

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

August 2024

Talex S.A.
ul. Karpia 27d
61-619 Poznań

tel. (061) 8 275 500
inwestor@talex.pl
www.talex.pl

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 : 7820021045
REGON : 004772751
NACE : 5184

Branches

The Company currently has ten branches.

Branches in Poland:

- Talex Białystok, ul. Ogrodowa 31;
- Talex Bydgoszcz, ul. Fordońska 393;
- Talex Gdynia, ul. Chwarznieńska 170b;
- Talex Katowice, al. Walentego Roździeńskiego 91;
- Talex Kraków, ul. Cystersów 21D;
- Talex Lublin, ul. Jana Sawy 2;
- Talex Łódź, ul. Piotrowska 276;
- 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-sized 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 strives 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, UNIX, i5/OS, Windows and Linux. The services include, among other things, consolidation and virtualisation, high-availability solutions (clusters), recovery services (recovery centers, data replication, disk arrays) 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. 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 Data Centers – one in Poznan and the other in Wroclaw. The Data Center in Poznan has an area of over 2200 m², and the DC in Wroclaw exceeds the area of 800 m². Currently, Talex S.A. is the only company in Poland which can offer its customers Data Center services certified in accordance with the European standard EN 50600, both in Poznan and Wroclaw.

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

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 involving installation, relocation, modification and removal of IT hardware and software, including mass replacement of ICT infrastructure for large customers, especially those with branches scattered throughout the country, and failure removal services covering IT environments of its customers. 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. We employ cutting-edge technologies using artificial intelligence mechanisms to create responsive and progressive web applications, among other things. Software produced by the Company is used in financial institutions, state-owned enterprises, as well as in 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, confirmed by the certificates they hold. The procedures of all 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 to confirm that the management of IT services complies with this international standard, in particular the management of services provided by the Company in the area of installation, relocation, expansion, replacement and removal of hardware and software, and hardware and software troubleshooting for the Company's business partners.

IT market in Poland and development prospects for the Company

The estimations presented by the Gartner Institute have indicated a continuous 5.5% increase in the global spending on new technologies in recent years. Like in the previous periods, the segment with the largest growth opportunities is software production. The observed trend is expected to continue in the years to come. However, at the same time, experts are not overly optimistic, stressing that the actual financial results achieved by the IT segment will be affected by both the inflation and high costs of doing business. A number of comments made by market experts also claims that the area of new technologies – after many years of dynamic growth – will now slow down, mostly due to inflation and the loss of geopolitical stability observed, in particular, in the European and North American markets. It should be noted, however, that the progressive digitalization of the global economy is an irreversible phenomenon which, as a consequence, will require constant investment and

development. This is why one should currently speak rather of a slowing down than a visible down trend in the IT sector.

Conversely, in the opinion of Fitch Solutions, the value of the IT market in Poland in 2024 is supposed to reach about PLN 140 billion, thus an even strongest growth in the current year is forecast – a whole 19.2% compared to the previous year (whereas YTY growth for 2023 was 12.4%). According to experts, the largest increase in purchases in the IT sector should involve services, followed by expenses on software in the second place. IT market analysts from Fitch Solutions forecast both a more dynamic growth on the IT market in Poland and its growing share in domestic GDP, which may increase up to 4.5% in 2025.

Market experts also indicate that the shift towards IT services is perceived by enterprises as one of the more significant ways to optimize costs. It is of particular import in the period when an economic slowdown and its associated pressure to cut business costs are projected.

The experts of IT market also forecast increased incomes generated by the implementation of blockchain technologies, development of new solutions in the area of the Internet of Things, as well as significant progress in the analysis of large data streams using machine learning and artificial intelligence (AI) algorithms.

According to PMR, the increase in popularity and use of cloud services will be one of the most important trends in IT outsourcing in Poland in the years to come. Cloud storage, mobility, and the Internet of Things were referred to as breakthrough technologies for years. At present, cloud storage and mobile solutions are seen as entirely natural. Software as a Service solutions are becoming such a universal model that common delivery of software through the cloud, irrespective of its purpose and functionality, is also to be expected.

