



**Additional explanatory notes to
the financial statements and
respectively comparable data to
the Annual Report 2018**

TALEX[®] S.A.

1. Information on financial instruments:

At 31.12.2018 the Company has no financial assets and liabilities held for trading and financial assets held to maturity.

In July 2014, the Company entered into an interest rate swap (IRS) transaction for PLN 6m. The term of the contract is from June 30, 2017 to June 30, 2020. The transaction is intended to partially hedge the change in interest rates for an investment credit that is expected to be repaid in the same period. In the financial statements as at 31.12.2018, the above financial instrument is presented in the Balance Sheet as a separate financial liability. Changes in the value of the instrument arise as a result of a change in its valuation carried out by Bank Zachodni WBK S.A.

SPECIFICATION	2018	2017
FINANCIAL INSTRUMENTS – IRS	20	51
Long-term liabilities	14	31
To other entities		
other financial liabilities	14	31
Short-term liabilities	7	20
To other entities		
other financial liabilities	7	20

2. Data concerning off-balance sheet items, in particular contingent liabilities, including also guarantees and sureties granted by the issuer (PLN in thds)

SPECIFICATION	2018	2017
1. Contingent receivables	0	0
2. Contingent liabilities	268	981
2.1 To affiliated companies	0	0
2.2 To affiliated companies, on account of:	268	981
- performance bonds of the contract	154	186
- bonds on account of warranty and guarantee	0	90
- payment guarantees	114	112
- advance payment guarantees	0	593

3. Data on liabilities to the central state budget or local government authorities, under acquired ownership rights to buildings and structures.

As for the day of 31.12.2018 the above mentioned items are not listed.

4. Information on revenues, costs and results of discontinued operations in the period or operations to be discontinued in the next period.

In the reported period no operations were discontinued and no operations are expected to be discontinued in the next period.

5. Manufacturing cost of fixed assets in progress. (PLN in thds)

SPECIFICATION	2018	2017
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Expenditures on the premises of branch in Wrocław	1525	430
Expenditures on the modernization of Data Center building	19	19
Purchase of equipment and machinery		120
Reconstruction of gas installation	0	0
Other fixed assets	3	3
TOTAL	1 544	572

Capital work in progress are valued according to the actual costs of their purchase and financed in whole from own resources.

In 2018 the Company did not produced the fixed assets for own needs.

6. Capital expenditure made and capital expenditure planned for the period of 12 months from the balance-sheet date. (PLN in thds)

SPECIFICATION	Outlays incurred in 2018	Plan for 2018
Office building A and B	106	-
Expansion of the Data Center building	393	-
Purchase of technical equipment and machinery	7 067	750
Purchase of means of transport	1 605	600
Purchases of other fixed assets	1 235	200
Intangible assets (software)	162	250
Investments in foreign fixed assets	2 469	200
TOTAL	13 037	2 000

During 2017 and 2018 the Company did not incur expenses on environmental protection. Similar expenditures have also not been scheduled for the next year.

7. Information on revenues and costs of extraordinary value or that appeared incidentally, including their amount and character.

In the reporting period there were neither extraordinary transactions nor incidental transactions.

8. Information on transactions between the issuer and related entities on different terms than arm's length transactions, together with the amount and nature of such transactions.

The Company is not related to other entities.

9. Information on the economic nature and purpose of the contracts concluded by the issuer not included in the balance sheet within the scope necessary for the assessment of their impact on financial and economic condition and financial result.

Information not listed.

10. Information on non-consolidated joint ventures.

Information not listed.

11. Information on average employment, by professional groups in terms of full-time equivalents:

SPECIFICATION	31.12.2018	31.12.2017
Management Board	5.0	5.00
Engineering and technical staff	313.64	301.95
Economic staff	21.33	23.00
Administrative staff	11.05	11.00
Maintenance staff	16.99	13.00
TOTAL	368.01	353.95

12. Information on the total value of remuneration and awards paid to the persons managing and supervising the issuer. (in PLN thds)

SPECIFICATION	2018	2017
The Management Board, including:	2,176	2,216
- remuneration due under the contract of employment	2,176	2,216
Janusz Gocałek	432	432
Jacek Klauziński	432	432
Andrzej Rózga	432	432
Rafał Szalek	440	460
Radosław Wesołowski	440	460
The Supervisory Board, including:	111	90
- remuneration for the performance of duties	111	90
Bogna Pilarczyk	25	18
Grzegorz Ganowicz	7	18
Witold Hołubowicz	15	-
Marek Nawrocki	7	18
Małgorzata Poprawska	15	-
Andrzej Kurc	21	18
Jacek Nowak	21	18

13. Information on all liabilities due to retirement pensions and other benefits for former managing and supervising persons, or former members of administrative bodies, and any commitments arising or entered into in respect of retirement pensions, with an indication of the total for each category of body.

