





Leadership in an ever-changing world

Welcome to Valea's Annual Report 2013. I am proud to present yet another positive year of client-driven development and stability. In a continuously changing and rapidly evolving world, it is a challenge to stay on top of everything – particularly in the area of Intellectual Property. For many leading companies, big and small, that value their IP as a vital part of their business, a sound yet dynamic IP strategy is more important than ever.

Our clients are leaders in this changing environment. They know that they cannot afford to stand still. They see opportunities where others see only obstacles or threats. They also understand that actively establishing, defending and commercialising their IP assets is a key to staying at the forefront.



At Valea, we share this positive approach to change. It's what drives us forward and keeps us focused and engaged. Change inspires us to continuously develop our competences and sharpen our efficiency. It pushes us to go beyond the conventional way of doing things as we constantly strive to set new standards in what IP-intensive organisations can expect from a full-service IP law firm.

Simply put, we are determined to prove our expertise and leadership every step of the way. Why? So that our clients can become even more successful in an ever-changing world.

Anders Havstam
CEO, Valea AB

Key ratios

	2013	2012	2011	2010	2009
Operating income, KSEK	181,830	182,379	158,770	163,352	158,097
Value added, KSEK	126,409	123,688	111,064	101,409	89,575
Profit after financial items, KSEK	14,944	14,218	8,529	9,426	8,925
Total assets, KSEK	72,587	81,165	73,920	74,121	70,350
Average number of employees*	79	79	75	71	69
Equity/assets ratio, %	35	30	25	24	25
Return on total capital, %	21	18	12	13	13
Return on equity, %	60	57	46	53	51
Sales per employee*, KSEK	2,302	2,309	2,117	2,301	2,291
Value added per employee*, KSEK	1,600	1,556	1,481	1,428	1,298
Profit after financial items per employee*	189	180	114	133	129
*FTE (full time equivalent)					

Valea in brief

2013 was a successful year in the marketplace, with continued development and good profitability.

Valea's vision is to be regarded as one of Europe's leading consulting firms in the field of intellectual property rights, and to be the natural choice for companies that work pro-actively to optimise the return on their intangible assets.

Valea ranked as "Tier 1" by Managing Intellectual Property

For the fourth consecutive year, Valea maintain top ranked in the Patent Prosecution category. The magazine, Managing Intellectual Property (MIP's) study of the intellectual property market is based on extensive research and interviews with many suppliers and clients in the field the world over.

Valea was also ranked in the second edition of IAM Patent 1000 – The World's Leading Patent Practitioners

A dedicated IAM research team spoke with private practice lawyers and attorneys, as well as the users of their services, in countries across the world. All those named in this publication are there because they received substantial positive feedback.

**Managing
Intellectual
Property**



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Setting new standards in the field of IP consulting

Valea's vision is to be regarded as one of Europe's leading consulting firms in the field of intellectual property rights, and to be the natural choice of clients who work proactively to optimise the return on their intangible assets. "Yes, our clients are demanding – and that's exactly how we want them to be," says Anders Havstam, CEO.



ANDERS HAVSTAM
CEO, Senior Partner

Anders Havstam has extensive experience of visionary leadership and organisational development in various lines of business within the service industry. Prior to joining Valea he held a position as a management consultant and partner at PwC, Öhrlings Pricewaterhouse-Coopers. Anders Havstam spends his spare time with his family. He is an enthusiastic golfer and is keen to develop his understanding of fine wine.

How would you sum up Valea's performance for 2013?

We have improved on 2012, so it has been another year of growth in value added and a healthy profit. We have also continued to grow our market share. I can accurately say that Valea has now firmly established itself as one of the more active leaders in IP in Europe. We are truly an up-and-coming firm and a driving force in the IP field.

What are some of the highlights from this past year?

First of all, we won several new accounts during the year, which we are very proud of. We have also hired new staff – outstanding people in every sense of the word and I am confident that they will reinforce our commitment to be at the forefront of change. I should also mention that our new office in Gothenburg is living up to all of our expectations. It's an inspiring place to work and a modern, effective hub of communication with our other offices. Perhaps most of all, its central location makes us more accessible to our clients.

We've also been working hard to increase productivity and effectiveness. I am proud to say that

we are now digitalised, dramatically reducing paper work and helping to further streamline our processes. This is a huge advantage in terms of speed and flexibility.

What explains Valea's success? After all, there are lot of IP firms on the market.

Most of all, it's our clients and the demands they place on us. It is because of our clients that we have the people we have. Our people are outstanding. Not just in terms of knowledge or experience or academic credentials – these are really just hygiene factors. It's what they bring as individuals, how they apply their expertise, show leadership and contribute to the team that sets Valea apart from other firms.

Our goal is to be the most attractive employer in the IP field and the reason is simple: we want to attract the best of the best. People who are inspired by the vision we have for the company and who understand what we're doing here at Valea and why. For us, diversity – in backgrounds, cultures, personalities and areas of expertise – is at the heart of an inspiring and dynamic workplace, particularly in the client teams. From our experience, this approach has proved to add value for our clients.

IP issues and legislation are complex and changing all the time. How does Valea keep up?

Yes, that's true. And staying at the leading edge of knowledge is more important than ever. Our clients are leaders in their field. They don't stand still. They are always moving forward and we are too, always developing our competence to support our clients' ever-changing needs and business. This is why competence is at the heart of everything we do here – it has to be on top – and it has to be proven. How can we prove it? Well, just take a look at our client list.

What's it like working at Valea?

We have a very open corporate culture that allows us to share knowledge and experience, and work

together in an optimal way for ensuring the best possible outcome for our clients. I'd also like to mention that being an entirely client-driven organisation makes it much easier to be open internally. Interaction between human beings is increasingly vital to the services we deliver. It's really about interaction between people – continuously exchanging ideas and experience to enhance quality.

What in your mind really sets Valea apart from other IP firms?

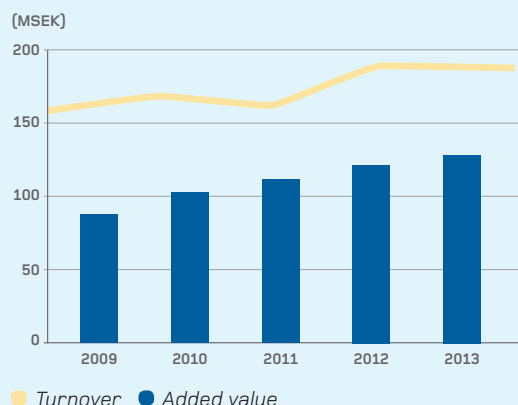
Simple – we are a client-focused, client-driven company. It's not just what we do and the services we offer. It's how we do it, and our approach to supporting our clients and creating business value. We go beyond conventional IP support. We bring together expertise in business, technology and law and put it in a commercial context. We also make a point of understanding and absorbing the full agenda of our clients – their challenges and their opportunities and support them in reaching their goals. We hope that they perceive us as a strategic business partner that they can interact with at a much higher level than they are used to.

Looking forward, what do you want Valea to achieve during 2014?

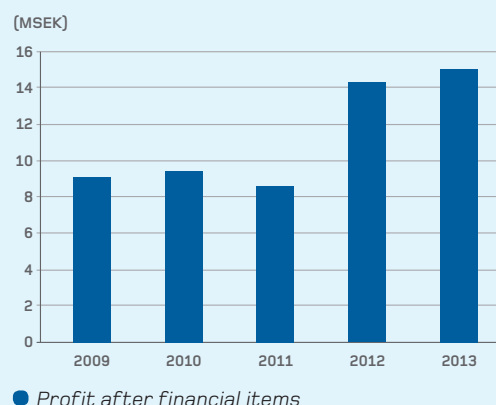
Of course we want to grow – but only if it is client driven. The business climate has been pushing upwards during the second half of 2013 and we are positive about the future. We will continue to support our clients and strengthen the strategic relationships we have with them. And of course we hope to attract new clients.

Again, in a continually changing world in which our clients are determined to stay at the forefront, we have to do everything we can to not just keep up with them – but to help them to lead. It will be very interesting to see where in the market focus will be on exploring the true value of the IP and where the focus will be on cost cutting measures.

Growth



Profitability



In 2013, Valea continued to increase its market share while the industry grew somewhat. This is according to the annual industry study done by PwC for Valea.



WEN CHEN FLOBERG
Patent Attorney

Wen Chen Floberg has a PhD in Electronic Circuits and specialises in patent issues in telecommunications, semiconductor technology, analogue and microwave circuits, radio frequency and digital ASICs as well as digital signal processing algorithms. Wen Chen Floberg has worked at Ericsson as an RF ASIC designer and patent engineer for 15 years. She has also worked at South China University of Technology and has research experience from Lund University. Wen Chen Floberg enjoys spending her free time with her family and also enjoys dancing and taiji.

The race to monetise Intellectual Property

To monetise means to utilise something of value as a source of profit.* And what could be more valuable for an organisation than its Intellectual Property? As recently as fifteen years ago, companies generally regarded patents as a necessary cost on the balance sheet to protect their R&D from copying. Today, more and more companies are financially exploiting their IP – and reaping the rewards.

Nobody could have escaped the media's coverage of the so-called "smartphone wars", a never-ending business battle between smartphone manufacturers over patents licensing and litigation. Players in the telecom field have to "buy into" a patent portfolio jointly managed by the established companies under the so-called FRAND system, which means that a patent adopted as an industry standard must be available to all on fair, reasonable and non-discriminatory terms.

FRAND is intended to prevent licensing abuse and a monopolistic advantage, while also helping to promote compatibility and interoperability of devices from different manufacturers. The more patents an established company can have regarded as being essential for an industry standard, the greater that company's share of the license revenue.