Other significant trends in market developments also include a departure from maintaining private data centers. The estimations by Gartner show that, already in the prospect of five coming years, about 80% of enterprises worldwide will dispose of their own data centers to seek the necessary space and computing power for their data in professional data center facilities. This trend is not solely dictated by the economic and technological aspects, but equally so by striving to ensure the security of stored and processed data.

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

The Company also analyses its prospects of strategic development in the following years: the Management Board is open to various options and directions for the Company's strategic development, including attracting a financial investor. As at the date of this report, the Company's Management Board has not prejudged the choice of a specific model or declared a deadline for such a decision.

The determinants of the 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 such clients from the banking and financial sector 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 should focus primarily on applications available in the cloud rather than on the infrastructure itself. We are bound to face the optimization of cloud operation costs and the use of the cloud by companies. It will be necessary to better manage the performance and monitor costs. Being a normal business product, the cloud has to meet the criteria set for products offered to banks, among others, which means it has to follow certain licensing legislation, be effective and have a specific price.

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 two fully redundant, independent Data Centers located in Poznan and Wroclaw. The standards of labour and service provision developed by the company ensured, in particular, the undisturbed provision of those services in the time of the pandemic. 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 tangible fixed assets of the Company in the first half of 2024

In the first half of 2024, the Company incurred a total expenditure on tangible and intangible assets in the amount reaching PLN 1,140 thousand.

SPECIFICATION	Expeses incurred in the first half of 2024 (in PLN thd)
Modernisation of the Company's buildings	253
Investments in rented properties	44
Purchase of technical equipment and machinery	758
Purchase of other fixed assets	85
Intangible assets (software)	1
TOTAL EXPENDITURE ON FIXED ASSETS	1,140

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

Plans for the increase and maintenance of tangible fixed assets in 2024

Plans for the second half of 2024 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 500 thousand
- Investments in Company's properties	PLN 150 thousand
- Other fixed assets	PLN 100 thousand
- Intangible assets	PLN 50 thousand
TOTAL	PLN 800 thousand

Basic economic and financial data disclosed in the semi-annual financial report

Sales and profit in the first six months of 2024

In the first six months of 2024, the Company achieved sales revenues of PLN 32,874 thousand, at a net loss of PLN 569 thousand (in the first half of 2023, the sales revenues and net profit equalled PLN 37,861 thousand and PLN 1,977 thousand, respectively).

SPECIFICATION	First six months of 2024 (in PLN thd)	First six months of 2023 (in PLN thd)	Fluctuation
Revenues from sales of products	29,975	32,939	91%
Revenues from sales of goods and materials	2,899	4,922	58.9%

In the reporting period, the revenues from sales were lower by 13% than the revenues for the comparable previous year period. The Company noted a decrease in revenues on sale of services and goods by 9% and 41%, respectively.

In the analysed period the share of services in sales revenues amounted to 91%; in the comparable period of the first half of 2023, it accounted for approximately 87% of total sales revenues. The margin on the sale of services increased to the level of 22.8%, having amounted to roughly 18.2% in the first six months of 2023.

Revenues from sales of goods and materials accounted for 9% of total sales revenues (in the first half of 2023 they accounted for 13%), at the profitability of almost 11% (12.5% in the first six months of 2023).

SPECIFICATION	First six months of 2024 (in PLN thd)	First six months of 2023 (in PLN thd)	Ratio
Net revenues from sales	32,874	37,861	86.83%
Gross profit on sales of products	6,830	5,983	114.16%
Gross profit on sales of goods and materials	317	616	51.46%
Gross profit (loss) on sales	7,147	6,599	108.30%
Costs of sales	2,242	2,158	103.89%
General management costs	6,754	7,103	95.09%
Profit (loss) on sales	-1,849	-2,662	69.46%
Profit (loss) on operating activities	-993	-2,172	45.72%
Gross profit (loss)	-1,193	-2,441	48.87%
Net profit (loss)	-569	-1,977	28.78%

Sales revenues in the first half of 2024 dropped by over 13% compared to the first half of 2023, while the margin on sales increased from 17% to the level of 22%. It allowed the Company to achieve a greater gross profit on sales than in the corresponding period of 2023. Due to the return on the sales of services and the decrease of general management costs, the loss on sales in the first six months of 2024 is smaller than in the comparable period of the previous year.

