

ANYBODY TECHNOLOGY A/S
NIELS JERNES VEJ 10, 9220 AALBORG ØST
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 25 May 2023**

Jens Lübeck Johansen

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COMPANY DETAILS

Company	AnyBody Technology A/S Niels Jernes Vej 10 9220 Aalborg Øst CVR No.: 26 36 70 42 Established: 17 December 2001 Financial Year: 1 January - 31 December
Board of Directors	Jens Lübeck Johansen, chairman Kazushi Tsuji Tadashi Komori Michael Damsgaard John Rasmussen
Executive Board	Per Sondrup
Auditor	KPMG Statsautoriseret Revisionspartnerselskab Østre Havnegade 22D 9000 Aalborg
Bank	Sparekassen Danmark Tankedraget 5 9000 Aalborg

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of AnyBody Technology A/S for the financial year 1 January - 31 December 2022.

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 Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

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

Aalborg, 26 April 2023

Executive Board

Per Sondrup

Board of Directors

Jens Lübeck Johansen
Chairman

Kazushi Tsuji

Tadashi Komori

Michael Damsgaard

John Rasmussen

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 2022, 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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities 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 Audit of 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.

INDEPENDENT AUDITOR'S REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- 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 Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary 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 Commentary.

Aalborg, 26 April 2023

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25578198

Steffen S. Hansen
State Authorised Public Accountant
MNE no. mne32737

MANAGEMENT COMMENTARY

Principal activities

The management report presented covers the financial year 1 January 2022 to 31 December 2022 for AnyBody Technology A/S (in the following named: ABT).

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 and economic position

AnyBody Technology A/S focuses on development, marketing and sales of consultancy services relating to the software The AnyBody Modeling System (AMS). AMS is modeling/simulation software with focus on the human body and in particular musculoskeletal modeling (MSM). The software is used in academia as well as commercial companies for all kind of simulation task including the human body.

The FY 2022 result in DKK 188.529 before tax, which the management and board describe as a satisfactory result.

During the FY 2022 the company continued the work on the major development contract won in 2021 and this contract will continue into 2023 and is expected to have a positive impact on the results for the years to come.

The company is continuing its projects both in respect to software development and examining new potential market segments. These efforts will continue in 2023 with the purpose of generating new additional revenue streams. The company did not participate in any externally funded research projects in 2022.

Based on expected positive earnings in the coming 5 years, management has found it fair to maintain the deferred tax asset with a carrying amount of DKK 1,8 million as of 31 December 2022.

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.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 DKK	2021 DKK
GROSS PROFIT		5.854.374	5.944.136
Staff costs.....	1	-5.552.776	-5.105.979
Depreciation, amortisation and impairment.....		-431.831	-337.608
OPERATING LOSS		-130.233	500.549
Income from investments in subsidiaries.....		218.604	-35.830
Other financial income.....	2	241.641	186.285
Other financial expenses.....		-141.483	-9.427
PROFIT BEFORE TAX		188.529	641.577
Tax on profit/loss for the year.....	3	51.007	-100.187
PROFIT FOR THE YEAR		239.536	541.390
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		239.536	541.390
TOTAL		239.536	541.390