Profits – made under license

Royalty income is not the exclusive domain of high-tech companies. For example, nowadays it is almost impossible to buy floor panels that are not protected by numerous patents and made under license (See the Unilin case story on page 28). By granting licenses, a company can ensure that

demand for their technology is met without having to increase their own manufacturing capacity or distribution network.

Beware of patent trolls

The trend towards monetisation of IP does have a downside. Thanks in part to the complex U.S. legal system, some non-manufacturing companies are purchasing patent portfolios just so that they can accuse other companies of patent infringement and threaten with patent litigation. Fortunately, the US is introducing legislation that will help thwart these so-called patent trolls.

At the same time, it's important to distinguish between patent trolls and non-manufacturing entities that are actually involved in R&D, such as universities and technical consultancy firms.

A position of strength

There is always someone out there ready to exploit a good idea. The challenge is to make sure that the originator of the idea is in the strongest position to exploit it first – and, in many ways, that's what monetisation is all about.

*Merriam-Webster Online Dictionary



ANDREW HAMMOND
Authorised Patent Attorney (SE)
European Patent Attorney

Andrew Hammond is a founding partner of Valea AB and a European Patent Attorney. He has a degree in mechanical engineering and has been working in the IP field since 1983, initially as an Examiner at the European Patent Office and since 1990 in private practice in Sweden. Most of his time is spent in post-grant patent proceedings, primarily before the EPO. Andrew Hammond is a dedicated golfer and when not on the golf course he likes to spend his spare time with his two children.



ISABEL CANTALLOPS FIOL
Patent Attorney
U.S. Patent Agent

Isabel Cantallops Fiol specialises in patent prosecution in software, business methods, telecom, life sciences and medical devices. Isabel Cantallops Fiol has an MSc in Neurobiology & Physiology, a PhD in Neuroscience from Northwestern University, and a five-year post-doctorate from Cold Spring Harbor Laboratory (biotech). Isabel Cantallops Fiol started her IP career in 2002 as a technical consultant and US patent agent at Clifford Chance in NY. She likes spending her free time with her family. She also likes ballet, music, film, literature and art.

A (brand) new era in domain names

A new digital landscape is upon us. In fact, the recent release of more than 1,000 new generic Top Level Domains (gTLDs) is probably the biggest shake-up of the Internet since it began. Organisations now have the opportunity to grow their digital footprint and build a domain name portfolio that strengthens the brand from both a legal and marketing perspective. For early adopters, this change can mean an important competitive advantage – and a big leap into a new era.

Since the early days of the Internet, corporations and other organisations publishing content on the web have been restricted to a limited number of generic Top Level Domains (gTLDs), such as .com, .net and .org. Apart from country-code Top Level Domains (ccTLDs), such as .de and .se, the system has allowed very few opportunities to distinguish the content offered through the use of a particular top level domain.

A new paradigm for searching and organising content

Applicants for the new gTLDs have been through a long, costly and gruelling process that started in January 2012, but they are likely to be rewarded. The window for new applications is currently closed for an unspecified time. Among the first of the new gTLDs launched in November 2013 were .bike, .clothing, .guru, .holdings, .plumbing, .singles and .ventures. The plan is for these extensions to be used as open gTLDs, available for everyone to register. For the companies running the gTLD registries, this will no doubt bring increased revenue. During 2014 and 2015, up to 20 new gTLDs will be launched each month.

Brand name as domain name

The ways in which major brand owners are planning to use their brands in the new paradigm is particularly interesting and will have a big influence on the changing digital landscape. In fact, more than 75 % of the largest global brands have applied for their own top level domain. New gTLDs include well-known brands such as .hermes, .mcdonalds, .ericsson, .xbox and .lego. What is more, many brand owners have joined together to form the Brand Registry Group in order to promote the unique needs of .Brand registries.

A holistic domain strategy is essential

All in all, the introduction of new gTLDs is redefining the Internet as we know it. It is opening up exciting opportunities – but also creating some challenges.

For example, the fragmentation of the Internet means that some brands may become vulnerable to the hijacking attempts of so-called “name-nappers”. Therefore, developing a holistic domain strategy that maximises the benefits and minimises the risks is more important than ever. In fact, it is essential. Only then can an organisation empower the online presence of its brand – and lead the change in a new digital era.

Impact of the new gTLDs

Companies will have to redefine their online presence and secure new domain names that better reflect their business objectives, markets and products.

It will open up new opportunities to increase the value of a business, since a domain name will be an even more valuable asset, just like stock, property and intellectual property.

Developing a domain name portfolio that both protects and adds value will become more costly for brand owners in the future.



JESPER SELLIN
Attorney at Law, LL.M.
European Trademark & Design Attorney

Jesper Sellin has broad experience in the field of intellectual property. His strong business sense emanates from working with legal IP matters from many perspectives. Jesper Sellin advises clients on a variety of matters related to IP rights such as patents, trademarks and design rights. He has unique competence on brand valuation and has recently written a book on the ISO valuation standard. Jesper Sellin also spends a lot of time with his daughter, and is often found at the gym, climbing or running.



ANNA MARIA LAGERQVIST
Attorney at Law, LL.M.

Anna Maria Lagerqvist works in all fields of Intellectual Property Law with a focus on infringement queries, litigation and business-related IP issues. Anna Maria Lagerqvist also has considerable experience within IT Law and she is an experienced lecturer in the IP field. Anna Maria Lagerqvist has been working in the IP field since 1998 and is the head of the legal department at Valea. Anna Maria Lagerqvist is a dedicated sailor and loves to spend her free time by the sea. She is also a passionate amateur fencer and boxer.

A more unified approach to European patents

To simplify the use of European patents, the European Union has introduced a Unitary Patent (UP) package and an agreement on a Unified Patent Court (UPC), which was signed in February 2013. It is currently in the process of being ratified by the EU member states. The UP package will be applicable as soon as the agreement on the UPC enters into force.

The European Patent Office (EPO) currently grants European patents, which have the same effect as national patents in the EU. This means that the prosecution of a European patent application up until the grant, including any possible opposition proceedings, is performed centrally before the EPO. However, subsequent actions involving the European patent, such as infringement or invalidity actions, are made before national courts.

Complicated, costly and time consuming

With the current system, enforcing or invalidating a European patent can therefore be both costly and time consuming. For example, a proprietor of a European patent who wants to stop activities that infringe on the patent in a plurality of European countries has to initiate legal actions in each of the European countries concerned. The same is true for a company that wants to invalidate a competitor's European patent. In this case, the company has to initiate nullity proceedings in each of the European countries where the European patent is valid.

What is more, since there may be some differences between the patent law practices of the courts of different European countries, it may be difficult to predict the result of the proceedings before different national courts.

Time for change

In a nutshell, the Unitary Patent (UP) package clarifies that a European patent, as filed by the proprietor, should be regarded as a single patent. In other words, it should be maintained or revoked, for example, as one unitary object. The agreement on a Unified Patent Court (UPC) introduces a new patent court in Europe that will resolve disputes relating to European patents – with or without unitary effect.

The UP package and the agreement on a UPC will bring several improvements to the European patent system. For example, the UP package will significantly reduce the costs for obtaining an enforceable

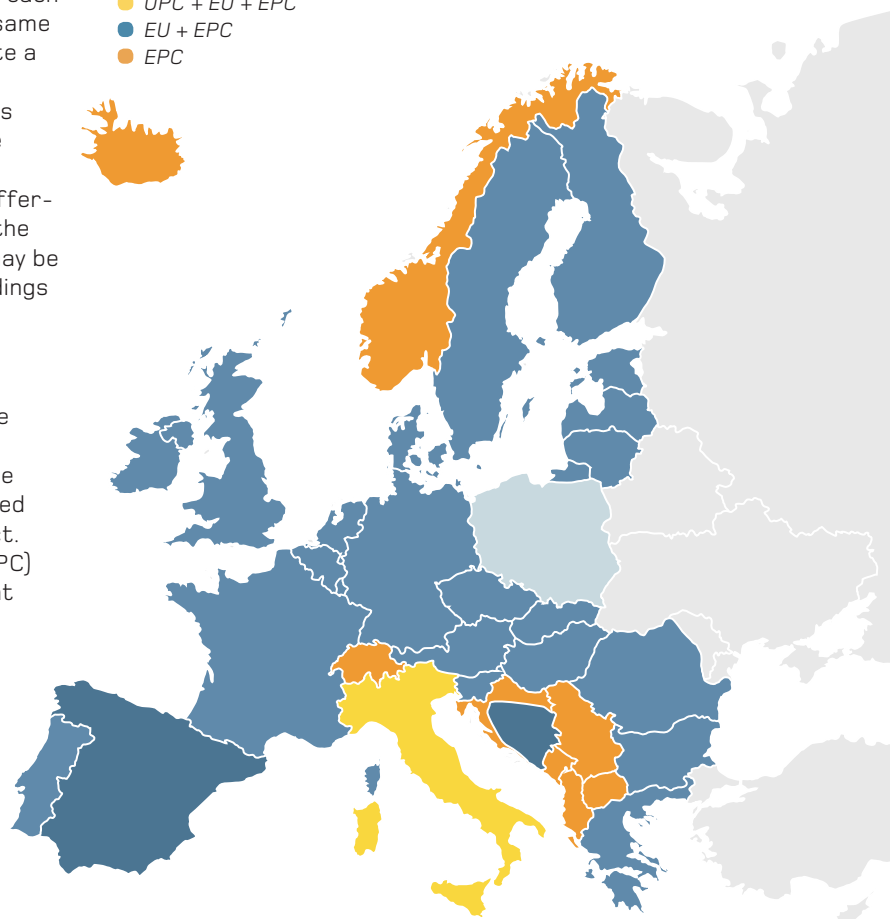
European patent. This is because it clarifies that the current validation procedure – and the huge translation costs that come with it – is no longer necessary.

