

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

March 2025

Company Information

Company:	TALEX Spółka Akcyjna
Registered Office :	61 – 619 Poznań, ul Karpia 27D
Phone:	(061) 8 275 500
Fax :	(061) 8 275 599
NIP:	7820021045
REGON:	004772751
NACE:	6311.Z

Branches

At present, the company 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.) is a provider of technologically advanced IT solutions and services for small and medium-sized businesses. Having been operating since 1990, the Company leverages its expert knowledge and experience of over 30 years to carry out complex and extremely demanding IT projects.

The activities of Talex S.A. are focused on three main areas: integration of ICT systems, outsourcing of IT services and development of dedicated software.

The Company offers a full range of ICT integration services, from initial analysis and consultation to the development of the project, to carrying out its implementation and management. In particular, Talex S.A. pays special attention to the formulation and implementation of integration procedure, configuration and orchestration of IT systems, and training of the client's personnel with regard to the offered products and services. This simultaneously comprehensive and dedicated offer guarantees the integrity of all the IT systems used by the Company's clients, upholding the highest standards of quality and reliability, and the adherence to the essential security standards. The Company offers integration services for environment based on Intel/RISCm UNIX, i5/OS, Windows, and Linux platforms. The services include, among other things, consolidation and virtualization, 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 offer of outsourcing services is structured around two basic pillars – the first of which is a broad range of services underpinned by two Data Centers belonging to the Company, located in Poznań and in Wrocław. The Data Center in Poznań has an area of over 2200 m², and the DC in Wrocław has 800 m². Talex S.A. is the only company in Poland that can offer

its customers Data Center services certified in accordance with the ISO 22237 standard as the highest Availability Class-4 in both its Data Centers. The Company provides a full range of DC services, including private cloud computing, IaaS, PaaS, and SaaS solutions, and offers collocation space for the client's IT infrastructure as well. Another crucial component of the Company's offer consists of business continuity services for critical processes. Talex S.A. provides its clients with data recovery center (DRC) services as well as the services of the Monitoring Center which guarantees 24/7 monitoring of the client's infrastructure, such as teletransmission networks, IT equipment, and business systems and applications.

The other pillar of outsourcing services is directly related to ensuring the continuity of operation and maintaining the IT systems of users, provided to clients with vast, distributed business location networks. The range of IT maintenance services provided by the Company include Contact Center services (reception and registration of incidents), ServiceDesk services, and the services of its mobile service for all supported IT technologies. Talex S.A. has also specialized for many years in providing the services of installation, relocation, and implementation of mass changes and migrations in the IT environments of its clients (both hardware and software).

The Company's third field of operation focuses on the production of dedicated software, including the development of proprietary software, creation of modules to extend existing applications, orchestration of applications to suit the specific needs of customers, as well as developing codes used in complex integration processes. The developer teams of Talex S.A. employ a wide range of technologies, including AI tools and mechanisms, to create unique, specialized, and dedicated application and utility solutions. The Company provides software production services, in particular as commissioned by financial and public sector institutions as well as large industrial companies.

Talex S.A. is a partner of many leading hardware and software manufacturers, whereas the competencies of its employees regarding state-of-the-art technologies are confirmed by appropriate certifications they obtained through courses and examinations. Area-specific internal processes are compliant with the quality management system certified according to the ISO 9001:2015 standard. Having the unique profile of its operation in mind, as well as the requirements of the clients and commitment to the higher standards, the Company obtained the ISO 27001:2013 certification, which guarantees that the procedures applied by the Company ensure full security of the clients' information and data. In 2024 Talex S.A. also obtained the ISO 22301:2019 certification that confirms meeting the requirements of maintaining operational continuity of the Company's processes.

IT market in Poland and development prospects for the Company

Since virtually all local – domestic – IT markets became significantly globalized in the recent years, their growth perspectives reveal strong trends go follow global leaders in the field of technology. It is obviously unsurprising. The global economy, based on a strong need of access to information, forces the development of new technologies irrespective of geography. It is no wonder then that the analyses of the development of IT markets and forecasts for 2025 generally concur on the upward trend in expenses, both worldwide and in European markets. *Forester* predicts an increase of over 5 percent in IT expenses globally, with a very strong impact in the area of development and implementation of AI solutions, cybersecurity, and cloud-based services. In the long-term perspective, the forecast indicates the software area as the largest beneficiary of the growth of IT budgets, who is going to integrate and utilize a significant supply of achievements related to the use of artificial intelligence for its above-average growth. *Gartner* is even more optimistic by predicting a global increase in IT expenditures in 2025, at the level of slightly more than 10 percent, with a very similar predicted distribution of predominant domains. All analysts point out, however, that a significant portion of this growth is going to be consumed by the need to cover the growing maintenance costs rather than by the expenses on new investments.

Main market trends in Poland and development prospects

The IT market in Poland does not diverge from global prediction trends. The anticipated growth of expenses in the IT area at the level between 5.5 and 6 percent confirms that our market is strongly associated with the global trends both with regard to the growth dynamics and the areas which generate said growth. This is corroborated in the report by *Canalys experts which, besides the forecast itself, indicate the permanent and fairly strong reduction of growth in our region due to the unstable geopolitical situation and the ongoing conflict in Ukraine. The above elements combined with unabated inflation are the underpinnings of the moderate optimism of the Polish IT market on the brink of 2025 and encourage restraint in the making of investment decisions, particularly in the early quarters of 2025.* Still, it does not mean stagnation. The necessity of increasing the competitiveness of Polish companies, the constant, strong need for growth, and increased productivity compel investments in the area of IT, as these investments ensure the development and adaptation of newly achieved technologies including, or rather in particular, the AI. These investment should not be postponed, which the Polish market understands perfectly. Moreover, the domestic market is subject to both Polish and EU regulatory requirements, which generate additional obligations as well as needs in the areas of adapting and updating IT environments and their necessary maintenance.

Clients, needs, and the propensity to invest in IT solutions

Both the clients and the IT industry itself are perfectly aware that the key factor that determines their competitiveness and development is information: data, its security and the time in which data can be obtained. It becomes obvious, therefore, that the services directly related to data will remain the focal point of the entire IT market in Poland, even more so than in previous years. It is confirmed in the PMR report, which pinpoints the necessity of ensuring data safety, security, and access as the main challenges for the IT industry. The experts all agree on the constantly growing role of cloud computing-based services, maintenance of IT environments, and ensuring the operational continuity of all business processes, not exclusively the critical ones. The increasingly rapid development of software employing AI mechanisms, with a particular stress on the shortening of technological debt and faster implementation of business processes, remains an enormous challenge and an equally great opportunity. The forecasts confirm that such software is an absolute "must have" on the bucket list of IT investments among Polish companies in 2025 and the following years.

Balance of risks and opportunities for the Company's operations in 2025

Talex S.A. has been part of the trend of stable development of IT services observed in expert analyses for many years. The Company provides IT services directly related to the maintenance and business continuity of its clients' IT environments, offers cloud computing services as well as a wide range of dedicated solutions based on its own two Data Center (IaaS, PaaS, SaaS), including collocation. It carries out implementation and integration projects for IT systems and infrastructure. As part of its activities, Talex S.A. also runs projects to produce and develop dedicated software. The activities of the Company are focused on ensuring support and carrying out non-trivial, highly complex and demanding IT projects for both Polish and foreign clients. Based on its own experience, expectations of clients, and market development forecasts, Talex S.A. is consistently building and developing its expert competence base and its technological infrastructure necessary for the current and future performance of own services.

