



## THE MANAGEMENT BOARD'S LETTER

Dear Shareholders,

In the third quarter of 2017, our Company passed several important milestones in the execution of our strategy. To obtain a better context for this report, we suggest reading the first analyst report covering our Company<sup>1</sup>, picturing the market opportunity and indicators of progress.

### **Marketing**

As indicated in a previous quarterly report, we've been working on updating our pricing policy. New methodology has been tested and implemented in third quarter. Key aspects include effective increase of our license cost and enabling much higher scalability, while enabling a lower entry point. Our customers can start with a relatively low license price and implement the platform to test it with smaller amounts of data and just a few users and later add more users or increase data volume. In each of our deployments we observe an expansion of data volumes and/or number of users, as customers learn more about the DataWalk system and the business results it can deliver.

During last several months we have acquired more information on our target market: link analysis for complex and big data. Both meetings with US prospects and consultants, as well as customer engagements in Europe show that there is a market gap for COTS product (commercial-of-the-shelf) enabling the linking of big data and advanced network analysis, at prices below many millions or tens of millions of USD.

Focus on insurance and selected government areas will be our priority. Due to intensive development work, we were able to add fundamental capabilities enabling us to address needs of investigators and analysts from this space. For instance, we built an Investigation Workspace that enables better utilization of connected data by performing advanced analytical workflows. Those types of the analyses that deliver best results can be saved and configured into one-button Instant Analysis, another new functionality, enabling less advanced users of our system to perform complex analysis that have been proven to be most successful in 'catching the bad guys' by senior analysts. Because of recent developments, we just released a much more sophisticated 3.0 version of DataWalk.

### **Status of go-to-market: Poland**

Sales processes continue for early adopters in Poland and the length of the sales cycle is still around 18-30 months. We're hoping that we will be able to shorten it thanks to couple of new references we're expecting to win within several next months as well as thanks to very interesting results of our system production usage in environments like Warta, enabling us to create inspiring success stories and business cases. There are many qualified leads in our sales funnel with which we started to work in 2016 and even 2015.

After promising results of cooperation with the first partner (system integrator) in Poland and because of the purchasing processes of governmental agencies we target, we decided to begin growing our partner network for public deals and that process already started. We're also redefining the sales strategy for the Poland based team, so we can also cover customers and partners from the region outside of Poland. This process of "following the customer" was tested with the Talanx Group. We have much easier and cost-effective access to European customers once we prove ourselves within their Capital Group or branch.

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<sup>1</sup> SII report about PiLab: <http://www.sii.org.pl/11894/edukacja-i-analizy/raporty-analityczne/pilab-polska-firma-bez-kompleksow-czy-podbije-globalny-rynek-big-data.html>

## Status of go-to-market: USA

Thanks to Chris Westphal's first two months of work, we started multiple discussions with trendsetters with the objective of pilot engagements and first sales in the US, mostly within selected government environments. We've also been accepted as members of the MITRE Roundtable<sup>2</sup> (where Chris Westphal had a successful lecture last week), a body advising the US government on the latest analytical capabilities and technologies.

Once we acquire the first reference US customers we will start hiring and building the go-to-market machine for the US market, with a primary objective to make it a scalable part of our business, while simultaneously maintaining careful and lean approach to hiring since one single sales team (sales person and system engineer) can cost up to half a million of USD yearly in our space.

For more information on our views and plans in regard to US market, please see latest interview with Chris<sup>3</sup>.

## Financing

The fund-raising round which we announced via report ESPI 11/2017 has the objective to enable strategic investors (such as Chris Westphal) to have a higher percentage of our equity. Funds that will be invested during this round will enable delivering the first sales in the US. We are being very careful and staging the hiring for maximum efficiency – sales triggered hiring in the US is just one example of this approach. We are not significantly changing the burn rate in Poland, resources we add to our European team have the primary objective of supporting our US efforts at lower costs.


We are still planning to get donations and grants to finance our development – so far, we have not been successful in last 4 applications we have filed. We hope that creating a first enterprise class product and worldwide leading solution for one of the most interesting markets globally will be reflected in positive results for our applications in the future.

## Summary

We are never satisfied and constantly look for improvements of our operations. For instance, our recent lessons learned in the US impacted our marketing processes in Poland and as a result we will work more with more government prospects in Europe. This constant improvement process applies to all parts of our organization – such as the Development Team, System Engineers and Management. Companies operating in our market typically have a long runway, with Palantir being a leading example with their 13-year history and plans for break-even yet to happen<sup>4</sup>. We must grow our efficiency and deliver more results to become successful. Thanks to our investors and whole team's commitment we can continue our path to creating the first Polish unicorn in the enterprise IT market.

Thank you for putting your trust in us. We invite you to take part in quarterly summaries organized for our investors.

Yours faithfully,



Paweł Wieczyński  
CEO

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<sup>2</sup> <http://www2.mitre.org/public/analytic-technology/membership.html>

<sup>3</sup> <https://www.washingtonexec.com/2017/11/chris-westphal-datawalk-chief-analytics-officer/>

<sup>4</sup> <https://www.cnbc.com/2017/02/24/palantir-may-turn-profit-before-potential-ipo-or-sale.html>

## 1. BASIC INFORMATION

### PiLab S.A.

Company Name:	PiLab SA
Company Address:	ul. Rzeźnicza 32-33, 50-130 Wrocław
Phone:	+48 71 707 21 74
Fax:	+48 71 707 22 73
E-mail:	<a href="mailto:biuro@pilab.pl">biuro@pilab.pl</a>
www:	<a href="http://www.pilab.pl">www.pilab.pl</a>

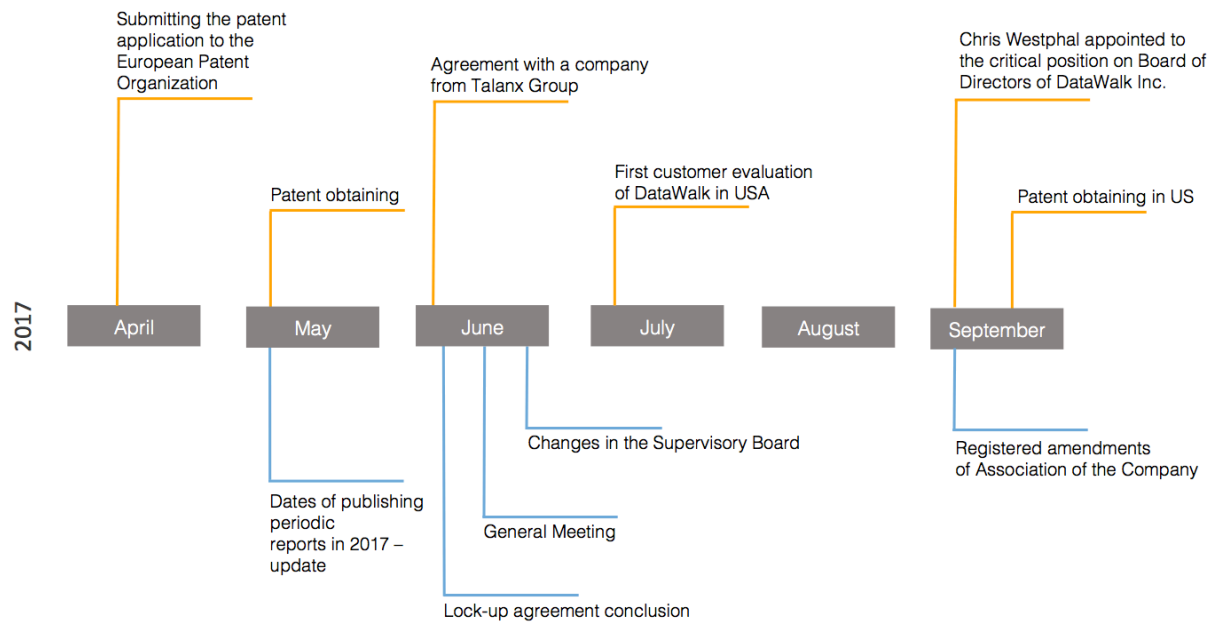
Source: Company

### DataWalk Inc. (US Subsidiary)

Company Name:	DataWalk Inc.
Company Address:	1209 Orange Street, Wilmington, Delaware 19801
Company Address:	2479 East Bayshore Road, Suite 205 Palo Alto, CA 94303
E-mail:	<a href="mailto:info@datawalk.com">info@datawalk.com</a>
www:	<a href="http://www.datawalk.com">www.datawalk.com</a>

Source: Company

## 2. TIMELINE



Source: Company

### 3. FINANCIAL DATA - CONSOLIDATED.

#### Balance Sheet with comparative results - consolidated<sup>5</sup>

	ASSETS	IIIQ 2017 PLN	IIIQ 2017 EUR	IIIQ 2016 PLN	IIIQ 2016 EUR
<b>A</b>	<b>Fixed Assets</b>	<b>2 364 032,68</b>	<b>548 614,02</b>	<b>1 518 266,09</b>	<b>352 102,53</b>
I.	Intangible assets	2 080 447,09	482 803,16	1 339 466,23	310 636,88
II.	Tangible fixed assets	213 585,59	49 566,17	159 304,09	36 944,36
III.	Long-term receivables	70 000,00	16 244,69	0,00	0,00
IV.	Long-term investments	0,00	0,00	19 495,77	4 521,28
V.	Long-term prepayments	0,00	0,00	0,00	0,00
<b>B</b>	<b>Current Assets</b>	<b>8 421 649,58</b>	<b>1 954 387,13</b>	<b>17 596 937,18</b>	<b>4 080 922,35</b>
I.	Inventory	0,00	0,00	0,00	0,00
II.	Short-term receivables	2 520 699,28	584 971,17	2 599 128,62	602 766,38
III.	Short-term investments	5 676 862,19	1 317 412,50	14 967 755,38	3 471 186,31
IV.	Short-term prepayments	224 088,11	52 003,46	30 053,18	6 969,66
<b>C</b>	<b>Called up share capital (negative value)</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
<b>D</b>	<b>Own shares (negative value)</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
	<b>TOTAL ASSETS</b>	<b>10 785 682,26</b>	<b>2 503 001,15</b>	<b>19 115 203,27</b>	<b>4 433 024,88</b>

	LIABILITIES	IIIQ 2017 PLN	IIIQ 2017 EUR	IIIQ 2016 PLN	IIIQ 2016 EUR
<b>A</b>	<b>Equity</b>	<b>9 530 436,57</b>	<b>2 211 700,02</b>	<b>18 397 371,07</b>	<b>4 266 551,73</b>
I.	Share capital	300 550,00	69 747,74	300 550,00	69 700,83
II.	Supplementary capital	32 988 203,98	7 655 474,22	32 988 203,98	7 650 325,60
III.	Revaluation reserve	(6 639,77)	(1 540,87)	0,00	0,00
IV.	Other reserve capitals	0,00	0,00	0,00	0,00
V.	Previous years' profit (loss)	(17 100 245,97)	(3 968 403,14)	(9 538 930,94)	(2 212 182,50)
VI.	Net profit (loss)	(6 651 431,67)	(1 543 577,93)	(5 352 451,97)	(1 241 292,20)
VII.	Write-off on net profit during the financial year (negative value)	0,00	0,00	0,00	0,00
<b>B</b>	<b>Liabilities and Provisions For Liabilities</b>	<b>1 255 245,69</b>	<b>291 301,13</b>	<b>717 832,20</b>	<b>166 473,14</b>
I.	Provisions for liabilities	75 597,02	17 543,58	0,00	0,00
II.	Long-term liabilities	49 552,10	11 499,41	20 479,78	4 749,49
III.	Short-term liabilities	913 722,42	212 044,84	697 352,42	161 723,66
IV.	Accruals & Deferred Income	216 374,15	50 213,30	0,00	0,00
	<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>10 785 682,26</b>	<b>2 503 001,15</b>	<b>19 115 203,27</b>	<b>4 433 024,88</b>

Source: Company

<sup>5</sup> During the period from 1 July to 30 September 2016, PiLab SA did not form the Capital Group, therefore the data for that period are the Issuer's separate statements.

**Profit and loss account with comparative results - consolidated<sup>6</sup>**

PROFIT AND LOSS ACCOUNT		IIIQ 2017	IIIQ 2017	IIIQ 2016	IIIQ 2016
		PLN	EUR	PLN	EUR
<b>A</b>	<b>Revenues from sales</b>	<b>407 079,40</b>	<b>95 614,66</b>	<b>415 520,29</b>	<b>95 724,36</b>
I.	Sales of products and services	407 079,40	95 614,66	415 520,29	95 724,36
II.	Change in work in progress	0,00	0,00	0,00	0,00
III.	Intercompany sales	0,00	0,00	0,00	0,00
IV.	Sales of goods and materials	0,00	0,00	0,00	0,00
<b>B</b>	<b>Operating costs</b>	<b>2 774 256,31</b>	<b>651 616,28</b>	<b>2 118 667,06</b>	<b>488 082,16</b>
I.	Depreciation	44 147,28	10 369,30	49 053,64	11 300,60
II.	Materials & energy	32 861,93	7 718,60	53 856,66	12 407,08
III.	Cost of services	1 531 492,42	359 716,36	1 279 344,23	294 725,45
IV.	Taxes and fees	8 140,31	1 911,99	11 522,00	2 654,35
V.	Salaries	757 668,04	177 960,79	587 242,40	135 284,37
VI.	Benefits	197 307,48	46 343,51	74 251,67	17 105,53
VII.	Other costs	202 638,86	47 595,74	63 396,46	14 604,79
VIII.	Cost of goods and materials sold	0,00	0,00	0,00	0,00
<b>C</b>	<b>Profit/Loss on sales (A-B)</b>	<b>(2 367 176,91)</b>	<b>(556 001,62)</b>	<b>(1 703 146,77)</b>	<b>(392 357,81)</b>
<b>D</b>	<b>Other operating incomes</b>	<b>36 133,24</b>	<b>8 486,96</b>	<b>2,85</b>	<b>0,66</b>
I.	Profit on sale of fixed assets	0,00	0,00	0,00	0,00
II.	Subsides	0,00	0,00	0,00	0,00
III.	Actualization of fixed assets	0,00	0,00	0,00	0,00
IV.	Other operating incomes	36 133,24	8 486,96	2,85	0,66
<b>E</b>	<b>Other operating costs</b>	<b>43 243,23</b>	<b>10 156,95</b>	<b>8 523,95</b>	<b>1 963,68</b>
I.	Loss on sale of fixed assets	0,00	0,00	0,00	0,00
II.	Actualization of fixed assets	0,00	0,00	0,00	0,00
III.	Other operating costs	43 243,23	10 156,95	8 523,95	1 963,68
<b>F</b>	<b>Profit/Loss on activity (C +D- E)</b>	<b>(2 374 286,90)</b>	<b>(557 671,62)</b>	<b>(1 711 667,87)</b>	<b>(394 320,83)</b>
<b>G</b>	<b>Financial incomes</b>	<b>41 557,47</b>	<b>9 761,00</b>	<b>70 904,51</b>	<b>16 334,43</b>
I.	Dividends	0,00	0,00	0,00	0,00
II.	Interest incomes	12 831,42	3 013,84	49 847,49	11 483,48
III.	Profit on sold investments	0,00	0,00	0,00	0,00
IV.	Actualization of investments	28 726,05	6 747,16	21 057,02	4 850,95
V.	Other	0,00	0,00	0,00	0,00
<b>H</b>	<b>Financial costs</b>	<b>17 442,46</b>	<b>4 096,88</b>	<b>20 264,93</b>	<b>4 668,48</b>
I.	Interest expenses	1 209,76	284,15	9 656,19	2 224,52
II.	Loss on sold investments	0,00	0,00	0,00	0,00
III.	Actualization of investments	5 701,50	1 339,17	0,00	0,00
IV.	Other	10 531,20	2 473,56	10 608,74	2 443,96

<sup>6</sup> During the period from 1 July to 30 September 2016, PiLab SA did not form the Capital Group, therefore the data for that period are the Issuer's separate statements.

I	Gross Profit/Loss (F+G-H)	(2 350 171,89)	(552 007,49)	(1 661 028,29)	(382 654,88)
J	Income tax	0,00	0,00	0,00	0,00
K	Other statutory appropriations of the profit	0,00	0,00	0,00	0,00
L	Net Profit/Loss (I-J-K)	(2 350 171,89)	(552 007,49)	(1 661 028,29)	(382 654,88)

Source: Company

### Cash flow with comparative results - consolidated<sup>7</sup>

	IIIQ 2017	IIIQ 2017	IIIQ 2016	IIIQ 2016
	PLN	EUR	PLN	EUR
<b>A. Cash flows from operating activities</b>				
I. Net profit (loss)	(2 350 171,89)	(552 007,49)	(1 661 028,29)	(382 654,88)
II. Total adjustments	(843 912,91)	(198 217,95)	(334 820,26)	(77 133,31)
III. Net cash flows from operating activities (I +/- II)	(3 194 084,80)	(750 225,44)	(1 995 848,55)	(459 788,18)
<b>B. Cash flows from investment activities</b>				
I. Inflows	42 533,55	9 990,26	0,00	0,00
II. Outflows	10 470,65	2 459,34	277 807,78	63 999,21
III. Net cash flows from investment activities (I-II)	32 062,90	7 530,92	(277 807,78)	(63 999,21)
<b>C. Cash flows from financial activities</b>				
I. Inflows	0,00	0,00	0,00	0,00
II. Outflows	8 720,22	2 048,20	14 211,37	3 273,91
III. Net cash flows from financial activities (I-II)	(8 720,22)	(2 048,20)	(14 211,37)	(3 273,91)
<b>D. Total net cash flows (A.III. +/- B.III +/- C.III)</b>	<b>(3 170 742,12)</b>	<b>(744 742,72)</b>	<b>(2 287 867,70)</b>	<b>(527 061,30)</b>
<b>E. Balance sheet change in cash, including:</b>	<b>(3 170 742,13)</b>	<b>(744 742,72)</b>	<b>(2 287 867,70)</b>	<b>(527 061,30)</b>
<b>F. Cash opening balance</b>	<b>6 165 938,00</b>	<b>1 448 253,20</b>	<b>14 653 928,42</b>	<b>3 375 858,92</b>
<b>G. Closing balance of cash (F+/-D), including:</b>	<b>2 995 195,88</b>	<b>703 510,48</b>	<b>12 366 060,72</b>	<b>2 848 797,62</b>

Source: Company

### Statement of changes in share equity (funds) with comparative results - consolidated<sup>8</sup>

	Statement of changes in share equity (funds)	IIIQ 2017	IIIQ 2017	IIIQ 2016	IIIQ 2016
		PLN	EUR	PLN	EUR
I.	Opening balance of equity	11 881 423,72	2 790 704,34	20 058 399,36	4 620 899,23
I.a.	Opening balance of equity after adjustments	11 881 423,72	2 790 704,34	20 058 399,36	4 620 899,23
II.	Closing balance of equity	9 530 436,57	2 238 505,36	18 397 371,07	4 238 244,35
III.	Equity including proposed profit distribution (loss coverage)	9 530 436,57	2 238 505,36	18 397 371,07	4 238 244,35

Source: Company

<sup>7</sup> During the period from 1 July to 30 September 2016, PiLab SA did not form the Capital Group, therefore the data for that period are the Issuer's separate statements.

<sup>8</sup> During the period from 1 July to 30 September 2016, PiLab SA did not form the Capital Group, therefore the data for that period are the Issuer's separate statements.



#### 4. FINANCIAL DATA – SEPARATE.

##### Balance Sheet with comparative results

	ASSETS	IIIQ 2017 PLN	IIIQ 2017 EUR	IIIQ 2016 PLN	IIIQ 2016 EUR
<b>A</b>	<b>Fixed Assets</b>	<b>2 748 249,51</b>	<b>637 778,08</b>	<b>1 518 266,09</b>	<b>352 102,53</b>
I.	Intangible assets	2 080 447,10	482 803,16	1 339 466,23	310 636,88
II.	Tangible fixed assets	213 585,59	49 566,17	159 304,09	36 944,36
III.	Long-term receivables	70 000,00	16 244,69	0,00	0,00
IV.	Long-term investments	384 216,82	89 164,05	19 495,77	4 521,28
V.	Long-term prepayments	0,00	0,00	0,00	0,00
<b>B</b>	<b>Current Assets</b>	<b>8 116 378,64</b>	<b>1 883 543,81</b>	<b>17 596 937,18</b>	<b>4 080 922,35</b>
I.	Inventory	0,00	0,00	0,00	0,00
II.	Short-term receivables	2 520 699,28	584 971,17	2 599 128,62	602 766,38
III.	Short-term investments	5 459 008,64	1 266 855,87	14 967 755,38	3 471 186,31
IV.	Short-term prepayments	136 670,72	31 716,77	30 053,18	6 969,66
<b>C</b>	<b>Called up share capital (negative value)</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
<b>D</b>	<b>Own shares (negative value)</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
	<b>TOTAL ASSETS</b>	<b>10 864 628,15</b>	<b>2 521 321,89</b>	<b>19 115 203,27</b>	<b>4 433 024,88</b>

	LIABILITIES	IIIQ 2017 PLN	IIIQ 2017 EUR	IIIQ 2016 PLN	IIIQ 2016 EUR
<b>A</b>	<b>Equity</b>	<b>9 418 424,76</b>	<b>2 185 705,78</b>	<b>18 397 371,07</b>	<b>4 266 551,73</b>
I.	Share capital	300 550,00	69 747,74	300 550,00	69 700,83
II.	Supplementary capital	32 988 203,98	7 655 474,22	32 988 203,98	7 650 325,60
III.	Revaluation reserve	0,00	0,00	0,00	0,00
IV.	Other reserve capitals	0,00	0,00	0,00	0,00
V.	Previous years' profit (loss)	(17 131 464,34)	(3 975 647,89)	(9 538 930,94)	(2 212 182,50)
VI.	Net profit (loss)	(6 738 864,88)	(1 563 868,30)	(5 352 451,97)	(1 241 292,20)
VII.	Write-off on net profit during the financial year (negative value)	0,00	0,00	0,00	0,00
<b>B</b>	<b>Liabilities and Provisions For Liabilities</b>	<b>1 446 203,39</b>	<b>335 616,11</b>	<b>717 832,20</b>	<b>166 473,14</b>
I.	Provisions for liabilities	75 597,02	17 543,58	0,00	0,00
II.	Long-term liabilities	49 552,10	11 499,41	20 479,78	4 749,49
III.	Short-term liabilities	1 104 680,12	256 359,82	697 352,42	161 723,66
IV.	Accruals & Deferred Income	216 374,15	50 213,30	0,00	0,00
	<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>10 864 628,15</b>	<b>2 521 321,89</b>	<b>19 115 203,27</b>	<b>4 433 024,88</b>

