

FlixBus Danmark ApS

Marselis Boulevard 1
8000 Aarhus C
Business Registration No
37950467

Annual report 17.08.2016 - 31.12.2017

The Annual General Meeting adopted the annual report on 07.06.2018

Chairman of the General Meeting

Name: Hans Peter Ahlgren

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Entity details

Entity

FlixBus Danmark ApS
Marselis Boulevard 1
8000 Aarhus C

Central Business Registration No (CVR): 37950467

Registered in: Aarhus

Financial year: 17.08.2016 - 31.12.2017

Executive Board

Hans Peter Ahlgren, CEO
Max Sebastian Zeumer
André Schwämmlein

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of FlixBus Danmark ApS for the financial year 17.08.2016 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 17.08.2016 - 31.12.2017.

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, 07.06.2018

Executive Board

Hans Peter Ahlgren
CEO

Max Sebastian Zeumer

André Schwämmlein

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 17.08.2016 - 31.12.2017, 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 31.12.2017 and of the results of its operations for the financial year 17.08.2016 - 31.12.2017 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:

Independent auditor's report

- 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.

Independent auditor's report

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.

Copenhagen, 07.06.2018

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Martin Norin Faarborg

State-Authorised Public Accountant

Identification No (MNE) mne29395

Management commentary

Primary activities

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

Development in activities and finances

This is the first financial period for the Company and an extended financial year from 17.08.2016 to 31.12.2017. The loss for the financial period of DKK 52m is in line with management's expectations since the Company is in the start-up phase in the Danish domestic market, involving initial investments in terms of operations, human resources and marketing.

During the year the Company acquired a subsidiary, Dansk Turistfart ApS (subsequently renamed Rödbillet ApS), and the operations of Rödbillet ApS were combined with the existing operations of the Company, thus accelerating the growth of the Company. After the transfer of operations from Rödbillet ApS the value of the investment was impaired, which was a major contributing factor to the loss for the period. This impairment loss was reimbursed to the Company by its parent entity, FlixBus GmbH, via an equity transaction.

Management expects revenue for 2018 to continue to grow by 70-100%.

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.

Income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>
Gross profit/loss		(2.815.255)
Staff costs	1	(2.395.820)
Depreciation, amortisation and impairment losses	2	<u>(45.898.291)</u>
Operating profit/loss		(51.109.366)
Other financial income		130.421
Other financial expenses	3	<u>(1.376.591)</u>
Profit/loss before tax		(52.355.536)
Tax on profit/loss for the year	4	<u>(31.000)</u>
Profit/loss for the year		<u>(52.386.536)</u>
Proposed distribution of profit/loss		
Retained earnings		<u>(52.386.536)</u>
		<u>(52.386.536)</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>
Goodwill		1.915.208
Intangible assets	5	1.915.208
Investments in group enterprises		2.031.096
Deposits		54.750
Fixed asset investments	6	2.085.846
Fixed assets		4.001.054
Trade receivables		2.563.453
Receivables from group enterprises		9.606.270
Other receivables		7.777.477
Prepayments		75.840
Receivables		20.023.040
Cash		4.365.773
Current assets		24.388.813
Assets		28.389.867

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>
Contributed capital		186.000
Retained earnings		<u>5.208.181</u>
Equity		<u>5.394.181</u>
Deferred tax	7	<u>31.000</u>
Provisions		<u>31.000</u>
Trade payables		15.475.078
Other payables		<u>7.489.608</u>
Current liabilities other than provisions		<u>22.964.686</u>
Liabilities other than provisions		<u>22.964.686</u>
Equity and liabilities		<u>28.389.867</u>
Contingent liabilities	8	
Group relations	9	

Statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Total DKK
Increase of capital	186.000	0	186.000
Group contributions etc	0	57.594.717	57.594.717
Profit/loss for the year	0	(52.386.536)	(52.386.536)
Equity end of year	186.000	5.208.181	5.394.181

Notes

	2017
	DKK
1. Staff costs	
Wages and salaries	2.273.338
Pension costs	37.762
Other social security costs	33.043
Other staff costs	51.677
	2.395.820
 Average number of employees	 2
	2017
	DKK
2. Depreciation, amortisation and impairment losses	
Amortisation of intangible assets	213.334
Impairment losses on investments in group enterprises	45.684.957
	45.898.291
	2017
	DKK
3. Other financial expenses	
Financial expenses from group enterprises	1.224.206
Exchange rate adjustments	152.122
Other financial expenses	263
	1.376.591
	2017
	DKK
4. Tax on profit/loss for the year	
Change in deferred tax	31.000
	31.000

Notes

	Goodwill
	DKK
5. Intangible assets	
Additions	<u>2.128.542</u>
Cost end of year	<u>2.128.542</u>
Amortisation for the year	<u>(213.334)</u>
Amortisation and impairment losses end of year	<u>(213.334)</u>
Carrying amount end of year	<u>1.915.208</u>

	Invest- ments in group enterprises	Deposits
	DKK	DKK
6. Fixed asset investments		
Additions	<u>47.716.053</u>	<u>54.750</u>
Cost end of year	<u>47.716.053</u>	<u>54.750</u>
Impairment losses for the year	<u>(45.684.957)</u>	<u>0</u>
Impairment losses end of year	<u>(45.684.957)</u>	<u>0</u>
Carrying amount end of year	<u>2.031.096</u>	<u>54.750</u>

Investments in group enterprises include:

Name	Place of registered office	Votes and ownership
Rødbillet ApS	Aarhus	100%

7. Deferred tax

Non-recognised deferred tax assets

The Entity has incurred tax losses amounting to DKK 5.528k in 2017. The tax losses can be carried forward indefinitely and utilized against the Entity's positive taxable income in the future. Management has assessed that the tax losses cannot be utilized within a foreseeable future period. Accordingly, the tax losses have not been recognized in the deferred taxes as of year-end.

Notes

8. 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.

9. Group relations

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

FlixBus 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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, 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 as well as 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 payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Accounting policies

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 straight-line 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 long-term 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.

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.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

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 or the planned settlement of each liability.

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.

Equity

Group contributions paid by the Parent to FlixBus Danmark ApS and intra-group debt conversions into equity are recognized directly in equity as they relate to transactions with owners.

Accounting policies

Other financial liabilities

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