BOARDWALKTECH SOFTWARE CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT AND FOR THE THREE MONTHS AND SIX MONTHS ENDED SEPTEMBER 30, 2023

DATED: NOVEMBER 29, 2023

This Management's Discussion and Analysis ("MD&A") for the three and six months ended September 30, 2023 provides detailed information on the operating activities, performance and financial position of Boardwalktech Software Corp. ("Boardwalk" or the "Company"). This discussion should be read in conjunction with the Company's September 30, 2023 unaudited condensed interim consolidated financial statements and March 31, 2023 audited annual consolidated financial statements and accompanying notes. The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in U.S. dollars, unless otherwise stated. The information contained herein is current to November 29, 2023, unless otherwise stated.

The Company's fiscal year commences April 1st of each year and ends on March 31st of the following year. The Company's current fiscal year, which will end on March 31, 2024 is referred to as "current fiscal year", "Fiscal 2024" or similar words. The previous fiscal year, which ended on March 31, 2023, is referred to as "previous fiscal year", "Fiscal 2023" or similar words. The three-month quarter ended September 30, 2023 is referred to as "Q2 Fiscal 2024"and the previous three-month quarter ended June 30, 2023 is referred to as "Q1 Fiscal 2024" and the comparative three-month quarter ended September 30, 2022 is referred to as "Q2 Fiscal 2023".

In this document unless otherwise specified, "we", "us", "our", "Company" and "Boardwalk" all refer to Boardwalktech Software Corp. collectively with its subsidiaries. The content of this MD&A has been approved by the Board of Directors, on the recommendation of its Audit Committee.

CAUTION REGARDING FORWARD LOOKING INFORMATION

Certain statements in this MD&A which are not historical facts constitute forward-looking statements or information within the meaning of applicable securities laws ("forward-looking statements"). Such statements include, but are not limited to, statements regarding Boardwalk's projected revenues, gross margins, earnings, growth rates, the impact of new product design wins, market penetration and product plans. The use of terms such as "may", "anticipated", "expected", "projected", "targeting", "estimate", "intend" and similar terms are intended to assist in identification of these forward-looking statements. Readers are cautioned not to place undue reliance upon any such forward-looking statements. Such forward-looking statements are not promises or guarantees of future performance and involve both known and unknown risks and uncertainties that may cause Boardwalk's actual results to be materially different from historical results or from any results expressed or implied by such forward-looking statements. Accordingly, there can be no assurance that forward-looking statements will prove to be accurate and readers are therefore cautioned not to place undue reliance upon any such forward-looking statements.

Factors that could cause results or events to differ materially from current expectations expressed or implied by forward looking statements contained herein include, but are not limited to: our history of losses and the risks associated with not achieving or sustaining profitability; the Company's dependence on a limited number of customers for a substantial portion of revenues; fluctuating revenue and expense levels arising from changes in customer demand, sales cycles, product mix, average selling prices, manufacturing costs and timing of product introductions; risks associated with competing against larger and more established companies; competitive risks and pressures from further consolidation amongst competitors, customers, and suppliers; market share risks and timing of revenue recognition associated with product transitions; risks related to intellectual property, including third party licensing or patent infringement claims; the loss of any of the Company's key personnel could seriously harm its business; risks associated with adverse economic conditions; delays in the launch of customer products; price re-negotiations by existing customers; legal proceedings arising from the ordinary course of business; ability to raise needed capital; ongoing liquidity requirements; and other factors discussed in the "Risk Factors" section. All forward-looking statements are qualified in their entirety by this cautionary statement. Boardwalk is providing this information as of the current date and does not undertake any obligation to update any forward-looking statements contained herein as a result of new information, future events or otherwise except as may be required by applicable securities laws.

Risks relating to the Company include, but are not limited to, the following:

- the Company has a history of losses and may not achieve profitability in the future;
- the Company has historically received a substantial portion of its revenue from a limited number of customers;
- the Company expects its operating results to continue to fluctuate;
- the Company faces intense competition and expects continued market competition in the future;
- assertions by third parties of infringement by Boardwalk of, or of Boardwalk's failure to protect, their intellectual property rights could result in significant costs and cause Boardwalk's operating results to suffer;
- the Company may have difficulty accurately predicting revenue for the purpose of appropriately budgeting and adjusting its expenses.
- the loss of customers could affect the Company's financial returns and future plans;
- the Company's customers may cancel future subscriptions that can adversely impact future recurring revenue;
- the Company may be unable to generate funds required to meet its funding requirements, and may need to raise additional funds;
- changes in industry standards or technology could impede the sale of Boardwalk's products;
- the loss of any of the Company's key personnel could seriously harm its business;
- the pattern of customer product ramps as they shift from legacy products to new products based on our more advanced designs could affect both the amount and timing of revenue recognized by the Company;
- the Company's failure to maintain compliance with applicable regulations in certain geographies or other jurisdictions may force it to cease distribution in those areas;
- the majority of the Company's operating expenses are denominated in U.S. dollars, therefore, the Company's earnings are impacted by fluctuations in exchange rates between the U.S. dollar and other currencies; and
- the Company may be involved in legal proceedings from time to time; arising in the ordinary course of its business and such proceedings may affect the Company's financial position, results of operations or cash flows.

