a teaming agreement with Tata Consultancy Services (NSE: TCS) to deliver consulting and professional services in the financial services market for the Boardwalk Velocity product to remediate and transform banks’ End User Computing ("EUC") environments into a compliant, auditable, and scalable solution.
- On May 9, 2024, the Company announced Jay Cherrie had been added to the Company's corporate advisory board and as a business development asset. Mr. Cherrie’s senior executive roles for Appian Corporation, CTO for First Republic Bank, and lead of the technology strategy department for Charles Schwab Bank provide directly relevant expertise to Boardwalktech’s business endeavors.
- On June 11, 2024, the Company announced it signed a teaming agreement with UST, a leading digital transformation solutions company, with a shared focus on the banking and financial services industry
- On August 30, 2024, the Company announced the addition of seasoned technology executive Drue Freeman to the Company's board of directors.
- On September 27, 2024, the Company and HCL Tech Limited (NSE: HCLTECH) jointly announced an expansion of their partnership, where HCLTech is currently engaged with one of the top 5 US banks, helping implement the Boardwalk Velocity Product.
- On October 9, 2024, the Company announced it entered into an investor relations and capital markets advisory agreement with Sophic Capital Inc., to provide the Company with marketing and investor relations services to expand investor awareness of the Company's business and to communicate with the investment community.
- On October 28, 2024, the Company and Scadea Software Solutions jointly announced a partnership to sell and deploy Boardwalk Unity Central and Boardwalk Velocity platform applications, where Boardwalktech retains sole rights to licensing while Scadea would receive a referral fee and any professional services.
- On January 16, 2025, the Company announced that a Fortune 500 food and snack manufacturing client had signed a 5-year extension to license and further deploy Boardwalktech's supply chain solution, with the Company projecting the renewal to generate in excess of US$300,000 of license revenue over the term of this extension, not including potential professional services work or usage-based upside revenue.

- On January 22, 2025, the Company and LTIMindtree (NSE: LTIM) (BSE: 540005), a global technology consulting and digital solutions company, announced they had expanded their partnership including current work at a top 5 U.S. joint banking client to remediate the risk of End User Computing applications (EUCs) through licensed use of the Boardwalk Velocity software product.
- On February 6, 2025, the Company announced the extension and expansion of its existing engagement with an existing Top 5 US bank customer, achieving a milestone at the end of January 2025 in the delivery of its Velocity product, which increases annual recurring revenue and expands professional services agreements with multiple partners through 2025 that will deliver over $300,000 of incremental revenue to the Company from this engagement, which represents a doubling to comparable levels in the prior year.
- On March 17, 2025, the Company announced the closing of an initial tranche of a non-brokered private placement of 8,576,573 units of the Company at the price of C$0.13 per Unit for gross proceeds of C$1,114,954 pursuant to the Listed Issuer Financing Exemption of National Instrument 45-106 - Prospectus Exemptions. Concurrently with the completion of the LIFE Offering, the Company also issued 250,000 Units on a non-brokered basis to United States Investors, at US$0.09 (equivalent of C$0.13) with equivalent commercial terms for each warrant per Unit.
- On May 12, 2025, the Company announced a new strategic partnership with Zideas Consulting, a respected technology advisory firm focused on digital transformation, as well as the appointment of Jay Chakraborty, Principal of Zideas Consulting, to the Company's Advisory Board.
- On May 14, 2025, the Company announced the appointment of Miles Ravitz to its corporate Advisory Board. Mr. Ravitz is an executive with Promontory Financial Group, a business unit of IBM Consulting, and is expected to act as both an advisor and liaison between the Company and its customer prospects.

CURRENT PERIOD OPERATING RESULTS

Revenue

	for Three-month period ended			Fiscal Year, ended	
in thousands of U.S. dollars	Mar 31, **2025**	Dec 31, **2024**	Mar 31, **2024**	Mar 31, **2025**	Mar 31, **2024**
SaaS License (New and Renewals)	$766	$938	$1,265	$3,796	$4,970
Legacy (Hosting and Maintenance)	68	74	73	285	344
Software Subscriptions and Service	$834	$1,011	$1,338	$4,080	$5,314
Professional Services	144	281	85	717	658
Total Revenue	**$978**	**$1,292**	**$1,423**	**$4,797**	**$5,972**

Boardwalk derives its revenues from two sources: (1) recurring software subscription revenues (SaaS), which are derived from customer licenses for a right to access the Company's cloud services, certain hosting services for dedicated servers, and from customers paying for additional services beyond the standard support that is included in the basic subscription fees; and (2) related professional services such as consulting, application development, quality assurance (QA), application delivery, and training. New revenue is defined as newly signed contracts during the reporting period for license subscriptions while recurring or renewal revenue are revenue streams that have been extended from previous periods.

