



**DATAWALK CAPITAL GROUP
SUMMARY OF THE FINANCIAL
STATEMENTS**

for the year ended 31st December 2020

April 2021

THE EXECUTIVE BOARD'S LETTER

Dear Investors,

DataWalk achieved a breakthrough level of growth for the year, with multiple new customer wins reported in the last quarter of 2020. During 2020 we announced a total of thirteen new customer wins via formal reports, omitting smaller deals which were considered less important. Seven of the customers we announced can be considered world-class references. In the fourth quarter we achieved wins with two world class level customers – a major Canadian Police Department and the key intelligence agency of an European Union country. Successful projects with world class clients constitutes the best mechanism for winning additional opportunities.

The total 2020 revenue of PLN 15,7 million represents impressive growth (+348% y/y), especially considering that revenue recognition for our largest deal was moved to 2021. 2020 was just the first step in our growth plan and we aim to significantly increase our sales, especially in the priority geographies of North America and Europe.

Currently, our bottlenecks include the pre and post sales implementation capacity and a few specific roles in product development. The closing of the B round (PLN 65 million / \$17 million in October 2020) enables the growth in staff in the above mentioned areas as well as the other critical go to market roles within the European and North American Teams.

The near breakeven financial results in Q4 are an indication of our business model efficiency as well as the fact that we hired conservatively in the months prior to the close of the B Round funding. Our strategy is to increase our staffing and other investments and take advantage of our favorable cash position to enable our next phase of growth. This stage of our development requires significant internal work focused on processes, hiring and tools to enable future growth at the pace we aim to achieve.

Yours faithfully,

Paweł Wiczyński, CEO

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

Stages of the Sales:

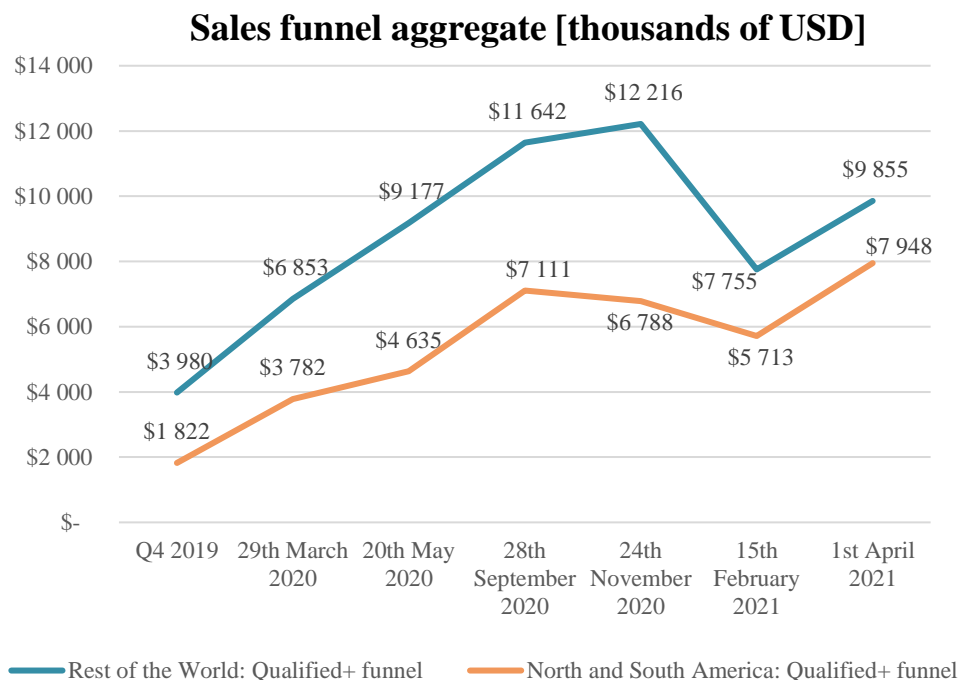
1. Establishing contact with a prospect (including through our own campaigns or first business partners).
2. Identification of the situation - this stage ends when we established contact with the appropriate representatives at the client.
3. Validation of customer needs and initial verification of the 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.

The values presented below do not include projects that left the sales funnel due to the conversion of projects into Completed Sales (conclusion of a contract, obtaining an acceptance protocol, recognition of all or a major part of the project as revenue). Thus, the sales funnel presented below (stages 4-7 of the commercial process) constitutes an overview for understanding the sales dynamics.

Based on a review of the funnel methodology in first quarter of 2021, we started to include expected renewals of term licenses and maintenance agreements, to better reflect anticipated revenue.

During fourth quarter of last year we focused on closing and invoicing deals and this is reflected in the consequential sharp drop of the qualified part of the funnel. Thanks to the completion of many sales processes we will recognize a large part of this revenue stream in 2021. Rebuilding of the funnel by adding new qualified leads is a cyclical process which will last till Q4 of this year, when we should expect another drop due to end of year closure of multiple sales processes. Overall growth of the funnel is expected once we significantly increase our reference pool (especially in North America) and some time after we increase the sales team staffing.



Source: Issuer.

Sales cycles counted from qualification of the lead can range on average from 18 months for the commercial sector to 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 production customers to date than we have in Poland and we are not yet 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 above 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.

The figures above represent the sum of the values of Leads based on the Stage of the Sales Funnel, not including the remaining part of the sales funnel, which contains leads that are earlier in the sales process. The values of individual Leads are calculated on the basis of 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.

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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 | 2020 | 2019 | 2020 | 2019 |
|---|---------------------|---------------------|---------------------|---------------------|
| | in thousands of PLN | in thousands of PLN | in thousands of EUR | in thousands of EUR |
| Revenues from sales | 15 722 | 3 512 | 3 514 | 816 |
| Profit/Loss on sales | -6 537 | -11 121 | -1 461 | -2 585 |
| Operating profit (loss) | -6 227 | -11 052 | -1 392 | -2 569 |
| Pre-tax profit (loss) | -6 276 | -11 027 | -1 403 | -2 563 |
| Net profit (loss) | -6 323 | -11 044 | -1 413 | -2 567 |
| Total comprehensive income | -6 293 | -11 055 | -1 407 | -2 570 |
| Weighted average number of ordinary shares (pcs.) | 4 542 116 | 4 113 366 | 4 542 116 | 4 113 366 |
| Profit (loss) per share (in PLN/EUR) | -1,39 | -2,68 | -0,31 | -0,62 |
| Net cash generated (used) in operating activities | -356 | -10 874 | -80 | -2 528 |
| Net cash generated (used) in investing activities | -812 | -7 272 | -181 | -1 690 |
| Net cash (used) in financing activities | 65 887 | 25 037 | 14 726 | 5 820 |
| Total net cash flows | 64 719 | 6 891 | 14 465 | 1 602 |

| SELECTED FINANCIAL DATA | 12/31/2020 | 12/31/2019 | 12/31/2020 | 12/31/2019 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | in thousands of PLN | in thousands of PLN | in thousands of EUR | in thousands of EUR |
| Total assets / equity and liabilities | 91 241 | 23 858 | 19 771 | 5 603 |
| Non-current assets | 11 304 | 6 598 | 2 449 | 1 549 |
| Current assets | 79 937 | 17 260 | 17 322 | 4 053 |
| Equity | 79 793 | 20 966 | 17 291 | 4 923 |
| Total liabilities | 11 448 | 2 892 | 2 481 | 679 |
| Long-term liabilities | 1 976 | 153 | 428 | 36 |
| Short-term liabilities | 9 472 | 2 739 | 2 052 | 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 | 2020 | 2019 | 2020 | 2019 |
|---|---------------------|---------------------|---------------------|---------------------|
| | in thousands of PLN | in thousands of PLN | in thousands of EUR | in thousands of EUR |
| Revenues from sales | 12 359 | 2 362 | 2 762 | 549 |
| Profit/Loss on sales | 309 | -11 373 | 69 | -2 644 |
| Operating profit (loss) | -4 100 | -11 265 | -916 | -2 619 |
| Pre-tax profit (loss) | -4 421 | -11 193 | -988 | -2 602 |
| Net profit (loss) | -4 421 | -11 193 | -988 | -2 602 |
| Total comprehensive income | -4 421 | -11 193 | -988 | -2 602 |
| Weighted average number of ordinary shares (pcs.) | 4 542 116 | 4 113 366 | 4 542 116 | 4 113 366 |
| Profit (loss) per share (in PLN/EUR) | -0,97 | -2,72 | -0,22 | -0,63 |
| Net cash generated (used) in operating activities | 3 306 | -10 737 | 739 | -2 496 |
| Net cash generated (used) in investing activities | -4 557 | -7 817 | -1 018 | -1 817 |
| Net cash (used) in financing activities | 64 693 | 25 037 | 14 459 | 5 820 |
| Total net cash flows | 63 443 | 6 483 | 14 180 | 1 507 |

| SELECTED FINANCIAL DATA | 12/31/2020 | 12/31/2019 | 12/31/2020 | 12/31/2019 |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | in thousands of PLN | in thousands of PLN | in thousands of EUR | in thousands of EUR |
| Total assets / equity and liabilities | 89 032 | 22 988 | 19 293 | 5 398 |
| Non-current assets | 11 241 | 7 776 | 2 436 | 1 826 |
| Current assets | 77 791 | 15 212 | 16 857 | 3 572 |
| Equity | 81 337 | 20 638 | 17 625 | 4 846 |
| Total liabilities | 7 695 | 2 350 | 1 668 | 552 |
| Long-term liabilities | 639 | 153 | 138 | 36 |
| Short-term liabilities | 7 056 | 2 197 | 1 529 | 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 | 12/31/2020 | 12/31/2019 |
|------------------------------------|------------|------------|
| 1 EUR | 4,6148 | 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 12/31/2020 | from 01/01/2019 to 12/31/2019 |
|---|----------------------------------|----------------------------------|
| 1 EUR | 4,4742 | 4,3018 |