FINANCIAL HIGHLIGHTS

Revenue for Q2 Fiscal 2024 totaled $1.53 million, a 3% increase over $1.48 million of revenue in the Q2 Fiscal 2023 and 2% decrease over $1.55 million of revenue in the Q1 Fiscal 2024. While the portion of revenue from new and recurring SaaS licenses in Q2 Fiscal 2024 increased 10% year-over-year due to higher recurring license revenue, this was offset by a 21% sequential decline in professional services revenue (14% of total revenue). Approximately 86% of revenue in Q2 Fiscal 2024 came from new and recurring software subscription licenses (SaaS licenses), up from 81% level last year.

The Company defines annual recurring revenue ("ARR") a non-IFRS metric, as the annual recurring revenue expected based on license subscriptions and recurring services revenue recognized in the recent quarter. ARR at September 30, 2023 was $5.7 million, a 3% year-over-year increase versus ARR of $5.6 million at September 30, 2022.

Gross margin for Q2 Fiscal 2024 was 90.1%, up slightly from Q1 Fiscal 2024's level of 90.0%, but down slightly from 90.3% in Q2 Fiscal 2023, primarily due to neutral impact from revenue volumes and normal cost passthroughs.

The reported loss for Q2 Fiscal 2024 was $(0.7) million, or a loss of $(0.02) per basic and diluted share, a 40% improvement from $(1.2) million loss in Q2 Fiscal 2023, or $(0.03) per basic and diluted share, and a 22% improvement from $(0.9) million loss in Q1 Fiscal 2024, or $(0.02) per basic and diluted share. The year-over-year improvement was due primarily to higher recurring revenue levels and prudent cost management, including fewer new hires than last year. Total adjusted operating expenses (excluding share-based payments and depreciation) in Q2 Fiscal 2024 were $1.7 million, a decrease from $2.0 million in Q2 Fiscal 2023 and from $1.9 million in Q1 Fiscal 2024.

Adjusted EBITDA (as defined in the Adjusted EBITDA and Non-IFRS Financial Measures section) for Q2 Fiscal 2024 was a loss of $(0.36) million, a 47% improvement over the $(0.68) million loss in Q2 Fiscal 2023 and a 30% improvement over the $(0.51) million loss in Q1 Fiscal 2024. Cash inflows from operating activities was a positive $0.2 million in Q2 Fiscal 2024, which is the third quarter of positive cash inflow over the last six quarters.

Non-IFRS net loss for Q2 Fiscal 2024 totaled $(0.38) million, or a loss of $(0.01) per basic and diluted share, versus a $(0.70) million Non-IFRS loss in Q2 Fiscal 2023, or a loss of $(0.02) per basic and diluted share, and a $(0.52) million Non-IFRS loss in Q1 Fiscal 2024, or a loss of $(0.01) per basic and diluted share.

OUTLOOK

Update on Guidance for Fiscal Year 2024:

The Company continues to execute on its "land and expand" strategy, as recurring revenue from new SaaS licenses has grown at a 49% CAGR over the last three years. Even factoring out the contributions from our Velocity customers, revenue from our core Digital Ledger customers has grown 22%, on a trailing twelve-month basis. While those growth targets are good considering the Company's limited resources, the Company is both targeting and expecting higher growth rates going forward. Despite slower than expected conversions from its sales pipeline since the last earnings report, the Company has seen a pick-up of license agreements in process of execution, with corresponding announcements expected as those license deals commence. As evidenced, the addition of new teaming partners announced during the last quarter, targeted at the financial services market for our Velocity software product offering, is a positive leading indicator towards those revenue expectations. The Company is also experiencing good initial interest in its new Unity Central product offering, initially targeting solutions for the supply chain based on managing documents, signals and unstructured data. The Unity Central offering will complement and expand our digital ledger solutions delivering solutions for more data-centric challenges.