Company assets

The value of fixed assets as at 30.06.2024 amounted to PLN 54,552 thousand and was smaller by 10% compared to the value at the end of the first half of 2023. The decrease in value was affected by the disposal of the investment real estate disclosed in the statement for the first six months of 2024 under long-term investments.

SPECIFICATION	30.06.2024		30.06.2023	
	(in PLN thd)	% of share	(in PLN thd)	% of share
FIXED ASSETS	54,552	78.0%	61,110	83.4%
Intangible assets	201	0.3%	355	0.5%
Tangible fixed assets	53,806	76.9%	52,862	72.2%
Long-term receivables	-	-	-	-
Long-term investments	-	-	6,186	8.4%
Long-term prepayments and accrued income	545	0.8%	1,707	2.3%

The value of current assets as at 30.06.2024 amounted to PLN 15,385 thousand and was greater than the value on 30.06.2023. Short-term receivables accounted for the greatest share in the current assets. The Company gathered PLN 3,504 thousand on its bank account, a higher amount than the amount of short-term investments previous corresponding period.

SPECIFICATION	30.06.2024		30.06.2023	
	(in PLN thd)	% of share	(in PLN thd)	% of share
CURRENT ASSETS	15,385	22.0%	12,127	16.6%
Inventories	1,087	1.6%	620	0.8%
Short-term receivables	9,819	14.0%	7,512	10.3%
Short-term investments	3,504	5.0%	1,898	2.6%
Short-term prepayments and accrued income	975	1.4%	2,097	2.9%

Current assets constituted about 22% of the total assets of the Company as at the end of the first half of 2024 (in 2023 it amounted to 16.6%). This ratio indicates the potential of the Company: the higher the share of the index, the higher the liquidity of the Company. Compared to tangible asset components, current assets are much more easily converted into cash.

Overall financial condition

Selected financial indicators.

Profitability ratios	1st half of 2024	1st half of 2023	Desired quantities
Return on sales (ROS)			
Net profit / sale value * 100 (%)	-1.73%	-5.22%	positive rising
Return on assets (ROA)			
Net income / total assets * 100 (%)	-0.81%	-2.70%	positive rising
Return on equity (ROE)			
Net income / own equity * 100 (%)	-1.15%	-4.03%	positive rising
Adjusted return on assets			
Net profit + (financial costs - income tax on financial costs) / total assets * 100 (%)	-0.52%	-2.33%	positive rising
Leverage			
profitability of equity - profitability of assets	-0.34%	-1.33%	positive rising

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

ge indicates whether the operating profit generated by foreign capital is higher than the interests, or whether funding the operation of the company externally earns an income.

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

The net loss incurred in the 1st half of 2024, lower than in the comparable period of the previous year, contributed to improved profitability ratios.

Liquidity ratios	1st half of 2024	1st half of 2023	Desired quantities
Liquidity ratio III (current liquidity)			
Current assets / short-term liabilities	1.35	0.79	1.2 – 1.8
Liquidity ratio II (fast liquidity)			
(current assets – inventories) / short-term liabilities	1.25	0.75	0.8 – 1.0
Liquidity ratio I (cash ratio)			
Short-term investments / short-term liabilities	0.31	0.12	Min. 0.3

The values of liquidity ratios improved in the 1st six months of 2024. 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 makes efforts to ensure that its obligations to employees, contractors and the state budget are paid on an ongoing, timely basis.