Source: Company

**Profit and loss account with comparative results**

PROFIT AND LOSS ACCOUNT		IIIQ 2017	IIIQ 2017	IIIQ 2016	IIIQ 2016
		PLN	EUR	PLN	EUR
<b>A</b>	<b>Revenues from sales</b>	<b>407 079,40</b>	<b>95 614,66</b>	<b>415 520,29</b>	<b>95 724,36</b>
I.	Sales of products and services	407 079,40	95 614,66	415 520,29	95 724,36
II.	Change in work in progress	0,00	0,00	0,00	0,00
III.	Intercompany sales	0,00	0,00	0,00	0,00
IV.	Sales of goods and materials	0,00	0,00	0,00	0,00
<b>B</b>	<b>Operating costs</b>	<b>2 812 627,07</b>	<b>660 628,79</b>	<b>2 118 667,06</b>	<b>488 082,16</b>
I.	Depreciation	44 147,28	10 369,30	49 053,64	11 300,60
II.	Materials & energy	26 300,14	6 177,37	53 856,66	12 407,08
III.	Cost of services	2 014 453,99	473 154,20	1 279 344,23	294 725,45
IV.	Taxes and fees	5 784,19	1 358,59	11 522,00	2 654,35
V.	Salaries	488 526,57	114 744,94	587 242,40	135 284,37
VI.	Benefits	117 763,27	27 660,19	74 251,67	17 105,53
VII.	Other costs	115 651,63	27 164,21	63 396,46	14 604,79
VIII.	Cost of goods and materials sold	0,00	0,00	0,00	0,00
<b>C</b>	<b>Profit/Loss on sales (A-B)</b>	<b>(2 405 547,67)</b>	<b>(565 014,13)</b>	<b>(1 703 146,77)</b>	<b>(392 357,81)</b>
<b>D</b>	<b>Other operating incomes</b>	<b>36 133,24</b>	<b>8 486,96</b>	<b>2,85</b>	<b>0,66</b>
I.	Profit on sale of fixed assets	0,00	0,00	0,00	0,00
II.	Subsides	0,00	0,00	0,00	0,00
III.	Actualization of fixed assets	0,00	0,00	0,00	0,00
IV.	Other operating incomes	36 133,24	8 486,96	2,85	0,66
<b>E</b>	<b>Other operating costs</b>	<b>43 243,23</b>	<b>10 156,95</b>	<b>8 523,95</b>	<b>1 963,68</b>
I.	Loss on sale of fixed assets	0,00	0,00	0,00	0,00
II.	Actualization of fixed assets	0,00	0,00	0,00	0,00
III.	Other operating costs	43 243,23	10 156,95	8 523,95	1 963,68
<b>F</b>	<b>Profit/Loss on activity (C+D-E)</b>	<b>(2 412 657,66)</b>	<b>(566 684,12)</b>	<b>(1 711 667,87)</b>	<b>(394 320,83)</b>
<b>G</b>	<b>Financial incomes</b>	<b>41 557,47</b>	<b>9 761,00</b>	<b>70 904,51</b>	<b>16 334,43</b>
I.	Dividends	0,00	0,00	0,00	0,00
II.	Interest incomes	12 831,42	3 013,84	49 847,49	11 483,48
III.	Profit on sold investments	0,00	0,00	0,00	0,00
IV.	Actualization of investments	28 726,05	6 747,16	21 057,02	4 850,95
V.	Other	0,00	0,00	0,00	0,00
<b>H</b>	<b>Financial costs</b>	<b>17 442,46</b>	<b>4 096,88</b>	<b>20 264,93</b>	<b>4 668,48</b>
I.	Interest expenses	1 209,76	284,15	9 656,19	2 224,52
II.	Loss on sold investments	0,00	0,00	0,00	0,00
III.	Actualization of investments	5 701,50	1 339,17	0,00	0,00
IV.	Other	10 531,20	2 473,56	10 608,74	2 443,96
<b>I</b>	<b>Gross Profit/Loss (F+G-H)</b>	<b>(2 388 542,65)</b>	<b>(561 020,00)</b>	<b>(1 661 028,29)</b>	<b>(382 654,88)</b>
<b>J</b>	<b>Income tax</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>

K	Other statutory appropriations of the profit	0,00	0,00	0,00	0,00
L	Net Profit/Loss (I-J-K)	(2 388 542,65)	(561 020,00)	(1 661 028,29)	(382 654,88)

