



**Information in accordance with par. 66 section 4 and 5 of the Regulation
on current and periodical information
to the Quarterly Report
for the third quarter of the financial year 2024
including the period
from 01.07.2024 to 30.09.2024**

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

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

2. Accounting principles:

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

2.1. Methods of assets and liabilities valuation:

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

- **production in progress** – The progression of the service is determined by the ratio of the number of direct hours worked to the number of hours planned.
- e. **Domestic receivables** are valued according to the nominal value set at their beginning. Receivables in foreign currencies at balancing date are valued at the average exchange rate set for a given currency by the National Bank of Poland. At balancing date the receivables and claims are indicated in the value corrected by revaluation write-offs in the following cases:
 - - receivables from entities in liquidation – 100% write-off;
 - - receivables that have been overdue for over half a year – 100% write-off.
- f. **Short-term financial assets** are valued according to market value. The effects of differences between the valuation value at the balance sheet date and the purchase price are recognised in financial income or expenses. Domestic cash is valued at nominal value. Cash in foreign currencies at the balancing day is valued at the average exchange rate set for a given currency by the National Bank of Poland.
- g. **Primary capital (share capital)** is valued at the nominal value, in accordance with the entry in the National Court Register.
- h. **Supplementary capital** is priced at the nominal value resulting from capital increases and decreases.
- i. **Revaluation reserve** is valued at its nominal value, resulting from capital increases and decreases.
- j. Provisions for liabilities include:
 - **provision for retirement benefits** created at the balance sheet date according to the formula:
 the number of employees without the settled right to retirement at the balancing day
 × average monthly salary in the company × likelihood indicator of retirement
 severance payment, differentiated by the employee's age:

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

2.2. Information on significant changes in the estimates;

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

3. Additional information:

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

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

The recent five years' period brought difficult to predict negative phenomena for the domestic and international markets, which directly affect the economy. These phenomena mainly include the COVID-19 pandemic and the outbreak of war in Ukraine. The first of the aforementioned phenomena, the global pandemic – while it can already be considered a historical event – still impacts the current market conditions. In particular, this period brought about a changed model of working and providing services, where fully on-line and hybrid solutions are prevalent, as well as changes in the purchasing practices of clients. The Company clearly notices that contractors carry out their investment plans with a significantly greater caution. The war in Ukraine, however, is a still ongoing phenomenon. Consequently, it is difficult to determine at this stage not only when it will end but also the actual long-term consequences of this war, in particular for the economy. Both the aforementioned phenomena have a strong impact on the economic environment. In particular, it is worth noticing negative developments on currency markets and changes in energy carrier prices. The increase in prices of goods and services were compounded by inflation. Being aware of the impact of the aforesaid processes and phenomena of the Company, the Management Board of the Company constantly monitors and analyses them, while seeking solutions to provide for the stable development of the Company and favourable prospects with regard to financial outcomes.

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

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

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

In Q3 2024, the Company did not recognize a revaluation write-down on inventories.

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

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

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

Title of provision	State as at 01.07.2024	Increase of the provision	Use of the provision	Release of the provision	State as at 30.09.2024
1. For retirement and similar benefits	850	0	0	0	850
- for retirement severance pay	394	-	-	-	394
- for unused holiday leaves	456	-	-	-	456
2. Remaining provisions	0	0	0	0	0
- for the remuneration costs of the past period	0	-	-	-	0
- for future costs	0	-	0	-	0
total	850	0	0	0	850

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

Title of the assets	State as at 01.07.2024	Creation of the provision	Use of the provision	Release of the provision	State as at 30.09.2024
- on account of costs of long-term investments	0	0	0	0	0
- on account of unpaid remunerations	14	3	4	0	13
- on account of write-offs to doubtful accounts	0	0	0	0	0
- on account of provisions for retirement severance pay	75	0	0	0	75
- on account of provisions for unused holiday leaves	87	0	0	0	87
- on account of invoicing of deferred services and supplies	15	15	7	0	23
- on account of write-offs of inventories	30	0	0	0	30
- due to tax loss	278	0	0	0	278
Total assets	499	18	11	0	506
Title of provision	State as at 01.07.2024	Creation of the provision	Use of the provision	Release of the provision	State as at 30.09.2024
. - due to the increase of long-term investment value	1,099	0	1,099	0	0
due to positive difference in tax depreciation	280	155	0	0	435
- on account of recognition of due revenues	0	102	76	0	26
Total provisions	1379	257	1175	0	461

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

In the reporting period there were no significant acquisitions or disposals of tangible fixed assets.

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

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

3.9. Information on significant settlements under court proceedings;

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

3.10. Indication of errors adjustment of the previous periods;

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

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

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

An important circumstance for the Company's operations is the fact that Talex S.A. has not been, and is not, conducting any business activities on the Ukrainian market or with entities substantially engaged in Ukraine. Likewise, the Company is neither directly nor indirectly engaged on the Russian or Belarusian markets. The Management Board of Talex keeps a close eye on the existing situation and its development, taking into account its possible impact on the economic relations of the Company with its Clients. The Company, just like other entities on the market, is experiencing the negative economic effects of the war which has been raging in Ukraine for more than 2.5 years. In the period since the outbreak of the war, there have been noticeable changes in the prices of media, mainly fuels and electricity. The initial strong upwards trend of energy carrier prices stabilised, in particular throughout this year. As the prices of energy carriers have a strong impact on the costs of providing services by the Company, it constantly analyses trends of change in this area. The Company also takes action to ensure, in the current market conditions, the best possible levels of purchasing prices, in particular of electricity. In the opinion of the Company, the coming quarters should bring a noticeable stabilisation on the market of energy carrier prices.

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

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

The Company is not an affiliated entity.

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

In Q3 2024 the Company did not change the classification of financial instruments.

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

In Q3 2024 there were no changes in the classification of financial assets.

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

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

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

The Ordinary General Meeting of Shareholders held on 5 June 2024 adopted the resolution on the payment of dividend. The total amount allocated to the payment of dividend was calculated as the product of the number of shares participating in the dividend and the amount of PLN 0.90 (i.e., the amount allocated to dividend per share). The total amount of paid dividend was PLN 2,700,082.80. All shares issued by the Company were covered by the dividend. The dividend date was 24 June 2024, and the date of payment of the dividend was 2 July 2024.

3.17. Indication of events, which took place after the day for which the abridged quarterly financial statement was drawn up, not included in this statement, but which could substantially influence the future financial results of the issuer;

After the date of drawing up this report, there were no events that could substantially influence the future financial results.

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

Title of contingent liability	State as at 01.07.2024	Increase of liability	Expiration of liability	State as at 30.09.2024
- on account of guarantee and warranty	0	-	-	0
- on account of performance bonds	100	-	-	100
- guarantees on advance payments	0	-	-	0
- payment guarantees	162	3	-	165
TOTAL	262	3	-	265

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

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