

Boardwalktech Reports Third Quarter Fiscal 2020 Financial Results

Continued Growth in Recurring Revenue, and Positive Operating Cash highlight quarter

CUPERTINO, CA, Feb. 28, 2020 /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, 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").

"In addition to a growing annual recurring revenue base that now totals \$3.7 million, up 25% versus last year, we continue to implement cost savings as we shift resources towards more sales execution and further revenue expansion," said Andrew T. Duncan, Chief Executive Officer. "We remained committed to our goal of achieving profitability this Spring through the combination of accelerating our pipeline and cost savings, as we have seen significant progress in achieving this milestone this quarter by recognizing positive operating cash flow for the second consecutive quarter."

Mr. Duncan continued, "Since our last earnings release, we have seen a 35% increase in our pipeline, to over \$7.1 million, as new and existing enterprise clients look to the Boardwalktech Digital Ledger Platform to migrate more enterprise applications and workflows to the cloud and a true digital environment. With our newly announced Network-of-Words technology (NOW), Boardwalktech is extending its industry leadership by enabling companies to handle, organize, and manage both structured and unstructured data and documents versus the current manual methods of email attachments, text searching PDF files, and manual queries. As a result of generating 3-5x ROI for our typical customer engagements, we anticipate continuing growth in bookings and billings as the value and strong ROI of the Boardwalktech platform is adopted by some of the largest global enterprises."

Financial Highlights:

- Revenues for Q3-FY20 was \$1.2 million versus \$1.2 million of revenue in Q2-FY20, as revenue from recurring licenses increased 15% from Q3-FY19.
- Annualized Recurring Revenue for Q3-FY20 was \$3.7 million, up 25% over \$3.1 million in Q2-FY20. Compared to Q3-FY19, billings for recurring licenses was up 32% year-to-date versus the nine-month period last year.
- Gross margin in Q3-FY20 was 86.2%, a 0.2%-point decrease from Q2-FY20 level of 86.4%, reflecting the impact of personnel re-allocated to support the ramp-up of new customer contracts.

- Cash from Operating Activities was a positive \$0.1 million, marking the second consecutive quarter of positive operating cash inflows.
- Adjusted EBITDA loss of \$(0.6) million in Q3-FY20, a 12% improvement from a loss of \$(0.7) million in Q3-FY19, flat with Q2-FY20. Year-to-date, the Company has lowered total operating expenses by \$0.9 million versus the comparable period last year, with continued EBITDA improvements from current and future actions (started since December 2019) that should net annual operating savings of at least \$1 million.
- Non-IFRS net loss for Q3-FY20 (as defined in the Non-IFRS Financial Measures section) totaled \$(0.8) million, or \$(0.06) per basic and diluted share, a 9% improvement versus a \$(0.9) million loss in Q3-FY19, or \$(0.09) per basic and diluted share and versus \$(0.8) million non-IFRS loss, or \$(0.07) per share in Q2-FY20.
- Reported loss for Q3-FY20 was \$(1.4) million, or loss of \$(0.11) per basic and diluted share, representing a 20% improvement versus a \$(1.7) million loss, or \$(0.17) per share, in Q3-FY19; and a \$(1.3) million loss, or \$(0.11) per share, in Q2-FY20.

Subsequent to the quarter:

- On February 28, 2020, completed a \$500,000 debt-to-equity conversion with existing lender and investor, SQN Venture Income Fund, LP.
- On January 13, 2020 introduced a suite of product enhancements, BW. Supply Chain Ecosystem and Network of Words (NOW) technology at National Retail Federation Show, based on newly developed technology that converges structured and unstructured data such as SQL, bill of materials, documents, videos, and images to enable multiple functional and vertically-focused customer applications, and is currently being evaluated by prospective customers

Other Operational Highlights:

- On November 13, 2019, Boardwalk began trading on OTCQB Venture Market under the symbol 'BWLKF'
- On December 4, 2019, a large customer in the food service sector went live with their first application BW. Sales and Operations Planning.
- In November, signed global contract with a \$35B company who manufactures confectionery items, pet food, and other food products for deployment of the Boardwalk Digital Ledger Platform

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.

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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