



ZAAWANSOWANE TECHNOLOGIE INFORMATYCZNE

***Semi-Annual Report  
on Issuer's Activity  
Talex S.A. in Poznan***

***September 2022***

## Company Information

Company Name :	TALEX Spółka Akcyjna
Registered Office :	61 – 619 Poznań, ul Karpia 27D
Phone Number :	(061) 8 275 500
Fax :	(061) 8 275 599
Taxpayer Registration Number :	782 – 00 – 21 - 045
Company Registration Number:	004772751
NACE :	5184

## Branches

At present, the Company has fourteen branches, including one foreign branch headquartered in the Czech Republic.

Branches in Poland:

- Talex Białystok, ul. Ogrodowa 31;
- Talex Gdynia, ul. Chwarzniewska 170b;
- Talex Katowice, Al. W. Roździeńskiego 91;
- Talex Kraków, ul. Cystersów 20A;
- Talex Lublin, ul. Jana Sawy 2;
- Talex Łódź, ul. Piotrowska 276;
- Talex Rzeszów, ul. Powstańców Listopadowych 3;
- Talex Szczecin, ul. Pomorska 53;
- Talex Warszawa, ul. Olbrachta 94;
- Talex Wrocław, ul. Bierutowska 57/59;

## Field of activity

The joint-stock company TALEX S.A. (previously the limited liability company TALEX Sp. z o.o.) has been a provider of technologically advanced IT services for small and medium-size businesses since 1990.

The Company's activity focuses on three main areas: integration of ICT systems, IT outsourcing and software development.

The integration of ICT systems includes a large number of services. The Company tries to provide its clients with a full range of services, starting with preliminary analyses and expert consultation, project design and management services, development and introduction of integration procedures, system configuration and tuning, ending with the organisation of staff training programs, whose focus are the products and services offered by the Company. Such an extensive offer guarantees the integrity of the customers' IT systems as well as high quality, reliability and adherence to the basic security standards.

The platforms covered by the integration services offered are Intel/RISC, i5/OS, Windows and Linux. The services include, among other things, consolidation and virtualisation, high-availability solutions (clusters), recovery services (recovery centers, data replication, backup) as well as information security solutions - preventing and reacting to unauthorized intrusions into ICT networks and building private virtual networks. The Company also provides network integration services, including DWDM, IP telephony, structural wiring, network monitoring, etc.

The outsourcing offer focuses on two main areas – Data Center services and services guaranteeing continuity of business processes. Talex S.A. provides its customers with the access to its own Data Center. These services are offered in a few models, such as colocation, lease of dedicated IT infrastructure, cloud computing, and provision of access to complete business applications. At the customer's request, IT infrastructure and

application software can be monitored 24/7. Talex S.A. has two centers of data processing – Data Center in Poznan and in Wroclaw. Data Center in Poznan has an area of over 2200 m<sup>2</sup>, and the DC in Wroclaw has an area of 800 m<sup>2</sup> at its disposal. Currently, Talex S.A., as the only company in Poland, can offer its customers Data Center services certified in accordance with the European standard EN 50600, both in Poznan and Wroclaw.

As part of business continuity services, Talex S.A. provides its customers with Data Center backup services, backup offices covering office space equipped with the necessary IT infrastructure, integrated with the customer's systems, and the Network Operation Center services 24 hours a day that monitors teletransmission networks, IT devices and applications.

The company provides Contact Center services in the scope of recording and handling incidents and HelpDesk services in the area of supported IT technologies. These services are certified in accordance with the requirements of EN 15838:2009. The company also provides services in the scope of installation, relocation, changes and removal of IT hardware and software, including mass replacement of ICT infrastructure at large customers, especially those with branches scattered throughout the country, and failure removal services in the customer's IT environments. The management of maintenance services in Talex S.A. is certified for compliance with the requirements of the ISO 20000-1:2011 standard.

The software production services include custom-made software, developing modules extending the existing applications, tuning the applications to the specific needs of customers or developing codes used in integration processes. Software produced by the Company is used in financial institutions, state-owned enterprises as well as large industrial companies.

TALEX S.A. is a partner of many leading hardware and software manufacturers. The Company's employees have attended training courses and passed exams, which is confirmed by obtained certificates. Procedures of all the activities of the Company are compliant with the quality management system, defined by the ISO 9001:2000 standard. Given its specific business profile and the importance of its customers, the Company also obtained the ISO 27001:2005 certification, which confirms that the procedures followed by the Company guarantee full security of customers' data, and also the ISO 20000-1:2011 certificate confirming that the management of IT services, in particular the services provided by the Company in the scope of installation, relocation, expansion, changes, removal of hardware and software, and removal of hardware and software for the Company's business partners, complies with this international standard.

### **IT market and perspectives of development for the Company**

Market experts indicated in the first months of 2022 that the current year should bring a significant economic recovery after a noticeably weaker years of 2020 and 2021. Gartner experts indicate that the year 2022 should primarily bring significant growth in the software segment, at the level of nearly 11.5% (the estimates for the year 2021 pointed to an increase at the level of 9%). Similar estimates concern the growth in the IT hardware market, at close to 15% (in relation to 8% estimated for the year 2021). Whereas, growths in the segments of data center services and IT services are estimated at around 5% each. The presented estimations were given with great caution by analysts who expected higher growth dynamics in 2022 resulting most of all from the calming of the situation regarding COVID-19 pandemic. Still, the analysts emphasize that one of the conditions for the forecasted growing trends to be achieved is a stabilization on the market of semi-conductor manufacture. In the Company's assessment, the given

forecasts may concern the second half of 2022 due to the fact that market observations in the first six months of this year do not confirm the forecasted significant change of the economic situation.