Q4 Fiscal 2025 compared to Q4 Fiscal 2024

Revenues for Q4 Fiscal 2025 totaled $1.0 million, a 31% decrease from $1.4 million of total revenue in Q4 Fiscal 2024, due to a decrease in our reported license revenue from expired licenses that were not renewed by two customers due to large scale reorganizations at each customer, partially offset by a 69% increase in revenue from professional services. The last quarter that any license revenue from these two customers was recognized was in Fiscal 3Q 2024, so the figures in Q4 Fiscal 2025 are net of any other downside impact.

Q4 Fiscal 2025 compared to Q3 Fiscal 2025

Revenues for Q4 Fiscal 2025 totaled $1.0 million, a 24% decrease from $1.3 million if total revenue in Q3 Fiscal 2025, as Q3 Fiscal 2025 was the last quarter that license revenue from the two non-renewal licenses was recognized. As disclosed in previous filings, the Company is recognizing a six-month recurring development and maintenance contract, paid in arrears at the end of Q3 Fiscal 2025 and subsequently renewed for another year, as professional services than a recurring license.

Fiscal 2025 Year compared to Fiscal 2024 Year

Total revenue for Fiscal 2025 totaled $4.8 million compared to $6.0 million for Fiscal 2024. The portion of revenue from new and recurring SaaS licenses earned in Fiscal 2025 decreased by 23% year-over-year due to the impact from two previously disclosed customers that did not renew due to internal reorganizations but was partially offset by a 9% increase in professional services revenue.

Revenue Derived from Major Customers

Based on information from our direct and reseller sales, our customers representing greater than 10% of our revenue for the periods are:

	for Three-month period ended			Fiscal Year, period ended	
	Mar 31, **2025**	Dec 31, **2024**	Mar 31, **2024**	Mar 31, **2025**	Mar 31, **2024**
Customer A	53.7%	41.2%	39.5%	39.2%	37.7%
Customer B	0.0%	14.0%	28.0%	16.3%	30.0%
Top 5	75.9%	75.0%	83.8%	75.8%	82.5%
Top 10	88.4%	89.1%	92.3%	88.0%	91.3%

The Company's quarterly revenues can be impacted by and fluctuate due to the timing and frequency of new and existing customers. While we currently receive a substantial portion of our revenue from a limited number of customers, we expect our customer concentration to continue to decline in the future.

Gross Margin

Our revenue, cost of sales, and gross margin for the fiscal periods indicated are as follows:

	for Three-month period ended			Fiscal Year, period ended	
thousands of U.S. dollars	Mar 31, **2025**	Dec 31, **2024**	Mar 31, **2024**	Mar 31, **2025**	Mar 31, **2024**
Revenue	$978	$1,292	$1,423	$4,797	$5,972
Cost of Sales	144	150	155	590	622
Gross Margin $	$834	$1,142	$1,267	$4,207	$5,350
Gross Margin %	*85.3%*	*88.4%*	*89.1%*	*87.7%*	*89.6%*

Q4 Fiscal 2025 compared to Q4 Fiscal 2024

Gross margin for Q4 Fiscal 2025 was 85.3%, compared to from 89.1% for Q4 Fiscal 2024, due to lower revenue levels.

Q4 Fiscal 2025 compared to Q3 Fiscal 2025

Gross margin for Q4 Fiscal 2025 was 85.3%, compared to 88.4% Q3 Fiscal 2025, due to lower revenue levels.

Fiscal 2025 Year compared to Fiscal 2024 Year

Gross margin for Fiscal 2025 was 87.7% compared to 89.6% for Fiscal 2024, due to lower revenue levels.

The Company expects gross margins to return to prior levels at or about 90% but expects gross margins to fluctuate by quarter. The Company intends to make higher investments with its hosting sub-processor to support further growth, especially with deployment of new Velocity customers and Unity Central. That said, the Company expects gross margins in future quarters to increase as revenue grows, but the impact is likely to fluctuate period-to-period due to a variety of factors, including product mix.