Debt ratios	1st half of 2024	1st half of 2023	Desired quantities
Overall debt ratio			
Liabilities and provisions for liabilities / total assets	0.30	0.33	Max 0.5
Long-term debt ratio			
Long-term liabilities / equity capital	0.07	0.04	Max 0.5–1

Total debt ratio decreased slightly at the end of the first half of 2024 compared to the previous year but remained 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 solely from IT equipment lease agreements.

Management performance indicators	1st half of 2024	1st half of 2023	Desired quantities
Receivables turnover ratio			
Net sales revenues / average receivables	3.82	5.25	7–10
Inventory cycle			
Average inventory cycle / cost of sales * 180	4.57	4.50	decreasing

Receivables cycle	47.06	34.29	decreasing
Average receivables / amount of sales * 180			
Duration of receivables in days	32.16	29.05	average maturity date
Average trade receivables / cost of sales * 180			
Conversion period of working capital into cash	51.63	38.79	decreasing
Receivables cycle + inventory cycle (in days)			

The low level of receivables turnover ratio, that is, below the value of 7, indicates a high level of receivables, meaning that the company is crediting its customers excessively, which in practice involves a long-term freezing of its funds in receivables.

The inventory cycle represents the average number of days passing from the time an item is introduced to the inventory to the time it leaves. The shorter time equity is bound in the asset, the better.

The receivables cycle increased in relation to the data for the first half of 2023, indicating that the waiting time for the repayment of receivables has lengthened. 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, only a slight increase in the delays of receivable repayments was observed.

Likewise, the duration time of receivables in days increased at the same time from 29 days in the first half of 2023 to 32 days in the first half of 2024. The extension of the payments period is commonly used as a form of interest-free credit, which is particularly useful in the case where the Company also credits its customers, setting the terms of extended payment.

The analysis of these indicators shows the good overall efficiency of the Company's operations in the first half of 2024. Talex S.A. has proper financial liquidity, and the profitability and turnover ratios remain at acceptable levels.

Financial standing

The Company's shareholders' equity as at 30 June 2024 amounted to PLN 49,303 thousand, which comprised:

- share capital (3,000,092 shares) PLN 3,000 thousand
- supplementary capital PLN 46,872 thousand
- net profit/loss for the 1st half of 2024 PLN -569 thousand

In terms of payments, the Company's standing in the first six months of 2024 was satisfactory. Even though the increase in energy costs caused by the Russian aggression against Ukraine, as well as the dynamically changing inflation, raise the cost of business operation, 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, and to its employees and suppliers. Carrying out the sale of investment property significantly contributed to the balance on the Company's accounts, which increased compared to the previous years.

Total liabilities as of 30.06.2024+ amounted to PLN 15,042 thousand, which comprised over 30.5% of shareholders' equity, except that the amount of liabilities includes long-term lease agreements.

The Company used working capital loans. As at 30.06.2024, there had been no necessity to mobilize funds from current credit lines.

At the end of 2023, the company concluded a factoring agreement with EUROFACTOR Polska S.A. As at 30.06.2024, liabilities under that title amounted to PLN 1 thousand, fully disclosed under short-term liabilities.

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

Information on buying treasury shares

As of 30 June 2024, 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 negatively impact 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 S.A. was low in the analysed period. Although the Company did not use the services of financing entities to hedge 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 2024, payments in foreign currencies accounted for merely 1.6% of all payments; the Company recorded a zero balance in the area of foreign exchange differences.

Employment

As at 30 June 2024, the Company had 236 employees. The average employment in the first six months of 2024 was 232.75 full-time equivalents.

Significant risk factors and threats

Risk associated with economic situation.

The constant economic and political changes may become 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 of USD and EUR. The poor state of the economy, and so, the poor state of businesses, primarily leads to the decrease in investments, including investments in ICT solutions. The lower demand for such products may cause a shrinkage of the market and increased competition, resulting in a reduction of prices. Such a turn of events would significantly impact the profitability of sales and, in a 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 enterprises. 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 a 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, thus far, have operated in Poland through domestic integrators. The strengthened position of rival businesses may weaken that of the Company. The Company's activities undertaken to minimize the above risks involve constantly expanding the offer with the newest technological solutions, raising the qualifications of the staff, as

well as providing the 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, the majority 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 products from a particular manufacturer may sometimes ensue from 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 it enjoys.