Given the continued impact of market conditions that have limited visibility as to the timing of new license closures, the Company has opted to move away from providing specific revenue guidance. While the sales pipeline remains robust and we have not lost any prospective customers, several factors led us to make this decision -- led by challenging market headwinds and internal customer issues this calendar year which has resulted in longer time it to close transactions with large, multinational organizations and financial institutions. We believe these factors and delays are not so much related to the sales cycle of customer choosing our product per se, but more customer-centric delays in this "year of efficiency" focus. Further, as evidenced by the revenue reported in the first two quarters of Fiscal 2024, the quarterly fluctuations in professional services revenue has come in lower than originally expected. The Company continues to expect professional service revenue to decline as a percentage of total revenue, as ARR grows, but to grow in absolute dollars.

That said, the Company does expect to achieve cash breakeven in the upcoming year – as supported by the Adjusted EBITDA improvements and positive cash inflows from operating activities in three of the last six quarters. Based on management's projections and market conditions, the Company continues to project that it has sufficient funds and resources such that it does not need to raise additional equity to achieve its growth and profitability targets, though the Company believes it could grow faster with additional growth equity.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth selected financial information derived from the Company's unaudited condensed interim consolidated financial statements for the three and six months ended September 30, 2023 and September 30, 2022.

in thousands of U.S. dollars	for Three-month period ended			for Six-month period ended	
except per share amounts	Sept 30, 2023	June 30, 2023	Sept 30, 2022	Sept 30, 2023	Sept 30, 2022
Revenue	$1,527	$1,553	$1,482	$3,080	$2,987
Cost of sales	151	155	143	306	291
Gross Profit	$1,376	$1,398	$1,339	$2,773	$2,696
SG&A expenses *	$1,735	$1,909	$2,022	$3,644	$3,635
Share-based payments	272	332	443	604	938
Depreciation	80	82	87	162	173
Operating Income/(Loss)	(711)	(926)	(1,213)	(1,637)	(2,050)
Imputed interest, rent concessions	18	4	12	23	26
Loss for the period	**($730)**	**($930)**	**($1,224)**	**($1,660)**	**($2,076)**
Loss per share, basic and diluted	($0.02)	($0.02)	($0.03)	($0.03)	($0.05)

* SG&A expenses: comprised of salaries, wages and benefits, professional fees, general and adminsitrative (including teaming fees), and consulting.

in thousands of U.S. dollars	as at Sept 30, 2023	as at March 31, 2023
Current assets		
Cash	$ 659	$ 2,187
Trade and other receivables	812	1,331
Prepaid expenses and deposits	204	150
Total current assets	**$ 1,676**	**$ 3,669**
Total non-current assets	**966**	**115**
Total assets	**$ 2,641**	**$ 3,783**
Current liabilities		
Account payables and accrued liabilities	$ 757	$ 1,229
Deferred revenue	2,889	3,390
Current portion of lease liability	232	127
Total current liabilities	**$ 3,878**	**$ 4,746**
Lease liabilities	782	-
Total Liabilities	**$ 4,660**	**$ 4,746**
Shareholders' Equity	**$ (2,019)**	**$ (962)**
Total Liabilities and Shareholders' Equity	**$ 2,641**	**$ 3,783**

ADJUSTED EBITDA AND NON-IFRS FINANCIAL MEASURES

In addition to disclosing results in accordance with IFRS as issued by the International Accounting Standards Board, the Company also provides Adjusted EBITDA and Non-IFRS financial measures disclosed as a supplement to financial results in order to provide a further understanding of Boardwalk's results of operational performance from management's perspective. In particular, Boardwalk uses Adjusted EBITDA and Non-IFRS financial measures to highlight trends in its core business that may not otherwise be readily apparent solely from IFRS measures. Boardwalk management uses Adjusted EBITDA and Non-IFRS financial measures to facilitate operating performance comparisons from period to period, to prepare annual operating budgets, and to assess Boardwalk's ability to meet its future capital expenditures and working capital requirements. Boardwalk believes that securities analysts, investors and other interested parties frequently use Adjusted EBITDA and Non-IFRS financial measures in the evaluation of publicly-traded companies.

Non-IFRS net income (loss) is defined as net income (loss) before share-based payments, depreciation, certain financing costs and non-recurring or one-time items which may arise from time-to-time. Non-IFRS net income (loss) does not have any standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures presented by other companies. Non-IFRS net income (loss) should not be considered in isolation or as a substitute for net income (loss) reported in accordance with IFRS.

Adjusted EBITDA is defined as operating income (loss) for the period (as reported in the consolidated statement of loss and comprehensive loss) less interest, taxes, depreciation, and share-based payments.