**DATAWALK CAPITAL GROUP
CONSOLIDATED FINANCIAL
STATEMENTS**

for the year ended 31st December 2020

Consolidated Statement of Financial Position (in thousands of PLN)

| ASSETS | | 12/31/2020 | 12/31/2019 |
|---------------------|----------------------------------|---------------|---------------|
| A. | Non-current assets | 11 304 | 6 598 |
| | I. Fixed assets | 301 | 106 |
| | II. Goodwill | 390 | 390 |
| | III. Intangible assets | 9 373 | 5 473 |
| | IV. Right-of-use assets | 1 159 | 577 |
| | V. Long-term financial assets | 0 | 0 |
| | VI. Long-term receivables | 41 | 41 |
| | VII. Long-term prepayments | 0 | 0 |
| | VIII. Deferred tax assets | 40 | 11 |
| B. | Current assets | 79 937 | 17 260 |
| | I. Inventory | 0 | 0 |
| | II. Trade receivables | 4 290 | 3 074 |
| | III. Receivables from income tax | 95 | 0 |
| | IV. Other receivables | 1 062 | 825 |
| | V. Financial assets | 0 | 4 011 |
| | VI. Prepayments | 695 | 225 |
| | VII. Cash and cash equivalents | 73 795 | 9 125 |
| TOTAL ASSETS | | 91 241 | 23 858 |

| EQUITY AND LIABILITIES | | 12/31/2020 | 12/31/2019 (restated*) |
|-------------------------------------|--|---------------|---------------------------|
| A. | Equity | 79 793 | 20 966 |
| | <i>Equity attributable to shareholders of the parent company</i> | <i>79 793</i> | <i>20 966</i> |
| | I. Share capital | 489 | 447 |
| | II. Share premium | 133 859 | 68 781 |
| | III. Other capitals | 9 965 | 9 965 |
| | IV. Profit (loss) from previous years | -60 998 | -49 954 |
| | V. Reserve capital | 2 771 | 2 771 |
| | VI. Net profit (loss) for the current year | -6 323 | -11 044 |
| | VII. Foreign exchange translation differences | 30 | 0 |
| | <i>Non-controlling interests</i> | <i>0</i> | <i>0</i> |
| B. | Long-term liabilities | 1 976 | 153 |
| | I. Other provisions | 0 | 0 |
| | II. Deferred tax liabilities | 40 | 11 |
| | III. Lease liabilities | 598 | 142 |
| | IV. Bank loans and borrowings | 1 187 | 0 |
| | V. Other liabilities | 151 | 0 |
| C. | Short-term liabilities | 9 472 | 2 739 |
| | I. Trade liabilities | 1 479 | 809 |
| | II. Income tax liabilities | 0 | 0 |
| | III. Lease liabilities | 564 | 438 |
| | IV. Bank loans and borrowings | 17 | 0 |
| | V. Other liabilities | 1 014 | 373 |
| | VI. Other provisions | 1 801 | 684 |
| | VII. Prepayments | 4 597 | 435 |
| TOTAL EQUITY AND LIABILITIES | | 91 241 | 23 858 |

* As described in "Changes in accounting policies used" in the further part of the report.

| NET ASSET VALUE PER SHARE | 12/31/2020 | 12/31/2019 |
|--|------------|------------|
| Net asset value | 79 793 | 20 966 |
| Number of shares (pcs.) | 4 542 116 | 4 113 366 |
| Net asset value per share (in PLN) | 17,57 | 5,10 |
| Diluted number of shares (pcs.) | 4 631 115 | 4 202 365 |
| Diluted net asset value per share (in PLN) | 17,23 | 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 this way in 2020 was 4 542 116, 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 2020 amounted to 4 631 115, 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 Profit and Loss Account with The Statement of Comprehensive Income (in thousands of PLN)

| | PROFIT AND LOSS ACCOUNT | 2020 | 2019 |
|-----------|---|---------------|----------------|
| | <i>Continuing operations</i> | | |
| A. | Revenues | 15 722 | 3 512 |
| B. | Operating costs | 22 259 | 14 633 |
| | Materials and Energy | 130 | 90 |
| | Employee benefits | 11 238 | 6 647 |
| | Amortisation and depreciation | 1 268 | 730 |
| | External services | 8 680 | 6 382 |
| | Other costs | 943 | 784 |
| C. | Profit/Loss on sales | -6 537 | -11 121 |
| | Other operating income | 401 | 2 540 |
| | Other operating costs | 96 | 2 207 |
| | Loss (profit) from expected credit losses | -5 | 264 |
| D. | Operating profit (loss) | -6 227 | -11 052 |
| | Financial income | 49 | 89 |
| | Financial costs | 98 | 64 |
| E. | Pre-tax profit (loss) | -6 276 | -11 027 |
| | Income tax | 47 | 17 |
| F. | Net profit (loss) from continuing operations | -6 323 | -11 044 |
| | <i>Discontinued operations</i> | | |
| | Net profit (loss) from discontinued operations | 0 | 0 |
| G. | Net profit (loss) | -6 323 | -11 044 |

| NET PROFIT (LOSS) ATTRIBUTABLE TO: | 2020 | 2019 |
|--------------------------------------|--------|---------|
| - shareholders of the parent company | -6 323 | -11 044 |
| - non-controlling interests | 0 | 0 |

| STATEMENT OF COMPREHENSIVE INCOME | 2020 | 2019 |
|---|---------------|----------------|
| Net profit (loss) | -6 323 | -11 044 |
| Other comprehensive income | 30 | -11 |
| 1. Items that will not be reclassified to profit or loss | 0 | 0 |
| 2. Items that will be reclassified to profit or loss: | 30 | -11 |
| a) Exchange differences on translating foreign operations | 30 | -11 |
| Total comprehensive income | -6 293 | -11 055 |

| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | 2020 | 2019 |
|---|--------|---------|
| - shareholders of the parent company | -6 293 | -11 055 |
| - non-controlling interests | 0 | 0 |

| PROFIT (LOSS) PER SHARE ATTRIBUTABLE TO: | 2020 | 2019 |
|--|-------------|-------------|
| <i>Continuing operations</i> | | |
| Number of shares (pcs.) | 4 542 116 | 4 113 366 |
| Profit (loss) per share (in PLN) | -1,39 | -2,68 |
| Diluted number of shares (pcs.) | 4 631 115 | 4 202 365 |
| Diluted profit (loss) per share (in PLN) | -1,37 | -2,63 |
| <i>Discontinued operations</i> | | |
| Number of shares (pcs.) | 4 542 116 | 4 113 366 |
| Profit (loss) per share (in PLN) | 0,00 | 0,00 |
| Diluted number of shares (pcs.) | 4 631 115 | 4 202 365 |
| Diluted profit (loss) per share (in PLN) | 0,00 | 0,00 |
| <i>Continuing and discontinued operations</i> | | |
| Number of shares (pcs.) | 4 542 116 | 4 113 366 |
| Profit (loss) per share (in PLN) | -1,39 | -2,68 |
| Diluted number of shares (pcs.) | 4 631 115 | 4 202 365 |
| Diluted profit (loss) per share (in PLN) | -1,37 | -2,63 |

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 this way for the year 2020 was 4 542 116, 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 year 2020 amounted to 4 631 115, including 88 999 shares under the incentive program, while in 2019 the average amounted 4 202 365, including 88 999 shares under the incentive program.

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

| STATEMENT OF CHANGES IN EQUITY | Share capital | Share premium | Other capitals | Foreign exchange translation differences | Reserve capital | Profit (loss) from previous years | Net profit (loss) for the current period | Equity attributable to shareholders of the parent company | Equity attributable to non- controlling interests | Total equity |
|---|------------------|------------------|-------------------|---|--------------------|--|---|---|---|-----------------|
| Balance as at 01/01/2020 | 447 | 68 781 | 9 965 | 0 | 2 771 | -49 954 | -11 044 | 20 966 | 0 | 20 966 |
| Equity increase (decrease) | 42 | 65 078 | 0 | 30 | 0 | -11 044 | 4 721 | 58 827 | 0 | 58 827 |
| Total comprehensive income | 0 | 0 | 0 | 30 | 0 | 0 | -6 323 | -6 293 | 0 | -6 293 |
| <i>Net profit (loss)</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>-6 323</i> | <i>-6 323</i> | <i>0</i> | <i>-6 323</i> |
| <i>Exchange differences on translating foreign operations</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>30</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>30</i> | <i>0</i> | <i>30</i> |
| Share capital increase | 42 | 65 078 | 0 | 0 | 0 | 0 | 0 | 65 120 | 0 | 65 120 |
| Distribution of profit (loss) for previous year | 0 | 0 | 0 | 0 | 0 | -11 044 | 11 044 | 0 | 0 | 0 |
| Changes in equity resulting from IFRS 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance as at 12/31/2020 | 489 | 133 859 | 9 965 | 30 | 2 771 | -60 998 | -6 323 | 79 793 | 0 | 79 793 |

| STATEMENT OF CHANGES IN EQUITY | Share capital | Share premium | Other capitals | Foreign exchange translation differences | Reserve capital | Profit (loss) from previous years | Net profit (loss) for the current period | Equity attributable to shareholders of the parent company | Equity attributable to non- controlling interests | Total equity |
|---|------------------|------------------|-------------------|---|--------------------|--|---|---|---|-----------------|
| Balance as at 01/01/2019 | 368 | 44 818 | 9 965 | 11 | 2 803 | -36 204 | -13 750 | 8 011 | 0 | 8 011 |
| Equity increase (decrease) | 79 | 23 963 | 0 | -11 | -32 | -13 750 | 2 706 | 12 954 | 0 | 12 954 |
| Total comprehensive income | 0 | 0 | 0 | -11 | 0 | 0 | -11 044 | -11 055 | 0 | -11 055 |
| <i>Net profit (loss)</i> | 0 | 0 | 0 | 0 | 0 | 0 | -11 044 | -11 044 | 0 | -11 044 |
| <i>Exchange differences on translating foreign operations</i> | 0 | 0 | 0 | -11 | 0 | 0 | 0 | -11 | 0 | -11 |
| Share capital increase | 79 | 23 963 | 0 | 0 | 0 | 0 | 0 | 24 041 | 0 | 24 041 |
| Distribution of profit (loss) for previous year | 0 | 0 | 0 | 0 | 0 | -13 750 | 13 750 | 0 | 0 | 0 |
| Changes in equity resulting from IFRS 2 | 0 | 0 | 0 | 0 | -32 | 0 | 0 | -32 | 0 | -32 |
| Balance as at 12/31/2019 | 447 | 68 781 | 9 965 | 0 | 2 771 | -49 954 | -11 044 | 20 966 | 0 | 20 966 |

Consolidated Cash Flow Statement (in thousands of PLN)

| CASH FLOW STATEMENT | 2020 | 2019 |
|---|---------------|----------------|
| <i>Cash flows from operating activities</i> | | |
| Net profit (loss) | -6 323 | -11 044 |
| Total adjustments, including: | 5 967 | 170 |
| - <i>amortisation and depreciation</i> | 1 268 | 730 |
| - <i>foreign exchange gains (losses)</i> | 78 | -3 |
| - <i>interest expenses</i> | 33 | 7 |
| - <i>income from interest and dividends</i> | -77 | -69 |
| - <i>profit (loss) on investing activities</i> | -6 | -10 |
| - <i>share-based payment (incentive program)</i> | 0 | -32 |
| - <i>income tax of current period*</i> | 46 | 17 |
| - <i>income tax paid</i> | -140 | -17 |
| - <i>change in receivables</i> | -1 547 | -1 293 |
| - <i>change in inventories</i> | 0 | 0 |
| - <i>change in provisions</i> | 1 116 | 561 |
| - <i>change in short-term liabilities</i> | 1 555 | 864 |
| - <i>change in deferred income</i> | 3 692 | 482 |
| - <i>other adjustments (capital increase)</i> | -51 | -1 067 |
| Net cash generated (used) in operating activities | -356 | -10 874 |
| <i>Cash flows from investing activities</i> | | |
| Purchase of intangible assets | 4 635 | 2 660 |
| Purchase of property, plant and equipment | 265 | 688 |
| Proceeds from sale of property, plant and equipment | 0 | 19 |
| Short term bank deposits (over 3 months) | 4 011 | -4 012 |
| Interest received | 77 | 69 |
| Net cash generated (used) in investing activities | -812 | -7 272 |
| <i>Cash flows from financing activities</i> | | |
| Proceeds from issue of share capital | 65 171 | 25 108 |
| Proceeds from bank loans and borrowings | 1 194 | 0 |
| Payment of finance lease liabilities | 455 | 64 |
| Interest paid | 23 | 7 |
| Net cash generated (used) in financing activities | 65 887 | 25 037 |
| Total net cash flows | 64 719 | 6 891 |
| Opening balance of cash | 9 125 | 2 241 |
| <i>Change in cash due to foreign currency translation</i> | -49 | -7 |
| <i>Change in cash balance, net</i> | 64 670 | 6 884 |
| Closing balance of cash | 73 795 | 9 125 |

* *Income tax of current period refers to income tax due for the year 2019.*



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

SUMMARY AND ANALYSIS OF THE FINANCIAL RESULTS OF THE DATAWALK CAPITAL GROUP FOR THE YEAR 2020

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.

Commentary on the financial results of the DataWalk Group

The Group is at the stage of significant growth and the investments made in the development bring further effects in the form of conversion of projects from the sales funnel to revenues. In 2020, the sales value of the DataWalk Group amounted to PLN 15 722 thousand and was higher by 348% compared to the revenues achieved in 2019, which amounted to PLN 3 512 thousand. The increase in sales value is primarily the result of the successful completion of subsequent projects implemented by the Group in the United States, Poland, and several other EMEA countries. Thus, in 2020, the Group increased the number of customers, including 7 being world-class references, which brings the Issuer closer to achieving the mid-term strategic goal at the third stage of the Group's development, which is obtaining 20 world-class references.

Once again, the increase in revenues achieved on the American market deserves special attention, where the value of sales in 2020 reached the level of PLN 6 035 thousand while in the comparable period of 2019, when DataWalk Inc. started the commercialization phase by building a sales funnel, revenues amounted to PLN 1 217 thousand, which gives an increase of 396%. The American team is successively building the position of DataWalk and although the activities are still in the early stage of market penetration, sales are already starting to bring significant revenues for the Group. In the analyzed period, the largest share in the value of revenues generated by DataWalk Inc. fell to the government sector, which accounted for 97% of the sales value.

The Group also recorded an increase in revenues in other markets (EMEA region) where the value of sales in 2020 amounted to PLN 9 687 thousand which compared to PLN 2 332 thousand generated in 2019 represents an increase of 315%. Sales to the government sector were 55% and the private sector accounted for 45% of the revenues. Revenues in Poland amounted to PLN 5 484 thousand vs the 2019 figure of PLN 944 thousand, representing an increase of 481%.

It should be noted that the Group, in particular DataWalk S.A. continues the delivery of implementation services resulting from the contracts obtained in the fourth quarter of 2020. Due to the complexity of the projects and the degree of work completion, the revenue recognition may take place in subsequent reporting periods.

The observed dynamics of revenues causes an increase in costs which is a consequence of the effective commercialization process and is closely related to the milestones achieved in that process. The DataWalk Group manages the investment process through triggers related to the achieved business results and to financial models. The above approach enables monitoring and control of the costs dynamics which at the current stage of growth is mostly affected by the pace of commercialization in North America.

The level of operating costs in the Group in 2020 was mainly influenced by an increase in remuneration costs referring in particular to the process of building the sales and implementation team in the Issuer's subsidiary, higher costs of depreciation of completed development works related to DataWalk software and an increase in the costs of external services, especially in the subsidiary of the Issuer which also was related to the development of the Group's sales and operations processes.

Financial outlook for DataWalk Group and DataWalk S.A. for 2021

The management of the Group expects to further expand the scale of its operations. Taking into account the sometimes several years long and complicated sales processes, the Group is currently concentrating on working only with selected customers and is simultaneously expanding go-to-market teams in America and Europe, striving to increase the capacity of commercial and implementation processes. The Issuer is observing an increase in demand for DataWalk software, which is confirmed by the growing number of projects in the Group's sales funnel, as well as dynamically increasing revenues and the number of customers in recent periods. In addition, given the schedule of implementation works undertaken in the fourth quarter of 2020, the completion of which is expected by the Group in the coming months, the recognition of revenues related to these works may have an impact on the level of the Group's revenues in 2021.

In opinion of the Executive Board, forecasts indicate that both the Big Data market and the global IT market, in particular BI applications and analytical tools will continue to develop dynamically.

According to information published by ResearchAndMarkets.com, the value of the global Big Data market, including the link analysis market, is estimated at USD 70.5 billion in 2020 and is expected reach the value of USD 243 billion in 2027. Thus, it is assumed that the CAGR for the analyzed period will amount to 19.4%¹.

The global business analysis software market will reach \$120 billion in 2027, while in 2019 it was valued at \$54 billion. Thus, the expected CAGR in the period from 2019 to 2027 is expected to be 10.5%. This type of software or tools are designed to help users interpret and analyze business information by continuously exploring, tracking or researching it in order to obtain key information needed, for example, for business planning. By using statistical methods and tools, business analysis software performs, for example, predictive analysis in order to obtain information that can help organizations optimize business operations or facilitate strategic decisions². In the opinion of the Executive Board, the DataWalk software perfectly responds to the above-mentioned needs and problems faced by companies and institutions around the world.

In line with our strategy, in 2021 the Group will concentrate its activities on:

- sales in the American and Polish markets, in the commercial and public sectors, incl. Law Enforcement and Intelligence,
- continuation of ongoing patenting processes,
- development of the DataWalk software in its key areas, including expanding of the development team,
- expansion of sales, marketing and implementation teams in the United States and Poland.

The Group is going to finance its investment activities with proceeds from operating activities and equity.

The Group's operations in 2021 may be affected by the global epidemiological situation related to the spread of the SARS-CoV-2 virus causing the COVID-19 disease. The Group takes steps to minimize the impact of the pandemic, ensuring the continuity of development and sales through remote work. In addition, the sale of the Group's products and services is largely carried out using remote access channels, which significantly reduces the risk of a negative impact of restrictions of mobility on its financial results. The Group produces virtual goods, however it may face challenges related to the implementation process in customers environments. The continuity of implementation activities depends on the availability and health of DataWalk and customers' employees. Nevertheless, it should be emphasized that despite the effective mitigation of risks related to restrictions in the world and in Poland, the Group is not able to predict further developments related to the pandemic.

¹ <https://www.businesswire.com/news/home/20201208005685/en/Global-243-Billion-Big-Data-Market-Trajectory-Analytics-to-2027-Age-of-Analytics-Provides-the-Cornerstone-for-the-Disruptive-Growth-Proliferation-of-Big-Data-Technologies---ResearchAndMarkets.com>

² <https://www.alliedmarketresearch.com/business-analytics-software-market>

DataWalk Group financial results

The table below presents selected consolidated financial data for the 12-month period ending December 31, 2020 and the comparable period of 2019.

| Position | 2020 | 2019 | Change |
|--|--------|---------|--------|
| Revenues | 15 722 | 3 512 | 348% |
| Operating costs | 22 259 | 14 633 | 52% |
| Profit/Loss on sales | -6 537 | -11 121 | -41% |
| Other operating income | 401 | 2 540 | -84% |
| Other operating costs | 96 | 2 207 | -96% |
| Loss (profit) from expected credit losses | -5 | 264 | -102% |
| Operating profit (loss) | -6 227 | -11 052 | -44% |
| Net profit (loss) attributable to shareholders of the parent company | -6 323 | -11 044 | -43% |

Source: Issuer.

In 2019 in the item “Other Operating Costs” the Group recognized non-cash expenses related to the incentive program under IFRS 2 in the amount of PLN 2 102 thousand, representing 95% of the total other operating costs. The program ended on December 31st, 2019. In 2020, there were no expenses from that incentive program.

The net loss attributable to the parent company's shareholders at the end of 2020 was PLN 6 323 thousand and it was 43% lower than in the corresponding period of 2019 when it amounted to PLN 11 044 thousand.

The most important influence on the consolidated financial net result of the Group in the year 2020 came from:

- an increase in the Group’s sales revenues,
- an increase in remuneration costs, mainly resulting from building sales and implementation teams in the Issuer’s subsidiary,
- higher depreciation costs for completed development works on DataWalk software,
- an increase in external services costs, related to the development of operating activities in the USA and conducting sales processes,
- the termination in the Company of the incentive program on 31st December, 2019 and consequently the cessation of recognition of that program’s costs in other operating expenses.

The table below presents additional selected consolidated financial information for the 12-month period ending December 31, 2020 and the comparable period of 2019.

| Position | 2020 | 2019 | Change |
|--|--------------|--------------|--------------|
| Revenues | 15 722 | 3 512 | 348% |
| EBIT | -6 227 | -11 052 | -44% |
| <i>Amortisation and depreciation</i> | <i>1 268</i> | <i>730</i> | <i>74%</i> |
| EBITDA | -4 960 | -10 322 | -52% |
| <i>Non-cash costs of the incentive program</i> | <i>0</i> | <i>2 102</i> | <i>-100%</i> |
| Adjusted EBITDA | -4 960 | -8 220 | -40% |
| CFO _{bt} | -356 | -10 874 | -97% |
| CAPEX | -4 900 | -3 348 | 46% |
| FCF | -5 256 | -14 222 | -63% |
| Closing balance of cash | 73 795 | 9 125 | 709% |
| Interest debt | 2 366 | 579 | 309% |

Source: Issuer.

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 by products and services

In 2020 revenues from the sale of licenses amounted to PLN 10 521 thousand, accounted for 67% of the Group's total revenues and were 286% higher than in 2019. The revenues from implementation services were PLN 3 699 thousand and by 1 150% higher than previous year. The revenues from software technical support (so called "maintenance") reached PLN 545 thousand which was 35% more than in 2019. The increase of other revenues referred to delivery of additional services related to DataWalk software.

The table below presents consolidated revenues in the 12-month period ended December 31, 2020 and in the comparable period of 2019.

| Position | 2020 | 2019 | Change |
|-------------------------|---------------|--------------|-------------|
| Licenses sale | 10 521 | 2 726 | 286% |
| Implementation services | 3 699 | 296 | 1 150% |
| Technical support | 545 | 404 | 35% |
| Other | 957 | 85 | 1 026% |
| Total revenues | 15 722 | 3 512 | 348% |

Source: Issuer.

The table below presents the currency structure of sales for 2020 and 2019.

| Position | 2020 | 2019 |
|--------------------|-------------|-------------|
| PLN (Polish zloty) | 35% | 20% |
| USD (U.S. Dollar) | 65% | 80% |
| Total | 100% | 100% |

Source: Issuer.

The revenue structure of the DataWalk Group by regions

The table below presents the revenues of the DataWalk Group in 2020 by regions (in thousands of PLN).

| Revenues by region | 2020 | Share in total revenues (%) |
|-------------------------|---------------|-----------------------------|
| Poland | 5 484 | 35% |
| North and South America | 6 035 | 38% |
| Other regions | 4 203 | 27% |
| Total | 15 722 | 100% |

Source: Issuer.

The table below presents the revenues of the DataWalk Group in 2019 by regions (in thousands of PLN).

| Revenues by region | 2019 | Share in total revenues (%) |
|-------------------------|--------------|-----------------------------|
| Poland | 944 | 27% |
| North and South America | 1 217 | 35% |
| Other regions | 1 350 | 38% |
| Total | 3 512 | 100% |

Source: Issuer.

The revenue structure of the DataWalk Group by operating segments

The table below presents the revenues of the DataWalk Group in 2020 after elimination of transactions between segments (in thousands of PLN).

| Revenues by operating segment | 2020 | Share in total revenues (%) |
|-------------------------------|---------------|-----------------------------|
| Segment DataWalk S.A. | 9 687 | 62% |
| Segment DataWalk Inc. | 6 035 | 38% |
| Total | 15 722 | 100% |

Source: Issuer.

The table below presents the revenues of the DataWalk Group in 2019 after elimination of transactions between segments (in thousands of PLN).

| Revenues by operating segment | 2019 | Share in total revenues (%) |
|-------------------------------|--------------|-----------------------------|
| Segment DataWalk S.A. | 2 294 | 65% |
| Segment DataWalk Inc. | 1 217 | 35% |
| Total | 3 512 | 100% |

Source: Issuer.

Cash flow of the DataWalk Group

The Group's cash flow from operating activities (CFO) in 2020 amounted to PLN -356 thousand vs. PLN -10 874 thousand in 2019. Significant impact on the CFO in 2020 came from: i) increase of book value of deferred income amounting to PLN 4 162 thousand; ii) increase of trade receivables resulting from invoicing of PLN 1 547 thousand in the 4th quarter of 2020; iii) amortisation and depreciation adjustment of PLN 1 268 referring mainly to development work; and iv) increase of provisions and accruals by the amount of PLN 1 116 thousand related to variable costs and directly linked to the increase of sales value.

In 2019 the main items influencing the CFO were: i) expenses incurred on emission of “M” and “N” series of shares amounting to PLN 1 067 thousand; and ii) increase of trade receivables book value resulting from invoicing in the fourth quarter of the year.

The Group's cash flow from investment activities (CFI) in 2020 amounted to PLN -812 thousand and was particularly influenced by i) reclassification of bank deposits from short-term financial assets to cash items, due to their maturity, in the amount of PLN 4 011 thousand; and ii) capitalised costs of DataWalk software development of PLN 4 635 thousand.

The Group's CFI in 2019 amounted to PLN -7 272 thousand which was mostly influenced by: i) setting-up of bank deposits with maturity period above 3 months of PLN 4 012 thousand; and ii) capitalised costs of DataWalk software development of PLN 2 660 thousand.

The Group's cash flow from financing activities (CFF) in 2020 amounted to PLN 65 887 thousand which was mainly due to: i) emission of “O” series shares of PLN 65 171 thousand; and ii) obtaining of loans by the subsidiary of PLN 1 194 thousand.

In 2019 the CFI was PLN 25 037 thousand which was mostly influenced by the emission of “M” and “N” series of shares.

| Position | 2020 | 2019 | Change |
|----------------------|--------|---------|--------|
| CFO | -356 | -10 874 | -97% |
| CFI, including: | -812 | -7 272 | -89% |
| - CAPEX | -4 900 | -3 348 | 46% |
| CFF | 65 887 | 25 037 | 163% |
| Total net cash flows | 64 719 | 6 891 | 839% |

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 December 31, 2020 and December 31, 2019.

| Assets | 12/31/2020 | 12/31/2019 | Change |
|-------------------------------|---------------|---------------|-------------|
| Goodwill | 390 | 390 | 0% |
| Intangible assets | 9 373 | 5 473 | 71% |
| Trade receivables | 4 290 | 3 074 | 40% |
| Other receivables | 1 157 | 825 | 40% |
| Financial assets (short-term) | 0 | 4 011 | -100% |
| Cash and cash equivalents | 73 795 | 9 125 | 709% |
| Other assets | 2 236 | 960 | 133% |
| Total assets | 91 241 | 23 858 | 282% |

Source: Issuer.

| Equity and liabilities | 12/31/2020 | 12/31/2019 | Change |
|-------------------------------------|---------------|---------------|-------------|
| Equity | 79 793 | 20 966 | 281% |
| Trade receivables | 1 479 | 809 | 83% |
| Bank loans and borrowings | 1 204 | 0 | - |
| Lease liabilities | 1 163 | 580 | 100% |
| Deferred income | 4 597 | 435 | 958% |
| Other liabilities | 3 007 | 1 068 | 182% |
| Total equity and liabilities | 91 241 | 23 858 | 282% |

Source: Issuer.

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

| Position | 12/31/2020 | 12/31/2019 |
|------------------------------------|------------|------------|
| Current ratio | 8,4 | 6,3 |
| Quick Ratio | 8,4 | 6,2 |
| Cash Ratio | 7,8 | 3,3 |
| Debt ratio | 13% | 12% |
| Debt / Equity | 0,0 | 0,0 |
| Debt-to-Equity Ratio | 14% | 14% |
| Working Capital (in thousands PLN) | 70 465 | 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).

DESCRIPTION OF THE USE BY THE ISSUER OF THE PROCEEDS FROM THE ISSUE OF SECURITIES IN THE PERIOD COVERED BY THE REPORT

On October 2nd, 2020, the agreements were concluded with investors to subscribe for a total of 421 000 O series ordinary bearer shares with a nominal value of PLN 0.10 each (“Shares”) issued by the company’s Executive Board within the limits of authorized capital, excluding the pre-emptive right of existing shareholders. The issue price of one O series share was PLN 154,80 for one Share, therefore, as a result of the issue of O series shares. As a result of the issue of series O shares, the company raised PLN 65 170 800,00.

The funds obtained as part of the issue of series O shares are used by the Issuer in accordance with the DataWalk Group's strategy.

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

In connection with the SARS-CoV-2 virus pandemic, administrative measures restricting the freedom of economic activity and affecting the daily operations of enterprises were introduced. The current situation also affects the availability of staff, the possibility of conducting activities related to promotion, sales and implementation and the situation of current and potential Group’s 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 in the world, which may influence the implementation of the Group’s plans and its future financial results.

The Group undertakes actions to minimize the impact of the pandemic, ensuring continuity of development and sales work through remote work. Furthermore, sales of the Group's products and services are conducted to a large extent using remote access channels, which significantly reduces the risk of the negative impact of mobility restrictions on its financial results. As the Group produces virtual goods, it does not have a supply chain. However it may face challenges related to the implementation process in the customers environment. The continuity of implementation activities depends on the availability and health of DataWalk and customers’ employees. Nevertheless, it should be emphasized that despite the effective mitigation of risks related to restrictions in the world and in Poland, the Group is not able to predict further developments related to the pandemic

MAJOR EVENTS THAT HAVE AN IMPACT ON THE DATAWALK GROUP'S RESULTS IN 2020

- 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 Płock, 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.

- On May 9th, 2020, the company informed the conclusion of 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.
- On May 28th, 2020, the company informed that the company's subsidiary, DataWalk Inc. obtained a purchase order from Research Innovations Inc. USA ("RII") for license sale and production usage of the DataWalk analytical platform in response to a task order ("Task Order") from the United States Department of Justice's Money Laundering and Asset Recovery Section ("MLARS").

The DataWalk analytics platform will be deployed in support of MLARS' mission to prosecute and coordinate complex, sensitive, multi-district, and international money laundering and asset forfeiture investigations and cases. The purchase order from RII constitutes a continuation of the business relationship established between the entities, as reported in the current ESPI report 21/2019 of June 4th, 2019.

The Task Order obtained by the RII consortium confirms the attractiveness of the RII solution, the key element of which is the DataWalk platform, as an alternative to solutions currently used in DOJ and MLARS, such as the Palantir system, and increases the possibilities of successfully applying for subsequent orders from other entities subordinate to DOJ as part of their broad Data Analytics Solution and Services project.

- On June 30th, 2020, the Executive Board of DataWalk S.A. reported that the company received a purchase order from LINK4 S.A., an insurance company registered in Warsaw, Poland ("Customer"). This purchase order formalizes with a date of June 30th the sale of a perpetual license ("Project") and production usage for anti-fraud applications of the DataWalk analytical platform. This project defines the cooperation plan between parties, continuing cooperation previously reported in ESPI 40/2019 dated September 30th, 2019.
- On July 30th, 2020, the issuer informed that the company's subsidiary, DataWalk Inc. has obtained a purchase order for the implementation of a test project ("Project") with a System Integrator in the USA ("Partner"). The order is for a temporary license sale in support of a project with a branch of the United States military for analyzing and mitigating potentials risks associated with COVID-19.
- On August 10th, 2020, the issuer informed that the company's subsidiary, DataWalk Inc. has obtained a purchase order from Research Innovations Inc. USA ("RII") for license sale of the DataWalk analytical platform to the United States Department of Homeland Security Customs and Border Protection ("DHS/CBP"). DHS/CBP may assist government border agencies of other countries to enhance their operational capabilities. DataWalk software has been selected for one such deployment, where it will be used to aid information, intelligence and data collection; as well as analysis and dissemination, for a national border security organization.
- On September 3rd, 2020, the Executive Board of DataWalk S.A. reported that the company concluded today an agreement with Comp S.A. registered in Warsaw ("Partner") as part of a project with the Polish Police Headquarters based in Warsaw ("Client"). The agreement includes the sale of a perpetual license and the provision of implementation and training services for full production use of the DataWalk software platform as a central Police Operational Information System.
- On September 21st, 2020, the issuer informed that the company's subsidiary, DataWalk Inc. has signed an agreement with the Toronto Police Service (Canada) for a pilot deployment of DataWalk software. The Toronto Police Service is one of the ten largest municipal police agencies in North America, and will evaluate DataWalk software as a candidate intelligence analysis platform.
- On September 21st, 2020, the issuer informed that the company's subsidiary, DataWalk Inc. has obtained a purchase order from the U.S. Department of Labor Office of Inspector General (DOL OIG) for license sale of

the DataWalk analytical platform. DOL OIG will utilize DataWalk in support of investigations of fraudulent unemployment claims associated with COVID-19 and the CARES Act.

- On September 25th, 2020, the issuer informed that the company's subsidiary, DataWalk Inc. has obtained a purchase order from DLT Solutions USA ("DLT") for license sale of the DataWalk analytical platform to the United States Department of Defense Office of Inspector General ("DoD OIG"). DataWalk software will be used in support of investigations of fraud, waste, and abuse across all United States Armed Forces, specifically regarding contracts related to recently released COVID-19 funds.
- On October 2nd, 2020, the agreements were concluded with investors to subscribe for a total of 421 000 O series ordinary bearer shares with a nominal value of PLN 0.10 each ("Shares") issued by the company's Executive Board within the limits of authorized capital, excluding the pre-emptive right of existing shareholders. The issue price of one O series share was PLN 154,80 for one Share, therefore, as a result of the issue of O series shares. As a result of the issue of series O shares, the company raised PLN 65 170 800,00. The information about the subscription end, as well as the information about the registration of the share capital increase as a result of the issue of shares and amendments to the Articles of Association, was provided by the Executive Board of the company in current reports (ESPI 34/2020, ESPI 36/2020).
- On November 16th, 2020, the Executive Board of DataWalk S.A. reported that the company has received an agreement for sale and implementation of DataWalk software for a national intelligence agency in the European Union, a NATO member.
- On December 17th, 2020, the Executive Board of DataWalk S.A. reported that the Company's subsidiary, DataWalk Inc., has signed an agreement with one of the largest municipal police departments in Canada for purchase of DataWalk software. The Executive Board of the Company recognized the fact that signing this agreement is confidential information as this may have a positive impact on the financial and strategic position of the Issuer's Capital Group in North America.
- On December 29th, 2020, the Executive Board of DataWalk S.A. reported that the Company's subsidiary DataWalk Inc. has obtained a purchase order from IT Solutions and Services for license sale of the DataWalk analytical platform to the Procurador Fiscal de la Federacion in Mexico ("PFF"). The Executive Board of the Company recognized the fact that obtaining this purchase order is confidential information, as this may have a positive impact on the future financial and competitive position of the Issuer's Capital Group in North America.
- On December 29th, 2020, the Executive Board of DataWalk S.A. reported that it concluded an agreement with an entity based in Warsaw that provides cloud services, signed in order to continue cooperation on the project at the request of the state administration body. Above reported agreement defines the cooperation plan between parties, continuing cooperation previously reported in ESPI 8/2020 dated May 9th, 2020. Execution of the project will have a positive impact on the competitive position of the Issuer's Capital Group, which may impact the future economic and financial situation of the Issuer and the prospects for its development.

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

- On March 15th, 2021, the Executive Board of DataWalk S.A. informed that the Company obtained information about earning a patent in the United States Patent and Trademark Office on 2nd March 2021. The title of the Patent is "Systems And Methods For Querying Databases". Obtaining this fifth patent in the US confirms recognition of the uniqueness of the Issuer's technology. Patenting IT solutions, apart from securing Intellectual Property rights for the Company, has very practical value. Obtaining the patent confirms that the technology owned by the Issuer does not interfere with the patent rights of other technologies. This constitutes a tangible measure of progress for the Company's Capital Group in United States. Securing the Patent is part of the Issuer's Capital Group development strategy which includes creation of a portfolio of intellectual property rights (IP), which is the basis for recognizing information as confidential information.

COMPANY'S AUTHORITIES

The Executive Board

Paweł Wieczyński, Chairman of the Board

Responsible for the operational activity and the commercialization department.

Krystian Piećko, Member of the Board

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

Sergiusz Boryślawski, Member of the Board

Responsible for administrative activity and the commercialization department.

During the 12-month period ended December 31, 2020, the DataWalk S.A. Executive Board was as follows:

| The Executive Board | Period of performing the function |
|----------------------|-----------------------------------|
| Paweł Wieczyński | 01/01/2020 – 12/31/2020 |
| Krystian Piećko | 01/01/2020 – 12/31/2020 |
| Sergiusz Boryślawski | 01/01/2020 – 12/31/2020 |

Source: Issuer.

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

The Supervisory Board

After taking into account the changes described below that occurred on December 31, 2020, the composition of the Issuer's Supervisory Board was as follows:

- Mr. Roman Pudelko - Chairman of the Supervisory Board
- Mr. Wojciech Dyszy - Vice Chairman of the Supervisory Board,
- Mr. Grzegorz Dymek - Member of the Supervisory Board,
- Mr. Rafał Wasilewski - Member of the Supervisory Board,
- Mr. Filip Paszke - Member of the Supervisory Board.

During the 9-month period ended December 31, 2020, the composition of the Issuer's Supervisory Board of the Company is as follows:

| The Supervisory Board | Period of performing the function |
|--------------------------|-----------------------------------|
| Wojciech Dyszy | 01/01/2020 – 12/31/2020 |
| Grzegorz Dymek | 01/01/2020 – 12/31/2020 |
| Roman Pudelko | 01/01/2020 – 12/31/2020 |
| Rafał Wasilewski | 01/01/2020 – 12/31/2020 |
| Filip Paszke | 06/30/2020 – 12/31/2020* |
| Piotr Wojciech Bindas | 01/01/2020 – 06/30/2020** |
| Paweł Sobkiewicz | 01/01/2020 – 06/30/2020*** |
| Wojciech Szymon Kowalski | 01/01/2020 – 06/30/2020**** |

Source: Issuer.

* On 30th June 2020, based on resolution number 23, the General Meeting appointed Mr. Filip Paszke as a new Member of the Supervisory Board, within current three-year term.

** On 29th June 2020, the Company received the resignation of Mr. Piotr Bindas from his position as a member of the Supervisory Board with the effect from 30th June 2020. The submitted resignation does not contain information about its reasons.

*** On 26th June 2020, the Company received the resignation of Mr. Paweł Sobkiewicz from his position as a member of the Supervisory Board from the start of the General Meeting held on 30th June 2020. The submitted resignation does not contain information about its reasons.

**** On 22nd June 2020, the Company received the resignation of Mr. Wojciech Szymon Kowalski from his position as a member of the Supervisory Board with the effect from 30th June 2020. The submitted resignation does not contain information about its reasons.

As a result of the resignation submitted by the Supervisory Board's current Chairman, on August 5th, 2020, the Supervisory Board appointed Mr. Roman Pudelko as the Chairman of the Supervisory Board.

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: | 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 the 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 applications. The business model adopted by the Company is characterized by high scalability, translating into potentially 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.

The company has no branches.

DataWalk Inc.

Basic information about an entity related by capital with the Issuer as at 12/31/2020.

| | |
|--|--|
| Name of the entity: | DataWalk Inc. |
| Country of residence: | United States of America |
| Legal form: | Incorporated |
| Register address: | 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: | July 27, 2016 |
| Value of shares: | 4 719 thous. PLN |
| Revaluation adjustments: | -4 719 thous. PLN |
| Unit balance sheet value of shares | 0 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.

On July 27, 2016, DataWalk S.A. acquired 100 shares for a total price of PLN 5,000 USD becoming its sole shareholder. From 2016 to the balance sheet date of December 31, 2020 the Company contributed to DataWalk Inc. additional capital for a total amount of PLN 1,250 thousand USD.

The role of DataWalk Inc. in the Group is to conduct sales and implementation activities related to the DataWalk platform mainly in the United States and other countries of 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 December 2020 year and in the comparative period:



Source: Issuer.

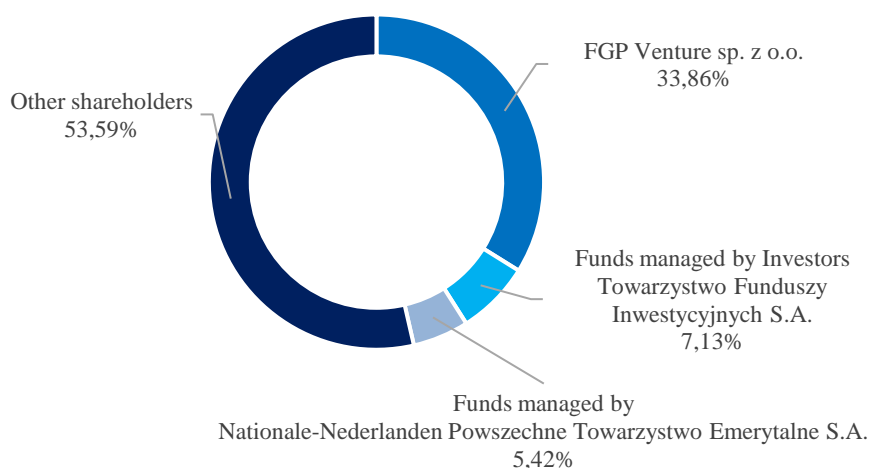
DataWalk Inc. is consolidated by DataWalk S.A. as part of the consolidated financial statements.

Changes in the management rules of the Capital Group and the Company

In the 12-month period ended December 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 April 29, 2021 (share in the total number of votes)



Source: Issuer.

As at the date of approval of this report for publication, i.e. April 29, 2021, the number of shareholders holding, directly or through subsidiaries, at least 5.0% of the total number of votes is as follows:

| 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 | 24,05% | 33,86% |
| Funds managed by Investors Towarzystwo Funduszy Inwestycyjnych S.A. ⁴ | 400 000 | 400 000 | 8,19% | 7,13% |
| Funds manager by Nationale-Nederlanden Powszechnie Towarzystwo Emerytalne S.A. ⁵ | 304 146 | 304 146 | 6,22% | 5,42% |
| Other shareholders | 3 006 902 | 3 006 902 | 61,54% | 53,59% |
| Total | 4 886 048 | 5 611 048 | 100,00% | 100,00% |

Source: Issuer.

* Mr. Paweł Wiczyński 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.

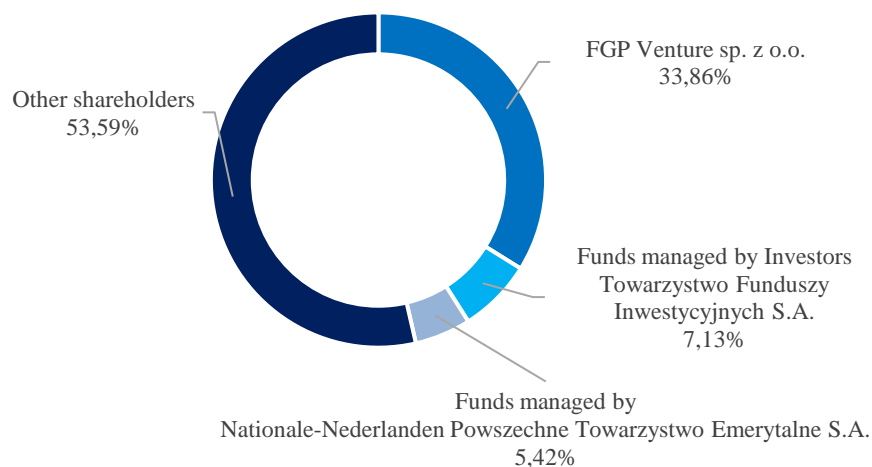
Mr. Sergiusz Borysławski holds 198 000 shares of FGP Venture Sp. z o.o., which constitutes 33.33% of share in the share capital and votes at the shareholders' meeting of FGP Venture Sp. z o.o.

³ According to the current report no. 37/2020 of October 28, 2020.

⁴ According to the current report no. 16/2015 of September 16, 2015.

⁵ According to the current report no. 39/2020 of November 2, 2020.

Shareholder structure as at November 27, 2020 (share in the total number of votes)



Source: Issuer.

As at November 27, 2020, i.e. as at the date of publication of the previous periodic report, the shareholding structure is as follows:

| 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.* ⁶ | 1 175 000 | 1 900 000 | 24,05% | 33,86% |
| Funds managed by Investors Towarzystwo Funduszy Inwestycyjnych S.A. ⁷ | 400 000 | 400 000 | 8,19% | 7,13% |
| Funds manager by Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A. ⁸ | 304 146 | 304 146 | 6,22% | 5,42% |
| Other shareholders | 3 006 902 | 3 006 902 | 61,54% | 53,59% |
| Total | 4 886 048 | 5 611 048 | 100,00% | 100,00% |

Source: Issuer.

