

FlixBus Danmark ApS

Marselis Boulevard 1
8000 Aarhus C
CVR No. 37950467

Annual report 2019

The Annual General Meeting adopted the
annual report on 04.05.2020

Hans Peter Ahlgren
Conductor

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Entity details

Entity

FlixBus Danmark ApS

Marselis Boulevard 1

8000 Aarhus C

CVR No.: 37950467

Registered office: Aarhus

Financial year: 01.01.2019 - 31.12.2019

Executive Board

Hans Peter Ahlgren

Max Sebastian Zeumer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of FlixBus Danmark ApS for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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.

Aarhus, 04.05.2020

Executive Board

Hans Peter Ahlgren

Max Sebastian Zeumer

Independent auditor's report

To the shareholders of FlixBus Danmark ApS

Opinion

We have audited the financial statements of FlixBus Danmark ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Aarhus, 04.05.2020

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Henrik Vedel

State Authorised Public Accountant

Identification No (MNE) mne10052

Management commentary

Primary activities

FlixBus is a mobility provider, which offers intercity bus service in Denmark and in Europe

Description of material changes in activities and finances

The loss before tax for the financial period of DKK 3.6 million is below management's expectations. The underperformance is partially due to the Danish government unfortunately deciding to cease offering social discounts for public transportation by bus, as well as continued strong competition in the market.

Management expects revenue for 2020 to decline due to the uncertainty caused by COVID-19.

Events after the balance sheet date

The outbreak and spread of COVID-19 significantly affects the financial development of FlixBus Danmark. The increasing spread of COVID-19 has led to a significant reduction in demand for bus travel. Sales in 2020 are therefore expected to be significantly lower than in the previous year. In response to this, the Company significantly reduced the offering and implemented comprehensive cost-cutting measures in the areas of personnel, bus and other material costs.

The consequence of the above is, that the company, irrespective of the prolonged payment terms for taxes and VAT to the Danish authorities and salary compensation, requires significant financing during the COVID-19 outbreak. Based on the letter of support from the parent company, management assesses that it is realistic, that the company will obtain sufficient financing to continue as going concern.

Other than this, no event have occurred after the balance sheet date that may materially impact the company's financial position as of 31 December 2019.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		1,854,048	4,100,798
Staff costs	2	(4,163,544)	(3,506,721)
Depreciation, amortisation and impairment losses	3	(1,132,347)	(507,663)
Operating profit/loss		(3,441,843)	86,414
Other financial income		167,648	1,639,491
Other financial expenses	4	(318,335)	(2,095,000)
Profit/loss before tax		(3,592,530)	(369,095)
Tax on profit/loss for the year	5	900,230	1,252,000
Profit/loss for the year		(2,692,300)	882,905
Proposed distribution of profit and loss			
Retained earnings		(2,692,300)	882,905
Proposed distribution of profit and loss		(2,692,300)	882,905

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Goodwill		1,489,979	1,701,874
Intangible assets	6	1,489,979	1,701,874
Other fixtures and fittings, tools and equipment		1,727,090	2,060,302
Prepayments for property, plant and equipment		87,470	1,137,107
Property, plant and equipment	7	1,814,560	3,197,409
Investments in group enterprises		2,031,096	2,031,096
Deposits		56,750	54,750
Other financial assets	8	2,087,846	2,085,846
Fixed assets		5,392,385	6,985,129
Trade receivables		3,869	2,544,922
Receivables from group enterprises		12,159,687	8,790,039
Deferred tax		2,003,852	1,221,000
Other receivables		5,274,506	6,498,371
Prepayments		128,258	66,566
Receivables		19,570,172	19,120,898
Cash		3,056,468	10,127,054
Current assets		22,626,640	29,247,952
Assets		28,019,025	36,233,081

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		186,000	186,000
Retained earnings		9,369,506	12,061,806
Equity		9,555,506	12,247,806
Trade payables		11,406,782	12,649,090
Payables to group enterprises		2,531,253	8,012,019
Other payables		4,525,484	3,324,166
Current liabilities other than provisions		18,463,519	23,985,275
Liabilities other than provisions		18,463,519	23,985,275
Equity and liabilities		28,019,025	36,233,081
Going concern	1		
Contingent liabilities	9		
Group relations	10		

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	186,000	12,061,806	12,247,806
Profit/loss for the year	0	(2,692,300)	(2,692,300)
Equity end of year	186,000	9,369,506	9,555,506

Notes

1 Going concern

The outbreak and spread of COVID-19 significantly affects the financial development of FlixBus Danmark. The increasing spread of COVID-19 has led to a significant reduction in demand for bus travel. Sales in 2020 are therefore expected to be significantly lower than in the previous year. In response to this, the Company significantly reduced the offering and implemented comprehensive cost-cutting measures in the areas of personnel, bus and other material costs.

The consequence of the above is, that the company, irrespective of the prolonged payment terms for taxes and VAT to the Danish authorities and salary compensation, requires significant financing during the COVID-19 outbreak. FlixBus Danmark ApS has received a letter of support from the parent company that secures sufficient financing during 2020. Based on this, management assesses that it is realistic, that the company will obtain sufficient financing to continue as going concern.

2 Staff costs

	2019	2018
	DKK	DKK
Wages and salaries	3,240,919	2,858,821
Pension costs	340,909	239,903
Other social security costs	235,660	88,538
Other staff costs	346,056	319,459
	4,163,544	3,506,721

Average number of full-time employees	9	6
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3 Depreciation, amortisation and impairment losses

	2019	2018
	DKK	DKK
Amortisation of intangible assets	211,895	213,334
Depreciation of property, plant and equipment	770,551	294,329
Profit/loss from sale of intangible assets and property, plant and equipment	149,901	0
	1,132,347	507,663

4 Other financial expenses

	2019	2018
	DKK	DKK
Financial expenses from group enterprises	4,880	1,938,523
Exchange rate adjustments	222,702	150,335
Other financial expenses	90,753	6,142
	318,335	2,095,000

5 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Change in deferred tax	(782,852)	(1,252,000)
Refund in joint taxation arrangement	(117,378)	0
	(900,230)	(1,252,000)

6 Intangible assets

	Goodwill DKK
Cost beginning of year	2,128,542
Cost end of year	2,128,542
Amortisation and impairment losses beginning of year	(426,668)
Amortisation for the year	(211,895)
Amortisation and impairment losses end of year	(638,563)
Carrying amount end of year	1,489,979

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Prepayments for property, plant and equipment DKK
Cost beginning of year	2,354,631	1,137,107
Transfers	1,049,637	(1,049,637)
Additions	639,774	0
Disposals	(1,469,693)	0
Cost end of year	2,574,349	87,470
Depreciation and impairment losses beginning of year	(294,329)	0
Depreciation for the year	(770,551)	0
Reversal regarding disposals	217,621	0
Depreciation and impairment losses end of year	(847,259)	0
Carrying amount end of year	1,727,090	87,470

8 Financial assets

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
Rødbillet ApS	Aarhus	ApS	100	2,206,803	(315,771)

9 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

10 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
FlixMobility GmbH, 80639 München

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 to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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.

Revenue

Revenue from the sale of bustickets 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.

Cost of sales

Cost of sales comprises purchased services related to buspartners in the financial year measured at cost.

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.

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to assets comprise depreciation, amortisation 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 assets.

Other financial income

Other financial income comprises interest income, net capital or exchange gains on securities, payables and transactions in foreign currencies 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 or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straightline over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a longterm earnings profile. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed on an annual basis. The amortisation periods used are 10 years.

Goodwill is 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. Straightline depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	4 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

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

Receivables

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

Deferred tax

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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