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Tavex A/S
Bernstorffsgade 16
1577 København V

CVR no. 33 16 69 66

Annual report 2016

The annual report has been presented and approved on the Company's ordinary general meeting on 17/5-17



Chairman of general meeting

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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 2016 - 31 December 2016
Board of Directors	Alar Tamming, Chairman Jüri Martin Roman Lossman
Executive Board	Kuno Rääk, Chief Executive Officer Sten Senkel Wesley Valdez
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 2016 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 2016 and of its financial performance for the financial year 1 January - 31 December 2016.

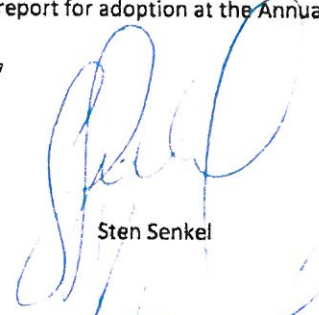
We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Copenhagen, 16 March 2017

Executive board


Kuno Rääk
Chief Executive Officer



Sten Senkel



Wesley Valdez

Board of Directors

Alar Tamming
Chairman



Jüri Martin



Romar 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 2016, 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 2016 and of the result of the Company's operations for the financial year 1 January - 31 December 2016 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

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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, 16 March 2017

CVR no. 30 19 52 64

Kallermann Revision A/S - statsautoriseret revisionsfirma



Peter Kallermann

State Authorized Public Accountant

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.

Uncertainty relating to recognition and measurement

The financial report is not affected by uncertainty in recognition and measurement.

Development in activities and finances

The result for the year shows a profit of 4.780.761 DKK, which is considered to be satisfactory. The equity amounts to 5.280.761 DKK at 31 December 2016.

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.

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ACCOUNTING POLICIES

This annual report of Tavex A/S for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises 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

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

INCOME STATEMENT

Revenue

Revenue from the sale of gold, silver and currency for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts.

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

These items comprise interest income and interest expenses, realised and unrealised capital gains and losses on securities and transactions in foreign currencies, amortisation premium or allowance on mortgage debt etc as well as tax surcharge and relief under the Danish Tax Prepayment Scheme.

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ACCOUNTING POLICIES

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 acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when the asset is ready to be put into operation.

The basis of depreciation is cost plus revaluation and less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Leasehold improvements, 10 years

Other fixtures and fittings, tools and equipment, 5 years

Leasehold improvements and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value. Cost of stock for resale consist of purchase price plus delivery costs.

Receivables

Accounts receivable are measured at amortised cost which usually corresponds to nominal value. 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

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 for the year and recognised directly on equity by the portion attributable to entries directly on equity. The portion of the tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax is measured on basis of the tax rules and tax rates which are valid when deferred tax is expected to be current tax. Changes in deferred tax as a consequence of changes in tax rates are recognised in the income statement. The current tax rate is 22 per cent.

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ACCOUNTING POLICIES

Liabilities other than provisions

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

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INCOME STATEMENT FOR 2016

	Notes	2016 DKK	2015 DKK
Gross profit		9.989.403	6.761.851
Staff costs	1	-3.603.657	-3.021.833
Depreciation, amortisation and impairment losses		-9.587	0
Profit from ordinary operating activities		6.376.159	3.740.018
Financial income		288.144	77.456
Financial expenses	2	-534.852	-480.603
Profit from ordinary activities before tax		6.129.451	3.336.871
Tax	3	-1.348.690	-815.968
PROFIT FOR THE YEAR		4.780.761	2.520.903
 Proposed distribution of results:			
Proposed dividend		4.780.761	0
Distributed extraordinary dividend		3.008.806	0
Retained earnings		-3.008.806	2.520.903
		4.780.761	2.520.903

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BALANCE OF 31 DECEMBER 2016

	Notes	2016 DKK	2015 DKK
ASSETS			
Fixtures, fittings, tools and equipment		151.028	0
Leasehold improvements		0	0
Fixtures, fittings and leasehold improvements	4	<u>151.028</u>	<u>0</u>
Deposits, investments and receivables		397.562	897.682
Long-term investments and receivables		<u>397.562</u>	<u>897.682</u>
FIXED ASSETS		<u>548.590</u>	<u>897.682</u>
Raw materials and consumables		3.509.383	3.136.534
Assets meant for sale		7.960.844	7.251.586
Inventories		<u>11.470.227</u>	<u>10.388.120</u>
Trade receivables		113.168	129.609
Current deferred tax assets		20.000	40.000
Other receivables		11.496	0
Prepaid cost		355.316	0
Receivables		<u>499.980</u>	<u>169.609</u>
Cash in bank		<u>6.964.398</u>	<u>2.940.900</u>
CURRENT ASSETS		<u>18.934.605</u>	<u>13.498.629</u>
ASSETS		<u>19.483.195</u>	<u>14.396.311</u>