Boardwalk has provided a comparison of net income (loss) to Non-IFRS net income (loss) and Adjusted EBITDA measures in the following tables:

Non-IFRS Net Income (Loss)	for Three-month period ended			Six-month period ended	
in thousands of U.S. dollars except per share amounts	Sept. 30, **2023**	June 30, **2023**	Sept. 30, **2022**	Sept. 30, **2023**	Sept. 30, **2022**
Net Loss for the period	**($730)**	**($930)**	**($1,224)**	**($1,660)**	**($2,076)**
Adjustments:					
Share-Based Payments	272	332	443	604	938
Depreciation	80	82	87	162	173
Total Adjustments	352	415	529	767	1,111
Non-IFRS Net Loss	**($377)**	**($516)**	**($695)**	**($893)**	**($965)**
Non-IFRS amount per share, basic and diluted:	($0.01)	($0.01)	($0.02)	($0.02)	($0.02)

Adjusted-EBITDA	for Three-month period ended			for Six-month period ended	
figures in U.S. dollars, thousands	Sept 30, **2023**	June 30, **2023**	Sept 30, **2022**	Sept 30, **2023**	Sept 30, **2022**
Operating Loss for the Period	**($711)**	**($926)**	**($1,213)**	**($1,637)**	**($2,050)**
Add back (deduct)					
Depreciation	80	82	87	162	173
Share-Based Payments	272	332	443	604	938
Adjusted EBITDA	**($359)**	**($511)**	**($683)**	**($870)**	**($939)**

OVERVIEW

Our Company

Boardwalk was incorporated pursuant to the Business Corporations Act of British Columbia. The Company operates from locations in the United States and India and provides enterprise software-as-a-service (SaaS) to global customers.

Boardwalk designs and licenses industry-leading enterprise software solutions based upon its unique patented digital ledger technology. The Company has over 70 employees and full-time contractors at its Cupertino, California headquarters and its wholly owned subsidiary in Mumbai, India. Through its extensive data management/database technology expertise, Boardwalk was first to market in 2005 with a proprietary and patented positional, cell data management technology (aka "digital ledger') - what we call "transaction chaining"- which addresses the digital transformation issues companies face when working with multiple parties and exchanging information in real-time. The Company's solutions resolve two enterprise business problems – connecting multiple users in the enterprise value chain to improve planning and results and the alignment of data from various/multiple enterprise systems of record used in planning and information exchange processes. Boardwalk's unique technology allows multiple users secure simultaneous access to the same data in a relational database environment which supports concurrent access to record objects while being edited. Another key enterprise problem that is solved with Boardwalk's technology is the chaining of transactions in a database to support provenance and immutable versioning and change management/change history.

Concurrent with the Company's initial go-to-market activities, a patent was filed to protect the IP associated with versioned sharing, consolidating, and reporting enterprise information. Also, in 2014 the Company applied for a patent to protect the IP associated with cell-based data management and this patent was issued in September 2018 which coincides with an existing patent issued July 2005 for managing time-based data at the cell or atomic unit level. Boardwalk's revenue comes primarily from new and recurring license subscription agreements, maintenance, and service contracts. Boardwalk's customers include over 20 companies in the Global 1000 / Fortune 500.

On June 11, 2018, Boardwalk began trading on the TSX Venture Exchange under the symbol 'BWLK'; and on November 13, 2019, Boardwalk began trading on the OTC Markets Group/ OTCQB under the symbol "BWLKF".

Products and Solutions

The Boardwalk Digital Ledger enterprise platform is a complete enterprise platform that resolves trust and collaboration issues companies face when working with multiple parties, which enables customers to automate manual business processes and turn them into enterprise "digital" applications using our patented digital ledger data management technology. The Boardwalk Digital Ledger platform can be used to build and maintain applications with multiple internal or external users working in Excel, a web form, or mobile environment as the user interface. The Company's software supports a dynamic, cell-based/atomic unit smart contract and machine learning-enabled information exchange that combines Boardwalk's temporal data management and enterprise integration environment with digital ledger-based trust and validation capabilities. The result is a private permissioned enterprise data management environment that supports time-based multi-party workflow transactions and consensus models for automating previously established manual-based processes and turning them into connected digital applications.

Growth Strategy

Boardwalk's objective is to be the leading provider of private permissioned digital ledger solutions for global enterprise customers of any size. Elements key to this strategy include:

- expand our network of direct sales people;
- expand our network of teaming partners and reseller sales channels;
- broader adoption of Boardwalk's solutions by new markets and new customers;
- greater penetration of our existing customer base;
- introduction of new features and capabilities specifically focused on digital AI and Machine Learning
- extending our digital ledger technology into an end-to-end operating system solution.

