

# Boardwalktech Reports Second Quarter Fiscal 2020 Financial Results

*Growing ARR and Bookings, plus 35% improvement in EBITDA highlight quarter*

CUPERTINO, CA, Nov. 28, 2019 /CNW/ - (TSXV:BWLK, OTCQB: BLWKF) – Boardwalktech Software Corp. ("Boardwalktech"), a leading digital ledger platform and enterprise software solutions company, reported its financial results for the three and six-month period ended September 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").

"The first half of fiscal year 2020 has shown significant growth in our annual recurring revenue base which now totals \$3.9 million," said Andrew T. Duncan, Chief Executive Officer. "Our focus for the remainder the year is to achieve our goal of hitting profitability by fiscal year end through the combination of accelerating our pipeline to add new enterprise clients onto the Boardwalktech platform and recognizing the operational leverage that comes with a strong recurring revenue base.

Mr. Duncan continued, "As a result of adding the Company's first direct sales force during the Summer of 2018, we saw an 80% increase in recurring license billings year-to-date versus the comparable six-month period last year, which will be fully recognized as revenue over the life of those contracts. We believe the continuing growth in bookings and billings demonstrates the value and strong ROI of the Boardwalktech software platform being implemented by some of the largest global enterprises. As well, we continue to implement specific cost savings actions that have accelerated the 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 Q2-FY20 grew to \$1.24 million increased 13% from \$1.1 million of revenue in Q1-FY20, as revenue from recurring licenses increased 11% from both the prior quarter and Q2-FY19.
- Annualized Recurring Revenue for Q2-Fiscal 2020 was \$3.9 million, up 25% over \$3.1 million in Q2-Fiscal 2019; although billings for recurring licenses was up 80% year-to-date versus comparable six-month period last year.
- Gross margin in Q1-FY20 was 86.4%, a 0.7%-point decrease from Q1 Fiscal 2020's level of 87.1%, reflecting the impact of personnel re-allocated to support the ramp of new customer contracts.
- Adjusted EBITDA loss of \$(0.6) million in Q2-FY20, a 35% improvement from a loss of \$(1.0) million in Q2-FY19, and 23% from a loss of \$(0.8) million in Q1-FY20, including a modest cash inflow from Operating Activities in the current quarter. In addition to expected revenue growth, the Company expects continued EBITDA improvements

from current and future actions that should net annual operating savings of \$1.2-\$1.5 million.

- Non-IFRS net loss for Q2-FY20 (as defined in the Non-IFRS Financial Measures section) totaled \$(0.8) million, or \$(0.07) per basic and diluted share versus a \$(1.0) million loss in Q1-FY20, or \$(0.09) per basic and diluted share and a 29% improvement over the \$(1.2) million non-IFRS loss, or \$(0.12) per share in Q2-FY19.
- Reported loss for Q1-FY20 was \$(1.3) million, or loss of \$(0.11) per basic and diluted share, representing a 34% improvement versus a \$(1.9) million loss, or \$(0.16) per share, in Q1-FY20; and a \$(1.9) million loss, or \$(0.19) per share, in Q2-FY19.

#### *Subsequent to the quarter:*

- On November 27, 2019, the Company closed a Cdn\$1.2 million (USD\$0.9 million) equity private placement financing that included management and SQN Venture Partners LLC (the Company's primary debt holder).
- On November 13, 2019, The Company completed an up-listing onto The OTC Markets Group/ OTCQB, under the ticker "BWLKF" to expand awareness and liquidity of Boardwalktech Software Corp's stock to a wider investor base in the U.S., where the majority of the Company's revenue is generated.

#### **Operational Highlights:**

- On July 16, 2019, announced closing of a \$1 million license contract with an existing Fortune 50 financial services customer.
- On August 6, 2019, announced that an \$8.6B revenue multinational IT and Services company has expanded the number of users for its price/quote management system running on the Boardwalk Digital Ledger Platform to 6,000 users during the first half of 2019.
- Also on August 6, 2019, announced that a \$5.8B revenue Fortune 500 semiconductor company, has gone live with its third application on the Boardwalk Digital Ledger Platform where Boardwalk is delivering a system to digitally manage their RFP and RFQ process significantly reducing the time to quote/respond delivering higher sales conversions and higher price points/margins per RFP.
- On September 3, 2019, announced signing of a new license agreement and extension with a U.S.-Based telecommunications company (\$100B+ annual revenue). This new license and expansion involves the addition of a 5th application running on the Boardwalk Digital Ledger Platform, for its wireless products and services.
- On September 18, 2019, announced signing of a new enterprise license and Sales and Operations Planning application engagement with a rapidly growing global food service company using industry changing technology (to reduce food waste) on produce sold through some of the largest retail stores and chains.

#### **About Boardwalktech Software Corp.**

Boardwalktech has developed a patented 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.

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