

# Boardwalktech Reports First Quarter Fiscal 2020 Financial Results

*Continued growth and financial improvement as business traction increases*

CUPERTINO, CA, Aug. 29, 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 month periods ended June 30, 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").

"Our focus in fiscal year 2020 is adding new enterprise clients to the Boardwalktech platform while also continuing to expand the user base of existing clients through the addition of new applications," said Andrew T. Duncan, Chief Executive Officer of Boardwalktech. "As a result of this focus on our sales strategy, we saw bookings and revenue from enterprise clients grow at a healthy rate in the first quarter and into the second quarter, supporting our view that the software we are implementing in these organizations is both mission-critical and able to provide a strong ROI to our clients. As well, we are seeing a continued decline in our cash burn rate as revenues grow and with our current trajectory and pipeline, believe we can achieve break-even towards the end of this year."

## Financial Highlights:

- Revenues for Q1-FY20 grew to \$1.1 million, a 9% year-over-year increase from \$1.0 million of revenue in the Q1-FY19. Bookings in Q1-FY20 increased over 50% from the previous fiscal quarter.
- Gross margin in Q1-FY20 was 87.1%, up from the 85.4% level in Q1-FY19.
- Adjusted EBITDA for Q1-FY20 was a loss of \$(0.8) million, a 20% improvement from the \$(1.0) loss in Q1-FY19.
- Non-IFRS net loss for Q1-FY20 (as defined in the Non-IFRS Financial Measures section) totaled \$(1.0) million, or a loss of \$(0.09) per basic and diluted share, was a 27% improvement over the \$(1.2) million non-IFRS loss, or loss of \$(0.13) per share, in Q1-FY19.
- IFRS comprehensive loss for Q1-FY20 was \$(1.9) million, or loss of \$(0.16) per basic and diluted share, representing an improvement over comprehensive loss of \$(15.8) million, or \$(1.66) per basic and diluted share in Q1-19. IFRS comprehensive loss in Q1-19 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:

- Signed a new engagement with a U.S.-based Fortune 250 food and beverage

company to deploy its Digital Ledger technology to support multiparty exchanges with its trading partners in their global supply chain.

- Appointed industry veteran Steve Bennet as an independent director of the Company and to the Company's audit committee.
- 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).

*Subsequent to the quarter:*

- On July 16, 2019, announced closing of a \$1 million license contract with an existing Fortune 50 financial services customer.
- The Company announced two existing clients, a multinational information technology and services company and a Fortune 500 semi-conductor company would be expanding

### **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](http://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.*

View original content:<http://www.prnewswire.com/news-releases/boardwalktech-reports-first-quarter-fiscal-2020-financial-results-300909110.html>

SOURCE BoardwalkTech