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Tavex A/S
Bernstorffsgade 16
1577 København V

CVR no. 33166966

Annual report 2021

The annual report was presented and adopted at the annual general meeting of the Company on



Sten Senkel
Chairman of the annual general meeting

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Management's Statement

Today, Management has considered and approved the annual report of Tavex A/S for the financial year 1 January 2021 - 31 December 2021.

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 assets, liabilities and financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January 2021 - 31 December 2021.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.


We recommend that the annual report be adopted at the annual general meeting.

Copenhagen, 9 June 2022

Executive Board



Sten Senkel
Managing director



Kuno Rääk

Board of Directors



Alar Tamming
Chairman



Jüri Martin



Siim Nõmm

Independent Auditors' 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 2021 - 31 December 2021, which comprise an income statement, balance sheet, statement of changes in equity and notes. 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 2021 and of the results of its operations for the financial year 1 January 2021 - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in the "Auditors' responsibility 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statement in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

- * Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 the

Independent Auditors' Report

Company's internal control.

- * Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Elsinore, 9 June 2022

Kallermann Revision A/S - statsautoriseret revisionsfirma

CVR-no. 30195264



Morten Bjerregaard

State Authorized Public Accountant

mne34299

Company details

Company	Tavex A/S Bernstorffsgade 16 1577 København V CVR no. 33166966 Date of formation 30 September 2010
Executive Board	Sten Senkel, Managing director Kuno Rääk
Board of Directors	Alar Tamming Jüri Martin Siim Nõmm
Auditors	Kallermann Revision A/S - statsautoriseret revisionsfirma Stationspladsen 1 og 3 3000 Helsingør CVR no. 30195264

Management's Review

The Company's principal activities

The Company's principal activities consist in trading with precious metals and provision of currency exchange and services related thereto, including money remittance.

Development in the activities and the financial position

The Company's Income Statement of the financial year 1 January 2021 - 31 December 2021 shows a result of 1.843.067 DKK and the Balance Sheet at 31 December 2021 a total of 22.388.157 DKK and an equity of 1.858.425 DKK.

Tavex continues its increased focus on regulatory matters, herein on compliance and AML issues, as the company is subject to Danish Act on Measures to Prevent Money Laundering and Financing of Terrorism. In 2021 there have been changes in staff and additional resources have been allocated to AML-department. Although active in a low-risk country, other risk factors related to customers, products and service channel need to be taken into consideration. Tavex applies risk-based approach to all its services. Internal rules and policies are under constant review and subject to updates. Transactions are been monitored closely. Internal audit function has been reviewed and amended. The number of STR-s and SAR-s has increased significantly compared to 2020. Further de-risking actions have been implemented in 2021. Tavex risk-appetite is in compliance with the Group Risk Appetite Policy.

Covid-19 pandemic continued to have its impact on the bank note exchange service of Tavex A/S as traveling has not yet reached pre-pandemic volumes. The pandemic and the concurring travel restrictions had a significant negative impact on the turnover of the bank note exchange business as well as on the revenue in 2020. In 2021 the bank note exchange has recovered, but has not recovered fully to pre-pandemic levels.

As a consequence of the continued Covid-19 pandemic, the Company has realised a decrease in revenue. The Company has carried out different cost-saving initiatives and adapted its human resources to the lock-down situation. The Company has applied for and received a financial compensation amounting to 273.714 DKK from the Danish Business Authority. The compensation has been recognised in gross profit.

Tavex A/S is strategically well-placed to serve precious metals customers in Denmark. Gold prices reached all-time highs in DKK and EUR terms as investors moved to safe-haven assets responding to volatility in stock markets as well as disruption in global supply chains. An increased demand for precious metals, combined with the well-placed network of offices and optimized web shop, should see an increase in the Company's results in the coming years.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Accounting Policies

The annual report of Tavex A/S for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

In 2020 the Company received a financial compensation amounting 794,028 DKK related to the spreading of Covid-19 virus, which was recognised in gross profit in the financial statements for 2020. In connection with the final settlement of the financial compensation with the Danish Business Authorities, the Company has received a claim for repayment of 625,372 DKK. The claim for repayment of a part of the compensation has been treated as a material misstatement in the financial statements for 2020 and the comparison figures in the financial statements for 2021 have been adjusted. The error has impacted the profit for year for 2020 and equity at 1 January 2021 by 487,790 DKK.

