

# BOARDWALKTECH REPORTS FOURTH QUARTER AND FISCAL 2022 FINANCIAL RESULTS

*Strong Finish to FY22, up 23% Y/Y, supports guidance of \$6.5-7.0 Revenue for FY23*

CUPERTINO, Calif., June 29, 2022 /PRNewswire/ - (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, 2022. 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-FY22 of \$1.20 million grew 23% versus \$1.06 million of revenue in Q4-FY21 and up 13% from \$1.0 million in Q3-FY22. Revenue from recurring license contracts was up 31% in Q4-FY22; while revenue from contracts signed since 2018 is now 95% of revenue (100% retention), growing at 46% CAGR since 2018. Total revenue for FY22 was \$4.38 million versus \$4.34 million
- ARR at March 31, 2022, was \$3.7 million, a 30% year-over-year increase versus ARR of \$2.8 million at March 31, 2021. The Company defines annual recurring revenue ("ARR"), a non-IFRS metric, as the recurring revenue expected based on annual license subscriptions and recurring services.
- Gross margin in Q4-FY22 of 87.9% increased 2.2% points over Q4-FY21 gross margin of 85.7%, due to higher sales volume. FY22 gross margin finished at 86.6%.
- Adjusted EBITDA loss for Q4-FY22 narrowed to \$(0.45) million, an improvement of 24% versus Adjusted EBITDA of \$(0.60) million in Q4-FY22. Adjusted EBITDA loss for FY22 was \$(1.9) million.
- Non-IFRS net loss for FY22 (as defined in the Non-IFRS Financial Measures section) totaled \$(2.0) million, or \$(0.05) per basic and diluted share, a 14% improvement when compared to a net loss of \$(2.4) million, or \$(0.10) per basic and diluted share, while the Non-IFRS net loss for Q4-FY22 improved 40% year-over-year.
- Reported IFRS loss \$(4.1) million in Fiscal 2022, or \$(0.08) per basic and diluted share, versus \$(3.6) million, or a loss of \$(0.15) per basic and diluted share, in Fiscal 2021, but a 25% improvement in Q4-FY22 over prior year.

## Outlook and Guidance:

- Based upon the Company's recent contract closings and those in the process of closing, the Company projects revenue for the upcoming fiscal year to be \$6.5 million to \$7.0 million (49% - 60% growth; 54% at the midpoint). Over 95% of the incremental growth in this initial guidance is derived from recurring license revenue. This does not

preclude any additional professional service revenue above this guidance, just that this guidance does not assume any revenue growth based on professional services. This initial guidance is not based on pipeline potential but based on what is in the Company's control or already closed, which means any pipeline conversion would be incremental to this initial guidance range.

- The Company believes it has sufficient funds and current receivables such that that it does need to, nor does it plan to do any equity financing events to achieve its guidance or upside growth, while reaching profitability during the next year.
- Due to the increase of new recurring revenue contracts, as well as a growing pipeline of similar deals, the Company will be providing guidance on a go forward basis as the predictability of the business improves.

### *Operations highlights*

- On March 31, 2022, the Company announced it had signed a long-term recurring license agreement with one of the world's largest banking and financial services companies based in New York, with a focus on compliance, risk, data management, and business process improvement. This new client was brought via a teaming agreement with an existing Boardwalktech client/partner, with the Company projected to recognize net proceeds (i.e., Adjusted-EBITDA) in excess of \$4 million over the first three years of the contract.
- On a related note, on April 25, 2022, the Company announced it had signed its second banking client via a new license contract with a major India bank, with initial revenue beginning at the end of Q4-FY22.
- On March 7, 2022, the Company announced it had signed a third recurring license with an existing North American Fortune 500 multinational consumer products customer, reflecting the Company's "land and expand" strategy. This new application will automate managing their global excess inventory by automating this process on the Boardwalk Digital Ledger low-code application platform, with revenue in the first year expected to exceed \$150,000.
- On March 1, 2022, the Company announced that its common shares became eligible for electronic clearing and settlement through the Depository Trust Company (DTC). Since then, the Company's common shares also became FAST eligible. DTC eligibility is expected to simplify the process of trading and enhance the liquidity of the Company's common shares in the United States.
- On April 18, 2022, the Company also migrated its transfer agent services to Odyssey Trust Company to further simplify and improve the processing of Company's common share and improve liquidity.
- On January 4, 2022, the Company announced that it had signed an engagement with Harbor Access investor relations advisors to improve its investor relations services along with engaging in cross-border IR activities and services.

"Fiscal Year 2022 will prove to be an inflection point in Boardwalktech's history, not based on outlook and optimism but on actual results. Since several of our recent deals closed at the end of Fiscal 2022, investors should see material sequential revenue growth in Fiscal 2023 as those license contracts are recognized" Chief Executive Officer Andrew T. Duncan commented, "We continue our 'land and expand' strategy throughout our existing client base and have successfully executed on our SaaS business model with predictable, annual recurring revenues. Additionally, at the end of fiscal 2022, we have entered into a new

business channel by welcoming two global banking institutions to join our list of large multinational Fortune 500 client companies using the Boardwalktech products. These deals came via leveraging partnerships with existing customers that have access to these large clients, meaning we can execute direct licenses without long and expensive sales cycles or extra hiring needs if we had to prospect clients alone. We see the financial services channel as a very significant business opportunity for the Company, as our low code digital ledger platform addresses many of the compliance issues that these institutions are facing. We are currently in discussions with other global financial institutions and view this new banking channel as an area of significant growth for the Company. The growing prevalence of ESG compliance (Environment, Sustainability and Governance) as a related and broader market trend is another derivative opportunity for our solutions as well, to address risk management while enabling better business decision effectiveness."

Boardwalktech will be hosting its inaugural earnings conference call today (June 29, 2022) at 10AM PST/1PM EST.

### **Conference Call Details:**

**Wednesday, June 29, 2022 – 10AM PST / 1PM EST**

Webcast: <https://edge.media-server.com/mmc/p/5pofu739>

US/CANADA Toll-Free Dial-In Number: (844) 838-0772

US/CANADA International Dial-In Number: (213) 320-2559

### **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](http://www.boardwalktech.com)

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### **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.*

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