Risk associated with large customer dependence.

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

Risk associated with providing solutions and services of crucial importance for the clients' business activities

A considerable portion of the solutions and services provided by Talex S.A. is related to key business processes, from the perspective of the Company's clients. 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 client or, in some cases, make it impossible for the client to conduct their basic business activities. In such cases, the Company may be liable to pay the financial penalty and damages specified in the agreements and lose some of its customers. The Company strives to mitigate this risk by including limited liability provisions in its agreements and contracting insurance companies.

Risk associated with losing key employees.

Given the open job market in the countries of Western Europe as well as the growing demand for ICT experts in the foreign businesses operating in Poland, the Company may lose many of its highly qualified employees. Without employees holding specialist qualifications, the Company risks not only losing some of its certifications and entitlements but also lowering the standard of the services it provides. To mitigate the risk of losing key employees, the Company offers a variety of incentives, both financial and non-financial, such as participation in specialist training courses on the newest information technologies, where employees can improve their qualifications. Owing to this approach, the Company has not marked any significant loss of its indispensable experts for the last couple of years.

Risk associated with common threats, including epidemic threats.

The ease of travelling both throughout the territory of Europe and beyond entails a risk of carrying diseases with equal ease. This threat may result in epidemic and pandemic phenomena. The reactions of state and local government authorities, often correlated with the activities undertaken by the authorities of other countries and international organization, may introduce regulations limiting the traffic of both passengers and goods. The impact of an epidemic threat may affect the employees of the Company, in particular their actual availability, as well as its suppliers and the recipients of its services. Such an occurrence involves a potential risk of a temporary limitation in the scope of services

provided by the Company, disruption in its supply chain, or a decrease in the demand of the Company's clients for its services. The Company, therefore, develops and constantly updates its operational continuity plans, adequate to possible threats. In particular, the work organization at the Company is adapted so that its employees can carry out their tasks remotely while maintaining the highest security standards of information transfer. The most important IT systems of the Company, crucial for its operation, are redundant and have been located in geographically dispersed locations. Moreover, in its selected local units, the Company keeps backup offices enabling it to relocate some of its employees. The implementation of flexible work organization has the immediate result of minimizing the risk of direct personal contact, which then leads to the decreased risk of possible infections.

Risk associated with conducting business in an uncertain economic environment.

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. By consistently building the awareness of the managerial staff that risk is a fixed component of conducting business activities, we are able, to a significant extent, to undertake measures which minimize the probability that specific risks may arise. The COVID pandemic period as well as the previous experiences of destabilized markets, such as was the case of the investment market in 2008, sensitized the managerial staff to the constant analysis of potential risks and, in particular, to mitigating their impact. 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.

Basic products, goods and services

The sales of products and goods comprised about 9% of total sales in the first six months of 2024. The dynamics of this group reached roughly 58.9%. Revenues from the sale of services amounted to almost PLN 30 million, which represents 91% of revenues from the sale of services in the first half of the previous year.

SPECIFICATION	1st half of 2024 (in PLN thd)	1st half of 2023 (in PLN thd)	Fluctuation
Revenues from sales of products	29,975	32,939	91.0%
Revenues from sales of goods and materials	2,899	4,922	58.9%

Data Center services constituted the largest share in the sale of services (49.4%), where a increased sale volume was observed compared to the previous year. They were followed by the installation and maintenance of IT environment services (26.1%), software-related services (14.1%), and IT outsourcing services including the services of Service Desk and IT infrastructure monitoring (8.2%). In the years to come, the Company will further develop the sale of Data Center services as well as the services related to broadly understood servicing of applications and IT equipment as well as the installation and configuration of IT equipment, which ensues from the agreements concluded by Talex for this kind of services.

