



DATAWALK CAPITAL GROUP
SUMMARY OF THE CONDENSED
INTERIM FINANCIAL STATEMENTS
for the 3-month period ended March 31, 2020

Wroclaw, 22nd May 2020

THE EXECUTIVE BOARD'S LETTER

Dear Investors,

The first quarter of 2020, during which the world economy was disrupted by the epidemic, is also generally slow due to the annual planning cycle of large institutions, but turned out to be positive for DataWalk.

Two new contracts were reported. The sale to PKN Orlen, the leader in the fuel sector and the first customer from the Fortune 500 list to implement the DataWalk system in production, is a measure of progress in the commercial sector. Fraud and embezzlement in companies from the energy, mining and petrochemical sectors constitute a significant and growing percentage of their costs. PKN Orlen constitutes an important first reference for this type of fraud and embezzlement application.

The second contract in Q1, a project with SSG, is another proof point of the attractiveness of our solution when compared to IBM's i2. It is noteworthy that a customer from geographically distant South Africa was so determined to buy DataWalk that it selected our offer despite the prospect of remote implementation, accepting the lack of DataWalk references in direct replacement of the combined IBM i2 plus SAS Memex. This valuable reference was noticed outside of Poland and South Africa¹ and should translate positively into clients with similar needs.

In this period of uncertainty, the DataWalk Group had to adapt its operations mode to the new reality. Despite logistic and regulatory restrictions, operating as a COTS vendor (Commercial off the shelf) is executable remotely, something which is not generally easy in the enterprise software sector where competitor's heavy systems require the involvement of large teams and direct contact between engineers. Thanks to DataWalk's implementation flexibility we are able to carry out implementation processes 100% remotely.

With the current pandemic, security issues and threat management² have never been more pertinent, which is why the DataWalk offer is gaining higher priority among some of our clients, as demonstrated by the contract reported with the ESPI 8/2020 message of May 9th, 2020.

The executive team recognized that although our Business Model is very familiar to investors in the North America, DataWalk's enterprise software model with global focus is a first example in Poland. Therefore, as an attachment to this letter, we present additional data and quantifiers describing the sales process.

We would also like to point out the reported dynamics of revenue growth. According to the Company's strategy, which has been published many times, dynamics of revenue growth is a key measure of DataWalk's development at the current stage. Together with subsequent data in relation to historically achieved financial parameters, we intend to consistently achieve the goal of dynamic development of the business scale.

We would like to thank the shareholders for their support and trust.

Yours faithfully,

Paweł Wiczyński, CEO

¹ <http://arnoldit.com/wordpress/2020/04/21/ibm-suffers-a-setback-in-south-africa-datawalk-stomps-on-big-blue/>

² <https://datawalk.com/solutions/coronavirus-covid19-analysis-software/>

Sales funnel methodology and definitions of the stages of the sales process. Quantifiers of our Sales Funnel

Stages of the Sales:

1. Establishing contact with a prospect (including through our own campaigns or first business partners).
2. Identification of the situation - this stage ends when we established contact with the appropriate representatives at the client.
3. Validation of customer needs and initial verification of the opportunity.
4. Full Qualification of the opportunity.
5. Engagement with the full client project team (including decision-makers and senior management) in substantive discussions. Example: a pilot implementation may take place during this phase.
6. Purchase negotiations and procedures (initiation of a public tender procedure if applicable).
7. Finalization of the terms of the contract and award of the tender.
8. Execution of implementation, acceptance protocols authorizing the issuing of invoices for licenses and individual stages of implementation.

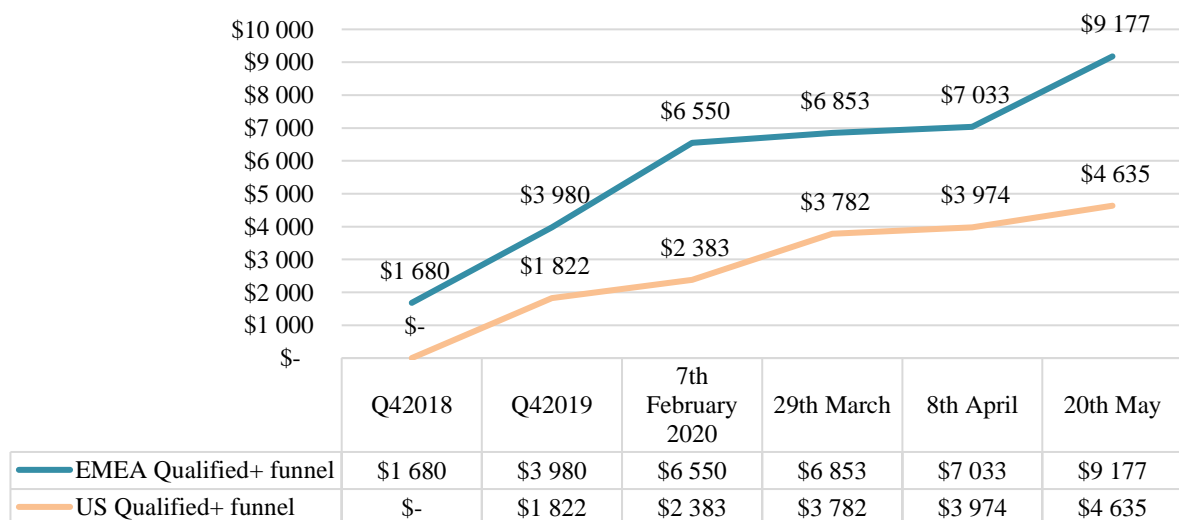
The categorization of a potential customer as a Qualified Lead (Stage 4) occurs only when the customer confirms the readiness to purchase and has an approved budget, a staffed project team to execute the selection process and the will to continue discussions with us.

Sales cycles counted from qualification of the lead can range on average from 18 months for the commercial sector 30 months in the public sector, but of course there are examples that are shorter or longer.

Given the “New Vendor” market position of the DataWalk Group, only a portion of leads will be converted into contracts, especially in North America where we have fewer customers to date than we have in Poland and we are not a recognizable brand with a track record. Over time, we will be able to increase our close rate, especially after we gain more customers in the most advanced markets in the world.

The data presented below cannot be considered a forecast of the future results of DataWalk S.A. and its capital group because there is great variability in deal values, win rates as well as the impacts of cancelled projects and other variables.

Sales funnel aggregate [thousands of USD]



Source: Issuer.

The figures above represent the sum of the values of Leads based on the Stage of the Sales Funnel, not including the remaining (currently larger) part of the sales funnel, which contains less advanced processes. The values of individual Leads are calculated on the basis of declarations about the size of the budget and the estimated size of the sales opportunity.

The sales funnel in Poland started being built in late 2015, results began to materialize with the acquisition of the first few contracts including TUiR Warta (2017) and the Ministry of Finance (2018). After these successful implementations resulted in very positive customer testimonials, we started to see more opportunities in the EMEA region.

The sales funnel in the Americas started being built in the second quarter of 2019 with the hiring of the first two sales teams and although it is less mature in terms of time, it will address a much larger available market.

As we gain more customer wins and test our numerical conversion rates (i.e. funnel statistics), our results will become more predictable based on the earlier stages of the sales funnel.

