

**Braci Smart Ear ApS**  
**Edison Park 4, 6715 Esbjerg N**

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**Annual report**  
**11 February - 31 December 2016**

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**Company reg. no. 37 45 42 30**

The annual report have been submitted and approved by the general meeting on the 17 March 2017.

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**Juma El-Awaisi**  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## **Management's report**

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The board of directors and the managing director have today presented the annual report of Braci Smart Ear ApS for the financial year 11 February to 31 December 2016.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2016 and of the company's results of its activities in the financial year 11 February to 31 December 2016.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Esbjerg N, 17 March 2017

### **Managing Director**

Juma El-Awaisi

### **Board of directors**

Jes Nordentoft

Juma El-Awaisi

## **Independent auditor's report**

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### **To the shareholders of Braci Smart Ear ApS**

#### **Qualified opinion**

We have audited the annual accounts of Braci Smart Ear ApS for the financial year 11 February to 31 December 2016, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

Except for the possible effect of the matter described in the paragraph "Basis for qualified opinion", it is our opinion that the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2016 and of the results of the company's operations for the financial year 11 February to 31 December 2016 in accordance with the Danish Financial Statements Act.

#### **Basis for qualified opinion**

The company has a receivable from sister company Braci1 Limited in the UK, which is recognized in the balance with 878.309 DKK. The company's management and the sister company's bookkeeping has not been able to verify the balance, and we have not been able to confirm or verify the valuation and completeness of the receivable recognized in the balance sheet in other ways.

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **The management's responsibilities for the annual accounts**

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

## **Independent auditor's report**

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### **Auditor's responsibilities for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

## **Independent auditor's report**

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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 the internal control that we identify during our audit.

### **Statement on the management's review**

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Esbjerg, 17 March 2017

### **Martinsen**

State Authorised Public Accountants  
Company reg. no. 32 28 52 01

Lars Æbelø-Nielsen

State Authorised Public Accountant

## Company data

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### The company

Braci Smart Ear ApS  
Edison Park 4  
6715 Esbjerg N

Company reg. no. 37 45 42 30  
Established: 11 February 2016  
Domicile:  
Financial year: 11 February - 31 December

### Board of directors

Jes Nordentoft  
Juma El-Awaisi

### Managing Director

Juma El-Awaisi

### Auditors

Martinsen  
Statsautoriseret Revisionspartnerselskab  
Edison Park 4  
6715 Esbjerg N

## **Management's review**

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### **The principal activities of the enterprise**

The company purpose is to develop and sell a sound recognition system app for smart devices, aimed at the hearing impaired.

### **Development in activities and financial matters**

The results after tax are DKK -21.332. The management consider the results unsatisfactory.

## **Accounting policies used**

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The annual report for Braci Smart Ear ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The annual accounts are presented in Danish kroner (DKK).

## **The profit and loss account**

### **Gross loss**

The gross loss comprises external costs.

Other external costs comprise costs for administration.

### **Net financials**

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

### **Tax of the results for the year**

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

## **The balance sheet**

### **Debtors**

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

### **Available funds**

Available funds comprise cash at bank and in hand.

### **Liabilities**

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

**Profit and loss account**

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All amounts in DKK.

<u>Note</u>	<u>11/2 - 31/12 2016</u>
<b>Gross loss</b>	<b>-21.244</b>
Other financial costs	-88
<b>Results before tax</b>	<b>-21.332</b>
Tax on ordinary results	0
<b>Results for the year</b>	<b>-21.332</b>
 <b>Proposed distribution of the results:</b>	
Allocated from results brought forward	-21.332
<b>Distribution in total</b>	<b>-21.332</b>

## Balance sheet

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All amounts in DKK.

<b>Assets</b>	<u>31/12 2016</u>	<u>11/2 2016</u>
<u>Note</u>		
<b>Current assets</b>		
Other debtors	878.309	0
Debtors in total	<u>878.309</u>	<u>0</u>
Available funds	359	50.000
<b>Current assets in total</b>	<b><u>878.668</u></b>	<b><u>50.000</u></b>
<b>Assets in total</b>	<b><u>878.668</u></b>	<b><u>50.000</u></b>
 <b>Equity and liabilities</b>		
<b>Equity</b>		
1 Contributed capital	52.531	50.000
2 Results brought forward	482.337	0
<b>Equity in total</b>	<b><u>534.868</u></b>	<b><u>50.000</u></b>
 <b>Liabilities</b>		
Trade creditors	10.000	0
Debt to shareholders and management	333.800	0
Short-term liabilities in total	<u>343.800</u>	<u>0</u>
<b>Liabilities in total</b>	<b><u>343.800</u></b>	<b><u>0</u></b>
<b>Equity and liabilities in total</b>	<b><u>878.668</u></b>	<b><u>50.000</u></b>

### 3 Mortgage and securities

## Notes

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All amounts in DKK.

	<u>31/12 2016</u>	<u>11/2 2016</u>
<b>1. Contributed capital</b>		
Contributed capital 11 February 2016	50.000	0
Cash capital increase	<u>2.531</u>	<u>50.000</u>
	<b><u>52.531</u></b>	<b><u>50.000</u></b>
<b>2. Results brought forward</b>		
Profit or loss for the year brought forward	-21.332	0
Premium on stock emission	<u>503.669</u>	<u>0</u>
	<b><u>482.337</u></b>	<b><u>0</u></b>
<b>3. Mortgage and securities</b>		
None		