



QUARTERLY REPORT Q3 2018



Wroclaw, 11/13/2018

THE MANAGEMENT BOARD'S LETTER

Dear Shareholders,

Third quarter of this year was rich in events. Although we have noted summer slowdown in the areas of sales and implementations impacting financial results and resulting from reduced availability of our Customers, the reported period was clearly positive for the fundamental aspects of DataWalk Group's value. With a lot of optimism we expect very positive fourth quarter and, not focusing on short-term financial aspects, we're setting grounds for beginning of the next chapter of our Capital Group growth.

Looking from a perspective of few last years on effects in using DataWalk engine and development of our system functionality, we confirmed that we are utilizing much less than a half of unique capabilities enabled by our system's architecture. Today we can verify this not only through a technical opinion of our own or provided by experts such as Kirk Bradley, but also from practical effects of our system usage:

- Ease of implementation and elasticity measured by the speed of adding and modeling new data sources – in one of the last pilot projects in the public sector, within few days from the moment we received access to a giant and complex data source, we were able to present a working system that identified suspicious activities and potential frauds. Such speed of implementation enables us to iterate and increase DataWalk's efficiency within days and sometimes within hours. These advantages significantly differentiate us from the market standards in the enterprise IT sector.
- Ability to perform complex analytical operations being a novelty on a global scale, e.g. methods to detect organized crime groups tested by our Customers in the insurance sector, based on synthesis of multidimensional scoring, machine learning and graph algorithms present a promising potential of usage for use-cases connected with public security.
- Ease of connecting data from internal and external sources with OSINT (open source intelligence) type data; for instance, thanks to integration end-points we have recently developed, our Customers can enrich their data with big data sources coming both from the Internet, but also from the Dark Web. This approach not only has a positive impact on the running analytics e.g. by increasing the effectiveness of scoring systems, but also enables potential identification of criminals that use the TOR network that remained anonymous until now.
- Effectiveness of managing the anti-fraud process such as a project where we replaced the solution provided by one of the two global leaders in our segment. We were able to observe and measure extraordinary gains in the process effectiveness and financial results. Such data becomes a priceless source of information for the product development process, enabling better planning of the next functionality to provide further business quality jumps.

All of the above are observations and measurements made based on pilot and full implementations of DataWalk executed in second half of 2017 and first half of 2018 – it was a first time in our history we were able to observe our system in production usage with our first insurance and government customers. This knowledge fuels DataWalk development because we can make better decisions about trade-offs and priorities in the product development, process owned by our Engineering, VP of Marketing and CTO.

From a business perspective, our agreements and production implementations with first US Customers are very important. Inaugural American projects are a critical milestone and the lessons learned will further contribute to future, as our marketing team is working on turning these initial successes into serial sales in US generating revenue of a completely different scale than first projects.

With a third agreement we will sign with an US Customer for production implementation of DataWalk system, we will reach an internal milestone enabling us to officially begin the third chapter of our development. In Chapter one, we tested our engine with free beta customers. Chapter two consisted of proof-points of the business value delivered by usage of early versions the DataWalk system by the first and reference Customers-trendsetters. Chapter three commences the commercialization stage. Because of that our Capital Group has begun the recruitment processes for our first sales and systems engineering staff in the US.

During recent weeks we observed important effects of our summer work:

- 1) Received from TUiR Warta (number 2 in Poland and our first Insurance Customer) written references. Because of the fact that this document includes sensitive business and technical parameters, it can be presented only on demand within a specified target group. Measures included in this reference, based on

first several months of production usage of DataWalk, became a critical sales tool in current discussions with our insurance Prospects.

- 2) Acquiring of the third US patent, a proof point our strategy for creation of a portfolio of intellectual property (IP).
- 3) Filing for approval of our S-1 prospectus to The Polish Financial Supervision Authority Office and executing the process connected with our planned IPO on Main Market of Warsaw Stock Exchange.
- 4) Signing and executing the agreements with PARP and NCBIR for refunding (in form of donation) of some of our costs.

In the context of our finances it is important to mention that we moved from Polish Accounting Standards to International Accounting Standards.

Furthermore, on 21th of August 2018 PiLab S.A. changed its name to DataWalk S.A., thus marking a marketing synchronization of the Company name with the core product and US subsidiary names.

Thank you for putting your trust in us. We invite you to visit our headquarters in Wroclaw and to monitor our growth by tracking our websites and social media profiles.

Yours faithfully,



Paweł Wieczyński
CEO

1. BASIC INFORMATION.

DataWalk S.A.

Company Name:	DataWalk S.A.
Company Address:	ul. Rzeźnicza 32-33, 50-130 Wrocław
Phone:	+48 71 707 21 74
Fax:	+48 71 707 22 73
E-mail:	biuro@datawalk.com
www:	www.datawalk.pl

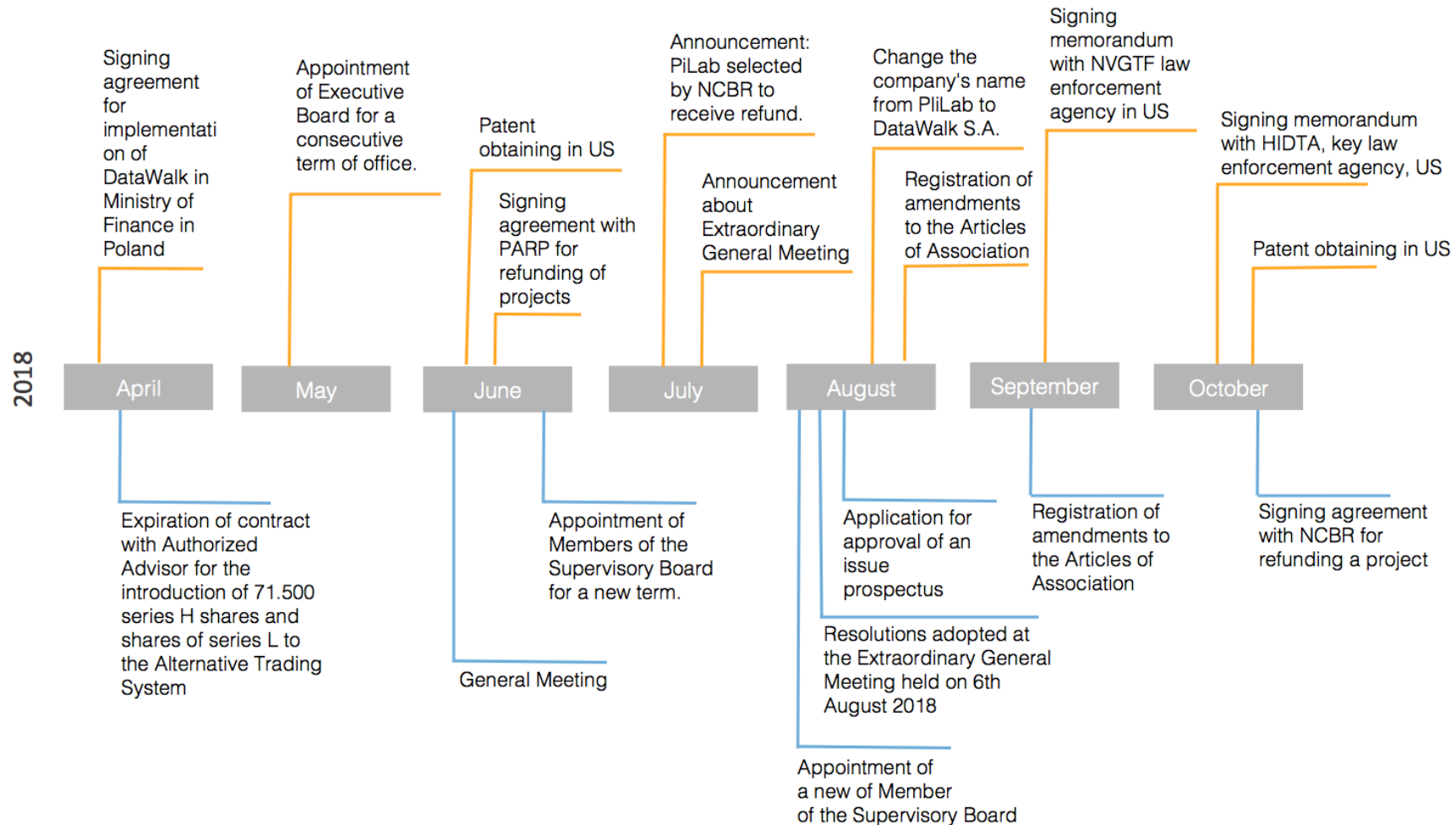
Source: Company.