Operating Expenses

The following table provides an analysis of the Company's total operating expenses plus adjusted operating expenses which exclude non-cash share-based compensation expenses, as a percentage of total revenue. The analysis following the table will primarily focus on the adjusted operating expenses for the respective periods.

figures in U.S. dollars, thousands	for Three-month period ended			Fiscal Year, period ended	
	Mar 31, **2025**	Dec 31, **2024**	Mar 31, **2024**	Mar 31, **2025**	Mar 31, **2024**
Total Operating Expenses	$1,776	$1,624	$1,804	$6,932	$8,281
Total Adjusted Operating Expenses**	$1,586	$1,430	$1,614	$6,019	$6,953

*** Total Adjusted Operating Expenses exclude non-cash share-based payment expenses and depreciation.*

Q4 Fiscal 2025 compared to Q4 Fiscal 2024

Total adjusted operating expenses in Q4 Fiscal 2025 of $1.59 million were slightly lower than adjusted operating expenses of $1.61 million for Q4 Fiscal 2024, despite $0.1 million of higher professional services expenses, which tend to be higher in fourth quarter from seasonal audit and tax expenses, plus higher legal and other expenses from our financing efforts this year.

Q4 Fiscal 2025 compared to Q3 Fiscal 2025

Total adjusted operating expenses in Q4 Fiscal 2025 of $1.59 million were higher than adjusted operating expenses of $1.43 million for Q3 Fiscal 2025, due to $0.2 million of higher general administration and professional services expenses, due to higher seasonal audit and tax expenses in Q4 Fiscal 2025, plus higher legal and other expenses from our financing in the recent quarter.

Fiscal 2025 Year compared to Fiscal 2024 Year

Adjusted operating expenses for Fiscal 2025 totaled $6.0 million, a $0.9 million decrease from the $7.0 million of adjusted operating expenses reported for Fiscal 2024 which reflect the impact of the Company's realignment and cost efforts announced during the last fiscal year, primarily from $0.9 million of lower salaries and benefits, $0.1 lower deferred compensation, and $0.1 million of lower general administration and professional expenses, partially offset by $0.16 million of higher consulting fees in Fiscal 2025

Other Expenses

Other expenses primarily consist of imputed interest related to office lease liabilities, which will fluctuate as leases expire or are extended and due to the passage of time plus credit facility interest and accretion, loss on debt settlement and severance costs. The Company obtained a credit facility executed on March 28, 2024, with Q1 Fiscal 2025 being the first full quarter of incurred interest and accretion of financing expenses on that credit facility.

figures in U.S. dollars, thousands	for Three-month period ended			Fiscal Year, period ended	
	Mar 31, **2025**	Dec 31, **2024**	Mar 31, **2024**	Mar 31, **2025**	Mar 31, **2024**
Severance costs	-	-	104	-	104
Imputed interest	17	19	24	79	73
Accretion of credit facility	15	16	-	63	-
Loss of debt settlement	52	-	-	52	-
Interest on credit facility	80	74	2	301	2
Other Expenses, net	164	108	131	496	179

LIQUIDITY AND CAPITAL RESOURCES

Historically, the Company has financed its operations primarily through the sale of equity securities, debt, and cash from operating activities.

Working Capital

Working capital represents the Company's current assets less its current liabilities. The Company reported a working capital deficit of $(3.6) million at March 31, 2025 (including $0.4 million of cash and $0.6 million of trade receivables which have since been collected) compared to $0.5 million working capital surplus reported at March 31, 2024 (including $2.2 million of cash and $0.4 million of trade receivables). The twelve-month period change is primarily from a $1.9 million decrease in cash, the $2.6 million reclassification of the loan facility from long-term to current liabilities (as required by IFRS), a $0.3 million increase in accounts payable and accrued liabilities, $0.1 million of lower deferred compensation, $0.06 million of lower prepaid expense, a $0.1 million decrease in trade and other receivables and a $0.6 million decrease in deferred revenue. It should be noted that the deferred revenue balance of $0.7 million reflects new and recurring licenses that are contractually non-refundable at the beginning of each annual license term, then recognized over the license term (amortizing the deferred revenue down), versus a liability expected to be paid in cash. Working Capital (pro forma) reflects our net working capital without the impact of that deferred revenue amount. It should be noted that a few large customers have negotiated the payment of their binding annual licenses on a quarterly basis which lowers absolute deferred revenue levels compared to historical levels of previous quarter.