Development opportunities and directions

The company provides a range of permanent (recurring) services based on long-term (framework) cooperation agreements with its key clients, which ensures a solid basis for its operation in the periods to come. Additionally, Talex engages its competencies and resources

in short-term service projects for both its existing and new clients. Both the diversification of industries and sources of income and the wide spectrum of provided services ensure stability and provide a better knowledge of the market and the changing needs and expectations of clients, which facilitates the constant growth of the Company's technological competences. Talex S.A. also consistently invests in the stable development of the portfolio of stable clients, increasing their number systematically.

Beyond any doubt, the development of artificial intelligence tools is of profound interest to the Company. The adaptation of AI mechanisms as part of currently provided services is becoming a strong dominant in the plans of development and transformation of services of Talex S.A. The Management Board constantly analyses the available areas and opportunities to employ AI and ML in the Company's development strategy. What is particularly noticeable is the increased interest among clients in the capacities and opportunities to use AI tools, which can be taken into account in the planning, designing, and ordering software from Talex S.A. It is most certainly a strong signal that the market is ready for the next level of digital transformation. New directions of cooperation and technological partnerships remain an important part of the Company's development strategy. One of them involves the cooperation with the Facephi company, which delivers advanced authorization solutions based on biometrics (face, voice, fingerprint recognition) and AI algorithms. The use of Facephi tools in integration and development projects is one of the directions of development of the service portfolio of Talex S.A.

Simultaneously, the Management Board of the Company is open to various formats and directions of strategic development in the years to come, including those which entail finding a strategic investor. As at the publication date of this report, the Management Board of the Company has not made any directional decisions nor does it declare when such decisions might be made.

Threats and limitations to the operation of the Company

The geopolitical situation of the Central and Eastern Europe as a region is a significant factor affecting the short- and mid-term perspectives of the operation and development of the Company. While the Company does not have direct contracts or clients associated with that part of Europe, the conflict in Ukraine that has been raging for over 3 years and is showing no unambiguous prognostics as to its end, significantly contributes to the uncertainty of the market when making significant investment decisions. Also considering the persistent inflation and thus relatively high interest rates, it is difficult to expect any significant increase in the appetites for more adventurous projects. This picture is somewhat mitigated by the perspective of activating and using the NIP means. The company analyses the current capacity of making use of European programs in the perspective of acquiring new contracts as well as of taking advantage of them for growth.

The prospect of acquiring and maintaining an adequate talent base is also a crucial factor analyzed by the Management Board. Since the IT industry has been moving towards strong specialization and professionalization for several years, the Company considers a key component in its short-term strategy to be the need to follow an appropriate and efficient policy of development and acquisition of specialists in the rapidly evolving fields in the area of strategic development of Talex S.A. The mounting costs of employment, wage pressure, and competition on the market of IT experts disrupt stable concepts and prospects of development.

The geopolitical issues related to the interim instability of the business environment, regulatory requirements, both domestic and from the EU, which impose on the Company obligations to adjust its operational and reporting principles, as well as the dynamics of the labor market, are being monitored by the Management Board and taken into account in the Company's decision-making. The impact of the factors discussed above on the operation of Talex S.A. in the next time period is clear, therefore the Management Board pays due attention to constantly analyzing their severity and the potential threats they represent in the economic relations of the Company and its business environment.

Expenses on the Company's tangible fixed assets in 2024

In 2024 the Company incurred total expenses on tangible and intangible assets in the amount of PLN 3.71 million, out of which PLN 3.12 million was financed by leasing, and PLN 594 thousand with the Company's resources.

SPECIFICATION	Expenses incurred in 2024 (in PLN thousand)
Modernization of the Company's buildings	328
Investments in rented properties	99
Concept of a new server facility building	91
Purchase of technical equipment and machinery	934
- included leasing	934
Purchase of other fixed assets	209
Purchase of means of transport from lease	29
Intangible assets (software)	22
TOTAL EXPENSES ON FIXED ASSETS	1,712

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 2025

The Company plans investment expenditures in 2025 for the renewal and supplementation of the technical equipment necessary for the provision of IT services and for the necessary investments in the Company's premises.

Specification:

- Purchase of technical equipment and machinery	PLN 2,150 thousand
- Intangible assets	PLN 100 thousand
- Purchase of other fixed assets	PLN 400 thousand
TOTAL	PLN 2,650 thousand

The Company intends to carry out the investment plans presented above through leasing.

Basic economic and financial data disclosed in the annual financial statement

Sales revenues and financial result of the Company in 2024

In 2024 Talex S.A. achieved sales revenues of PLN 72,565 thousand, at a net profit of PLN 882 thousand (the 2023 net profit was PLN 1,487 thousand).

SPECIFICATION	2024 (in PLN thd)	2023 (in PLN thd)	Fluctuation
Revenues from sales of products	65,829	71,625	91.91%
Revenues from sales of goods	6,736	10,818	62.27%

In the reporting period, the revenues from sales were lower by 12% than the previous year revenues. Similarly, gross profit from sales was lower than in 2023 and amounted to PLN 17,693 thousand. Revenues from the sales of products dropped by 8% compared with 2023, whereas the sales of goods decreased by about 37.7%.

It was yet another year when the structure of revenues from sales changed. The share of services in sales revenues increased to over 90%, whereas in the comparable period of 2023 it amounted to roughly 87% of total sales revenue. The margin on the sales of these services also increased, from 24.2% in 2023 to about 25.7% in 2024.

Revenues from the sales of goods accounted for roughly 9% of total sales revenues (compared to 13% in 2023), at a slightly higher profitability of 11.2% in 2024 in comparison to 10.3% in the previous year.

SPECIFICATION	2024 (in PLN thd)	2023 (in PLN thd)	Fluctuation
Net sales revenue	72,565	82,443	88.02%
Gross profit on sales of products	16,938	17,353	97.61%
Gross profit on sales of goods	755	1,111	67.96%
Gross profit (loss) on sales	17,693	18,464	95.82%
Costs of sales	4,428	4,153	106.62%
General management costs	13,593	13,363	101.72%
Profit (loss) on sales	-328	948	-
Profit (loss) on operating activities	1,043	2,417	43.15%
Gross profit (loss)	654	1,740	37.59%
Net profit (loss)	882	1,487	59.31%

In 2024 the Company achieved a lower net sales revenue and a lower gross profit on the sales of products. In spite of the increased profitability on the sales of products and goods in the presented period, there was a loss on sales of PLN 328 thousand.

Company assets

The Company's annual financial statement as at 31 December 2024 presents an asset value of PLN 68,187 thousand, which represents 88% of the total asset value at the end of 2023.

The value of fixed assets as at the end of 2024 amounted to PLN 53,898 thousand, which was a decrease of PLN 7,611 thousand compared to the value at the end of 2023. Tangible fixed assets are the largest part of fixed assets, making up more than 78.7% of that number. Intangible assets made up less than 0.25% of the asset value, whereas long-term prepayments and accrued income were at the level of 1.6% of total assets.

