



This report is prepared for the Warsaw Stock Exchange SA within the framework of the Analytical Coverage Support Program 4.0.

303/2024/AR/May 22, 2024

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
DataWalk	Hold	69.0	Underweight	Tomasz Rodak, CFA

Event: Equity issue of up to 500,000 shares at PLN 55.0 per share announced.

Yesterday, after the market close, DataWalk disclosed the delayed information that it had been conducting negotiations concerning the participation of selected investors in a private subscription of shares issued through an increase in share capital within the authorized capital. The said share issue will be addressed to fewer than 150 individuals or legal entities (other than qualified investors) with the exclusion of preemptive rights of existing shareholders.

The negotiations are finished and the Company's management adopted a resolution to issue up to 500,000 ordinary bearer series R shares (9.7% of the existing capital) and the issue price is set at 55 PLN per share. (3% discount vs yesterday's close price). The subscription agreements for the shares will be executed by May 28, 2024.

Expected impact: *The issue price is close to DataWalk's share price at yesterday's market close. We consider the future transaction positive, as in our view it diminishes the risk of lacking the funding for continued operations (only PLN 6 million cash at 1Q24-end). We believe the means obtained from the share issue (PLN 27.5 million) will allow the Company to continue its development for another year and in the meantime DataWalk would be able to look for other funding sources.*

However, the issue price is materially lower (by 65%) than the price from the last financing round carried out in August 2022 (at PLN 155 per share).

All in all, we expect the investors to react positively today – recently the Company acquired several important contracts and secured funding for another year neutralizing the biggest business 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.