ANYBODY TECHNOLOGY A/S

NIELS JERNES VEJ 10, 9220 AALBORG ØST

ANNUAL REPORT

1. JANUAR - 31. DECEMBER 2018

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 22 May 2019

Torben Brandstrup

CVR NO. 26 36 70 42

CONTENTS

COMPANY DETAILS

Company	AnyBody Technology A/S Niels Jernes Vej 10 9220 Aalborg Øst CVR no.: 26 36 70 42 Established: 17 December 2001 Registered Office: Aalborg Financial Year: 1 January - 31 December
Board of Directors	Jesper Jespersen, Chairman Torben Brandstrup Michael Damsgaard John Rasmussen Marianne Kofoed
Board of Executives	Jørgen Skov Rosenkilde
Auditor	KPMG Statsautoriseret Revisionspartnerselskab Østre Havnegade 18 9000 Aalborg
Bank	Jutlander Bank, Aalborg

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of AnyBody Technology A/S for the year 1 January - 31 December 2018.

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 the Company's financial position at 31 December 2018 and of the results of the the Company's operations for the financial year 1 January - 31 December 2018.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the review.

We recommend the Annual Report be approved at the Annual General Meeting.

Aalborg, 21 March 2019

Board of Executives

Jørgen Skov Rosenkilde

Board of Directors

Jesper Jespersen Chairman	Torben Brandstrup	Michael Damsgaard
John Rasmussen	Marianne Kofoed	

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AnyBody Technology A/S

Opinion
We have audited the Financial Statements of AnyBody Technology A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies. 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 assets, liabilities and financial position of the Company at 31 December 2018 and of the results of the Company operations for the financial year 1 January - 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 (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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 determines is 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 liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Financial Statements
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of 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 one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the 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 the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may 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 auditor's 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 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 Financial Statements, including the disclosures, and whether the Financial Statements represent 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 that we identify during our audit.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management's Review.

Aalborg, 21 March 2019

KPMG
Statsautoriseret Revisionspartnerselskab
CVR-nr. 25578198

Steffen S. Hansen
State Authorised Public Accountant
MNE-nr. 32737

MANAGEMENT'S REVIEW

Principal activities
The company develops and markets software for analysis and optimization of biomechanical problems.

Furthermore, the company offers consultancy services, primarily within the field of biomechanics.

Development in activities and financial position
The result of the company's operations the past year and the company's economic condition at the end of the financial year are evident from the income statement and balance sheet of 31 December 2018.

The result of the year shows a profit before tax of DKK 365.597, which is an improvement of DKK 227.061 compared to the result of 2017. The focus on strategic and operational initiatives has contributed to the ongoing trend in revenue, and only this focus has made it possible in current and new business areas to stabilize sale of licenses, sale of upgrades, sale of maintenance and sale of consultancy projects. Unfortunately, were a few bigger contracts postponed to after 31.12.18 but not lost. Obtaining the speed and revenue on EU-projects have unfortunately suffered under staffing issues, where the company has experienced, independent of ABT, a slow search & selection process for new employees. This has late December succeeded to be finalized.

As of November 2018, The Board of directors decided to exercise the authorization in the articles of association to implement a capital increase of DKK 6,440,000. The capital increase and purchase of shares in AnyBody Technology, has been completed by the long term Anybody Technology partner and distributor in Japan, Terrabyte Co., Ltd. With the new status as shareholder in AnyBody Technology, Terrabyte Co., Ltd. will be contributing even stronger to grow the very interesting development of the Asian market.

Furthermore, the company has of November 2018 acquired 159.783 of own shares from The Danish Growth Fund "Vækstfonden" at a value of 200.000 DKK.

2019 will be a year with focus on development of the company's activities in sale and marketing of the product portfolio as well as continued development of the company's unique software products. Emphasis on new strategic focus areas will strengthen the company's leading position even more on existing and new global markets and help penetrate new business potentials.

Organizationally, the company is strengthened by the ongoing hiring of highly educated and competent academics within the field of biomechanics, which keeps the organization's competences in a strong position in the global arena of biomechanics.

Based on the above, management and board are convinced and confident of the company's continued economic growth and expect positive results in the years to come.

With the positive development in the profit before tax result in 2018 and the cash contribution of DKK 6,440,000 from Terrabyte Co., Ltd., the company has boosted the financial assets and liquidity further and hence has a very strong financial platform for continued development.

