

Cobalt Speech Denmark ApS

Vesterløkke 9b, 6091 Bjert

Annual report

2018

Company reg. no. 39 44 52 55

The annual report was submitted and approved by the general meeting on the 17 June 2019.

Jeffrey Adams
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The executive board has today presented the annual report of Cobalt Speech Denmark ApS for the financial year 28 March to 31 December 2018.

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 at 31 December 2018 and of the company's results of its activities in the financial year 28 March to 31 December 2018.

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.

Bjert, 17 June 2019

Executive board

Jeffrey Penrod Adams
CEO

Andrew Stephen Fletcher

Rasmus Dall

Scott Douglas Earnshaw

Independent auditor's report

To the shareholder of Cobalt Speech Denmark ApS

Opinion

We have audited the annual accounts of Cobalt Speech Denmark ApS for the financial year 28 March to 31 December 2018, 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.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 28 March to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

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 opinion.

Material uncertainties concerning the enterprise's ability to continue as a going concern

We point out that there is significant uncertainty that can raise considerable doubts about the company's ability to continue operations. We refer to note 1 in the financial statements, which states that the company's continuing operations is depending on the financial support of the owner. Comfort letters from the owner has been received. The management has therefore presented the accounts under the condition of going concern.

Our opinion is not modified in respect of this matter.

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

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

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.

Vejle, 17 June 2019

Martinsen

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

Christian Holm

State Authorised Public Accountant
mne29425

Company data

The company

Cobalt Speech Denmark ApS
Vesterløkke 9b
6091 Bjert

Company reg. no. 39 44 52 55

Financial year: 28 March - 31 December
1st financial year

Executive board

Jeffrey Penrod Adams, CEO
Andrew Stephen Fletcher
Rasmus Dall
Scott Douglas Earnshaw

Auditors

Martinsen
Statsautoriseret Revisionspartnerselskab
Gunhilds Plads 2
7100 Vejle

Parent company

Cobalt Speech and Language Inc.

Management's review

The principal activities of the company

The company's principal activity is programming.

Development in activities and financial matters

The gross profit for the year is DKK 371.472. The results from ordinary activities after tax are DKK -243.379. The management consider the results unsatisfactory.

The company has lost its share capital. The continued operation is subject to the financial support from the owners being maintained and, if necessary, extended so that the company at any time will be able to meet its obligations as they fall due. The owners have indicated that they will provide the necessary financial support and, on the basis of the above, the management presents the annual accounts with the view to continue as a going concern.

Accounting policies used

The annual report for Cobalt Speech Denmark 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 profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Other external costs comprise costs for sales and administration.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Net financials

Net financials comprise interest and exchange differences. Financial income and expenses are recognised in the profit and loss account with the amounts that concern 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 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 in bank.

Accounting policies used

Liabilities

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

Profit and loss account

All amounts in DKK.

<u>Note</u>	28/3 2018 - 31/12 2018
Gross profit	371.472
2 Staff costs	-617.362
Operating profit	-245.890
Other financial income	2.520
Other financial costs	-9
Results before tax	-243.379
Results for the year	-243.379
Proposed distribution of the results:	
Allocated from results brought forward	-243.379
Distribution in total	-243.379

Balance sheet

All amounts in DKK.

Assets		
<u>Note</u>	<u>31/12 2018</u>	<u>28/3 2018</u>
Current assets		
Other debtors	10.630	0
Debtors in total	<u>10.630</u>	<u>0</u>
Available funds	<u>3.632</u>	<u>50.000</u>
Current assets in total	<u>14.262</u>	<u>50.000</u>
Assets in total	<u>14.262</u>	<u>50.000</u>

Balance sheet

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>31/12 2018</u>	<u>28/3 2018</u>
Equity		
Contributed capital	50.000	50.000
Results brought forward	<u>-243.379</u>	<u>0</u>
Equity in total	<u>-193.379</u>	<u>50.000</u>
 Liabilities		
Bank debts	250	0
Trade creditors	17.170	0
Debt to shareholders and management	92.326	0
Other debts	<u>97.895</u>	<u>0</u>
Short-term liabilities in total	<u>207.641</u>	<u>0</u>
 Liabilities in total	<u>207.641</u>	<u>0</u>
 Equity and liabilities in total	<u>14.262</u>	<u>50.000</u>

- 1 Uncertainties concerning the enterprise's ability to continue as a going concern**
- 3 Mortgage and securities**
- 4 Contingencies**

Notes

All amounts in DKK.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

The company has lost its share capital. The continued operation is subject to the financial support from the owners being maintained and, if necessary, extended so that the company at any time will be able to meet its obligations as they fall due. The owners have indicated that they will provide the necessary financial support and, on the basis of the above, the management presents the annual accounts with the view to continue as a going concern.

2. Staff costs

Salaries and wages	561.589
Other costs for social security	2.059
Other staff costs	53.714
	<u>617.362</u>
Average number of employees	<u>1</u>

3. Mortgage and securities

None.

4. Contingencies

None.