Moreover, the agreement on a UPC may mean that a proprietor of a European patent will be able to initiate a single infringement action, instead of having to deal with a plurality of proceedings before

EU member states which have joined the UP package and the UPC agreement

UP = Unitary Patent, UPC = Unitary Patent Court, EPC = European Patent Convention, EU = European Union.

- UP + UPC + EU + EPC
- UP + EU + EPC
- UPC + EU + EPC
- EU + EPC
- EPC



national courts. The same will be true for a third party initiating an invalidity action against a European patent.

New challenges and new questions

There are also some concerns over the new legislation. For example, the agreement on a UPC stipulates that the UPC will have the power to decide on injunctions that affect the states that have ratified the agreement. As a consequence, anyone who wants to introduce a new product on the European market in the future has to carefully review European patents that may be relevant for the new product in order to reduce the risk of encountering an injunction.

A major concern shared by many in the IP business is that the UPC will have the power to split a case with an infringement action and an invalidity action into two separate cases. This could mean that a local UPC deals with the infringement action, while a central UPC handles the invalidity action. The concern over such a split, commonly referred to as a bifurcation, is that it will be abused by parties who, for example, obtain a quick decision in the infringement case and then do everything possible to delay the invalidity case. Even the quality of the UPC itself, and consequently the quality of the decisions made by the court, is uncertain.

Moving toward unity and clarity

The costs involved in the UP package are also unclear at this time. What will the annual fee to the EPO be for a European patent with unitary effect? How much will it cost to initiate proceedings before the UPC? Only time will tell. In any case, companies need to understand the opportunities and implications of the new legislation to stay at the forefront of an increasingly more unified system for European patents.



THOMAS ERNBY
Authorised Patent Attorney (SE)
European Patent Attorney

Thomas Ernby specialises in patent issues within technical fields such as mechanics, vehicle and offshore technology. Thomas Ernby has an MSc in Mechanical Engineering. He works with all types of patent issues including various types of searches, patent drafting, licensing and infringement. He has experience in research and development in technical areas within industry since 1997. Thomas Ernby likes to spend his spare time on the golf course or with his family. He also enjoys kayaking and playing his guitar.



CHARLOTTA VINK
Authorised Patent Attorney (SE)
European Patent Attorney

Charlotta Vink specialises in patent matters within mechanical engineering and has specific knowledge within the areas of wood material and building technology, as well as in the fields of vehicle and medical technology. Charlotta Vink has an MSc in Civil Engineering from Chalmers University of Technology. Due to her interest in teaching she often works as a mentor and tutor. She alternates her office work with renovating her house together with husband and son. Her main sport interest is horseback dressage riding.

It's our approach that sets us apart

In an increasingly competitive, ever-changing world, it is no longer enough to be good. You have to be the best. Deftly handled, intellectual property rights provide a great competitive advantage and a strategic business asset. At Valea, our focus is to be a strategic business partner with expertise in business, technology and law combined with an understanding of regulatory frameworks in a commercial context.

At Valea, it's not just about technology or law when we work with our clients to develop strategies for intellectual property rights. Understanding the commercial aspects and what characterises good business are equally important. Technical expertise and a legally cohesive perspective combined with business knowledge are essential elements of any successful intellectual property rights strategy.

Fully focused on our clients

To be where our clients are, Valea maintains offices in the most important and dynamic centres for technological development, industrial conglomerates and university research in Sweden. Our organisation has a truly seamless structure that enables and promotes internal collaboration and knowledge dissipation, regardless of position or location. We also continuously develop staff competence to ensure the highest standards of work performance.

In every way, our internal processes are designed to support close client relationships. We work in client teams – across areas of expertise and geo-

graphic locations – to provide our clients with the best possible skills for every new assignment in the most efficient and effective manner. Each team has an account manager who is responsible for ensuring the delivery of the highest quality and nurturing a long-term strategic relationship with the client.

We also believe in constant renewal and forward progress, which is why we are continuously developing our service offering to meet ever-changing client and market needs.





KRISTOFFER OGEBJER
 Authorised Patent Attorney (SE)
 European Patent Attorney

Kristoffer Ogebjerg specialises in patenting in the fields of telecommunication, data communication, and software related inventions. Kristoffer Ogebjerg has an MSc in Mechanical Engineering from the Royal Institute of Technology. He works with all types of patent issues including strategy, patent drafting and prosecution, infringement, and freedom to operate issues. Kristoffer Ogebjerg spends his spare time with his family and is an enthusiastic football fan, visiting the national arena of Sweden as often as possible.

Our services

Valea is a full-service consultancy firm within the IP field. Our services cover the entire range from concept to commercialisation. We work primarily with establishing, defending and commercialising intellectual property rights such as patents, trademarks, designs and domain names. We also handle legal issues related to copyright law, market law and IT law.

Establish

We offer services that cover the entire process, which includes developing strategies for intellectual property rights and drafting, filing and worldwide prosecution of patents, trademarks, designs and domain names. We have vast experience in obtaining protection and managing very large portfolios in a cost-efficient manner worldwide.

Defend

Valea's consultants assist with monitoring, providing legal advice and taking legal action when necessary. We represent our client's before administrative authorities, the European Patent Office, the Organization for Harmonization of

the Internal Market, national courts and internationally through our network of local lawyers. Our highly experienced litigation team acts as legal counsel for international companies in high profile litigations in Sweden.

Commercialise

IP assets generate great value and financially exploiting them can be very profitable. Valea's consultants assist with negotiation and drafting of IP licenses, IP transfer agreements and other commercial agreements, according to the client's business objectives. We survey IP rights, provide portfolio evaluation and IP mapping, as well as provide basis and support for risk assessment.

Patents, Trademarks & Designs

We work primarily with establishing, defending and commercialising intellectual property rights such as patents, trademarks, designs and domain names. Valea has experts in all patentable technical areas and has experienced lawyers who assist with legal expertise. Together with our clients, we establish a well-conceived IP strategy that ensures optimal IP protection.

Legal services

Valea's highly experienced lawyers are proficient in handling all IP legal matters – from concept to commercialisation. We are committed to providing the right level of legal support and proposing the legal activities that make the most sense for the client from a business perspective.

Commercialisation

Valea's consultants assist with negotiation and drafting of IP licenses, IP transfer agreements and other commercial agreements. We survey IP rights, provide portfolio evaluation and IP mapping, as well as provide basis and support for risk assessment.

Evaluation

IP is increasingly becoming one of the most important assets for a company. In transactions such as joint ventures, mergers and acquisitions and licensing, IP is the fundamental component of the company value. Valea's consultants have vast experience in valuating IP assets, and our evaluation team is actively involved in international work to establish standards in this area.

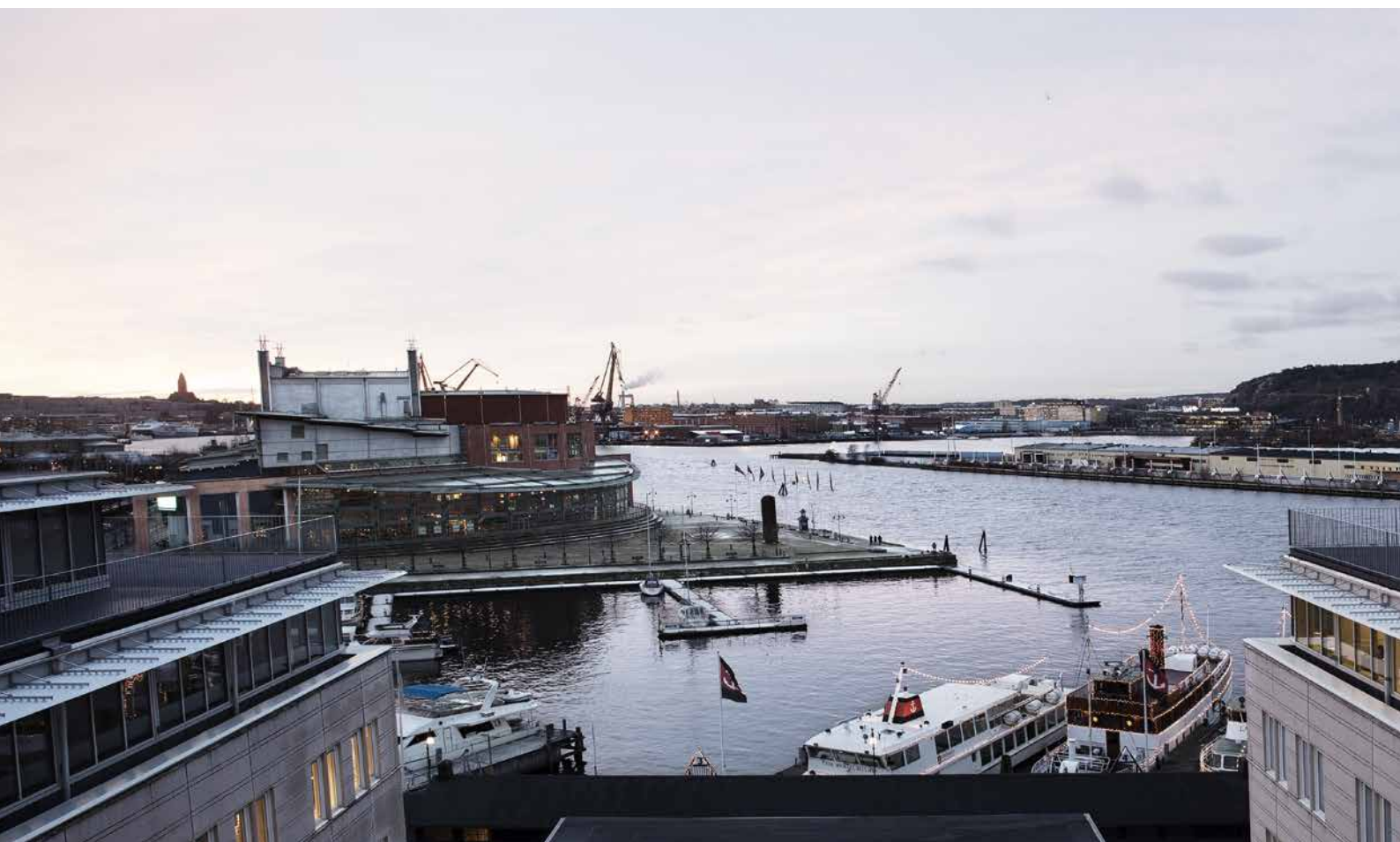
Post grant & Enforcement

Our consultants assist with monitoring, providing legal advice and taking legal action when necessary. We also have extensive experience in representing our clients before administrative and public courts, patent offices and other authorities at the national and European level.