SPECIFICATION	1st half of 2024 (in PLN thd)	1st half of 2023 (in PLN thd)	Fluctuation
Data Center services	14,813	16,107	92.0%
Installation and maintenance of IT environment services	7,838	8,591	91.2%
Software-related services	4,224	4,684	90.2%
Outsourcing of IT services	2,458	2,443	100.6%
IT integration	605	1,036	58.4%

Other services	37	78	47.4%
TOTAL	29,975	32,939	91.0%

The dynamics of revenues from sales of goods and materials at the end of the 1st half of 2024 reached 58.9%, which was almost entirely due to wholesale of computers, peripheral equipment and software.

SPECIFICATION	1st half of 2024 (in PLN thd)	1st half of 2023 (in PLN thd)	Fluctuation
wholesale of computers, peripheral equipment and software	2,899	4,921	58.9%
remaining out-of-shop retail sales	0	1	-
TOTAL	2,899	4,922	58.9%

Markets and sources of supply

In 2024 the Company sold goods and product solely on the domestic market.

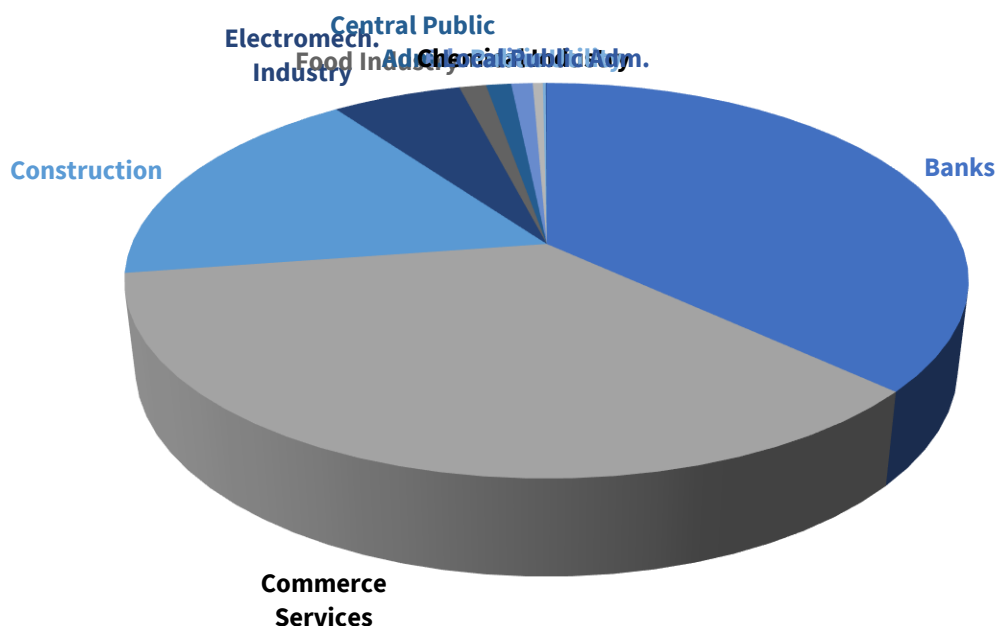
Sales revenues by geographical location:

SPECIFICATION	1st half of 2024 (in PLN thd)	1st half of 2023 (in PLN thd)	Fluctuation
Net revenues from sales of products:	29,975	32,939	91.0%
Domestic	29,975	32,939	91.0%
Export	0	0	-
Net revenues from sales of goods and materials:	2,899	4,922	58.9%
Domestic	2,899	4,922	58.9%
Export	0	0	-
TOTAL	32,874	37,861	86.8%

The largest recipients of the Company:

