

BOARDWALKTECH REPORTS THIRD QUARTER FISCAL 2024 FINANCIAL RESULTS

CUPERTINO, Calif., Feb. 28, 2024 /CNW/ - (TSXV: BWLK) (OTCQB: BWLKF) - Boardwalktech Software Corp. ("Boardwalktech" or the "Company"), a leading digital ledger platform and enterprise software solutions company, is pleased to report its financial results for the three-and nine-month period ended December 31, 2023. All figures are reported in U.S. dollars, unless otherwise indicated. Boardwalktech's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

Financial Highlights:

- Revenue for Q3- 2024 was \$1.48 million, a 3% increase from \$1.53 million in Q2-FY23 and versus \$1.55 million in Q1-FY23. Revenue from recurring SaaS licenses in Q3-FY24 increased 6% sequentially and year-over-year, but was offset by a 42% sequential and 76% year-over-year decline in professional services.
- Annual recurring revenue ("ARR"), a non-IFRS metric, at December 31, 2023 was \$5.7 million, unchanged versus ARR of \$5.7 million at September 30, 2023. The Company defines ARR as the annual recurring revenue expected based on license subscriptions and recurring services recognized in the quarter.
- Gross margin for Q3-FY24 was 89.1%, comparable with the 90.1% level in Q2-FY24 and 91.5% in Q3-FY23.
- Adjusted EBITDA for Q3-FY24 was a loss of \$(0.38) million, comparable with \$(0.36) million loss in Q2FY2423 and versus a \$(0.24) million loss in Q3FY24.
- Cash and electronic payments (share subscription receivables) for 3QFY24 totaled \$1.3 million, upon closing of the first tranche of our private placement.
- Non-IFRS net loss for Q3-FY24 (as defined in the Non-IFRS Financial Measures section) totaled \$(0.4) million, or a loss of \$(0.01) per basic and diluted share, versus a \$(0.4) million non-IFRS loss in Q2-FY24, or a loss of \$(0.01) per basic and diluted share, and versus a \$(0.3) million non-IFRS loss in Q3-FY23, or a loss of \$(0.01) per basic and diluted share.
 - Net loss for Q3-FY24 was \$(0.76) million, or a loss of \$(0.02) per basic and diluted share, versus a \$(0.71) million loss in Q2-FY24, or \$(0.02) per basic and diluted share, and versus \$(0.65) million loss in Q3 Fiscal 2023, or \$(0.01) per basic and diluted share. The sequential change was due primarily from operating expense control offset by the lower professional service revenue.

Operations Highlights and Subsequent Events

- On November 27, 2023, the Company announced the extension and expansion of its existing engagement with a leading Fortune 50 technology company, including the first annual license. Combined license and services revenue from this expanded plan is

expected to exceed US\$400,000 over the next 12 months.

- As of January 16, 2024, the Company announced that it had expanded commercial agreements with three of its existing customers, with one of these customers, Sekisui Chemical, implementing Boardwalktech's new Unity Central application to enhance its supply chain visibility and data management capabilities.
- Also on January 16, 2024, the Company announced a realignment of resources allowing the Company to focus efforts on selective strategic Sales and Marketing additions. These actions are expected to generate approximately US\$1,000,000 in annual cost savings and help accelerate its projected timeline to profitability without sacrificing growth. The reported figures for 3Q-FY24 do not include any impact of these actions, but will impact the current and future quarters.
- On January 25, 2024, the Company announced the extension and upsizing for the final closing in respect to the second tranche of the previously announced LIFE-based (Listed Issuer Financing Exemption), non-brokered unit private placement for up to an additional CAD 490,400 of gross proceeds.
- On February 26, 2024, the Company announced it had closed the second and final tranche of the aforementioned LIFE-based (Listed Issuer Financing Exemption), non-brokered Unit private placement for issuance of 473,400 Units at CAD 0.30 per Unit on the same terms as the first tranche. Concurrently with the completion of the second tranche of the LIFE Offering, the Company also issued 32,825 Units on a non-brokered basis to United States investors, at US\$0.22 (equivalent of C\$0.30) with equivalent commercial terms for each warrant per Unit. Collectively across both tranches of the Offering a total of 7,521,578 Units were issued, and an aggregate of C\$2,256,473 gross proceeds were raised.

"During the quarter, we realigned our resources to focus on sales and marketing that should achieve better pipeline conversion while accelerating our timeline to Adjusted EBITDA breakeven, which we expect to achieve by this summer. We remain enthusiastic about our Velocity product in the financial services sector, as we continue to sign new partners to work with delivering this unique remediation and risk management product to the market." stated Andrew T. Duncan, President and Chief Executive Officer of Boardwalktech. "All signs continue to point to positive results and an upward momentum for the Company. We signed our first major Unity Central license in the December quarter with additional customers poised to execute over the next few months, complementing our land and expand growth for our core digital ledger solution."

Earnings Conference Call Details

Boardwalktech management will be hosting its earnings conference call today (February 28, 2024). Detail:

Time: 5:00PM Eastern Time / 2:00 PM Pacific Time

To join the call, please use the following dial-in information:

North American Participants: Please dial **1-888-664-6383** (Toll Free) or **416-764-8650** (Local – Toronto)

European Participants: 0800 724 0293 (Germany), 0800 312 635 (Switzerland), 0800 652 2435 (UK).

Rapid Connect URL: <https://emportal.ink/3T4qW3r> (copy & paste to your browser)

A replay of the call will be available until March 6, 2024 and can be accessed by dialing 1-888-390-0541 and entering access code 065643#

About Boardwalktech Software Corp.

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

Forward-Looking Information and Statements

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking information and statements are not representative of historical facts or information or current condition, but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control. Generally, such forward-looking information or statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved".

By identifying such information and statements in this manner, the Company is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such information and statements.

An investment in securities of the Company is speculative and subject to several risks including, without limitation, the risks discussed under the heading "Risk Factors" in the Company's filing statement dated May 30, 2018. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information and forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

In connection with the forward-looking information and forward-looking statements contained in this press release, the Company has made certain assumptions. Although the Company believes that the assumptions and factors used in preparing, and the expectations contained

in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to the Company or persons acting on its behalf is expressly qualified in its entirety by this notice.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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