DataWalk Inc. (US Subsidiary).

Company Name:	DataWalk Inc.
Company Registration Address:	1209 Orange Street, Wilmington, Delaware 19801
Company Address:	2479 East Bayshore Road, Suite 205 Palo Alto, CA 94303
E-mail:	info@datawalk.com
www:	www.datawalk.com

Source: Company.

2. TIMELINE.



Source: Company.

3. FINANCIAL DATA - CONSOLIDATED.

Consolidated statement of financial position

ASSETS		IIIQ 2018 (PLN)	IIIQ 2018 (EUR)	IIIQ 2017 (PLN)	IIIQ 2017 (EUR)
A	Non-current assets	3 765 287,05	881 511,23	2 497 957,71	579 693,60
I.	Fixed assets	137 365,02	32 159,25	213 585,59	49 566,17
II.	Intangible assets	3 447 682,75	807 155,21	2 214 372,12	513 882,74
III.	Financial assets	0,00	0,00	0,00	0,00
IV.	Long-term receivables	172 926,92	40 484,83	70 000,00	16 244,69
V.	Deferred tax assets	7 312,36	1 711,94	0,00	0,00
B	Current assets	16 475 485,92	3 857 162,97	22 434 649,57	5 206 342,29
I.	Inventory	0,00	0,00	0,00	0,00
II.	Trade receivables	2 578 728,87	603 719,83	1 569 382,67	364 201,96
III.	Receivables from income tax	0,00	0,00	0,00	0,00
IV.	Other receivables	889 552,28	208 257,78	951 316,60	220 769,21
V.	Financial assets	0,00	0,00	0,00	0,00
VI.	Prepayments	7 851 268,01	1 838 101,80	14 237 088,11	3 303 958,63
VII.	Cash and cash equivalents	5 155 936,76	1 207 083,57	5 676 862,19	1 317 412,50
TOTAL ASSETS		20 240 772,97	4 738 674,20	24 932 607,28	5 786 035,90

EQUITY AND LIABILITIES		IIIQ 2018 (PLN)	IIIQ 2018 (EUR)	IIIQ 2017 (PLN)	IIIQ 2017 (EUR)
A	Equity	18 222 464,60	4 266 157,37	23 677 361,59	5 494 734,77
I.	Share capital	368 050,00	86 166,13	300 550,00	69 747,74
II.	Other capitals	54 783 203,98	12 825 585,05	32 988 203,98	7 655 474,22
III.	Profit (loss) from previous years	-29 207 666,15	-6 837 960,89	-16 980 083,73	-3 940 517,45
IV.	Net profit (loss) for the current period	-13 320 028,82	-3 118 422,25	-8 194 668,88	-1 901 712,40
V.	Non-controlling interest capital	5 605 200,00	1 312 262,96	15 570 000,00	3 613 283,52
VI.	Foreign exchange translation differences	-6 294,41	-1 473,62	-6 639,77	-1 540,87
B	Long-term liabilities	26 642,83	6 237,49	57 816,10	13 417,21
I.	Other reserves	0,00	0,00	0,00	0,00
II.	Deferred tax liabilities	7 312,36	1 711,94	8 264,00	1 917,80
III.	Other long-term liabilities	19 330,47	4 525,56	49 552,10	11 499,41
C	Short-term liabilities	1 991 665,54	466 279,33	1 197 429,59	277 883,92
I.	Trade liabilities	627 194,40	146 835,79	589 783,21	136 869,23
II.	Income tax liabilities	0,00	0,00	0,00	0,00
III.	Other liabilities	981 873,38	229 871,56	323 939,21	75 175,61
IV.	Other reserves	120 024,82	28 099,64	67 333,02	15 625,77
V.	Prepayments	262 572,94	61 472,34	216 374,15	50 213,30
TOTAL EQUITY AND LIABILITIES		20 240 772,97	4 738 674,20	24 932 607,28	5 786 035,90

Source: Company.

NET ASSET VALUE PER SHARE	IIIQ 2018 (PLN)	IIIQ 2018 (EUR)	IIIQ 2017 (PLN)	IIIQ 2017 (EUR)
Net asset value	18 222 464,60	4 266 157,37	23 677 361,59	5 494 734,77
Number of shares	3 680 500,00	3 680 500,00	3 005 500,00	3 005 500,00
Net asset value per share	4,95	1,16	7,88	1,83
Diluted number of shares	3 860 500,00	3 860 500,00	3 782 817,00	3 005 500,00
Diluted net asset value per share	4,72	1,11	6,26	1,83

Source: Company.

The net asset value attributable to the parent entity per share was calculated in relation to the weighted average number of shares of the parent company for a given period. The number was 3.680.500 as at 09/30/2018, while on 09/30/2017 the number of shares was equal to 3.005.500. The diluted number of shares includes shares intended to be offered as part of the incentive program.

Consolidated profit and loss account with the statement of comprehensive income

PROFIT AND LOSS ACCOUNT		IIIQ 2018 (PLN)	IIIQ 2018 (EUR)	IIIQ 2017 (PLN)	IIIQ 2017 (EUR)	I-IIIQ 2018 (PLN)	I-IIIQ 2018 (EUR)	I-IIIQ 2017 (PLN)	I-IIIQ 2017 (EUR)
A	Revenues from sales	197 710,35	46 177,46	407 079,40	95 220,28	1 179 179,99	277 227,26	1 141 480,28	268 164,35
B	Operating costs	3 296 904,35	770 028,89	2 774 256,32	648 928,61	10 121 690,77	2 379 627,05	7 726 357,62	1 815 128,73
I.	Materials & energy	23 716,15	5 539,17	32 861,93	7 686,76	85 910,96	20 197,82	81 138,48	19 061,61
II.	Employee benefits	1 285 294,69	300 194,95	954 975,52	223 379,12	3 654 128,19	859 091,87	2 676 620,61	628 810,00
III.	Amortisation and depreciation	44 233,35	10 331,19	44 147,28	10 326,53	133 155,05	31 304,98	146 084,86	34 319,25
IV.	External services	1 834 116,66	428 378,46	1 531 492,42	358 232,67	5 158 544,29	1 212 782,71	4 338 005,80	1 019 113,96
V.	Costs of producing benefits for own needs	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
VI.	Other costs	109 543,49	25 585,11	210 779,18	49 303,53	1 089 952,27	256 249,67	484 507,88	113 823,90
C	Profit/Loss on sales	-3 099 194,00	-723 851,42	-2 367 176,92	-553 708,33	-8 942 510,78	-2 102 399,79	-6 584 877,34	-1 546 964,38
I.	Other operating incomes	76 237,00	17 806,00	36 133,24	8 451,96	222 190,01	52 237,26	71 113,97	16 706,58
II.	Other operating costs	1 563 495,33	365 171,82	1 598 655,45	373 942,83	4 714 056,40	1 108 282,83	1 644 910,94	386 433,72
D	Operating profit (loss)	-4 586 452,33	-1 071 217,24	-3 929 699,13	-919 199,20	-13 434 377,17	-3 158 445,36	-8 158 674,31	-1 916 691,52
I.	Financial incomes	25 455,93	5 945,52	41 557,47	9 720,74	172 199,18	40 484,33	147 012,23	34 537,12
II.	Financial costs	0,00	0,00	17 442,46	4 079,98	30 318,04	7 127,82	191 270,80	44 934,64
E	Pre-tax profit (loss)	-4 560 996,40	-1 065 271,72	-3 905 584,12	-913 558,44	-13 292 496,03	-3 125 088,86	-8 202 932,88	-1 927 089,05
I.	Income tax	5 802,22	1 355,17	0,00	0,00	27 532,79	6 473,01	-8 264,00	-1 941,44
Ia.	<i>current</i>	5 802,22	1 355,17	0,00	0,00	27 532,79	6 473,01	0,00	0,00
Ib.	<i>deferred</i>	0,00	0,00	0,00	0,00	0,00	0,00	-8 264,00	-1 941,44
F	Net profit (loss)	-4 566 798,62	-1 066 626,90	-3 905 584,12	-913 558,44	-13 320 028,82	-3 131 561,87	-8 194 668,88	-1 925 147,61

