

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

202/2023/AR

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Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
DataWalk	Hold	107.0	Neutral	Tomasz Rodak, CFA

Event: Investors' conference summary

Today DataWalk held a conference call to discuss FY22 financial results and describe connections between the Company's platform and AI. Below the highlights.

- DataWalk has been given the Technology Disruptor award by Ally Financial, the nation's largest digital-only bank and leading auto finance company which was the Company's first client on the US market.
- The average time spent on the realization of a new project has been shortened by c. 40% thanks to - *inter alia* - employment of 3 additional system architects (earlier this was the role of Krystian Piećko only).
- The Company demonstrated how DataWalk's platform uses particular AI modules (including data normalization, NLP, face recognition, graph algorithms etc.).
- Last year several transactions were not finished with part of them postponed till 1H23 and the rest annulled.
- The cost level seen in 4Q22 should be maintained in the next quarters of 2023.
- c. 47% of revenues generated in FY22 came from the clients acquired before 2022.
- The Company's plans for the future include: (i) further streamlining of system engineering (top priority), (ii) return to a revenue growth above 50% yoy (in 1-2 years) (this year DataWalk intends to deliver a higher revenue yoy growth), (iii) scaling through the SaaS model (over more than 2 years), and (iv) searching for new uses of DataWalk's platform.
- In 2020-21 the staff turnover stood at mere 7% vs 20-40% in the IT sector in Poland.
- The growth dynamic expected this and next year is attainable with the current team.
- No client resigned from DataWalk's platform in 2022.
- There are delays in the contract execution (last year the Company realized orders from 2020-2022, but over March and April another 6-7 projects should go to the production (completed implementation).

Expected impact: *Slightly positive- we like a material growth of the sales funnel and the Company's declaration about a several dozen percent growth dynamic of revenues this year. However, we curb our enthusiasm given the Company's problems last year. We are positive about the fact that in March-April the implementation of 6-7 projects will be finished which means that the engineering team will be able to start new projects and pilot projects. Nonetheless, we fear this positive effect may be short-lived if an inflow of new contracts doesn't follow the management's declarations.*

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