Renewals & Annuities

Valea's annuity and renewal department offers services within patents, trademarks and designs. This includes management, monitoring and notification of annuities and renewal fees both nationally and internationally.





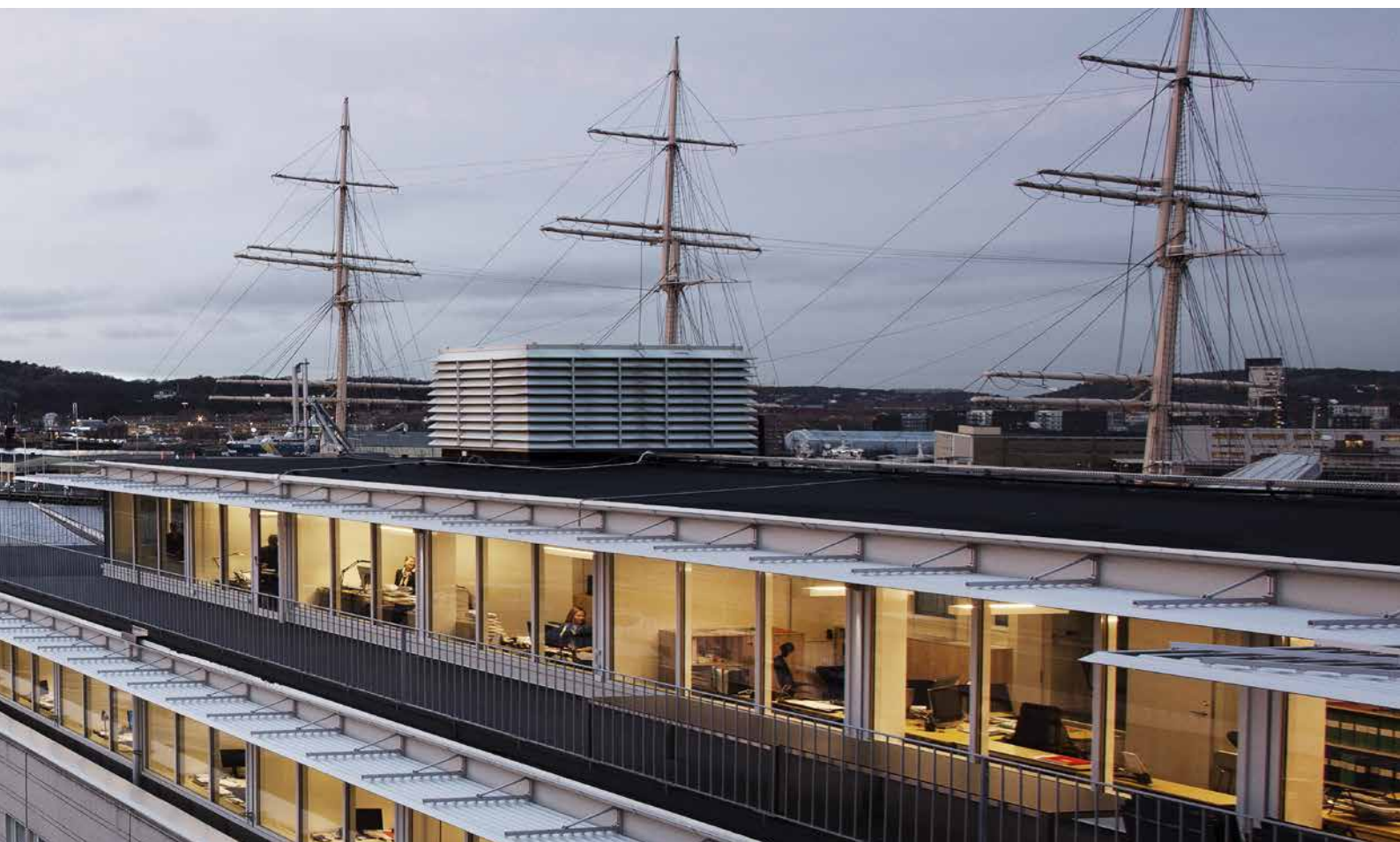
At the heart of our offer – our people

At Valea, our goal is to be the most sought-after employer in the IP industry. The reason is clear: we want to attract the best of the best. By this we mean highly competent and experienced people, who are eager to work with the most professional and demanding clients in the market – and deliver quality every step of the way. We are also a strong believer in diversity in our teams and working groups. As we see it, a dynamic mix in terms of expertise, experience, age and background is essential to delivering maximum business value for our clients.

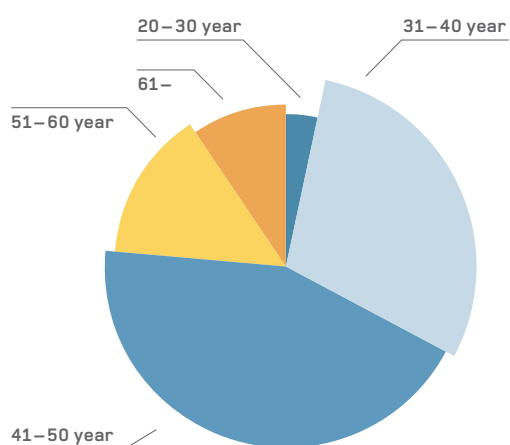
“Great freedom, but with great responsibility” is a motto that Valea shares with many of today’s successful consulting firms. Knowledge and excellent academic credentials are hygiene factors. What distinguishes Valea is how our employees use their knowledge and experience to develop our clients’ businesses. Our employees are committed, proactive and see opportunities where others see problems or settle for a passive approach.

A career based on leadership and courage

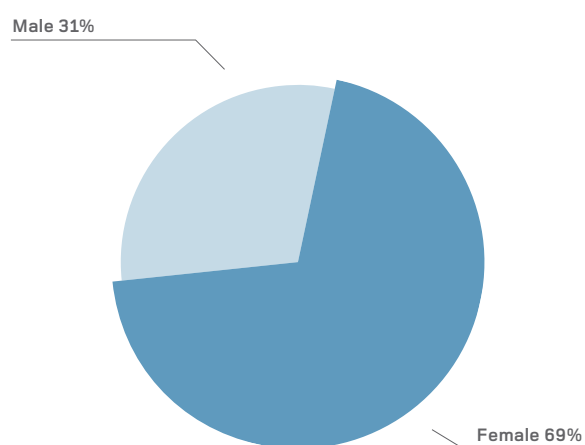
Valea recruits new employees every year. What do they have in common? They are highly experienced professionals who can play a vital role in developing client relationships and identifying new business opportunities. The ideal recruit has proven leadership and the courage to take the initiative – never afraid to ask “what if?”.



Age distribution



Distribution between sexes



Continuous professional development

We work continuously with mentoring and training to promote professional development and effectively ensure the transfer of knowledge and experience throughout our organisation. All patent consultants receive extensive training for their EQE studies.

The training program includes an experienced tutor, free study days, literature and participation in external courses. Our lawyers are trained continuously as required via national and international training programs and conferences.

In light of the increase in international assignments, several employees have joined organisations →



that focus on intellectual property issues with a transnational perspective. This promotes the exchange of experiences and is a great opportunity to get to know colleagues from other countries and cultures.

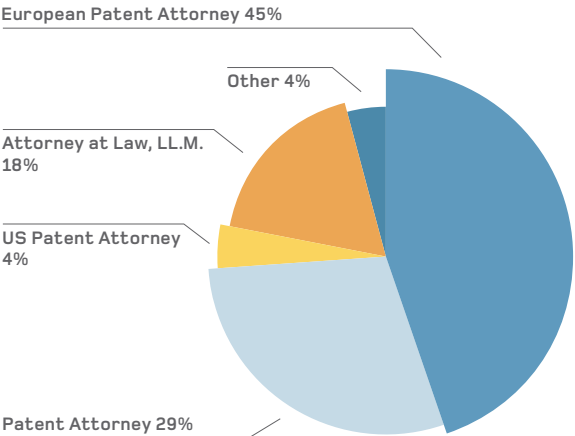
Taking job satisfaction to a higher level

Our promise: a stimulating and rewarding on-the-job experience. We place great demands on our employees, but we also believe that they should have high expectations of Valea as an employer. At Valea, all employees have the opportunity to broaden their skills, expand their knowledge and advance in our business.

