BOARDWALKTECH SOFTWARE CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT AND FOR THE THREE MONTHS AND NINE MONTHS ENDED DECEMBER 31, 2023

DATED: FEBRUARY 28, 2024

This Management's Discussion and Analysis ("MD&A") for the three and nine months ended December 31, 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 December 31, 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 February 28, 2024, 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 December 31, 2023 is referred to as "Q3 Fiscal 2024"and the previous three-month quarter ended September 30, 2023 is referred to as "Q2 Fiscal 2024" and the comparative three-month quarter ended December 31, 2022 is referred to as "Q3 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:

- 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 Q3 Fiscal 2024 totaled $1.47 million, a 4% decrease from $1.53 million of revenue in Q2 Fiscal 2024, and 20% decrease from $1.84 million of revenue in Q3 Fiscal 2023. However, these decreases were all attributed to expected shifts in professional services revenue which declined 42% sequentially and 76% year-over-year, respectively. These impacts offset 6% increases in SaaS license revenue (new and existing) both sequentially and year-over-year; as approximately 91% of total revenue in Q3 Fiscal 2024 came from new and recurring software subscription licenses (SaaS licenses) Professional services revenue was 9% of total Q3 Fiscal 2024 revenue (down from 29% level a year ago).

The Company defines annual recurring revenue ("ARR") as the recurring revenue expected based on annual license subscriptions and recurring services recognized in the quarter. ARR is a non-IFRS measure. ARR at December 31, 2023 was $5.7 million.

Gross margin for Q3 Fiscal 2024 was 89.1%, down up from Q2 Fiscal 2024's level of 90.1%, and from 91.5% in Q3 Fiscal 2023, due to lower revenue levels, from older professional services, and slightly higher hosting expenses.

The reported loss for Q3 Fiscal 2024 was a $(0.78) million loss ($(0.02) per basic and diluted share), versus a $(0.73) million loss ($(0.02) per basic and diluted share) in Q2 Fiscal 2024, and versus a $(0.65) million loss ($(0.01) per basic and diluted share) in Q3 Fiscal 2023. The year-over-year and sequential changes were primarily driven by lower professional service revenue which offset higher license revenue levels and lower operating expenses. Total adjusted operating expenses (excluding share-based payments and depreciation) in Q3 Fiscal 2024 were $1.69 million, down from $1.73 million in Q2 Fiscal 2024 and $1.92 million in Q3 Fiscal 2023 due to cost controls. It should be noted that Q3 Fiscal 2024 operating expenses do not reflect the recently announced cost savings as the Company realigns resources from completed development efforts to sales and marketing efforts.

Adjusted EBITDA for Q3 Fiscal 2024 was a loss of $(0.38) million, a slight increase from the $(0.36) million loss in Q2 Fiscal 2024 and $(0.24) million loss in Q3 Fiscal 2023.

Non-IFRS net loss (as defined in Non-IFRS Financial Measures section) for Q3 Fiscal 2024 totaled $(0.41) million ($(0.01) per basic and diluted share), versus a $(0.38) million non-IFRS loss ($(0.01) per basic and diluted share) in Q2 Fiscal 2024 and versus the $(0.25) million non-IFRS loss ($(0.01) per basic and diluted share) in Q3 Fiscal 2023.

OUTLOOK

The Company continues to execute on its "land and expand" strategy, as recurring revenue from new SaaS licenses has grown at a 48% CAGR over the last three years. Even factoring out the contributions from our Velocity customers, revenue from our core Digital Ledger customers has grown 37%, since 2022 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 to better manage unstructured data with an initial focus in the enterprise supply chain.

While the sales pipeline remains robust and we have not lost any prospective customers, sales conversions in late 2023 were lower than projected last summer, led by challenging market headwinds and internal customer issues this calendar year which has resulted in longer times to close transactions with large, multinational organizations and financial institutions. We believe these factors and delays were 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 came in lower than originally expected. While the Company expects professional service revenue to rebound in absolute dollars over the future quarters, it should remain as a lower percentage of total revenue than historic levels.

Following an internal review which began in the fall of 2023, to improve execution and less reliance on slower than expected sales pipeline conversions, the Company implemented steps to to improve our balance sheet optics and reallocate resources from completed development efforts towards more sales and marketing efforts. While the total annualize cash savings is projected to exceed $1 million, the reality is that the net realized savings will likely be $500,000 over this next fiscal year, as the Company selectively hires more effective sales and marketing personnel over the next few quarters.

