

TAVEXWISE AS

ANNUAL REPORT

31 December 2017

# TAVEXWISE

TAVEX  GROUP

## ANNUAL REPORT

**Beginning of financial year:** 01.01.2017

**End of financial year:** 31.12.2017

**Business name:** TavexWise AS

**Registry number:** 12641402

**Street/farm, house and flat number:** Aia 5

**City:** Tallinn

**County:** Harju County

**Postal code:** 10111

**Telephone:** +372 627 9900

**E-mail address:** [info@tavexwise.com](mailto:info@tavexwise.com)

**Website address:** [www.tavexwise.com](http://www.tavexwise.com)

*Translation of the Estonian original***Contents**

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## Management report

TavexWise AS started its actual economic activity in 2014.

The company provides money remittance service through 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. From 2016 TavexWise offers money transfer service also to the Philippines.

The Estonian Financial Supervisory Authority has licensed the company to offer money transition services. In addition to money remittance, the Payment Institutions and E-money Institutions Act lists many other ways to offer payment services, which are treated as payment services. To meet its clients' expectations, TavexWise's goal for 2018 is to expand their range of services and to apply for the licence that would enable the company to offer all payment services that are permitted by law. There are also plans to continue expanding their customer base and find new business partners to cooperate with.

Investments in intangible assets in 2017 increased almost two times compared to year 2016. In the second half of the year, TavexWise mainly dealt with the planning of new services, that are enabled by the European Payment Services Directive, which came into force in January 2018, and the new Payment Institutions and E-money Institutions Act. In connection with the planning of new services, in 2018, it is planned to increase investment in intangible assets even more, in order when the new licence application is satisfied, TavexWise can start to offer its customers other payment services in addition to money transition services.

Compared to 2016, the volume of transactions has decreased 5% but the number of transactions has increased. It can be concluded that the number of customers has increased and the number of transactions with small volumes have increased. The average size of transaction in 2017 was about 20% lower than in 2016, the profitability of the transaction has increased almost as much.

Key financial indicators per year	2017	2016
Revenue	561 759	397 151
Increase in revenue (%)	41%	39%
Net profit/loss	399 341	281 374
Increase in profit (%)	42%	39%
Net margin (%)	71.09%	70.84%
Current ratio	36	34
ROA (%)	28.16%	27.93%
ROE (%)	28.86%	28.58%

Underlying formulas:

Increase in revenue (%) = (revenue 2017 – revenue 2016) / revenue 2016 \* 100

Increase in profit (%) = (net profit 2017 – net profit 2016) / net profit 2016 \* 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