Simply put, we believe that it should be fun to go to work and that our employees should experience the satisfaction that comes with doing an outstanding job, pleasing clients beyond their expectations and having plenty of opportunities for personal development. At the same time, we understand the importance of achieving a healthy balance between work and private life.



Educational level of consultants





“At Valea, we are committed to being the most attractive employer in the IP field. This is why, year after year, the best people join our team – making the difference for our company and clients alike.”

Anders Havstam
CEO, Valea AB







For Statoil, trademark
management is a
complex global effort



Statoil ASA has chosen Valea to provide global trademark and domain name registration services. “The task is really challenging because our services have to cover many countries across different continents,” says Jesper Sellin, lawyer and consultant at Valea. “It has also helped to firmly establish Valea in the Norwegian market.”

STATOIL ASA

Founded: 1972 listed on Oslo and New York stock exchange in 2001.

Products: Oil and gas products and wind power.

Market area: International energy company with operations in 35 countries.

Sales: NOK 723 billion (2012).

Number of employees: 23,000

Norwegian oil and gas group Statoil has a brand that is visible in much of the world, particularly where it is possible to produce energy. It qualifies as one of the 50 largest global companies and is by far the largest Nordic company. Sales for 2012 exceeded NOK 700 billion, and the company generated a profit before tax of NOK 200 billion.

Statoil is an international energy company with operations in 35 countries. Building on 40 years of experience from oil and gas production on the Norwegian continental shelf, the company is committed to accommodating the world's energy needs in a responsible manner, applying technology and creating innovative business solutions.

Statoil's headquarter is in Stavanger, Norway.

Since Statoil's inception in 1972, tough conditions off the Norwegian coast have led to development of world-leading technology that can be adapted to new geographic markets. Extraction from oil sands in Canada and discoveries in South America and Africa are examples of geographic expansion. Statoil has also invested heavily in floating offshore wind turbines offshore UK.

To the ordinary Nordic consumer, the Statoil brand is associated with a few thousand petrol stations. However, that business was sold to Canadian company Alimentation Couche-Tard in 2012 and is no longer part of Statoil ASA. The Canadian company is entitled to use the Statoil brand at its petrol stations for a period of time.

A tough procurement process

Statoil has a strong brand at its disposal and the company is very aware of the value that the brand represents. Consequently, the procurement won by Valea was also comprehensive.

“It was definitely one of the toughest procurements Valea has participated in so we were particularly pleased that we were entrusted with the job,” says Jesper Sellin. “We're also pleased that we've been able to bolster their brand protection and the rights to their domain names and have forcefully demonstrated that misuse of the Statoil brand is not acceptable.”

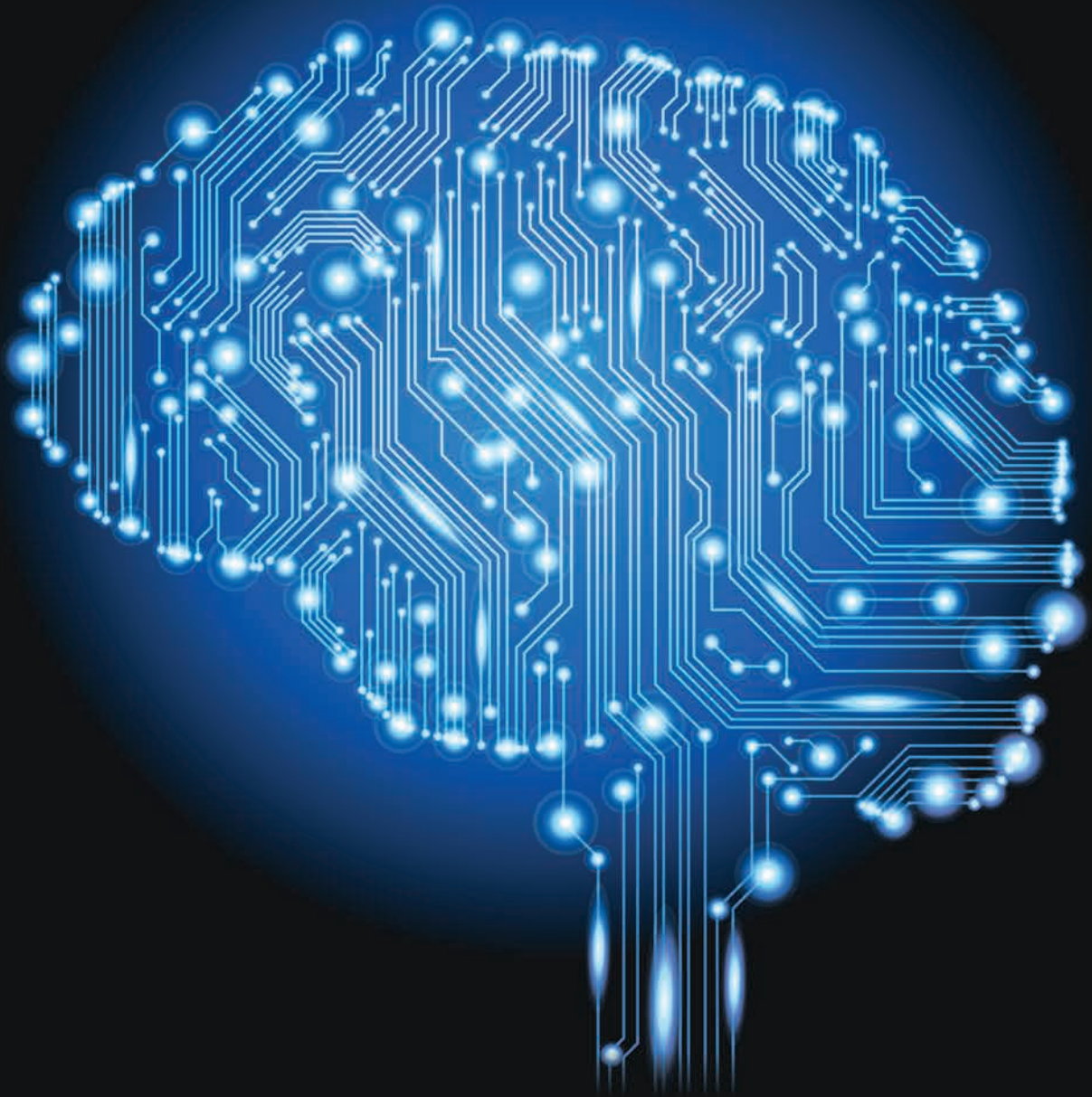
Despite its size, Statoil has a small, slim IP organisation with no lawyers who specialize in intellectual property. Therefore, to protect and defend Statoil's trademarks is the primary task of Valea's working group, which consists of five dedicated consultants. The assignment also includes questions related to domain names and online infringements.

“The complexity of the assignment lies primarily in the fact that we monitor many different countries where the systems for protecting intellectual property rights are not always well developed,” says Jesper Sellin. “We've solved this by utilising our worldwide network of agents and hiring new agents where needed.”

Valea as a coordination centre

In these global efforts, Valea's working group functions as a coordination center for the many tasks involved. Brand management also includes taking into account how Statoil wants to operate and be perceived by its environment. The company has a clear code of conduct that is especially important when operating in countries where, for example, corruption is common and where respect for intellectual property rights is not obvious.

The work so far has been intensive, and the next few years look to be just as eventful.



Helping IRL create future business and revenue

The pharmaceutical industry is particularly dependent on patents that work and are respected. Many years of costly research must be protected in order to become commercially viable. “For us, IP costs are an obvious investment – and this has been our approach since the start of our research careers,” say Clas Sonesson and Nicholas Waters, founders and partners in IRL, a recently established biotechnology company.

INTEGRATIVE RESEARCH LABORATORIES SWEDEN AB (IRL)**Founded:** 2013**Products:** IRL752 for treatment of dementia and other cognitive diagnoses and IRL790 for treatment of Parkinson's disease.**Market area:** Global**Number of patent applications per year:** 1–2**Sales:** Start up**Number of employees:** 10

Integrative Research Laboratories Sweden AB (IRL) is located near Sahlgrenska University Hospital in what could be described as a research cluster in Gothenburg. For a layman, it is easy to associate the company's name and logotype with the Internet concept "in real life".

"That was actually our intention when we chose the name of the company," says Nicholas Waters, IRL's CEO. "We do research that relates to real life, not the least of which may prolong or improve the lives of many people with diseases that affect the brain."

The history of this unique biotech company goes back nearly 25 years. Both Nicholas Waters and Clas Sonesson worked for Arvid Carlsson, professor and Nobel laureate, and were employed as researchers at Carlsson Research AB after their university studies and academic careers. That company was later acquired by Danish company NeuroSearch A/S, but the R&D operation in Gothenburg remained in a Swedish subsidiary until last year. In conjunction with the dismantling of NeuroSearch Sweden AB, Clas Sonesson and Nicholas Waters, along with former employees, had the opportunity to take over parts of the business along with seven selected families of patents and an associated database.

A holistic approach to R&D

IRL bases much of its research on animal testing and not as much on cell biology, unlike many other research companies. Published research has shown that the philosophy behind and the holistic approach to the R&D process that IRL employs results in more successful development projects and more registered drugs compared to traditional industrial R&D processes.

"The simple explanation is that we see the big picture and don't get hung up on details. The pendulum has now swung back and the way we prefer to work has come into vogue again."

IRL focuses its research on the development of two molecules, IRL 752 and IRL 790, with supporting documentation, for treating diseases that affect the brain.

Aiming for clinical trials in 2015

Drug research and development is a capital-intensive industry and the company cannot be funded by the

contributions of employees and partners alone. IRL has managed to fund its research activities through loans, initially from Region Västra Götaland and especially from start-up investment company Integrative Invest AB, which is IRL's biggest shareholder.

