

statautoriseret revisionsfirma
Stationspladsen 1 og 3
3000 Helsingør
CVR nr. 30 19 52 64


Tlf 4921 8700
Fax 4921 8750
www.kallermann.dk

Tavex A/S
Bernstorffsgade 16
1577 København V

CVR no. 33 16 69 66

Annual report 2017

The annual report has been presented and approved on the Company's ordinary general meeting on

 04/06-2017

Chairman of general meeting

CONTENTS

	<u>Page</u>
Company details	1
Statement by Management on the annual report	2
Independent auditor's report	3 - 4
Management's review	5
Accounting policies	6 - 8
Income statement for 2017	9
Balance of 31 December 2017	10 - 11
Statement of changes in equity for 2017	12
Notes	13 - 14

COMPANY DETAILS

Reporting entity	Tavex A/S Bernstorffsgade 16 1577 København V
	CVR no.: 33 16 69 66
	Established: September 30, 2010
	Reporting period: 1 January 2017 - 31 December 2017
Board of Directors	Alar Tamming, Chairman Jüri Martin Roman Lossman
Executive Board	Sten Senkel, Chief Executive Officer Kuno Rääk, Executive Officer Wesley Valdez, Executive Officer
Company auditors	Kallermann Revision A/S - statsautoriseret revisionsfirma Stationspladsen 1 og 3 3000 Helsingør
	CVR no.: 30 19 52 64

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and the Executive Board have today considered and approved the annual report for the financial year 1 January - 31 December 2017 for Tavex A/S.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion the financial statements give a true and fair view of the Company's financial position at 31 December 2017 and of its financial performance for the financial year 1 January - 31 December 2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 25 May 2018

Executive board

Sten Senkel
Chief Executive Officer



Kuno Rääk
Executive Officer



Wesley Valdez
Executive Officer

Board of Directors

Alar Tamming
Chairman



Juri Martin



Roman Lossman

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Tavex A/S

Opinion

We have audited the Financial Statements of Tavex A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Company. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's financial position at 31 December 2017 and of the result of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users of accounting information taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

INDEPENDENT AUDITOR'S REPORT

the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Elsinore, 25 May 2018

CVR no. 30 19 52 64

Kallermann Revision A/S - statsautoriseret revisionsfirma



Peter Kallermann

State Authorized Public Accountant

MNE no.: mne8285



Morten Bjerregaard

State Authorized Public Accountant

MNE no.: mne34299

MANAGEMENT'S REVIEW**Primary activities**

The Company's primary activities are: trading with precious metal and provision of currency exchange and services related thereto, including money remittance. Currently the management sees no need to widen those areas of business.

Development in activities and finances

The result for the year shows a profit of 4.917.070 DKK. The equity amounts to 5.417.070 DKK at 31 December 2017.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

ANNUAL REPORT

ACCOUNTING POLICIES

This annual report of Tavex A/S for 2017 has been prepared in accordance with the provisions applying to class B enterprises under the Danish Financial Statements Act with additional choice of a few rules from class C enterprises.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Income is recognised in the income statement when earned, hereunder valuation adjustment concerning financial assets and liabilities. Costs are also recognised in the income statement, hereunder depreciations and amortisations.

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date of which the receivable or payable arose or was recognised in the latest annual report is recognised in the income statement as financial income or expenses.

Methods of leases

Leases for non-current assets that transfer substantially all risks and rewards incident to ownership the Company's (financial leases) are initially measured in the balance sheet at the lower of fair value and the net present value of the future lease payments. In calculating the net present value of future lease payments, the discount factor is the interest rate implicit in the lease or an alternative rate. Assets held under finance leases are subsequently treated as the company's other non-current assets.

The capitalised residual lease obligation is recognised in the balance sheet as a liability and the interest implicit in the lease is recognised in the income statement over the lease term.

ANNUAL REPORT

ACCOUNTING POLICIES

All other leases are defined as operating leases. Operating lease payments and other lease payments are recognised in the income statement over the lease term. The Company's total liabilities relating to operating leases and other leases are disclosed in the notes under contingent liabilities.

INCOME STATEMENT

Revenue

Revenue deducted other external costs is summarized in the income statement as gross profit according to the rules in the Danish Financial Statements Act, section 32.

