

PARAGON INVEST ApS

Øresunds Alle 19

2791 Dragør

CVR No. 36391324

Annual Report 2018/19

5. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 24 January 2020

Carsten Jensen
Chairman

Erhvervs Consult ApS, godkendt revisionsvirksomhed
Registreret Revisor Tonny Skov Pedersen

Tlf. +4520338955
CVR 35868828

Smedievej 31
3400 Hillerød

Web: erhvervs-consult.dk
info@erhvervs-consult.dk



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Management's Statement

Today, Management has considered and adopted the Annual Report of PARAGON INVEST ApS for the financial year 1 July 2018 - 30 June 2019.

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 30 June 2019 and of the results of the Company's operations for the financial year 1 July 2018 - 30 June 2019.

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.

København, 20 January 2020

Executive Board

Carsten Jensen
Man. Director



Independent Auditors' Report

To the shareholders of PARAGON INVEST ApS

Opinion

We have audited the financial statements of PARAGON INVEST ApS for the financial year 1 July 2018 - 30 June 2019, which comprise an income statement, balance sheet 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 30 June 2019 and of the results of its operations for the financial year 1 July 2018 - 30 June 2019 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 our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, and we have fulfilled our other ethical responsibilities in accordance with these 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 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.



Independent Auditors' Report

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 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.



Independent Auditors' Report

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.

Hillerød, 20 January 2020

Erhvervs Consult ApS, godkendt revisionsvirksomhed

Registreret Revisor Tonny Skov Pedersen

CVR-no. 35868828

Tonny Skov Pedersen

Registered Public Accountant

mne2108



Company details

Company	PARAGON INVEST ApS Øresunds Alle 19 2791 Dragør
CVR No.	36391324
Date of formation	26 September 2014
Registered office	Dragør
Executive Board	Carsten Jensen, Man. Director
Auditors	Erhvervs Consult ApS, godkendt revisionsvirksomhed Registreret Revisor Tonny Skov Pedersen Smedievej 31 3400 Hillerød CVR-no.: 35868828



Management's Review

The Company's principal activities

The Company's principal activities consist in owning of shares, investments and other related activities.

Insecurity regarding recognition or measurement

There is no material insecurity regarding recognition or measurement.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 July 2018 - 30 June 2019 shows a result of DKK -207.271 and the Balance Sheet at 30 June 2019 a balance sheet total of DKK 17.728.322 and an equity of DKK 6.270.724.

The profit for the year is affected by USD exchange rate adjustments, resulting in an unrealized loss of DKK 120,892.

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.

Expectations for the future

The Company expects its operations to develop positively next year.

The company has through the investments in the subsidiaries part of already acquired global rights, licenses and patents on its products.

The company have now acquired the full ownership of its subsidiaries, which eventually will result in a positive earnings in accordance with the Management's expectations.

Accounting Policies

Reporting Class

The Annual Report of PARAGON INVEST ApS for 2018/19 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Changed accounting policies, estimates and errors

Accounting policies has been changed as follows:

- Assets held under Equity investments in group enterprises and associates has previously been recognized at cost. From this year this has been changed, so the Equity investments in group enterprises and associates now are registered at a fair value.

Comparative figures have been restated to reflect the change in accountion policies in conformity with the Financial Statements Act.

The accumulated effect of the change in accounting policies recognised is an increase in profit from ordinary activities before tax by DKK 0. Due to the change, the balance sheet total is increased by DKK 6.385.331, and equity at 30 June 2019 is increased by DKK 6.385.331.

Apart from the above mentioned fields, the accounting policies are consistent with those of the previous year.

Comparative figures have not been adapted to the changed accounting policies.

Reporting currency

The Annual Report is presented in Danish kroner.

General Information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost princip.

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Accounting Policies

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

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, work in progress and goods for resale, other operation income, cost of raw and consumables and other external expenses.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive of VAT and net of sales discounts.