In addition, while the Company did not meet the gross working capital financial covenant (gross working capital, as defined by the lending agreement, is cash on hand plus the available borrowing base) as at March 31, 2025 due to later than expected collection of certain receivables (as receivables are not included in that gross working capital covenant), the covenant was cured and accepted by the lender as of June 2, 2025. So, while IFRS requires the reclassification of the credit facility from long-term to current liabilities at March 31, 2025, as of March 31, 2025 and the date of this MD&A, the lender is not requiring repayment prior to the March 2027 maturity date.

in thousands of U.S. dollars	as at March 31, **2025**	as at March 31, **2024**
Current Assets	$ 1,181	$ 2,958
Current Liabilities	4,773	2,483
Working Capital	$ (3,593)	$ 475
Credit facility	$ 2,622	
Deferred Revenue	707	1,290
Working Capital (pro forma)	$ (263)	$ 1,765

The Company expects working capital to increase as revenue growth occurs. While the Company plans to keep its targeted collection days in-line with its payment terms, aggregate trade receivables level should increase in absolute dollars as revenue levels grow.

The following table shows our cash flows from operating activities, investing activities and financing activities for the periods indicated.

Cash inflows (outflows) by activity:	for Three-month period ended			Fiscal Year, period ended	
in thousands of U.S. dollars	Mar 31, **2025**	Dec 31, **2024**	Mar 31, **2024**	Mar 31, **2025**	Mar 31, **2024**
Operating Activities	($309)	($369)	($1,246)	($2,248)	($3,356)
Investing Activities	0	0	0	0	(6)
Financing Activities	472	371	2,582	375	3,407
Net Inflows (outflows)	**$163**	**$2**	**$1,336**	**($1,873)**	**$45**

Cash Flows Used In Operating Activities

Cash flows used in operating activities primarily consist of our net loss adjusted for non-cash expenses and for changes in non-cash working capital items. Non-cash adjustments to operating activities generally include depreciation, share-based payments and interest and financing fees. Changes in non-cash working capital items include changes in accounts receivable, which will increase as revenue increases, deferred revenue, and changes to accounts payable as we purchase more goods and services from suppliers to support such growth.

Q4 Fiscal 2025 compared to Q4 Fiscal 2024

During Q4 Fiscal 2025, cash outflow from operating activities was $(0.3) million versus cash outflow of $(1.2) million during Q4 Fiscal 2024. It should be noted that during Fiscal 2025, two of the Company's largest customers have shifted from one-time payments for its annual licenses, to quarterly installments which shifted quarter to quarter fluctuations experienced in prior years, particularly in regards to deferred revenue and trade receivables impact on cash from operations. While this will decrease the quarterly fluctuations in operating cash flows, we continue to advise investors to look at moving averages to get a better reflection of improving cash flow trends.

Q4 Fiscal 2025 compared to Q3 Fiscal 2025

During Q4 Fiscal 2025, cash outflow from operating activities was $(0.3) million versus cash outflow of $(0.4) million during Q3 2025. Much of this difference in sequential cash flow came from a $0.5 million higher loss in Q4 2025 and $0.1 million decrease in trade receivables, partially offset by cash provided by a $0.2 million change in deferred revenue, $0.2 million from accounts payable, and $0.2 in deferred compensation.

Fiscal 2025 Year compared to Fiscal 2024 Year

For Fiscal 2025, cash outflow from operating activities was $(2.3) million, a $1.1 million improvement versus $(3.4) million out flow for Fiscal 2024. Fiscal 2025 saw cash outflows from $1.8 million in Adjusted EBITDA losses plus a $0.3 million increase in accounts payable and accrued liabilities and $0.6 million decrease in deferred revenue, a $0.1 increase in prepaid, a $0.1 million decrease in deferred compensation, and $0.1 million increase in trade and other receivables

Cash Flows from Financing Activities

Q4 Fiscal 2025 compared to Q4 Fiscal 2024

During Q4 Fiscal 2025, cash inflow from financing activities was $0.5 million versus an inflow of $2.58 million during Q4 Fiscal 2024. The Q4 Fiscal 2025, the Company received $0.8 million of cash proceeds from the issuance of common shares and $0.1 million from a draw on the credit facility offset by $0.08 million of interest on the credit facility and $0.1 million of office lease payments, versus Q4 Fiscal 2024 when Company received $0.5 million of cash proceeds from the issuance of common shares and $2.25 million from a draw on the credit facility offset by $0.09 million of office lease payments and $0.07 million of share issue costs.