Sales and Distribution

Boardwalk primarily uses a direct sales model where the Boardwalk Digital Ledger enterprise platform creates a unique go-to-market opportunity for the Boardwalk solution. For direct sales, the Company uses regional sales representatives paired with a Sales Development Representative (SDR) who will guide lead development, with sales representatives on a standard back-end weighted commission plan while the SDR will have a base salary plus variable compensation. Boardwalk is also starting to grow its partner sales ecosystem by recruiting new teaming partners that can build and manage solutions for their clients with a focus in the financial services area leveraging the Boardwalk Velocity for financial services customers running on the Boardwalk Digital Ledger platform. Deployment and professional services for direct sales Boardwalk customers are handled by Boardwalk professional services group while deployment and professional services for teaming partner sales are mainly handled by the partner.

Boardwalk offers the Boardwalk Digital Ledger enterprise platform on an annual subscription basis, with pricing built around multiple digital applications and scale/size of data. Boardwalk engages enterprise clients with an annual subscription for the platform and associated applications and all platform capabilities are included such as:

- Boardwalk Digital Ledger Server;
- Boardwalk Application Design Studio;
- Boardwalk Integration Framework;
- Boardwalk Smart Contract engine;
- Boardwalk APIs;
- Boardwalk Virtual Machines (Nodes);
- Boardwalk Velocity product; and
- Boardwalk Unity Central product.

CURRENT PERIOD OPERATING RESULTS

Revenue

in thousands of U.S. dollars	for Three-month period ended			for Six-month period ended	
	Sept 30, **2023**	June 30, **2023**	Sept 30, **2022**	Sept 30, **2023**	Sept 30, **2022**
Software Subscriptions and Service	$1,306	$1,327	$1,202	$2,634	$2,291
Professional Services	220	225	280	446	696
Total Revenue	**$1,527**	**$1,553**	**$1,482**	**$3,080**	**$2,987**

Boardwalk derives its revenues from two sources: (1) recurring software subscription revenues (SaaS), which are derived from customer licenses for a right to access the Company's cloud services, certain hosting services for dedicated servers, and from customers paying for additional services beyond the standard support that is included in the basic subscription fees; and (2) related professional services such as consulting, application development, quality assurance (QA), application delivery, and training. New revenue is defined as newly signed contracts during the reporting period for license subscriptions, while recurring or renewal revenue are revenue streams that have been extended from previous periods.

Q2 Fiscal 2024 compared to Q2 Fiscal 2023

Revenue for Q2 Fiscal 2024 totaled $1.53 million, a 3% increase over $1.48 million of revenue in the Q2 Fiscal 2023 While the portion of revenue from software and subscription services increased 9% year-over-year due to higher recurring SaaS license revenue, this was offset by a 21% sequential decline in professional services revenue (14% of total revenue). Approximately 86% of revenue in Q2 Fiscal 2024 came from software and subscription services revenue, up from 81% level last year.

Q2 Fiscal 2024 compared to Q1 Fiscal 2024

Revenue for Q2 Fiscal 2024 was 2% lower than revenue reported in Q1 Fiscal 2024, primarily due to a 2% decrease in professional services revenue.

Fiscal 2024 YTD compared to Fiscal 2023 YTD

Revenue for the six-month period ending September 30, 2023 was $3.08 million which is a 3% increase over $2.99 million for the six-month period ending September 30, 2022. This increase was due to a 15% growth in recurring revenue from software subscriptions and services, mostly offset by a 36% decrease in professional services revenue.

While the Company does expect a continued revenue contribution from professional services, it is expected that the while contribution from professional service should grow in absolute dollars over time, these levels decrease as a percentage of total revenue and fluctuate on a quarter-by-quarter basis - as evidenced by recently reported quarters.

Revenue Derived from Major Customers

Based on information from our direct and reseller sales, our customers representing greater than 10% of our revenue for the periods are:

	for Three-month period ended			for Six-month period ended	
	Sept 30, **2023**	June 30, **2023**	Sept 30, **2022**	Sept 30, **2023**	Sept 30, **2022**
Customer A	31.3%	32.3%	36.3%	31.8%	35.5%
Customer B	36.8%	36.2%	29.5%	36.5%	29.3%
Top 5	81.1%	83.5%	77.4%	82.3%	79.9%
Top 10	91.3%	91.2%	87.4%	91.2%	89.5%

The Company's quarterly revenues can be impacted by and fluctuate due to the timing and frequency of new and existing customers. While we currently receive a substantial portion of our revenue from a limited number of customers, we expect our customer concentration to continue to decline in the future.

