

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

113/2023/AR/March 7, 2024

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
DataWalk	Hold	53.0	Underweight	Tomasz Rodak, CFA

Event: Preliminary 4Q23 results released – growth of revenue by 2% yoy – close to our expectation.

Yesterday, after the market's close, DataWalk released preliminary figures for 4Q23 which imply that in 4Q23 (i) revenues reached PLN 7.6 million (up 2% yoy) and are close to our expectations, (ii) adj EBITDA loss at PLN -4.6 million was lower than expected (PLN -6.8 million) **which we believe stems from lower OPEX and possibly lower cash burning than we assumed.**

The Company's CEO Paweł Wiczyński commented on the results:

- Last year DataWalk undertook numerous steps aimed at paving the way for the next stage of the Company's development such as the modification of the implementation processes, price upgrade decisions leading to the changes in sales concentration. Unfortunately, in the medium term this took a toll on the Company's revenues which in 2023 turned out to be materially below the management's expectations.
- Weak revenues stemmed mainly from shifting the transactions from last year to 2024 caused by the complexity of organizational and corporate procedures characterizing big and elaborate contracts.
- 4Q23 results and expected figures indicate the rebound of the Company's financial performance and **this year DataWalk targets a growth rate of revenues materially exceeding 70%** which should materialize already in 1H24. Our commentary: currently we forecast a 20% yoy growth of revenues in 2024.

On April 24 the Company will publish the full financial statement for FY23.

DataWalk; Preliminary 4Q23 results vs DM BOS forecasts

(PLN m)	4Q23		4Q23				1-4Q23		
	(preliminary)	(DM BOS forecast)	4Q22	3Q23	yoy chg	qoq chg	1-4Q23	1-4Q22	yoy chg
Revenues	7,6	8,0	7,5	4,6	2%	68%	25.8	33.4	-23%
EBITDA	-2,3	-6,8	-10,4	-5,6	nm	nm	nm	nm	nm
Adj EBITDA	-4,6	-6,8	0,7	-12,0	nm	nm	nm	nm	nm

Source: Company, DM BOS SA estimates

Expected impact: *Neutral, as revenues are close to our expectations and we are concerned about the prolonged period without any new contract (the last contract was revealed in mid-December).*

The report is not a recommendation within the meaning of Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest.