

Boardwalktech Reports Fourth Quarter and Fiscal 2021 Financial Results

Continued progress to profitability with strong balance sheet and 58% reduction in net loss

CUPERTINO, Calif., July 21, 2021 /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 twelve-month period ended March 31, 2021. 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:

- The Company paid off all debt and finished FY21 with \$3.1 million of cash and positive working capital of \$2.3 million.
- Revenue from SaaS licenses grew 10% in FY21 from FY20, while the sales pipeline (of specific targeted customer projects) now exceeds \$9 million, which is nearly double the level a year ago.
- Revenues for Q4-FY21 was \$1.0 million versus \$1.1 million of revenue in Q3-FY21 and \$1.1 million in Q4-FY20. Total revenue for FY21 was \$4.3 million versus \$4.6 million with the decrease directly attributable to a 45% decline in pre-2018 legacy hosting/service contracts, even as year-over-year recurring license revenue grew.
- Gross margin in FY21 was 86.4%, a slight 0.1%-point increase from the previous year's level of 86.3%.
- Adjusted EBITDA for FY21 was \$(1.7) million, compared to Adjusted EBITDA of \$(2.5) million in FY2020, a 35% improvement.
- Non-IFRS net loss for FY21 (as defined in the Non-IFRS Financial Measures section) totaled \$(2.4) million, or \$(0.10) per basic and diluted share, a 61% improvement when compared to a net loss of \$(3.4) million in Fiscal 2020, or \$(0.26) per basic and diluted share.
- Reported IFRS loss for FY21 was \$(3.6) million, or a loss of \$(0.15) per basic and diluted share, a 58% improvement compared to a net loss of \$(5.8) million in Fiscal 2020, or \$(0.45) per basic and diluted share.

Operations highlights

- On January 4, 2021, the Company executed a lease amendment pursuant to which the

lease term was extended for 30 months (February 1, 2021 to July 31, 2023), and also included a COVID-19 50% rent abatement (until July 31, 2021) plus two months of free rent for the period January 1, 2022 to February 28, 2022.

- On January 26, 2021, the Company raised CAD\$10,000,375 (\$7,829,166) of gross proceeds from an upsized and oversubscribed brokered offering led by Echelon Wealth Partners Inc., consisting of 14,286,250 Units subscribed at a price of CAD 0.70 per Unit and concurrently with the completion of the brokered offering, the Company also issued 540,000 Units on a non-brokered basis on equivalent commercial terms for gross proceeds of \$295,369 (CAD378,000); with each Unit including one-half of one common share purchase warrant at a price of CAD0.90 per common share for a period of 24 months from the closing date.
- On February 4, 2021, the Company closed an additional tranche of the upsized non-brokered private placement of 1,000,000 Units subscribed at \$0.54 per unit for gross proceeds of \$540,000.
- On February 8, 2021, the Company announced a new license contract with a major European broadcasting and media customer.
- On February 16, 2021, the Company announced it had signed a license with a new Fortune 500 multinational consumer products customer, as the first of several expected applications.
- On March 5, 2021, the Company announced results of its Annual and Special Meeting, where shareholders elected all proposed Directors, appointed MNP LLP as auditors of the Company and approved an amendment to the Equity Incentive Plan.
- On March 10, 2021, the Company announced that as part of a full debt paydown plan, it had entered into Shares for Debt agreements with its term loan lender, SQN, and two business parties who expressed interest in taking part of outstanding trade payables owed to them in the form of Shares, for a total conversion of \$1,545,720 into 2,341,228 shares.
- On March 22, 2021, the Company announced it had fully paid the outstanding balance of \$3,413,047, which represented \$3,007,994 of principal plus \$405,053 of prepayment and final payment fees in cash owed by the Company to SQN, and had closed the previously announced Shares for Debt transactions.

Subsequent to the quarter:

- On April 21, 2021, the Company announced it had received final confirmation that it was granted full forgiveness of its \$700,100 Payroll Protection Program loan.
- On May 18, 2021, the Company announced it had been selected by a Fortune 50 Social Media company to deliver new applications for data management and supply chain, with additional applications and licenses expected.
- On June 15, 2021, the Company announced it had signed the first recurring license

with an existing Fortune 10 customer.

"Despite the headwinds of COVID-19, Boardwalk finished the year in a stronger financial position than it has ever been, with a better visibility into our growth prospects and ready to execute on our 'land-and-expand' strategy. We finished the year with a strong balance sheet and a pipeline that now exceeds \$9 million, nearly double from the levels when COVID hit. To all of the investors who participated in our financing earlier this year, we thank you and embrace the expectations which come from that commitment. Thanks to our successful financing efforts, we were able to finish the year 100% debt-free with sufficient positive working capital to enable us to hit our target of achieving profitability in the upcoming fiscal year," said Andrew T. Duncan, Chief Executive Officer of Boardwalktech. "While the migration away from older legacy hosting contracts did mean annual revenue was down slightly, revenue from SaaS licenses (both new and existing customers) grew 15% compared to last year, even as some customers experienced the impact of COVID. We even began migrating some legacy customer to recurring license contracts as we also increased revenue from existing customers. Nearly two-thirds of our revenue now comes from customers and contracts signed since 2018 when we launched our new SaaS model, with 100% retention of those new customers. Furthermore, we are seeing a growth in spend from these existing customers as they continue to add on new applications upon seeing the value our technology is able to offer from day one of implementation. We continue to have ongoing conversations with prospects that could fundamentally change the nature of our business for the better – launching into industries where we can offer unparalleled value yet do not currently have a presence."

Mr. Duncan continued, "Given the opportunities ahead of us and the unique advantage of our solution, we do expect to engage in limited, but opportunistic partnerships to expand into new markets and customers without leveraging our limited resources or shifting from our direct license SaaS model. We expect such measures to enable us to penetrate large customers and markets in a timely manner, that we might not have been able to do by ourselves. This excites us and should excite our investors, too. Our goal is not to close on pipeline deals to just achieve profitability, but to accelerate through that barrier to establish our patented digital ledger solution as the must-have solution for businesses to extract, manage and analyze structured and unstructured data."

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.

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