Gross Margin

Our revenue, cost of sales, and gross margin for the fiscal periods indicated are as follows:

thousands of U.S. dollars	for Three-month period ended			Six-month period ended	
	Sept 30, **2023**	June 30, **2023**	Sept 30, **2022**	Sept 30, **2023**	Sept 30, **2022**
Revenue	$1,527	$1,553	$1,482	$3,080	$2,987
Cost of Sales	151	155	143	306	291
Gross Margin $	$1,376	$1,398	$1,339	$2,773	$2,696
Gross Margin %	*90.1%*	*90.0%*	*90.3%*	*90.1%*	*90.3%*

Q2 Fiscal 2024 compared to Q2 Fiscal 2023

Gross margin for Q2 Fiscal 2024 was 90.1%, a slight 0.2% point decrease from Fiscal Q2 2023 gross margin of 90.3%, due to revenue levels plus normal cost increases and passthroughs.

Q2 Fiscal 2024 compared to Q1 Fiscal 2024

Gross margin for Q2 Fiscal 2024 of 90.1% was slightly higher than the 90.0% in Q1 Fiscal 2024 due to a higher mix of subscription license revenue.

Fiscal 2024 YTD compared to Fiscal 2023 YTD

Gross margin for the six-month period ending September 30, 2023 was 90.1% compared to 90.3% for the six-month period ending September 30, 2022, primary due to revenue levels plus normal cost increases and passthroughs.

The Company intends to make higher investments with its hosting sub-processor to support further growth, especially with deployment of Unity Central. That said, the Company expects gross margins in future quarters to increase as revenue grows, but the impact is likely to fluctuate period-to-period due to a variety of factors, including product mix.

Operating Expenses

The following table provides an analysis of the Company's total operating expenses and adjusted operating expenses which excludes non-cash share-based payments expense and depreciation. The analysis following the table below will primarily focus on the adjusted operating expenses for the respective periods.

figures in U.S. dollars, thousands	for Three-month period ended			Six-month period ended	
	Sept 30, **2023**	June 30, **2023**	Sept 30, **2022**	Sept 30, **2023**	Sept 30, **2022**
Total Operating Expenses*	$2,087	$2,323	$2,551	$4,411	$4,746
Total Adjusted Operating Expenses**	$1,735	$1,909	$2,022	$3,644	3,635

* *Total Operating Expenses include the amortization of revenue contract costs.*

** *Total Adjusted Operating Expenses exclude non-cash share-based payment expenses and depreciation.*

Q2 Fiscal 2024 compared to Q2 Fiscal 2023

Total adjusted operating expenses in Q2 Fiscal 2024 of $1.7 million were $0.3 million lower than adjusted operating expenses of $2.0 million for Q2 Fiscal 2023, due to a slower pace of new hires this year than last year plus over $0.2 million of lower general & administrative expenses as Q2 2023 included the amortization of revenue contract costs ("teaming fees") which were amortized to marketing costs over the related license period.

Q2 Fiscal 2024 compared to Q1 Fiscal 2024

Total adjusted operating expenses in Q2 Fiscal 2024 of $1.7 million were $0.2 million lower than adjusted operating expenses of $1.9 million for Q1 Fiscal 2024, due to $0.1 million of lower general & administrative expenses and other cost saving efforts.

Fiscal 2024 YTD compared to Fiscal 2023 YTD

Total adjusted operating expenses for the six-month period ending September 30, 2023 were $3.6 million and unchanged from the six-month period ending September 30, 2022.

The Company plans to expand the size of our sales and marketing organizations through additional expenditures and new hires, in order to support additional customers and close opportunities in our sales pipeline, as we continue to expand into existing and new markets. Currently, the Company believes it has more opportunities than resources to address all potential growth prospects. Overall, we expect our SG&A expenses to increase in absolute dollars, but longer term to generally decrease as a percentage of revenue, as our investments in SG&A translate into higher sales. We note that there is a lag between the investment in new SG&A costs (such as the hiring of new sales personnel) and the revenue generated from those expenses, though the timing of that lag may vary by markets.

As a percentage of revenue, research and development costs are expected to fluctuate from one quarter or period to another. We do not expect any significant changes in R&D spending, even as we continue enhancements and the creation of new products, and there is no requirement to do so in order to meet our revenue and strategic plans in the next 12 months. The Company continues to invest in and develop both new upgrades to our platform and new updates, and thus expects overall R&D spending to increase in absolute dollars but decrease as of percentage of total revenue.