The indicated estimates were presented in the period preceding the military conflict on the territory of Ukraine. Experts are cautious about the real impact of the ongoing war on the future economic situation, in particular in Europe and in Poland. On the one hand, the current geopolitical situation prompts the search for solutions to ensure a high level of security of IT solutions, while on the other hand, companies are naturally cautious about spending money on investments. Experts also emphasize that the two-year pandemic period has halted the processes of upgrading IT infrastructure, which in the near future should bring a marked increase in demand in this sector.

Market experts also point out that the shift towards IT services is perceived by companies as one of the most significant methods of cost optimization. This is particularly important in a period of forecasted economic slowdown and cost-cutting pressure on companies related to it.

IT market experts also forecast an increase in revenues generated by implementations of blockchain technology, development of the Internet of Things solutions, as well as significant progress in the field of analysis of large data streams using algorithms, machine learning and artificial intelligence.

According to PMR, one of the most important trends in IT outsourcing in Poland in the coming years will be the increase in popularity and use of cloud services. Cloud storage, mobility and the Internet of Things have for years been described as breakthrough technologies. For the current generation, cloud storage and mobile solutions are completely natural. Everything points to the fact that Software as a Service becomes a model so ubiquitous that soon any software will be delivered through the cloud, regardless of its purpose and functionality.

The departure from the maintenance of private Data Centers is also a significant direction of developments in the market. Gartner's estimates indicate that already in the next 5 years approx. 80% of companies in the world will eliminate their own Data Centers and will search for the necessary space and computing power for their data in professional Data Centers. This direction is dictated not only by economic and technological aspects, but also to ensure the security of stored and processed data.

The Company intends to consistently continue to focus its activities on: outsourcing, integration services in the field of information technology and software production. Treating outsourcing services as one of the strategic directions of development, the Company is consistently, for several years, developing the necessary skills and technical infrastructure.

Factors affecting the results achieved by the Company in the next quarter include primarily the implementation of contracts with regular, long-term customers of the Company, in particular with the clients from banking and financial sectors such as Santander Bank Polska S.A., Credit Agricole Bank Polska S.A., and PKO Bank Polski S.A. as well as with the clients from other sectors, including Grupa Allegro Sp. Z o.o., Eurocash S.A., and Volkswagen Group Polska Sp. Z o.o.

In the coming years the market of cloud services shall be more focused on applications available in the cloud rather than on the infrastructure itself. Surely, we will face the optimization of the costs of cloud operation and the use of cloud by the companies. It is necessary to better manage the performance and monitor costs. The cloud is a normal business product and has to meet the criteria of the product to be offered, among others,

to banks, which means it has to be governed by the specific licensing legislation, be effective and have a determined price.

At the same time, the Company pays particular attention to the sanitary and epidemiological situation related to the coronavirus COVID-19 pandemic, both in Poland and abroad. In the opinion of the Company, the impact of the pandemic on the Company's market environment is noticeable. In the current year the Company has noted changes in the purchase decisions of its customers, in particular a decrease in the volume of orders. The Company's ongoing and undisturbed operation is possible, inter alia, through the provision of means of communication for remote work, without prejudice to safety standards. Moreover, the Company's activities, with special regard to services, are carried out using fully redundant, two independent Data Centers located in Poznan and Wroclaw. In the Company's opinion, due to the atypical situation related to the COVID-19 pandemic and a very wide geographical area affected, it is currently difficult to predict how this situation will affect the economic condition and future business decisions of the Company's customers and the market. Still, with regard to the functioning of the Company itself, it should be emphasized that a significant part of its revenues comes from long-term IT outsourcing contracts, which significantly affects the stability of the Company's operations.

An important aspect for the Company's operations is the fact that Talex S.A. is not currently conducting any business activities on the Ukrainian market or with entities substantially engaged in Ukraine. Likewise, the Company is neither directly nor indirectly engaged on the Russian or Belarusian markets. The Management Board of Talex keeps a close eye on the existing situation and its development, taking into account its possible impact on the economic relations of the Company with its Clients.

### **Expenditures on fixed asset of the Company in the first half of 2022**

In the first half of 2022, the Company incurred a total expenditure on tangible fixed assets and intangible assets in the amount of PLN 900 thousand.

<b>SPECIFICATION</b>	<b>Expenditures incurred in the first half of 2022 (PLN in thds)</b>
Modernisation of the Company's buildings	132
Investments in rented properties	43
Purchase of technical equipment and machinery	812
Purchase of technical equipment and machinery – covered by finance leases	124
Purchase of other fixed assets	190
Purchase of means of transport from lease	1
Intangible assets (software)	23
<b>TOTAL</b>	<b>1,325</b>

The Company incurred the largest expenditures on the purchase of technical equipment and machinery.

### **Plans for increase and maintenance of tangible fixed assets in the second half of 2022**

Plans for the second half of 2022 include further expenditures for the renewal and supplementation of technical equipment necessary for the provision of IT services.

Specification:

- Purchase of technical equipment and machinery PLN 700 thousand
- Investments in rented properties PLN 50 thousand
- Other fixed assets PLN 100 thousand
- Intangible assets PLN 50 thousand

**TOTAL****PLN 900 thousand****Basic economic and financial data, disclosed in the semi-annual financial report**Sales and profit in the first six months of 2022

In the first six months of 2022, the Company recorded the sales revenues of PLN 37,013 thousand, with the net profit of PLN 1,255 thousand (in the first half of 2021 the sales revenues were equal to PLN 36,143 thousand and the net loss of PLN 3,608 thousand).