SPECIFICATION	1st half of 2024 (in PLN thd)	% share
Santander Group	5,720	17.40%
Grupa Allegro Sp. z o.o.	5,474	16.65%
Credit Agricole Bank Polska S.A.	2,896	8.81%
PKO Group	2,520	7.67%
Volkswagen Group Polska S.A.	2,438	7.42%
Toyota Central Europe Sp. z o.o.	1,898	5.77%
Citi Handlowy Group	1,593	4.85%
P4 Sp. z o.o.	1,145	3.48%
Bravura Solutions Polska S.A.	777	2.36%
Asseco Poland S.A.	743	2.26%
NTT DATA Business Solutions Sp. z o.o.	541	1.65%
Danone Sp. z o.o.	523	1.59%
PayU S.A.	501	1.52%
Others	6,105	18.57%
TOTAL	32,874	100.00%

The structure of sales revenues in the first half of 2024, by sectors of sale.



Main suppliers of the Company:

SPECIFICATION	1st half of 2024	% share
	(in PLN thd)	
ENEA S.A.	7,521	34.39%
Ingram Micro Sp. z o.o.	1,408	6.44%
ENEA Operator Sp. z o.o.	1,382	6.32%
WENDEX Mieczysław Wendland	908	4.15%
VERTIV Poland Sp. z o.o.	788	3.60%
Volkswagen Financial Services Polska Sp. z o.o.	687	3.14%
BFF Investments Polska Sp. z o.o.	646	2.95%
Hewlett Packard Enterprise Polska Sp. z o.o.	573	2.62%
Also Polska Sp. z o.o.	463	2.12%
ORLEN S.A.	461	2.11%
Grupa VAT ESV	398	1.82%
Arrow ECS Sp. z o.o.	345	1.58%
MAKROPOL TP Sp. z o.o.	345	1.58%
Santander Leasing S.A.	314	1.44%
AB S.A.	302	1.38%
Dell Financial Services	272	1.24%
S4E S.A.	263	1.20%
T-Mobile Polska S.A.	261	1.20%
Others	4,530	20.72%

TOTAL	21,867	100.00%
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The Company is not significantly dependent on its suppliers. 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 agreements, 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 2024, the Company continued to realize a number of orders obtained from its strategic customers. Moreover, the Company received a number of orders from its long-term clients, if which Talex informed in its current reports:

- On 25 January 2024, the Company concluded an agreement with Livoni sp. z o.o. based in Komorniki. The subject of the agreement was the sale of the Company's non-operational, undeveloped real estate for a gross price of PLN 8.61 million.

Information on credit and loan agreements

In the first half of 2024 the Company renewed the MULTILINIA agreement with Santander Bank Polska S.A., under which the Bank left PLN 5 million available for the Company to use as its working capital facility. As at 30.06.2024, no funds from the aforesaid line were used.

Also, in the first half of 2024, the Company renewed its 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 3 million. As at 30.06.2024, there was no liability under that title either.

The company takes advantage of financing its receivables under the factoring agreement with Eurofaktor Polska S.A. As at 30.06.2024, the debt under that title amounted to PLN 1 thousand, disclosed under short-term liabilities.

Information on loans, sureties and guarantees granted

The Company has contingent liabilities in respect of performance guarantees and payment security guarantees granted by the financing bank in the amount of PLN 262 thousand. Those liabilities are secured with capped mortgage on the Company's headquarters building.

The contingent liabilities included performance bonds and warranties and guarantees. As of 30.06.2024, performance bonds constituted 38% of all issued guarantees. The purpose of performance guarantees is to secure the claims which might arise in the case of improper performance of an agreement. Almost 62%, as of the last day of June 2024, comprised guarantees issued against payment security.

The collateral for the renewed agreement on the limit for bank guarantees granted to the Company by Santander Bank Polska S.A. is a contractual mortgage, established by notarial deed, up to the amount of PLN 10 million, in favour of Santander Bank Polska S.A. with its registered office in Wrocław. The mortgage was established on the real estate owned by the Company, entered into the register maintained by the District Court Poznań - Stare Miasto in Poznań, 5th Land and Mortgage Register Division, entry No. KW P01P/00137699/9. The real estate consists of a plot of land with an area of 14,744.00 m², built-up with an office building with a usable area of 8470 m².