Source: Company

### Cash flow with comparative results

	IIIQ 2017	IIIQ 2017	IIIQ 2016	IIIQ 2016
	PLN	EUR	PLN	EUR
<b>A. Cash flows from operating activities</b>				
I. Net profit (loss)	(2 388 542,65)	(561 020,00)	(1 661 028,29)	(382 654,88)
II. Total adjustments	(661 561,72)	(155 387,37)	(334 820,26)	(77 133,31)
III. Net cash flows from operating activities (I +/- II)	(3 050 104,37)	(716 407,37)	(1 995 848,55)	(459 788,18)
<b>B. Cash flows from investment activities</b>				
I. Inflows	42 533,55	9 990,26	0,00	0,00
II. Outflows	10 470,65	2 459,34	277 807,78	63 999,21
III. Net cash flows from investment activities (I-II)	32 062,90	7 530,92	(277 807,78)	(63 999,21)
<b>C. Cash flows from financial activities</b>				
I. Inflows	0,00	0,00	0,00	0,00
II. Outflows	8 720,22	2 048,20	14 211,37	3 273,91
III. Net cash flows from financial activities (I-II)	(8 720,22)	(2 048,20)	(14 211,37)	(3 273,91)
<b>D. Total net cash flows (A.III. +/- B.III +/- C.III)</b>	<b>(3 026 761,69)</b>	<b>(710 924,65)</b>	<b>(2 287 867,70)</b>	<b>(527 061,30)</b>
<b>E. Balance sheet change in cash, including:</b>	<b>(3 026 761,71)</b>	<b>(710 924,65)</b>	<b>(2 287 867,70)</b>	<b>(527 061,30)</b>
<b>F. Cash opening balance</b>	<b>5 804 104,03</b>	<b>1 363 265,77</b>	<b>14 653 928,42</b>	<b>3 375 858,92</b>
<b>G. Closing balance of cash (F+/-D), including:</b>	<b>2 777 342,34</b>	<b>652 341,13</b>	<b>12 366 060,72</b>	<b>2 848 797,62</b>

Source: Company

### Statement of changes in share equity (funds) with comparative results

	Statement of changes in share equity (funds)	IIIQ 2017	IIIQ 2017	IIIQ 2016	IIIQ 2016
		PLN	EUR	PLN	EUR
I.	Opening balance of equity	11 806 967,42	2 773 216,07	20 058 399,36	4 620 899,23
I.a.	Opening balance of equity after adjustments	11 806 967,42	2 773 216,07	20 058 399,36	4 620 899,23
II.	Closing balance of equity	9 418 424,76	2 212 196,07	18 397 371,07	4 238 244,35
III.	Equity including proposed profit distribution (loss coverage)	9 418 424,76	2 212 196,07	18 397 371,07	4 238 244,35

Source: Company

## 5. THE MANAGEMENT BOARD'S COMMENTS ON FACTORS AND EVENTS THAT AFFECT THE ACHIEVED FINANCIAL RESULTS

PiLab is continuing execution of a strategy aimed to develop a world-class product in the link analytics market.

Developments in Poland, where the Company already sells its core product, DataWalk, are showing increasing sales traction, mostly thanks to customers from the insurance market. Results achieved with our insurance customers during pilot and production usage (i.e. Warta) are exceeding our expectations and we plan to release several business-cases during the 2018 year. Meanwhile, the Company was able to schedule several new pilot projects planned to start this year.

In the US, DataWalk Inc. is working on starting new customer evaluations and closing first customer deals that will mark a historical milestones for our Company.

During the reported period, spending has been controlled within the projected budgets.

## 6. NOTES TO FINANCIAL DATA

The following exchange rates were applied:

**EUR:**

from	to	for Balance Sheet	for profit and loss	for cash flow
01.07.2016	30.09.2016	4,3120	4,3408	4,3408
01.07.2017	30.09.2017	4,3091	4,2575	4,2575

Balance Sheet applicable exchange rate represents the exchange rate as of the last day of the month ending the relevant period. Profit and loss account and Cash flow exchange rate represents the average of exchange rates effective on the last day of each month within the relevant period.