

Boardwalktech Software Corp. (BWLKF)

Investment Thesis

Boardwalktech is a tiny but highly leveraged play on the multi hundred billion dollar enterprise and AI data management markets, with a patented digital ledger platform, blue chip customers, and very high gross margins that provide meaningful operating leverage if management converts its growing pipeline into recurring SaaS growth and improved profitability.

Company Overview

Boardwalktech develops enterprise information management and AI data platforms that unify structured and unstructured data so large organizations can collaborate in real time and turn data into decisions. Its patented Digital Ledger database sits underneath products like Unity Central and Velocity, which are used by Fortune 500 companies across consumer, financial services, technology, manufacturing, insurance, and government verticals.

The company is headquartered in Cupertino, California, with operations in India and North America, and generates revenue globally through software subscriptions and professional services.

The Problem & The Solution

The Problem

Large enterprises are drowning in spreadsheets, emails, files, and siloed systems, which makes critical workflows like supply chain planning, financial controls, and regulatory compliance slow, error prone, and difficult to audit. End User Computing (EUC) risk in banks and other regulated industries is especially problematic because mission critical processes often live in uncontrolled Excel files.

The Solution

Boardwalktech's Digital Ledger Technology Platform captures data at the granular cell level in a time sequenced database, allowing multiple parties to work on the same data concurrently while preserving history, provenance, and auditability. This powers solutions such as:

- **Velocity** to convert Excel based processes into secure, governed applications without forcing users to abandon Excel.
- **Unity Central** to centralize all enterprise information and workflows in an AI enabled workspace.
- **AI driven Automated Controls Testing** for financial services, and an upcoming Grid Security Protocol aimed at authenticating and securing interactions between enterprises and AI agents, including passwordless security.

This combination directly addresses EUC risk, supply chain visibility, AI workflow orchestration, and governance needs in large enterprises.

Market Opportunity

Boardwalktech sits at the intersection of enterprise data management and AI driven data workflows:

- The enterprise data management market is estimated at roughly 120 to 145 billion dollars in 2025, with forecasts to reach roughly 230 to 350 billion dollars by early to mid 2030s, implying mid to high single digit to low teens annual growth as organizations modernize data infrastructure.
- The AI data management segment is smaller but growing much faster, with estimates of roughly 30 to 40 billion dollars mid decade and CAGRs above 20 percent through 2030 as AI adoption drives demand for high quality, governed data.
- Broader data management tied to AI is projected to exceed 500 billion dollars by 2030, highlighting how AI accelerates investment in unified data platforms and governance.

Boardwalktech's focus on AI ready data, EUC transformation, and secure Agentic AI interactions positions it in attractive, structurally growing niches inside these very large markets.

Business Model

Boardwalktech operates a classic enterprise SaaS plus services model that is easy to understand for microcap investors:

- **Primary revenue streams**
 - Software subscriptions for access to its Digital Ledger and applications (Unity Central, Velocity, Automated Controls Testing and related solutions).
 - Professional services for implementation, configuration, integration, and ongoing support.
- **Customer base**
 - Targets large enterprises in sectors such as CPG, financial services, technology, manufacturing, insurance, life sciences, and government.
 - Active deployments with Fortune 500 clients and top US banks, including multi year contracts and renewals with major food manufacturers and global financial institutions.
- **Growth strategy**
 - Land and expand: start with a focused workflow (for example EUC risk in one business line) then expand to more use cases and divisions.

Competitive Positioning

Boardwalktech's moat is built around its patented way of representing and managing information plus its deep vertical expertise:

- **Patented Digital Ledger and cell database model**
 - The platform stores data at the cell level in a time chained ledger, enabling concurrent editing, full audit trails, and high integrity versioning that traditional relational databases or simple file based collaboration struggle to match.
- **Excel native transformation rather than rip and replace**
 - Velocity lets enterprises keep the Excel front end users love while centralizing logic and data on the Boardwalk ledger, reducing EUC risk and compliance problems without disrupting business users. This "meet the user where they are" approach lowers friction and speeds adoption compared with many competing governance tools.
- **AI and Agentic AI positioning**
 - Boardwalk is layering Boardwalk AI Agent on top of its Digital Ledger and Velocity products and is developing the Grid Security Protocol to handle authentication and secure communication between enterprises and AI agents, including password elimination. This is a differentiated angle on securing AI workflows and chatbot interactions inside enterprises.
- **Blue chip validation and partnerships**
 - The platform is already used in mission critical applications at Fortune 500 companies, and the company has partnerships with global IT services firms (for example LTIMindtree) and major banks that both validate the technology and extend its sales reach.

Once embedded into regulated workflows and core supply chain processes, the combination of data model, audit trails, and user familiarity with Excel creates meaningful switching costs and a stickier recurring revenue base.