SPECIFICATION	31.12.2024		31.12.2023	
	(in PLN thd)	% of share	(in PLN thd)	% of share
FIXED ASSETS	53,898	78.7%	61,509	79.13%
Intangible assets	167	0.2%	271	0.35%
Tangible fixed assets	52,625	76.9%	54,178	69.70%
Long-term receivables	0	0.0%	0	0.00%
Long-term investments	0	0.0%	6,235	8.02%
Long-term prepayments and accrued income	1,106	1.6%	825	1.06%

The value of current assets as at 31.12.2024 amounted to PLN 14,289 thousand and was 12 % lower than the value as at 31.12.2023. Short-term receivables accounted for the greatest share in the current assets, which were lower by 48 % in relation to the previous year.

The current assets in the period under review reach almost 21% of the total asset value. 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.

Compared to the previous review period, the level of inventories remained low. It amounted to PLN 472 thousand in 2024, compared to PLN 458 thousand in 2023.

The Company reported a decrease in short-term receivables from PLN 12,016 thousand in 2023 to PLN 6,207 thousand in 2024. The share of these receivables in the total assets decreased from 15.5% in 2023 to 9.1% in 2024. The share of short-term investments in total assets was 9.9% in 2024 compared to 4% in 2023.

Short-term prepayments and accrued amounted to about 1% of total assets in both periods.

SPECIFICATION	31.12.2024		31.12.2023	
	(in PLN thd)	% of share	(in PLN thd)	% of share
CURRENT ASSETS	14,289	20.96%	16,218	20.87%
Inventories	472	0.69%	458	0.59%
Short-term receivables	6,207	9.10%	12,016	15.46%
Short-term investments	6,717	9.85%	3,180	4.09%
Short-term prepayments and accrued income	893	1.31%	564	0.73%

Overall financial condition of the Company

Selected financial indicators.

Profitability ratios	2024	2023	Desired quantities
Return on sales (ROS)			
Net profit / sale value * 100 (%)	1.21%	1.80%	positive rising
Return on assets (ROA)			
Net income / total assets * 100 (%)	1.29%	1.91%	positive rising
Return on equity (ROE)			
Net income / own equity * 100 (%)	1.74%	2.83%	positive rising
Adjusted return on assets			
Net profit + (financial costs – income tax on financial costs) / total assets * 100 (%)	1.88%	2.79%	positive rising
Leverage			
profitability of equity – profitability of assets	0.44%	0.92%	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 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, 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).

Liquidity ratios	2024	2023	Desired quantities
Liquidity ratio I (current liquidity)			
Current assets / short-term liabilities	1.64	1.09	1.2 – 1.8
Liquidity ratio II (fast liquidity)			
(current assets – inventories) / short-term liabilities	1.58	1.06	0.8 – 1.0

The liquidity ratios remain at a safe level for the company all the time. They determine the Company's capacity to pay its current liabilities on time. In 2024, these ratios fluctuated around the optimum values, which means that the Company has the appropriate means to repay incurred liabilities. Higher levels of these ratios would indicate that the Company has a significant excessive liquidity. Maintaining cash in the amount sufficient to caveer all liabilities irrespective of their maturity would be uneconomical for the business.

Debt ratios	2024	2023	Desired quantities
Overall debt ratio			
Liabilities and provisions for liabilities / total assets	0.26	0.32	Max 0.5
Long-term debt ratio			
Long-term liabilities / equity capital	0.06	0.07	Max 0.5–1

Total debt ratio slightly decreased at the end of 2024 compared to the preceding period and remains at the safe level. Moreover, the nearly optimal levels of liquidity ratios, in particular the short-term receivables ratio, lower the financial risk of a business and the probability it may become unable to pay its debt.

The long-term debt results from IT equipment lease agreements.

Management performance indicators	2024	2023	Desired quantities
Receivables turnover ratio			
Net sales revenues / average receivables	8.04	10.20	7–10
Inventory cycle			
Average inventory cycle / cost of sales * 360	4.38	3.89	decreasing
Receivables cycle			
Average receivables / amount of sales * 360	44.78	35.28	decreasing
Duration of receivables in days			
Average trade receivables / cost of sales * 360	24.40	28.35	Average maturity date
Conversion period of working capital into cash			
Receivables cycle + inventory cycle (in days)	49.16	39.17	decreasing

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, which in practice involves freezing its funds in receivables. The negative market practices of recipients, independent of the Company, are the underlying reason of that.

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 was somewhat higher than in 2023, which indicate longer waiting times for the repayment of receivables. No significant difficulties in receiving remuneration for services performed or goods delivered were observed in the period under review. The Company strives to build good relations with its clients, which contributes to timely payments of receivables.

The duration of trade payables in days decreased from 28 days in 2023 to 24 days in 2024. Shortened payment periods of trade payables necessitates self-financing of deliveries pending receipt of the funds from the sale.

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

Financial standing

The Company's shareholders' equity as at 31 December 2024 amounted to PLN **50,754** thousand, which comprised:

- | | |
|------------------------------------|---------------------|
| • share capital (3,000,092 shares) | PLN 3,000 thousand |
| • supplementary capital | PLN 46,872 thousand |
| • net profit for 2024 | PLN 882 thousand |

In terms of payments, the Company's standing in 2024 was stable. There were only some short delays in tax and social security payments. The Company timely fulfils its obligations to its employees and suppliers. It also repays finance lease installments on time. The amount of cash at hand and in the bank accounts of the Company increased significantly related to the previous year. The funds held by the Company and the signed long-term contracts provide for its current needs.

Total liabilities as at 31.12.2024 amounted to PLN 11,698 thousand (PLN 18,320 thousand in 2023), which comprised 23% of shareholders' equity (35% in 2023), considering that the amount of liabilities includes long-term lease agreements.

In 2024, the Company used working capital loans as part of revolving loan agreements in current accounts.

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 at 31 December 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.

In 2024 the Company did not use the services of financing entities to hedge against foreign exchange risk, nor did it make any significant purchase of foreign currency. The majority of payments of liabilities in foreign currencies was made by the Company from receivables received from recipient in that currency. In the period under review, payments of liabilities in foreign currencies were equivalent to a little more than PLN 2.2 million, which was about 3% of the total liabilities of the Company. In turn, the receivables obtained in currencies were also equivalent to about PLN 2.5 million, or less than 2.4% of total receivables.

Employment

As at 31 December 2024, the Company had 241 employees. The average employment in 2024 was 235 full-time equivalents.

Significant risk factors and threats

The key factors that significantly affect the current risk assessment as well as the threats associated with the current activity of the Company have been described in previous sections of this report. Nevertheless, one should indicate the broader context which the Company analyses besides the previously described factors and to which it pays particular attention.

Risk associated with economic situation.

The constant economic and political changes, described in more detail in the introduction, 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 national and EU regulatory policy. The key macroeconomic factors also include the GDP growth rate, investment, inflation and exchange rates – mainly of USD and EUR. The worsening state of the economy, and so, the poor state of businesses, primarily leads to the decrease in investments, including investments in ICT solutions. A lower demand for such services may lead to a shrinkage of the market where the Company operates 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 wrought with intense competition both from domestic businesses and global companies offering their services in Poland. The globalization of the IT market makes it possible to access a wide range of products and services offered remotely via electronic channels. 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 of services with the newest technological solutions, constant professionalization of the staff, and providing services of the highest quality, thus gaining the reputation of a professional, experienced and reliable business partner.

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.

The business strategy of the Company assumes that a significant part of its activities is based on regular, long-standing and extensive IT services provided to large business entities. This strategy, besides the unquestionable benefits it brings, carries the risk that the loss of certain important clients may lead to a temporary reduction of the Company's revenues or even the need to reorganize certain areas of its activity. To minimize this risk, the Company strives to broaden its key clients portfolio and generate some 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.