* Mr. Paweł Wiczyński 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.

⁶ According to the current report no. 37//2020 of October 28, 2020.

⁷ According to the current report no. 16/2015 of September 16, 2015.

⁸ According to the current report no. 39/2020 of November 2, 2020.

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

Ownership of the shares DataWalk SA by managers and supervisors at the date of approval of this report for publication, i.e. as at April 29th, 2021.

| Shareholder | Position | Number of shares | Nominal value of shares (in PLN) |
|-----------------------|--|------------------|----------------------------------|
| Paweł Wieczyński* | President of the Executive Board | 56 115 | 5 611.50 |
| Krystian Piećko* | Member of the Executive Board | 55 650 | 5 565.00 |
| Sergiusz Borysławski* | Member of the Executive Board | 55 680 | 5 568.00 |
| Roman Pudełko | Chairman of the Supervisory Board | 15 918 | 1 591.80 |
| Wojciech Dyszy | Vice-chairman of the Supervisory Board | 1 000 | 100.00 |
| Rafał Wasilewski** | Member of the Supervisory Board | 21 000 | 2 100.00 |
| Grzegorz Dymek | Member of the Supervisory Board | 0 | 0 |
| Filip Paszke | Member of the Supervisory Board | 0 | 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 "Shareholder structure as at April 29, 2021".

** The table presents the number of shares held by the Supervisory Board Member. Moreover, according to the current report 32/2019 of 27 August 2019, 1 000 shares of the Issuer are held by Beyondream Investments Ltd (a person closely related to this Member of the Supervisory Board).

The table below presents ownership of shares DataWalk SA by managers and supervisors at the report's submission date, i.e. as at November 27th 2020.

| Shareholder | Position | Number of shares | Nominal value of shares (in PLN) |
|-----------------------|--|------------------|----------------------------------|
| Paweł Wieczyński* | President of the Executive Board | 56 115 | 5 611.50 |
| Krystian Piećko* | Member of the Executive Board | 55 650 | 5 565.00 |
| Sergiusz Borysławski* | Member of the Executive Board | 55 680 | 5 568.00 |
| Roman Pudełko | Chairman of the Supervisory Board | 15 918 | 1 591.80 |
| Wojciech Dyszy | Vice-chairman of the Supervisory Board | 1 000 | 100.00 |
| Rafał Wasilewski** | Member of the Supervisory Board | 21 000 | 2 100.00 |
| Grzegorz Dymek | Member of the Supervisory Board | 0 | 0 |
| Filip Paszke | Member of the Supervisory Board | 0 | 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 "Shareholder structure as at November 27, 2020".

** The table presents the number of shares held by the Supervisory Board Member. Moreover, according to the current report 32/2019 of 27 August 2019, 1 000 shares of the Issuer are held by Beyondream Investments Ltd (a person closely related to this Member of the Supervisory Board).



DATAWALK S.A.

FINANCIAL STATEMENTS

for the year ended 31st December 2020

Separate Statement of Financial Position (in thousands of PLN)

| ASSETS | | 12/31/2020 | 12/31/2019 |
|---------------------|--------------------------------|---------------|---------------|
| A. | Non-current assets | 11 241 | 7 776 |
| | I. Fixed assets | 238 | 66 |
| | II. Intangible assets | 9 373 | 5 473 |
| | III. Goodwill | 390 | 390 |
| | IV. Right-of-use assets | 1 159 | 577 |
| | V. Investments in subsidiaries | 0 | 1 218 |
| | VI. Long-term receivables | 41 | 41 |
| | VII. Deferred tax assets | 40 | 11 |
| | VIII. Long-term prepayments | 0 | 0 |
| B. | Current assets | 77 791 | 15 212 |
| | I. Inventory | 0 | 0 |
| | II. Trade receivables | 4 648 | 2 014 |
| | III. Income tax receivables | 0 | 0 |
| | IV. Other receivables | 1 048 | 820 |
| | V. Financial assets | 0 | 4 011 |
| | VI. Prepayments | 471 | 138 |
| | VII. Cash and cash equivalents | 71 625 | 8 230 |
| TOTAL ASSETS | | 89 032 | 22 988 |

| EQUITY AND LIABILITIES | | 12/31/2020 | 12/31/2019 (restated*) |
|-------------------------------------|---|---------------|---------------------------|
| A. | Equity | 81 337 | 20 638 |
| | I. Share capital | 489 | 447 |
| | II. Share premium | 133 859 | 68 781 |
| | III. Other capitals | 9 965 | 9 965 |
| | IV. Profit loss from previous years | -61 325 | -50 132 |
| | V. Net profit (loss) for the current year | -4 421 | -11 193 |
| | VI. Reserve capital | 2 771 | 2 771 |
| B. | Long-term liabilities | 639 | 153 |
| | I. Other provisions | 0 | 0 |
| | II. Deferred tax liabilities | 40 | 11 |
| | III. Lease liabilities | 598 | 142 |
| C. | Short-term liabilities | 7 056 | 2 197 |
| | I. Trade liabilities | 1 462 | 641 |
| | II. Income tax liabilities | 0 | 0 |
| | III. Lease liabilities | 564 | 438 |
| | IV. Other liabilities | 573 | 345 |
| | V. Other provisions | 1210 | 474 |
| | VI. Prepayments | 3 247 | 300 |
| TOTAL EQUITY AND LIABILITIES | | 89 032 | 22 988 |

*As described in "Changes in accounting policies used" below.

| NET ASSET VALUE PER SHARE | 12/31/2020 | 12/31/2019 |
|--|-------------------|-------------------|
| Net asset value | 81 337 | 20 638 |
| Number of shares (pcs.) | 4 542 116 | 4 113 366 |
| Net asset value per share (in PLN) | 17,91 | 5,02 |
| Diluted number of shares (pcs.) | 4 631 115 | 4 202 365 |
| Diluted net asset value per share (in PLN) | 17,56 | 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 this way in the year 2020 was 4 542 116, 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 2020 amounted to 4 631 115, 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 Profit and Loss Account with The Statement of Comprehensive Income (in thousands of PLN)

| PROFIT AND LOSS ACCOUNT | | 2020 | 2019 |
|-------------------------|---|---------------|----------------|
| | <i>Continuing operations</i> | | |
| A. | Revenues | 12 359 | 2 362 |
| B. | Operating costs | 12 050 | 13 735 |
| | Materials and energy | 121 | 89 |
| | Employee benefits | 3 260 | 2 555 |
| | Amortisation and depreciation | 1 252 | 727 |
| | External services | 7 039 | 10 104 |
| | Other costs | 378 | 261 |
| C. | Profit/Loss on sales | 309 | -11 373 |
| | Other operating income | 400 | 2 540 |
| | Other operating costs | 4 815 | 2 208 |
| | Loss (profit) from expected credit losses | -5 | 225 |
| D. | Operating profit (loss) | -4 100 | -11 265 |
| | Financial income | 50 | 137 |
| | Financial costs | 371 | 64 |
| E. | Pre-tax profit (loss) | -4 421 | -11 193 |
| | Income tax | 0 | 0 |
| F. | Net profit (loss) from continuing operations | -4 421 | -11 193 |
| | <i>Discontinued operations</i> | | |
| | Net profit (loss) from discontinued operations | 0 | 0 |
| G. | Net profit (loss) | -4 421 | -11 193 |

| STATEMENT OF COMPREHENSIVE INCOME | | 2020 | 2019 |
|-----------------------------------|---|---------------|----------------|
| | Net profit (loss) | -4 421 | -11 193 |
| | Other comprehensive income | 0 | 0 |
| | 1. <i>Items that will not be reclassified to profit or loss</i> | 0 | 0 |
| | 2. <i>Items that will be reclassified to profit or loss</i> | 0 | 0 |
| | Total comprehensive income | -4 421 | -11 193 |

| PROFIT (LOSS) PER SHARE ATTRIBUTABLE TO: | 2020 | 2019 |
|--|-------------|-------------|
| <i>Continuing operations</i> | | |
| Number of shares (pcs.) | 4 542 116 | 4 113 366 |
| Profit (loss) per share (in PLN) | -0,97 | -2,72 |
| Diluted number of shares (pcs.) | 4 631 115 | 4 202 365 |
| Diluted profit (loss) per share (in PLN) | -0,95 | -2,66 |
| <i>Discontinued operations</i> | | |
| Number of shares (pcs.) | 4 542 116 | 4 113 366 |
| Profit (loss) per share (in PLN) | 0,00 | 0,00 |
| Diluted number of shares (pcs.) | 4 631 115 | 4 202 365 |
| Diluted profit (loss) per share (in PLN) | 0,00 | 0,00 |
| <i>Continuing and discontinued operations</i> | | |
| Number of shares (pcs.) | 4 542 116 | 4 113 366 |
| Profit (loss) per share (in PLN) | -0,97 | -2,72 |
| Diluted number of shares (pcs.) | 4 631 115 | 4 202 365 |
| Diluted profit (loss) per share (in PLN) | -0,95 | -2,66 |

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 this way in the year 2020 was 4 542 116, 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 year 2020 amounted to 4 631 115, including 88 999 shares under the incentive program, while in 2019 the average amounted 4 202 365, including 88 999 shares under the incentive program.