Based on the forecast for continued economic growth, management finds it equitable to include a tax asset of DDK 2,351MM in the balance sheet and expects the tax asset can be exploited within the next 5-8 years.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the company's financial position.

Future expectations
Throughout 2019, focus will be maintained on internal and external advancements of the company, including continued product development to uphold the company's position as the global market leader. Furthermore, initiatives will be made towards new segments to strengthen the company's position within analysis and optimization of biomechanical problems and thereby increase sales.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2018 DKK	2017 DKK
GROSS PROFIT		**6.376.579**	**7.079.851**
Staff costs	1	-5.715.720	-6.646.277
Depreciations and amortisation		-242.739	-244.780
OPERATING PROFIT		**418.120**	**188.794**
Result of equity investments in subsidaries		-259.918	-155.486
Other financial income	2	207.627	120.986
Other financial expenses		-587	-16.113
PROFIT BEFORE TAX		**365.242**	**138.181**
Tax on profit for the year	3	-152.146	-33.135
PROFIT FOR THE YEAR		**213.096**	**105.046**

PROPOSED DISTRIBUTION OF PROFIT

Accumulated profit		213.096	105.046
TOTAL		**213.096**	**105.046**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2018 DKK	2017 DKK
Development projects completed		592.108	680.355
Intangible fixed assets	4	**592.108**	**680.355**
Fixtures and fittings, otherplant and equipment		1.246	30.916
Tangible fixed assets	5	**1.246**	**30.916**
Equity investments in group enterprises		0	0
Other securities		23.739	28.994
Fixed asset investments	6	**23.739**	**28.994**
FIXED ASSETS		**617.093**	**740.265**
Trade receivables		592.611	686.679
Contract work in progress		0	80.131
Receivables from group enterprises		310.933	370.433
Deferred tax assets		2.351.000	2.503.000
Other receivables		2.684.884	2.740.053
Receivables corporation tax		0	16.011
Prepayments		81.784	71.934
Receivables		**6.021.212**	**6.468.241**
Cash and cash equivalents		**9.886.799**	**2.017.855**
CURRENT ASSETS		**15.908.011**	**8.486.096**
ASSETS		**16.525.104**	**9.226.361**

EQUITY AND LIABILITIES	Note	2018	2017
Share capital		1.920.664	1.767.011
Transfer to reserve for development costs		455.664	454.723
Retained profit		10.854.750	4.489.424
EQUITY		**13.231.078**	**6.711.158**
Prepayments received, re. work in progress		0	92.990
Trade payables		192.381	38.835
Prepayments received		1.592.185	705.238
Other liabilities		813.303	1.199.991
Deferred income		696.157	478.149
Current liabilities		**3.294.026**	**2.515.203**
LIABILITIES		**3.294.026**	**2.515.203**
EQUITY AND LIABILITIES		**16.525.104**	**9.226.361**

Contingencies etc. 7

EQUITY

	Share capital	Transfer to reserve for development costs	Retained profit	Total
Equity at 1 January 2018	1.767.011	454.723	4.489.424	6.711.158
Capital increase	153.653		6.286.347	6.440.000
Purchase of own equity investments			-200.000	-200.000
Foreign exchange adjustments			66.824	66.824
Proposed distribution of profit			213.096	213.096
Transfer to reserve for development costs		941	-941	
Equity at 31 December 2018	**1.920.664**	**455.664**	**10.854.750**	**13.231.078**

NOTES

	2018 DKK	2017 DKK	Note
Staff costs			1
Average number of employees 11 (2017: 13)			
Wages and salaries	5.374.848	6.253.999	
Pensions	294.121	336.430	
Social security costs	46.751	55.848	
	5.715.720	**6.646.277**	
Other financial income			2
Group enterprises	102.408	98.862	
Other interest income	105.219	22.124	
	207.627	**120.986**	
Tax on profit for the year			3
Calculated tax on taxable income of the year	146	-15.865	
Adjustment of deferred tax	152.000	49.000	
	152.146	**33.135**	

Intangible fixed assets — Note 4

	Development projects completed
Cost at 1 January 2018	7.706.789
Additions	124.823
Cost at 31 December 2018	**7.831.612**
Amortisation at 1 January 2018	7.026.434
Amortisation for the year	213.070
Amortisation at 31 December 2017	**7.239.504**
Carrying amount at 31 December 2018	**592.108**