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK	2021 DKK
Development projects completed.....		3.449.976	2.743.981
Intangible assets.....	4	3.449.976	2.743.981
Fixtures and fittings, otherplant and equipment.....		25.007	59.758
Property, plant and equipment.....	5	25.007	59.758
Equity investments in group enterprises.....		0	0
Other securities.....		46.000	46.000
Financial non-current assets.....	6	46.000	46.000
NON-CURRENT ASSETS.....		3.520.983	2.849.739
Trade receivables.....		569.166	1.479.493
Contract work in progress.....		719.797	0
Receivables from group enterprises.....		1.340.082	457.585
Deferred tax assets.....		1.815.000	1.892.000
Prepayments.....		178.021	718.576
Receivables corporation tax.....		128.095	95.665
Prepayments and accrued income.....		33.717	103.136
Receivables.....		4.783.878	4.746.455
Cash and cash equivalents.....		9.186.309	9.114.514
CURRENT ASSETS.....		13.970.187	13.860.969
ASSETS.....		17.491.170	16.710.708
EQUITY AND LIABILITIES			
Share capital.....		1.760.881	1.760.881
Transfer to reserve for development costs.....		1.830.583	2.140.305
Retained profit.....		11.025.106	10.364.608
EQUITY.....		14.616.570	14.265.794
Other liabilities.....		582.179	582.179
Non-current liabilities.....	7	582.179	582.179
Prepayments received, ia.....		458.303	509.964
Trade payables.....		614.798	49.837
Other liabilities.....		391.504	556.580
Accruals and deferred income.....		827.816	746.354
Current liabilities.....		2.292.421	1.862.735
LIABILITIES.....		2.874.600	2.444.914
EQUITY AND LIABILITIES.....		17.491.170	16.710.708
Contingencies etc.	9		

EQUITY

	Share capital	Transfer to reserve for development costs	Retained profit	Total
Equity at 1 January 2022.....	1.760.881	2.140.305	10.364.608	14.265.794
Proposed profit allocation.....			239.536	239.536
Other legal bindings				
Capitalized development costs.....		-309.722	309.722	0
Foreign exchange adjustments.....			111.240	111.240
Equity at 31 December 2022.....	1.760.881	1.830.583	11.025.106	14.616.570

NOTES

			Note
Staff costs			1
Average number of employees	11	10	
Wages and salaries.....	5.238.265	4.771.699	
Pensions.....	263.526	281.843	
Social security costs.....	50.985	52.437	
	5.552.776	5.105.979	
Other financial income			2
Group enterprises.....	0	100.518	
Other interest income.....	241.641	85.767	
	241.641	186.285	
Tax on profit/loss for the year			3
Calculated tax on taxable income of the year.....	-128.007	-95.813	
Adjustment of deferred tax.....	77.000	196.000	
	-51.007	100.187	
Intangible assets			4
		Development projects completed	
Cost at 1 January 2022.....		10.668.325	
Additions.....		1.103.075	
Cost at 31 December 2022.....		11.771.400	
Amortisation at 1 January 2022.....		7.924.344	
Amortisation for the year.....		397.080	
Amortisation at 31 December 2022.....		8.321.424	
Carrying amount at 31 December 2022.....		3.449.976	
Property, plant and equipment			5
		Other plants, machinery, tools and equipment	
Cost at 1 January 2022.....		327.822	
Cost at 31 December 2022.....		327.822	
Depreciation at 1 January 2020.....		268.064	
Depreciation for the year.....		34.751	
Depreciation at 31 December 2020.....		302.815	
Carrying amount at 31 December 2022.....		25.007	

NOTES

			Note
Financial non-current assets			6
	Equity investments in group enterprises	Other securities	
Cost at 1 January 2022.....	5.294	46.000	
Cost at 31 December 2022.....	5.294	46.000	
Revaluation at 1 January 2022.....	-5.294	0	
Revaluation at 31 December 2022.....	-5.294	0	
Carrying amount at 31 December 2022.....	0	46.000	

Long-term liabilities					7
	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities	
Other liabilities.....	582.179	0	0	582.179	
	582.179	0	0	582.179	

Contingencies etc.	8
	9

Contingent liabilities

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 2022 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.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operating 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.

Income from 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.

In connection with transfers, potential profits are recognised when the economic rights related to the sold associates are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses

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.

ACCOUNTING POLICIES

Tax

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.

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 5-10 years.

Tangible fixed assets

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

The depreciation base is cost less estimated residual value after end of 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
Other plant, fixtures and equipment.....	3 years	0 %

Profit or loss on 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.

Financial non-current assets

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.

Equity investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

ACCOUNTING POLICIES

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.

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, 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 recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

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

Amortised cost for short-term liabilities usually corresponds to the nominal value.

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.