The opening of the unlimited, global job market and the growing demand for ICT specialists in the foreign businesses operating in Poland, the Company faces the risk that some of its highly qualified employees may flow out. The lack of talents with highly specialized, certified qualifications and experience might lead to a loss of certain certifications and entitlements held by the Company and to lowering the standard of the services it provides. To mitigate the risk of losing key employees and gain new talents, the Company offers a variety of financial and developmental incentives, and benefits. Owing to this approach, the Company has not marked any significant loss of its key specialists for the last couple of years.

Risk associated with conducting business in an uncertain economic environment.

The sources of geopolitical risk and its potential and actual impact on the Company's operations are constantly being monitored and discussed at each individual level of enterprise management. By consistently building the awareness among the managerial staff that risk is a fixed component of conducting business activities, it may be possible, to a significant extent, to undertake measures which minimize the probability that specific risks may arise. The ongoing conflict in Ukraine, the COVID pandemic, coupled with previous experiences, made our managerial staff more sensitive to the need for analyzing, the possibility of risk, and the mitigation of its effects. 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 Company achieved smaller revenue from the sales of products than in 2023, which decreased by 8 % compared to that year. The sales of goods in 2024 comprised about 9 % of total sales revenues. The dynamics of that group exceeded 62.3%.

SPECIFICATION	2024 (in PLN thd)	2023 (in PLN thd)	Fluctuation
Revenues from sales of products	65,829	71,625	91.9%
Revenues from sales of goods	6,736	10,818	62.3%

Data Center services and IT environment installation and maintenance services were the largest shares in the sale of services (46% and 25% respectively). Whereas among the major product groups, the Company reported the greatest increase in the outsourcing of IT services.

In the years to come, the Company will further develop the sale of services based on the its Data Center resources. The Company also focuses on the development and sales of software production related services, 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	2024 (in PLN thd)	2023 (in PLN thd)	Fluctuation
Installation and maintenance of IT environment services	16,658	18,260	91%
Data Center services	30,455	32,596	93%
Software-related services	11,396	13,267	86%
Outsourcing of IT services	55,254	5,097	103%
IT integration	1,995	2,230	90%
Other services	71	175	41%
TOTAL	65,829	71,625	92%

The dynamics of revenues from sales of goods and materials at the end of 2024 amounted to 62%, which was entirely due to the wholesale of computers, peripheral equipment, and software.

SPECIFICATION	2024 (in PLN thd)	2023 (in PLN thd)	Fluctuation
wholesale of computers, peripheral equipment, and software	6,736	10,817	62%
remaining out-of-shop retail sales	0	1	0%
TOTAL	6,736	10,818	62%

Markets and sources of supply

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

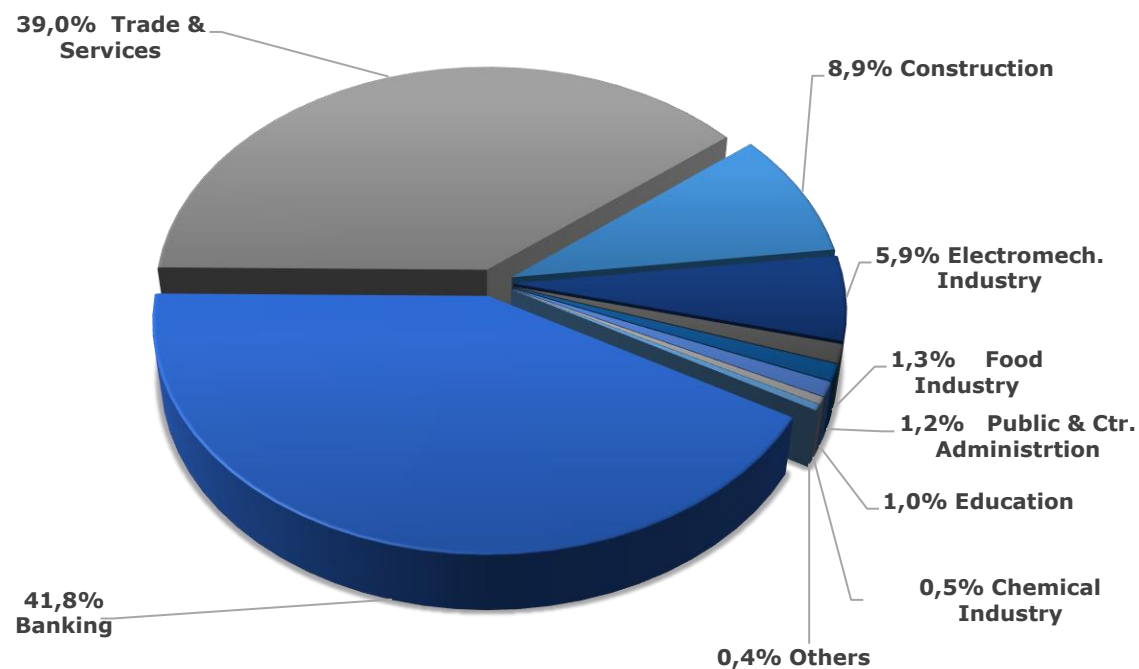
SPECIFICATION	2024 (in PLN thd)	2023 (in PLN thd)	Fluctuation
Net revenues from sales of products:	65,829	71,625	92%
Domestic	65,829	71,625	92%
Export	0	0	0
Net revenues from sales of goods	6,736	10,818	62%
Domestic	6,736	10,818	62%
Export	0	0	0
TOTAL	72,565	82,443	88%

The Company's largest recipients:

SPECIFICATION	2024 (in PLN thd)	% share
Santander Group	15,714	21.70%
Allegro Group	10,522	14.50%
Crédit Agricole	5,802	8.00%
PKO BP Group	5,283	7.30%
VW Group	4,401	6.10%
Toyota Central Europe Sp. z o.o.	4,222	5.80%
Citi Handlowy Group	3,069	4.22%
P4 Sp. z o.o.	2,471	3.40%
Asseco Poland S.A.	1,596	2.20%
PayU S.A.	1,566	2.20%
Bravura Solutions Sp. z o.o.	1,529	2.10%
NTT DATA Business Solutions Sp. z o.o.	1,127	1.60%

Danone Sp. o.o.	1,055	1.50%
Others	14,208	19.38%
TOTAL	72,565	100.00%

The structure of sales by sectors of sale in 2024



Main suppliers of the Company

SPECIFICATION	2024 (in PLN thd)	% share
ENEA S.A.	12,115	25.74%
Volkswagen Financial Services Polska Sp. z o.o.	3,214	6.83%
ENEA Operator Sp. z o.o.	2,323	4.94%
WENDEX Mieczysław Wendland	2,102	4.47%
Ingram Micro Sp. z o.o.	1,766	3.75%
VERTIV Poland Sp. z o.o.	1,393	2.96%
BFF Investments Polska Sp. z o.o.	1,358	2.89%
Also Polska Sp. z o.o.	1,197	2.54%
Hewlett Packard Enterprise Polska Sp. z o.o.	1,085	2.31%
ORLEN S.A.	711	1.51%
Others	19,806	42.06%
TOTAL	47,070	100.0%

The Company is not significantly dependent on its suppliers. In particular, goods and products purchased by the Company from the suppliers whose shares exceed 10% of total turnover can be purchased 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 2024 the Company continued to realize a number of orders obtained from its strategic clients. Moreover, the Company received a number of orders from its long-term clients, of which Talex informed in its current reports:

- In Current Report 2/2024, the Company informed about the conclusion of 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.
- In the period between 12 December 2023 (publication of Current Report No. 13/2023) and the publication day of the report of 24 September 2024, the Company obtained a number of further orders from Santander Polska S.A. with its seat in Warsaw. The total net value of the received orders is PLN 4.99 million.
- Within the 12 month preceding the publication of Current Report 13/2024, or between November 2023 and November 2024, the Company obtained a number of new orders from Volkswagen Group Polska Sp. z o.o. with its seat in Poznań. The total net value of the received orders is PLN 5.04 million. The subject of the order was the delivery of IT solutions.
- 30 December 2024. The Company has been made aware of the conclusion of agreements with NEUCA S.A. with its seat in Toruń. The subject of the agreements is provision of IT services with the use of the Company's Data Center infrastructure. The estimated minimum net value of the agreements in the period of 5 years is PLN 21.6 million. The actual value of provided services is dependent on the number and scope of services provided.
- On 30 December 2024, the Company was made aware of the conclusion of an agreement with Powszechna Kasa Oszczędności Bank Polski S. A. with its seat in Toruń (hereafter: Bank). The agreement was concluded for the period of 3 years. The subject of the agreement is the provision of technological and maintenance services covering the IT equipment and software used in the organizational units of the Bank, Agencies of the Bank, as well as in selected entities of the Bank's Capital Group in Poland. The total estimated net value of the services provided under this agreement over its three-year period (value of the agreement) is PLN 15.5 million. The actual total value of the agreement is dependent on the number and scope of services provided.

Information on credit and loan agreements

The Company uses credit lines in current accounts. The funds from these credits enable the Company to maintain an optimum financial liquidity. At the day of the report compilation, there were no liabilities on account of credits taken.

The company has concluded a factoring agreement with EUROFACTOR Polska S.A. At the end of 2024 there were no liabilities under that title.

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 365 thousand. Those liabilities are secured with capped mortgage on the Company's headquarters building.

The contingent liabilities included two performance guarantees and payment guarantees. As at 31.12.2024, performance guarantees constituted about 55% 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 45% of all guarantees were payment guarantees, the purpose of which is to guarantee the timely payment of monetary claims.

The collateral for the renewed agreement on the limit for bank guarantees granted to the Company by Santander Bank Polska S.A. is collateral mortgage, established by notarial deed, up to the amount of PLN 10 million, in favor of Santander Bank Polska S.A. with its registered office in Warsaw. 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 14,734.00 m², built-up with an office building with the usable area of 2,445.80 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. The company has maintained proper financial liquidity for many years; at the balance sheet date, the current liquidity ratio was .62, and the quick liquidity ratio was 1.56.

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. The Ordinary General Meeting of Shareholders held on 7 June 2022 appointed five members of 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.

In the period under review, the aforesaid bodies had the following composition:

The Supervisory Board:

- Witold Hołubowicz
- Andrzej Kurc
- Jacek Nowak
- Bogna Pilarczyk
- Małgorzata Poprawska

The Management Board:

- Janusz Gocałek
- Jacek Klauziński
- Andrzej Różga
- Rafał Szatek
- Radosław Wesołowski

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 (in 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

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 Różga	34,000	283,000	145,216	293,340	2,237	758,793
Rafał Szatek	-	-	-	-	290	290
Andrzej Kurc	-	-	-	3,036	-	3,036

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

State as at the date of the drafting of the report.

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 Różga	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.

The value of remuneration, awards and benefits, including those resulting from motivational or bonus programs based on the Issuer's equity, paid, called up or potentially called up individually for persons managing and supervising in the company

The information on the amounts of all remuneration paid to the members of the Company's bodies has been included in Note 38 in the additional information on the financial statement.

Information on all liabilities due to pensions and similar benefits for former managing or supervising persons, or former members of management bodies, and on liabilities incurred in relation to these pensions, with an indication of the total for each body category.

The Company does not have any liability of this kind.

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 audit firm

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 Company's annual financial statement prepared as at 31 December 2024, the Company's annual financial statement prepared as at 31 December 2025, and the audit of the semi-annual financial statements prepared as at 30.06.2024 and 30.06.2025. 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 remuneration for 2024 and 2025 provided for in the agreement amounts to PLN 174 thousand + VAT at the applicable rate.

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. In particular, the Company has no organizational or capital relations. Consequently, no transactions with related parties take place.

Information on the issuance of securities in the reporting period.

In the reporting period the Company did not carry out any issuance of securities.

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 any forecasts 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 described, the Company did not grant any sureties, credit, guarantees or loans of the value in excess of 10% of the shareholder's equity 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.

Estimate of non-typical factors and events affecting the results of the activity for the financial year

In 2024, there were no non-typical factors or events which might have affected the financial outcome.

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

The current activities of Talex S.A. and its short- and mid-term prediction of outcomes are based on two key pillars. The first one is the portfolio of permanent, long-term framework agreements that combine bundles of outsourcing services related to the maintenance of IT environments of clients and that include the key business continuity areas for critical business services (the services are provided based on the Data Center infrastructure and expert competences). The parties of the framework agreements are invariably local and international financial institutions, automotive industry and e-commerce companies, as well as large and medium enterprises, both Polish and foreign. The long-term nature of the cooperation guarantees a solid income base with linear distribution throughout the duration of the agreements and without significant seasonal fluctuations. It provides a stable and durable foundation for the current operations of the Company in the reporting periods to come, which can only be affected by external factors to a limited extent. The Company takes into account and analyses multiple scenarios, bearing in mind the predominant role and positive effect of this part of its activities on its outcomes.

The other pillar that significantly contributes to the Company's outcomes is the portfolio of short-term, one-off projects, directly related to implementation and development services, and with the sales of IT infrastructure. Their value and launch time depend to a large extent on the state of the business environment, market conditions, and the short-term investors' sentiments among institutional clients in the area of IT projects and solutions. This segment of the Company's activities is the focal point of the risks which, in the Management Board's

assessment, may have a direct yet not definitive impact on revenue in the short-term perspective.

It should be noted that the impact of market indicators of the economic situation in Poland is clear. The non-declining inflation and the still elevated interest rates inhibit the proclivity to undertake financial risk and make bold decisions on the IT market. Even though the constant trend among the regulators to keep the indicator at their current levels seems to be stable and cautious, it also reveals to a large extent the impact of external (global) factors on the economy, and thus on the threats and opportunities which the Company analyses. Obviously, the conflict in Ukraine and the uncertain prospect of its ending is a significant source of caution and concern, though clearly not the only one.

New sources of risk and uncertainty analyzed by the Company, which have been appearing over the recent weeks, directly relate to the international policy of the US. Global IT markets are very strongly interrelated and thus vulnerable to the announced economic, political, and military decisions of the United States. The Management Board of the Company not only analyses and pays special attention to the plans of introducing tariffs in trade with the USA but also keeps a close eye on the state of trade restrictions related to access to technology, semiconductors, and components which may significantly affect the availability, trading conditions, and the Company's ability to offer and implement IT solutions using the latest technologies. The discussed situation has a side effect in the form of the fluctuations of currency exchange rates which, in the ongoing uncertainty and unpredictability may affect the outcomes of the coming months.

