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CVR nr. 30 19 52 64

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**Tavex A/S**  
**Bernstorffsgade 16**  
**1577 København V**

**CVR no. 33 16 69 66**

**Annual report 2019**

The annual report has been presented and approved on the Company's ordinary general meeting on 23 June 2020



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Alar Tamming  
Chairman of general meeting

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**COMPANY DETAILS**

<b>Reporting entity</b>	Tavex A/S Bernstorffsgade 16 1577 København V
	CVR no.: 33 16 69 66
	Established: September 30, 2010
	Reporting period: 1 January 2019 - 31 December 2019
<b>Board of Directors</b>	Alar Tamming, Chairman Jüri Martin Siim Nõmm
<b>Executive Board</b>	Sten Senkel, Chief Executive Officer Kuno Rääk, Executive Officer Wesley Valdez, Executive Officer
<b>Company auditors</b>	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 2019 for Tavex A/S.

The annual report has been 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 operations at 31 December 2019 and of its financial performance for the financial year 1 January - 31 December 2019.

We find that the management review contains a fair statement of developments in the activities and financial situation.

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

Copenhagen, 23 June 2020

**Executive board**

Sten Senkel  
Chief Executive Officer



Kuno Rääk  
Executive Officer



Wesley Valdez  
Executive Officer

**Board of Directors**

Alar Tamming  
Chairman



Jüri Martin



Siim Nõmm

## 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 2019, 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 2019 and of the result of the Company's operations for the financial year 1 January - 31 December 2019 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

**INDEPENDENT AUDITOR'S REPORT**

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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, 23 June 2020

Kallermann Revision A/S - statsautoriseret revisionsfirma  
CVR no. 30 19 52 64

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 financial situation**

The result for the year shows a profit of 3.431.190 DKK. The equity amounts to 3.970.237 DKK at 31 December 2019.

**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 2019 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.

#### 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 recognized in the income statement as financial income or expenses.

Receivables, payables and other monetary items denominated in foreign currencies 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 recognized in the income statement as financial income or financial expenses.

Long-term assets purchased in foreign currency are translated at the exchange rate at the transaction date.

#### Leasing

Leases for non-current assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance 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 recognized in the balance sheet as a liability and the interest implicit in the lease is recognized in the income statement over the lease term.

All other leases are defined as operating leases. Operating lease payments and other lease payments are recognized 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 from sales of precious metal, is recognized 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. The time for transfer of the most significant advantages and risks is based on the standardized delivery terms based on incoterms(R) 2010. Revenue from sales of goods, where delivery on buyer's request is postponed, is recognized in the income, when the ownership of the goods passes to buyer.

Revenue from currency exchange where the Company is acting as an agent is recognised as selling value minus spot price (netting).

Revenue is measured to fair value of the agreed fee ex. VAT and taxes charged on behalf of third parties. All discounts granted in connection with the sale are recognized in the revenue.

#### Gross profit (loss)

With reference to the Danish Financial Statements Act section 32 revenue with deduction of cost of sales and external cost is condensed into one item called gross profit.



## ANNUAL REPORT

### ACCOUNTING POLICIES

#### External expenses

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

#### Staff costs

Staff costs comprise salaries and wages including holiday pay and pensions as well as social security costs, etc for the Company's staff. Received compensations from the authorities have been deducted in staff costs.

#### Financial income and expenses

Financial income and expenses comprise interest income and expense, leasing costs, gains and losses on securities, 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 recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity. The tax expense relating to the profit/loss for the year is recognized in the income statement, and the tax expense relating to changes directly recognized in equity is recognized 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

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

Commodities form the main part of the Company's inventories - they are physical precious metals acquired with the main purpose of selling them in the near future.

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

## ANNUAL REPORT

### ACCOUNTING POLICIES

Cost of goods for resale, raw materials and consumables consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and direct production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

#### Receivables

Receivables are measured at amortised cost or at a lower net realisable value, which equals nominal value less provisions for bad debts. Depreciations on loss are recognized on basis of an individual valuation of the single receivable and for the receivables from sales as well as a general depreciation based on the Company's experiences from previous years.

#### Dividends

Proposed dividends are recognized as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

#### Tax payables and deferred tax

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognized on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income.

Deferred tax is measured on basis of the tax rules and tax rates, which are valid according to the legislation on the balance sheet date, when deferred tax is expected to become actual tax. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognized under other non-current assets at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Current tax receivable and payable is recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account. Allowances under the tax prepayment scheme are included in the income statement as financial items.

#### Liabilities other than provisions

Financial liabilities are measured at net realisable value.

## ANNUAL REPORT

## INCOME STATEMENT FOR 2019

	Notes	2019 DKK	2018 DKK
<b>Gross profit</b>		<b>10.006.888</b>	<b>10.471.641</b>
Staff costs	1	-4.776.328	-4.298.239
Depreciation, amortisation and impairment losses		-99.168	-65.024
<b>Profit from ordinary operating activities</b>		<b>5.131.392</b>	<b>6.108.378</b>
Financial expenses	2	-718.962	-843.396
<b>Profit from ordinary activities before tax</b>		<b>4.412.430</b>	<b>5.264.982</b>
Tax	3	-981.240	-1.192.120
<b>PROFIT FOR THE YEAR</b>		<b>3.431.190</b>	<b>4.072.862</b>
 <b>Proposed distribution of results:</b>			
Proposed dividend		3.431.190	4.033.815
Retained earnings		0	39.047
		<b>3.431.190</b>	<b>4.072.862</b>