Revenue is recognised net of VAT, duties and sales discounts. Revenue from the sale of goods comprising gold, silver and currencies for resale, is recognised in the income statement provided that delivery and transfer of risk to the buyer has taken place before year-end and that the income can be reliably measured and is expected to be received. Revenue is measured exclusive of VAT and taxes charged on behalf of third parties and discounts granted in connection with the sale.

External expenses

Other external expenses comprise expenses for sale, marketing, administration, premises, bad debts, etc.

Staff costs

Staff costs comprise salaries and wages as well as social security costs, pension contributions, etc for the Company's staff.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on receivables and payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme etc.

Income tax

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit/loss for the year and recognised directly in equity by the portion attributable to entries directly in equity.

BALANCE SHEET

Leasehold improvements, fixtures, fittings, tools and equipment

Leasehold improvements, fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets.

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. The following estimated useful lives of the assets are used:

Leasehold improvements, 7 years

ANNUAL REPORT

ACCOUNTING POLICIES

Other fixtures and fittings, tools and equipment, 5 years

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates and losses on the disposal of property, plant and equipment are determined as the difference between sales price less disposal costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as depreciation.

Inventories

At first recognition inventories comprising gold, silver and currencies are measured at cost. Subsequently inventories are measured at fair value less costs to sell. The fair value is the price that would be received to sell an asset in an orderly transaction in the principal (or most advantageous) market between market participants at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using other valuation techniques. Quoted prices for sold, silver and currencies are observable and used in the measurement of inventories (level 1 in the fair value hierarchy).

Changes in fair value less costs to sell are recognised in the income statement in the period of the changes.

Receivables

Trade receivable are measured at amortised cost. The value is reduced by write-down to meet expected losses.

Dividends

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item under equity.

Tax payables and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the expected realisable value of the asset, either by set-off against tax on future revenues or by set-off against deferred tax liabilities within the same legal tax unit.

Deferred tax is measured on the basis of the tax rules and tax rates that would be applicable under the legislation in force on the balance sheet date when the deferred tax is expected to crystallise as current tax. The tax rate applied for the current year is 22%.

Liabilities other than provisions

Other liabilities are measured at amortised cost equal to netrealisable value.

ANNUAL REPORT

INCOME STATEMENT FOR 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Gross profit		11.784.145	9.989.403
Staff costs	1	-4.161.504	-3.603.657
Depreciation, amortisation and impairment losses		-51.988	-9.587
Profit from ordinary operating activities		7.570.653	6.376.159
Financial income		0	288.144
Financial expenses	2	-1.268.407	-534.852
Profit from ordinary activities before tax		6.302.246	6.129.451
Tax	3	-1.385.176	-1.348.690
PROFIT FOR THE YEAR		<u>4.917.070</u>	<u>4.780.761</u>
Proposed distribution of results:			
Proposed dividend		4.917.070	4.780.761
Distributed extraordinary dividend		0	3.008.806
Retained earnings		0	-3.008.806
		<u>4.917.070</u>	<u>4.780.761</u>

ANNUAL REPORT

BALANCE OF 31 DECEMBER 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
ASSETS			
Fixtures, fittings, tools and equipment		118.905	151.028
Leasehold improvements		188.713	0
Fixtures, fittings and leasehold improvements	4	<u>307.618</u>	<u>151.028</u>
Deposits, investments and receivables		397.562	397.562
Long-term investments and receivables		<u>397.562</u>	<u>397.562</u>
FIXED ASSETS		<u>705.180</u>	<u>548.590</u>
Inventories		<u>4.358.675</u>	<u>3.509.383</u>
Trade receivables		97.406	113.168
Current deferred tax assets		10.000	20.000
Other receivables		0	11.496
Prepaid cost		0	355.316
Receivables		<u>107.406</u>	<u>499.980</u>
Cash and cash equivalents		<u>15.123.661</u>	<u>14.925.242</u>
CURRENT ASSETS		<u>19.589.742</u>	<u>18.934.605</u>
ASSETS		<u><u>20.294.922</u></u>	<u><u>19.483.195</u></u>