SPECIFICATION	First six months of 2022 (PLN in thds)	First six months of 2021 (PLN in thds)	Fluctuation
Revenues from sales of products	25,410	24,229	104.9%
Revenues from sales of goods and materials	11,603	11,916	97.4%

In the reporting period, the revenues from sales were higher by 2.45% than the revenues in the last year. The Company achieved higher revenues from sales of services by almost 5% and a slightly (2.5 %) lower revenues from sales of products.

In the analysed period the share of services in sales revenues constituted 68.7%; in the comparable period of the first half of 2021 it accounted for approximately 67% of total sales revenues. The margin on the sale of those services decreased to the level of 19%, and in the first half of 2021 year and was equal to 19%.

Revenues from sales of goods and materials accounted for 31.3% of total sales revenues (in the first half of 2021 they accounted for 33%), with the profitability of over 12% (11% in 2021).

SPECIFICATION	First six months of 2022 (PLN in thds)	First six months of 2021 (PLN in thds)	Fluctuation
<b>Net revenues from sales</b>	<b>37,013</b>	<b>36,145</b>	<b>2.4%</b>
Gross profit from sales of products	3,869	4,614	-16.1%
Gross profit from sales of goods and materials	1,407	1,281	9.8%
<b>Gross profit (loss) from sales</b>	<b>5,276</b>	<b>5,895</b>	<b>-10.5%</b>
Costs of sales	2,268	2,576	-12.0%
General management costs	6,763	6,985	-3.2%
Profit (loss) from sales	-3,755	-3,666	2.4%
Profit (loss) from operating activities	1,710	-3,371	-150.7%
Gross profit (loss)	1,619	-3,487	-146.4%
<b>Net profit (loss)</b>	<b>1,255</b>	<b>-3,608</b>	<b>-134.8%</b>

Sales revenues in the first half of 2022 increased by 2.4% compared to the first half of 2021; similarly, the margin on sales decreased from 16% to 14%. In consequence, the Company achieved lower gross profit on sales than in the corresponding period of 2021. Due to the lower number of orders recorded by the Company in the reviewed period, despite the reduction in the cost of sales as well as general and administrative expenses, the loss on sales in the first half of 2022 is higher than in the same period last year.

### Company assets

The value of fixed assets as at 30.06.2022 amounted to PLN 61,803 thousand and increased by 6.5% compared to the value at the end of the first half of 2021. The growth in value was influenced mainly by the revaluation of long-term investments.

	ASSETS	30.06.2022 (PLN in thds)		30.06.2021 (PLN in thds)	
		(PLN thds)	% of share	(PLN thds)	% of share
<b>I</b>	<b>FIXED ASSETS</b>	<b>61,803</b>	<b>83.5%</b>	<b>58,013</b>	<b>80.5%</b>
<b>1.</b>	Intangible assets	444	0.6%	416	0.6%
<b>2.</b>	Tangible fixed assets	54,641	73.8%	57,228	79.4%
<b>3.</b>	Long-term receivables	-	-	-	-
<b>4.</b>	Long-term investments	5,696	-	-	-
<b>5.</b>	Long-term prepayments and accrued income	1,022	1.4%	369	0.5%

The value of current assets as at 30.06.2022 amounted to PLN 12,219 thousand and was lower in comparison to the value at 30.06.2021. The greatest share in the current assets constituted short-term receivables. The Company collected on the bank account the amount of PLN 2,055 thousand, the amount slightly lower than the one in the analogous period in 2021.

	ASSETS	30.06.2022 (PLN in thds)		30.06.2021 (PLN in thds)	
		(PLN thds)	% of share	(PLN thds)	% of share
<b>II</b>	<b>CURRENT ASSETS</b>	<b>12,219</b>	<b>16.5%</b>	<b>14,025</b>	<b>19.5%</b>
<b>1.</b>	Inventories	901	1.2%	795	1.1%
<b>2.</b>	Short-term receivables	8,388	11.3%	9,642	13.4%
<b>3.</b>	Short-term investments	2,055	2.8%	2,660	3.7%
<b>4.</b>	Short-term prepayments and accrued income	875	1.2%	928	1.3%

Current assets constituted about 16.5% of the total assets of the Company as at the end of the first half 2021 (in 2021 it was equal to 21%). This ratio indicates the potential of the company. The higher this part of the index, the higher the liquidity of the Company. Current assets compared to tangible current assets are much more easily converted into cash.

### Overall financial condition

## Selected financial ratios.

Profitability ratios	1st half of 2022	1st half of 2021	Desired quantities
<b>Return on sales (ROS)</b> Net profit/sale value *100 (%)	3.39%	-9.98%	positive rising
<b>Return on assets (ROA)</b> Net profit/sale value *100 (%)	1.70%	-5.01%	positive rising
<b>Return on equity (ROE)</b> Net profit/own equity *100(%)	2.48%	-7.12%	positive rising
<b>Adjusted return on assets</b> Net profit + (financial costs – income tax of the finance costs)/ assets*100(%)	1.91%	-4.84%	positive rising
<b>Leverage</b> Profitability of equity – profitability of assets	0.79%	-2.11%	positive rising

The return on sales (ROS) informs about the amount of profit margin in the percentage of sales after deduction of costs and taxes. A higher level of this ratio indicates a more favorable financial condition of the company.

The return on assets (ROA) shows the ability of the entity to generate profit. The higher the level of return on assets, the better the company's financial situation

The return on equity (ROE) indicates the size of the net profit per unit of capital invested in the company. The higher the efficiency of the equity, the better the financial situation of the Company, and the possibility of paying higher dividends.