A new chapter in the relations between the USA, Europe, and Russia, which radically changed the perspective of the short-term forecast of the stability of economic processes over just a few weeks, is now becoming the most important factor determining the business environment conditions in the local view and, obviously, the global one as well. Unexpected and surprising economic, political, and military decision may in the period to come measurably affect the decisions made by the market, both those ensuing from justifiable caution and restrain and those where it is advisable not to delay any longer and to make investments now, exactly because of the uncertain future. Indubitably, such events are the focal point of the Management Board's attention, not only in the mid-term approach, but also daily and extremely short-term. The Company is constantly analysing the above factors which, in the Company's opinion, may interfere with the forecasts of the revenues and outcomes of Talex S.A. in the coming period.

Information on the rules of preparing the annual financial statement

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

Poznań, 26 March 2025

Members of the Management Board:

Janusz Gocałek
Jacek Klauziński
Andrzej Różga
Rafał Szałek
Radosław Wesołowski

Corporate governance statement

issued by

**Talex S.A. with its seat in Poznań
in 2024**

Attachment to the Report on activities of
TALEX Spółka Akcyjna
in 2024

1. A collection of corporate governance principles applicable to the Company and the location where the collection can be accessed by the general public.

In 2024 the Company implemented the principles of corporate governance found in the document "Best Practice for GPW Listed Companies 2021", enacted through Resolution of the Council of the Warsaw Stock Exchange S.A. (Attachment to the Resolution ref. 13/1834/2021 on 29 March 2021). The abovementioned collection is available on the website <https://www.gpw.pl/best-practice2021>. The Exchange Rules do not make implementing the principles mandatory for the Company. However, it requires reporting on how the principles are observed.

2. The scope of the Company's deviation from clauses of the aforesaid collection of corporate governance principles and explanation of such deviation.

In the period of 2024, the Company complied with all the principles of corporate governance found in the document "Best Practice for GPW Listed Companies 2021", with the following exceptions, announced by the Company in the report published in the EIB system on 27 July 2021:

Information policy and communication with investors

1.4 To ensure quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial. ESG information concerning the strategy should among others:

The principle is not applied; The company is in the process of developing and successively presenting information in this regard on its website.

1.4.1. explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks;

The principle is not applied; an explanation of the above will be provided when the information referred to in point 1.4.

1.4.2. present the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of the equality target.

The principle is not applied; an explanation of the above will be provided when the information referred to in point 1.4. At the same time, the Company announces that it applies the principles of equal remuneration in practice, taking into account the job contingent and seniority.

1.6 Companies participating in the WIG20, mWIG40 or sWIG80 index hold on a quarterly basis and other companies hold at least on an annual basis a meeting with investors to which they invite in particular shareholders, analysts, industry experts and the media. At such meetings, the management board of the company presents and comments on the strategy and its implementation, the financial results of the company and its group, and the key events impacting the business of the company and its group, their results and

outlook. At such meetings, the management board of the company publicly provides answers and explanations to questions raised.

The principle is not applied; the Company's main shareholders are its founders, who are also members of the Management Board. The Company remains open to contacting shareholders who, based on the Company's years of experience, prefer to meet individually with the Company's management. The Company's practice to date has not confirmed shareholder interest in meetings in a broader format.

Management Board and Supervisory Board

2.1. Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.

The principle is not applied; currently the Company has a single diversity policy.

2.2. Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.

The principle is not applied; the Company's main shareholders are its founders, who are also members of the Management Board. These persons are of the same sex. The Management Board selection process follows substantive criteria, and the composition of the Board is not determined by an election based on ensuring a specific gender diversity index. The composition of the Supervisory Board takes the gender diversity index into account.

2.11 In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following:

2.11.5. assessment of the rationality of expenses referred to in principle 1.5;

The principle is not applied; the Company intends to introduce an implementation of this principle in the future.

211.6. information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.

The principle is not applied; the Company intends to introduce an implementation of this principle in the future.

Internal systems and functions

3.3 Companies participating in the WIG20, mWIG40 or sWIG80 index appoint an internal auditor to head the internal audit function in compliance with generally accepted international standards for the professional practice of internal auditing. In other companies which do not appoint an internal auditor

who meets such requirements, the audit committee (or the supervisory board if it performs the functions of the audit committee) assesses on an annual basis whether such person should be appointed.

The principle does not apply to the Company; the Company declares its willingness to apply this principle in the event that it qualifies for the indices indicated.

3.6. The head of internal audit reports organizationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.

The principle is not applied; the Company intends to introduce an implementation of this principle in the future.

3.7. Principles 3.4 to 3.6 apply also to members of the company's group which are material to its activity if they appoint persons to perform such tasks.

The principle does not apply to the Company; the Company is not a member of a capital group currently.

3.8. The person responsible for internal audit or the management board if such function is not performed separately in the company reports to the supervisory board at least once per year with their assessment of the efficiency of the systems and functions referred to in principle 3.1 and tables a relevant report.

The principle is not applied; the Company intends to introduce an implementation of this principle in the future.

3.9. The supervisory board monitors the efficiency of the systems and functions referred to in principle 3.1 among others on the basis of reports provided periodically by the persons responsible for the functions and the company's management board, and makes annual assessment of the efficiency of such systems and functions according to principle 2.11.3. Where the company has an audit committee, the audit committee monitors the efficiency of the systems and functions referred to in principle 3.1, which however does not release the supervisory board from the annual assessment of the efficiency of such systems and functions.

The principle is not applied; the Company intends to introduce an implementation of this principle in the future.

3.10. Companies participating in the WIG20, mWIG40 or sWIG80 index have the internal audit function reviewed at least once every five years by an independent auditor appointed with the participation of the audit committee.

The principle does not apply to the Company; the Company declares its willingness to apply this principle in the event that it qualifies for the indices indicated.

General Meeting, shareholder relations

4.1. Companies should enable their shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in a position to provide the technical infrastructure necessary for such general meeting to proceed.

The principle is not applied; the Company's main shareholders are its founders, who are also members of the Management Board. The Company's practice to date has not confirmed shareholder interest in participating in a general meeting by means of electronic communication.

4.3 Companies provide a public real-life broadcast of the general meeting.

The principle is not applied; the Company's main shareholders are its founders, who are also members of the Management Board. The Company's practice to date has not confirmed shareholder interest in a real-life broadcast of the general meeting.

4.8. Draft resolutions of the general meeting on matters put on the agenda of the general meeting should be tabled by shareholders no later than three days before the general meeting.

The principle is not applied; the Company permits the exercise of shareholders' rights in this respect in accordance with the regulations contained in the Code of Commercial Companies.

4.9. If the general meeting is to appoint members of the supervisory board or members of the supervisory board for a new term of office:

4.9.1 candidates for members of the supervisory board should be nominated with a notice necessary for shareholders present at the general meeting to make an informed decision and in any case no later than three days before the general meeting; the names of candidates and all related documents should be immediately published on the company's website;

The principle is not applied; the Company permits the exercise of shareholders' rights in this respect in accordance with the regulations contained in the Code of Commercial Companies. The Company declares that the information provided by the shareholders on the nominations will be published on the Company's website without delay.

4.13. Resolutions concerning a new issue of shares with the exclusion of subscription rights which grant pre-emptive rights for new issue shares to selected shareholders or other entities may pass subject at least to the following three criteria:

- a) the company has a rational, economically justified need to urgently raise capital or the share issue is related to rational, economically justified transactions, among others such as a merger with or the take-over of another company, or the shares are to be taken up under an incentive scheme established by the company;*
- b) the persons granted the pre-emptive right are to be selected according to objective general criteria;*
- c) the purchase price of the shares is in a rational relation with the current share price of the company or is to be determined in book-building on the market.*

The principle is not applied; decisions regarding the issue will be made taking into account the material needs of the Company existing at the time.