The table of contents

SELECTED CONSOLIDATED FINANCIAL DATA OF THE DATAWALK CAPITAL GROUP	6
SELECTED SEPARATE FINANCIAL DATA DATAWALK S.A.	7
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE 1 ST QUARTER OF 2020	
Consolidated Condensed Interim Statement of Financial Position (in thousands of PLN).....	10
Consolidated Condensed Interim Profit and Loss Account with The Statement of Comprehensive Income (in thousands of PLN)	12
Consolidated Condensed Interim Statement of Changes in Equity (in thousands of PLN)	14
Consolidated Condensed Interim Cash Flow Statement (in thousands of PLN).....	15
SUMMARY AND ANALYSIS OF RESULTS OF THE DATAWALK CAPITAL GROUP FOR THE PERIOD OF 3 MONTHS ENDED 31 MARCH 2020.....	17
IMPACT OF THE COVID-19 EPIDEMIC ON THE GROUP'S OPERATIONS	21
DESCRIPTION OF MAJOR ACHIEVEMENTS OR FAILURES OF THE CAPITAL GROUP IN THE REPORTING PERIOD	21
SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE AFFECTING THE GROUP'S OPERATIONS	22
NON-TYPICAL EVENTS INFLUENCING THE GROUP'S FINANCIAL RESULTS	22
FACTORS LIKELY TO AFFECT, IN THE OPINION OF DATAWALK S.A., THE RESULTS GENERATED BY THE CAPITAL GROUP IN THE NEXT QUARTER AND THEREAFTER	22
OTHER INFORMATION RELEVANT FOR ASSESSING THE HR, PROPERTY AND FINANCIAL STANDING AND THE FINANCIAL RESULT OF THE DATAWALK CAPITAL GROUP	22
COMPANY'S AUTHORITIES.....	23
The Executive Board.....	23
The Supervisory Board	24
DESCRIPTION OF THE ORGANISATION OF THE DATAWALK CAPITAL GROUP AND CONSOLIDATED ENTITIES	25
DataWalk S.A.	25
DataWalk Inc.	26
Overview of the DataWalk Capital Group.....	27
Description of changes in the Group's organization structure	27
THE SHAREHOLDING STRUCTURE OF THE DATAWALK S.A.	28
STRUCTURE OF SHAREHOLDINGS IN DATAWALK S.A. OR RIGHTS ATTACHED TO SHARES, HELD BY MEMBERS OF THE ISSUER'S EXECUTIVE AND SUPERVISORY BOARDS	30
CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS FOR THE 1 ST QUARTER OF 2020	32
Separate Condensed Interim Statement of Financial Position (in thousands of PLN)	32
Separate Condensed Interim Profit and Loss Account with The Statement of Comprehensive Income (in thousands of PLN)	34
Separate Condensed Interim Statement of Changes in Equity (in thousands of PLN).....	35
Separate Condensed Interim Cash Flow Statement (in thousands of PLN)	36

SELECTED CONSOLIDATED FINANCIAL DATA OF THE DATAWALK CAPITAL GROUP

The following table presents selected data regarding the consolidated financial statements of the DataWalk Capital Group.

SELECTED FINANCIAL DATA	from 01/01/2020	from 01/01/2019	from 01/01/2020	from 01/01/2019
	to 03/31/2020	to 03/31/2019	to 03/31/2020	to 03/31/2019
	in thousands of PLN	in thousands of PLN	in thousands of EUR	in thousands of EUR
Revenues from sales	1 261	180	287	42
Profit/Loss on sales	-3 628	-2 754	-825	-641
Operating profit (loss)	-3 679	-3 444	-837	-801
Pre-tax profit (loss)	-3 450	-3 431	-785	-798
Net profit (loss)	-3 454	-3 432	-786	-799
Total comprehensive income	-3 310	-3 416	-753	-795
Weighted average number of shares (pcs.)	4 465 048	4 138 048	4 465 048	4 138 048
Profit (loss) per share	-0,77	-0,83	-0,18	-0,19
Net cash generated (used) in operating activities	-1 322	-2 342	-301	-545
Net cash generated (used) in investing activities	3 080	-5 337	701	-1 242
Net cash (used) in financing activities	-122	10 056	-28	2 340
Total net cash flows	1 636	2 377	372	553

SELECTED FINANCIAL DATA	03/31/2020	03/31/2019	03/31/2020	03/31/2019
	in thousands of PLN	in thousands of PLN	in thousands of EUR	in thousands of EUR
	Total assets / equity and liabilities	20 536	23 858	4 511
Non-current assets	7 268	6 598	1 597	1 549
Current assets	13 268	17 260	2 915	4 053
Equity	17 656	20 966	3 878	4 923
Total liabilities	2 880	2 892	633	679
Long-term liabilities	83	153	18	36
Short-term liabilities	2 797	2 740	614	643

SELECTED SEPARATE FINANCIAL DATA DATAWALK S.A.

The following table presents selected data on the separate financial statements DataWalk S.A.

SELECTED FINANCIAL DATA	from 01/01/2020	from 01/01/2019	from 01/01/2020	from 01/01/2019
	to 03/31/2020	to 03/31/2019	to 03/31/2020	to 03/31/2019
	in thousands of PLN	in thousands of PLN	in thousands of EUR	in thousands of EUR
Revenues from sales	717	180	163	42
Profit/Loss on sales	-1 737	-2 792	-395	-650
Operating profit (loss)	-1 789	-3 481	-407	-810
Pre-tax profit (loss)	-1 431	-3 456	-325	-804
Net profit (loss)	-1 431	-3 456	-325	-804
Total comprehensive income	-1 431	-3 456	-325	-804
Weighted average number of shares (pcs.)	4 465 048	4 138 048	4 465 048	4 138 048
Profit (loss) per share (in PLN/EUR)	-0,32	-0,84	-0,07	-0,19
Net cash generated (used) in operating activities	-245	-2 301	-56	-535
Net cash generated (used) in investing activities	1 802	-5 331	410	-1 240
Net cash (used) in financing activities	-122	10 056	-28	2 340
Total net cash flows	1 434	2 424	326	564

SELECTED FINANCIAL DATA	03/31/2020	03/31/2019	03/31/2020	03/31/2019
	in thousands of PLN	in thousands of PLN	in thousands of EUR	in thousands of EUR
Total assets / equity and liabilities	21 687	22 988	4 764	5 398
Non-current assets	9 732	7 776	2 138	1 826
Current assets	11 955	15 212	2 626	3 572
Equity	19 208	20 638	4 219	4 846
Total liabilities	2 479	2 350	545	552
Long-term liabilities	83	153	18	36
Short-term liabilities	2 396	2 197	526	516

Applied EUR / PLN rates:

- Items of the statement of financial position were translated at the average rate of the euro published by the Polish National Bank, valid on the last day of the reporting period.

Rate on the last day of the period	03/31/2020	03/31/2019
1 EUR	4,5523	4,2585

- Items in the statement of profit or loss and other comprehensive income and statement of cash flows were translated at the average rate of the euro which is the arithmetic average of euro exchange rates published by Polish National Bank and valid on the last day of each month of the reporting period.