NET PROFIT (LOSS) ATTRIBUTABLE TO:		IIIQ 2018 (PLN)	IIIQ 2018 (EUR)	IIIQ 2017 (PLN)	IIIQ 2017 (EUR)	I-IIIQ 2018 (PLN)	I-IIIQ 2018 (EUR)	I-IIIQ 2017 (PLN)	I-IIIQ 2017 (EUR)
-	shareholders of the parent company	-4 566 798,62	-1 066 626,90	-3 905 584,12	-913 558,44	-13 320 028,82	-3 131 561,87	-8 194 668,88	-1 925 147,61
-	non-controlling interests	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

STATEMENT OF COMPREHENSIVE INCOME		IIIQ 2018 (PLN)	IIIQ 2018 (EUR)	IIIQ 2017 (PLN)	IIIQ 2017 (EUR)	I-IIIQ 2018 (PLN)	I-IIIQ 2018 (EUR)	I-IIIQ 2017 (PLN)	I-IIIQ 2017 (EUR)
A	Net profit (loss)	-4 566 798,62	-1 066 626,90	-3 905 584,12	-913 558,44	-13 320 028,82	-3 131 561,87	-8 194 668,88	-1 925 147,61
B	Other comprehensive income	-13 206,39	-3 084,50	-815,25	-190,70	41 327,81	9 716,24	-43 972,17	-10 330,24
I	Other comprehensive income, which in the future will be able to be reclassified to the result	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
II	Other comprehensive income, which will not be able in the future be reclassified to the result	-13 206,39	-3 084,50	-815,25	-190,70	41 327,81	9 716,24	-43 972,17	-10 330,24
C	Total comprehensive income	-4 580 005,01	-1 069 711,40	-3 906 399,38	-913 749,13	-13 278 701,01	-3 121 845,63	-8 238 641,06	-1 935 477,85

TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		IIIQ 2018 (PLN)	IIIQ 2018 (EUR)	IIIQ 2017 (PLN)	IIIQ 2017 (EUR)	I-IIIQ 2018 (PLN)	I-IIIQ 2018 (EUR)	I-IIIQ 2017 (PLN)	I-IIIQ 2017 (EUR)
-	shareholders of the parent company	-4 580 005,01	-1 069 711,40	-3 906 399,38	-913 749,13	-13 278 701,01	-3 121 845,63	-8 238 641,06	-1 935 477,85
-	non-controlling interests	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

PROFIT (LOSS) PER SHARE ATTRIBUTABLE TO:		IIIQ 2018 (PLN)	IIIQ 2018 (EUR)	IIIQ 2017 (PLN)	IIIQ 2017 (EUR)	I-IIIQ 2018 (PLN)	I-IIIQ 2018 (EUR)	I-IIIQ 2017 (PLN)	I-IIIQ 2017 (EUR)
-	Number of shares	3 680 500,00	3 680 500,00	3 005 500,00	3 005 500,00	3 680 500,00	3 680 500,00	3 005 500,00	3 005 500,00
-	Profit (loss) per share	-1,24	-0,29	-1,30	-0,30	-3,62	-0,85	-2,73	-0,64
-	Diluted number of shares	3 860 500,00	3 860 500,00	3 782 817,00	3 782 817,00	3 860 500,00	3 860 500,00	3 782 817,00	3 782 817,00
-	Diluted profit (loss) per share	-1,18	-0,28	-1,03	-0,24	-3,45	-0,81	-2,17	-0,51

Source: Company.

The net profit (loss) attributable to the parent entity per share was calculated in relation to the weighted average number of shares of the parent company for a given period. The number was 3.680.500 as at 09/30/2018, while on 09/30/2017 the number of shares was equal to 3.005.500. The diluted number of shares includes shares intended to be offered as part of the incentive program.

Consolidated statement of cash flows

CASH FLOW STATEMENT	IIIQ 2018 (PLN)	IIIQ 2018 (EUR)	IIIQ 2017 (PLN)	IIIQ 2017 (EUR)	I-IIIQ 2018 (PLN)	I-IIIQ 2018 (EUR)	I-IIIQ 2017 (PLN)	I-IIIQ 2017 (EUR)
Net cash flows from operating activities								
Net profit (loss)	-4 566 798,62	-1 066 626,90	-3 905 584,12	-913 558,44	-13 320 028,82	-3 131 561,87	-8 194 668,88	-1 925 147,61
Total adjustments:	44 744,50	10 450,58	15 469 649,91	3 618 518,70	-35 233,40	-8 283,43	15 731 892,70	3 695 843,73
Amortisation and depreciation	44 233,35	10 331,19	44 147,28	10 326,53	133 155,05	31 304,98	146 084,86	34 319,25
Foreign exchange gains (losses)	-163,01	-38,07	-43 524,17	-10 180,77	-56 723,47	-13 335,79	138 618,66	32 565,24
Interest and dividends	-5 128,07	-1 197,72	-100 973,20	-23 618,73	-10 309,60	-2 423,80	-106 948,30	-25 125,03
Profit (loss) on investing activities	0,00	0,00	0,00	0,00	-128 888,17	-30 301,83	-15 862,52	-3 726,53
Income tax of current period	5 802,22	1 355,17	0,00	0,00	27 532,79	6 473,01	0,00	0,00
Other net items	0,00	0,00	15 570 000,00	3 641 991,67	0,00	0,00	15 570 000,00	3 657 810,80
Income tax paid	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Net cash flow from operating activities before the change in working capital	-4 522 054,12	-1 056 176,32	11 564 065,79	2 704 960,26	-13 355 262,22	-3 139 845,30	7 537 223,82	1 770 696,12
Change in working capital	1 811 021,69	422 984,37	-14 619 729,53	-3 419 713,12	4 050 681,51	952 322,25	-14 427 887,84	-3 389 498,00
Change in receivables	156 817,02	36 626,37	-836 082,58	-195 568,77	-1 552 783,38	-365 062,06	-498 473,65	-117 104,84
Change in inventories	0,00	0,00	0,00	0,00	591 940,44	139 166,22	0,00	0,00
Change in liabilities due to employee benefits	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Change in provisions	-54 332,86	-12 690,05	15 954,86	3 732,01	15 521,94	3 649,24	5 916,86	1 390,03
Change in short-term liabilities	88 931,39	20 770,92	99 848,81	23 355,72	52 672,60	12 383,42	-21 413,46	-5 030,60
Change in other assets	1 571 758,19	367 101,70	-14 078 099,27	-3 293 019,93	4 785 609,62	1 125 105,12	-14 129 455,88	-3 319 388,33
Change in deferred income	47 847,96	11 175,43	178 648,65	41 787,85	157 720,29	37 080,31	215 538,29	50 635,73
Net cash generated (used) in operating activities	-2 711 032,43	-633 191,95	-3 055 663,74	-714 752,85	-9 304 580,71	-2 187 523,06	-6 890 664,02	-1 618 801,88
Cash flows from investing activities								
Proceeds from sale of property, plant, equipment and intangible assets	0,00	0,00	0,00	0,00	0,00	0,00	15 862,52	3 726,53
Proceeds from sale of shares in related entities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Proceeds from sale of shares in other entities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Proceeds from sale of short-term securities	0,00	0,00	0,00	0,00	10 144 262,72	2 384 933,75	0,00	0,00
Purchases of property, plant and equipment and intangible assets	-487 544,66	-113 871,51	-169 752,42	-39 706,93	-795 469,12	-187 016,17	-772 063,19	-181 378,36
Expenditure on assets related to exploration and evaluation of mineral resources	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

