

BOARDWALKTECH REPORTS SECOND QUARTER FISCAL 2023 FINANCIAL RESULTS

Record Recurring Revenue With 95% Year-Over-Year Growth

CUPERTINO, Calif., Nov. 17, 2022 /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-month period ended September 30, 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:

- Revenue for Q2-FY23 was \$1.5 million, a 34% increase from \$1.1 million in Q2-FY22, and a 2% decrease from \$1.5 million in Q1-FY23, due to a temporary decline in professional service revenue. More importantly, revenue from recurring SaaS licenses in Q2 Fiscal 2023 increased 95% year-over-year from higher incremental licenses executed with both new and existing customers.
- Annual recurring revenue ("ARR"), at September 30, 2022 was \$5.5 million, a 66% year-over-year increase versus ARR of \$3.3 million at September 30, 2021. ARR is a non-IFRS measure, and the Company defines ARR as the recurring revenue expected based on annual license subscriptions and recurring services.
- Since the Company implemented its SaaS business model in 2018, total revenue from these recurring license contracts now comprised approximately 84% of total revenue in Q1-FY23, compared to 65% in the prior year, expanding at a 42% compound annual growth rate ("CAGR").
- Gross margin for Q2-FY23 was 90.3%, a 4.3%-point increase from the previous year's level of 86.8%, and flat from Q1-FY23 gross margin of 90.2%, due to a higher contribution of revenue from recurring SaaS licenses.
- Adjusted EBITDA for Q2-FY23 was a loss of \$(0.7) million, versus a \$(0.4) million loss in Q2 -FY22, and \$(0.3) million loss in Q1-FY23. Cash inflow from Operations for the first six months of Fiscal 2023 was a positive \$0.5 million, with a cash balance of \$1.3 million as of September 30, 2022.
- Non-IFRS loss for Q2-FY23 (as defined in the Non-IFRS Financial Measures section) was a loss of \$(0.7) million, or \$(0.02) per basic and diluted share, versus a \$(0.5) million non-IFRS loss in Q2-FY22, or \$(0.01) per basic and diluted share, and a \$(0.3) million non-IFRS loss in Q1-FY23, or \$(0.01) per basic and diluted share.
- Net loss for Q2-FY23 was \$(1.2) million, or a loss of \$(0.03) per basic and diluted share, versus a \$(0.7) million loss in Q2-FY22, or \$(0.02) per basic and diluted share, and a \$(0.9) million loss in Q1-FY23, or \$(0.02) per basic and diluted share.

Outlook Update

- The Company continues to track at the high end of its previously announced revenue guidance of \$6.5 million to \$7.0 million for FY 2023 (60% year-over-year growth at top of range).

Operational Highlights

- Subsequent to the quarter, the Company issued 705,096 common shares from the exercise of common share warrants for gross cash proceeds of \$350,522 (CAD 481,348).
- On October 12, 2022, the Company announced that during the quarter, it has both extended and expanded its license with HCL Technologies and executed a new license with SiTime Corp, reflecting the ongoing success of Boardwalktech's "land and expand" strategy through the combination of growth with an existing customer while adding a new licensed customer delivering a supply and demand solution on the Boardwalk Platform.
- As previously disclosed, on August 3, 2022, the Company announced it had executed another expansion of its license and services contract, first started in 2018, with an existing customer (one of the world's top accounting and consulting firms), increasing the ARR by an additional \$0.5 million effective as of June 29, 2022.

"This quarter saw continued success from our 'land and expand' strategy, as we announced two more existing customer expansions and added a new logo customer, which helped us nearly double our annual license revenue. As our ARR continues to grow each month, we believe that we are in the early stages of sustained growth from our model." Chief Executive Officer Andrew T. Duncan commented. "The business is at a material inflection point, where we have not one, but two \$100 million revenue opportunities. The first is in our existing enterprise market using our digital ledger platform, and the second is in the new financial services channel where we are leveraging our teaming partner ecosystem as we expand into the banking sector. Further, despite economic headwinds, we continue to see our pipeline not only replenish, but grow as we convert new deals; a trend we saw during the early COVID shutdown when our pipeline doubled, as Companies with supply chain and data management issues sought out Boardwalk's unique software solutions to improve and resolve these core problems. The Boardwalktech low code Digital Ledger platform is now being recognized as the leading enterprise solution for companies to better manage their structured and unstructured data which provides improved visibility, security, traceability, productivity, and decision making to deliver outstanding results and ROI for our customers."

Earnings Conference Call Details

Boardwalktech management will be hosting its earnings conference call today (November 17, 2022)

Time: at 4:30PM Eastern Time / 1:30PM Pacific Time.

To join the call, please use the following dial-in information:

North American**Participants:**

Please dial **1-888-664-6383** and enter confirmation number **87783568**.

European**Participants:**

Please dial 0800 724 0293 (Germany), 0800 312 635 (Switzerland), 0800 652 2435 (UK) and enter confirmation number **87783568**.

Webcast URL:

<https://app.webinar.net/axLX2Dn7k9m> (copy & paste to your browser)

Replay:

A replay of the call will be available until November 24, 2022 and can be accessed by dialing **1-888-390-0541** and entering access code **783568#**

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.

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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