The accounting policies applied remain unchanged from last year.

Reporting currency

The annual report is presented in DKK.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the income statement under financial income and expenses.

Government grants

Government grants provided to cover costs are recognised in the income statement when it is probable that all the conditions for the grant have been fulfilled. Grants to be repaid under certain circumstances are recognised only so far as they are not expected to be repaid. Grants provided for purchasing assets are set off in the cost of the asset.

Income statement

Gross profit/loss

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, change in inventories of finished goods, other operating income, and other external expenses.

Revenue

Income from the sale of precious metals are recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end if it is possible to calculate the income reliably.

Income from currency exchange where the Company is acting as an agent is recognised in the income statement at selling value minus spot price (netting).

Revenue is exclusive of VAT and net of sales discounts.

Change in inventories of finished goods and work in progress

The changes in inventories of finished goods and work in progress consist of a shift in inventories.

Other operating income

Other operating income comprises items of a secondary nature to the activities of the enterprise, including profits on sale of tangible assets and financial compensation related to Covid-19.

Accounting Policies

Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

Staff costs

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc. The item is deducted from refunds from public authorities.

Other staff expenses are recognised in other external expenses.

Other operating expenses

Other operating expenses include items relating to activities secondary to the main activity of the enterprise.

Financial income and expenses

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the advance-payment of tax scheme.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual component differ.

Depreciation is calculated using the straight-line method over the following estimated useful lives of the individual assets and their residual values:

Tools and equipment:	3-5 years
Leasehold improvements	7 years

Gains or losses arising from the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amounts at the time of sale. Gains or losses are recognised in the income statement as other operating income or other operating expense.

Property, plant and equipment held under leases and qualifying as finance leases are treated according to the same guidelines as assets owned.

Accounting Policies

The carrying amounts of property plant and equipment are tested annually to determine whether there is any indication of impairment other than what is expressed by amortization and depreciation. If so, the assets are tested for impairment to determine whether the recoverable amounts are lower than the carrying amounts and the relevant assets are written down to such lower recoverable amounts. An impairment test is carried out annually of ongoing development projects, whether or not there is any indication of impairment.

The recoverable amount of an asset is determined as the higher of the net sales price and the value in use. Where the recoverable amount of the individual assets cannot be determined, the assets are grouped together into the smallest group of assets that can be estimated to determine an aggregate reliable recoverable amount for those units.

Deposits

Deposits are measured at cost.

Inventories

Inventories mainly comprise precious metals (commodities) acquired with the main purpose of selling them in the near future.

Inventories are measured at cost using weighted average prices. Where the net realizable value is lower than cost, the inventories are written down to this lower value.

Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Prepayments

Prepayments recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Equity

Equity comprises the contributed capital and a number of equity items that may be statutory or stipulated in the articles of association.

Proposed dividend for the year is recognised as a separate item in equity.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Accounting Policies

Other payables

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the balance sheet but appear only in the notes.

Income Statement

	Note	2021 DKK	2020 DKK
Gross profit		10.843.777	12.319.983
Staff costs	1	-4.637.512	-4.589.056
Depreciation, amortisation expense and impairment losses		-106.788	-99.168
Other operating expenses		0	-5.440.811
Profit from ordinary operating activities		6.099.477	2.190.948
Financial income		7.876	354.503
Financial expenses	2	-3.718.997	-3.230.483
Profit from ordinary activities before tax		2.388.356	-685.032
Tax expense	3	-545.289	161.343
Profit (loss) for year		1.843.067	-523.689
Proposed distribution of result			
Proposed dividend recognised in equity		1.300.000	0
Retained earnings		543.067	-523.689
Distribution of result		1.843.067	-523.689

Balance Sheet as of 31 December

	Note	2021 DKK	2020 DKK
Assets			
Fixtures, fittings, tools and equipment		111.845	2.671
Leasehold improvements		215.418	302.328
Property, plant and equipment	4	327.263	304.999
Deposits	5	889.565	864.845
Investments		889.565	864.845
Fixed assets		1.216.828	1.169.844
Manufactured goods and goods for resale		10.938.779	11.082.260
Inventories		10.938.779	11.082.260
Trade receivables		6.628	902.964
Receivables from group enterprises		68.289	481.651
Deferred tax asset		0	140.343
Other receivables		13.796	17.212
Tax receivables		211.054	644.000
Deferred income assets	6	64.509	15.015
Receivables		364.276	2.201.185
Cash and cash equivalents		9.868.274	16.397.864
Current assets		21.171.329	29.681.309
Assets		22.388.157	30.851.153