Expenses for purchase of shares in related entities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Expenses for purchase of shares in other entities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Expenses for purchase of short-term securities	0,00	0,00	2 601 432,15	608 503,16	0,00	0,00	2 601 432,15	611 146,22
Paid loans	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Granted loans	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Proceeds from derivative financial instruments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Expenses related to derivative financial instruments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Interest	5 934,77	1 386,13	102 165,96	23 897,72	19 619,17	4 612,50	111 999,11	26 311,60
Proceeds from financial leasing	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other net items	0,00	0,00	0,00	0,00	0,00	0,00	64 126,90	15 065,13
Dividends	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Net cash generated (used) in investing activities	-481 609,89	-112 485,38	2 533 845,69	592 693,96	9 368 412,77	2 202 530,08	2 021 357,49	474 871,11
Cash flows from financing activities								
Proceeds from issuance of shares	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Bank loans and borrowings	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Proceeds from the issue of debt securities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Repayment of bank loans and borrowings	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Purchase of debt securities	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Liabilities resulting from financial lease	-5 595,38	-1 306,86	-8 000,31	-1 871,36	-22 113,72	-5 198,97	-14 574,80	-3 424,01
Proceeds from derivative financial instruments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Expenses related to derivative financial instruments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Dividends	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Interest	-806,70	-188,41	-1 192,76	-279,00	-9 309,57	-2 188,70	-5 050,81	-1 186,57
Other net items	0,00	0,00	-1 588,87	-371,65	351,65	82,67	-1,11	-0,26
Net cash flows from financing activity	-6 402,08	-1 495,28	-10 781,94	-2 522,01	-31 071,64	-7 305,00	-19 626,72	-4 610,84
Total net cash flows	-3 199 044,40	-747 172,60	-532 599,99	-124 580,91	32 760,42	7 702,03	-4 888 933,25	-1 148 541,61
<i>Change in cash due to foreign currency translation</i>	<i>163,01</i>	<i>38,07</i>	<i>43 524,17</i>	<i>10 180,77</i>	<i>56 723,47</i>	<i>13 335,79</i>	<i>-138 618,66</i>	<i>-32 565,24</i>
Opening balance of cash	8 353 170,79	1 950 976,47	6 220 053,54	1 454 937,91	5 121 365,97	1 204 042,02	10 576 386,80	2 484 677,06
Closing balance of cash	5 154 126,39	1 203 803,87	5 687 453,55	1 330 357,00	5 154 126,39	1 211 744,05	5 687 453,55	1 336 135,45

Source: Company.

Consolidated statement of changes in equity (PLN)

STATEMENT OF CHANGES IN EQUITY	SHARE CAPITAL	OTHER CAPITALS	FOREIGN EXCHANGE TRANSLATION DIFFERENCES	NON-CONTROLLING INTEREST CAPITAL	PROFIT (LOSS) FROM PREVIOUS YEARS	NET PROFIT (LOSS) FOR THE CURRENT PERIOD	TOTAL EQUITY
Balance as at 01/01/2018	368 050,00	54 783 203,98	-47 622,22	5 605 200,00	-16 980 083,73	-12 227 582,42	31 501 165,61
<i>Change in accounting policy</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
Balance as at 01/01/2018 adjusted	368 050,00	54 783 203,98	-47 622,22	5 605 200,00	-16 980 083,73	-12 227 582,42	31 501 165,61
Net profit (loss)	0,00	0,00	0,00	0,00	0,00	-13 320 028,82	-13 320 028,82
Foreign exchange translation differences	0,00	0,00	41 327,81	0,00	0,00	0,00	41 327,81
Distribution of profit (loss) for 2017	0,00	0,00	0,00	0,00	-12 227 582,42	12 227 582,42	0,00
Balance as at 09/30/2018	368 050,00	54 783 203,98	-6 294,41	5 605 200,00	-29 207 666,15	-13 320 028,82	18 222 464,60

Source: Company.

STATEMENT OF CHANGES IN EQUITY	SHARE CAPITAL	OTHER CAPITALS	FOREIGN EXCHANGE TRANSLATION DIFFERENCES	NON-CONTROLLING INTEREST CAPITAL	PROFIT (LOSS) FROM PREVIOUS YEARS	NET PROFIT (LOSS) FOR THE CURRENT PERIOD	TOTAL EQUITY
Balance as at 01/01/2017	300 550,00	32 988 203,98	37 332,40	0,00	-9 441 530,93	-7 538 552,80	16 346 002,65
<i>Change in accounting policy</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
Balance as at 01/01/2017 adjusted	300 550,00	32 988 203,98	37 332,40	0,00	-9 441 530,93	-7 538 552,80	16 346 002,65
Net profit (loss)	0,00	0,00	0,00	0,00	0,00	-8 194 668,88	-8 194 668,88
Foreign exchange translation differences	0,00	0,00	-43 972,17	0,00	0,00	0,00	-43 972,17
Share capital increase	0,00	0,00	0,00	15 570 000,00	0,00	0,00	15 570 000,00
Distribution of profit (loss) for 2016	0,00	0,00	0,00	0,00	-7 538 552,80	7 538 552,80	0,00
Balance as at 09/30/2017	300 550,00	32 988 203,98	-6 639,77	15 570 000,00	-16 980 083,73	-8 194 668,88	23 677 361,59

Source: Company.

Consolidated statement of changes in equity (EUR)

STATEMENT OF CHANGES IN EQUITY	SHARE CAPITAL	OTHER CAPITALS	FOREIGN EXCHANGE TRANSLATION DIFFERENCES	NON-CONTROLLING INTEREST CAPITAL	PROFIT (LOSS) FROM PREVIOUS YEARS	NET PROFIT (LOSS) FOR THE CURRENT PERIOD	TOTAL EQUITY
Balance as at 01/01/2018	86 166,13	12 825 585,05	-11 149,09	1 312 262,96	-3 975 297,03	-2 862 663,86	7 374 904,16
<i>Change in accounting policy</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
Balance as at 01/01/2018 adjusted	86 166,13	12 825 585,05	-11 149,09	1 312 262,96	-3 975 297,03	-2 862 663,86	7 374 904,16
Net profit (loss)	0,00	0,00	0,00	0,00	0,00	-3 118 422,25	-3 118 422,25
Foreign exchange translation differences	0,00	0,00	9 675,47	0,00	0,00	0,00	9 675,47
Distribution of profit (loss) for 2017	0,00	0,00	0,00	0,00	-2 862 663,86	2 862 663,86	0,00
Balance as at 09/30/2018	86 166,13	12 825 585,05	-1 473,62	1 312 262,96	-6 837 960,89	-3 118 422,25	4 266 157,37

Source: Company.

