

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

511/2022/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: 2Q22 final financial results released – in line with preliminary figures.

Before the start of today's trading, DataWalk released its final 2Q22 financial results which turned out to be in line with the preliminary ones.

DataWalk; 2Q22 financial results

(PLN million)	2Q22		2Q22				1-2Q22		
	(final)	(preliminary)	2Q21	1Q22	chg yoy	chg qoq	1-2Q22	1-2Q21	chg yoy
Revenues	14.0	14.0	10.6	4.2	32%	234%	18.2	14.1	29%
Adj operating costs	-14.0	-13.9	-6.6	-11.6	110%	20%	-25.7	-15.5	66%
EBIT	-106.2	-106.2	4.0	-7.4	-	-	-113.7	-1.4	-
Adj EBIT	0.0	0.1	4.0	-7.4	-	-	-7.5	-1.4	-
Net profit	-70.5	-	3.7	-7.3	-	-	-77.7	-6.3	-

Adj operating cost and EBIT excludes PLN 106.2 million of cost of the incentive program

Source: Company, DM BOS SA estimates

Selected issues (including the letter to shareholders):

- 1H22 financials were impeded by insufficient training and slower performance of field engineering teams handling the pre-sale (software trial version installation) and post-sale services (software implementations);
- **Only after these problems have been solved, the target growth will kick in and above 70% CAGR can be reached;**
- DataWalk summed up the 3rd stage of its development;
- The Company presented a sales funnel value graph which indicates that the current value exceeds those from in 1Q22 and 2Q22. Unfortunately, we cannot calculate the exact sales funnel value growth as compared to previous quarters as we lack precise figures **(the graph indicates that the current value is close to USD 24 million which implies a c. 6% growth vs data from April this year).**

Expected impact: Slightly negative, as the Company conceded that currently, due to insufficient performance of field engineering teams handling the pre-sale and post-sale processes, DataWalk is not able to grow in the target pace of >70% yoy. Today, on September 15th, at 12:00 (Polish version) and 16:00 (English version) the conference on the Company's financial results and 3rd stage of development will be held.

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.