Q4 Fiscal 2025 compared to Q3 Fiscal 2025

During Q4 Fiscal 2025, cash inflow from financing activities was $0.5 million versus an inflow of $0.4 million for Q3 Fiscal 2025. The Q3 Fiscal 2025 inflow came from $0.4 million from a draw on the credit facility, offset by $0.1 million of office lease payments and $0.073 of interest on the credit facility.

Fiscal 2025 Year compared to Fiscal 2024 Year

Cash flows from financing activities for Fiscal 2025 were $0.4 million versus $3.4 million for Fiscal 2024. Fiscal 2025 saw $0.8 million of proceeds from issuance of common shares and $0.4 million from a draw on the credit facility, offset by $0.4 million of office lease payments and $0.3 million of interest on the credit facility, versus $1.6 million of proceeds from issuance of common shares and the initial draw on the credit facility of $2.25 million offset by $0.2 million of office lease payments and $0.2 million of share issuance costs for Fiscal 2024.

Cash Flows from Investing Activities

Cash flows used in investing activities relate to purchases of computer equipment. Such purchases are generally small but necessary as the Company continues to replace old laptops, buy new computers for new hires, and upgrade its development services to support new customer projects. The Company expects a minor increase in equipment purchases (under $0.1 million) during the upcoming year to replace old laptops and upgrade its development servers, to support new customer projects.

Liquidity and Cash Resource Requirements

The annual audited consolidated financial statements, which serve as the basis for this MD&A, have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

As at March 31, 2025, the Company has not yet achieved profitable operations and has an accumulated deficit of $55.3 million. Whether, and when, the Company can attain profitability and positive cash flows from operations indicate the existence of material uncertainty, which casts significant doubt upon the Company's ability to continue as a going concern. The application of the going concern assumption is dependent upon the Company's ability to generate future profitable operations and obtain necessary financing to do so. While the Company has been successful in obtaining financing to date, there can be no assurance that it will be able to do so in future on terms favourable for the Company. The Company will need to raise capital in order to fund its operations, and is in the process of closing a financing, via subscription agreements. This financing need may be adversely impacted by: uncertain market conditions, approval by regulatory bodies, and adverse results from operations. The Company believes it will be able to acquire sufficient funds to cover planned operations through the next twelve-month period from anticipated revenue growth during Fiscal 2026, continued credit access from its primary lender and other sources. The outcome of these matters cannot be predicted at this time.

The credit facility agreement with Celtic Bank requires that the Company maintain "gross working capital" of at least $500,000 at all times, measured quarterly. Gross working capital, for the purposes of the financial covenant of the credit facility is defined as the sum of (1) cash on hand plus (2) the borrowing base less the outstanding principal balance of the loan. Uncollected receivables are not included in the loan agreement's unique definition of gross working capital. The financial covenant was met as at March 31, 2024 and while not initially met as at March 31, 2025 it was cured (returned to compliance) upon receipt of overdue receivables and accepted by the lender as of June 2, 2025. Even though this was cured and accepted by the lender, IFRS requires the reclassification to a current liability as a 12-month waiver was not obtained on or before March 31, 2025 as the preliminary March 31, 2025 figures were not closed and available until April 2025

SUBSEQUENT EVENT

Subsequent to March 31, 2025, the Company closed two tranches (on June 13, 2025 and July 24, 2025) of a non-brokered placement for the issuance of an aggregate 5,756,492 units at a price of CAD 0.13 per unit for aggregate gross proceeds of approximately $550,188 (CAD 748,344). Concurrently, the Company issued 115,620 units at a price of $0.09 (CAD 0.13) per unit to United States investors for gross proceeds of $10,406. Each unit is comprised of one common share and one common share purchase warrant exercisable at a price of CAD 0.25 per share for a period of one year from the date of issuance. In connection with private placement, the Company paid approximately $27,554 (CAD 34,478) of commissions to qualified non-related parties and issued a total of 288,292 finders' warrants exercisable at a price of CAD 0.25 per share for a period of one year from the date of issuance.

SHARE CAPITAL

	Common shares	Common share warrants	Stock options	Restricted share units
Balance, March 31, 2024	55,622,576	7,919,343	395,000	5,687,575
Issued/granted	8,826,573	9,946,379	500,000	2,671,300
Forfeited	-	-	(10,000)	-
Balance, March 31, 2024	64,449,149	17,865,722	885,000	8,358,875
Issued/granted	5,872,112	6,160,404	-	-
Balance, date of this MD&A	70,321,261	24,026,126	885,000	8,358,875

OFF-BALANCE SHEET ARRANGEMENTS

During the periods presented, the Company did not have, nor do we currently have, any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks. The Company is exposed to credit risk and liquidity risk because of holding certain financial instruments. The Company is exposed to market risks related to financial instruments denominated in foreign currencies. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by senior management, in particular, the board of directors of Boardwalk.

Fair Value

Boardwalk's financial instruments consist of cash, trade and other receivables, accounts payables and accrued liabilities, credit facility and deferred compensation. The carrying amounts of current financial instrument items approximate their fair value due to their short period to maturity. As at March 31, 2025, the Company measured all of its financial instruments at amortized cost.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and to a lesser degree from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade accounts receivable

Customer credit risk is managed through the Company's established policy, procedures and control relating to customer credit risk management. In order to further reduce charges for doubtful accounts, the Company has recently adopted new policies to ensure customer acceptance is explicitly confirmed in writing before an invoice is generated against recognized or deferred revenue.

Financial instruments and cash deposits

Credit risk from balances on deposit with banks and financial institutions is managed in accordance with the Company's policies. Investments of surplus funds are made only with approved counterparties and within credit limits approved for each of those counterparties. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty failure.

Liquidity risk

The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and cash equivalents, managing cash from operations, and if required through financing activities.

As at March 31, 2025, the contractual maturities of the Company's financial liabilities are as follows:

	Carrying		From balance sheet date	
in thousands of U.S. dollars	amount	Contractual	1 year	2 years
Accounts payable and accrued liabilities	$913	$913	$913	
Credit Facility	2,622	2,746		2,746
Lease liability	621	678	400	278
Deferred Compensation	178	178	178	
	$4,334	$4,515	$1,490	$3,025

Foreign currency risk

Foreign currency risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company maintains cash balances and enters into transactions denominated in foreign currencies, principally in INR and CAD, which exposes the Company to fluctuating balances and cash flows due to variations in foreign exchange rates.

The USD equivalent carrying amounts of the Company's foreign denominated monetary assets and monetary liabilities is follows:

figures in U.S. dollars, thousands; as at	Mar 31, **2025**	Mar 31, **2024**
Cash	$10	$15
Accounts payable and accrued liabilities	(204)	(173)
Lease liability	(42)	(76)
Other Expenses, net	**($236)**	**($235)**

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 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 net loss for the year ended March 31, 2025 by a nominal amount.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in the Company's internal control over financial reporting that occurred during the year ended March 31, 2025 that have materially affected, or are likely to materially affect, the Company's internal control over financial reporting.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in accordance with IFRS requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses in the reporting period. We regularly evaluate our estimates and assumptions related to revenue recognition, accounts receivable, share-based transaction expense, and warrant liability. We base our estimates and assumption on current facts, historical experience and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of revenues, costs and expenses that are not readily apparent from other sources. The actual results experienced by us may differ materially and adversely from our estimates. To the extent there are material differences between our estimates and actual results, our future results of operations will be affected.

Estimates

Critical accounting estimates are those that require management to make assumptions about matters that are highly uncertain at the time the estimate or assumption is made. Critical accounting estimates are also those that could potentially have a material impact on the Company's financial results where a different estimate or assumption is used. The significant areas of estimation uncertainty are:

Expected credit losses

The Company's trade and other receivables are typically short-term in nature, as payment for License and Software Service Agreements is prepaid at the beginning of the license term, and the Company recognizes an amount equal to the lifetime ECL based on a probability-weighted matrix. The Company measures loss allowances based customer-specific factors, historical default rates and forecasted economic conditions. The amount of ECLs is sensitive to changes in circumstances of forecast economic conditions.

Revenue recognition

Where the outcome of performance obligations for contracts can be estimated reliably, revenue is recognized. The Company recognizes revenue when obligations have been satisfied and, where such provisions exist, the Company does not begin revenue recognition for license subscriptions that have conditional or trial periods until such periods expire. Where the outcome of performance obligations for sales contracts cannot be reliably measured, contract revenue is recognized in the current year to the extent that costs have been incurred until such time that the outcome of the performance obligations can be reasonably measured. Significant estimation assumptions are required to estimate total contract costs, which are recognized as expenses in the year in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Leases

Lease terms are based on assumptions regarding extension terms that allow for operational flexibility and future market conditions.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Determining the fair value of such share-based awards granted as common share warrants and stock options requires estimate as to the appropriate valuation model (Black-Scholes pricing model) and the inputs for the model require assumptions including the rate of forfeiture of warrants or options granted, the expected life of the warrant or option, the Company's share price and its expected volatility, the risk-free interest rate and expected dividends. RSUs are valued based on the market price of the Company's shares at the time of grant.

Deferred taxes

Deferred taxes are based on estimates as to the timing of the reversal of temporary and taxable differences, substantively enacted tax rates and the likelihood of assets being realized.

Judgments

Judgment is used in situations when there is a choice and/or assessment required by management. The following are critical judgments apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognized in the consolidated financial statements.

Going concern

The going concern assessment requires management's judgment on the ability of the Company to achieve positive cash flow from operations and/or obtain necessary equity or other financing to increase the number of licensed customers and continue with expansion in the digital ledger market.

Leases

The incremental borrowing rates are based on judgments including economic environment, term, currency, and the underlying risk inherent to the asset. The carrying balance of the right-of-use assets, lease liabilities, and the resulting interest expense and depreciation expense, may differ due to changes in the market conditions and lease term.

Contingencies

Management uses judgment to assess the existence of contingencies. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. Management also uses judgment to assess the likelihood of the occurrence of one or more future events.

Taxation

The calculations for current and deferred taxes require management's interpretation of tax regulations and legislation in the various tax jurisdictions in which the Company operates, which are subject to change. The measurement of deferred tax assets and liabilities requires estimates of the timing of the reversal of temporary differences identified and management's assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income before they expire, which involves estimating future taxable income.

The Company is subject to assessments by various taxation authorities in the tax jurisdictions in which it operates and these taxation authorities may interpret the tax legislation and regulations differently. In addition, the calculation of income taxes involves many complex factors. As such, income taxes are subject to measurement uncertainty and actual amounts of taxes may vary from the estimates made by management.

ACCOUNTING PRONOUNCEMENTS

Adoption of amended IFRS

The Company adopted the following amendment to IFRS issued by the IASB that is mandatorily effective for the Company beginning on April 1, 2025. The adoption did not have a material impact on disclosures or amounts reported in the Company's consolidated financial statements.

IAS 1 Presentation of Financial Statements

Amendments to IAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability as current or non-current.

Amended IFRS not yet adopted

The Company has reviewed new and amended accounting pronouncements that have been issued but are not yet effective and determined that the following amendments are applicable to the Company but are not expected to have a material impact to reported amounts and balances:

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

Effective for the Company on April 1, 2026, amendments to IFRS 9 and IFRS 7 provide:

- clarifications to the "solely payments of principal and interest" test to ensure consistent application while maintaining the principle-based approach;
- refinements to the treatment of modifications to financial assets and liabilities upon derecognition;
- guidance for the treatment of financial liabilities settled through electronic payment systems; and
- additional IFRS 7 disclosure requirements to support classification and measurement rules, including derecognition.

IFRS 18 Presentation and Disclosure in Financial Statements

Issued in April 2024 and effective for the Company on April 1, 2027, IFRS 18 provides guidance to enhance transparency and comparability in financial reporting by introducing requirements for the structured presentation of profit or loss, aggregation and disaggregation of financial data, disclosures of management-defined performance measures (“MPMs”) and clarity in the classification of operating, investing, and financing activities in the statement of cash flows. New disclosures must reconcile MPMs to IFRS measures, explaining their relevance and calculation.