STATEMENT OF CHANGES IN EQUITY	SHARE CAPITAL	OTHER CAPITALS	FOREIGN EXCHANGE TRANSLATION DIFFERENCES	NON-CONTROLLING INTEREST CAPITAL	PROFIT (LOSS) FROM PREVIOUS YEARS	NET PROFIT (LOSS) FOR THE CURRENT PERIOD	TOTAL EQUITY
Balance as at 01/01/2017	69 747,74	7 655 474,22	8 663,62	0,00	-2 191 067,96	-1 749 449,49	3 793 368,14
<i>Change in accounting policy</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
Balance as at 01/01/2017 adjusted	69 747,74	7 655 474,22	8 663,62	0,00	-2 191 067,96	-1 749 449,49	3 793 368,14
Net profit (loss)	0,00	0,00	0,00	0,00	0,00	-1 901 712,40	-1 901 712,40
Foreign exchange translation differences	0,00	0,00	-10 204,49	0,00	0,00	0,00	-10 204,49
Share capital increase	0,00	0,00	0,00	3 613 283,52	0,00	0,00	3 613 283,52
Distribution of profit (loss) for 2016	0,00	0,00	0,00	0,00	-1 749 449,49	1 749 449,49	0,00
Balance as at 09/30/2017	69 747,74	7 655 474,22	-1 540,87	3 613 283,52	-3 940 517,45	-1 901 712,40	5 494 734,77

Source: Company.

In the opinion of the Management Board, presented above, the current economic and financial position of the Issuer on a consolidated basis is fair and complete and does not require consideration of additional data.

4. FINANCIAL DATA – SEPARATE ENTITY REPORT.

Separate statement of financial position

ASSETS		IIIQ 2018 (PLN)	IIIQ 2018 (EUR)	IIIQ 2017 (PLN)	IIIQ 2017 (EUR)
A	Non-current assets	4 337 361,46	1 015 442,59	2 882 174,53	668 857,66
I.	Fixed assets	137 365,02	32 159,25	213 585,59	49 566,17
II.	Intangible assets	3 447 682,75	807 155,21	2 214 372,12	513 882,74
III.	Financial assets	572 074,41	133 931,36	384 216,82	89 164,05
IV.	Long-term receivables	172 926,92	40 484,83	70 000,00	16 244,69
V.	Deferred tax assets	7 312,36	1 711,94	0,00	0,00
B	Current assets	15 970 822,74	3 739 013,61	22 129 378,64	5 135 498,98
I.	Inventory	0,00	0,00	0,00	0,00
II.	Trade receivables	2 541 971,19	595 114,29	1 569 378,99	364 201,11
III.	Receivables from income tax	0,00	0,00	0,00	0,00
IV.	Other receivables	889 552,28	208 257,78	951 320,29	220 770,07
V.	Financial assets	0,00	0,00		0,00
VI.	Prepayments	7 832 426,81	1 833 690,78	14 149 670,72	3 283 671,93
VII.	Cash and cash equivalents	4 706 872,46	1 101 950,76	5 459 008,64	1 266 855,87
TOTAL ASSETS		20 308 184,20	4 754 456,20	25 011 553,17	5 804 356,63

EQUITY AND LIABILITIES		IIIQ 2018 (PLN)	IIIQ 2018 (EUR)	IIIQ 2017 (PLN)	IIIQ 2017 (EUR)
A	Equity	18 051 857,56	4 226 215,66	23 565 349,78	5 468 740,52
I.	Share capital	368 050,00	86 166,13	300 550,00	69 747,74
II.	Other capitals	54 783 203,98	12 825 585,05	32 988 203,98	7 655 474,22
III.	Profit (loss) from previous years	-29 363 501,28	-6 874 444,28	-17 009 714,32	-3 947 393,73
IV.	Net profit (loss) for the current period	-13 341 095,14	-3 123 354,20	-8 283 689,88	-1 922 371,23
V.	Non-controlling interest capital	5 605 200,00	1 312 262,96	15 570 000,00	3 613 283,52
B	Long-term liabilities	26 642,83	6 237,49	49 552,10	11 499,41
I.	Other reserves	0,00	0,00	0,00	0,00
II.	Deferred tax liabilities	7 312,36	1 711,94	0,00	0,00
III.	Other long-term liabilities	19 330,47	4 525,56	49 552,10	11 499,41
C	Short-term liabilities	2 229 683,81	522 003,05	1 396 651,29	324 116,70
I.	Trade liabilities	1 475 601,49	345 460,85	845 719,32	196 263,56
II.	Income tax liabilities	0,00	0,00	0,00	0,00
III.	Other liabilities	371 484,56	86 970,21	258 960,80	60 096,26
IV.	Other reserves	120 024,82	28 099,64	75 597,02	17 543,58
V.	Prepayments	262 572,94	61 472,34	216 374,15	50 213,30
TOTAL EQUITY AND LIABILITIES		20 308 184,20	4 754 456,20	25 011 553,17	5 804 356,63

Source: Company.

NET ASSET VALUE PER SHARE	IIIQ 2018 (PLN)	IIIQ 2018 (EUR)	IIIQ 2017 (PLN)	IIIQ 2017 (EUR)
Net asset value	18 051 857,56	4 226 215,66	23 565 349,78	5 468 740,52
Number of shares	3 680 500,00	3 680 500,00	3 005 500,00	3 005 500,00
Net asset value per share	4,90	1,15	7,84	1,82
Diluted number of shares	3 860 500,00	3 860 500,00	3 782 817,00	3 005 500,00
Diluted net asset value per share	4,68	1,09	6,23	1,82

Source: Company.

The net asset value attributable to the parent entity per share was calculated in relation to the weighted average number of shares of the parent company for a given period. The number was 3.680.500 as at 09/30/2018, while on 09/30/2017 the number of shares was equal to 3.005.500. The diluted number of shares includes shares intended to be offered as part of the incentive program.