The average exchange rate in a given period	from 01/01/2020 to 03/31/2020	from 01/01/2019 to 03/31/2019
1 EUR	4,3963	4,2978



DATAWALK CAPITAL GROUP
CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENT
for the period of 3 months ended 31 March 2020

Consolidated Condensed Interim Statement of Financial Position (in thousands of PLN)

ASSETS		03/31/2020	12/31/2019
A.	Non-current assets	7 268	6 598
	I. Fixed assets	138	106
	II. Intangible assets	6 565	5 863
	III. Right-of-use assets	488	577
	IV. Long-term financial assets	0	0
	V. Long-term receivables	41	41
	VI. Deferred tax assets	37	11
	VII. Long-term prepayments	0	0
B.	Current assets	13 268	17 260
	I. Inventory	0	0
	II. Trade receivables	1 118	3 074
	III. Receivables from income tax	0	0
	IV. Other receivables	955	826
	V. Financial assets	0	4 011
	VI. Prepayments	254	225
	VII. Cash and cash equivalents	10 941	9 125
TOTAL ASSETS		20 536	23 858

EQUITY AND LIABILITIES		03/31/2020	12/31/2019
A.	Equity	17 656	20 966
	I. Share capital	447	447
	II. Other capitals	78 746	78 746
	III. Profit (loss) from previous years	-60 998	-49 953
	IV. Net profit (loss) for the current period	-3 454	-11 044
	V. Reserve capital	2 771	2 771
	VI. Foreign exchange translation differences	144	0
B.	Long-term liabilities	83	153
	I. Other provisions	0	0
	II. Deferred tax liabilities	37	11
	III. Lease liabilities	46	142
C.	Short-term liabilities	2 797	2 740
	I. Trade liabilities	832	809
	II. Income tax liabilities	0	0
	III. Lease liabilities	447	438
	IV. Other liabilities	421	374
	V. Other provisions	751	685
	VI. Prepayments	346	435
TOTAL EQUITY AND LIABILITIES		20 536	23 858

NET ASSETS VALUE PER SHARE	03/31/2020	12/31/2019
Net assets value	17 656	20 966
Number of shares (pcs.)	4 465 048	4 113 366
Net assets value per share (in PLN)	4,95	5,10
Diluted number of shares (pcs.)	4 554 047	4 202 365
Diluted number of shares (in PLN)	3,88	4,99

The net asset value per share was calculated in relation to the weighted average number of the Company's shares for a given period. The number of shares calculated in this way in the 1st quarter of 2020 was 4 465 048, while in 2019 the weighted average number of shares in the Company was 4 113 366.

The weighted average diluted number of shares in the Company in the 1st quarter of 2020 amounted to 4 202 365, including 88 999 shares under the incentive program, while in 2019 the average amounted to 4 202 365, including 88 999 shares under the incentive program.

Consolidated Condensed Interim Profit and Loss Account with The Statement of Comprehensive Income (in thousands of PLN)

PROFIT AND LOSS ACCOUNT		01/01/2020 – 03/31/2020	01/01/2019 – 03/31/2019
A.	Revenues	1 261	180
B.	Operating costs	4 889	2 934
	Materials and energy	28	21
	Employee benefits	2 560	1 416
	Amortisation and depreciation	315	82
	External services	1 607	1 253
	Other costs	379	163
C.	Profit/Loss on sales	-3 628	-2 754
	Other operating incomes	76	70
	Other operating costs	128	760
D.	Operating profit (loss)	-3 679	-3 444
	Financial incomes	237	16
	Financial costs	7	2
E.	Pre-tax profit (loss)	-3 450	-3 431
	Income tax	4	2
	current	4	2
	deferred	0	0
F.	Net profit (loss)	-3 454	-3 432

NET PROFIT (LOSS) ATTRIBUTABLE TO:	01/01/2020 – 03/31/2020	01/01/2019 – 03/31/2019
- shareholders of the parent company	- 3 454	- 3 432
- non-controlling interests	0	0

	STATEMENT OF COMPREHENSIVE INCOME	01/01/2019 – 03/31/2019
Net profit (loss)	- 3 454	-3 432
Other comprehensive income	144	16
1. Other comprehensive income, which in the future will be able to be reclassified to the result	0	0
2. Other comprehensive income, which will not be able in the future be reclassified to the result	144	16
Total comprehensive income	-3 310	-3 416

TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:	01/01/2020 – 03/31/2020	01/01/2019 – 03/31/2019
- shareholders of the parent company	- 3 310	- 3 416
- non-controlling interests	0	0

PROFIT (LOSS) PER SHARE ATTRIBUTABLE TO:	01/01/2020 – 03/31/2020	01/01/2019 – 03/31/2019
Number of shares (pcs.)	4 465 048	4 138 048
Profit (loss) per share (in PLN)	-0,77	-0,83
Diluted number of shares (pcs.)	4 554 047	4 318 048
Diluted profit (loss) per share (in PLN)	-0,76	-0,79

The net profit (loss) per share was calculated in relation to the weighted average number of the Company's shares for a given period. The number of shares calculated in this way in the 1st quarter of 2020 was 4 465 048, while in the 1st quarter of 2019 the weighted average number of shares in the Company was 4 138 048.

The weighted average diluted number of shares in the Company in the 1st quarter of 2020 amounted to 4 465 048, including 88 999 shares under the incentive program, while in the 1st quarter of 2019 the average amounted 4 318 048, including 180 000 shares under the incentive program.

Consolidated Condensed Interim Statement of Changes in Equity (in thousands of PLN)

STATEMENT OF CHANGES IN EQUITY	Share capital	Other capitals	Foreign exchange translation differences	Reserve capital	Profit (loss) from previous years	Net profit (loss) for the current period	Total equity
Balance as at 01/01/2020	447	78 746	0	2 771	-49 953	-11 044	20 966
Change in accounting policy	0	0	0	0	0	0	0
Balance as at 01/01/2020 adjusted	447	78 746	0	2 771	-49 953	-11 044	20 966
Net profit (loss)	0	0	0	0	0	-3 454	- 3 454
Foreign exchange translation differences	0	0	144	0	0	0	144
Share capital increase	0	0	0	0	0	0	0
Distribution of profit (loss) for 2019	0	0	0	0	-11 044	11 044	0
Changes in equity resulting from IFRS 2	0	0	0	0	0	0	0
Balance as at 03/31/2020	447	78 746	144	2 771	-60 998	-3 454	17 656

STATEMENT OF CHANGES IN EQUITY	Share capital	Other capitals	Foreign exchange translation differences	Reserve capital	Profit (loss) from previous years	Net profit (loss) for the current period	Total equity
Balance as at 01/01/2019	368	54 783	10	2 803	-36 203	-13 750	8 011
Change in accounting policy	0	0	0	0	0	0	0
Balance as at 01/01/2019 adjusted	368	54 783	10	2 803	-36 203	-13 750	8 011
Net profit (loss)	0	0	0	0	0	-3 432	-3 432
Foreign exchange translation differences	0	0	16	0	0	0	16
Share capital increase	46	9 009	0	0	0	0	9 055
Distribution of profit (loss) for 2018	0	0	0	0	-13 750	13 750	0
Changes in equity resulting from IFRS 2	0	0	0	701	0	0	701
Balance as at 03/31/2019	414	63 792	26	3 503	-49 953	-3 432	14 350

Consolidated Condensed Interim Cash Flow Statement (in thousands of PLN)

CASH FLOW STATEMENT	01/01/2020 – 03/31/2020	01/01/2019 – 03/31/2019
Net cash flows from operating activities		
Net profit (loss)	-3 454	-3 432
Total adjustments, including:	114	769
- amortisation and depreciation	315	82
- foreign exchange gains (losses)	-180	-1
- interest and dividends	-21	-12
- profit (loss) on investing activities	0	0
- other (non-cash cost of incentive program)	0	701
- income tax of current period	0	2
- income tax paid	0	-2
Net cash flow from operating activities before the change in working capital	-3 340	-2 663
Change in working capital, including:	2 018	321
- change in receivables	1 826	888
- change in inventories	0	0
- change in liabilities due to employee benefits	57	31
- change in provisions	66	24
- change in short-term liabilities	41	20
- change in other assets	115	373
- change in deferred income	-88	-4
- other adjustments (capital increase)	0	-1 011
Net cash generated (used) in operating activities	-1 322	-2 342
Cash flows from investing activities		
Proceeds from sale of property, plant, equipment and intangible assets	0	0
Proceeds from sale of short-term securities	0	0
Purchases of property, plant and equipment and intangible assets	-959	-548
Interest	28	14
Short-term bank deposits (over 3 months)	4 011	-4 803
Net cash generated (used) in investing activities	3 080	-5 337
Cash flows from financing activities		
Proceeds from issuance of shares	0	10 066
Payments of liabilities under finance lease agreements	-115	-8
Interest paid	-7	-2
Net cash (used) in financing activities	-122	10 056
Total net cash flows	1 636	2 377
Change in cash due to foreign currency translation	180	1
Opening balance of cash	9 125	2 241
Closing balance of cash	10 941	4 618



