



ANNUAL REPORT

Beginning of financial year: 01.01.2015
End of financial year: 31.12.2015

Business name: TavexWise AS
Registry number: 12641402

Street/farm, house and flat number: Aia 5
City: Tallinn
County: Harju County
Postal code: 10111

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Translation of the Estonian original

Management report

The principal activity of the company is provision of payment services and the company has no secondary activities.

The company provides money remittance service through its agents: Tavid AS in Estonia, Tavex SIA in Latvia, Tavex AB in Sweden, Tavex OY in Finland, Tavex A/S in Denmark, Tavex AS in Norway, Tavex Sp. z o.o. in Poland and Tavex EOOD in Bulgaria. Business operations were launched in December 2014.

In 2015, company's main activity was development and introduction of software necessary for providing the service, company invested 244,968 euros in establishment and development of information systems in 2015. In the next financial year another 100,000 euros is planned to be invested. During the financial year, company provided money remittance services via all its agents and the payment transactions volumes exceeded 200 million euros. TavexWise AS increased its share capital to 500,000 euros during the accounting year.

In 2016, company's main objective is enlarging and enriching the base of customers and finding new cooperation partners in order to be able to provide money remittance services to the countries where company doesn't have agents yet.

Company's profit in 2015 was 202,716 euros.

Key financial indicators in 2015

	2015	2014
Revenue (in euro)	285,775	1,954
Increase in revenue (%)	14,525%	100%
Net profit/loss (in euro)	202,716	390
Increase in profit (%)	51,878%	100%
Net margin (%)	70.94%	19.96%
Current ratio	820	1.50
ROA (%)	28.81%	0.04%
ROE (%)	28.83%	0.11%

Underlying formulas:

Increase in revenue (%) = (revenue 2015 – revenue 2014) / revenue 2014 * 100

Increase in net profit (%) = (net profit 2015 – net profit 2014) / net profit 2014 * 100

Net margin (%) = net profit / revenue * 100

Current ratio = current assets / current liabilities

ROA (%) = net profit / total assets * 100

ROE (%) = net profit / total equity * 100

Kuno Rääk

Member of the Board

*Translation of the Estonian original***Financial statement****Balance sheet**

(in EUR)

	31.12.2015	31.12.2014	Note
Assets			
Current assets			
Cash and cash equivalents	339,054	769,354	2
Receivables and prepayments	96,150	48,866	3, 8
Total current assets	435,204	818,220	
Fixed assets			
Intangible assets	268,432	79,134	4
Total fixed assets	268,432	79,134	
Total assets	703,636	897,354	
Liabilities and equity			
Current liabilities			
Short-term liabilities			
Payables and prepayments	530	546,964	8
Total short-term liabilities	530	546,964	
Total liabilities	530	546,964	
Equity			
Share capital in nominal value	500,000	350,000	5
Retained earnings (loss) of prior accounting periods	390	0	
Profit (loss) of the financial year	202,716	390	
Total equity	703,106	350,390	
Total liabilities and equity	703,636	897,354	

*Translation of the Estonian original***Income statement**

(in EUR)

	2015	07.04.2014 - 31.12.2014	Note
Revenue	285,775	1,954	6, 8
Other operating expenses	-18,076	-1,566	
Personnel expenses	-9,366	0	7
Depreciation, amortisation and impairment losses	-55,670	0	
Total operating profit (loss)	202,663	388	
Other finance income and costs	53	2	
Profit (loss) before income tax	202,716	390	
Profit (loss) of the financial year	202,716	390	

*Translation of the Estonian original***Statement of cash flows**

(in EUR)

	2015	07.04.2014 - 31.12.2014	Note
Cash flows from operating activities			
Operating profit (loss)	202,663	388	
Adjustments for			
Depreciation and amortisation	55,670	0	
Total adjustments	55,670	0	
Change in operation-related receivables and prepayments	-47,285	-48,866	
Change in operation-related liabilities and prepayments	-546,433	546,964	
Total cash flows from operating activities	-335,385	498,486	
Cash flows from investing activities			
Paid on acquisition of tangible and intangible assets	-244,968	-79,134	4
Interest received	53	2	
Total cash flows from investing activities	-244,915	-79,132	
Cash flows from financing activities			
Income from issuing shares	150,000	0	
Total cash flows from financing activities	150,000	0	5
Total cash flows	-430,300	419,354	
Cash and cash equivalents at beginning of year	769,354	350,000	2
Change in cash and cash equivalents	-430,300	419,354	
Cash and cash equivalents at end of year	339,054	769,354	2

*Translation of the Estonian original***Statement of changes in equity**

(in EUR)

	Share capital	Retained earnings (loss)	Total
07.04.2014	350,000	0	350,000
Income (loss) of the year	0	390	390
31.12.2014	350,000	390	350,390
Income (loss) of the year	0	202,716	202,716
Issued share capital	150,000	0	150,000
31.12.2015	500,000	203,106	703,106

Additional information is disclosed in Note 5.