Not applicable.

14. Information on the value of outstanding prepayments, credits, loans, guarantees, sureties or other agreements to provide benefits to the issuer by its subsidiaries.

Item not listed.

On 30 May 2018 the Supervisory Board of the Company, on the basis of the Company's Articles of Association, adopted a resolution on the selection of "PKF Consult Sp. z o.o.", with its registered office in Warsaw, ul. Orzycka 6/ 1B (02-962), as an entity with which the contract will be signed on auditing the financial statements compiled on 31 December 2018 and 31 December 2018.

The selected entity is recorded in the register of entities authorized to audit financial statements under the No. 477 kept by the National Council of Statutory Auditors.

The Company used the services of the selected entity for auditing financial statements. The choice was made in accordance with applicable regulations and professional standards.

The total net value agreed on in the agreement amounts to 2 x PLN 21 thousand for the audit of the financial statements.

On 30 May 2018, the Supervisory Board of the Company, acting pursuant to the Company's Articles of Association, adopted a resolution on the selection of PKF Consult Sp. z o.o. Sp. z o.o.k. with its registered office in Warsaw at ul. Orzycka 6/ 1B (02-962), as the entity with which the agreement concerning the review of the Company's financial statements prepared as at 30 June 2018 and 30 June 2018 will be signed.

Net remuneration agreed on in the agreement amounts to PLN 2x12,000.00 +VAT according to the binding rate.

In 2018 the Company did not use any tax consultancy services.

15. Information on significant events from previous years included in the financial statement for the current period.

The abovementioned events did not occur.

16. Information on significant post balance-sheet events not included in the financial statement.

The abovementioned events did not occur.

17. Information on the relations between the issuer and its legal predecessor and the methods and scope of assets and liabilities takeover.

The joint-stock company "TALEX" S.A. was established following the transformation of the limited liability company Przedsiębiorstwo Produkcyjno-Wdrożeniowe „TALEX”.

On 9 April 1998, by the decision H1114/98 of the District Court in Poznań, XVI Commercial Division of the National Court Register, the limited liability company Przedsiębiorstwo Produkcyjno-Wdrożeniowe „TALEX” was removed from the Commercial Register RHB 2027, while "TALEX" S.A. was registered in the Commercial Register under the entry no. RHB 11905.

Assets and liabilities of "TALEX" S.A. as at the opening balance on 09.04.1998 equalled in value the assets and liabilities disclosed by the limited liability company Przedsiębiorstwo Produkcyjno-Wdrożeniowe „TALEX” as in the closing balance-sheet drawn up for 08.04.1998.

18. Financial statement and comparative financial data in respect of the basic items on the balance sheet and profit and loss account adjusted by a relevant inflation index.

No financial statement including prices adjusted by inflation index was drawn up.

19. List and explanation of differences between the data disclosed in the financial statement and comparative financial data.

The Company did not restate the data published in SA-Q 4 2018 report.

20. Changes to the accounting principles (policy) applied and to the method of the financial statement preparation.

In 2018 the Company did not introduced any changes neither to the accounting principles (policy) nor to the method of the financial statement preparation.

21. Adjustments due to fundamental errors.

There was no need to correct fundamental errors during the reporting period.

22. Description of threats as to the Company remaining a going concern.

There are no such threats.

23. Settlement concerning merger of companies.

There was no such settlement.

24. Valuation of shares in related parties.

As at 31 December 2018, TALEX S.A. did not have any related parties.

25. Reasons for not drawing up a consolidated financial statement.

As at 31 December 2018, TALEX S.A. was not a holding company under provisions of the Accounting Act, and so does not draw up a consolidated financial statement.

26. Address of the headquarters of the Company

Ul. Karpia 27D
61-619 Poznan

The address of the registered office of the Management Board is the same as the Company's address.

Talex S.A. is not a member of a capital group.