4.14. Companies should strive to distribute their profits by paying out dividends. Companies may retain all their earnings subject to any of the following criteria:

- a) the earnings are minimal and consequently the dividend would be immaterial in relation to the value of the shares;*
- b) the company reports uncovered losses from previous years and the earnings are used to reduce such losses;*
- c) the company can demonstrate that investment of the earnings will generate tangible benefits for the shareholders;*
- d) the company generates insufficient cash flows to pay out dividends;*
- e) a dividend payment would substantially increase the risk to covenants under the company's binding credit facilities or terms of bond issue;*
- f) retention of the company's earnings follows recommendations of the authority which supervises the company by virtue of its business activity.*

The principle is not applied; the Company declares that the principle is being applied in practice, taking into account the material needs of the Company existing at the time the relevant resolutions are adopted.

Conflict of interest, related party transactions

5.3. No shareholder should have preference over other shareholders in related party transactions. The foregoing also concerns transactions concluded by the company's shareholders with members of the company's group.

The principle does not apply to the Company; the Company is not a member of a capital group currently. The Company declares its willingness to apply this principle.

5.5. If a transaction concluded by a company with its related party requires the consent of the supervisory board, before giving its consent the supervisory board assesses whether to ask a prior opinion of a third party which can provide valuation of the transaction and review its economic impact.

The principle does not apply to the Company; the Company is not a member of a capital group currently. The Company declares its willingness to apply this principle.

5.6. If a related party transaction requires the consent of the general meeting, the supervisory board issues an opinion on the rationale of such transaction. In that case, the supervisory board assesses whether to ask a prior opinion of a third party referred to in principle 5.5.

The principle does not apply to the Company; the Company is not a member of a capital group currently. The Company declares its willingness to apply this principle.

5.7. If a decision concerning the company's significant transaction with a related party is made by the general meeting, the company should give all shareholders access to information necessary to assess the impact of the transaction on the interest of the company before the decision is made, including an opinion of the supervisory board referred to in principle 5.6.

The principle does not apply to the Company; the Company is not a member of a capital group currently. The Company declares its willingness to apply this principle.

Remuneration

6.3 If companies' incentive schemes include a stock option programme for managers, the implementation of the stock option programme should depend on the beneficiaries' achievement, over a period of at least three years, of pre-defined, realistic financial and non-financial targets and sustainable development goals adequate to the company, and the share price or option exercise price for the beneficiaries cannot differ from the value of the shares at the time when such programme was approved.

The principle is not applied; the Company currently does not have a stock option programme for managers. The Company declares its willingness to apply this principle.

3. Description of the main characteristics of the internal control and risk management systems applied by the Company with reference to the preparation of financial statements.

The Company has not implemented a separate internal control and risk management system directly dedicated to the preparation of financial statements. The financial statements are prepared by the Company's financial and accounting services under control of the Chief Accountant and then approved by the Management Board.

Irrespective of the method adopted for the preparation of financial statements, the statements approved by the Management Board are then audited by an auditing entity selected by the Company's Supervisory Board.

In accordance with obligatory law regulations, in particular the stipulations of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (Dz.U.2017.1089), including Art. 128 Section 1 of the Act, the Supervisory Board appointed the Audit Committee on 19 September 2017. The Supervisory Board determined the five-person composition of the Audit Committee. The composition of the Audit Committee fulfils the criteria of competence and independence of its members as stipulated by the Act.

The activities of the Company's organizational units participating in the preparation of financial statements are covered by the integrated quality and information security management system implemented in the Company in accordance with ISO 9001 and ISO 27001 standards.

4. Shareholders who have qualifying holdings, directly or indirectly, the numbers of shares held, their percentage share in the share capital, the number of votes the shares carry and their percentage share in the total votes in the General Meeting of Shareholders.

As at 14 June 2023

Shareholder's name	No. of shares in capital	Share (%)	No. of votes in the AGM	Votes (%)
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.

5. The holders of any securities which entitle to special supervisory powers and the description of such powers.

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

6. Limitations on the exercise on voting rights, such as limitations on voting by holders of a certain portion or number of votes, timing limitations on voting, or other provisions under which, in cooperation with the Company, ownership of securities is deprived of some rights incidental thereto;

The shares of the Company and the exertion of voting rights are not limited in any of the ways listed above.

7. Restrictions on the transfer of ownership titles to the Issuers securities;

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.

8. The rules of appointment and dismissal of managing persons and the rights of managing persons, including the right to issue or redeem shares.

The entitlement to appoint and remove members of the Company's Management Board belongs to the Supervisory Board as defined by the Company's Articles of Association. The right to adopt decisions regarding the issue or redemption of shares lies within the competence of the General Meeting.

9. Terms of amending the Company's Articles of Association.

The amendments to the Company's Articles of Association are introduced in compliance with generally applicable laws. The Company's Articles of Association does not grant the Company's bodies any special powers in this regard. The right to amend the Company's Articles of Association is an exclusive competence of the General Meeting.

10. The manner of operation and essential authorities of the General Meeting of Shareholders, description of the shareholders' rights and the exercise thereof, and in particular the rules set forth by the Bylaws of the General Meeting provided such bylaws have been adopted, unless such information is determined directly by the provisions of law.

The manner of operation of the General Meeting of the Company's shareholders is in full compliance with generally applicable laws, in particular with the provisions of the Code of Commercial Companies. The Company did not implement additional internal regulations in this regard except those stipulated in § 13-19 of the Company's Articles of Association. The scope of competence of the General Meeting and Shareholders' rights provided in the Company's Articles of Association do not deviate from the regulations stipulated by the generally applicable laws.

The General Meeting is held at the Company's Headquarters or in Warsaw.

The Ordinary General Meeting of Shareholders is held no later than by the end of June each year.

The General Meeting is convened by the Management Board. The Supervisory Board may convene the Ordinary General Meeting if the Management Board fails to convene it by the date described in this section or in the Articles of Association, and an extraordinary General Meeting if it finds it advisable. The powers of other entities to convene a General Meeting were provided in the adduced editorial units of the Articles of Association and do not deviate from the regulations described in the generally applicable laws.

In its long-term practice, the Company has striven to convene the Ordinary General Meeting as expeditiously as possible after the end of each accounting year.

Shareholders representing at least half of the share capital or at least half of the total number of votes in the Company are entitled to convene an extraordinary General Meeting. The shareholders appoint a Chairperson of such meeting.

A shareholder or shareholders representing at least one twentieth of the share capital may request that an extraordinary General Meeting be convened and certain issues be placed on the agenda of that Meeting. The motion to convene an extraordinary General Meeting should be submitted to the Management Board in writing or in the form of an e-mail. If within two weeks from submission to the Management Board of a request an extraordinary General Meeting of Shareholders is not convened, the registry court, by way of a decision, can authorize shareholders, who have made such request, to convene the extraordinary General Meeting of Shareholders. The court then appoints a Chairperson for that Meeting.

