

Dear Shareholders

Introduction

The past year of 2021 was both for the Company, as well as for the entire IT industry and global economy another, after 2020, period of particular challenges. The global coronavirus Covid-19 pandemic that have already lasted two years, forced all market participants to make significant changes in the way of conducting business. The scale of the phenomenon and its completely new and to a large extent unknown nature forced market participants to take adequate reactions, often in a very short period of time. The introduction of regulations of law and their frequent changes were the circumstances that also significantly affected the conduct of business.

The Management Board of Talex, guided by the Company's interest and taking into consideration the needs of the customers, took a number of decisions allowing for the possibly undisturbed provision of services. We paid particular attention to maintaining sanitary regimes limiting the possibility of infecting our employees and the employees our customers. Uninterrupted continuity of services was also possible thanks to our developed over the past years policy of mobility of operations.

In the year 2021 the Company generated sales revenues of PLN 73,298 thousand with a net loss of PLN 4,972 thousand. In this regard it should be noted that the incurred loss, presenting itself as follows (data presented in PLN thousand): -2,574 (1st quarter of 2021), -1,034 (2nd quarter of 2021), -1,139 (3rd quarter of 2021), -225 (4th quarter of 2021), was regularly decreasing in subsequent periods of the year 2021. The presented tendency confirms a gradual process of return to purchases in IT area, as observed at the Company's clients. In the assessment of the Management Board, this process should be intensified in the period of this and next year, taking into account both new challenges in technology as well as the necessity to invest in IT infrastructure of enterprises, which has not been renewed over the past two years.

The Company's Management Board, analyzing the economic environment, takes an optimistic view of the current as well as the following years. While analyzing the estimates of market experts it is worth noticing that the year of 2022 should primarily bring a significant increase in software segment, at the level of approximately 11.5% (forecasts for 2021 showed an increase of 9%). Similar analysts forecast refer to the increase in IT equipment market, at the level of approximately 15% (with regard to 8% estimated for the year 2021). However, the growths in Data Center and IT solutions segments are estimated to be at the level of about 5% respectively.

The consistently pursued strategy of the Company assumes that a significant portion of its business is based on a constant, long-term, and comprehensive provision of IT services for large organizations. We strive to constantly increase the number of key customers and generate a part of our revenue from cooperation with several smaller contractors, thus avoiding the risks associated with sole dependence on large clients. In the last year Talex concluded a number of further significant agreements. The Company managed to gain new clients and sign another long-term contracts with its business partners, including agreements on the further consolidation of services and the maintenance of the clients' IT environments.

For many years both Polish and international IT companies such as Hewlett Packard, IBM, Dell Computer, Lenovo, Microsoft, and others have been our main suppliers. We have signed partnership agreements with leading global software and hardware manufacturers. Our engineers, by taking part

in specialist training and courses and passing qualification exams, gain knowledge and skills that results in outstanding relations with the clients. The number of certificates earned by our employees is constantly expanding.

Continuous attention paid to infrastructure development allows us to offer our clients the most advanced services. This applies particularly to outsourcing services provided in our Data Processing Center (Data Center). Our competence in the delivery of outsourcing services based on international standards and evidenced by certificates of our engineers, as well as the resources and respective infrastructure, make it an attractive offer for the key customers from the financial and industry sectors.

In the next years we plan to further develop our services and resources based on the infrastructure of Data Center in order to strengthen the Company's position in the segment of Cloud Computing services. Indeed, in line with trends of the IT market, traditional IT technologies will begin to lose their importance, and such solutions as Cloud Computing (IaaS, PaaS, SaaS) called generally ITaaS, data analysis – Big Data, IoT, BI, AI or mobile solutions will become dominant.

In order to provide the highest quality of service, the Company maintains a certificate confirming that the IT services we provide are managed according to ISO 20000-1:2005 standard. The scope of our maintenance services and support is constantly expanded. Moreover, in the previous year the Company successfully passed the process of re-certification with reference to the extended catalogue of services confirming the compliance with the requirements of the valid version of the ISO 20000:2011 standard. Moreover, the Company continues to maintain and develop the Integrated Management System of Information Quality and Security, based on the ISO 9001:2015 and ISO 27000:2017 standards. Also, last year our Company obtained as the only company in Poland a certificate confirming the compliance with the requirements of the EN 50600 standard for both of our Data Centers.

Factors affecting the results of the Company over the next year include mainly the fulfilment of the agreements concluded with the regular, long-term clients of the Company, in particular with clients from the banking and financial sector, such as Santander Bank Polska SA, Credit Agricole Bank Polska SA and PKO Bank Polski SA, as well as with clients from other sectors, such as Grupa Allegro Sp. z o. o., Eurocash S.A. and Volkswagen Group Polska Sp. z o. o.

In the forthcoming period, the Company plans to consequently continue its activities with the focus on outsourcing of IT services and integration services in the field of information technology and software production. Treating outsourcing as one of the strategic directions of development, the Company has consequently developed the necessary skills and technical infrastructure for several years. Similar to the previous years, we will struggle to increase our competence and reinforce its professional position in IT industry.

The Management Board of the Company pays particular attention to the sanitary and epidemiological situation related to the coronavirus COVID-19 pandemic, both in Poland and abroad. 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.

Also, the fact that the Company does not currently conduct any business activities on the Ukrainian market or with entities substantially engaged in Ukraine is a significant circumstance for the operations of the Company. 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 current situation and its development, bearing in mind that it may have a real impact on the Company's economic relations with its customers.

Detailed information on the Company's operations is provided in the financial report for 2020, the study of which I strongly recommend.

I would like to thank all Shareholders for your trust. I would also like to assure you that we continually make every effort to strengthen the position of the Company in the market. We hope that our efforts will translate into further development of the Company, leading to new contracts and excellent performance in the present year.

April 2022

Janusz Gocątek

President of the Management Board

TALEX S.A.