Balance Sheet as of 31 December

	Note	2021 DKK	2020 DKK
Liabilities and equity			
Contributed capital		500.000	500.000
Retained earnings		58.425	-484.642
Proposed dividend recognised in equity		1.300.000	0
Equity		1.858.425	15.358
Provisions for deferred tax		30.000	0
Provisions		30.000	0
Prepayments received from customers		1.070.525	401.880
Trade payables		336.310	510.764
Payables to group enterprises		18.026.167	28.508.806
Other payables		1.066.730	1.414.345
Short-term liabilities other than provisions		20.499.732	30.835.795
Liabilities other than provisions		20.499.732	30.835.795
Liabilities and equity		22.388.157	30.851.153
Contingent liabilities	7		
Collaterals and assets pledged as security	8		
Related parties	9		
	10		

Statement of changes in Equity

	Contributed capital DKK	Retained earnings DKK	Proposed dividend recognised in equity DKK	Total DKK
Equity 1 January 2021	500.000	-484.642	0	15.358
Profit (loss)	0	543.067	1.300.000	1.843.067
Equity 31 December 2021	500.000	58.425	1.300.000	1.858.425

The share capital consist of 500 shares at 1,000 DKK. The shares have not be divided into classes and no shares have special rights.

Notes

	2021 DKK	2020 DKK
1. Staff costs		
Wages and salaries	4.567.572	4.530.070
Social security contributions	69.940	58.986
	4.637.512	4.589.056
Average number of employees	10	10
2. Financial expenses		
Interest expense assigned to group enterprises	1.435.709	1.308.368
Exchange rate losses	2.275.418	1.893.919
Interest expense from loans	7.870	28.196
	3.718.997	3.230.483
3. Tax expense		
Corporations income tax	374.946	0
Adjustment of deferred taxes	170.343	-161.343
	545.289	-161.343
4. Property, plant and equipment		
	Fixtures, fittings tools and equipment	Leasehold improvements
Cost at the beginning of the year	160.615	469.319
Addition during the year	129.052	0
Cost at the end of the year	289.667	469.319
Depreciation and amortisation at the beginning of the year	-138.079	-186.856
Depreciation for the year	-39.743	-67.045
Depreciation and amortisation at the end of the year	-177.822	-253.901
Carrying amount at the end of the year	111.845	215.418
	2021 DKK	2020 DKK
5. Deposits		
Cost at the beginning of the year	864.845	864.845
Addition during the year	24.720	0
Cost at the end of the year	889.565	864.845
Carrying amount at the end of the year	889.565	864.845

Notes

	2021	2020
	DKK	DKK
6. Prepayments		
Prepaid insurance	64.509	15.015
Balance at the end of the year	64.509	15.015

7. Contingent liabilities

The Company has entered operational leasehold agreements on tenancies with a total contingent liability amounting to 945,083 DKK at 31 December 2021.

8. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

9. Related parties

With reference to paragraph 71 in the Danish Financial Statements Act, the Company's financial statements are comprised in the consolidated financial statements of Tavid AS in Tallinn, Estonia (smallest and largest group). The consolidated financial statements can be retrieved by request to Tavid AS.

10. Special items

Special items comprise significant expenses, which have a special character in relation to the Company's earnings-generating operating activities. In the financial year 2021 special items comprised significant one-off expenses, which according to Management's assessment are not part of the ordinary operating activities.

Covid-19 pandemic continued to have its impact on the bank note exchange service of Tavex A/S as traveling has not yet reached pre-pandemic volumes. The pandemic and the concurring travel restrictions had a significant negative impact on the turnover of the bank note exchange business as well as on the revenue in 2020. In 2021 the bank note exchange has recovered, but has not recovered fully to pre-pandemic levels.

As a consequence of the continued Covid-19 pandemic, the Company has realised a decrease in revenue. The Company has carried out different cost-saving initiatives and adapted its human resources to the lock-down situation. The Company has applied for and received a financial compensation amounting to 273.714 DKK from the Danish Business Authority. The compensation has been recognised in gross profit.

The gross profit for the year 2020 was significantly impacted by a robbery carried-out in connection with a routine currency exchange transaction. The robbery has impacted the result for the year negatively by 4,243,832 DKK.