Financial Snapshot & Traction

Fiscal year end March 31.

- **Revenue (Latest Fiscal Year and Quarter)**
 - Fiscal 2025 revenue: 4.8 million dollars, compared with 6.0 million dollars in Fiscal 2024, reflecting roughly a 20 percent year over year decline primarily due to two customer non renewals, partly offset by higher services revenue.
 - Q1 Fiscal 2026 revenue (quarter ended June 30, 2025): 0.9 million dollars, down 6 percent sequentially from Q4 FY25 and down 28 percent year over year as the impact of those non renewals flowed through.
- **Profitability and Margins**
 - Gross margin:
 - FY25 gross margin of approximately 87.7 percent, comparable with 89.6 percent in FY24.
 - Q1 FY26 gross margin 83.5 percent with management expecting a return to around 90 percent over time.
 - Adjusted EBITDA:
 - FY24 adjusted EBITDA loss of roughly 1.8 million dollars, slightly larger than the 1.6 million dollar loss in FY24.
 - Q1 FY26 adjusted EBITDA loss of 0.6 million dollars, a 15 percent improvement versus Q4 FY25 despite lower revenue, reflecting cost controls.
- **Key Performance Indicators (KPIs)**
 - Annual recurring revenue (ARR):
 - ARR of about 4.0 million dollars exiting FY25 and 3.8 million dollars referenced around March 31, 2025 as customers churned and the company refocused its pipeline.
 - Cash burn:
 - Cash burn from operations improved significantly, with Q1 FY26 burn reduced to roughly 75 thousand dollars per month, down about 1.6 million dollars versus Q1 FY25.
 - Customer and pipeline traction:
 - Renewed and extended a 5 year contract with a Fortune 500 food and snack manufacturer, expanded work with a top 5 US bank, and signed a multi year contract with a global professional services firm during 2025.
- **Balance Sheet Health:**
 - At March 31, 2025, cash was roughly 0.4 million dollars plus 0.6 million dollars of receivables, and the company subsequently raised about 1.3 million dollars gross in LIFE offerings plus about 0.3 million dollars in an additional non brokered placement in July 2025 to support working capital and growth.
 - As of June 30, 2025, cash was about 0.1 million dollars with 0.4 million dollars of receivables and 2.5 million dollars drawn on a 4 million dollar credit facility from Celtic Bank, with about 0.4 million dollars of additional borrowing capacity.
 - The Q1 FY26 financials note a working capital deficit and accumulated deficit, with a going concern uncertainty disclosed. Management is addressing this with cost reductions that are expected to save roughly 0.7 to 0.8 million dollars annually on top of about 0.9 million dollars of prior savings, as well as equity financings.

Overall, Boardwalktech remains loss making and capital constrained, but with very high gross margins, improving EBITDA trends, and active measures to stretch runway and move toward break even.

Investment Highlights

Niche leader in AI ready digital ledger data management	Boardwalktech's patented Digital Ledger and cell based data model is designed for collaborative, multi party enterprise workflows, providing a differentiated foundation compared with many generic cloud databases and low code tools.
Fortune 500 reference customers and expanding contracts	Renewals and multi year contracts with major food manufacturers, global banks, and a global professional services firm validate the technology and show that blue chip customers are willing to bet important workflows on Boardwalk's platform.
High gross margins with clear operating leverage potential	Gross margins in the mid 80s to high 80s recurring range mean each incremental dollar of recurring revenue can drop meaningfully toward EBITDA as the company grows, especially with recent cost actions lowering the operating expense base.
Positioned directly in front of secular AI and data governance tailwinds	The global enterprise and AI data management markets are very large and growing, and Boardwalktech is specifically focused on enabling AI ready data, EUC risk remediation, AI driven controls testing, and secure Agentic AI interactions, all of which are hot enterprise priorities.
Microcap optionality for outsized returns	With a small revenue base, meaningful operating leverage, and a pipeline that management describes as containing several large late stage deals, even modest sales execution could materially change the earnings profile and valuation, albeit with higher risk typical of microcaps.

The Vision

Boardwalktech aims to become a core layer in the enterprise information stack, where all forms of data and content are ingested, time sequenced, governed, and then exposed to both humans and AI agents for decision making, automation, and compliance. Management is extending the Digital Ledger into an Intelligent Information Platform that powers AI ready workspaces, automated financial controls, and secure Agentic AI, while deepening relationships with large banks, global manufacturers, and professional services firms.

If the company can convert its late stage pipeline, stabilize and grow ARR, and continue to improve EBITDA with its high gross margins and cost discipline, Boardwalktech has the potential to transition from a capital constrained microcap into a niche, profitable leader in AI driven data management and enterprise workflows.