"Now we have enough capital to develop our drug candidates (IRL 752 and IRL 790) to the next level and hope to start clinical trials in early 2015," says Nicholas Waters. "But that doesn't stop us from having to spend a lot of time talking with potential partners and new investors."

New opportunities in basic research

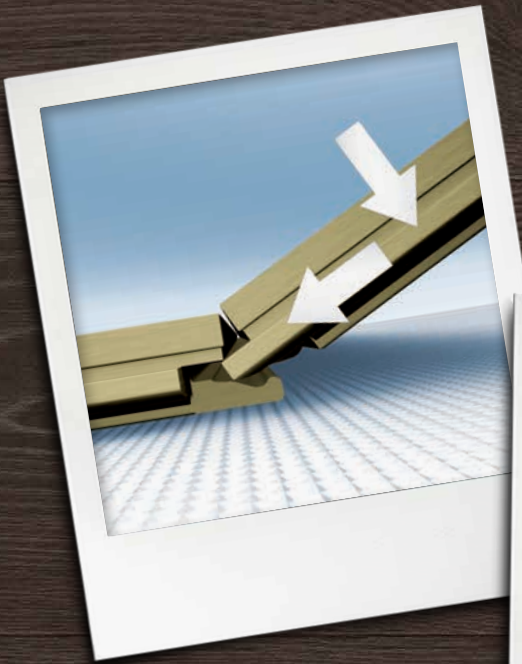
"We can see pretty big changes in how the pharmaceutical industry works; it has started emulating more traditional industries with segmentation and specialisation," says Nicholas Waters. "This has resulted in some of the research being outsourced and the major companies are not as engaged in basic research as they used to be. We believe this development benefits us and we have embraced the network philosophy. We work together with different players, for example a subcontractor helps us with up-scaling and manufacturing of an active substance. Others are hired to put together financing solutions and manage legal issues, not least of which are IP rights. One of our most important partners is Valea, which is involved in building the foundation for future business and revenue."

Maintenance and control of patents is vital

"What we sell is actually synonymous with IP rights," says Clas Sonesson, who is a chemist and researcher as well as head of IRL's IP issues. "None of our research would be worth anything from a business perspective if we couldn't offer exclusive commercialisation rights, which we do by applying for patents on our inventions. Maintenance and control of our patents represent a significant part of our budget. We have been well schooled in understanding the value of IP within the companies. Peder Berntsson was previously CEO of Carlsson Research, with experience as a patent manager at Astra. He was involved in founding the patent policy that IRL follows today."

Unilin takes the lead in IP monetisation.

Almost 20 years ago, intellectual property rights were a blank spot on the map for international flooring manufacturer Unilin. Since then, the company has built up its own IP department. Unilin has not only defended its own patents, but also sold its IP expertise to other companies in exchange for a share of the profits that well-managed rights generate.



UNILIN**Founded:** 1960**Products:** Production of flooring, furniture, insulation and roofing.*Introduced Quick-Step in 1997, the first laminate flooring with click function.**Part of the Mohawk Group in the US since 2005.***Market area:** Worldwide**Number of patent applications per year:** About 15**Sales:** EUR 1.4 billion (2013).**Number of employees:** 5,000

Unilin is behind laminate flooring's famous click feature. The invention has a number of advantages for both professional users and do-it-yourselfers. Besides being easy to install and not needing to be glued, the flooring can also be taken up and reused when moving. No wonder so many competitors want to offer the same functionality in their product range, and as such, Unilin has been involved in many disputes over the years.

"We've been able to defend ourselves very successfully since we applied for the first patent in 1996," says Bart Van der Stockt, head of Unilin's IP business unit based in Luxembourg. "Later, establishment of a licensing program made it possible for competing flooring manufacturers to use our patented click function. Licenses from our patent portfolio have generated significant profits for our company over the years."

Securing strong patents

From around 2000 until 2005 Unilin was involved in several lengthy litigations.

"The main reason was that there was uncertainty about the extent of our rights in different markets. Certain companies did not want to pay for licenses until the issues were resolved. But the fact that we won every dispute and the courts ruled in our favour calmed the market down. The entire industry finally accepted that Unilin had strong patents and that there wasn't any way around it if they wanted to use the click technology."

Bart Van der Stockt does not think any new disputes on the click-technology will flare up within the foreseeable future.

"The issue has been challenged in many courts around the world, including Chinese ones, and each time the highest court ruled that our patents are valid. However, we have other on-going patent issues on other technologies in our industry. The difference now is that our own IP organisation has so much

experience, which is a competitive advantage and gives us a sense of security."

Going one step further

It's one thing to set up your own IP department that exclusively sees over and protects your company's own patents and rights. It's another thing to go one step further as Unilin's IP business unit did.

"It was a decision that evolved over time. Even as our own IP department became more skilful, we knew that parts of our patent portfolio would expire in 2017. We considered it a waste to stop using this expertise just because one of our patents expired. The solution was to offer our expertise to other companies. Many companies have good, strong patents but they don't know how to exploit them commercially, and then their patents become mainly an expense. Together we can make arrangements that both parties can make money on and, without going into exact totals, these arrangements generate considerable revenue for our IP business unit."

Although Unilin has its own IP organisation with 15 employees, they also hire external consultants. Especially to verify and protect patents on external markets.

"Unilin has outside legal help in every country we operate in." Valea has helped Unilin with patent disputes for many years.

A collaboration based on engagement and knowledge

"It's been a fantastic collaboration from the beginning," says Bart Van der Stockt. "We have especially benefited greatly from Andrew Hammond's engagement and knowledge. He has played an important role in so many rulings being in Unilin's favour. Andrew Hammond still represents us on the European market and he seems more like an employee who is part of our own IP organisation."

Administration Report

The Board of Directors and Managing Director of Valea AB hereby present the annual report for the financial year 2013. All figures are provided in thousands of Swedish krona, KSEK.

INFORMATION REGARDING THE OPERATIONS

Operations

The Company offers consultancy services specializing in the field of intellectual property and currently operates in Gothenburg, Linköping, Lund, Malmö and Stockholm.

The business has its origins in the two companies Dahls Patentbyrå and Göteborgs Patentbyrå, which started their operations in 1894 and 1898, respectively.

Group structure

Since 31 December 2004, the Company has been a wholly-owned subsidiary of Valea Holding AB, 556666-9494, which is owned by personnel employed in the Group.

Developments during 2013

During 2013, operations have been characterised by attempts to take advantage of the opportunities offered through prevailing international economic trends and the ongoing restructuring of our industry. This has resulted in a number of strategic

recruitments of qualified personnel, which has helped to strengthen the Company's competitiveness in close cooperation with customers. The intensification of knowledge has yielded positive results and has contributed to the share of highly qualified employees increasing. The continuous development of both systems and internal processes continues to entail efficiency improvements and more secure processes, including the digitalisation of the archives.

Results and financial position

Operating income is the same as the previous year, MSEK 182, and value added increased by 2%, from MSEK 124 to MSEK 126. Profit after financial items improved by 5%, from KSEK 14,218 to KSEK 14,944, which is satisfactory under the circumstances. The background to this improvement is a combination of controlled and sustainable growth, as well as the fact that work to enhance efficiency produced results, while the operations' overhead organisation remained at the same effective level as before.

Investments

The Company's investments in machinery and equipment during the year amounted to KSEK 192 (81).

Summary covering several years

KSEK	2013	2012	2011	2010	2009
Operating income	181,830	182,379	158,770	163,352	158,097
Value added	126,409	123,688	111,064	101,409	89,575
Profit after financial items	14,944	14,218	8,529	9,426	8,925
Total assets	72,587	81,165	73,920	74,121	70,350
Average number of employees*	79	79	75	71	69
Equity/assets ratio (%)	35	30	25	24	25
Return on total capital (%)	21	18	12	13	13
Return on equity (%)	60	57	46	53	51
Sales per employee*	2,302	2,309	2,117	2,301	2,291
Value added per employee*	1,600	1,556	1,481	1,428	1,298
Profit after financial items per employee*	189	180	114	133	129

*FTE (full time equivalent)

Future development

The development of the operations is governed by customer expectations and demands. We intend to continue developing our operations in very close cooperation with customers, with the ambition to be an active participant and leader in the ongoing development of our industry.

We give priority to the continuous and sustainable development within all areas of the operations and expect an acceptable result and cash flow during the coming year. The primary risk is the development of the international business cycle.

Significant events after the end of the financial year

No significant events affecting the financial statements have occurred after the end of the financial year.

Proposed appropriation of profits

KSEK	
The Board of Directors proposes that the profits available	
Profit/loss brought forward	4,617
Net profit for the year	8,458
	13,075
be appropriated as follows:	
to be distributed as dividends to the Parent Company	10,000
to be carried forward	3,075
	13,075

A Group contribution amounting to SEK 113,000 has, subject to the approval of the Annual General Meeting, been paid to the Parent Company. The Board considers that the proposed distribution of profits and the paid Group contribution can be justified with regard to the scope of the Company's operations and the planned long-term development. The Board also believes that the dividend can be justified with regard to the Companies Act, Chapter 17, Section 3, second paragraph.

For information regarding the Company's results and financial position, refer to the income statement and balance sheet below, with accompanying notes.



