

BOARDWALKTECH REPORTS SECOND QUARTER FISCAL 2021 FINANCIAL RESULTS

Cupertino, California (November 27th, 2020) (TSXV: BWLK, OTCQB: BWLKF) – Boardwalktech Software Corp. ("Boardwalktech" or the "Company"), the leading digital ledger platform and enterprise software solutions company, is pleased to report its financial results for the three-month period ended September 30, 2020. All figures are reported in U.S. dollars, unless otherwise indicated. Boardwalktech's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

Financial Highlights:

- Revenues for Q2-FY21 of \$1.1 million versus \$1.2 million of revenue in Q2-FY20, as this decrease was due to lower professional services revenue and the impact of legacy contracts (supplemental hosting and premium services) shifting in favor of the Company's new SaaS model, implemented in 2018. As a result of those legacy contracts being retired, Annualized Recurring Revenue for Q2-FY21 was \$3.7 million, compared to \$3.9 million in Q1-FY21, though the Company projects ARR to be over \$5 million by Q1-FY22.
- As evidenced of the traction of the new SaaS model, 67% of subscription revenue in Q2-FY21 came from contracts executed since 2018, up from 50% last year. Further, subscription licenses contributed 66% of total revenue in Q2-FY21 versus 53% 18 months ago (the balance of total revenue from Professional Services).
- Despite COVID-19 headwinds, the sales pipeline grew again in Q2-FY21 and is approaching \$8 million compared to \$4.5 million last year.
- Gross margin in Q2-FY21 was 86.3%, flat with Q2-FY20 but lower than the 87.0% in Q1-FY21 due to lower revenue. Cost of sales decreased in absolute dollars, even given infrastructure enhancement expenses.
- Cash from Operating Activities for Q2-FY21 totaled \$(0.1) million compared to \$(0.0) million in Q2-FY20 and an 87% improvement versus \$(0.9) million in Q1-FY21, reflecting continued progress towards cash-flow breakeven.
- Adjusted EBITDA loss of \$(0.4) million in Q2-FY21, a 37% improvement from a loss of \$(0.6) million in Q2-FY20.
- Non-IFRS loss for Q2-FY21 (as defined in the Non-IFRS Financial Measures section) totaled \$(0.5) million, or \$(0.03) per basic and diluted share, a 35% improvement versus a \$(0.8) million loss in Q2-FY20, or \$(0.07) per basic and diluted share.
- Reported loss for Q2-FY21 was \$(0.9) million, or loss of \$(0.04) per basic and diluted share, representing an 31% improvement versus a \$(1.3) million loss, or \$(0.11) per basic and diluted share in Q2-FY20.

Operations highlights

- On July 3, 2020, the Company completed a new amendment with its existing investor, SQN Venture Income Fund LP, to extend the maturity of its loan to August 2022, extended interest-only payment until August 2020.

Subsequent to the quarter:

- On October 21, 2020, the Company announced that it had been awarded a Defense Logistics Agency (DLA) research and development project subcontract based on Boardwalk's digital ledger solution to track and ensure food safety and prevent food contamination to U.S. military and officials stationed overseas.
- On November 11, 2020, the Company closed a \$1.3 million non-brokered private placement.
- On November 11, 2020, the Company announced that it had completed an amendment with its existing investor, SQN Venture Income Fund LP, to: extend the maturity to January 1, 2023, extend the interest-only period of the loan by six months to February 28, 2021, and a reset of the interest rate to 14.95%.

“Boardwalktech continues to see its pipeline grow despite experiencing some extension of our sales cycle as a result of the COVID-19 pandemic,” said Andrew T. Duncan, CEO of Boardwalktech. “While total revenue may have declined slightly in the quarter, revenue from new SaaS contracts continues to grow as we see a larger proportion of our revenue base being made up of high-quality, sticky, recurring SaaS license revenue. This strategy of driving growth from new enterprise licenses is the direct result of the new business model we implemented in 2018 – to focus on establishing ourselves as a pure SaaS organization and we are pleased to see Boardwalktech gaining customer traction with this approach. The decline is directly attributable to a decrease in professional services and revenue from some legacy contracts (hosting and stand-alone services) as we continue to migrate these legacy customers towards our enterprise licensing model.”

Mr. Duncan continued, “As we continue into calendar year 2021, we anticipate a good portion of our pipeline converting into customers in the new year as they recognize the significant value that our proprietary digital ledger SaaS platform provides across the enterprise. As well, we continue to make material and permanent progress towards achieving profitability in the near future as we convert our pipeline into a long term recurring revenue base.”

About Boardwalktech Software Corp.

Boardwalktech has developed a patented Digital Ledger Technology Platform currently used by Fortune 500 companies running mission-critical applications worldwide. Boardwalktech’s digital ledger technology and its unique method of managing vast amounts of structured and unstructured data is the only platform on the market today where multiple parties can effectively work on the same data simultaneously while preserving the fidelity and provenance of the data. Boardwalktech can deliver collaborative, purpose-built enterprise information management applications on any device or user interface with full integration with enterprise systems of record in a fraction of the time it takes other non-digital ledger technology-based platforms. Boardwalktech is headquartered in Cupertino, California with offices in India and operations in North America. For more information on Boardwalktech, visit our website at www.boardwalktech.com.

Forward-Looking Information and Statements

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking information and statements are not representative of historical facts or information or current condition, but instead represent only the Company’s beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company’s control. Generally, such forward-looking information or statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved".

By identifying such information and statements in this manner, the Company is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such information and statements.

An investment in securities of the Company is speculative and subject to several risks including, without limitation, the risks discussed under the heading "Risk Factors" in the Company's filing statement dated May 30, 2018. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information and forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

In connection with the forward-looking information and forward-looking statements contained in this press release, the Company has made certain assumptions. Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to the Company or persons acting on its behalf is expressly qualified in its entirety by this notice.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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