Other external expenses

Other external costs include costs for distribution, sales, advertising, administration, premises, loss of debtors, operating leasing costs etc.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect of finance leases, 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 tax prepayment scheme.

Dividends equity investments are recognised as income in the financial year in which the dividends are declared.

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.

The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Accounting Policies

Balance Sheet

Equity investments in group enterprises and associates

Equity investments in group enterprises and associates are measured at fair value. Revaluations and reversals of these, less deferred tax, are recognised directly in equity.

Receivables

Receivables are measured at amortised 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.

Receivables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

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

Provisions

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet 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 crystallise as current tax.

Other payables

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

Income Statement

	Note	2018/19 kr.	2017/18 kr.
Gross profit		-20.195	-9.101
Profit from ordinary operating activities		-20.195	-9.101
Other finance income	1	310.346	-2.049
Finance expences	2	-627.771	-217.113
Profit from ordinary activities before tax		-337.619	-228.262
Tax expense on ordinary activities	3	130.349	22.583
Profit		-207.270	-205.679
Proposed distribution of results			
Retained earnings		-207.270	-205.679
Distribution of profit		-207.270	-205.679

Balance Sheet as of 30 June

	Note	2019 kr.	2018 kr.
Assets			
Long-term investments in group enterprises	4, 5	8.116.980	1.731.649
Investments		8.116.980	1.731.649
Fixed assets		8.116.980	1.731.649
Short-term receivables from group enterprises		9.449.965	8.380.653
Short-term tax receivables from group enterprises		152.932	22.583
Other short-term receivables		5.239	555.348
Receivables		9.608.136	8.958.584
Cash and cash equivalents		3.206	1.630
Current assets		9.611.342	8.960.214
Assets		17.728.322	10.691.862

Balance Sheet as of 30 June

	Note	2019 kr.	2018 kr.
Liabilities and equity			
Contributed capital		50.000	50.000
Revaluation reserve		6.385.331	0
Retained earnings		-164.607	42.663
Equity		6.270.724	92.663
Payables to associates		4.897.208	4.199.579
Payables to participating interests		0	0
Other payables		6.560.390	6.399.620
Short-term liabilities other than provisions		11.457.598	10.599.199
Liabilities other than provisions within the business		11.457.598	10.599.199
Liabilities and equity		17.728.322	10.691.862
Contingent liabilities	6		

Notes

	2018/19	2017/18
1. Finance income		
Other finance income	310.346	-2.049
	310.346	-2.049
2. Finance expenses		
Other finance expenses	627.771	217.113
	627.771	217.113
3. Tax expense		
Change in deferred taxes	-130.349	-22.583
	-130.349	-22.583
4. Long-term investments in group enterprises		
Cost at the beginning of the year	1.731.649	1.731.649
Cost at the end of the year	1.731.649	1.731.649
Adjustments for the year	6.385.331	0
Fair value adjustments at the end of the year	6.385.331	0
Carrying amount at the end of the year	8.116.980	1.731.649

5. Disclosure in long-term investments in group enterprises and associates*Group enterprises*

Name	Registered office	Share held in		Equity	Profit
			%		
Promotia International Inc.	New Jersey, USA		90,00	0	0
				0	0

6. Contingent liabilities

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation.

The total amount appears from the annual report of Parafect Holding ApS which is the administration company in the joint taxation.

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

Carsten Jensen

Som Direktør
PID: 9208-2002-2-283175246984 NEM ID
Tidspunkt for underskrift: 26-01-2020 kl.: 20:33:01
Underskrevet med NemID

Tonny Skov Pedersen

Som Registreret revisor
På vegne af Erhvervs Consult ApS NEM ID
RID: 76906968
Tidspunkt for underskrift: 26-01-2020 kl.: 20:44:15
Underskrevet med NemID

Carsten Jensen

Som Dirigent
PID: 9208-2002-2-283175246984 NEM ID
Tidspunkt for underskrift: 26-01-2020 kl.: 21:01:33
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