Other Income (Expense)

Other Income (Expense) came from imputed interest related to office lease liabilities, which will fluctuate as leases expire or are extended and due to the passage of time.

	for Three-month period ended			Six-month period ended	
figures in U.S. dollars, thousands	Sept 30, **2023**	June 30, **2023**	Sept 30, **2022**	Sept 30, **2023**	Sept 30, **2022**
Imputed interest	18	4	12	23	26
Other Expenses, net	$18	$4	$12	$23	$26

LIQUIDITY AND CAPITAL RESOURCES

Historically, the Company has financed its operations primarily through the sale of equity securities, debt, and cash from operating activities.

Working capital

Working capital represents the Company's current assets less its current liabilities. The Company reported a working capital deficit of $(2.2) million at September 30, 2023 (including $0.7 million of cash) compared to a working capital deficit of $(1.1) million reported at March 31, 2023 (including $2.2 million of cash). The six-month period change is primarily from a $1.5 million decrease in cash, a $0.5 million decrease in trade and other receivables, a $0.5 million decrease in accounts payable and accrued liabilities and a $0.5 million decrease in the current liability for deferred revenue as revenue. It should be noted that deferred revenue of $2.9 million reflects new and recurring licenses that are contractually non-refundable at the beginning of each annual license term, then recognized over the license term (amortizing the deferred revenue down), versus a liability expected to be paid in cash.

in thousands of U.S. dollars	as at Sept 30, **2023**	as at March 31, **2023**
Current Assets	$ 1,676	$ 3,669
Current Liabilities	3,878	4,746
Working Capital	$ (2,203)	$ (1,077)
Deferred Revenue	2,889	3,390
Working Capital (pro forma)	$ 687	$ 2,313

The Company expects working capital to improve as revenue growth occurs. While the Company plans to keep its targeted collection days in-line with its payment terms, aggregate trade receivables level should increase in absolute dollars as revenue levels grow.

The following table shows our cash flows from operating activities, investing activities and financing activities for the periods indicated.

Cash inflows (outflows) by activity:	for Three-month period ended			Six-month period ended	
in thousands of U.S. dollars	Sept 30, **2023**	June 30, **2023**	Sept 30, **2022**	Sept 30, **2023**	Sept 30, **2022**
Operating Activities	$175	($1,555)	($254)	($1,380)	$702
Investing Activities	0	(5)	(5)	(5)	(9)
Financing Activities	(39)	(105)	(65)	(144)	(167)
Net Inflows (outflows)	**$136**	**($1,665)**	**($323)**	**($1,529)**	**$526**

Cash Flows Used in Operating Activities

Cash flows used in operating activities primarily consist of our net loss adjusted for non-cash expenses and for changes in non-cash working capital items. Non-cash adjustments to operating activities generally include depreciation, share-based payments and imputed interest. Changes in non-cash working capital items include changes in accounts receivable, which will increase as revenue increases, deferred revenue, and changes to accounts payable as we purchase more goods and services from suppliers to support such growth.

Q2 Fiscal 2024 compared to Q2 Fiscal 2023

During Q2 Fiscal 2024, cash inflow from operating activities was a positive $0.18 million versus cash usage of $(0.25) million during Q2 Fiscal 2023. The 47% improvement in Q2 2024 Adjusted EBITDA accounted for $0.3 million of the cash flow improvement. Both trade and other receivables and accounts payable and accrued liabilities were relatively unchanged between the two periods, while deferred revenue increased $0.6 million.

This is the third quarter over the last six quarters that the Company has reported positive cash inflows from operating activities.

Q2 Fiscal 2024 compared to Q1 Fiscal 2024

During Q2 Fiscal 2024, cash inflow provided by operating activities was a positive $0.18 million versus $(1.56) million of cash used by operating activities in Q1 Fiscal 2024. Much of this difference in sequential operating cash flows came from $0.2 million of Adjusted EBITDA, a $1.6 million cash inflow in trade receivables; offset by $0.2 million of cash outflow for accounts payables, and a $0.9 million change in deferred revenue.

Fiscal 2024 YTD compared to Fiscal 2023 YTD

For the six-month period ending September 30, 2023, the Company reported positive $(1.38) million of cash used by operating activities versus $0.7 million of cash inflows from operating activities for the comparable six-month period last year ended September 30, 2022. In addition to Adjusted EBITDA improving, the six-month period of Fiscal 2024 saw $1.2 million of less cash inflows from trade receivables (due to timing of license collections), $0.7 million from higher accounts payables outflows this year, and $0.1 million of higher cash from deferred revenue sources.