Income Statement

KSEK	Note	1 Jan 2013– 31 Dec 2013	1 Jan 2012– 31 Dec 2012
Net sales	1	181,631	181,647
Other operating income		199	732
		181,830	182,379
Expenses for production of IP Services		–55,421	–58,691
Other external expenses	2,3	–28,697	–28,394
Personnel costs	4	–82,443	–80,606
Depreciation of tangible fixed assets		–282	–337
Operating income		14,987	14,351
Profit/loss from financial items			
Interest income and similar profit/loss items	5	185	285
Interest expenses and similar profit/loss items	6	–228	–418
Profit after financial items		14,944	14,218
Appropriations	7	–3,590	–3,560
Profit/loss before tax		11,354	10,658
Tax on profit for the year	8	–2,896	–2,875
Net profit for the year		8,458	7,783



Balance Sheet

KSEK	Note	31 Dec 2013	31 Dec 2012
ASSETS	9		
<i>Fixed assets</i>			
Tangible fixed assets			
Equipment, tools, fixtures and fittings	10	1,207	1,297
		1,207	1,297
Financial fixed assets			
Other investments held as fixed assets	11	1,109	879
		1,109	879
Total fixed assets		2,316	2,176
<i>Current assets</i>			
Current receivables			
Accounts receivable – trade		33,299	43,623
Receivables from Group companies		21,295	21,281
Tax assets		1,072	1,043
Other receivables		1,554	2,135
Prepaid expenses and accrued income	12	12,472	10,443
		69,692	78,525
Cash and bank balances		579	464
Total current assets		70,271	78,989
TOTAL ASSETS		72,587	81,165



Balance Sheet, cont.

KSEK	Note	31 Dec 2013	31 Dec 2012
EQUITY AND LIABILITIES			
Equity	13		
<i>Restricted equity</i>			
Share capital (22,000,000 shares with a quotient value of SEK 0.10 per share)		2,200	2,200
Statutory reserve		440	440
		2,640	2,640
<i>Non-restricted equity</i>			
Profit/loss brought forward		4,617	6,922
Net profit for the year		8,458	7,783
		13,075	14,705
Total equity		15,715	17,345
Untaxed reserves	14		
Tax allocation reserves		12,572	8,982
		12,572	8,982
Provisions			
Deferred tax	15	1,651	1,240
Other provisions	16	1,420	1,098
		3,071	2,338
Non-current liabilities			
Bank overdraft facility	17	5,066	11,789
Other liabilities to credit institutions	18	–	500
		5,066	12,289
Current liabilities			
Advance payments from customers		961	1,356
Accounts payable – trade		11,891	13,853
Liabilities to credit institutions	18	500	2,000
Other liabilities		6,177	6,348
Accrued expenses and deferred income	19	16,634	16,654
		36,163	40,211
TOTAL EQUITY AND LIABILITIES		72,587	81,165

Pledged assets and contingent liabilities

KSEK	31 Dec 2013	31 Dec 2012
Pledged assets		
<i>For the Company's own liabilities and provisions</i>		
Floating charges	20,300	20,300
Promissory note receivables, book value	21,295	21,282
Other investments held as fixed assets	1,100	870

Cash Flow Statement

KSEK	2013	2012
Operating activities		
Profit after financial items	14,944	14,218
Adjustment for items not included in the cash flow, etc	560	720
	15,504	14,938
Income tax paid	-2,444	-1,286
Cash flow from operating activities before changes in working capital	13,060	13,652
Cash flow from changes in working capital		
Increase (-)/decrease in operating receivables	8,862	-9,419
Increase (+)/decrease in operating liabilities	-9,385	2,635
Cash flows from operating activities	12,537	6,868
Investing activities		
Acquisition of tangible fixed assets	-193	-15
Disposal/reduction of financial assets	-230	-229
	-423	-244
Financing activities		
Increase/repayments of borrowings	-2,000	-2,000
Dividends paid	-10,000	-5,000
Cash flows from financing activities	-12,000	-7,000
Cash flow for the year	114	-376
Cash and cash equivalents at beginning of year	465	840
Cash and cash equivalents at end of year	579	464
Supplementary information to the Cash Flow Statement		
Adjustments for non-cash items etc		
Depreciation/amortisation of assets	282	337
Unrealised currency translation differences	-44	96
Provisions for pensions	322	287
Total	560	720

Supplementary information

ACCOUNTING AND VALUATION PRINCIPLES

The annual report has been prepared in accordance with the Swedish Annual Accounts Act and the general advice and guidelines of the Swedish Accounting Standards Board.

The accounting principles remain unchanged as compared with previous years.

Foreign currencies

Assets and liabilities in foreign currency are valued at the closing rate of exchange.

Income

Income from service assignments in progress is reported in the period in which the income is generated.

Supplementary information, cont.

Income tax

Reported income tax includes tax which is to be paid or received, regarding the current year, and adjustments concerning the previous years' current taxes and changes in deferred tax.

All income tax liabilities and receivables are valued at their nominal amount according to the tax regulations and tax rates that have been decided or that have been announced and are likely to be adopted.

In the case of items reported in the income statement, related tax effects are also reported in the income statement. The tax effects of items that are accounted for directly against equity are also reported directly against equity.

Deferred tax is calculated according to the balance sheet method on all temporary differences arising between the reported value and the tax value of the assets and liabilities.

Due to tax regulations, the Parent Company reports deferred tax liabilities on untaxed reserves as untaxed reserves.

Tangible fixed assets

Tangible fixed assets are reported at acquisition cost reduced by the amount of depreciation.

Tangible fixed assets are depreciated systematically over their estimated useful lifetimes. If applicable, the residual value of the assets is taken into consideration when determining the amount of depreciation of the assets.

The straight-line method of depreciation is utilised for all types of tangible assets. The following periods of depreciation are applied:

Equipment, tools, fixtures and fittings 3–5 years

In cases where an asset's reported value exceeds its estimated recoverable amount, the asset is immediately written down to the recoverable amount.

Financial fixed assets

Financial assets which are intended to be held over a long period of time are reported at acquisition cost. If a financial fixed asset has, on balance sheet date, a value lower than its book value, the value of the asset is written down to a lower value if it can be assumed that such reduction in value is permanent.

Financial instruments

Financial instruments reported in the balance sheet include Financial assets, Accounts receivable - trade, Accounts payable - trade and Other Short-term loans. For these financial instruments, for

which the market values are not listed, the market value is deemed to be equivalent to book value.

Accounts receivable - trade. Accounts receivable are reported as current assets at the amounts expected to be received after deductions for individually-assessed bad debts.

Financial assets. Financial assets acquired with the intention to be held long-term are reported at acquisition cost less any possible write-downs.

Set-off of financial receivables and financial liabilities. A financial asset and a financial liability are set off and reported at a net amount in the balance sheet only when a legal right of set-off exists and when a payment in a net amount is intended to take place or when the simultaneous sale of the asset and settlement of the liability is intended to take place.

Liabilities

Liabilities have been reported at nominal amounts. A financial liability first ceases to be reported when it has been settled on the basis of repayments or if it has been waived.

Receivables

Receivables with due dates later than 12 months after balance sheet date are reported as fixed assets. Other receivables are reported as current assets. Receivables are reported in the amounts that, on the basis of individual assessment, are estimated to be received.

Group contributions

Group contributions are reported directly against non-restricted equity, with consideration given to the tax effect.

Disclosure regarding Parent Company

The Parent Company of the Group in which Valea AB is a subsidiary and in which the consolidated accounts are prepared is Valea Holding AB, 556666-9494.

Definitions of key ratios

Value added. Net sales minus costs for production of IP Services.

Average number of employees. Average number of full-time equivalent employees.

Equity/assets ratio. Equity and untaxed reserves (less deferred tax) as a percentage of total assets.

Return on total assets. Income before deduction of interest expenses as a percentage of balance sheet total.

Return on equity. Income after financial items as a percentage of equity and untaxed reserves (less deferred tax).

Notes

Note 1. Purchases and sales between Group companies

%	2013	2012
Purchases and sales	0	0

Note 2. Leasing fees attributable to Operating leases

KSEK	2013	2012
The Company's leasing fees during the year amounted to	2,327	2,325

Note 3. Audit fees and remuneration

KSEK	2013	2012
Öhrlings PricewaterhouseCoopers AB		
Audit assignment	284	325
Auditing activities other than audit assignment	76	–
Tax consultancy services	81	65
Other Services	60	202
Total	501	592

Note 4. Employees and personnel costs

Salaries, other remuneration and social security contributions		
KSEK	2013	2012
Salaries and other remuneration		
The Board of Directors and Managing Director	5,799	6,630
Other employees	47,808	45,162
Total payroll expenses	53,607	51,792
Statutory and contractual social security contributions	16,703	16,239
Pension costs		
The Board of Directors and Managing Director	1,386	1,705
Other employees	8,045	7,210
Total salaries and remuneration, pension costs and social security contributions	79,741	76,946

A mutual period of notice of six months exists with the Company's Managing Director. At termination of employment from the Company's side, a severance payment equivalent to the current monthly salary for 12 months, in addition to the salary during the period of notice, is to be paid.

Average number of employees

Number	2013	2012
Average number of employees:		
Women	55	58
Men	24	21
Total	79	79
Number of employees at year-end	83	86

Number of men and women in Company management

Number	2013	2012
Members of the Board		
Women	2	2
Men	5	5
Total	7	7
Managing Director and other senior executives		
Women	6	6
Men	2	2
Total	8	8

Note 5. Interest income and similar profit/loss items

KSEK	2013	2012
Interest income, accounts receivable	176	275
Interest income, other	9	10
Total	185	285

Note 6. Interest expenses and similar profit/loss

KSEK	2013	2012
Interest expenses	228	418
Total	228	418

Note 7. Appropriations

KSEK	2013	2012
Change in tax allocation reserve	3,590	3,560

Note 8. Tax on profit for the year

KSEK	2013	2012
Current tax	2,370	2,809
Tax attributable to previous tax assessment years	90	27
Deferred tax on Group contributions	25	41
Deferred tax on work in progress, non-invoiced	411	–2
Total	2,896	2,875

Notes

Note 9. Financial risks

Through its operations, the Company is exposed to financial risks. Financial risks refer to fluctuations in operating income and cash flows as a result of, among other things, changes in interest rates, exchange rates and credit risks. The overall objective is to minimize the adverse effects of market fluctuations on the Company's profit.