Consequently, the Company does expect to achieve cash breakeven (Adjusted EBITDA) in the next few quarters based on modest revenue growth assumptions and reliance on large pipeline conversions (than in previous projections) and the cost savings measures announced in January 2024.

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-month and nine-month periods ended December 31, 2023.

except per share amounts	Dec 31, **2023**	Sept 30, **2023**	Dec 31, **2022**	Dec 31, **2023**	Dec 31, **2022**
Revenue	$1,469	$1,527	$1,836	$4,549	$4,823
Cost of sales	160	151	155	467	446
Gross Profit	$1,309	$1,376	$1,681	$4,082	$4,376
SG&A expenses *	$1,695	$1,735	$1,923	$5,339	$5,558
Share-based payments	292	272	309	896	1,247
Depreciation	79	80	86	242	259
Operating Income/(Loss)	(757)	(711)	(638)	(2,395)	(2,688)
Imputed interest, rent concessions	26	18	9	48	35
Loss for the period	**($783)**	**($730)**	**($647)**	**($2,443)**	**($2,723)**
Loss per share, basic and diluted	($0.02)	($0.02)	($0.01)	($0.05)	($0.06)

* 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 Dec 31, **2023**		as at March 31, **2023**
Current assets				
Cash	$	896	$	2,187
Share subscriptions receivable		386		-
Trade and other receivables		514		1,331
Prepaid expenses and deposits		340		150
Total current assets	**$**	**2,135**	**$**	**3,669**
Total non-current assets		**887**		**115**
Total assets	**$**	**3,022**	**$**	**3,783**
Current liabilities				
Account payables and accrued liabilities	$	1,017	$	1,229
Deferred revenue		1,904		3,390
Deferred compensation		103		-
Current portion of lease liability		298		127
Total current liabilities	**$**	**3,323**	**$**	**4,746**
Lease liabilities		703		-
Total Liabilities	**$**	**4,026**	**$**	**4,746**
Shareholders' Equity	**$**	**(1,004)**	**$**	**(962)**
Total Liabilities and Shareholders' Equity	**$**	**3,022**	**$**	**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			for Nine-month period ended	
in thousands of U.S. dollars except per share amounts	Dec 31, **2023**	Sept. 30, **2023**	Dec 31, **2022**	Dec 31, **2023**	Dec 31, **2022**
Net Loss for the period	**($783)**	**($730)**	**($647)**	**($2,443)**	**($2,723)**
Adjustments:					
Share-Based Payments	292	272	309	896	1,247
Depreciation	79	80	86	242	259
Total Adjustments	371	352	395	1,138	1,506
Non-IFRS Net Loss	**($412)**	**($377)**	**($252)**	**($1,305)**	**($1,217)**
Non-IFRS amount per share, basic and diluted:	($0.01)	($0.01)	($0.01)	($0.03)	($0.03)

Adjusted-EBITDA	for Three-month period ended			for Nine-month period ended	
figures in U.S. dollars, thousands	Dec 31, **2023**	Sept 30, **2023**	Dec 31, **2022**	Dec 31, **2023**	Dec 31, **2022**
Operating Loss for the Period	**($757)**	**($711)**	**($638)**	**($2,395)**	**($2,688)**
Add back (deduct)					
Depreciation	79	80	86	242	259
Share-Based Payments	292	272	309	896	1,247
Adjusted EBITDA	**($386)**	**($359)**	**($243)**	**($1,257)**	**($1,182)**

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 50 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

	for Three-month period ended			for Nine-month period ended	
in thousands of U.S. dollars	Dec 31, **2023**	Sept 30, **2023**	Dec 31, **2022**	Dec 31, **2023**	Dec 31, **2022**
SaaS License (New and Renewals)	$1,270	$1,198	$1,204	$3,694	$3,292
Legacy (Hosting and Maintenance)	72	108	108	282	310
Software Subscriptions and Service	$1,342	$1,306	$1,311	$3,976	$3,602
Professional Services	127	220	525	573	1,221
Total Revenue	**$1,469**	**$1,527**	**$1,836**	**$4,549**	**$4,823**

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.

