

BOARDWALKTECH REPORTS THIRD QUARTER FISCAL 2023 FINANCIAL RESULTS

Revenue grows 74% Y/Y, ARR increases 90% Y/Y, Adjusted EBITDA Improves 52% Y/Y

CUPERTINO, Calif., Feb. 22, 2023 /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 December 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:

- Revenue for Q3-FY23 was \$1.8 million, a 74% increase from \$1.06 million in Q3-FY22, and a 24% sequential increase from \$1.48 million in Q2-FY23. Revenue from recurring SaaS licenses in Q3-FY23 increased 129% year-over-year from higher incremental licenses executed with both new and existing customers.
- Annual recurring revenue ("ARR"), at December 31, 2022 was \$5.8 million, a 90% year-over-year increase versus ARR of \$3.0 million at December 31, 2021. ARR is a non-IFRS measure, and the Company defines ARR as the annualized recurring revenue expected based on quarterly license subscriptions and recurring services.
- Since the Company implemented its SaaS business model in 2018, total revenue from new contracts signed since 2018 comprised 87% of total revenue in Q3-FY23, compared to 74% in the prior year, expanding at an 42% compound annual growth rate ("CAGR") the last three years – 55% CAGR on recurring license revenue.
- Gross margin for Q3-FY23 was 91.5%, a 4.7%-point increase from the previous year's level of 86.8%, and a 1.2% point increase from Q2-FY23 gross margin of 90.3%.
- Adjusted EBITDA for Q3-FY23 was a loss of \$(0.24) million, a 52% improvement from the \$(0.50) million loss in Q3-FY22, and 64% sequential improvement from the \$(0.68) million loss in Q2-FY23. This is the best EBITDA level since the Company went public, as it progresses towards and through breakeven profitability.
- Non-IFRS loss for Q3-FY23 (as defined in the Non-IFRS Financial Measures section) was a loss of \$(0.25) million, or \$(0.01) per basic and diluted share, a 51% improvement versus a \$(0.52) million non-IFRS loss in Q3-FY22, or \$(0.01) per basic and diluted share, and a 64% improvement versus \$(0.70) million non-IFRS loss in Q2-FY23, or \$(0.02) per basic and diluted share; as revenue growth outpaced selective opex spending.
- Net loss for Q3-FY23 was \$(0.65) million, or a loss of \$(0.01) per basic and diluted share, a 40% improvement versus the \$(1.08) million loss in Q3-FY22, or \$(0.03) per basic and diluted share, and a \$(1.22) million loss in Q2-FY23, or \$(0.03) per basic and diluted share, a 47% sequential improvement.

Outlook Update

- The Company is tracking at the mid to high end of its previously announced revenue guidance of \$6.5 million to \$7.0 million for FY 2023.
- The Company still projects it has sufficient funds and current receivables that it does not need to raise capital to achieve its guidance, though the Company believes it could grow faster with additional growth equity.

Operational Highlights

- Subsequent to the quarter, the Company issued 301,260 common shares on the exercise of 301,260 common share warrants CAD 0.70 for gross cash proceeds of approximately \$156,073 (CAD 210,882).
- On December 23, 2022, the Company announced it has extended and expanded its contract with a Fortune 50 California-based technology company, with additional revenue from this extension starting at US\$400,000 for a combination of license revenue and services as the solutions are expanded across this Customer's users.
- 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.
- On February 2, 2023, the Company announced it has added Jeff Evans, former EVP at Walmart to its corporate Advisory Board, joining other members of Boardwalktech's Advisory Board including: Ryan Tweedie, Strategic Advisor to the Global CIO at Accenture; Drue Freeman, former President of ACG Silicon Valley and longtime semiconductor company executive; Marc LaCarrubba, former senior leader at EY and current CTO at Humantelligence, Inc.; and, Don Haderle, former IBM Fellow (known as "the father of DB2").

"As we are about to enter our new fiscal year, we are very excited about the growth prospects ahead of us. Even though we doubled our recurring license revenue during our third quarter, and have had continued success from our 'land and expand' strategy, we are just getting started. Our ARR and revenue are at record levels, while our EBITDA is at its best level since going public in 2018. Our business is in the early innings of a material inflection point." Chief Executive Officer Andrew T. Duncan commented. "We are fortunate that our hard work has presented us with not one, but two significant revenue opportunities. Not only have we added new teaming partners to close new banking customers, which we plan to announce in the near future, but have built a formidable Advisory Board to leverage their expertise, contacts, and business development acumen to gain and expand our customer base adding new revenue opportunities. The Boardwalktech low code digital ledger platform continues to gain traction with these enterprises as it seamlessly solves the many problems associated with structured and unstructured data, delivering improved visibility and decision making along with outstanding results and ROI. The focus now is to leverage this momentum and continue to execute and deliver great results to the benefit of our customers and investors."

Earnings Conference Call Details

Boardwalktech management will be hosting its earnings conference call today (February 22, 2023)

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

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

US/Canada: 1-888-664-6383 (toll free)

International: UK: 08006522435 Germany: 0800 7240293 Switzerland: 0800312635

Confirmation number: 45504084

Webcast: <https://bit.ly/3x8at2A> (Rapid Connect URL; copy & paste to your browser)

Replay: A replay of the call will be available until March 1, 2023 and can be accessed by dialing **1-888-390-0541** and entering access code **504084#**

RSU Grants

As part of the Company's annual ongoing retention program and as allowed under the 2019 Equity Incentive Plan, as amended and approved by shareholders on June 2, 2022, the Company has granted an aggregate of 220,000 Restricted Stock Units ("RSU's") to new employees, advisors, and independent contractors of the Company. These grants will be deemed effective as of February 28, 2023.

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.

View original content:<https://www.prnewswire.com/news-releases/boardwalktech-reports-third-quarter-fiscal-2023-financial-results-301752976.html>

SOURCE BoardwalkTech