The entity who convened the General Meeting sets its agenda taking into account submitted requests. Requests to place certain issues on the agenda of the General Meeting can be made by a shareholder (or shareholders) representing at least one twentieth of the share capital. A General Meeting of Shareholders shall be convened by making an announcement on the Company's website and in the manner prescribed for announcement of current information in accordance with the provisions of law regarding public offering and conditions governing the introduction of financial instruments to organized trading and public companies at least 26 days prior to the scheduled day of the General Meeting. The agenda of the General Meeting and other information required by the law shall be published in that announcement.

Only the persons being the shareholders in the Company sixteen days prior to the date of the General Meeting (date of registration of attending the General Meeting) are entitled to participate therein. Shareholders can attend the General Meeting in person or through representatives. Proxy to participate in the General Meeting and exercise the right to vote shall be granted in writing or will be invalid. Proxy to exercise the right of vote shall be granted in writing or through electronic means. The grant of the power of attorney in electronic form does not require a secure electronic signature verified using a valid qualified certificate. The right to attend the General Meeting is also granted to the members of the Company's authorities and the persons appointed by the Management Board to handle the General Meeting.

The General Meeting shall be able to pass resolutions provided it has been convened properly. Each share shall carry one vote at the General Meeting with the exception of voting preference shares. The resolutions of the Meeting are passed by ordinary majority of votes validly cast, unless applicable governing laws or the Articles of Association dictate otherwise. Voting is open. Secret voting is ordered for elections and motions concerning the dismissal of the members of the Company's boards or its liquidators, or concerning holding them liable, as well as in case of personal issues and on demand of at least one person attending the General Meeting.

The agenda of the Ordinary General Meeting should include:

- reviewing and approving financial statements and the reports of the Management Board on the operation of the Company for the previous financial year, as well as the report of the Supervisory Board on the audit of the Management Board's statements;
- adoption of a resolution on division of profit or coverage of loss from the previous financial year;
- adoption of a resolution on granting the members of the Company's bodies a vote of acceptance for performing their duties;
- adoption of a resolution on the election of the Company's new authorities provided they are elected by the General Meeting and the terms of office of the present members expire by the date of the General Meeting.

The General Meeting shall be solely authorized to adopt resolutions on the following issues:

- appointment and dismissal of the members of the Supervisory Board;
- amendment of the Company's Articles of Association;
- issuance of convertible bonds and bonds with pre-emptive rights,

- establishment of the rules and amounts of remuneration for the members of the Supervisory Board,
- merger with another company,
- dissolution of the Company and the appointment of liquidators,
- sale and lease of the enterprise or its organized part and the creation of limited property rights therein,
- examining the appeals of the Management Board against decisions of the Supervisory Board refusing to grant consent to undertake certain actions,
- purchase of own shares by the Company, which are then to be offered to be purchased by employees or persons who were employed by the Company or its associate company for a period of at least three years.

The Company did not adopt any distinct rules for the General Meeting.

11. Compositions and the changes in the compositions that occurred in the course of the last financial year, as well as the description of the operation of management, supervisory and administrative bodies of the Issuer and their committees

Members of the Management Board (as at 31 December 2024):

- Janusz Gocałek
- Jacek Klauziński
- Andrzej Różga
- Rafał Szalek
- Radosław Wesołowski

Members of the Supervisory Board (as at 31 December 2024):

- Witold Hołubowicz
- Andrzej Kurc
- Jacek Nowak
- Bogna Pilarczyk
- Małgorzata Poprawska

The Supervisory Board was appointed for the current term of office by the General Meeting held on 7 June 2022 due to the expiry of the previous term of office of the Board. The Management Board was appointed by the Supervisory Board on 7 June 2022 due to the expiry of the previous term of office of the Management Board.

The Company's bodies operate in full compliance with generally applicable laws. The detailed operational procedures of the Company's Management and Supervisory Boards have been defined in the Company's Articles of Association and in distinct regulations for these bodies, approved by the Supervisory Board, that is, in the "Regulations of the Management Board of Talex S.A." and the "Regulations of the Supervisory Board of Talex S.A." The Company makes the aforesaid documents in their current form available on its website.

On 7 June 2022, the Supervisory Board appointed the Audit Committee in accordance with the regulations defined in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (Dz.U.2020.1415 with later amendments). All members of the Supervisory Board were appointed to the Audit Committee.

12. Information about the Audit Committee

- Members of the Audit Committee who meet the statutory independence criteria:
Witold Hołubowicz
Jacek Nowak

Małgorzata Poprawska

- members of the Audit Committee with knowledge and competencies in accounting or auditing, and an indication of how they were acquired:

Bogna Pilarczyk - Prof. Dr hab. at the Poznań University of Economics

Małgorzata Poprawska - expert auditor – KRBR Number 5796

- members of the Audit Committee with knowledge and competencies in the Issuer's field of business activity, and an indication of how they were acquired:

Witold Hołubowicz - Dr hab. inż., Professor of Adam Mickiewicz University in Poznań – Head of the Department of Applied Computer Science at the Faculty of Physics of AMU in Poznań

Andrzej Kurc - nearly thirty years of experience in the implementation and management of IT projects for companies in the IT sector

- The auditing firm which audited the Company's financial statements on the period of 2022 within the scope of permitted non-audit services assessed the Company's report on remuneration; due to the nature of the service, in particular the legal basis of it, there was no need to assess the independence of the auditing firm.
- In making a recommendation of an audit firm, the Audit Committee is guided in particular by the firm's impartiality, independence, the highest quality of its audit engagements and its knowledge of the IT industry in which the Company operates.
- 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.
- In the period of 2024 the Audit Committee held three meetings.

13. Description of the diversity policy applied to administrative, management and supervisory bodies of the Issuer with regard to such aspects as, for instance, age, sex or education and work experience, goals of such diversity policy, methods of its implementation and the effects achieved in the reporting period

In its activity, the Company strives to ensure responsible diversity in selecting the composition of its bodies. The representatives of the Company's bodies observe actual benefits from ensuring diversity, in particular with regard to the criteria of age, experience and sex. However, substantive competencies and social skills remain the fundamental criteria of selecting the composition of both the Supervisory and Management Boards of the Company. Practical implementation of the aforesaid assumptions boils down to ensuring adequate selection of personnel while fully respecting diversity, with special attention being paid to the equality of opportunity. The above aims to, above all else, ensure the stability and continuity of operation of the Company as a business entity and entrepreneur. In the opinion of the Company's bodies, a diversity policy is meaningful and justified when it contributes to the development of the enterprise and to ensuring the satisfaction of representatives of distinct interest groups within the more and less immediate environment of the Company.

When analyzing the actual impact of striving to ensure diversity (understood as referred to above), it is necessary to also take into account the specific nature of the Company's activity and its specialty within the IT industry. It is so because the activity of the Company as an integrator of advanced IT technologies imposes certain limitations on parities in pursuit of diversity. By its nature, activity in the IT industry, in particular in the field of maintenance services provided at local units of the Company's clients, leads to a natural increase in younger and male personnel.

Currently, the five-person Management Board of the Company is composed entirely of men, most of whom are the Company's founders and significant shareholders, whereas in the composition of the five-person Supervisory Board there are two women, one of whom serves as the President of the Supervisory Board, the other is the President of the Audit Committee. The representatives of both bodies ensure diversity in the scope of education and obtained work experience. Moreover, the composition of the Management Board, apart from fulfilling the above diversity criteria, is also significantly diversified with regard to the age of individual members of that body.

Irrespective of the implemented diversity policy and the results achieved so far, the Company observes an ongoing trend in the growing number of women with high substantive competencies as well as the broadening of the age spectrum among its employees.