



**Information in accordance with par. 66 section 4 and 5 of the Regulation
of the Minister of Finance of 29 March 2018 (Dz. U. [Journal of Laws] of
2018, item 757)
to the Quarterly Report
for the first quarter of 2024
including the period
from 01.01.2024 to 31.03.2024**

1. Information on the changes in the rules of establishing the value of assets and liabilities as well as determination of financial result

In the first quarter of 2024 there were no changes in the rules of establishing the value of assets and liabilities or determination of financial results.

2. Accounting principles:

- a. TALEX S.A. draws up the financial statement on the basis of provisions contained in the Accounting Act of 29 September 1994. Due to the fact that the Company does not draw up consolidated financial statements, no separate financial statements according to MSR or US GAAP have been drawn up. Reliable indication of differences in the value of the revealed data is not possible.
- b. According to article 3 section 1 point 9 of the Accounting Act, the calendar year is considered the financial year.
- c. According to article 3 section 1 point 8 of the Accounting Act, the calendar month is considered the reporting period. A balance of the general ledger accounts is drawn up at the end of every reporting period.
- d. The record and allocation of operating expenses are kept according to kinds on accounts under group 4 and at the same time according to types of activities and functions on accounts under group 5, with further reference to the costs of products sold or the financial result.
- e. Financial statements are drawn up using the profit and loss account by function of expenses.
- f. The cash flow statement is prepared using the indirect method.
- g. It is assumed that any event resulting in the change of total assets by more than 1% is substantial for the assessment of the property and financial situation and the financial result.
- h. The account books are kept using digital technology based on the integrated financial and accounting system Dynamics AX created by Microsoft Ireland Operations Ltd.

2.1. Methods of assets and liabilities valuation:

- a. **Fixed and intangible assets** are covered by the analytical quantity and value register. They are valued according to acquisition prices or manufacturing cost decreased by depreciation and amortization write-offs in proportion to the period of their utilization, and also by permanent impairment write-offs. Equipment valued below PLN 1,000 is not entered in the fixed assets register but is only included in the cost of materials. In justified cases, assets valued below PLN 1,000 can be entered in the fixed assets register by the decision of the Management Board. Such fixed assets are depreciated once in the month following the month in which they are put into use. Fixed and intangible assets with the initial value of more than PLN 1,000 are amortized using the straight-line method, starting from the month following the month in which they were put into use. In determining the amortization period and the annual amortization rate the economic useful life of the asset is taken into account. Fixed assets used under finance lease are depreciated at the rate resulting from their economic useful life period. Sale-and-lease-back in the books of Talex S.A. functions as financial lease, with the exception that Talex was at the same time the supplier of the leased asset.
- b. **Fixed assets under construction** are valued according to real costs incurred for the construction, assembly, adjustment and improvement of future fixed assets, decreased by the permanent impairment write-offs.
- c. **Long-term investments** - are valued according to the market price.
- d. **Reserves** including materials, commodities, finished products and production in progress are valued at actual purchase prices.
 - **materials and goods**
Yearly consumption is valued as follows:
 - goods identified by serial numbers according to their price of purchase,

- materials and goods not identified by serial numbers according to the "First In, First Out" (FIFO) principle.
- **finished products** – do not occur.
- **production in progress** - The progression of the service is determined by the ratio of the number of direct hours worked to the number of hours planned.
- e. **Domestic receivables** are valued according to the nominal value set at their beginning.
Receivables in foreign currencies at balancing date are valued at the average exchange rate set for a given currency by the National Bank of Poland.
At balancing date the receivables and claims are indicated in the value corrected by revaluation write-offs in the following cases:
 - - receivables from entities in liquidation – 100% write-off;
 - - receivables that have been overdue for over half a year – 100% write-off.
- f. **Short-term financial assets** are valued according to market value. The effects of differences between the valuation value at the balance sheet date and the purchase price are recognised in financial income or expenses.
Domestic cash is valued at nominal value.
Cash in foreign currencies at the balancing day is valued at the average exchange rate set for a given currency by the National Bank of Poland.
- g. **Primary capital (share capital)** is valued at the nominal value, in accordance with the entry in the National Court Register.
- h. **Supplementary capital** is priced at the nominal value resulting from capital increases and decreases.
- i. **Revaluation reserve** is valued at its nominal value, resulting from capital increases and decreases.
- j. Provisions for liabilities include:
 - **provision for retirement benefits** created at the balance sheet date according to the formula:
the number of employees without the settled right to retirement at the balancing day × average monthly salary in the company × likelihood indicator of retirement severance payment, differentiated by the employee's age:

up to 25 years	5%
26–30 years	16%
31–35 years	27%
36–40 years	37%
41–45 years	48%
46–50 years	60%
51–55 years	73%
56–60 years	85%
61–65 years	99%
over 66 years	100%
 - **provision for unused holiday leaves** created at the end of the year as the product of the statutory daily remuneration and the number of days of unused holiday leave;
 - **provision for deferred income tax** created to the amount of income tax payable in the future in relation to the occurrence of positive transient differences between the book value and the tax value of assets and liabilities. The amount of income tax resulting from negative transient differences is shown in **the prepayments and accrued income on account of deferred income tax**.
 - **other provisions** include the costs of future solutions for business transactions for which revenues had been accrued before the balance sheet date and the provision for the VAT with due interests.
- k. **Domestic liabilities** are estimated in the amount requiring payment.
Liabilities in foreign currencies at the balancing day are valued at the average rate set for a given currency by the National Bank of Poland.

2.2. Information on significant changes in the estimates

In the reporting period there was no significant change in estimates.

3. Additional information:

3.1. A description of factors and events, particularly of untypical ones, having a significant influence on the financial results achieved;

The revenues generated by the Company from the sale of services are mainly influenced 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 prior state of a pandemic and the pandemic stabilization period seems to be returning to the state of the economy before the outbreak. However, the negative impact of the changes on the raw materials and fuel markets, and the negative inflation trend, are still noticeable. 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 monitors the situation on currency markets and prices of energy carriers as elements that significantly influence the condition of the national market, including of the Company's Customers.

During the Q4 2023 period, a revaluation of the undeveloped plot of land representing a long-term investment was carried out. The value of the investment was assumed on the basis of a current appraisal. The value of the real estate according to the current appraisal is PLN 6,235 thousand. The Company's assumptions for the above valuation take into account its use in accordance with the development plan in force at the date when the aforesaid estimate was drawn. The real estate concerned was sold by the Company in January 2024, about which the Company informed in its Current Report 2/2024.

3.2. Explanations concerning the seasonality or periodicity of the issuer's activity in the presented period;

The Company normally records the highest sales in the last quarter of the year, which is related to the execution of the budgets of the Company's greatest clients at the end of the year. At the same time, the Company observes that during the recent 3-4 years, the purchasing decisions of the Company's clients differed from the practice observed in earlier years. The Company notes similar behavior of its clients in the subsequent months of the conflict in Ukraine. Over the next few quarters it will be revealed to what extent the changes in the purchasing decisions of customers made during the pandemic remain permanent and to what extent this will affect the seasonality of purchases recorded in previous years.

3.3. Information on write-downs revaluing the supplies to the obtainable net value and on reversal of such write-downs;

In Q1 2024, the Company did not recognize a revaluation write-down on inventories.

3.4. Information on the write-downs for impairment of financial assets, tangible fixed assets and fixed assets, intangible assets or other assets, and on reversal of such write-downs;

The Company did not make the above described write-downs.

3.5. Information on the creation, increase, use, and dissolution of the provisions (in PLN thds);

Title of provision	State as at 01.07.2023	Increase of the provision	Use of the provision	Release of the provision	State as at 30.09.2023
1. For retirement and similar benefits	850	0	0	0	850
- for retirement severance pay	394	-	-	-	394
- for unused holiday leaves	456	-	-	-	456
2. Remaining provisions	0	0	0	0	0
- for the remuneration costs of the past period	0	-	-	-	0