Leverage indicates whether the operating profit generated by foreign capital is higher than the interests that is whether the company earns money for itself due to the external funding.

Positive leverage occurs when the profitability of the whole capital (equity and foreign) of the company, calculated as the relation between the operating profit and total capital, is higher than the interest rate on debt (foreign capital).

The net profit generated in the first half of 2022 resulted in the improvement of the profitability ratios.

Liquidity ratios	1st half of 2022	1st half of 2021	Desired quantities
<b>Financial liquidity ratio I</b> Current assets / short-term liabilities	0.83	1.15	1.2 – 1.8
<b>Financial liquidity ratio II</b> (current assets- inventories )/short-term liabilities	0.77	1.08	0,8 -1.0
<b>Financial liquidity ratio I</b> short-term investments/ short-term liabilities	0.14	0.22	Min. 0.3

In the first half of 2022 the values of liquidity ratios slightly increased. The cash balance is sufficient for the current payment of liabilities. In order to ensure liquidity , the Company additionally uses credit lines in current accounts. The Company pays its obligations to employees, contractors and the state budget on an ongoing, timely basis.



Debt ratios	1st half of 2022	1st half of 2021	Desired quantities
<b>Overall debt ratio</b> Liabilities and provisions for liabilities/total assets	0.23	0.21	Max 0.5
<b>Long-term debt ratio</b> Long-term liabilities/equity capital	0.04	0.06	Max 0.5-1

Total debt ratio increased at the end of the first half of 2022 compared to the previous year but has been still at the safe level.

The deadlines for the repayment of receivables and the maturity of short-term liabilities allow the Company to maintain its liquidity at a safe level. If necessary, the Company may mobilize funds from current credit lines.

The long-term debt results from the car fleet lease agreements and IT equipment agreements.

Management performance indicators	1st half of 2022	1st half of 2021	Desired quantities
<b>Receivables turnover ratio</b> Net sales revenues /average receivables	4.55	2.67	7-10
<b>Inventory Cycle</b> Average inventory cycle/ cost of sales *360	5.14	5.43	decreasing
<b>Receivables Cycle</b> Average receivables /cost of sales * 360	39.60	67.50	decreasing
<b>Duration of receivables in days</b> Average trade receivables /cost of sales*180	38.69	42.03	average maturity date
<b>Conversion period of working capital into cash</b> Receivables cycle + inventories cycle (in days)	44.74	72.93	decreasing

The low level of receivables turnover ratio, that is below the value of 7, indicates that the level of debt is high, meaning that the company is crediting its customers excessively, which in practice means a long-term freezing of funds in receivables. In the first half of 2022 the Company managed to raise the value of this ratio to the desired optimum level in comparison to the first half of the previous year.

The inventory cycle indicates the average number of days that have passed since the introduction of inventory to the warehouse up to its leave. The shorter time for the equity in the asset, the better.

The receivables cycle decreased in relation to the data in the first half of 2021, indicating that the waiting time for repayment of debts has reduced. This ratio slightly exceeds the deadlines described in the terms of sale. The Company monitors the status of receivables repayment on an ongoing basis. In the reported period, no significant delays in the repayment of receivables were noted.

At the same time, similarly, the duration time of receivables in days was reduced from 42 days in the first half of 2021 to 39 days in the first half of 2022. The extension of the payments period is commonly used as a form of interest-free credit, which is particularly useful in case where the Company give credits to its customers, determining the extended payments terms.

The analysis of these indicators shows the good overall efficiency of the Company's operations in the first half of 2022. Talex has proper financial liquidity and the profitability and turnover ratios also remain at a good level.

## Financial standing

The Company's shareholders' equity as at 30.06.2022 amounted to PLN 50,592 thousand, which comprised

• share capital (3,000,092 shares)	PLN	3,000 thousand
• reserve capital	PLN	46,337 thousand
• net profit/loss for the first half of 2022	PLN	1,255 thousand

The Company's standing, in terms of payments, was relatively good in the first six months of 2022. The increase in energy costs caused by the Russian aggression against Ukraine, as well as rapidly rising inflation, increase the cost of business operation, but the Company has managed to maintain its current liquidity and has not experienced significant difficulties in making timely payments in respect of taxes, social security as well as to employees and suppliers. The amount of the cash at hand and in the bank accounts of the Company decreased in comparison to the previous year, in order to maintain liquidity, the Company uses working capital loans.

Total liabilities as at 30.06.2022 amounted to PLN 16,890 thousand, which comprised over 33% of shareholders' equity, with the fact that the amount of liabilities includes long-term lease agreements.

The Company uses working capital loans and at the date of 30.06.2022 the amount of short-term liabilities on this account amounted to PLN 4.5 million.

The Company will continue to finance its activity through the shareholders' equity. Current liabilities will be paid with the Company's current receivables.

## Information on buying treasury shares

As at the day of 30 June 2022 the Company did not hold any own shares.

## Financial risk management

The Company partially finances its current operations using bank loans. Liabilities on account of credits are subject to interest based on variable interest rates. The Company is exposed to the risk of interest rate changes. A potential increase in interest rates may cause an increase in financial costs, which will have a negative impact on the financial results achieved by the Company. The Company monitors the level of interest rates on a current basis.

The risk related to changes in foreign currency exchange rates against the Polish zloty for Talex was low in the analyzed period. Although the Company did not use the services of financing entities, hedging against foreign exchange risk, it also did not make any significant purchase or sale of currency. The majority of payments of liabilities in foreign currencies was made by the Company from receivables received from the recipient in that currency. In the first half of 2022, payments in foreign currencies accounted for 23% of all payments, and the Company recorded a p of PLN 62 thousand on financing activities in the area of foreign exchange differences.