Translation of the Estonian original

Notes to the annual report

Note 1 Accounting policies

General information

The financial statement of TavexWise AS for the year 2015 has been prepared in accordance with the Estonian generally accepted accounting principles based on internationally recognized accounting and reporting standards. The requirements of generally accepted accounting principles are set out in the Estonian Accounting Act and the guidelines issued by the Estonian Accounting Standards Board.

The income statement of TavexWise AS has been prepared using Format 1 in Annex 1 in the Accounting Act.

Currency of the financial statement is euro.

Financial assets

Financial assets comprise cash, short-term investments, trade receivables and other short- and long-term receivables.

Financial assets are initially recognized at cost, which is equal to the fair value of the consideration given or received for them. The initial cost of a financial asset includes all expenses directly related to its acquisition.

A financial asset is derecognized when the company loses its right to cash flows from the financial asset or transfers cash flows from the asset and most of asset-related risks and benefits over to a third party.

Purchase and sales of financial assets are recognized in a consistent manner at the value date, i.e. at the date the company becomes the owner of the purchased asset or loses the ownership of the sold financial asset.

Cash and cash equivalents

Cash and cash equivalents are cash on hand and bank balances, which are not subject to material risk of changes in the market value.

Receivables and prepayments

Trade receivables are recognized in the balance at their amortized acquisition cost. Receivables from customers are assessed in the balance sheet based on their expected received amounts. Receivables from each customer are assessed separately, taking into account the available information on the customer's solvency.

As TavexWise AS operates via its agents, receivables mainly arise from its agents through which company provides payment services. When an agent has received cash together with the payment order from the customer, TavexWise AS recognizes the liability towards the customer as well as the receivable from the agent in the amount paid by the customer.

Tangible and intangible assets

Assets with cost exceeding 3,200 euros and with estimated useful life more than one year are recognized in the balance sheet as fixed assets.

Intangible assets are initially recognized at acquisition cost including the costs of acquisition and implementation of the asset. Intangible assets are recognized in the balance sheet at its acquisition cost less any accumulated depreciation and any accumulated impairment losses. Intangible assets are amortized using the straight-line method.

Amortization rates of intangible assets are 20–25%.

Min. limit of fixed assets recognition is 3,200 euros.

*Translation of the Estonian original***Financial liabilities**

Financial liabilities comprise trade payables, accrued expenses and other short- and long-term loan liabilities.

Financial liabilities are initially recognized at cost, which is equal to the fair value of the consideration given or received for them. The initial cost of a financial liability includes all transaction expenses directly related to the liability.

Financial liabilities are recognized in the balance sheet at their amortized acquisition cost and financial liability is removed from the balance sheet when it is discharged or cancelled or expired.

Revenues

Company's revenue is primarily earned from providing the payment services. The revenue is recognized at the fair value of the consideration received or receivable for them after providing the service, i.e. the moment when the payment order received from the customer is completed.

Taxation

As of 31.12.2015, the company has no tax payables and tax prepayments.

Corporate income tax payable on dividends is calculated in the period, in which the dividends are declared. Corporate income tax is recognized as liability and income tax expense in the period, in which the dividends are declared.

Related parties

Parties are considered related if one party controls the other party or exerts significant influence on the operating decisions of the other party. Related parties include Group management board and supervisory board and private individual owners with significant shareholding, except where the above cannot exert significant influence on the company's operating decisions. Additionally, related parties also include close family members and companies under the control or significant influence of the above.

Events after the reporting period

The financial statements reflect all significant events affecting the valuation of assets and liabilities that became evident between the reporting date (31 December 2015) and the date on which the financial statements were authorized for issue, but are related to transactions that took place in the reporting period or earlier periods.

Subsequent events that are indicative of conditions that arose after the reporting date, but which will have a significant effect on the result of the next financial year are disclosed in the notes to the financial statements.

Note 2 Cash and cash equivalents

(in EUR)

	31.12.2015	31.12.2014
Bank account	14,054	269,354
Deposit	300,000	500,000
Foreign bank account	25,000	0
Total cash and cash equivalents	339,054	769,354

*Translation of the Estonian original***Note 3 Receivables and prepayments**

(in EUR)

	31.12.2015	within 12 months	Note
Receivables from related parties	94,300	94,300	8
Prepayments	1,850	1,850	
Deferred expenses	1,850	1,850	
Total receivables and prepayments	96,150	96,150	

	31.12.2014	within 12 months	Note
Receivables from related parties	48,666	48,666	8
Prepayments	200	200	
Deferred expenses	200	200	
Total receivables and prepayments	48,866	48,866	

Note 4 Intangible assets

(in EUR)

	Computer software	Total
Additions	79,134	79,134
31.12.2014		
Acquisition cost	79,134	79,134
Accumulated amortization	0	0
Net book value	79,134	79,134
Additions	244,968	244,968
Depreciation costs	-55,670	-55,670
31.12.2015		
Acquisition cost	324,102	324,102
Accumulated amortization	-55,670	-55,670
Net book value	268,432	268,432

*Translation of the Estonian original***Note 5 Share capital**

(in EUR)

	31.12.2015	31.12.2014
Share capital	500,000	350,000
Number of shares (pcs)	500,000	350,000
Par value of a share	1	1

From 30.09.2015 the share capital of TavexWise AS is 500,000 euros.

On the date of the general meeting that approved the annual report, the list of TavexWise AS' registered shareholders, holding over 10% of the votes determined by the shares, was as follows:

1. Tavid AS

Registry number: 10055700
 Address: Aia 5, 10111 Tallinn
 Type of share: ordinary share
 Number of shares: 500,000
 Par value of a share: 1
 Date of acquisition and subscription of the shares: 07.04.2014

Retained earnings of the company as of 31.12.2015 were 203,106 euros. The maximum income tax liability that could arise on a dividend distribution is 40,621 euros, which means that the amount of net dividends that can be distributed is 162,485 euros.

Calculation of the possible maximum income tax liability is based on presumption that the sum of net dividends distributed and income tax expense on dividends stated in 2016 income statement cannot exceed distributable profit as of 31.12.2015.

Note 6 Sales revenue

(in EUR)

	2015	07.04.2014 - 31.12.2014
Revenue by geographical areas		
Sales to EU countries		
Estonia	227,614	1,954
Latvia	4,571	0
Denmark	11,676	0
Bulgaria	6,849	0
Finland	10,492	0
Sweden	23,016	0
Poland	847	0
Total sales to EU countries	285,065	1,954
Sales to non-EU countries		
Norway	710	0
Total sales to non-EU countries	710	0
Total revenue	285,775	1,954
Revenue by activity		
Money remittance service	285,775	1,954
Total revenue	285,775	1,954

Translation of the Estonian original

In 2015 the transactions volume was 226,886,220 euros. The revenue consists of transfer commissions received from payment services and incremental revenues received from currency conversions.

Note 7 Personnel expenses

(in EUR)

	2015	07.04.2014 - 31.12.2014
Salary expenses	7,000	0
Social security charges	2,366	0
Total personnel expenses	9,366	0
Number of employees in full-time equivalent	3	0

In 2015, three employees were paid remuneration on the basis of authorisation agreements by TavexWise AS.

Note 8 Related parties

(in EUR)

Accounting entity's parent company	Tavid AS
State of registration of the accounting entity's parent company	Estonia

Balance with related parties by groups

(in euro)

	31.12.2015		31.12.2014	
	Receivables	Liabilities	Receivables	Liabilities
Parent company	71,339	0	48,666	500,000
Other group companies	22,961	0	0	0


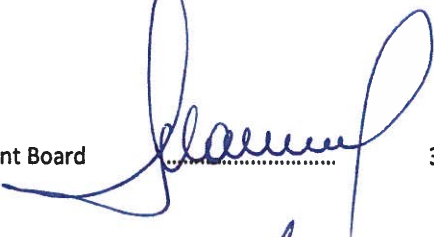
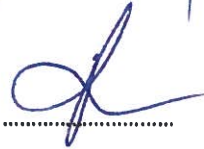
2015	Sales
Parent company	227,614
Other group companies	58,161
07.04.2014–31.12.2014	Sales
Parent company	1,954

Tavid AS has secured liabilities of subsidiaries operating as agents of TavexWise AS for the benefit of TavexWise AS in the amount of 3 million euros. The guarantee has been issued to secure payables of TavexWise AS customers in case Tavid AS' subsidiaries should experience solvency problems. Realization of the given claim is unlikely.

*Translation of the Estonian original***Report signatures**

The management board of TavexWise AS has prepared the company's management report and financial statements for 2015.

Management board:

Name of the signatory	Role of the signatory	Signature	Date
Kuno Rääk	Chairman of the Management Board		31.03.2016
Jüri Martin	Member of the Management Board		31.03.2016
Roman Lossman	Member of the Management Board		31.03.2016

Translation of the Estonian Original

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of TavexWise AS

We have audited the accompanying financial statements of TavexWise AS, which comprise the balance sheet as at 31 December 2015, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Estonian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (Estonia). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of TavexWise AS as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with Estonian generally accepted accounting principles.

Tallinn, 31 March 2016



Olesia Abramova
Authorised Auditor's number 561
Ernst & Young Baltic AS
Audit Company's Registration number 58



Tiina Leif
Authorised Auditor's number 441

*Translation of the Estonian original***Profit allocation proposal**

(in euro)

	31.12.2015
Profit (loss) brought forward	390
Profit (loss) for the financial year	202,716
Total	203,106
Distribution	
Profit (loss) brought forward after the distribution (coverage)	203,106
Total	203,106

The management board's proposal is to include the annual profit to retained earnings. No dividends to be paid.

Decision on the allocation of profits

(in euro)

	31.12.2015
Profit (loss) brought forward	390
Profit (loss) for the financial year	202,716
Total	203,106
Distribution	
Profit (loss) brought forward after the distribution (coverage)	203,106
Total	203,106

The management board's decision is not to distribute annual profit and include it to the retained earnings.

*Translation of the Estonian original***Revenue distribution by business activity**

Business activity	EMTAK code	Sales revenue (EUR)	Sales revenue %	Main activity
Provision of other financial services, except insurance and pension funding, not classified elsewhere	64991	285,775	100.00%	Yes

Contacts

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