**COMMENTARY AND ADDITIONAL
INFORMATION FOR THE QUARTERLY
REPORT OF THE DATAWALK
CAPITAL GROUP**

SUMMARY AND ANALYSIS OF RESULTS OF THE DATAWALK CAPITAL GROUP FOR THE PERIOD OF 3 MONTHS ENDED 31 MARCH 2020

DataWalk Group financial information

The following data were presented in PLN thousand and any differences in the amount of PLN 1 thousand or 1% when added up are a result of the accepted rounding.

DataWalk Group financial results

Sales revenues of the DataWalk Group in the 1st quarter of 2020 amounted to PLN 1 261 thousand and were 600% higher compared to the revenues achieved in the corresponding period of 2019. The increase in revenues is the result of successful finalization by the Group of several significant sales projects and progress of system's implementation regarding contracts concluded in 2019, especially in its second half. In the 1st quarter of 2020, the Group recognized only approx. 6.5% of revenues planned for 2020 from the implementation of the contract, about which the Issuer reported in the ESPI report 4/2020. It's also only part of the value of this long-term contract. Due to the size of this contract and its specificity, the Issuer decided to provide this information to allow a better assessment of the Group's financial standing.

The dynamics of increasing revenues and costs are a derivative of an effective commercialization process and are closely related to the milestones achieved in this process. The DataWalk Group manages the investment process through expenditure triggers related to the achieved and measurable business effects and financial models. That allows monitoring and controlling expenses dynamics, which at the current stage of the Group development is most influenced by sales scaling in North America. Operational expenses at DataWalk Inc. in the 1st quarter of 2020 were the highest in the Group's history, mainly due to recruitments carried out in the 4th quarter of 2019, executed as a result of the business and financial steps achieved last year. All recruitments to the American team carried out in 2019 concerned the departments responsible for the sale and implementation of the DataWalk system.

The table below presents selected consolidated financial data for the 3-month period ended March 31, 2020 and the comparable period of 2019 (in thousands of PLN).

Position	01/01/2020 - 03/31/2020	01/01/2019 - 03/31/2019	Change
Revenues	1 261	180	600%
Operating costs	4 889	2 934	67%
Profit/Loss on sales	-3 628	-2 754	32%
Other operating incomes	76	70	8%
Other operating costs	128	760	-83%
Operating profit (loss)	-3 679	-3 444	7%
Financial incomes	237	16	1402%
Financial costs	7	2	212%
Net profit (loss) attributable to shareholders of the parent company	-3 454	-3 432	1%

Source: Issuer.

In the 1st quarter of 2019, the Group recognized non-cash expenses related to the settlement of the incentive program under IFRS 2 in the amount of PLN 701 thousand in the item other operating costs, which constitutes 92% of the sum of other operating costs. The program ended on December 31, 2019. In the first quarter of 2020, no costs were arising from the settlement of the incentive program.

The net loss attributable to the shareholders of the parent company at the end of the 1st quarter of 2020 amounted to PLN 3 454 thousand and was 1% higher than in the comparable period of 2019. The most important influence on the consolidated financial net result of the Group in the first quarter of 2020 came from: i) an increase in the Group's sales revenues; ii) an increase in remuneration costs, in particular resulting from the process of building a sales and implementation teams in the Issuer's subsidiary; iii) higher depreciation costs for completed development works on DataWalk software; iv) an increase in external services costs in the Issuer's subsidiary, related to the development

of operating activities in the USA and conducting sales processes; v) the termination of the incentive program on 31st December 2019 and consequently the cessation of recognition of the costs of that program in other operating expenses; vi) increase in financial revenues of the Group, in particular resulting from recognition of interest on bank deposits and positive exchange rate differences.

The table below presents additional selected consolidated financial information for the 3-month period ended March 31, 2020 and the comparable period of 2019 (in thousands of PLN).

Position	01/01/2020 - 03/31/2020	01/01/2019 - 03/31/2019	Change
Revenues*	1 261	180	600%
EBIT	-3 679	-3 444	7%
<i>Amortisation and depreciation</i>	315	82	284%
EBITDA	-3 364	-3 362	0%
<i>Non-cash costs of the incentive program</i>	0	701	-100%
Adjusted EBITDA	-3 364	-2 661	26%
CFO _{bt}	-1 322	-2 342	-44%
CAPEX	-959	-548	75%
FCF	-2 281	-2 890	-21%
Closing balance of cash	10 941	9 125	20%
Interest debt	493	579	-15%

Source: Issuer.

* Sales between segments did not occur.

EBIT = Operating profit (loss),

EBITDA = EBIT + Amortisation and depreciation,

Adjusted EBITDA = EBITDA + non-cash transaction costs with people covered by the incentive program settled in the form of capital instruments,

CFO_{bt} = Net cash generated (used) in operating activities (i.e. before income tax paid),

CAPEX = expenditure on acquisition of tangible fixed assets + expenses for intangible assets + expenses related to development work,

FCF = CFO_{bt} - |CAPEX|.

The revenue structure of the DataWalk Group

In the 1st quarter of 2020, revenues from the sale of licenses amounted to PLN 712 thousand and were 1384% higher compared to the corresponding period of 2019. They also constituted 56% of the Group's total revenues in the 1st quarter of 2020. Revenues from the sale of implementation services and technical assistance (so-called "maintenance") in the discussed period amounted to PLN 549 thousand, which represents 44% of the Group's total revenues. Thus, revenues from the above services increased by 316% compared to the first quarter of 2019.

The table below presents consolidated revenues in the 3-month period ended March 31, 2020 and in the comparable period divided into operating segments (in thousands of PLN).

Position	01/01/2020 - 03/31/2020	01/01/2019 - 03/31/2019	Change
Sales of licenses	712	48	1384%
Services (implementation and technical assistance)	549	132	316%
Other	0	0	0%
Total revenues	1 261	180	600%

Source: Issuer.

The table below presents the currency structure of sales for the 3-month period ended March 31, 2020 and the comparable period of 2019.

Position	01/01/2020 -03/31/2020	01/01/2019 -03/31/2019
PLN (Polish zloty)	18%	31%
USD (U.S. Dollar)	82%	69%
Total	100%	100%

Source: Issuer.

Cash flows of the DataWalk Group

The Group's cash flow from operating activities (CFO) in the 1st quarter of 2020 amounted to PLN -1 322 thousand versus PLN -2 342 thousand in the comparable period of 2019. CFO in the 1st quarter of 2020 was impacted by: i) adjustments of net profit (loss) by amortisation and depreciation of PLN 315 thousand and ii) foreign exchange gains for a total value of PLN 180 thousand, and iii) a change in receivables of PLN 1 826 thousand, in particular from payment of invoices issued in the 4th quarter of 2019, where payment date was in the first quarter of 2020. In turn, the CFO in the corresponding period of 2019 was mainly influenced by: i) adjustment of net profit (loss) value for non-cash costs resulting from the settlement of the program incentive of PLN 701 thousand; and ii) the correction resulting from the settlement of the expenses of issuing M series shares in the amount of -1 011 thousand, which was a consequence of the increase in the share capital of DataWalk S.A. by the National Court Register.