## Employment

On 30.06.2022, the Company had 270 employees. The average employment in the first half of 2022 expressed in full-time jobs equalled 276,25.

## Significant risk factors and threats

Risk associated with economic situation

The constant economic and political changes may constitute a source of both threats and opportunities for businesses in Poland. The elements of the country's economic policy most significant for business are employment costs, taxes and investment policy. The key macroeconomic factors include the level of GDP, investment, inflation and exchange rates – especially USD and EUR. The poor state of the economy, and so, poor state of businesses, may result in the decrease of investments, including ICT solutions. Lower demand for such products may cause shrinkage of the market and increased competition resulting in reduction of prices. This may influence the reduction of sales profitability and in longer term also the liquidity of companies operating in this sector.

Risk associated with competition

The Company operates in a sector, where one needs to face intense competition, both from domestic businesses, which have been operating on the market for years, as well as new businesses. The growing number of the latter is a result of, among other things, open borders and the influx of foreign businesses operating in the same sector. Those businesses try to take over part of the market by taking over small domestic companies. Another significant threat is the growing tendency to provide direct services by global suppliers of computing solutions, who, so far, have operated in Poland through domestic integrators. The strengthened position of the rival businesses may weaken that of the Company. The Company's activities which are to minimize the above risks involve constant expanding of the offer by the newest technological solutions, raising the qualifications of the staff as well as providing services, whose standard guarantees that the Company is perceived as professional, experienced and reliable.

Risk associated with supplier dependence

The Company has signed partnership agreements with numerous global IT corporations. In most cases, those corporations offer solutions similar in quality, function and price. The Company also cooperates with many domestic distributors of IT products. As a result, most of the solutions offered by the Company may be based on alternative products provided by different suppliers. However, part of the company's offer is based on products that are unique. The need to use particular manufacturer's products may sometimes be determined by specific requirements of a client. If the Company ceased to cooperate with particular corporations in the IT sector, it could lose the opportunity to sign certain agreements.

Risk associated with large customer dependence

According to the strategy of the Company's commercial operations, large part of the Company's activities is based on regular, long-standing and extensive IT services provided to large businesses. The strategy involves unquestionable benefits but also the risk that, in case of losing certain important customers, the Company will face a temporary reduction of revenues or even the need to reorganize certain areas of its activity. To minimize this risk, the Company tries to increase the number of its key customers and generate part of its revenues by cooperating with many small contractors.

The risk associated with providing solutions and services of crucial importance for the customers' business activities

The Company's customers deem a considerable number of the solutions and services provided by Talex highly important for business processes. Any defects in the solutions provided by the Company or inappropriate implementation of the services offered may lead to considerable losses on the part of the customer or, in some cases, make it impossible for the customer to conduct their basic business activities. In such cases, the Company may have to pay the financial penalty and damages specified in the agreements and lose some of its customers. To minimize this risk, the Company includes

provisions of its limited liability in the agreements and signs insurance agreements with insurance companies.

#### The risk associated with losing key employees

Given the open job market in the countries of Western Europe as well as the growing demand for the ICT experts in the foreign businesses operating in Poland, the Company may lose many of its highly qualified employees. If the Company lacked employees with specialist qualifications, it could lose some of its certificates and entitlements. Also, the standard of the services provided by the Company could fall. Therefore, the Company offers a variety of incentives, both financial and non-financial, for example, specialist training courses on the newest information technologies, where employees can improve their qualifications. As a result, the Company has not marked any significant loss of its indispensable experts for the last couple of years.

#### **Basic products, goods and services**

The sales of products and goods comprised 31% of total sales in the first six months of 2022. Their dynamics of this group equalled 97.4%. Revenues from the sale of services amounted to over PLN 24 million, which represents 104.9% of revenues from the sale of services in the first half of last year.

<b>SPECIFICATION</b>	<b>First six months of 2022 (PLN in thds)</b>	<b>First six months of 2021 (PLN in thds)</b>	<b>Fluctuation</b>
Revenues from sales of products	25,410	24,229	104.9%
Revenues from sales of goods and materials	11,603	11,916	97.4%

Data Center services constituted the largest share in the sale of services (45.4%), where an increased sale volume was observed as compared to last year's. Subsequently, installation and maintenance of IT environment services (30.5%), software related services (11.1%), and outsourcing of IT services including the services of Service Desk, Backup Office and IT infrastructure monitoring (12.3%). In subsequent years the Company will further develop the sale of Data Center services but also the services related to broadly understood services of applications and IT equipment as well as installation and configuration of IT equipment which is the result of the agreements signed by Talex for this kind of services.

<b>SPECIFICATION</b>	<b>First six months of 2022 (PLN in thds)</b>	<b>First six months of 2021 (PLN in thds)</b>	<b>Fluctuation</b>
Data Center services	11,543	7,660	150.7%
Installation and maintenance of IT environment services	7,744	8,511	91.0%
Software related services	2,826	3,359	84.1%
Outsourcing of IT services	2,406	2,988	80.5%

IT integration	810	1,546	52.4%
Other services	81	165	49.3%
<b>TOTAL NET REVENUES FROM SALES OF PRODUCTS</b>	<b>25,410</b>	<b>24,229</b>	<b>104.9%</b>

The dynamics of revenues from sales of goods and materials equalled 97.4% at the end of 1st half of 2022 and almost entirely relates to wholesale of computers, peripheral equipment and software.