Separate profit and loss account with the statement of comprehensive income

PROFIT AND LOSS ACCOUNT		IIIQ 2018 (PLN)	IIIQ 2018 (EUR)	IIIQ 2017 (PLN)	IIIQ 2017 (EUR)	I-IIIQ 2018 (PLN)	I-IIIQ 2018 (EUR)	I-IIIQ 2017 (PLN)	I-IIIQ 2017 (EUR)
A	Revenues from sales	197 706,78	46 176,63	407 079,40	95 220,28	1 179 176,42	277 226,42	1 141 480,28	268 164,35
B	Operating costs	3 325 904,33	776 802,16	2 812 627,07	657 903,94	10 205 120,71	2 399 241,57	7 813 790,82	1 835 669,13
I.	Materials & energy	20 119,11	4 699,04	26 300,14	6 151,89	72 977,06	17 157,03	73 092,82	17 171,46
II.	Employee benefits	616 217,48	143 924,48	606 289,84	141 817,76	1 959 313,35	460 637,97	1 812 917,88	425 903,06
III.	Amortisation and depreciation	44 233,35	10 331,19	44 147,28	10 326,53	133 155,05	31 304,98	146 084,86	34 319,25
IV.	External services	2 571 832,06	600 680,14	2 014 453,99	471 202,61	7 187 715,15	1 689 844,29	5 455 432,93	1 281 627,58
V.	Costs of producing benefits for own needs	0	0,00	0,00	0,00	0,00	0,00		0,00
VI.	Other costs	73 502,33	17 167,29	121 435,82	28 405,15	851 960,10	200 297,30	326 262,33	76 647,78
C	Profit/Loss on sales	-3 128 197,55	-730 625,53	-2 405 547,67	-562 683,66	-9 025 944,29	-2 122 015,15	-6 672 310,54	-1 567 504,79
I.	Other operating incomes	76 236,99	17 806,00	36 133,24	8 451,96	222 190,00	52 237,25	71 113,97	16 706,58
II.	Other operating costs	1 563 495,32	365 171,82	1 600 243,25	374 314,23	4 714 056,39	1 108 282,83	1 646 498,74	386 806,74
D	Operating profit (loss)	-4 615 455,88	-1 077 991,35	-3 969 657,68	-928 545,94	-13 517 810,68	-3 178 060,73	-8 247 695,31	-1 937 604,94
I.	Financial incomes	14 816,07	3 460,46	41 557,47	9 720,74	207 033,58	48 673,95	147 012,23	34 537,12
II.	Financial costs	0	0,00	17 442,46	4 079,98	30 318,04	7 127,82	191 270,80	44 934,64
E	Pre-tax profit (loss)	-4 600 639,81	-1 074 530,89	-3 945 542,67	-922 905,17	-13 341 095,14	-3 136 514,60	-8 291 953,88	-1 948 002,47
I.	Income tax	0	0,00	0,00	0,00	0,00	0,00	-8 264,00	-1 941,44
Ia.	<i>current</i>	0	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Ib.	<i>deferred</i>	0	0,00	0,00	0,00	0,00	0,00	-8 264,00	-1 941,44
F	Net profit (loss)	-4 600 639,81	-1 074 530,89	-3 945 542,67	-922 905,17	-13 341 095,14	-3 136 514,60	-8 283 689,88	-1 946 061,03

NET PROFIT (LOSS) ATTRIBUTABLE TO:		IIIQ 2018 (PLN)	IIIQ 2018 (EUR)	IIIQ 2017 (PLN)	IIIQ 2017 (EUR)	I-IIIQ 2018 (PLN)	I-IIIQ 2018 (EUR)	I-IIIQ 2017 (PLN)	I-IIIQ 2017 (EUR)
-	shareholders of the parent company	-4 600 639,81	-1 074 530,89	-3 945 542,67	-922 905,17	-13 341 095,14	-3 136 514,60	-8 283 689,88	-1 946 061,03
-	non-controlling interests	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

STATEMENT OF COMPREHENSIVE INCOME		IIIQ 2018 (PLN)	IIIQ 2018 (EUR)	IIIQ 2017 (PLN)	IIIQ 2017 (EUR)	I-IIIQ 2018 (PLN)	I-IIIQ 2018 (EUR)	I-IIIQ 2017 (PLN)	I-IIIQ 2017 (EUR)
A	Net profit (loss)	-4 600 639,81	-1 074 530,89	-3 945 542,67	-922 905,17	-13 341 095,14	-3 136 514,60	-8 283 689,88	-1 946 061,03
B	Other comprehensive income	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
I	Other comprehensive income, which in the future will be able to be reclassified to the result	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
II	Other comprehensive income, which will not be able in the future be reclassified to the result	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
C	Total comprehensive income	-4 600 639,81	-1 074 530,89	-3 945 542,67	-922 905,17	-13 341 095,14	-3 136 514,60	-8 283 689,88	-1 946 061,03

TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		IIIQ 2018 (PLN)	IIIQ 2018 (EUR)	IIIQ 2017 (PLN)	IIIQ 2017 (EUR)	I-IIIQ 2018 (PLN)	I-IIIQ 2018 (EUR)	I-IIIQ 2017 (PLN)	I-IIIQ 2017 (EUR)
-	shareholders of the parent company	-4 600 639,81	-1 074 530,89	-3 945 542,67	-922 905,17	-13 341 095,14	-3 136 514,60	-8 283 689,88	-1 946 061,03
-	non-controlling interests	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

PROFIT (LOSS) PER SHARE ATTRIBUTABLE TO:		IIIQ 2018 (PLN)	IIIQ 2018 (EUR)	IIIQ 2017 (PLN)	IIIQ 2017 (EUR)	I-IIIQ 2018 (PLN)	I-IIIQ 2018 (EUR)	I-IIIQ 2017 (PLN)	I-IIIQ 2017 (EUR)
-	Number of shares	3 680 500,00	3 680 500,00	3 005 500,00	3 005 500,00	3 680 500,00	3 680 500,00	3 005 500,00	3 005 500,00
-	Profit (loss) per share	-1,25	-0,29	-1,31	-0,31	-3,62	-0,85	-2,76	-0,65
-	Diluted number of shares	3 860 500,00	3 860 500,00	3 782 817,00	3 782 817,00	3 860 500,00	3 860 500,00	3 782 817,00	3 782 817,00
-	Diluted profit (loss) per share	-1,19	-0,28	-1,04	-0,24	-3,46	-0,81	-2,19	-0,51

Source: Company.

The net profit (loss) attributable to the parent entity per share was calculated in relation to the weighted average number of shares of the parent company for a given period. The number was 3.680.500 as at 09/30/2018, while on 09/30/2017 the number of shares was equal to 3.005.500. The diluted number of shares includes shares intended to be offered as part of the incentive program.

Separate statement of cash flows

CASH FLOW STATEMENT	IIIQ 2018 (PLN)	IIIQ 2018 (EUR)	IIIQ 2017 (PLN)	IIIQ 2017 (EUR)	I-IIIQ 2018 (PLN)	I-IIIQ 2018 (EUR)
Net cash flows from operating activities						
Net profit (loss)	-4 600 639,81	-1 074 530,89	-3 945 542,67	-922 905,17	-13 341 095,14	-3 136 514,60
Total adjustments:	38 942,27	9 095,40	15 469 649,91	3 618 518,70	-62 766,19	-14 756,44
Amortisation and depreciation	44 233,35	10 331,19	44 147,28	10 326,53	133 155,05	31 304,98
Foreign exchange gains (losses)	-163,01	-38,07	-43 524,17	-10 180,77	-56 723,47	-13 335,79
Interest and dividends	-5 128,07	-1 197,72	-100 973,20	-23 618,73	-10 309,60	-2 423,80
Profit (loss) on investing activities	0,00	0,00	0,00	0,00	-128 888,17	-30 301,83
Income tax of current period	0,00	0,00	0,00	0,00	0,00	0,00
Other net items	0,00	0,00	15 570 000,00	3 641 991,67	0,00	0,00
Income tax paid	0,00	0,00	0,00	0,00	0,00	0,00
Net cash flow from operating activities before the change in working capital	-4 561 697,54	-1 065 435,48	11 524 107,24	2 695 613,53	-13 403 861,33	-3 151 271,04
Change in working capital	1 483 580,65	346 506,86	-14 494 009,61	-3 390 305,86	4 148 339,43	975 281,79
Change in receivables	156 134,69	36 467,00	-836 082,59	-195 568,78	-1 550 838,70	-364 604,87
Change in inventories	0,00	0,00	0,00	0,00	591 940,44	139 166,22
Change in liabilities due to employee benefits	0,00	0,00	0,00	0,00	0,00	0,00
Change in provisions	-54 332,86	-12 690,05	-12 149,14	-2 841,82	38 150,53	8 969,26
Change in short-term liabilities	-258 761,67	-60 436,68	188 265,86	44 037,42	170 977,29	40 197,06
Change in other assets	1 592 692,53	371 991,16	-14 012 692,39	-3 277 720,55	4 740 389,58	1 114 473,81
Change in deferred income	47 847,96	11 175,43	178 648,65	41 787,85	157 720,29	37 080,31
Net cash generated (used) in operating activities	-3 078 116,89	-718 928,63	-2 969 902,37	-694 692,34	-9 255 521,90	-2 175 989,25
Cash flows from investing activities						
Proceeds from sale of property, plant, equipment and intangible assets	0,00	0,00	0,00	0,00	0,00	0,00
Proceeds from sale of shares in related entities	0,00	0,00	56 630,18	13 246,41	0,00	0,00
Proceeds from sale of shares in other entities	0,00	0,00	0,00	0,00	0,00	0,00
Proceeds from sale of short-term securities	0,00	0,00	0,00	0,00	10 144 262,72	2 384 933,75
Purchases of property, plant and equipment and intangible assets	-487 544,66	-113 871,51	-169 752,42	-39 706,93	-795 469,12	-187 016,17
Expenditure on assets related to exploration and evaluation of mineral resources	0,00	0,00	0,00	0,00	0,00	0,00