The Group's cash flow from investment activities (CFI) in the 1st quarter of 2020 amounted to PLN 3 080 thousand, which was mainly due to: i) expenditure on developing DataWalk software of PLN 885 thousand; and ii) reclassification of bank deposits of PLN 4 011 thousand from the item of short-term financial assets to the item of cash due to their maturity, which as at the balance sheet date of 31 March 2020 was less than 3 months.

In the corresponding period of 2019, funds for investment activities amounted to PLN -5 337 thousand, with the most considerable impact on CFI: i) opening bank deposits with maturity over 3 months with a total value of PLN 4 803 thousand, which classified as short-term financial assets, as well as ii) expenditure on developing DataWalk software in the discussed period, which amounted to PLN 533 thousand.

Cash from financing activities (CFF) of the Group in the first quarter of 2020 amounted to PLN -122 thousand, resulting mainly from the repayment of liabilities under the lease. In the first quarter of 2019, CFF amounted to PLN -10 056 thousand, which is due in particular to the impact of funds obtained as part of the public offering of series M shares carried out by the Issuer.

Position (in thousands of PLN)	01/01/2020 - 03/31/2020	01/01/2019 - 03/31/2019	Change
CFO	-1 322	-2 342	-44%
CFI, including:	3 080	-5 337	-158%
- CAPEX	-959	-548	75%
CFF	-122	10 056	-101%
Total net cash flows	1 636	2 377	-31%

Source: Issuer.

CFO = Net cash generated (used) in operating activities,

CFI = Net cash generated (used) in investing activities,

CAPEX = expenditure on acquisition of tangible fixed assets + expenses for intangible assets + expenses related to development work,

CFF = Net cash (used) in financing activities.

Balance of the DataWalk Group

The table below presents selected balance sheet items as at 31 March 2020 and the end of December 2019 (in thousands of PLN).

Assets	03/31/2020	12/31/2019	Change
Intangible assets	6 565	5 863	12%
Trade receivables	1 118	3 074	-64%
Other receivables	955	826	16%
Financial assets (short-term)	0	4 011	-100%
Cash and cash equivalents	10 941	9 125	20%
Other assets	957	960	0%
Total assets	20 536	23 858	-14%

Source: Issuer.

Equity and liabilities	09/30/2019	12/31/2018	Change
Equity	17 656	20 966	-16%
Trade liabilities	832	809	3%
Other liabilities	2 048	2 084	-2%
Total equity and liabilities	20 536	23 858	-14%

Source: Issuer.

The table below presents selected financial ratios of the DataWalk Group as at the end of March 2020, as well as December 31, 2019.

Position	03/31/2020	12/31/2019
Current ratio	4,7	6,3
Quick Ratio	4,7	6,2
Cash Ratio	3,9	3,3
Debt ratio	14%	12%
Debt / Equity	0	0
Debt-to-Equity Ratio	16%	14%
Working Capital (in thousands PLN)	10 471	14 521

Source: Issuer.

Current ratio = Current assets (short-term) / Current liabilities (short-term),

Quick Ratio = (Cash and cash equivalents + Short-term investments + Account receivables) / Current liabilities (short-term),

Cash Ratio = Cash and cash equivalents / Current liabilities (short-term),

Debt ratio = Total liabilities / Total assets × 100%,

Debt / Equity = (Interest-bearing bank loans + Debt securities + Liabilities due to finance leases) / Total Shareholders' Equity,

Debt-to-Equity Ratio = (Total Liabilities / Total Shareholders' Equity) × 100%,

Working Capital = Current assets (short-term) - Current liabilities (short-term).

IMPACT OF THE COVID-19 EPIDEMIC ON THE GROUP'S OPERATIONS

In connection with the SARS-CoV-2 virus pandemic that causes COVID-19 disease, administrative measures are introduced, restricting the freedom of economic activity and affecting the daily operations of enterprises. The current situation also affects the availability of staff, the possibility of conducting promotional activities, and the situation of the Group's potential customers. The ongoing pandemic, depending on its further development and actions taken at regional, national, and international levels, may have a significant negative impact on the economic situation in Poland and the world. Consequently, this may translate into the possibility of implementing the Group's plans and its future financial results.

The Group undertakes actions to minimize the impact of a pandemic, ensuring continuity of development and sales work as part of remote work. Furthermore, sales of the Group's products and services are conducted mainly using remote access channels, which significantly reduces the risk of the negative impact of mobility restrictions on its financial results. The Group does not have a supply chain because it produces virtual goods. Continuity of work depends on the availability of employees and their health. However, despite the effective mitigation of risks associated with the epidemic limitations in the world and Poland, the Group cannot predict further development of the situation related to the pandemic.

DESCRIPTION OF MAJOR ACHIEVEMENTS OR FAILURES OF THE CAPITAL GROUP IN THE REPORTING PERIOD

- On January 27th, 2020, the Company obtained information that the Company's subsidiary, DataWalk Inc. received a purchase order for execution of a pilot project ("Pilot") with US System Integrator ("Customer"). The Pilot will be executed in order to demonstrate the DataWalk analytical platform in support of their end to end solution as part of a contract they hold with a member agency in the US Government.
- On February 14th, 2020, the Company informed that today it concluded an agreement with Polski Koncern Naftowy Orlen S.A. registered in Plock, Poland ("Customer"), formalizing intent to execute the sale and implementation of a perpetual license ("Project") and production usage for anti-fraud applications of the DataWalk analytical platform.

The project with the Customer is a confirmation of the strategy execution as well as opens the perspective of cooperation in similar applications with other companies of similar size from commercial sector.

- On March 23rd, 2020, the Company informed that it received a purchase order for execution of a partner contract with system integrator operating on South African and British markets TechFINIUM (Pty) Ltd registered in Boksburg, Republic of South Africa ("Partner"), formalizing the sale of a perpetual license ("Project") and production usage of the DataWalk analytical platform in SSG Security Solutions Proprietary Limited registered in Centurion, Republic of South Africa ("Customer"). The Project will be executed in applications connected with public safety, especially criminal investigations and crime prevention.

The Project in a geographical region outside the current area of business focus of the Issuer's Capital Group (North America – stage 3 of the strategy) is the result of numerous commercial inquiries initiated by partners and clients from around the world showing high purchasing activity in the area related to the use of the DataWalk platform. The project confirms the effectiveness of the Issuer's implementation of the strategy with main goal to build the position of a global leader (global vendor of enterprise software product) in selected areas of application.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE AFFECTING THE GROUP'S OPERATIONS

- On May 9th, 2020, the Company informed that it concluded an agreement with an entity based in Warsaw that provides cloud services for the implementation of the project at the request of the state administration. The agreement concerns the sale of licenses for full production use of the DataWalk platform as a central repository and services in the field of analytical support in activities related to preventing the development of a pandemic and the effects of COVID-19 ("Project").

NON-TYPICAL EVENTS INFLUENCING THE GROUP'S FINANCIAL RESULTS

In the reported period, there were no significant irregular events that could influence the results.

In the opinion of the Executive Board, the occurrence during the reporting period ended March 31, 2020, of the SARS-CoV-2 pandemic virus causing COVID-19 did not have a significant impact on the Group's financial result generated in that period. A description of the impact of this pandemic on the Group's operations has presented in section "Impact of the COVID-19 epidemic on the Group's operations".