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. The 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 management and oversight of the issuer

In the period under review, there were no changes in the composition of the Company's management or supervision. As in previous periodical reports, the Company announces that the Annual General Assembly of Shareholders held on 7 June 2022 appointed five members to the Supervisory Board. Simultaneously, at its meeting on 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. The appointments did not lead to change in the composition and number of Members of the Supervisory Board and the Management Board of the Company, or any changes in the functions performed by individual Members of either body in relation to the previous term of office of both bodies of the Company.

Agreements signed between the issuer and 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 in the case of their dismissal, redundancy or resignation from their position.

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 (in PLN thd)
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 2024, 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	34,000	283,000	145,216	293,340	2,237	758,793
Jacek Klauziński	34,000	283,000	145,216	293,340	2,237	758,793

Andrzej Rózga	34,000	283,000	145,216	293,340	2,237	758,793
Rafał Szałek	-	-	-	-	290	290
Andrzej Kurc	-	-	-	3036	-	3036

To the best of the Management Board's knowledge, its other members and 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 2024:

Shareholder's name	Number of shares	Share (%) in the capital	Number of votes	Votes (%) in the General Meeting of Shareholders
Total	3,000,092	100.00	3,408,092	100.00
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.*	250,000	8.33	250,000	7.34

* the shareholding status as at 14 June 2023 based on the list of shareholders entitled to attend the General Meeting convened on 21 June 2023.

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

The Management Board of the Company is not aware of any agreements which could result in future change in the proportion of shares held by existing shareholders. The Company has not issued bonds.

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

The Company has not issued any securities which entitle to special supervisory powers over it.

Information on the system of controlling the employee share ownership schemes

The Company has not issued 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. These are registered shares, and the series A shares are additionally privileged with regard to voting rights. 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 26 June 2024, the Supervisory Board of the Company, acting under the Company's Articles of Association, adopted a resolution on the appointment of the company UHY ECA AUDYT Spółka z ograniczoną odpowiedzialnością registered in Warsaw as an entity with which the agreement will be signed concerning the audit of the interim financial statement of the Company prepared as at 30 June 2024, the Company's annual financial statement prepared as at 31 December 2024, the Company's interim financial statement of the Company prepared as at 30 June 2025 and the Company's annual financial statement prepared as at 31 December 2025. The selected entity is recorded in the register of entities authorized to audit financial statements. The choice was made in accordance with applicable regulations and professional standards.

The total net value of remuneration due to execution of the above agreement with the company UHY ECA Audyt Sp. z o.o. will equal PLN 174 thousand.

During the period under review, the Company did not use tax advisory services.

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

The Company is not a member of a capital group.

Results of structural changes in the economic entity, including the results of mergers of economic entities, takeovers or sales of members of the capital group of the issuer, long-term investments, division, restructuring and abandonment of business activity

During the period under review 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 2024.

Pending proceedings before courts, arbitration or public administration authorities

During the past six months 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

During the period under review, 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 period under review, 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 generated by the Company 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.

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 disclosed at the end of the previous year under long-term investments is PLN 6,235 thousand, according to the current appraisal. The Company's valuation assumptions at the balance sheet date take into account its use in accordance with the aforementioned current valuation report. The real estate concerned was sold by the Company in January 2024, about which the Company informed in its Current Report 2/2024.

On 28 March 2023, the Company announced, by way of a current report, the decision of the Management Board to begin the process of analysing the Company's strategic development opportunities. The aim of the measures taken is to assess the possible directions of the

Company and the increase in its value. The Management Board is open to various options and directions for the Company's strategic development, including attracting a financial investor. As at the date of this report, the Company's Management Board has not prejudged the choice of a specific model for the Company's development and has not declared a deadline for such a decision. The Company will report on significant decisions regarding the process undertaken in separate current reports.

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.

Poznań, August 2024

Members of the Management

Board:

Janusz Gocałek

Jacek Klauziński

Andrzej Różga

Rafał Szałek

Radosław Wesołowski