

This report is prepared for the Warsaw Stock Exchange SA within the framework of the Analytical Coverage Support Program 3.0.

440/2022/AR

| Company | LT fundamental recommendation | 12M EFV (PLN) | ST market-relative bias | Analyst |
|-----------------|-------------------------------|---------------|-------------------------|-----------------------------------|
| DataWalk | Buy | 201.0 | Overweight | Tomasz Rodak, CFA +48 797 487 381 |

Event: Issue of maximum 274,082 shares at PLN 155 per share.

After yesterday's market close, the Company disclosed the delayed confidential information about conducting negotiations regarding the participation of selected institutional investors in the private subscription of shares issued within the limits of the authorized capital addressed to fewer than 150 natural or legal persons, excluding pre-emptive rights of the existing shareholders.

DataWalk completed negotiations and the management adopted a resolution regarding the issuance of maximum 274,082 series P bearer shares (5.6% of the current share capital) with a price at PLN 155 per share (11% discount vs yesterday's market close). The process of signing share subscription agreements will end on August 14, 2022.

DataWalk: financing rounds

| Date | Value (PLN million) | Series | Issue price (PLN) | Post-money valuation (PLN million) | Main investors |
|--------------|---------------------|--------|-------------------|------------------------------------|--|
| October 11 | undisclosed | A, B | undisclosed | undisclosed | Krystian Piećko, Paweł Wieczyński i Sergiusz Boryslawski |
| May 12 | 0.3 | C | 2.0 | 2.8 | undisclosed investors |
| September 12 | 0.4 | D | 5.5 | 8.1 | undisclosed investors |
| April 13 | 1.5 | E | 10.0 | 16.2 | undisclosed investors |
| February 14 | 2.0 | F | 12.0 | 21.4 | undisclosed investors |
| November 14 | 3.1 | G | 14.0 | 28.1 | undisclosed investors |
| April 15 | 6.0 | I | 29.0 | 73.5 | undisclosed investors |
| August 15 | 21.2 | J | 45.0 | 135.2 | TFI Investors |
| November 17 | 12.1 | L | 34.0 | 125.1 | TFI Investors and TFI Aviva |
| February 19 | 10.1 | M | 22.0 | 91.0 | undisclosed investors |
| October 19 | 15.0 | N | 46.0 | 205.4 | undisclosed investors |
| September 20 | 65.2 | O | 154.8 | 756.4 | NN PTE |
| August 22 | max 42.5 | P | 155.0 | 799.8 | n.a. |

Source: Company, DM BOS

Expected impact: The issue price is 11% lower than yesterday's market close, therefore, one may expect the negative reaction of investors at first, albeit in our view the transaction is positive as we believe it offsets the risk related to a lack of funding opportunities in the current unfavorable market conditions. According to our estimates, to continue optimal development, the Company would have to acquire additional financing in the middle of next year at the latest. Nevertheless, given extremely unfavorable macroeconomic conditions and negative market sentiment, especially towards growth companies, it looked like a truly difficult task to obtain funding at the fair valuation. With the lack of additional funding, DataWalk may face the risk of controlled deceleration of the Company's development by way of slowing down the pace of employment of new implementation and sales teams. It looks like this risk weighed heavily on the Company's market price recently.

In our view, the financing round announced yesterday (max PLN 42.5 million) will allow the Company to continue optimal development over the next 2 years (till mid-2024); besides, the Company managed to offset the risk stemming from the potential failure of raising further funding in this hostile market environment, and we also like the fact that despite this environment (plunging the peers' valuation multiples, strong increase of the RFR), the issue share price was set on the symbolically higher level than in the previous round of financing (Sept. 2020).

All in all, the first reaction of investors may be negative, but in the medium and long term the new share issue materially lowers the Company's operating risk.

The report is not a recommendation within the meaning of Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest.