AM3D A/S
Central Business Registration No. 27292054

Annual report 2013

The Annual General Meeting adopted the annual report on 27.03.2014

Chairman of the General Meeting

Name: Finn Nielsen

Contents

Entity details

Company

AM3D A/S
Langagervej 6
9220 Aalborg Øst

Central Business Registration No: 27292054
Registered in: Aalborg
Financial year: 01.01.2013 - 31.12.2013

Board of Directors

Claus Christensen, Chairman
Claus Falk
Mia Thorup Holt

Executive Board

Caus Falk

Company auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Gøteborgvej 18
9200 Aalborg SV

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of AM3D A/S for the financial year 01.01.2013 - 31.12.2013.

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 Entity's financial position at 31.12.2013 and of the results of its operations and cash flows for the financial year 01.01.2013 - 31.12.2013.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aalborg, 19.03.2014

Executive Board

Claus Falk

Board of Directors

Claus Christensen Chairman	Claus Falk	Mia Thorup Holt

Independent auditor's report

To the owners of AM3D A/S
Report on the financial statements

We have audited the consolidated financial statements and parent financial statements of AM3D A/S for the financial year 01.01.2013 - 31.12.2013, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent and the consolidated cash flow statement. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group’s and the Parent’s financial position at 31.12.2013, and of the results of their operations and the Group’s cash flows for the financial year 01.01.2013 - 31.12.2013 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statement.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statement.

Aalborg, 19.03.2014

Deloitte
Statsautoriseret Revisionspartnerselskab

Lars Birner Sørensen	Torben Toft Kristensen
State Authorised Public Accountant	State Authorised Public Accountant

Management commentary

Primary activities

AM3D is a global developer and supplier of world patented software-based audio technology as well as a provider of consultancy assistance in binaural technology, audio enhancements and other related business.

The technology creates ground breaking sound improvement and 3D sound in modern consumer electronics and advanced communications solutions for both civilian and military industry.

The technology is currently used in mobile phones, hearing aids, cars, bluetooth devices, radios, communications solutions, pilot helmets and other types of multimedia equipment. The company has subsidiaries in Tokyo, Japan and Seoul, Korea.

Development in activities and finances

In 2013 AM3D had a deficit of 9,7 mill. DKK., which is worse than expected and worse than in 2012.

2013 was a very active year in terms of commercial activities and increased sales effort in Taiwan, U.S. and China.

During 2013, AM3D has participated in a number of relevant trade shows, demonstration projects, exhibitions and customer events, such as Mobile World Conference, IFA, CES, DSEi, AUSA, Quad A, offset meetings and several Bluetooth seminars in Asia. The Vitus export program has also generated many commercial activities in China.

In 2013, AM3D achieved the highest number of new customer contracts during one calendar year. The new customers belong to different business areas within consumer electronics, including smartphone, tablet and bluetooth manufactures, and several are global Tier 3 manufactures. Establishment of partnership and cooperation agreements with new key companies was also achieved. AM3D audio enhancement technology is now integrated on a variety of key platforms, such as Android, CSR Bluecore and NXP Dirana 3. New activities were initiated in 2013 to make AM3D solutions available for the Qualcomm Snapdragon platform, which is the most important smartphone and tablet platform. The increased number of customers and partnerships has combined resulted in an increased market awareness of AM3D.

A very important event was also the release of the world’s first consumer product using 3D audio; the “Intelligent Headset” marketed by GN. AM3D has also worked continuously to create market awareness within its three major Mission Critical business areas: Avionics, Future Soldier and Combat Vehicles. Market awareness is high in the Avionic segment, where AM3D is partnering with Terma A/S. The technology has proven its ability to increase the human capability of the F16 fighter pilot and increasing the situational awareness. During 2013, the first product with AM3D´s new software solution Zirene 3D Sound Separation was delivered, and at the end of 2013, the first real life demonstration of AM3D´s Zirene 3D Positional Audio integrated into a soldier radio took place.

AM3D has been pursuing a standardized product platform approach for many years now. Some of the key products are now available in its 4th generation. Zirene 4 is the Android based Audio Enhancement solution for smartphones and tablets, and it was released in 2013 with new functionality and features – such as Voice Enhancement for movie playback. The solutions for Car-fi and Bluetooth platforms have also been improved, providing promising outlook for business development in these segments.

The lag time from new customer contracts to new licenses delivered has resulted in a number of sold licenses lower than expectations for 2013. Some key customers have decided to postpone product releases, and not fulfilled their own sales expectations for major product models with AM3D technology implemented. A number of leading defense contractors and systems integrators offer, development projects, but the projects have been impacted by delay. A climate change in this market will have a positive impact on 2014 for AM3D.

Overall, the outlook for 2014 is promising, the reason being the increased number of new customers, and the fact that AM3D operates in market segments with prospects of continued growth. It is expected that aM3D will achieve an improved result in 2014, however still with a negative bottom line.

Management commentary

Disclosures on non-financial issues

AM3D supports employee training and education by offering financial support and other needed tools and courses.

Innovation is crucial to a company that deals with cutting edge technology. The company has worked actively with innovation for several years, which has led to groundbreaking audio products, patents and several types of IPR. This work continues.

AM3D is a responsible global employer that offers good working conditions in both the parent company and subsidiaries. The company takes responsibility for employees and their working conditions. It is vital to emphasize that bribery is not acceptable in any form.

AM3D makes a great effort to communicate openly with stakeholders and the general public through various communication and reporting forms.

Outlook

We expect a smaller loss in the coming year due to continued investment in customer service and continued development of core platforms and products in AM3D's product range, as well as the continually tough market conditions in Asia.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting policies

Reporting class
This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied for this consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Accounting policies

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

Profits or losses from divestment of equity investments

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Accounting policies

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Accounting policies

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirect attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is five years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. Development projects are written down to the lower of recoverable amount and carrying amount.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	6 years
Leasehold improvements	3-20 years

Plant and equipment are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Assets costing less than DKK 25k per unit are recognised as costs in the income statement at the time of acquisition.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is normally 5 years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Accounting policies

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to re-taxation of previously deducted losses of foreign subsidiaries is recognised based on a specific assessment of the purpose of the individual subsidiary.

Other financial liabilities

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

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.

Income statement for 2013

Parent company 2012 DKK´000	Parent company 2013 DKK		Note	Group 2013 DKK	Group 2012 DKK´000
3,055	**(1,984,446)**	**Gross loss**		**(1,278,922)**	**2,469**
(5,270)	(5,263,057)	Staff costs	1	(7,907,417)	(8,030)
(2,602)	(2,188,455)	Depreciation, amortisation and impairment losses	2	(2,201,563)	(2,654)
(4,817)	**(9,435,958)**	**Operating profit/(loss)**		**(11,387,902)**	**(8,215)**
(3,797)	(3,331,604)	Income from investments in group enterprises		0	0
356	408,924	Other financial income	3	8,310	28
(994)	(411,717)	Other financial expenses	4	(455,764)	(1,011)
(9,252)	**(12,770,355)**	**Profit/(loss) from ordinary activities before tax**		**(11,835,356)**	**(9,198)**
1,351	3,077,443	Tax on profit or loss from ordinary activities	5	2,142,443	1,297
(7,901)	**(9,692,912)**	**Profit (loss) for the year**		**(9,692,913)**	**(7,901)**
		Proposed distribution of profit or loss			
(7,901)	(9,692,914)	Retained earnings		(9,692,913)	(7,901)
(7,901)	**(9,692,914)**			**(9,692,913)**	**(7,901)**

Balance sheet for 2013

Parent company 2012 DKK´000	Parent company 2013 DKK		Note	Group 2013 DKK	Group 2012 DKK´000
5,270	5,957,147	Completed development projects		5,969,301	5,293
483	241,666	Acquired rights		241,666	483
2,593	2,768,920	Development projects in progress		2,768,920	2,593
8,346	**8,967,733**	**Intangible assets**	6	**8,979,887**	**8,369**
121	116,656	Other fixtures and fittings, tools and equipment		116,656	129
0	0	Leasehold improvements		0	0
121	**116,656**	**Property, plant and equipment**	7	**116,656**	**129**
0	0	Investment in group enterprises	8	0	0
0	0	Other receivables		186,668	187
0	**0**	**Fixed asset investments**		**186,668**	**187**
8,467	**9,046,927**	**Fixed assets**		**9,283,211**	**8,685**
4,892	3,568,757	Trade receivables		3,579,472	5,173
1,797	585,371	Receivables from group enterprises		0	0
0	0	Deferred tax asset		0	935
709	695.923	Other short-term receivables		1,055,858	752
1,366	3,126,820	Income tax receivable		3,126,820	1,366
352	464,172	Prepayments		480,533	569
9,116	**8,441,043**	**Receivables**		**8,242,683**	**8,795**
17	**7,958**	**Cash**		**201,430**	**360**
9,133	**8,449,001**	**Current assets**		**8,444,113**	**9,155**
17,600	**17,495,938**	**Assets**		**17,727,324**	**17,840**