<b>SPECIFICATION</b>	<b>First six months of 2022 (PLN in thds)</b>	<b>First six months of 2021 (PLN in thds)</b>	<b>Fluctuation</b>
- wholesale of computers, peripheral equipment and software	11,601	11,914	97.4%
- remaining out-of-shop retail sales	2	2	0%
<b>TOTAL NET REVENUES FROM SALES OF GOODS AND MATERIALS</b>	<b>11,602</b>	<b>11,916</b>	<b>97.4%</b>

## Markets and sources of supply

In 2022 the Company sold goods and products both on the domestic and foreign markets.

Sales revenues by geographical location:

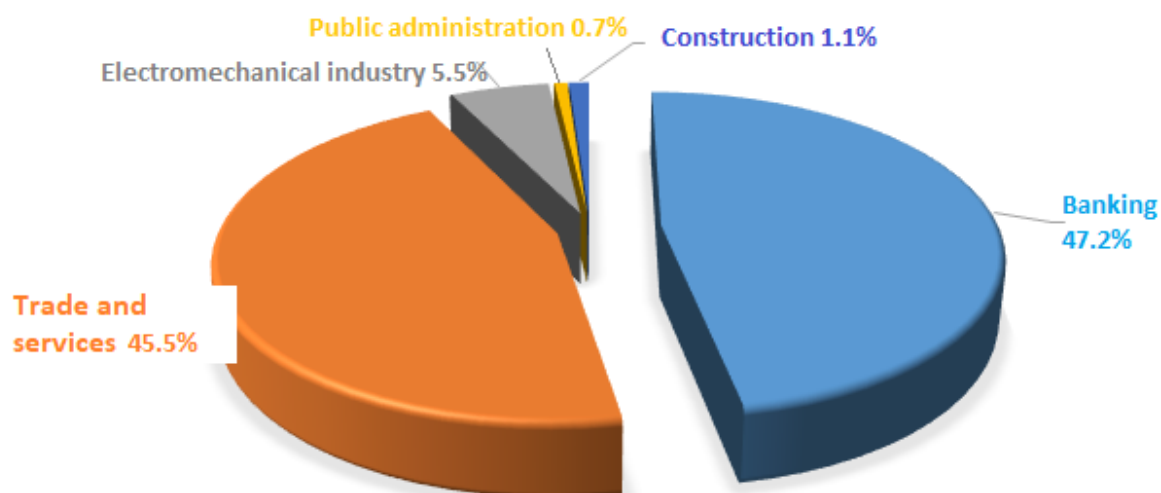
<b>SPECIFICATION</b>	<b>First six months of 2022 (PLN in thds)</b>	<b>First six months of 2021 (PLN in thds)</b>	<b>Fluctuation</b>
<b>Net revenues from sales of products:</b>	<b>25,410</b>	<b>24,229</b>	<b>104.9%</b>
Poland	25,410	24,229	104.9%
Export	0	0	-
<b>Net revenues from sales of goods and materials:</b>	<b>11,603</b>	<b>11,916</b>	<b>70.9%</b>
Poland	9,298	9,180	101.3%
Export	2,305	2,736	84.2%
<b>NET REVENUES FROM SALES OF PRODUCTS, GOODS AND MATERIALS</b>	<b>11,603</b>	<b>36,145</b>	<b>97.4%</b>

## The biggest recipients of the Company:

<b>RECIPIENTS</b>	<b>First six months of 2022</b>	
	<b>PLN in thds</b>	<b>%</b>
Santander Group	5,505	14.9%

Grupa Allegro Sp. z o.o.	3,778	10.2%
Eurocash S.A.	3,231	8.7%
PKO Group	3,161	8.5%
Credit Agricole	2,624	7.1%
Toyota Motor Poland Company Limited Sp. z o.o.	2,367	6.4%
ING Group	1,532	4.1%
Citi Handlowy Group	1,129	3.1%
Bravura Solutions Polska Sp. z o.o.	764	2.1%
Saint-Gobain Polska Sp.z.o.o.	697	1.9%
P4 Sp.z o.o.	633	1.7%
TIM S.A.	476	1.3%
PayU S.A.	475	1.3%
Others	10,641	28.7%
<b>TOTAL</b>	<b>37,013</b>	<b>100.00%</b>

The structure of sales revenues in the first half of 2021, by sectors of sale.



Pie chart: sales structure in the first six months of 2021, by sectors of sales:

47.22%	banking
45.54 %	trade and services
5.5%	electromechanical industry
1.1%	construction
0.7 %	public administration

### Main suppliers of the Company:

RECIPIENTS	First six months of 2022	
	PLN in thds	%
ENEA S.A.	4,476	17.3%
AB S.A.	2,825	10.9%
Panasonic Connect Europe GmbH	2,315	9.0%
S4E S.A.	1,287	5.0%

Also Polska Sp. z o.o.	1,152	4.5%
Exclusive Networks Poland S.A.	848	3.3%
ENEA Operator Sp. z o.o.	781	3.0%
Santander Leasing S.A.	721	2.8%
Fogo Sp. z o.o.	695	2.7%
WENDEX Mieczysław Wendland	636	2.5%
Hewlett Packard Enterprise Polska Sp. z o.o.	633	2.4%
TD AS Poland sp. z o.o.	576	2.2%
Volkswagen Financial Services Polska Sp.z o.o.	571	2.2%
PKN ORLEN S.A.	510	2.0%
BFF Investments Polska Sp. z o.o.	501	1.9%
Ingram Micro Sp.z o.o.	485	1.9%
Arrow ECS Sp.z o.o.	455	1.8%
MAKROPOL TP Sp. z o.o.	412	1.6%
DELL Sp. z o.o.	333	1.3%
Others	5,640	21.8
<b>TOTAL</b>	<b>25,852</b>	<b>100.00%</b>

The Company is not dependent on the suppliers to any great extent. In particular, goods and products purchased by the Company from its long-term suppliers can be purchased in a majority of cases from alternative distributors on similar purchase terms.