FACTORS LIKELY TO AFFECT, IN THE OPINION OF DATAWALK S.A., THE RESULTS GENERATED BY THE CAPITAL GROUP IN THE NEXT QUARTER AND THEREAFTER

In the opinion of the Executive Board, the most important external and internal factors that may affect the operations of the DataWalk Capital Group and its results include:

Elements and external trends that may affect the Group's perspectives

- The growing importance of data processing and analysis and their use (Big Data),
- The situation on the insurance market in Poland and abroad,
- Increase in the scale and quality of activities aimed at counteracting and detecting fraud,
- Automation of data collection analysis processes,
- Increasing the user-friendliness of tools for analyzing data sets,
- Pressure on the increase in remuneration in the IT market,
- The situation on the capital market in Poland in the context of obtaining financing,
- The course, and effects of the SARS-CoV-2 virus pandemic causing COVID-19 on the markets in which the Group operates.

Elements and internal trends that may affect the Group's perspectives

- The perspective of total revenues and expenses generated,
- The level of planned expenditures on marketing and sales activities,
- Costs related to staff recruitment and purchase of IT services,
- The level of planned investments,
- Development of sales teams in connection with conducted trade activities.

OTHER INFORMATION RELEVANT FOR ASSESSING THE HR, PROPERTY AND FINANCIAL STANDING AND THE FINANCIAL RESULT OF THE DATAWALK CAPITAL GROUP

There is no other information than those mentioned in the report for the 1st quarter of 2020, the disclosure of which could significantly affect the assessment of the Group's personal, property, and financial situation.

COMPANY'S AUTHORITIES

The Executive Board

Paweł Wieczyński, Chairman of the Board

Responsible for the operational activity and the commercialization department.

Krzysztof Piećko, Member of the Board

Responsible for the activities of the R&D department and the vision of technological development.

Sergiusz Borysławski, Member of the Board

Responsible for administrative activity and the commercialization department.

During the 3-month period ended March 31, 2020, the DataWalk SA Executive Board was as follows:

The Executive Board	Period of performing the function
Paweł Wieczyński	01/01/2020 – 03/31/2020
Krzysztof Piećko	01/01/2020 – 03/31/2020
Sergiusz Borysławski	01/01/2020 – 03/31/2020

Source: Issuer.

Until the date of this report, the composition of Issuer's Executive Board has not changed.

The Supervisory Board

As at March 31, 2020 and as at the date of this report, the composition of the Issuer's Supervisory Board is as follows:

- Paweł Sobkiewicz - Chairman of the Supervisory Board,
- Wojciech Dyszy - Vice Chairman of the Supervisory Board,
- Grzegorz Dymek - Member of the Supervisory Board,
- Roman Pudełko - Member of the Supervisory Board,
- Wojciech Szymon Kowalski - Member of the Supervisory Board,
- Rafał Wasilewski - Member of the Supervisory Board,
- Piotr Wojciech Bindas - Member of the Supervisory Board.

As at March 31, 2020 and as at the date of this report, the composition of the Issuer's Supervisory Board is as follows:

The Supervisory Board	Period of performing the function
Paweł Sobkiewicz	01/01/2020 – 03/31/2020
Wojciech Dyszy	01/01/2020 – 03/31/2020
Grzegorz Dymek	01/01/2020 – 03/31/2020
Roman Pudełko	01/01/2020 – 03/31/2020
Wojciech Szymon Kowalski	01/01/2020 – 03/31/2020
Rafał Wasilewski	01/01/2020 – 03/31/2020
Piotr Wojciech Bindas	01/01/2020 – 03/31/2020

Source: Issuer.

Until the date of this report, the composition of the Issuer's Supervisory Board has not changed.

DESCRIPTION OF THE ORGANISATION OF THE DATAWALK CAPITAL GROUP AND CONSOLIDATED ENTITIES

DataWalk S.A.

Basic information about the Issuer.

Name of the parent entity:	DataWalk S.A.
Country of residence:	Poland
Legal form:	Joint stock company
Register address:	ul. Rzeźnicza 32-33, 50-130 Wrocław
Phone:	+48 71 707 21 74
Fax:	+48 71 707 22 73
E-mail:	biuro@datawalk.com
www:	www.datawalk.com
Tax identification number (NIP):	894-303-43-18
Statistical identification number (REGON):	21737247
Company registration number (KRS):	0000405409

Source: Issuer.

The role of the Issuer in the Group is to conduct research and development activities, including the development of DataWalk analytical platform, at the same time the Issuer conducts marketing and sales activities in the EMEA and Asia region and manages the Group.

The company operates in the "global vendor of products" model, focusing on the development and sale of enterprise IT class products, i.e. globally competitive, specialized software for specific application. The business model adopted by the Company is characterized by high scalability, translating into potential high margin. This is possible due to the low participation of services provided individually for every client, both at the pre-implementation stage and after implementation (service).

DataWalk S.A. has been established for an indefinite period of time. DataWalk S.A. financial year is the calendar year. The company has no branches.

DataWalk Inc.

Basic information about an entity related by capital with the Issuer as at 03/31/2020.

Name of the entity:	DataWalk Inc.
Country of residence:	United States of America
Legal form:	Incorporated
Register adress:	1209 Orange Street, Wilmington, Delaware 19801
Address for correspondence:	303 Twin Dolphin Drive, Suite 600, #62044, Redwood City, CA 94065
TIN	81-3403469
Core business:	Activities related to consultancy in the field of computer science
Relation:	Subsidiary
Consolidation method:	Full
Share in the share capital:	100,00%
Share in the total number of votes at the AGM:	100,00%
E-mail:	info@datawalk.com
www:	www.datawalk.com
Date of taking control:	27 lipca 2016 r.
Value of shares:	2 511 thous. PLN
Revaluation adjustments:	-
Unit balance sheet value of shares	2 511 thous. PLN

Source: Issuer.

DataWalk Inc. is a company incorporated under US law with a registered office in Wilmington, Delaware, where the Issuer holds 100,00% share in the share capital and votes at the shareholders' meeting.

The role of DataWalk Inc. the Group relies on:

- obtaining information necessary for the commercialization of DataWalk software on the markets of countries with the highest level of computerization, with a focus on the US market (marketing activities),
- conducting sales and implementation activities related to the DataWalk platform in the United States and other countries of the North and South America.

DataWalk Inc. has been established for an indefinite period of time. The financial year of DataWalk Inc. is the calendar year.

Overview of the DataWalk Capital Group

DataWalk organizational structure of the Group as of 31 March 2019 year and in the comparative period:



Source: Issuer.

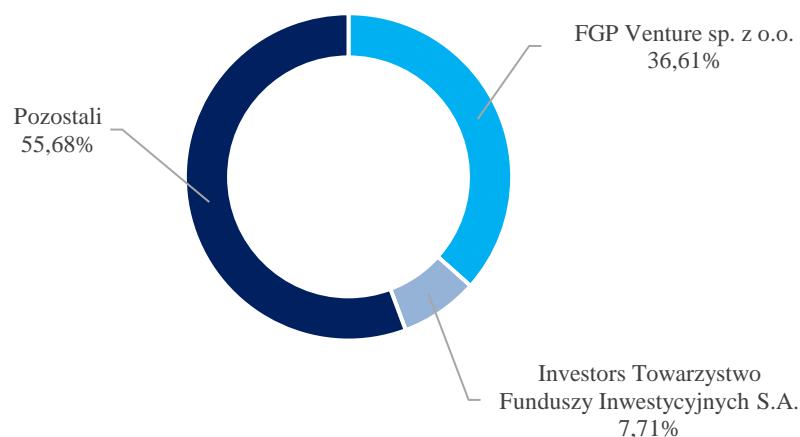
DataWalk Inc. is consolidated by DataWalk S.A. as part of the consolidated financial statements.