Interest rate risks

The Company currently has an overdraft facility with an agreed limit of KSEK 20,000 and other liabilities in credit institutions at an amount of KSEK 500. The loans have variable interest rates.

Foreign currency risks

The Company executes sales and purchases in foreign currencies. In both directions, this implies a net foreign exchange exposure. Currently, the currency exposure is not protected by hedging.

Credit risks

The Company has established guidelines for ensuring that sales are made to customers with a suitable credit background.

Liquidity risks

The management of liquidity risks takes place on the basis of a cautious approach as the starting point, implying the maintenance of sufficient liquid funds and suitable financing on the basis of a sufficient number of granted credit facilities.

Note 10. Equipment, tools, fixtures and fittings

KSEK	31 Dec 2013	31 Dec 2012
Accumulated acquisition costs		
At beginning of year	10,006	9,925
New acquisitions	192	81
Closing accumulated acquisition cost	10,198	10,006
Accumulated depreciation		
At beginning of year	-8,709	-8,306
Sales and disposals	—	-66
Depreciation on acquisition costs for the year according to plan	-282	-337
Closing accumulated depreciation	-8,991	-8,709
Closing reported value	1,207	1,297

Note 11. Other securities held as fixed assets

KSEK	31 Dec 2013	31 Dec 2012
Shares/securities, other companies	9	9
Endowment insurance	1,100	870
Reported value at end of year	1,109	879
Endowment insurance, market value	1,319	937

Note 12. Prepaid expenses and accrued income

KSEK	31 Dec 2013	31 Dec 2012
Accrued non-invoiced fees	7,505	5,636
Prepaid rent	2,370	2,061
Accrued remuneration insurance, etc.	642	697
Other items	1,955	2,049
Total	12,472	10,443

Notes

Note 13. Change in equity

KSEK	Share capital	Statutory reserve	Retained earnings	Net profit for the year
Amount at beginning of year	2,200	440	6,922	7,783
Allocation in accordance with resolution of the Annual General Meeting:			7,783	-7,783
Dividend			-10,000	-
Group contributions			-113	-
Tax effect of Group contribution			25	-
Net profit for the year			-	8,458
Amount at year-end	2,200	440	4,617	8,458

Note 14. Untaxed reserves

KSEK	31 Dec 2013	31 Dec 2012
Tax allocation reserves		
Tax assessment year 2009	2,931	2,931
Tax assessment year 2011	2,490	2,490
Tax assessment year 2013	3,561	3,561
Tax assessment year 2014	3,590	-
Total	12,572	8,982

Note 15. Provisions, deferred tax

KSEK	31 Dec 2013	31 Dec 2012
Deferred tax liabilities, work in progress, non-invoiced	1,651	1,240
Total	1,651	1,240

Note 16. Other provisions

KSEK	31 Dec 2013	31 Dec 2012
Provision for pledged endowment insurance	1,100	870
Provision for special employer's contribution on pledged endowment insurance	320	228
Total	1,420	1,098

Note 17. Bank overdraft facility

KSEK	31 Dec 2013	31 Dec 2012
Approved credit	20,000	20,000
Utilised credit	5,066	11,789

The Parent Company is guarantor for the Company's commitment in the bank.

Note 18. Other liabilities, credit institutions

All loans mature within five years from the balance sheet date.

Note 19. Accrued expenses and deferred income

KSEK	31 Dec 2013	31 Dec 2012
Personnel costs	15,404	14,791
Accrued expenses and deferred income	1,230	1,863
Total	16,634	16,654

Gothenburg 25/2 2014.

HÅKAN LARSSON
Chairman of the
Board of Directors

ANDERS HAVSTAM
Managing Director

BEHDAD ASSADI

ANDREW HAMMOND

JAN HOLMBERG

ANN NILSSON

LINDA AXELSSON

Auditor's endorsement

Our audit report was presented on 25/2 2014.
Öhrlings PricewaterhouseCoopers AB

HÅKAN JARKVIST
Authorised Public Accountant

ÅSA ÖNFELT
Authorised Public Accountant

Report on the annual accounts

We have audited the annual accounts of Valea AB for the year 2013. The annual accounts of the company are included in the printed version of this document on pages 30–43.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Valea AB as of 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The statutory

administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Valea AB for the year 2013.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Göteborg 25 februari 2014
Öhrlings PricewaterhouseCoopers AB

HÅKAN JARKVIST
Authorised Public
Accountant

ÅSA ÖNFELT
Authorised Public
Accountant

Corporate governance

Valea AB's corporate body comprises the General Meeting of Shareholders, the Board of Directors, the CEO and the auditors. The General Meeting appoints the Board and auditors. The Board in turn appoints the CEO and elects a Chairman among its members. The auditors review the annual report and the management by the Board and the CEO.

Shares and shareholders

Valea AB's shares are owned by Valea Holding AB. The shares in Valea Holding AB are wholly owned by employees of Valea AB. Every share entitles its holder to one vote and an equal right to a share of the company's profit and capital.



General Meeting of Shareholders

The General Meeting of Shareholders is Valea AB's highest decision-making body. The Annual General Meeting, which is held within six months after the end of the financial year, adopts the income statement and balance sheet, decides on dividends, elects the Board and, where appropriate, the auditors.

In addition, other statutory matters are addressed and resolutions are passed regarding motions submitted by the Board and the shareholders. The resolutions of the Annual General Meeting of Valea AB essentially reflect the resolutions passed at the Annual General Meeting of Valea Holding AB. In 2013, the Annual General Meeting was held on 15 March. At the Annual General Meeting of Valea Holding AB, 35 shareholders were present, representing 93 per cent of all votes.

Nomination Committee

No Nomination Committee has been appointed in Valea AB or Valea Holding AB. The work of preparing proposals to the Annual General Meeting regarding Board members and auditors mainly rests with a majority of the shareholders together with the Chairman of the Board. In accordance with agreements between the shareholders of Valea Holding AB, the shareholders are jointly entitled to nominate one Board member. In addition, all employees are jointly entitled to nominate one Board member.

Board of Directors

Valea AB's Board of Directors consists of seven members. The Chairman of the Board is Håkan Larsson. The other members are Jan Holmberg, Anders Havstam (also CEO of Valea AB), Andrew Hammond, Behdad Assadi, Ann Nilsson and Linda Axelsson.

HÅKAN LARSSON
Chairman of the Board, Valea AB

Education: *M.Sc. Economics*
Other Board assignments: *Chairman of Wallenius Wilhelmsen AS, Tyréns AB and Inpension Asset Management AB. Board member of Semcon AB, Handelsbanken Region Väst and Stolt-Nielsen Ltd.*

Corporate governance, cont.

The Board of Directors is ultimately responsible for the organisation and management of the company and shall also make decisions in matters of strategic interest. The Board's work follows an annual plan. Every meeting follows an agenda, which together with underlying documentation is sent to the Board members prior to each Board meeting.

In general, the Board addresses issues of crucial importance, including decisions regarding making offers to acquire shares in Valea Holding AB, decisions regarding major investments, the raising of loans and entering into agreements of an uncustomary nature, all according to the agenda set by the Board and the instructions to the CEO.

At each ordinary Board meeting, the CEO's report on the state of business and status compared to the business plan and targets is discussed, as well as the report on the company's financial position and performance. All issues are discussed by the Board in its entirety.

In 2013, four ordinary Board meetings and one extraordinary Board meeting were held in addition to the statutory meeting following the Annual General Meeting. The most important task of the Board during the past year was to make decisions regarding the opportunities of strategic development and expansion that it is offered in conjunction with the improving global economy and the on-going restructuring of our industry.

Auditors

The company's auditor is Öhrlings Pricewaterhouse Coopers AB. At the closing of each year's accounts, the auditors conduct a review of the business transactions carried out with regard to accounting and reporting. The auditors present a report concerning the audit both to the Board and the Annual General Meeting.

Chief Executive Officer

The Chief Executive Officer is Anders Havstam. He is responsible for the daily management of operations based on the instructions to the CEO adopted by the Board, he heads the work of company management and he makes decisions in consultation with the other members of management.

Company management

The CEO has appointed a management group comprising eight people. The management group is responsible for planning, managing and monitoring daily operations. Company management maintains continuous contact and normally meets once a month. Authorities and responsibilities of management are defined in policies, role descriptions and authorisation instructions.





Board of Directors

Ann Nilsson

Shareholder representative
on the Board since 2006

Jan Holmberg

Board member since 2005

Anders Havstam

Board member since 2005

Behdad Assadi

Board member since 2005

Håkan Larsson

Chairman of the Board
since 2011

Andrew Hammond

Board member since 2001

Linda Axelsson

Employee representative
on the Board since 2011



Management team

Maria Engstrand

European Patent Attorney
Senior Partner

Lena Hagström

European Patent Attorney
Senior Partner

Ylva Skoglösa

European Patent Attorney
Senior Partner

Anna-Maria Lagerqvist

Attorney at Law

Anders Havstam

CEO, Senior Partner

Malin Stockman

Controller

Andrew Hammond

European Patent Attorney,
Senior Partner

Charlott Jonsson

HR Manager
(Not in picture)

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