Tangible fixed assets — Note 5

	Other plants, machinery, tools and equipment
Cost at 1 January 2018	226.924
Cost at 31 December 2018	**226.924**
Depreciation at 1 January 2017	196.009
Depreciation for the year	29.669
Depreciation at 31 December 2017	**225.678**
Carrying amount at 31 December 2018	**1.246**

NOTES

Note

Fixed asset investments **6**

	Equity investments in group enterprises	Other securities
Cost at 1 January 2018	5.294	19.950
Cost at 31 December 2018	**5.294**	**19.950**
Value adjustments	-4.123.385	9.044
Profit/loss for the year	-259.919	-5.255
Offsetting of receivables	4.378.010	0
Value adjustments	**-5.294**	**3.789**
Carrying amount at 31 December 2018	**0**	**23.739**

Investments in subsidiaries (DKK)

Name and registered office	Equity	Profit/loss for the year	Ownership
Anybody Technology Inc., 45 Congress St. Suite 107 Salem, MA 01970, USA	-4.378.011	-259.919	100 %

Contingencies etc. **7**

The Company has rental commitments for a total of DKK 62 thousand on the current lease rental property.

ACCOUNTING POLICIES

The annual report of AnyBody Technology A/S for 2018 has been prepared in accordance with the provisions applying to reporting class B under the Danish Financial Statements Act with opt-in from higher reporting classes.

The Annual Report is prepared consistently with the accounting principles used last year.

Consolidated financial statements
The group complies with the exemption clause of section 110 of the Danish Financial Statements Act regarding financial reporting for smaller groups, and therefore, no consolidated financial statements have been prepared.

INCOME STATEMENT

Net revenue
In connection with the sale of standard software licences, licence fee is recognised immediately upon the supply of the software and under the condition of the customer's acceptance of functionality.

Sale through partnerships is recognised at the Company's share of the licence when delivery to the end user has taken place. Income from agreements on maintenance is recognised on a straight-line basis over the period of the agreement.

Development and consultancy services are recognised as work is performed.

Revenue is recognised exclusive of VAT and duties and less discounts granted in connection with the sale.

Gross profit
In accordance with section 32 of the Danish Financial Statements Act, revenue, operating costs, and other external costs are comprised into the financial statement caption gross profit.

Other external expenses
Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company’s employees. Repayments from public authorities are deducted from staff costs.

Investments in subsidiaries
The income statement of the parent company recognises the proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill.

Financial income and expenses in general
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax on profit for the year
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets
Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is 5 years.

Tangible fixed assets
Fixtures and fittings, otherplant and equipment are measured at cost less accumulated depreciation and write-downs.

The basis of depreciation is cost less estimated residual value after the end of the useful life.

Cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Where individual components of an item of fixtures and fittings, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Depreciation is provided on a Straight-line basis. Based on an assessment of the expected useful lives of the assets and their residual value as follows:

	Useful life	Residual value
Fixtures and fittings, other plant and equipment................................	3 years	0 %

Profit or loss on the disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Fixed asset investments
Investments in subsidiary enterprises are measured in the parent company balance sheet under the equity method.

Investments in subsidiary enterprises are measured in the balance sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits.

Net revaluation of investments in subsidiaries and associates is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiary enterprises with a negative equity value are measured at DKK 0 and any amounts due from these enterprises are written down by the parent company's share of the negative equity value to the extent that it is deemed irrecoverable. If the negative equity value exceeds accounts receivable, the residual amount is recognised under provision for liabilities to the extent that the parent company has a legal or actual liability to cover the subsidiary's deficit.

ACCOUNTING POLICIES

Impairment of fixed assets
The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, write-down is provided to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Contract work in progress
Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the balance sheet date and the total anticipated revenue related to the specific piece of work in progress.

Contract work in progress are measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and total expected income from the contract work in progress.

The specific piece of work in progress is recognised in the balance sheet as receivables or payables, depending on the net value of the selling price less progress invoicing and progress payments.

When the selling price of a contract cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Individual contract work in progrss are recognised in the balance sheet under either receivables or payables. Net assets are determined as the sum of contracts in progres where the selling price of the work performed exceeds progress billings. Net liabilities are determined as the sum of contracts in progres where progress billings exceed the selling price.

Costs relating to sales work and obtaining of contracts are recognised in the income statement as and when they are incurred.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Cash and cash equivalents
Cash and cash equivalents includes cash and cash equivalents.

ACCOUNTING POLICIES

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.