- for future costs	0	-	0	-	0
total	850	0	0	0	850

3.6. Information on the provisions and assets due to deferred income tax (in PLN thds);

Title of the assets	State as at 01.01.2024	Creation of the provision	Use of the provision	Release of the provision	State as at 31.03.2024
- due to costs of long-term investments	4	0	4	0	0
- due to unpaid remunerations	10	9	0	0	19
- due to write-offs to doubtful accounts	0	0	0	0	0
- due to provisions for retirement severance pay	75	0	0	0	75
- due to provisions for unused holiday leaves	87	0	0	0	87
- due to invoicing of deferred services and supplies	48	109	45	0	112
- due to write-offs of inventories	30	0	0	0	30
- due to tax loss	557	0	279	0	278
Total assets	811	118	328	0	601
Title of provision	State as at 01.01.2024	Creation of the provision	Use of the provision	Release of the provision	State as at 31.03.2023
- due to the increase of long-term investment value	1,099	0	1,099	0	0
due to positive difference in tax depreciation	280	62	0	0	342
- due to accrued discounts	0	0	0	0	0
Total provisions	1379	62	1099	0	342

3.7. Information on significant transactions of the purchase and sales of fixed assets;

According to the information found in the Current Report No. 2/2024, on 25.01.2024 the Company concluded an agreement to sell the non-operational, undeveloped real estate belonging to the Company for a gross price of PLN 8.61 million (net price of PLN 7 million). The transaction took place on 6 March 2024. In the balance sheets, this real estate is presented in long-term investments appraised according to market value at PLN 6.2 million net.

3.8. Information on significant liability due to the purchase of tangible fixed assets;

In the reporting period there were no significant liabilities due to the purchase of tangible fixed assets.

3.9. Information on significant settlements under court proceedings;

In the reporting period there were no significant settlements under court proceedings.

3.10. Indication of errors adjustment of the previous periods;

In the reporting period there were no corrections of the errors of previous periods.

3.11. Information on the changes in the economic situation and conditions of conducting business activity, significantly influencing the fair market value of financial assets and financial liabilities of the entity, whether the assets and liabilities are recognized in the fair market value or corrected purchase price (amortized cost);

The sources of risk and its potential and actual impact on the functioning of the Company are constantly being diagnosed at each individual level of enterprise management. The operation of the Company is based on sustainable use of bank services, with regard to both debt and investment, and on creating a diversified portfolio of service suppliers. The company is also involved in projects aimed at decreasing the costs of conducting business, some of which will make it less supplier-dependent.

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.

The Company is continuously fulfilling its obligations towards its customers using previously developed, regardless of the current situation, business continuity plans.

3.12. Information on conclusion of one or many transactions between an issuer and the entity dependent, if they are significant and were concluded on the terms other than market ones;

The Company is not an affiliated entity.

3.13. In case of financial instruments evaluated in their fair value - information concerning a change in a manner (method) of its valuation;

In Q1 2024 the Company did not change the classification of financial instruments.

3.14. Information on the change of classification of financial assets as a result of changing the purpose or use of those assets;

In the third<t2/> quarter of 2023<t3/> there were no changes in the classification<t4/> <t5/>of financial assets<t6/>.

3.15. Information on the issue, redemption and repayment of non-equity or equity securities;

In the reported period, the Company did not conduct any transactions of issuance, redemption or repayment of equity or debt securities.

3.16. Information on the paid (or declared) dividend, jointly and calculated per one share, including the division into ordinary and preference shares;

In Q1 2024 there was no dividend payment.

3.17. Indication of events, which took place after the day for which the abridged quarterly financial statement was drawn up, not included in

this statement, but which could substantially influence the future financial results of the issuer;

After the date for which this report has been drawn up, there were no events that could substantially influence the future financial results.

3.18. Information concerning changes in contingent liabilities or assets, which have taken place since the end of the last financial year<t0/> (in PLN thds);

Title of contingent liability	State as at 01.01.2024	Increase of liability	Expiration of liability	State as at 31.03.2024
- due to guarantee and warranty	0	-	-	0
- due to performance bonds	100	-	-	100
- guarantees on advance payments	0	-	-	0
- payment guarantees	70	-	-	70
- tender guarantee	-	-	-	0
TOTAL	170	-	-	170

3.19. Other information likely to have a significant impact on the assessment of the issuer's assets, financial standing and results of operations;

At the day of publication of the report for the third quarter of 2022, there were no important events which could have significantly affected the assessment of its employment, property or financial situation, and of fulfilment of commitments by the issuer.