Q3 Fiscal 2024 compared to Q3 Fiscal 2023

Revenues for Q3 Fiscal 2024 totaled $1.47 million, a 20% decrease from $1.84 million of revenue in Q3 Fiscal 2023, due to a 76% decrease in professional services revenue, offsetting a 6% increase in SaaS license revenue.

Q3 Fiscal 2024 compared to Q2 Fiscal 2024

Revenues for Q3 Fiscal 2024 totaled $1.47 million, a 4% decrease from $1.53 million of revenue in Q2 Fiscal 2024, due to a 42% sequential decrease in professional services revenue, offsetting a 6% increase in SaaS license revenue.

Fiscal 2024 YTD compared to Fiscal 2023 YTD

Revenue for the nine-month period ending December 31, 2023 was $4.55 million which is a 6% decrease over the $4.82 million for the nine-month period ending December 31, 2022. While year-to-date revenue for SaaS license increased 12%, this was offset by a 53% decrease in professional services revenue.

While the Company does expect a continued revenue contribution from professional services, which is expected to rebound and grow in absolute dollars, professional services revenue is expected to remain as a lower percentage of total revenue and may 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 Nine-month period ended	
	Dec 31, **2023**	Sept 30, **2023**	Dec 31, **2022**	Dec 31, **2023**	Dec 31, **2022**
Customer A	28.1%	31.3%	28.1%	30.6%	32.7%
Customer B	38.3%	36.8%	23.8%	37.1%	27.2%
Customer C	2.8%	0.0%	21.8%	0.9%	8.3%
Top 5	81.5%	81.1%	80.5%	82.0%	80.1%
Top 10	90.3%	91.3%	90.0%	91.0%	89.7%

The addition of a new material customer in this quarter is a reflection of the Company's "land and expand" strategy, as this customer has added a new application and license. 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:

	for Three-month period ended			Nine-month period ended	
thousands of U.S. dollars	Dec 31, **2023**	Sept 30, **2023**	Dec 31, **2022**	Dec 31, **2023**	Dec 31, **2022**
Revenue	$1,469	$1,527	$1,836	$4,549	$4,823
Cost of Sales	160	151	155	467	446
Gross Margin $	$1,309	$1,376	$1,681	$4,082	$4,376
Gross Margin %	*89.1%*	*90.1%*	*91.5%*	*89.7%*	*90.7%*

Gross margin is lower in Q3 2024 and Fiscal 2024 YTD than the comparative periods due to lower professional services revenue, and slightly higher hosting expenses.

The Company expects gross margins to return to prior levels at or about 90% but expects gross margins to fluctuate by quarter. 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 plus adjusted operating expenses which exclude non-cash share-based compensation expenses, as a percentage of total revenue. The analysis following the table will primarily focus on the adjusted operating expenses for the respective periods.

figures in U.S. dollars, thousands	for Three-month period ended			for Nine-month period ended	
	Dec 31, **2023**	Sept 30, **2023**	Dec 31, **2022**	Dec 31, **2023**	Dec 31, **2022**
Total Operating Expenses*	$2,066	$2,087	$2,319	$6,477	$7,064
Total Adjusted Operating Expenses**	$1,695	$1,735	$1,923	$5,339	$5,558

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

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

Q3 Fiscal 2024 compared to Q3 Fiscal 2023

Total adjusted operating expenses in Q3 Fiscal 2024 of $1.9 million was $0.2 million lower than adjusted operating expenses for Q3 Fiscal 2023, due to $0.2 million of lower general and administrative expenses that included $0.2 million of amortization of revenue contract costs ("teaming fees") in Q3 Fiscal 2023 which were incurred in connection with certain new revenue contracts, via teaming agreements with channel partners, whereby the Company incurred incremental costs to obtain such contracts. When revenue contract costs become payable, they are amortized to marketing costs over the remaining term of the related license period.

Q3 Fiscal 2024 compared to Q2 Fiscal 2024

Total adjusted operating expenses in Q3 Fiscal 2024 of $1.9 million was comparable to Q2 Fiscal 2024, as all expense categories were essentially flat with levels in the prior quarter.

Fiscal 2024 YTD compared to Fiscal 2023 YTD

Total adjusted operating expenses for the nine-month period ending December 31, 2023 was $5.3 million versus adjusted operating expenses of $5.6 million for the nine-month period ending December 31, 2022. The $0.3 million decrease was due to $0.4 million lower general and administrative expenses (of which $0.4 million was attributed to teaming fees in Fiscal 2023), $0.1 million of lower contractor fees, partially offset by $0.2 million of higher professional services fees.