Expenses for purchase of shares in related entities	10 639,86	2 485,06	0,00	0,00	-205 770,59	-48 377,02
Expenses for purchase of shares in other entities	0,00	0,00	0,00	0,00	0,00	0,00
Expenses for purchase of short-term securities	0,00	0,00	2 601 432,15	608 503,16	0,00	0,00
Paid loans	0,00	0,00	0,00	0,00	0,00	0,00
Granted loans	0,00	0,00	0,00	0,00	0,00	0,00
Proceeds from derivative financial instruments	0,00	0,00	0,00	0,00	0,00	0,00
Expenses related to derivative financial instruments	0,00	0,00	0,00	0,00	0,00	0,00
Interest	5 934,77	1 386,13	102 165,96	23 897,72	19 619,17	4 612,50
Proceeds from financial leasing	0,00	0,00	0,00	0,00	0,00	0,00
Other net items	0,00	0,00	0,00	0,00	0,00	0,00
Dividends	0,00	0,00	0,00	0,00	0,00	0,00
Net cash generated (used) in investing activities	-470 970,03	-110 000,32	2 590 475,87	605 940,37	9 162 642,18	2 154 153,06
Cash flows from financing activities						
Proceeds from issuance of shares	0,00	0,00	0,00	0,00	0,00	0,00
Bank loans and borrowings	0,00	0,00	0,00	0,00	0,00	0,00
Proceeds from the issue of debt securities	0,00	0,00	0,00	0,00	0,00	0,00
Repayment of bank loans and borrowings	0,00	0,00	0,00	0,00	0,00	0,00
Purchase of debt securities	0,00	0,00	0,00	0,00	0,00	0,00
Liabilities resulting from financial lease	-5 595,38	-1 306,86	-8 000,31	-1 871,36	-22 113,72	-5 198,97
Proceeds from derivative financial instruments	0,00	0,00	0,00	0,00	0,00	0,00
Expenses related to derivative financial instruments	0,00	0,00	0,00	0,00	0,00	0,00
Dividends	0,00	0,00	0,00	0,00	0,00	0,00
Interest	-806,71	-188,42	-1 192,76	-279,00	-9 309,57	-2 188,70
Other net items	0,00	0,00	0,00	0,00	351,65	82,67
Net cash flows from financing activity	-6 402,09	-1 495,28	-9 193,07	-2 150,36	-31 071,64	-7 305,00
Total net cash flows	-3 555 489,01	-830 424,23	-388 619,57	-90 902,33	-123 951,36	-29 141,18
<i>Change in cash due to foreign currency translation</i>	<i>163,01</i>	<i>38,07</i>	<i>43 524,17</i>	<i>10 180,77</i>	<i>56 723,47</i>	<i>13 335,79</i>
Opening balance of cash	8 260 551,01	1 929 344,08	5 858 219,57	1 370 301,02	4 829 013,36	1 135 309,41
Closing balance of cash	4 705 062,00	1 098 919,86	5 469 600,00	1 279 398,69	4 705 062,00	1 106 168,23

Source: Company.

Separate statement of changes in equity (PLN)

STATEMENT OF CHANGES IN EQUITY	SHARE CAPITAL	OTHER CAPITALS	NON-CONTROLLING INTEREST CAPITAL	PROFIT (LOSS) FROM PREVIOUS YEARS	NET PROFIT (LOSS) FOR THE CURRENT PERIOD	TOTAL EQUITY
Balance as at 01/01/2018	368 050,00	54 783 203,98	5 605 200,00	-17 009 714,32	-12 353 786,96	31 392 952,70
<i>Change in accounting policy</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
Balance as at 01/01/2018 adjusted	368 050,00	54 783 203,98	5 605 200,00	-17 009 714,32	-12 353 786,96	31 392 952,70
Net profit (loss)	0,00	0,00	0,00	0,00	-13 341 095,14	-13 341 095,14
Distribution of profit (loss) for 2017	0,00	0,00	0,00	-12 353 786,96	12 353 786,96	0,00
Stan na koniec okresu 30.09.2018	368 050,00	54 783 203,98	5 605 200,00	-29 363 501,28	-13 341 095,14	18 051 857,56

Source: Company.

STATEMENT OF CHANGES IN EQUITY	SHARE CAPITAL	OTHER CAPITALS	NON-CONTROLLING INTEREST CAPITAL	PROFIT (LOSS) FROM PREVIOUS YEARS	NET PROFIT (LOSS) FOR THE CURRENT PERIOD	TOTAL EQUITY
Balance as at 01/01/2017	300 550,00	33 018 733,16	0,00	-9 441 530,93	-7 568 183,39	16 309 568,84
<i>Change in accounting policy</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
Balance as at 01/01/2017 adjusted	300 550,00	33 018 733,16	0,00	-9 441 530,93	-7 568 183,39	16 309 568,84
Net profit (loss)	0,00	0,00	0,00	0,00	-8 283 689,88	-8 283 689,88
Share capital increase	0,00	0,00	15 570 000,00	0,00	0,00	15 570 000,00
Distribution of profit (loss) for 2016	0,00	0,00	0,00	-7 568 183,39	7 568 183,39	0,00
Revaluation of financial assets	0,00	-30 529,18	0,00	0,00	0,00	-30 529,18
Stan na koniec okresu 30.09.2017	300 550,00	32 988 203,98	15 570 000,00	-17 009 714,32	-8 283 689,88	23 565 349,78

Source: Company.

Separate statement of changes in equity (EUR)

STATEMENT OF CHANGES IN EQUITY	SHARE CAPITAL	OTHER CAPITALS	NON-CONTROLLING INTEREST CAPITAL	PROFIT (LOSS) FROM PREVIOUS YEARS	NET PROFIT (LOSS) FOR THE CURRENT PERIOD	TOTAL EQUITY
Balance as at 01/01/2018	86 166,13	12 825 585,05	1 312 262,96	-3 982 234,00	-2 892 210,27	7 349 569,86
<i>Change in accounting policy</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
Balance as at 01/01/2018 adjusted	86 166,13	12 825 585,05	1 312 262,96	-3 982 234,00	-2 892 210,27	7 349 569,86
Net profit (loss)	0,00	0,00	0,00	0,00	-3 123 354,20	-3 123 354,20
Distribution of profit (loss) for 2017	0,00	0,00	0,00	-2 892 210,27	2 892 210,27	0,00
Stan na koniec okresu 30.09.2018	86 166,13	12 825 585,05	1 312 262,96	-6 874 444,27	-3 123 354,20	4 226 215,66

Source: Company.

