

Boardwalktech Reports Fiscal Year 2019 & Fourth Quarter Financial Results

Continued growth and financial improvement as business traction increases

CUPERTINO, CA, July 25, 2019 /CNW/ - (TSXV:BWLK) – Boardwalktech Software Corp. ("Boardwalktech"), a leading digital ledger platform and enterprise software solutions company, reported its financial results for the three and twelve month periods ended March 31, 2019. 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:

- Revenues for Q4-FY19 grew to \$1.3 million, a 22% year-over-year increase from \$1.1 million of revenue in the Q4-FY18. Revenue from enterprise licenses grew 6% sequentially in Q4-FY19. Revenue for fiscal 2019 increased 13% to \$4.9 million compared to \$4.4 million for fiscal 2018.
- Gross margin for fiscal year 2019 was 88.6%, compared to 89.0% in fiscal year 2018. The slight decrease was primarily due to timing and reallocation of certain consulting expenses. Gross margin in Q4-FY19 was 89.6%, up from the 89.3% level in Q4-FY18.
- Non-IFRS net loss for Q4-FY19 (as defined in the Non-IFRS Financial Measures section) totaled \$(0.7) million, or a loss of \$(0.07) per basic and diluted share, was a 27% improvement over the \$(1.0) million non-IFRS loss, or loss of \$(0.09) per share, in Q4-FY18.
- Adjusted EBITDA for Q4-FY19 was a loss of \$(0.5) million, a 33% improvement from the \$(0.8) loss in Q4-FY18. Adjusted EBITDA for fiscal 2019 was a loss of \$(3.2) million compared to a loss of \$(1.5) million in fiscal 2018.
- IFRS comprehensive loss for Q4-FY19 was \$(1.4) million, or loss of \$(0.14) per basic and diluted share, representing an improvement over comprehensive loss of \$(1.7) million, or \$(0.17) per basic and diluted share, in the preceding quarter. IFRS comprehensive loss for fiscal 2019 was a loss of \$(20.8) million or loss per share of \$(2.11), compared to a loss of \$(4.8) million or loss per share of \$(0.51) for fiscal 2018. IFRS comprehensive loss reflects several one-time and non-cash based valuation charges triggered by the Company's public listing and reverse takeover transaction, including a \$10 million fair value adjustment of derivative liabilities.

Operational Highlights:

- The deployment of Boardwalktech technology with HCL Technologies

- The Company closed a total of C\$1,304,106 million via a non-brokered financing

Subsequent to the quarter:

- On June 11, 2019, completed debt restructuring with its existing investor, SQN Venture Income Fund LP, to extend the existing loan for three years, lower the interest rate from 14.5% to 12.5%, a six-month interest-only period, add a new \$1million working capital facility, and the intent to convert \$1.2 million of debt principal into equity (upon approval at the next shareholder meeting).
- On July 16, 2019, announced closing of a \$1 million license contract with an existing Fortune 50 financial services customer.

"Fiscal 2019 was a strong year for Boardwalktech as we accomplished mission critical steps to position ourselves for revenue growth in 2020 and beyond, making significant progress towards sustained profitability," said Andrew Duncan, Chief Executive Officer of Boardwalktech. "This includes the addition of several Fortune 500 key clients, and the expansion of many existing clients where we are delivering a high level of ROI as they recognize the value we are able to create in automating manual processes to digital via the Boardwalk Digital Ledger Platform. As well, the restructuring and reduction of outstanding debt, in conjunction with a successful capital raise, positions us well as we accelerate the growth trajectory we have seen in fiscal 2019. Our goal is to maximize shareholder value and we believe that fiscal 2019 allowed us to implement key strategies towards achieving this goal."

Mr. Duncan continued, "Our enterprise clients are consistently seeking to integrate new and unique applications that are driven by our powerful patented centralized digital ledger technology into their day-to-day operations to ensure that processes are being managed in the most efficient way possible. We continue to see a paradigm shift in the thought processes of leaders within large enterprises as they must become digital to remain competitive. This includes moving to a fully integrated, predictive and secure digital application environment providing adaptive solutions that evoke more efficient and transparent workflow and planning solutions connecting enterprise systems and the entire value chain delivering a large and strategic return on investment"

About Boardwalktech Software Corp.

Boardwalktech has developed a patented Blockchain Digital Ledger Technology Platform that is in use today by 26 of the Fortune 500 running over 100 live mission critical applications world-wide. This enterprise platform allows for multi-party collaboration, provenance, verification and immutable transactions on a trusted, shared, and secured private permissioned blockchain cloud service. The Boardwalktech platform allows rapid blockchain application development on any device or user interface, supporting both on/off-chain "smart contract" business logic and full integration with enterprise systems of record.

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.

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