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BALANCE OF 31 DECEMBER 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
EQUITY AND LIABILITIES			
Contributed capital	5	500.000	500.000
Retained earnings		0	3.008.806
Proposed dividend recognised in equity		4.780.761	0
EQUITY		<u>5.280.761</u>	<u>3.508.806</u>
Prepayments received from customers		84.018	858.837
Payables to group enterprises		12.557.583	8.730.207
Tax payables		1.292.690	795.968
Other payables		268.143	502.493
Short-term liabilities other than provisions		<u>14.202.434</u>	<u>10.887.505</u>
LIABILITIES OTHER THAN PROVISIONS		<u>14.202.434</u>	<u>10.887.505</u>
EQUITY AND LIABILITIES		<u><u>19.483.195</u></u>	<u><u>14.396.311</u></u>
Contingent liabilities	6		
Mortgages and collaterals	7		
Ownership	8		

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STATEMENT OF CHANGES IN EQUITY FOR 2016

	<u>2016</u> DKK	<u>2015</u> DKK
Contributed capital:		
Capital, 1 January 2016	500.000	500.000
Capital, 31 December 2016	<u>500.000</u>	<u>500.000</u>
Retained earnings:		
Retained earnings, 1 January 2016	3.008.806	487.903
Increase	0	2.520.903
Decrease	-3.008.806	0
Retained earnings, 31 December 2016	<u>0</u>	<u>3.008.806</u>
Extraordinary dividend recognised in equity:		
Increase of equity	3.008.806	0
Decrease of equity	-3.008.806	0
Equity, ending balance	<u>0</u>	<u>0</u>
Proposed dividend:		
Increase	4.780.763	0
Dividend, 31 December 2016	<u>4.780.763</u>	<u>0</u>
Equity, 31 December 2016	<u><u>5.280.763</u></u>	<u><u>3.508.806</u></u>

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NOTES

	<u>2016</u> DKK	<u>2015</u> DKK
1. Staff costs		
Wages and salaries	3.368.144	2.933.430
Social security contributions	63.145	39.572
Other employee expenses	172.368	48.831
Employee benefits expenses	<u>3.603.657</u>	<u>3.021.833</u>
Average number of employees	<u>9</u>	<u>12</u>
2. Financial expenses		
Interest expense assigned to group enterprises	491.343	437.835
Other interest expenses	43.509	42.768
Other finance expenses	<u>534.852</u>	<u>480.603</u>
3. Tax		
Current tax expense	1.328.690	795.968
Adjustments for deferred tax	20.000	19.000
Adjustments for current tax of prior period	0	1.000
Tax expense on ordinary activities	<u>1.348.690</u>	<u>815.968</u>
4. Fixtures, fittings and leasehold improvements		
Fixtures, fittings, tools and equipment:		
Cost, 1 January 2016	124.728	124.728
Additions	160.615	0
Disposals	-124.728	0
Cost, 31 December 2016	<u>160.615</u>	<u>124.728</u>
Accumulated depreciation, 1 January 2016	-124.728	-124.728
Depreciation	-9.587	0
Impairment losses and depreciation	124.728	0
Accumulated depreciation, 31 December 2016	<u>-9.587</u>	<u>-124.728</u>
Fixtures, fittings, tools and equipment, 31 December 2016	<u>151.028</u>	<u>0</u>
Leasehold improvements:		
Cost, 1 January 2016	223.346	223.346
Cost, 31 December 2016	<u>223.346</u>	<u>223.346</u>
Accumulated depreciation, 1 January 2016	-223.346	-223.346
Accumulated depreciation, 31 December 2016	<u>-223.346</u>	<u>-223.346</u>
Leasehold improvements, 31 December 2014	<u>0</u>	<u>0</u>
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 has no contingent liabilities.		

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The Company has 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.