Balance sheet for 2013

Parent company 2012 DKK´000	Parent company 2013 DKK		Note	Group 2013 DKK	Group 2012 DKK´000
9,480	9,480,000	Contributed capital	9	9,480,000	9,480
(1,369)	2,937,742	Retained earnings		2,937,742	(1,369)
8,111	**12,417,742**	**Equity**		**12,417,742**	**8,111**
1,442	1,514,200	Provisions for deferred tax		1,514,200	1,442
1,442	**1,514,200**	**Provisions**		**1,514,200**	**1,442**
865	548,654	Bank loans		548,654	865
610	1,191,307	Trade payables		1,191,307	610
4,586	245,699	Debt to group enterprises		245,699	4,586
1,986	1,578,336	Other payables		1,809,722	2,226
8,047	**3,563,996**	**Current liabilities other than provisions**		**3.795.382**	**8.287**
8,047	**3,563,996**	**Liabilities other than provisions**		**3,795,382**	**8,287**
17,600	**17,495,938**	**Equity and liabilities**		**17,727,324**	**17,840**
		Contingent liabilities	11		
		Ownership	12		
		Consolidation	13		

Statement of changes in equity for 2013

Parent Company

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	9,480,000	(1,369,345)	8,110,655
Group contributions etc	0	14,000,000	14,000,000
Profit (loss) for the year	0	(9,692,913)	(9,692,913)
Equity end of year	**9,480,000**	**2,937,742**	**12,417,742**

Group

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	9,480,000	(1,369,345)	8,110,655
Group contributions etc	0	14,000,000	14,000,000
Profit (loss) for the year	0	(9,692,913)	(9,692,913)
Equity end of year	**9,480,000**	**2,937,742**	**12,417,742**

Cash flow statement for 2013

	Note	Group 2013 DKK	Group 2012 DKK´000
Operating profit/(loss)		(11,387,901)	(8,215)
Amortisation, depreciation and impairment losses		2,201,563	2,655
Adjustments of overfunding/underfunding, regulatory liabilities/assets		0	0
Working capital changes	10	1,560,186	(676)
Cash flow from ordinary operating activities		**(7,626,152)**	**(6,236)**
Financial income received		8,310	28
Financial income paid		(458,313)	(1,095)
Income tax paid		1,387,983	1,297
Cash flows from operating activities		**(6,688,172)**	**(6,006)**
Acquisition etc of intangible assets		(2,768,920)	(2,593)
Acquisition etc of property, plant and equipment		(27,704)	(19)
Sale of property, plant and equipment		0	40
Cash flows from investing activities		**(2,796,624)**	**(2,572)**
Incurrence of debt to group enterprises		0	4,141
Repayment of debt to group enterprises		(4,358,341)	0
Dividend paid		14,000,000	5,000
Cash flows from financing activities		**9,641,659**	**9,141**
Increase/decrease in cash and cash equivalents		**156,863**	**562**
Cash and cash equivalents beginning of year		(504,087)	(1,066)
Cash and cash equivalents end of year		**(347,224)**	**(504)**

Cash and cash equivalents at year-end are composed of:			
Cash		201,430	361
Short-term debt to banks		(548,654)	(865)
Cash and cash equivalents end of year		**(347,224)**	**(504)**

Notes

Parent company 2012 DKK´000	Parent company 2013 DKK		Group 2013 DKK	Group 2012 DKK´000
		1. Staff costs		
4,779	4,708,440	Wages and salaries	7,179,806	7,315
355	370,899	Pension costs	370,899	356
85	88,113	Other social security costs	154,975	298
51	95,605	Other staff costs	201,737	61
5,270	**5,263,057**		**7,907,417**	**8,030**
13	**13**	Average number of employees	**17**	**17**
		2. Depreciation, amortisation and impairment losses		
2,306	1,905,464	Amortisation of intangible assets	2,153,208	2,555
41	41,324	Depreciation of property, plant and equipment	48,355	99
2,602	**2,188,455**		**2,201,563**	**2,654**
		3. Other financial income		
20		Other financial income	8,310	28
336	408,924	Financial income arising from group enterprises	0	0
356	**408,924**		**8,310**	**28**
		4. Other financial expenses		
877	248,308	Financial expenses from group enterprises	248,308	877
117	163,409	Other financial expenses	207,456	134
994	**411,717**		**455,764**	**1.011**
		5. Tax on ordinary profit or loss for the year		
(1,366)	(3,126,820)	Tax on current year taxable income	(3,126,820)	(1,366)
15	71,600	Change in deferred tax for the year	1,006,600	69
0	(22,223)	Adjustment concerning previous years	(22,223)	0
(1,351)	**(3,077,443)**		**(2,142,443)**	**(1,297)**

