

**The Engine ApS**

**Store Kongensgade 59E, 2., 1264 København K**

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**Annual report**

**2022/23**

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**Company reg. no. 43 59 87 08**

The annual report was submitted and approved by the general meeting on the 13 May 2024.

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**Guðmundur H. Pálsson**  
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## Contents

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Page

**Reports**

- 1 Management's statement
- 2 Practitioner's compilation report

**Management's review**

- 3 Company information
- 4 Management's review

**Financial statements 24 October 2022 - 31 December 2023**

- 5 Income statement
- 6 Balance sheet
- 8 Statement of changes in equity
- 9 Notes
- 10 Accounting policies

## **Management's statement**

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Today, the Managing Director has approved the annual report of The Engine ApS for the financial year 2022/23.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 24 October 2022 - 31 December 2023.

The Managing Director consider the conditions for audit exemption of the 2022/23 financial statements to be met.

Further, in my opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

København K, 13 May 2024

**Managing Director**

Guðmundur H. Pálsson

## Practitioner's compilation report

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### To the Shareholders of The Engine ApS

We have compiled the financial statements of The Engine ApS for the financial year 24 October 2022 - 31 December 2023 based on the company's bookkeeping and on information you have provided.

These financial statements comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements under the Danish Act on Approved Auditors and Audit Firms and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Risskov, 13 May 2024

### **Martinsen**

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

### Lars Greve Jensen

State Authorised Public Accountant  
mne32199

## Company information

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<b>The company</b>	The Engine ApS Store Kongensgade 59E, 2. 1264 København K  Company reg. no. 43 59 87 08 Financial year: 24 October - 31 December
<b>Managing Director</b>	Guðmundur H. Pálsson
<b>Auditors</b>	Martinsen Statsautoriseret Revisionspartnerselskab Voldbjergvej 16, 2. sal 8240 Risskov
<b>Parent company</b>	The Engine Iceland ehf. Guðrúnartún 8, 105 Reykjavík, Island

## **Management´s review**

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### **The principal activities of the company**

The principal activity of the company is to operate as an advertising agency, as well as any operation in connection with this.

### **Development in activities and financial matters**

The gross profit for the year totals DKK 330.466. Income or loss from ordinary activities after tax totals DKK -995.476. Management considers the net loss as expected.

The company has lost its equity capital. The management however expects that they with future earning can reestablish the lost equity capital. It is the opinion of that management that the company has got enough funds for the coming year.

## Income statement

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All amounts in DKK.

<u>Note</u>	24/10 2022 - 31/12 2023
<b>Gross profit</b>	<b>330.466</b>
1 Staff costs	-1.317.969
<b>Operating profit</b>	<b>-987.503</b>
Other financial income	46
2 Other financial expenses	-8.019
<b>Pre-tax net profit or loss</b>	<b>-995.476</b>
Tax on ordinary results	0
<b>Net profit or loss for the year</b>	<b>-995.476</b>
 <b>Proposed distribution of net profit:</b>	
Allocated from retained earnings	-995.476
<b>Total allocations and transfers</b>	<b>-995.476</b>

**Balance sheet**

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All amounts in DKK.

<u>Note</u>	<u>31/12 2023</u>
<b>Assets</b>	
<b>Current assets</b>	
Trade receivables	279.121
Other receivables	38.280
Total receivables	<u>317.401</u>
Cash and cash equivalents	<u>89.008</u>
<b>Total current assets</b>	<b><u>406.409</u></b>
<b>Total assets</b>	<b><u>406.409</u></b>



**Balance sheet**

All amounts in DKK.

<u>Note</u>	<u>31/12 2023</u>
<b>Equity and liabilities</b>	
<b>Equity</b>	
Contributed capital	40.000
Results brought forward	-995.476
<b>Total equity</b>	<b>-955.476</b>
 <b>Liabilities other than provisions</b>	
Trade payables	59.812
Payables to group enterprises	1.090.437
Other payables	211.636
Total short term liabilities other than provisions	1.361.885
 <b>Total liabilities other than provisions</b>	 <b>1.361.885</b>
 <b>Total equity and liabilities</b>	 <b>406.409</b>

3 Contingencies

4 Financial risks

## Statement of changes in equity

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All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 24 October 2022	0	0	0
Cash capital increase	40.000	0	40.000
Profit or loss for the year brought forward	0	-995.476	-995.476
	<u>40.000</u>	<u>-995.476</u>	<u>-955.476</u>

## Notes

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All amounts in DKK.

	24/10 2022 - 31/12 2023
<b>1. Staff costs</b>	
Salaries and wages	1.257.388
Pension costs	52.000
Other costs for social security	5.680
Other staff costs	2.901
	<u>1.317.969</u>
Average number of employees	<u>2</u>
<b>2. Other financial expenses</b>	
Financial costs, group enterprises	4.531
Other financial costs	3.488
	<u>8.019</u>
<b>3. Contingencies</b>	
<b>Contingent assets</b>	
The company as an unrecognised deferred tax asset relating to tax loss DKK 261 T.DKK	
<b>4. Financial risks</b>	

The company has lost its equity capital. The management however expects that they with future earning can reestablish the lost equity capital. It is the opinion of that management that the company has got enough funds for the coming year.

## Accounting policies

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The annual report for The Engine ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The annual report is presented in DKK. The annual report comprises the first financial year and hence comparative figures are not available.

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

## Income statement

### Gross profit

Gross profit comprises the revenue, costs of sales, other operating income and other external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts.

## Accounting policies

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Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises and operational leasing costs.

### Staff costs

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

### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses relating to transactions in foreign currency, as well as surcharges and reimbursements under the advance tax scheme, etc.

### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

## Statement of financial position

### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

## **Accounting policies**

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Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank.

### **Liabilities other than provisions**

Liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.