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

| STATEMENT OF CHANGES IN EQUITY | Share capital | Share premium | 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 | 68 781 | 9 965 | 2 771 | -50 132 | -11 193 | 20 638 |
| Equity increase (decrease) | 42 | 65 078 | 0 | 0 | -11 193 | 6 772 | 60 699 |
| Total comprehensive income | 0 | 0 | 0 | 0 | 0 | -4 421 | -4 421 |
| <i>Net profit (loss)</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>-4 421</i> | <i>-4 421</i> |
| Share capital increase | 42 | 65 078 | 0 | 0 | 0 | 0 | 65 120 |
| Distribution of profit (loss) for previous year | 0 | 0 | 0 | 0 | -11 193 | 11 193 | 0 |
| Changes in equity resulting from IFRS 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance as at 12/31/2020 | 489 | 133 859 | 9 965 | 2 771 | -61 325 | -4 421 | 81 337 |

| STATEMENT OF CHANGES IN EQUITY | Share capital | Share premium | 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 | 44 818 | 9 965 | 2 803 | -36 359 | -13 773 | 7 822 |
| Equity increase (decrease) | 78 | 23 962 | 0 | -31 | -13 773 | 2 580 | 12 816 |
| Total comprehensive income | 0 | 0 | 0 | 0 | 0 | -11 193 | -11 193 |
| <i>Net profit (loss)</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>-11 193</i> | <i>-11 193</i> |
| Share capital increase | 78 | 23 962 | 0 | 0 | 0 | 0 | 24 041 |
| Distribution of profit (loss) for previous year | 0 | 0 | 0 | 0 | -13 773 | 13 773 | 0 |
| Changes in equity resulting from IFRS 2 | 0 | 0 | 0 | -31 | 0 | 0 | -31 |
| Balance as at 12/31/2019 | 447 | 68 781 | 9 965 | 2 771 | -50 132 | -11 193 | 20 638 |

Separate Cash Flow Statement (in thousands of PLN)

| CASH FLOW STATEMENT | 2020 | 2019 |
|--|---------------|----------------|
| Cash flows from operating activities | | |
| Net profit (loss) | -4 421 | -11 193 |
| Total adjustments, including: | 7 727 | 456 |
| - amortisation and depreciation | 1 252 | 727 |
| - foreign exchange gains (losses) | 48 | 8 |
| - interest expenses | 23 | 7 |
| - income from interest and dividends | -77 | -69 |
| - profit (loss) on investing activities | 4 996 | -57 |
| - share-based payment (incentive program) | 0 | -31 |
| - income tax of current period | 0 | 0 |
| - income tax paid | 0 | 0 |
| - change in receivables | -2 862 | -264 |
| - change in inventories | 0 | 0 |
| - change in provisions | 737 | 349 |
| - change in short-term liabilities | 1 048 | 447 |
| - change in deferred income | 2 614 | 406 |
| - other adjustments (capital increase) | -51 | -1 067 |
| Net cash generated (used) in operating activities | 3 306 | -10 737 |
| Cash flows from investing activities | | |
| Purchase of intangible assets | 4 635 | 2 660 |
| Purchase of property, plant and equipment | 226 | 648 |
| Proceeds from sale of property, plant and equipment | 0 | 19 |
| Purchase of subsidiaries shares, net of cash | 3 784 | 586 |
| Short term bank deposits (over 3 months) | 4 011 | -4 011 |
| Interest received | 77 | 69 |
| Net cash generated (used) in investing activities | -4 557 | -7 817 |
| Cash flows from financing activities | | |
| Proceeds from issue of share capital | 65 171 | 25 108 |
| Payment of finance lease liabilities | -455 | -64 |
| Interest paid | -23 | -7 |
| Net cash generated (used) in financing activities | 64 693 | 25 037 |
| Total net cash flows | 63 443 | 6 483 |
| Opening balance of cash | 8 230 | 1 755 |
| Change in cash due to foreign currency translation | -48 | -8 |
| Change in cash balance, net | 63 395 | 6 475 |
| Closing balance of cash | 71 625 | 8 230 |

CHANGES IN ACCOUNTING POLICIES USED

The accounting principles (policies) used to prepare these consolidated financial statements are consistent with those used in the preparation of the Company's financial statements for the year ended December 31st, 2019, except for:

- the restatement in the equity section resulting from adjusting of the financial statement template for the purposes of implementing the European Single Electronic Format (ESEF). The impact of this change is described below.
- Presentation of segment information for reporting purposes.

Before the amendment the Group reported the capital from sales of shares above their nominal value (i.e. share premium) under "other capitals". As a result of the accounting policy change this item has been reported separately within Equity section. Additionally, the Group introduced in that section a split of equity into "equity attributable to owners of the parent" and "non-controlling interests"

Restatements related to the separation of share premium

| Specification | 12/31/2019 | restatement | 12/31/2019 (restated) |
|--|----------------|----------------|--------------------------|
| Equity | 20 966 | 0 | 20 966 |
| <i>Equity attributable to owners of the parent</i> | <i>0</i> | <i>20 966</i> | <i>20 966</i> |
| - <i>Share capital</i> | <i>447</i> | <i>0</i> | <i>447</i> |
| - <i>Share premium</i> | <i>0</i> | <i>68 781</i> | <i>68 781</i> |
| - <i>Other capital</i> | <i>78 746</i> | <i>-68 781</i> | <i>9 965</i> |
| - <i>Profit (loss) from previous years</i> | <i>-49 954</i> | <i>0</i> | <i>-49 954</i> |
| - <i>Reserve capital</i> | <i>2 771</i> | <i>0</i> | <i>2 771</i> |
| - <i>Net profit (loss) for the current year</i> | <i>-11 044</i> | <i>0</i> | <i>-11 044</i> |
| - <i>Foreign exchange translation differences</i> | <i>0</i> | <i>0</i> | <i>0</i> |
| Non-controlling interests | 0 | 0 | 0 |

Changes in the Group's accounting policies resulting from ESEF Implementation:

The Group's equity comprises:

a) Equity attributable to owners of the parent:

- Share capital,
- Share premium,
- Other capital,
- Profit (loss) from previous years,
- Reserve capital,
- Net profit (loss) for the current year,
- Foreign exchange translation differences,

b) Non-controlling interests.

The share capital is presented in the amount reported in the statute and in the National Court Register.

The share premium is the amount arising from the positive difference between the emission value of shares and the par (nominal) value of the shares less the emission costs. The shares emission costs incurred in the process of setting-up the joint-stock company or share capital increase reduce the reserve/other capital to the amount of positive difference between the emission value of shares and the nominal value of shares.

Other capitals arise from:

- revaluation of assets,

- settlement of the incentive program according to IFRS 2 "Share-based Payments" and reclassification of potential agio at the moment of share capital issue addressed to participants of the program
- deductions from profit from subsequent financial years.

Profit (loss) from previous years is the cumulative value of profits and losses worked out in previous financial years and not transferred by resolution of an approving committee to another item within of equity or to dividend payable.

Reserve capital – according to IFRS 2 "Share-based Payments" the unit uses this item for disclosures of capital increase related to the approved incentive program for key personnel. If the rights to a specific pool of equity instruments are not vested until the agreed time for the participants of the incentive program to achieve certain tasks elapses, the Group assumes that the tasks to be achieved (a necessary condition) in exchange for equity instruments, will be received in the future during the vesting period. The Group treats the indicated tasks as services provided by the participants of the incentive program during the vesting period, along with the corresponding increase in equity.

In order to settle the incentive program, the Group charges a proportionate part of its fair value to costs in each period of its duration, increasing the reserve capital at the same time. As soon as certain conditions necessary for taking up shares under the incentive program are met, the reserve capital will be settled by increasing the share capital and transferring any agio to the remaining capitals at the time of increasing the share capital in connection with the issue of shares addressed to its participants.

Foreign exchange translation differences a is the capital resulting from the conversion of the equity of a subsidiary with its registered office outside the territory of the country.

Changes in presentation of segment information for reporting purposes

Under IFRS 8, an operating segment is a separable part of the Group's operations for which separate financial information is available and is regularly assessed by the chief operating decision-maker in terms of resources allocation and performance evaluation.

There are following operating segments identified in the DataWalk Group:

- Segment dedicated to DataWalk S.A., generating revenue from sale and implementation of DataWalk platform in particular in the EMEA region (Europe, Middle East, Africa) and Asia. Results of this segment are regularly analyzed by the Issuer's Board as the main decision-making body.
- Segment dedicated to DataWalk Inc., generating revenue from sales and implementation activities related to the DataWalk platform mainly in the United States and other countries of North and South America. Results of this segment are regularly analyzed by the entity's Board as the main decision-making body. The results of the subsidiary included in this segment also a subject to regular verification by the Executive Board of DataWalk S.A.

In the period covered by the financial statements, the Group did not change its organizational structure that would necessitate a change in the division of reporting segments.

.....
Paweł Wiczyński
Chairman of the Board

.....
Krystian Piecko
Member of the Board

.....
Sergiusz Borysławski
Member of the Board

Wroclaw, April 29, 2021



DataWalk S.A.

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e-mail: biuro@datawalk.com

Contact for investors:

Sergiusz Borysławski

Member of the Board

inwestorzy@datawalk.com

