

March 25, 2021



# Boardwalktech Announces Full Payoff of Loan and Other Debt

*Company Closes Shares for Debt Conversion Transactions*

CUPERTINO, Calif., March 25, 2021 /CNW/ - (TSXV: BWLK) (OTCQB: BWLKF) Boardwalktech Software Corp ("Boardwalktech" or the "Company"), the leading Digital Ledger platform and enterprise software applications company, is pleased to announce that it has fully paid off the outstanding balance of its term loan from lender SQN Venture Income Fund LP ("SQN"). The term loan has been paid both through the closing of its shares for debt conversion, as previously announced on March 10, 2021 (the "Transaction"), and cash. Pursuant to the terms of the Transaction, the Company issued 2,242,568 common shares to SQN at a deemed price per common share of US\$0.66 to settle US\$1,480,095.46 of principal indebtedness and paid the balance of US\$3,284,066.38 in cash, which represents all principal, interest, prepayment fees, liabilities and other indebtedness owed by Boardwalktech to SQN. The common shares issued pursuant to the Transaction will be subject to a 4 month hold under applicable Canadian securities laws.

As a result of the Transaction, the Company has achieved its previously stated goal of eliminating all outstanding debt in order to significantly improve its balance sheet and free up available work capital.

"Eliminating the outstanding loan and other indebtedness from our balance sheet is a significant milestone for Boardwalktech, and an important step in our progress towards profitability," said Andrew T. Duncan, CEO of Boardwalktech. "This greatly improves our cash flow and allows us to apply that capital to funding future growth and expansion of our enterprise client base. Having a strong balance sheet with no debt further provides a stable foundation for growth and value creation, enhancing the bright future for Boardwalktech. I would like to thank SQN for their partnership and support over the past five years, and their election to take equity as part of the total debt payoff shows their significant commitment to the Company and their belief in the opportunities ahead of us."

"SQN Venture Partners is thrilled with the continued growth and performance of Boardwalktech," said Ryan McCalley, Managing Partner and Founder of SQN Venture Partners. "The debt repayment represents a major milestone for the Company. Removing the drag it has had for the past several years to free up critical operating cash flow will enable Boardwalktech to invest in and support its continued growth. We're fortunate for the partnership we've had through the years and that the Company has agreed to let us convert a portion of the remaining obligations to equity. We believe this will benefit our LPs as they meet and or exceed our expectations through the coming years."

By virtue of the fact that SQN is an insider of the Company, the Transaction may constitute a "related party transaction" under Multilateral Instrument 61-101 - Protection of Minority Securityholders in Special Transactions ("MI 61-101"). The Company intends to rely on the

exemptions from the valuation and the minority approval requirements of MI 61-101 provided for in subsections 5.5(a) and 5.7(a) of MI 61-101, respectively, as the fair market value of the subject of, and the consideration paid in the Transaction, will not represent more than 25% of the Company's market capitalization, as determined in accordance with MI 61-101. The participation by SQN in the Transaction has been approved by directors of the Company who are independent in connection with the Transaction. No special committee was established in connection with the Transaction, and no materially contrary view or abstention was expressed or made by any director of the Company in relation thereto. Further details will be included in a material change report that will be filed by the Company in connection with the completion of the Transaction. The Company anticipates that the material change report will be filed less than 21 days before the closing date of the Transaction, but believes that this shorter period is reasonable and necessary in the circumstances as the Company wishes to improve its financial position by reducing its accrued liabilities as soon as possible.

As a result of the Transaction, and based on information provided by SQN to the Company, SQN's non-fully diluted ownership of the Company's outstanding common shares is approximately 18.6%, while its fully-diluted beneficial ownership of the Company's outstanding common shares is approximately 23.7%.

Concurrent with the Transaction, the Company also completed separate share for debt agreements with two business parties who expressed interest in taking part of outstanding trade payables owed to them in the form of common shares of the Company. These parties were:

- Viewstream.com Inc, a marketing partner: 34,375 common shares to satisfy \$20,625 owed; and
- 4Casting Systems Inc., a business services contractor: 64,285 common shares to satisfy \$45,000 owed.

## **RSU Grants**

In addition to these debt conversions, in lieu of cash compensation payable to certain officers of the Company, the Company has granted an aggregate of 884,418 fully-vested restricted stock units ("RSUs") to these officers of the Company. All of the recipients of the RSUs have agreed to 6-month lock-ups in relation to the common shares of the Company issuable on conversion of the RSUs commencing from the date of grant of the RSUs.

## **About Boardwalktech Software Corp.**

Boardwalktech has developed a patented Digital Ledger Technology Platform used by Fortune 500 companies running hundreds of live mission-critical applications worldwide. Boardwalktech's patented 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. Boardwalktech can deliver a collaborative purpose-built enterprise information management application 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 applications. Boardwalktech is headquartered in Cupertino, California with offices in India and operations in North America. To learn more about Boardwalktech and its capabilities, please visit [www.boardwalktech.com](http://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". The forward-looking information contained herein may include, but is not limited to, information concerning the financial condition of the Company and its future business prospects.

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.

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