Notes

6. Intangible assets

	Completed development projects DKK	Development rights DKK	Development projects in progress DKK
Parent Company			
Cost beginning of year	15,531,517	2,900,000	2,593,080
Transfer to and from other items	2,593,080	0	(2,593,080)
Additions	0	0	2,768,920
Cost end of year	**18,124,597**	**2,900,000**	**2,768,920**
Amortisation and impairment losses beginning of year	(10,261,986)	(2,416,667)	0
Amortisation for the year	(1,905,464)	(241,667)	0
Amortisation and impairment losses end of year	**(12,167,450)**	**(2,658,334)**	**0**
Carrying amount end of year	**5,957,147**	**241,666**	**2,768,920**
Group			
Cost beginning of year	15,561,856	2,900,000	2,593,080
Transfer to and from other items	2,593,080	0	(2,593,080)
Additions	49	0	2,768,920
Cost end of year	**18,154,985**	**2,900,000**	**2,768,920**
Amortisation and impairment losses beginning of year	(10,268,663)	(2,416,667)	0
Transfer to and from other items	(5,480)	0	0
Amortisation for the year	(1,911,541)	(241,667)	0
Amortisation and impairment losses end of year	**(12,185,684)**	**(2,658,334)**	**0**
Carrying amount end of year	**5,969,301**	**241,666**	**2,768,920**

Notes

7. Property, plant and equipment

	Other fixtures, and fittings, tools and equipment DKK	Leasehold improvements DKK
Parent Company		
Cost beginning of year	382,009	125,653
Cost end of year	**382,009**	**125,653**
Depreciation and impairment losses beginning of the year	(261,481)	(125,653)
Amortisation for the year	(41,324)	0
Depreciation and impairment losses end of the year	**(302,805)**	**(125,653)**
Carrying amount end of year	**79,204**	**0**
Group		
Cost beginning of year	437,004	125,653
Transfer to and from other items	(36,000)	0
Additions	27,704	0
Cost end of year	**428,708**	**125,653**
Depreciation and impairment losses beginning of the year	(307,677)	(125,653)
Transfer to and from other items	43,980	0
Amortisation for the year	(48,355)	0
Depreciation and impairment losses end of the year	**(312,052)**	**(125,653)**
Carrying amount end of year	**116,656**	**0**

Notes

	Investments in group enterprises DKK
8. Fixed asset investments	
Cost beginning of year	812,054
Cost end of year	**812,054**
Impairment losses beginning of year	(812,054)
Exchange rate adjustments	1,802,475
Share of profit/(loss) for the year	(3,331,604)
Other adjustments	1,529,129
Impairment losses end of year	**(812,054)**
Carrying amount end of year	**0**

Investments in group enterprises comprise:

AM3D Japan Ltd, Japan, 100 %

AM3D Korea Ltd, Korea, 100 %

	Number	Par value DKK	Nominal value DKK
9. Contributed capital			
Shares	9,480,000	1	9,480,000
	9,480,000		**9,480,000**

	2013 DKK	2012 DKK	2011 DKK	2010 DKK	2009 DKK
Changes in contributed capital					
Contributed capital beginning of year	9,480,000	1,980,000	1,680,000	1,200,000	1,000,000
Increase of capital	0	15,000,000	300,000	480,000	200,000
Decrease of capital	0	(7,500,000)	0	0	0
Contributed capital end of year	**9,480,000**	**9,480,000**	**1,980,000**	**1,680,000**	**1,200,000**

Notes

Parent company			Group	
2012	2013		2013	2012
DKK´000	DKK		DKK	DKK´000
		10. Change in working capital		
		Increase/decrease in receivables	1,377,903	(14)
		Increase/decrease in trade payables etc	182,283	(662)
			1,560,186	**(676)**

11. Contingent liabilities

Parent Company

The Company has entered into operating lease contracts with an average annual lease payment of DKK 146k. The lease contracts' time to maturity is up to 46 months with a total remaining payment of DKK 424k.

Group

The Company has entered into operating lease contracts with an average annual lease payment of DKK 146k. The lease contracts' time to maturity is up to 46 months with a total remaining payment of DKK 424k.

The Company participates in a Danish joint taxation arrangement in which Aalborg Stiftstidende A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

12. Ownership

The Company has registered the following shareholders to hold more than 5% of the voting share capital or of the nominal value of the share capital:

Nordjyske Kommunikation A/S, Aalborg, Denmark

13. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Aalborg Stiftstidendes Fond

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Nordjyske Kommunikation A/S