Description of changes in the Group's organization structure

In the 3-month period ended March 31, 2020 and as at the date of this report, there were no changes regarding the structure of the Capital Group.

THE SHAREHOLDING STRUCTURE OF THE DATAWALK S.A.

Shareholder structure as at May 22, 2020 (share in the total number of votes)



Source: Issuer.

Shareholding structure as at May 22, 2020 year:

Shareholder	Number of shares held	Number of votes at the AGM	Share in the share capital	Share in the total number of votes at the AGM
FGP Venture sp. z o.o.* ³	1 175 000	1 900 000	26,32%	36,61%
Investors Towarzystwo Funduszy Inwestycyjnych S.A. ⁴	400 000	400 000	8,96%	7,71%
Other shareholders	2 890 048	2 890 048	64,72%	55,68%
Total	4 465 048	5 190 048	100,00%	100,00%

Source: Issuer.

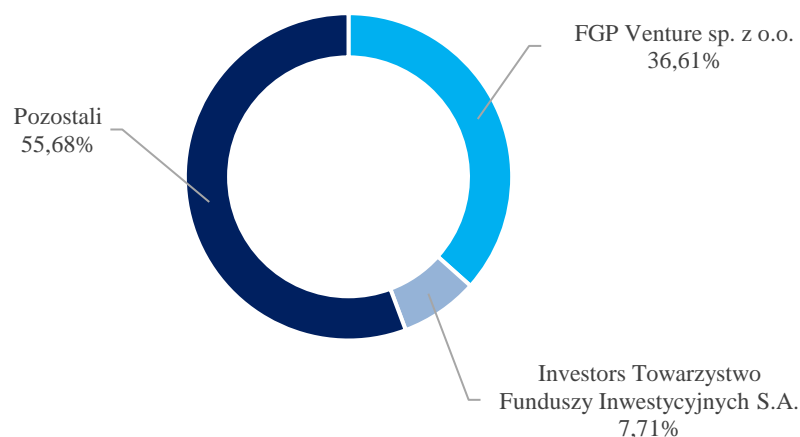
* Mr. Paweł Wieczyński holds 198 000 shares of FGP Venture Sp. z o.o., which constitutes 33.33% of share in the share capital and votes at the shareholders' meeting of FGP Venture Sp. z o.o.

Mr. Krystian Piećko holds 198 000 shares of FGP Venture Sp. z o.o., which constitutes 33.33% of share in the share capital and votes at the shareholders' meeting of FGP Venture Sp. z o.o.

Mr. Sergiusz Borysławski holds 198 000 shares of FGP Venture Sp. z o.o., which constitutes 33.33% of share in the share capital and votes at the shareholders' meeting of FGP Venture Sp. z o.o.

³ According to the current report no. 47/2019 of October 31, 2019.

⁴ With investment funds managed by the Society, i.e. Investor Parasol FIO and Investor Parasol SFIO. In accordance with current report no. 16/2015 of 16 September 2015.

Shareholder structure as at April 17, 2020 (share in the total number of votes)


Source: Issuer.

Shareholding structure as at April 17, 2020 year:

Shareholder	Number of shares held	Number of votes at the AGM	Share in the share capital	Share in the total number of votes at the AGM
FGP Venture sp. z o.o.* ⁵	1 175 000	1 900 000	26,32%	36,61%
Investors Towarzystwo Funduszy Inwestycyjnych S.A. ⁶	400 000	400 000	8,96%	7,71%
Other shareholders	2 890 048	2 890 048	64,72%	55,68%
Total	4 465 048	5 190 048	100,00%	100,00%

Source: Issuer.

* Shareholder structure of FGP Venture Sp. z o.o. is presented in the description to the table "Shareholding structure as at May 22, 2020" above.

⁵ According to the current report no. 11/2019 of March 7, 2019.

⁶ With investment funds managed by the Society, i.e. Investor Parasol FIO and Investor Parasol SFIO. In accordance with current report no. 16/2015 of 16 September 2015.

STRUCTURE OF SHAREHOLDINGS IN DATAWALK S.A. OR RIGHTS ATTACHED TO SHARES, HELD BY MEMBERS OF THE ISSUER'S EXECUTIVE AND SUPERVISORY BOARDS

The shareholdings in DataWalk S.A., owned by key management and supervisory officers as at the date of submission of the report for the 3-month period ended March 31, 2020.

Shareholder	Position	Number of shares held
Paweł Wiecznyński*	President of the Executive Board	56 115
Krystian Piećko*	Member of the Executive Board	55 650
Sergiusz Borysławski*	Member of the Executive Board	55 680
Roman Pudełko	Member of the Supervisory Board	15 918
Paweł Sobkiewicz	Chairman of the Supervisory Board	900
Wojciech Dyszy	Vice-chairman of the Supervisory Board	1 000
Rafał Wasilewski	Member of the Supervisory Board	21 000
Piotr Bindas	Member of the Supervisory Board	2 760
Grzegorz Dymek	Member of the Supervisory Board	0
Wojciech Szymon Kowalski	Member of the Supervisory Board	0

Source: Issuer.

* Members of the Executive Board of the Company are also shareholders and members of the executive board of FGP Venture Sp. z o.o., whose share in the Issuer's shareholding structure has been presented in the section "Shareholding structure as at May 22, 2020".

The shareholdings in DataWalk S.A., owned by key management and supervisory officers as at April 17, 2020.

Shareholder	Position	Number of shares held
Paweł Wiecznyński*	President of the Executive Board	56 115
Krystian Piećko*	Member of the Executive Board	55 650
Sergiusz Borysławski*	Member of the Executive Board	55 680
Roman Pudełko	Member of the Supervisory Board	15 918
Paweł Sobkiewicz	Chairman of the Supervisory Board	900
Wojciech Dyszy	Vice-chairman of the Supervisory Board	1 000
Rafał Wasilewski	Member of the Supervisory Board	21 000
Piotr Bindas	Member of the Supervisory Board	2 760
Grzegorz Dymek	Member of the Supervisory Board	0
Wojciech Szymon Kowalski	Member of the Supervisory Board	0

Source: Issuer.

* Members of the Executive Board of the Company are also shareholders and members of the executive board of FGP Venture Sp. z o.o., whose share in the Issuer's shareholding structure has been presented in the section "Shareholding structure as at May 22, 2020".



DATAWALK S.A.