The Company does not have any formal relations, other than commercial settlements, with recipients or suppliers whose share exceeds 10% of the total sales income.

### Information on agreements significant for the issuer's activity

In the first half of 2022 the Company continued to realize a number of orders obtained from its strategic customers. Moreover, the Company received a number of further orders, about which Talex informed in the current report published in the current reports:

- in the period of 12 months preceding the publication of the current report dated 3 June 2022, the Company obtained a number of further orders from business partners of Panasonic Communication Solutions from Eastern Europe, under the performance of the agreement concluded with Panasonic Connect Europe GmbH. The total net value of the received orders amounts to PLN 5.35 million. The subject of the orders was the delivery of IT solutions.
- in the period from 16 July 2021 (publication of the current report No. 11/2021) to the day of the issue on 6 June 2022 of the current report, the Company obtained a number of further orders from Santander Bank Polska S.A. with its seat in Warsaw. The total net value of the received orders is PLN 8.61 million.

### Information on credit and loan agreements

In the first half of 2022 the Company renewed the MULTILINIA agreement with Santander Bank Polska S.A. under which the Bank left PLN 3 million available for the Company to use as the working capital facility. As at 30.06.2022 this credit line has not been drawn down.

Also, in the first half of 2022, the Company concluded a multi-purpose credit limit agreement with Credit Agricole Bank Polska S.A. The maximum amount of debt due to the use of the limit is PLN 4 million. As of 30.06.2022, PLN 2.26 million shown under current liabilities was used.

### **Information on loans, sureties and guarantees granted**

The Company has the contingent liabilities under due contract performance guarantees and sureties issued and payment guarantees granted by the funding bank, amount to PLN 400 thousand. Those liabilities are secured with capped mortgage on the Company's headquarters building.

Contingent liabilities included guarantees on account of due contract performance bonds and bonds on account of warranty and guaranty. Among the guarantees issued as of the day of 30.06.2022r. almost 69% were due contract performance bonds. The purpose of those bonds is to secure the claims which could arise in the case of improper performance of an agreement. Over 31% as at the last day of June 2022 were the bonds on account of payment guarantee.

As a security to the renewed contract on the limit for bank guarantees, granted to the Company by Santander Bank Polska S.A., the Company created a contractual mortgage, established by a notarial deed, up to the amount of PLN 10 million, on account of Santander Bank Polska S.A., headquartered in Warsaw. The mortgage was created on the real estate owned by the Company, registered in the Land Register kept by the District Court in Poznan – Stare Miasto in Poznan, under the entry no. KW P01P/00137.699/9. The real estate in question comprises a plot of 14.744.00 sq. meters, with an office building with a useable floor area of 8,470 m<sup>2</sup>.

### **Assessment of financial assets management**

Information on the assessment of financial assets management has been presented in the "Financial standing" and "Financial risk management" sections.

The Company systematically meets all the incurred liabilities. Liquidity ratios of TALEX S.A. confirm that the enterprise is able to pay its liabilities.

### **Changes in the basic principles of managing the issuer's enterprise**

In the reporting period there were no significant changes in the basic principles of managing the Company.

### **Changes in the composition of members of the Management and Supervisory Boards of the Company**

In the reporting period there were no significant changes in the composition of people in charge of the Company. The Ordinary General Meeting of Shareholders held on the 7th of June 2022 appointed five Members of the Supervisory Board. Also, on its meeting on the same day, i.e. 7 June 2022, the Supervisory Board of the Company appointed five Members of the Management Board. The appointments to the Company's governing bodies were dictated by the expiration of the term of office of all Members of the Supervisory Board and of all Members of the Management Board. As a result of the choices made, there has been no change in the composition and number of Members of the Supervisory Board and the Management Board of the Company, as well as no change in the functions performed by the individual Members of the Supervisory Board and the Management Board of the Company, in relation to the previous term of office of both bodies of the Company.

### **Agreements signed between the issuer and the managing persons, providing for a compensation for the latter in case of their resignation or dismissal**

The Company did not sign any agreements with the managing persons, providing for a compensation for the latter in case of their resignation or dismissal.



## Shares of the issuer and shares of the related entities, held by the managing and supervising persons

Total number and nominal value of the shares of the Company

Issue	Number of shares	Nominal value (PLN)	Total value (PLN in thds)
Total	3,000,092	1	3,000
Series A	102,000	1	102
Series B	849,000	1	849
Series C	450,000	1	450
Series D	889,092	1	889
Series E	710,000	1	710

As at 30 June 2022, the following shares in the Company are held by the managing and supervising persons:

Shareholder	Number of shares					
	Series A	Series B	Series C	Series D	Series E	Total
Janusz Gocałek	34000	283000	145216	293340	2237	758793
Jacek Klauziński	34000	283000	145216	293340	2237	758793
Andrzej Rózga	34000	283000	145216	293340	2237	758793
Rafał Szalek	-	-	-	-	889	889
Andrzej Kurc	-	-	-	3036	-	3036

To the best of the Management Board's knowledge, the members of the Supervisory Board do not hold any shares of the Company.