The Company plans to reallocate resources and upgrade our sales and marketing organizations through selective expenditures and hiring to support additional customers and to 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. During the next year, we expect our SG&A expenses to decrease in absolute dollars as a result of cost cutting and resource reallocation actions, and 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 market.

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 a percentage of total revenue.

Other Expenses (Income)

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			for Nine-month period ended	
figures in U.S. dollars, thousands	Dec 31, **2023**	Sept 30, **2023**	Dec 31, **2022**	Dec 31, **2023**	Dec 31, **2022**
Imputed interest	26	18	9	48	35
Other Expenses, net	$26	$18	$9	$48	$35

LIQUIDITY AND CAPITAL RESOURCES

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

Cash

As at December 31, 2023, the Company's reported cash and share subscriptions receivable totaled $1.3 million compared to cash of $0.9 million as at March 31, 2023. Share subscriptions receivable of $0.4 million relate to electronic payments for unit private placement proceeds initiated as of the financing closing date but as of December 31, 2023 were in transit or in process of settlement into cash. All outstanding share subscriptions receivable were collected in January 2024,

Working capital

Working capital represents the Company's current assets less its current liabilities. The Company's working capital deficit as at December 31, 2023 was $(1.2) million compared to $(1.1) million as at March 31, 2023. The nine-month period change is primarily from the close of the first tranche in financing proceeds, a $0.2 million decrease in accounts payable and accrued liabilities and a $0.8 million decrease in trade and other receivables, plus a $1.5 million increase in deferred revenue.

It should be noted that deferred revenue of $1.9 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 Dec 31, **2023**	as at March 31, **2023**
Current Assets	$ 2,135	$ 3,669
Current Liabilities	3,323	4,746
Working Capital	$ (1,188)	$ (1,077)
Deferred Revenue	1,904	3,390
Working Capital (pro forma)	$ 717	$ 2,313

The Company expects working capital to increase 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			for Nine-month period ended	
in thousands of U.S. dollars	Dec 31, **2023**	Sept 30, **2023**	Dec 31, **2022**	Dec 31, **2023**	Dec 31, **2022**
Operating Activities	($731)	$176	($1,339)	($2,111)	($637)
Investing Activities	(1)	0	(4)	(6)	(13)
Financing Activities	969	(39)	322	825	156
Net Inflows (outflows)	**$237**	**$137**	**($1,021)**	**($1,292)**	**($494)**

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 interest and financing fees. 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.

Q3 Fiscal 2024 compared to Q3 Fiscal 2023

During Q3 Fiscal 2024, cash used in operating activities was $(0.73), an improvement from versus cash usage of $(1.34) million during Q3 Fiscal 2023. In addition to lower operating losses of $(0.02) million, the cash usage for the current quarter included $0.5 million from a decrease in trade receivables, offset slightly by a $0.2 million increase in prepayments, $0.1 million of higher trade payables, $0.7 million attributed to deferred revenue, and $0.1 of deferred compensation. Share-based payments were $0.3 million lower than Q3 Fiscal 2023 due to the effect of amortization over the vesting terms of the related RSUs.

Q3 Fiscal 2024 compared to Q2 Fiscal 2024

During Q3 Fiscal 2024, cash used in operating activities was $(0.73) million, which was $0.9 million higher than the $0.18 million of cash provided by operations in Q2 Fiscal 2024. Much of this difference in sequential cash usage came from a $1.0 million of lower deferred revenue, offset by $0.3 million of trade payables and a $0.3 million decrease in trade receivables.

Fiscal 2024 YTD compared to Fiscal 2023 YTD

For the nine-month period ending December 31, 2023, cash used in operating activities was $(2.11) million versus $(0.6) million for the nine-month period ending December 31, 2022. In addition to a $0.4 million improvement in operating losses, the nine-month period of Fiscal 2024 saw $0.7 million of higher trade payables and accrued liabilities, plus $0.6 of higher cash inflow from trade receivables, $0.1 million of deferred compensation, plus $0.1 million of deferred revenue versus the comparable nine-month period in Fiscal 2023.