**CONDENSED INTERIM SEPARATE
FINANCIAL STATEMENT**

for the 3-month period ended March 31, 2019

Separate Condensed Interim Statement of Financial Position (in thousands of PLN)

ASSETS		03/31/2020	12/31/2019
A.	Non-current assets	9 732	7 776
	I. Fixed assets	91	66
	II. Intangible assets	6 565	5 863
	III. Right-of-use assets	488	577
	IV. Long-term financial assets	2 511	1 218
	V. Long-term receivables	41	41
	VI. Deferred tax assets	37	11
	VII. Long-term prepayments	0	0
B.	Current assets	11 955	15 212
	I. Inventory	0	0
	II. Trade receivables	968	2 014
	III. Receivables from income tax	0	0
	IV. Other receivables	949	820
	V. Financial assets	0	4 011
	VI. Prepayments	194	138
	VII. Cash and cash equivalents	9 844	8 230
TOTAL ASSETS		21 687	22 988

EQUITY AND LIABILITIES		03/31/2020	12/31/2019
A.	Equity	19 208	20 638
	I. Share capital	447	447
	II. Other capitals	78 746	78 746
	III. Profit (loss) from previous years	-61 325	-50 132
	IV. Net profit (loss) for the current period	-1 431	-11 193
	V. Reserve capital	2 771	2 771
B.	Long-term liabilities	83	153
	I. Other provisions	0	0
	II. Deferred tax liabilities	37	11
	III. Lease liabilities	46	142
C.	Short-term liabilities	2 396	2 197
	I. Trade liabilities	761	641
	II. Income tax liabilities	0	0
	III. Lease liabilities	447	438
	IV. Other liabilities	390	345
	V. Other provisions	478	474
	VI. Prepayments	319	300
TOTAL EQUITY AND LIABILITIES		21 687	22 988

NET ASSET VALUE PER SHARE	03/31/2020	12/31/2019
Net asset value	19 208	20 638
Number of shares (pcs.)	4 465 048	4 113 366
Net asset value per share (in PLN)	4,30	5,02
Diluted number of shares (pcs.)	4 544 047	4 202 365
Diluted net asset value per share (in PLN)	4,22	4,91

The net asset value per share was calculated in relation to the weighted average number of the Company's shares for a given period. The number of shares calculated in this way in the 1st quarter of 2020 was 4 465 048, while in 2019 the weighted average number of shares in the Company was 4 113 366.

The weighted average diluted number of shares in the Company in the 1st quarter of 2020 amounted to 4 202 365, including 88 999 shares under the incentive program, while in 2019 the average amounted to 4 202 365, including 88 999 shares under the incentive program.

Separate Condensed Interim Profit and Loss Account with The Statement of Comprehensive Income (in thousands of PLN)

PROFIT AND LOSS ACCOUNT		01/01/2020 – 03/31/2020	01/01/2019 – 03/31/2019
A.	Revenues	717	180
B.	Operating costs	2 455	2 972
	Materials and energy	24	17
	Employee benefits	731	657
	Amortisation and depreciation	311	82
	External services	1 270	2 154
	Other costs	119	62
C.	Profit/Loss on sales	-1 737	-2 792
	Other operating incomes	76	70
	Other operating costs	128	760
D.	Operating profit (loss)	-1 789	-3 481
	Financial incomes	366	28
	Financial costs	7	2
E.	Pre-tax profit (loss)	-1 431	-3 456
	Income tax	0	0
	current	0	0
	deferred	0	0
F.	Net profit (loss)	-1 431	-3 456

STATEMENT OF COMPREHENSIVE INCOME	01/01/2020 – 03/31/2020	01/01/2019 – 03/31/2019
Net profit (loss)	-1 431	-3 456
Other comprehensive income	0	0
1. <i>Other comprehensive income, which in the future will be able to be reclassified to the result</i>	0	0
2. <i>Other comprehensive income, which will not be able in the future be reclassified to the result</i>	0	0
Total comprehensive income	-1 431	-3 456

PROFIT (LOSS) PER SHARE ATTRIBUTABLE TO:	01/01/2020 – 03/31/2020	01/01/2019 – 03/31/2019
Number of shares (pcs.)	4 465 048	4 138 048
Profit (loss) per share (in PLN)	-0,32	-0,84
Diluted number of shares (pcs.)	4 554 047	4 318 048
Diluted profit (loss) per share (in PLN)	-0,31	-0,80

The net profit (loss) per share was calculated in relation to the weighted average number of the Company's shares for a given period. The number of shares calculated in this way in the 1st quarter of 2020 was 4 465 048, while in the 1st quarter of 2019 the weighted average number of shares in the Company was 4 138 048.

The weighted average diluted number of shares in the Company in the 1st quarter of 2020 amounted to 4 465 048, including 88 999 shares under the incentive program, while in the 1st quarter of 2019 the average amounted 4 318 048, including 180 000 shares under the incentive program.

Separate Condensed Interim Statement of Changes in Equity (in thousands of PLN)

STATEMENT OF CHANGES IN EQUITY	Share capital	Other capitals	Reserve capital	Profit (loss) from previous years	Net profit (loss) for the current period	Total equity
Balance as at 01/01/2020	447	78 746	2 771	-50 132	-11 193	20 638
<i>Change in accounting policy</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Balance as at 01/01/2020 adjusted	447	78 746	2 771	-50 132	-11 193	20 638
Net profit (loss)	0	0	0	0	-1 431	-1 431
Share capital increase	0	0	0	0	0	0
Distribution of profit (loss) for 2019	0	0	0	-11 193	11 193	0
Changes in equity resulting from IFRS 2	0	0	0	0	0	0
Balance as at 03/31/2020	447	78 746	2 771	-61 325	-1 431	19 208

STATEMENT OF CHANGES IN EQUITY	Share capital	Other capitals	Reserve capital	Profit (loss) from previous years	Net profit (loss) for the current period	Total equity
Balance as at 01/01/2019	368	54 783	2 803	-36 359	-13 773	7 822
<i>Change in accounting policy</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Balance as at 01/01/2019 adjusted	368	54 783	2 803	-36 359	-13 773	7 822
Net profit (loss)	0	0	0	0	-3 456	-3 456
Share capital increase	46	9 009	0	0	0	9 055
Distribution of profit (loss) for 2018	0	0	0	-13 773	13 773	0
Changes in equity resulting from IFRS 2	0	0	701	0	0	701
Balance as at 03/31/2019	414	63 792	3 503	-50 132	-3 456	14 121

Separate Condensed Interim Cash Flow Statement (in thousands of PLN)

CASH FLOW STATEMENT	01/01/2020 – 03/31/2020	01/01/2019 – 03/31/2019
Net cash flows from operating activities		
Net profit (loss)	-1 431	-3 456
Total adjustments, including:	106	757
- amortisation and depreciation	311	82
- foreign exchange gains (losses)	-180	-13
- interest and dividends	-21	-12
- profit (loss) on investing activities	-4	0
- other (<i>non-cash cost of incentive program</i>)	0	701
- income tax of current period	0	0
- income tax paid	0	0
Net cash flow from operating activities before the change in working capital	-1 324	-2 699
Change in working capital, including:	1 079	398
- <i>change in receivables</i>	916	889
- <i>change in inventories</i>	0	0
- <i>change in liabilities due to employee benefits</i>	57	31
- <i>change in provisions</i>	5	24
- <i>change in short-term liabilities</i>	137	111
- <i>change in other assets</i>	-56	358
- <i>change in deferred income</i>	20	-4
- <i>other adjustments (capital increase)</i>	0	-1 011
Net cash generated (used) in operating activities	-245	-2 301
Cash flows from investing activities		
Proceeds from sale of property, plant, equipment and intangible assets	0	0
Proceeds from sale of short-term securities	0	0
Purchases of property, plant and equipment and intangible assets	-949	-542
Expenses for purchase of shares in related entities	-1 289	0
Interest	28	14
Short-term bank deposits (over 3 months)	4 011	-4 803
Net cash generated (used) in investing activities	1 802	-5 331
Cash flows from financing activities		
Proceeds from issuance of shares	0	10 066
Payments of liabilities under finance lease agreements	-115	-8
Interest paid	-7	-2
Net cash (used) in financing activities	-122	10 056
Total net cash flows	1 434	2 424
<i>Change in cash due to foreign currency translation</i>	<i>180</i>	<i>13</i>
Opening balance of cash	8 230	1 755
Closing balance of cash	9 844	4 179

Paweł Wiczyński
Chairman of the Board

Krystian Piećko
Member of the Board

Sergiusz Borysławski
Member of the Board

Wrocław, 22nd May 2020



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