ANNUAL REPORT

BALANCE OF 31 DECEMBER 2017

	Notes	2017 DKK	2016 DKK
EQUITY AND LIABILITIES			
Contributed capital	5	500.000	500.000
Proposed dividend recognised in equity		4.917.070	4.780.761
EQUITY		<u>5.417.070</u>	<u>5.280.761</u>
Prepayments received from customers		448.540	84.018
Trade payables		579.521	0
Payables to group enterprises		12.395.944	12.557.583
Tax payables		1.211.176	1.292.691
Other payables		242.671	268.142
Short-term liabilities other than provisions		<u>14.877.852</u>	<u>14.202.434</u>
LIABILITIES OTHER THAN PROVISIONS		<u>14.877.852</u>	<u>14.202.434</u>
EQUITY AND LIABILITIES		<u>20.294.922</u>	<u>19.483.195</u>
Contingent liabilities	6		
Mortgages and collaterals	7		
Ownership	8		

ANNUAL REPORT

STATEMENT OF CHANGES IN EQUITY FOR 2017

	2017	2016
	DKK	DKK
Contributed capital:		
Capital, 1 January 2017	500.000	500.000
Capital, 31 December 2017	500.000	500.000
Retained earnings:		
Retained earnings, 1 January 2017	0	3.008.806
Increase	0	0
Decrease	0	-3.008.806
Retained earnings, 31 December 2017	0	0
Extraordinary dividend recognised in equity:		
Increase of equity	0	3.008.806
Decrease of equity	0	-3.008.806
Equity, ending balance	0	0
Proposed dividend:		
Dividend, 1 January 2017	4.780.761	0
Increase	4.917.070	4.780.761
Decrease	-4.780.761	0
Dividend, 31 December 2017	4.917.070	4.780.761
Equity, 31 December 2017	5.417.070	5.280.761

ANNUAL REPORT

NOTES

	2017	2016
	DKK	DKK
1. Staff costs		
Wages and salaries	3.862.377	3.368.144
Post-employment benefit expense	-1.758	0
Social security contributions	30.956	63.145
Other employee expenses	269.929	172.368
Employee benefits expenses	4.161.504	3.603.657
Average number of employees	9	9
2. Financial expenses		
Interest expense assigned to group enterprises	492.811	491.343
Other interest expenses	775.596	43.509
Other finance expenses	1.268.407	534.852
3. Tax		
Current tax expense	1.375.176	1.328.690
Adjustments for deferred tax	10.000	20.000
Tax expense on ordinary activities	1.385.176	1.348.690
4. Fixtures, fittings and leasehold improvements		
Fixtures, fittings, tools and equipment:		
Cost, 1 January 2017	160.615	124.728
Additions	0	160.615
Disposals	0	-124.728
Cost, 31 December 2017	160.615	160.615
Accumulated depreciation, 1 January 2017	-9.587	-124.728
Depreciation	-32.123	-9.587
Impairment losses and depreciation	0	124.728
Accumulated depreciation, 31 December 2017	-41.710	-9.587
Fixtures, fittings, tools and equipment, 31 December 2017	118.905	151.028
Leasehold improvements:		
Cost, 1 January 2017	223.346	223.346
Additions	208.578	0
Disposals	-223.346	0
Cost, 31 December 2017	208.578	223.346
Accumulated depreciation, 1 January 2017	-223.346	-223.346
Depreciation	-19.865	0
Reversals of depreciation	223.346	0
Accumulated depreciation, 31 December 2017	-19.865	-223.346
Leasehold improvements, 31 December 2014	188.713	0

ANNUAL REPORT**NOTES****5. Contributed capital**

Share capital consists of 500 shares at 1.000 DKK. The shares have not been divided into classes.

6. Contingent liabilities

The Company is part in a court case. Management expects that the legal proceedings will turn out in favour of the company and therefore it has no influence on the Company's financial position at 31 December 2017.

7. Mortgages and collaterals

There are no mortgages or collaterals.

8. Ownership

The following shareholder is registered in the Company's shareholder register and owns at least 5 per cent of the votes or at least 5 per cent of the share capital:

TAVID AS, Tallinn, Estonia.

9. Liabilities under leases

The company has entered operational leasehold agreements on tenancies with a total contingent liability amounting to DKK 1,688,782 at 31 December 2017.