Cash Flows Used in 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

On December 28, 2023, the Company completed the private placement of 7,015,353 units at a price of CAD 0.50 per unit for gross proceeds of $1,590,738 (CAD 2,104,606). Each unit is comprised of one common share and one common share purchase warrant exercisable at a price of CAD 0.50 per share for a period of three years from the date of issuance, subject to early acceleration by the Company if the trading price of the Company's common shares is greater than CAD 1.00 for 10 consecutive trading days. In connection with the private placement, the Company paid $81,721 of commissions to qualified non-related parties, issued 359,893 finders' warrants exercisable at a price of $0.50 per share for a period of three years from the date of issuance and incurred $1,640 of other cash issuance costs.

Q3 Fiscal 2024 compared to Q3 Fiscal 2023

During Q3 Fiscal 2024, cash provided by financing activities was $1.0 million, an improvement from versus a $0.3 million inflow during Q3 Fiscal 2023. The Q3 Fiscal 2024 inflow came from proceeds from the issuance of units in the first tranche of the private placement net of issue costs, offset by minor office lease payments, versus Q3 Fiscal 2023 which saw $0.4 million of proceeds from exercised common stock warrants, offset by $0.1 million of office lease payments.

Q3 Fiscal 2024 compared to Q2 Fiscal 2024

During Q3 Fiscal 2024, cash provided by financing activities was $1.0 million, an improvement from versus a $0.3 million inflow during Q3 Fiscal 2023. The Q3 Fiscal 2024 inflow came from proceeds from the issuance of units in the first tranche of the private placement net of issue costs, offset by minor office lease payments, compared to $0.04 million of office lease payments in Q2 Fiscal 2024.

Fiscal 2024 YTD compared to Fiscal 2023 YTD

For the nine-month period ending December 31, 2023, cash provided by financing activities was $0.8 million versus $0.16 million of cash used in financing activities for the nine-month period ending December 31, 2022. Fiscal 2024 period saw $0.9 million of proceeds from the issuance of units in the first tranche of the private placement net of issue costs, offset by $0.2 million of office lease payments, versus $0.46 million of proceeds from exercised common stock warrants offset by $0.31 million of office lease payments.

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
Issued	7,015,353	7,375,246	-	-
Granted	-	-	-	2,245,000
Expired	-	(319,540)	(173,915)	-
Balance, December 31, 2023	55,116,351	7,375,246	645,000	6,209,450
Issued	506,225	544,097	-	-
Cancelled	-	-	-	(521,871)
Balance, date of this MD&A	55,622,576	7,919,343	645,000	5,687,579

Subsequent Events

On February 26, 2024, the Company issued 506,225 units for gross proceeds of $112,303 (CAD 151,780) pursuant to the closing of the second and final tranche of the LIFE-based (Listed Issuer Financing Exemption), non- brokered unit private placement disclosed above (see *Cash Flows from Financing Activities*). In connection with the second tranche, the Company paid approximately $8,406 of commissions to qualified non-related parties, issued 37,872 finders' warrants exercisable at a price of $0.50 per share for a period of three years from the date of issuance. Collectively across both tranches of the Offering a total of 7,521,578 Units were issued, and an aggregate of $1.7 million (CAD $2.26 million) gross proceeds were raised.

On January 16, 2024, the Company announced a realignment of resources allowing the Company to focus efforts on selective strategic Sales and Marketing additions. These actions are expected to generate approximately $1.0 million in annual cost savings and help accelerate the Company's projected timeline to profitability without sacrificing growth. The reported figures for Q3 Fiscal 2024 do not include any impact from these actions but are expected to take effect beginning in Q4 Fiscal 2024. As a consequence, the Company cancelled 521,871 of unvested RSUs, associated with employees terminated during these actions.

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 December 31, 2023, the Company measured all of its financial instruments at amortized cost.

Credit risk

Credit risk is the risk that a 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 December 31, 2023, the contractual maturities of the Company's financial liabilities are as follows:

	Carrying amount	Contractual cash flows	Within 1 year	Within 2 years	Thereafter
Accounts payable and accrued liabilities	1,016,954	1,016,954	1,016,954	-	-
Deferred Compensation	103,049	103,049	103,049	-	-
Lease liability	1,001,530	1,162,531	386,236	397,621	378,674
	2,121,533	2,282,534	1,506,239	397,621	378,674

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in the Company's internal control over financial reporting that occurred during the nine-months ended December 31, 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 nine months ended December 31, 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 December 31, 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.