STATEMENT OF CHANGES IN EQUITY	SHARE CAPITAL	OTHER CAPITALS	NON-CONTROLLING INTEREST CAPITAL	PROFIT (LOSS) FROM PREVIOUS YEARS	NET PROFIT (LOSS) FOR THE CURRENT PERIOD	TOTAL EQUITY
Balance as at 01/01/2017	69 747,74	7 662 559,04	0,00	-2 191 067,96	-1 756 325,77	3 784 913,05
<i>Change in accounting policy</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>	<i>0,00</i>
Balance as at 01/01/2017 adjusted	69 747,74	7 662 559,04	0,00	-2 191 067,96	-1 756 325,77	3 784 913,05
Net profit (loss)	0,00	0,00	0,00	0,00	-1 922 371,23	-1 922 371,23
Share capital increase	0,00	0,00	3 613 283,52	0,00	0,00	3 613 283,52
Distribution of profit (loss) for 2016	0,00	0,00	0,00	-1 756 325,77	1 756 325,77	0,00
Revaluation of financial assets	0,00	-7 084,82	0,00	0,00	0,00	-7 084,82
Stan na koniec okresu 30.09.2017	69 747,74	7 655 474,22	3 613 283,52	-3 947 393,73	-1 922 371,23	5 468 740,52

Source: Company.

In the opinion of the Management Board, presented above, the current economic and financial position of the Issuer on a separated basis is fair and complete and does not require consideration of additional data.

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

Our Company is continuing execution of a strategy aimed to develop a world-class product in the link analytics market. In the US, DataWalk Inc. is working on selling our core product – the DataWalk system - and closing the first 3 customer deals that will mark historical milestones for our Company.

The Capital Group revenue reached PLN 1.179.179,99 over the past three quarters representing an increase of approx. 3,30% I-IIIQ'18/I-IIIQ'17. Revenue generated in the third quarter of 2018 was PLN 197.710,35, which is representing a decrease of 51,43% in comparison with consolidated revenue of the Capital Group reached in the third quarter of 2017.

Revenues reached by the Issuer in the first three quarters of 2018 amounted to PLN 1.179.179,99, which is representing an increase approx. of 3,30% I-IIIQ'18/I-IIIQ'17. Revenue generated in the third quarter of 2018 was PLN 197.710,35, which is representing a decrease of 51,43% in comparison with separate revenue of the DataWalk S.A. reached in the third quarter of 2017.

Lower revenues in the third quarter of 2018 compared to the same period of 2017 is the result of a specificity of implemented projects, which are characterized by a diverse sales cycle, as well as inhomogeneous and incomparable implementation schedules. In connection with the above, as well as due to the early stage of development of both the Company and the Group, as well as the specificity of the sales process, the distribution of revenues is uneven.

Consistent implementation of our business strategy required the Group to incur expenses which significantly affected the financial results. DataWalk Capital Group S.A. recorded a net loss of PLN 13.320.028,82 over the past three quarters of 2018, which is representing an increase of approx. 62,55% I-IIIQ'18/I-IIIQ'17. The loss increase is predominantly a result of the stock incentive program, now included in our financial statements as per IFRS requirements. During the reported period, spending has been controlled within the projected budgets.

The DataWalk S.A. recorded a net loss of PLN 4.600.639,82, which is 16.60% higher than the net loss for the third quarter of 2017. This translates into net loss of PLN 13.341.095,14 over the past three quarters of 2018, which is representing an increase of 61,05% in comparison with a net loss of the DataWalk S.A. reached in the three quarters of 2017.

The incurred costs related to the implementation of the main business objectives and the change in the adopted accounting policy (transition to IFRS) were significant for the financial result (net loss) of both the DataWalk Capital Group S.A. and the Issuer in the discussed period. In addition to the increase in operating expenses, a significant impact on the level of net loss was the cost of the incentive program, which in the discussed period was PLN 4.671.000,00, while in the third quarter of 2017 it amounted to PLN 1.557.000,00. All the expenses incurred by DataWalk S.A. and DataWalk Inc. in the discussed period were controlled and the loss recorded is related to the current stage of business development.

The net cash flows from operating activities as at the end of the third quarter of 2018 and the third quarter of 2017 were affected by the settlement of the incentive program (costs of the period). The details of the incentive program are governed by the Company's Articles of Association.

The sum of net cash flows from investment activities as at the end of the third quarter of 2018 was affected by the redemption of units held in the open-end corporate-type debt investment fund (PLN). As at September 30, 2018, the Issuer doesn't have participation units in investment funds.

On 14th of September 2018 the Issuer's subsidiary, DataWalk Inc. concluded a memorandum of understanding with The Northern Virginia Gang Task Force a key law enforcement agency in the US state of Virginia, confirming intent to execute sale and implementation of a perpetual license of the DataWalk analytical platform („System”). Signing this memorandum is an important milestone for the DataWalk's Capital Group, as it is expected to lead to the first production installation of System in the United States of America. Therefore, Company's Capital Group

is achieving vital milestone of the strategy concentrated around building a portfolio of first references for the DataWalk product in law enforcement and public security applications in the USA.

In the third quarter of 2018, DataWalk S.A. also continued research and development work aimed at developing a mature enterprise-class software that is recognizable in the world.

On 6th of August 2018, an Extraordinary General Meeting of the Company was held, which took many decisions crucial for the Company and adopted resolutions, among others regarding:

- applying to introduce existing shares series B, C, D, E, F, G, H, I, J, K, L to the trading on the Main Market of Warsaw Stock Exchange;
- preparation of separate financial statements in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS);
- preparation of consolidated financial statements in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS);
- increase of the share capital by the amount not greater than PLN 135.000,00 through public offering of no more than 1.350.000 ordinary bearer shares series M with exclusion of subscription rights to the existing investors; change of § 6 point 1 Articles of Association of the Company connected with increase of the share capital; Dematerialization of ordinary bearer shares series M and allotment certificates for shares series M and applying to introduce these shares and their allotment certificates to the trading on the Main Market of Warsaw Stock Exchange.

Moreover, on 6th of August 2018, basing on resolution number 4, the Extraordinary General Meeting appointed Mr Wojciech Kowalski as a new Member of the Supervisory Board, within current 3 year term.

The Supervisory Board of DataWalk S.A. thus comprises of the following members:

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

Shortly after the end of the discussed period, on 5th October 2018, a subsidiary of the Issuer DataWalk Inc. concluded a memorandum of understanding with Liberty Mid Atlantic High Intensity Drug Trafficking Area a key law enforcement agency operating in Pennsylvania, New Jersey and Delaware, confirming intent to execute sale and an implementation of a one-year license of the DataWalk analytical platform. Signing this memorandum is another important milestone for the Capital Group.

6. NOTES TO FINANCIAL DATA.

The following exchange rates were applied:

EUR:

FROM	TO	FOR BALANCE SHEET	FOR PROFIT AND LOSS	FOR CASH FLOW
07/01/2018	09/30/2018	4,2714	4,2815	4,2815
07/01/2017	09/30/2018	4,3091	4,2751	4,2751
01/01/2018	09/30/2018	4,2714	4,2535	4,2535
01/01/2017	09/30/2018	4,3091	4,2566	4,2566

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.