## ANNUAL REPORT

## BALANCE OF 31 DECEMBER 2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
<b>ASSETS</b>			
Fixtures, fittings, tools and equipment		54.659	86.782
Leasehold improvements		<u>349.508</u>	<u>416.553</u>
<b>Fixtures, fittings and leasehold improvements</b>	4	<u><b>404.167</b></u>	<u><b>503.335</b></u>
Deposits, investments and receivables		840.845	397.562
<b>Long-term investments and receivables</b>		<u><b>840.845</b></u>	<u><b>397.562</b></u>
<b>FIXED ASSETS</b>		<u><b>1.245.012</b></u>	<u><b>900.897</b></u>
<b>Inventories</b>		<u><b>6.135.701</b></u>	<u><b>5.369.433</b></u>
Trade receivables		1.477.938	1.714.681
Other receivables		0	11.098
Prepaid cost		<u>651.979</u>	<u>372.311</u>
<b>Receivables</b>		<u><b>2.129.917</b></u>	<u><b>2.098.090</b></u>
<b>Cash and cash equivalents</b>		<u><b>15.387.268</b></u>	<u><b>11.897.545</b></u>
<b>CURRENT ASSETS</b>		<u><b>23.652.886</b></u>	<u><b>19.365.068</b></u>
<b>ASSETS</b>		<u><u><b>24.897.898</b></u></u>	<u><u><b>20.265.965</b></u></u>

## ANNUAL REPORT

## BALANCE OF 31 DECEMBER 2019

	<u>Notes</u>	<u>2019 DKK</u>	<u>2018 DKK</u>
<b>EQUITY AND LIABILITIES</b>			
Contributed capital	5	500.000	500.000
Retained earnings		39.047	39.047
Proposed dividend recognised in equity		3.431.190	4.033.815
<b>EQUITY</b>		<b><u>3.970.237</u></b>	<b><u>4.572.862</u></b>
Provisions for deferred tax		21.000	17.000
<b>PROVISIONS</b>		<b><u>21.000</u></b>	<b><u>17.000</u></b>
Prepayments received from customers		1.749	0
Trade payables		962.187	712.684
Payables to group enterprises		19.378.774	13.965.195
Tax payables		399.240	779.120
Other payables		164.711	219.104
<b>Short-term liabilities other than provisions</b>		<b><u>20.906.661</u></b>	<b><u>15.676.103</u></b>
<b>LIABILITIES OTHER THAN PROVISIONS</b>		<b><u>20.906.661</u></b>	<b><u>15.676.103</u></b>
<b>EQUITY AND LIABILITIES</b>		<b><u>24.897.898</u></b>	<b><u>20.265.965</u></b>
Mortgages and collaterals	6		
Ownership	7		
Liabilities under leases	8		

## ANNUAL REPORT

## STATEMENT OF CHANGES IN EQUITY FOR 2019

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
<b>Contributed capital:</b>		
Capital, 1 January 2019	500.000	500.000
<b>Capital, 31 December 2019</b>	<b>500.000</b>	<b>500.000</b>
<b>Retained earnings:</b>		
Retained earnings, 1 January 2019	39.047	0
Increase	0	39.047
<b>Retained earnings, 31 December 2019</b>	<b>39.047</b>	<b>39.047</b>
<b>Proposed dividend:</b>		
Dividend, 1 January 2019	4.033.815	4.917.070
Increase	3.431.190	4.033.815
Decrease	-4.033.815	-4.917.070
<b>Dividend, 31 December 2019</b>	<b>3.431.190</b>	<b>4.033.815</b>
<b>Equity, 31 December 2019</b>	<b>3.970.237</b>	<b>4.572.862</b>

## ANNUAL REPORT

## NOTES

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	4.473.664	4.067.633
Social security contributions	34.836	31.808
Other employee expenses	267.828	198.798
<b>Staff costs</b>	<b>4.776.328</b>	<b>4.298.239</b>
Average number of employees	<b>10</b>	<b>9</b>
<b>2. Financial expenses</b>		
Interest expense assigned to group enterprises	309.012	262.030
Other interest expenses	61.441	110.112
Exchange rate loss	348.509	471.254
<b>Financial expenses</b>	<b>718.962</b>	<b>843.396</b>
<b>3. Tax</b>		
Current tax expense	977.240	1.165.120
Adjustments for deferred tax	4.000	27.000
<b>Tax expense on ordinary activities</b>	<b>981.240</b>	<b>1.192.120</b>
<b>4. Fixtures, fittings and leasehold improvements</b>		
<b>Fixtures, fittings, tools and equipment:</b>		
Cost, 1 January 2019	160.615	160.615
<b>Cost, 31 December 2019</b>	<b>160.615</b>	<b>160.615</b>
Accumulated depreciation, 1 January 2019	-73.833	-41.710
Depreciation	-32.123	-32.123
<b>Accumulated depreciation, 31 December 2019</b>	<b>-105.956</b>	<b>-73.833</b>
<b>Fixtures, fittings, tools and equipment, 31 December 2019</b>	<b>54.659</b>	<b>86.782</b>
<b>Leasehold improvements:</b>		
Cost, 1 January 2019	469.319	208.579
Additions	0	260.740
<b>Cost, 31 December 2019</b>	<b>469.319</b>	<b>469.319</b>
Accumulated depreciation, 1 January 2019	-52.766	-19.865
Depreciation	-67.045	-32.901
<b>Accumulated depreciation, 31 December 2019</b>	<b>-119.811</b>	<b>-52.766</b>
<b>Leasehold improvements, 31 December 2019</b>	<b>349.508</b>	<b>416.553</b>

**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. Mortgages and collaterals**

There are no mortgages or collaterals.

**7. 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.

**8. Liabilities under leases**

The Company has entered operational leasehold agreements on tenancies with a total contingent liability amounting to 1.319.063 DKK at 31 December 2019.