## Shareholders holding, directly or indirectly, through controlled entities, at least 5% of the total votes in the General Meeting of the issuer

As at 30 June 2022:

Shareholder's name	Number of shares	Share (%) in the capital	Number of votes	Votes (%) in the General Meeting of Shareholders
<b>Ogółem</b>	<b>3,000,092</b>	<b>100.00</b>	<b>3,408,092</b>	<b>100.00</b>
Janusz Gocałek	758,793	25.29	894,793	26.25
Jacek Klauziński	758,793	25.29	894,793	26.25
Andrzej Rózga	758,793	25.29	894,793	26.25

Integrale IT sp. z o.o.*	215,000	7.17	215,000	6.31
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\* the shareholding status as at 22 May 2022 based on the list of shareholders entitled to attend the General Meeting convened on 7 June 2022.

### **Information on the agreements known to the issuer, which may result in future changes in the present structure of share ownership in terms of shares held by current shareholders and bondholders**

Management Board of the Company do not know any agreement which could result in future change in the proportion of shares held by existing shareholders. The Company does not emit bonds.

### **Information on holders of securities which entitle to special supervisory powers over the issuer**

The Company did not issue any securities which entitle to special supervisory powers over the issuer.

### **Information on the system of controlling the employee share ownership schemes**

The Company did not issue any employee shares.

### **Information on the limitations related to the transfer of ownership rights to the securities of the issuer and the exertion of voting rights in relation to the shares of the issuer**

Only the shares of series A, B and D are subject to the limitation of the transfer of ownership rights. They are the registered shares and the shares of series A are preference shares regarding the voting right. The terms of conversion of those shares into bearer shares as well as of their disposal have been defined in par. 8 of the Company's Articles of Association. The shares of the Company are not limited as to the exertion of voting rights.

### **Information on agreements with an entity authorized to audit financial statements**

On 22 June 2022 the Supervisory Board of the Company, acting under the Articles of Association of the Company, adopted a resolution on the appointment of PKF Consult Sp. Z o. o. Sp. k. registered in Warsaw, as an entity with which the agreement will be signed on the review of the interim financial statements of the Company prepared as at 30 June 2022 and 30 June 2023 as well as on the audit of the annual financial statements of the Company prepared as at 31 December 2022 and 31 December 2023. The selected entity is recorded in the register of entities authorized to audit financial statements under the No. 477 kept by the National Council of Statutory Auditors. The choice was made in accordance with applicable regulations and professional standards.

The total net value of auditors' remuneration due to execution of the above agreement with PKF Consult Sp. Z o. o. Sp. K. amounts to PLN 101 thousand.

In the analysed period the Company did not use the services of tax advisory.

**Organization of the capital group of the issuer with the indication of the units subject to consolidation**

The Company is not a member of the capital group.

**Indicating the results of structural changes in the economic entity, including the results of merging economic entities, takeover or sales of members of the capital group of the issuer, long-term investments, division, restructuring and abandonment of business activity**

During the presented period there were no changes in the structure of the economic entity.

**Opinion of the Management Board on the feasibility of executing the forecasted results published earlier for a given year in the light of the results presented in the quarterly report in reference to the forecasted results**

The Management Board of the Company did not publish the forecast of the financial results for the year 2022.

**Pending proceedings before courts, arbitration or public administration authorities**

During the past quarter the Company did not commence and it was not a side in any court proceedings or public administration proceedings in relation to any liabilities of the value constituting at least 10% of its equity capital.

**Information on conclusion of one or many transactions with related entities by the Issuer or its subsidiary, provided that the value of the transactions (the total value of all transactions concluded since the beginning of the financial year) exceeds the equivalent of EUR 500,000 in PLN**

Since the beginning of the financial year, the Company has not concluded any transactions with related entities of total value exceeding the equivalent of EUR 500,000 in PLN.

**Information on credit and loans sureties or guarantees granted by the Issuer or its subsidiary, to one entity in total or to its subsidiary, if the total value of existing sureties or guarantees is equal to at least 10% of the equity capital of the Issuer**

In the presented period, the Company did not grant any sureties, credit, guarantees or loans of value exceeding 10% of the equity capital of the Issuer.

**Other information which, in the opinion of the Issuer, is important for assessing its headcount, assets, financial standing and results, as well as movements therein, and information important to evaluate the fulfillment of the commitments the Issuer made**

In the reporting period there were no changes that could have an impact on the personnel, wealth and financial situation as well as on financial results and their changes; there were also no events important to the assessment of the possibilities to fulfil the obligations of the Company.

**Factors which, in the opinion of the Issuer, will influence the results of the Issuer at least in the next quarter**

The revenues the Company generates from the sale of services will continue to be influenced mainly by the income from the performance of permanent, long-term agreements with the Company's long-term customers, in particular contracts for the provision of IT infrastructure maintenance and technical support services. The Company is also developing hosting and colocation services implemented on the basis of its own Data Centre.

At the time of publication of these financial statements, the situation in Poland with respect to the introduction of the state of a pandemic is still changing. The new nature of the pandemic phenomenon on a global scale does not allow to precisely predict future economic effects nor permanent changes in the economy. The Management Board of Talex will continue to monitor its potential impact on the Company's operations and will take all possible steps to mitigate its negative effects on the entity.

The Management Board of Talex keeps a close eye on the current situation in Ukraine. In the Company's opinion, it is too early to make a reliable and credible assessment of the impact of the armed conflict in Ukraine on the economic situation in the region and on Talex itself. The Management Board of the Company in particular observes the situation on currency markets and prices of energy carriers as elements which significantly influence the national market, including the condition of the Company's Customers.

**Information on the rules of preparing the abridged semi-annual financial statement**

Information on the rules of preparing the abridged semi-annual financial statement is included in the attachment to this report.

Poznan, September 2022

Members of the Management Board:

Janusz Gocałek.....

Jacek Klauziński.....

Andrzej Różga.....

Rafał Szalek.....

Radosław Wesołowski .....