Cash Flows from Investing Activities

Cash flows used in investing activities relate to purchases of computer equipment. Such purchases are generally small but necessary as the Company continues to replace old laptops, buy new computers for new hires, and upgrade its development services to support new customer projects.

The Company expects a minor increase in equipment purchases (under $0.2 million) during the upcoming year to replace old laptops and upgrade its development servers, to support new customer projects.

Cash Flows from Financing Activities

Q2 Fiscal 2024 compared to Q2 Fiscal 2023

During Q2 Fiscal 2024 and Q2 Fiscal 2023, the net cash outflow from financing activities was under $(0.1) million, coming solely from office lease payments. There were no financings or proceeds from exercised stock options or warrants in either quarter.

Q2 Fiscal 2024 compared to Q1 Fiscal 2024

During Q2 Fiscal 2024 and Q2 Fiscal 2023, the net cash outflow from financing activities came solely from office lease payments, declining slightly from the $(0.1) million in the first quarter. There were no financings or proceeds from exercised stock options or warrants in either quarter.

Fiscal 2024 YTD compared to Fiscal 2023 YTD

For the six-month period ending September 30, 2023, the net cash outflow from financing activity was primarily from office lease payments. While there were no financings nor proceeds from exercised warrants in Fiscal 2024, Fiscal 2023 had a minor benefit from under $0.1 million of proceeds from exercised warrants during that six-month period.

Share Capital

	Common shares	Common share warrants	Stock options	Restricted share units
Balance, March 31, 2023	48,100,998	319,540	818,915	3,964,450
Expired	-	(319,540)	-	-
Balance, September 30, 2023 and date of this MD&A	48,100,998	-	818,915	3,964,450

Subsequent Events

There were no reportable events subsequent to September 30, 2023.

Off-Balance Sheet Arrangements

During the periods presented, the Company did not have, nor do we currently have, any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Financial Instruments and Risk Management

The Company's activities expose it to a variety of financial risks. The Company is exposed to credit risk and liquidity risk because of holding certain financial instruments. The Company is exposed to market risks related to financial instruments denominated in foreign currencies. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by senior management, in particular, the board of directors of Boardwalk.

Fair Value

Boardwalk's financial instruments consist of cash, trade and other receivables, accounts payables and accrued liabilities and lease liabilities. The carrying amounts of the current financial instrument items approximate their fair value due to their short period to maturity. As at September 30, 2023, the Company measured all of its financial instruments at amortized cost.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and to a lesser degree from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade accounts receivable

Customer credit risk is managed through the Company's established policy, procedures and control relating to customer credit risk management. In order to further reduce charges for doubtful accounts, the Company has recently adopted new policies to ensure customer acceptance is explicitly confirmed in writing before an invoice is generated against recognized or deferred revenue.

Financial instruments and cash deposits

Credit risk from balances on deposit with banks and financial institutions is managed in accordance with the Company's policies. Investments of surplus funds are made only with approved counterparties and within credit limits approved for each of those counterparties. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty failure.

Liquidity risk

The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and cash equivalents, managing cash from operations, and if required through financing activities.

As at September 30, 2023, the contractual maturities of the Company's financial liabilities are as follows:

	Carrying amount	Contractual cash flows	On or before March 31 2024	On or before March 31 2025	Thereafter
Accounts payable and accrued liabilities	757,068	757,068	757,068		
Lease liability	1,014,053	1,209,980	142,167	388,547	679,266
	1,771,121	1,967,048	899,235	388,547	679,266

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the six months ended September 30, 2023 that have materially affected, or are likely to materially affect, the Company's internal control over financial reporting.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect reported amounts and presentation of assets, liabilities, revenues, expenses and disclosures of contingencies and commitments. Such estimates primarily relate to unsettled transactions and events at the statement of financial position date which are based on information available to management at each financial statement date. Actual results could differ from those estimated. Judgments, estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There have been no changes to the Company's critical accounting judgments and estimates during the three and six months ended September 30, 2023. Refer to Note 4 of the Company's March 31, 2023 audited consolidated financial statements.

ACCOUNTING PRONOUNCEMENTS

The Company adopted amendments to certain accounting pronouncements effective April 1, 2023, however, the amendments had no impact on the Company's September 30, 2023 condensed interim consolidated financial statements nor do the amendments relate to accounting policies considered material to the Company. An accounting policy is considered material to the Company if it provides information to facilitate the understanding of other material information reported and disclosed in the Company's consolidated financial statements.

The Company has reviewed amended accounting pronouncements that have been issued but are not yet effective and determined that there are no pronouncements are applicable to the Company that are expected to have a material impact on its consolidated financial statements.