



## CONSOLIDATED ANNUAL REPORT 2023

- **Company name:** Leo Express Global a.s.
- **Registered office:** Prague 3 – Žižkov, Řehořova 908/4, 130 00, Czech Republic
- **Corporate ID:** 290 16 002
- **Established on:** 8 January 2010
- **Registered with:** Municipal Court in Prague, Section B, Insert 15847
- **Legal status:** Joint stock company
- **Share capital:** CZK 270,566,180

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

<b>1.</b>	<b>GENERAL INFORMATION.....</b>	<b>4</b>
1.1.	PRIMARY BUSINESS ACTIVITIES AND OWNERSHIP STRUCTURE .....	4
1.2.	YEAR-ON-YEAR CHANGES AND AMENDMENTS IN THE REGISTER OF COMPANIES.....	4
1.3.	BOARD OF DIRECTORS AND SUPERVISORY BOARD AS OF THE BALANCE SHEET DATE .....	4
1.4.	GROUP IDENTIFICATION .....	4
1.5.	OTHER .....	5
<b>1.</b>	<b>ACCOUNTING PRINCIPLES AND POLICIES .....</b>	<b>9</b>
1.6.	GOING CONCERN ASSUMPTION .....	9
1.7.	TANGIBLE FIXED ASSETS .....	10
1.8.	INTANGIBLE FIXED ASSETS.....	11
1.9.	NON-CURRENT FINANCIAL ASSETS .....	11
1.10.	GOODWILL ARISING ON CONSOLIDATION .....	12
1.11.	INVENTORY .....	12
1.12.	RECEIVABLES.....	12
1.13.	PAYABLES .....	13
1.14.	LOANS .....	13
1.15.	PROVISIONS .....	13
1.16.	MINORITY EQUITY.....	13
1.17.	FOREIGN CURRENCY TRANSLATION.....	13
1.18.	FINANCE LEASES .....	14
1.19.	TAXATION.....	14
	1.19.1. Tax Depreciation of Fixed Assets.....	14
	1.19.2. Current Tax Payable .....	14
	1.19.3. Deferred Tax.....	14
1.20.	IMPAIRMENT .....	15
1.21.	BORROWING COSTS .....	15
1.22.	REVENUE RECOGNITION .....	15
1.23.	USE OF ESTIMATES .....	16
1.24.	CASH FLOW STATEMENT .....	16
1.25.	BASIS OF CONSOLIDATION .....	16
1.26.	LOSS OF THE CONTROL .....	17
1.27.	CHANGES IN ACCOUNTING POLICIES .....	17
<b>2.</b>	<b>ADDITIONAL DATA.....</b>	<b>18</b>
2.1.	INTANGIBLE FIXED ASSETS (INTANGIBLE FA).....	18
2.2.	TANGIBLE FIXED ASSETS (TANGIBLE FA).....	18
2.3.	INVENTORY .....	19
2.4.	LONG-TERM PREPAYMENTS .....	19
2.5.	SHORT-TERM TRADE RECEIVABLES .....	19
2.6.	ALLOWANCES.....	19
2.7.	SHORT-TERM PREPAYMENTS.....	20
2.8.	OTHER SHORT-TERM RECEIVABLES.....	20
2.9.	DEFERRED EXPENSES.....	20
2.10.	EQUITY .....	20
2.11.	PROVISIONS .....	21
2.12.	LONG-TERM PAYABLES .....	21
2.13.	SHORT-TERM PAYABLES.....	21
	2.13.1. Short-Term Trade Payables.....	21
2.14.	DEFERRED EXPENSES .....	21
2.15.	DEFERRED INCOME.....	21
2.16.	SHORT-TERM PREPAYMENTS RECEIVED.....	22

2.17.	BANK LOANS.....	22
2.18.	DEFERRED TAX.....	22
2.19.	INCOME FROM ORDINARY ACTIVITIES.....	22
2.20.	CONSUMED MATERIAL AND ENERGY.....	22
2.21.	SERVICES.....	23
2.22.	EMPLOYEES, MANAGEMENT AND STATUTORY BODIES OF THE COMPANIES IN THE GROUP .....	23
2.23.	OTHER OPERATING INCOME AND EXPENSES .....	23
2.23.1.	<i>Sundry Operating Income</i> .....	23
2.23.2.	<i>Sundry Operating Expenses</i> .....	24
2.23.3.	<i>Other Interest Income and Similar Income</i> .....	24
2.24.	INTEREST EXPENSES AND SIMILAR EXPENSES.....	24
2.25.	OTHER FINANCIAL INCOME .....	24
2.26.	OTHER FINANCIAL EXPENSES .....	24
2.27.	FEE TO THE AUDITORS.....	24
2.28.	POST BALANCE SHEET EVENTS.....	25

## 1. GENERAL INFORMATION

### 1.1. Primary Business Activities and Ownership Structure

Leo Express Global a.s. with its registered office at Řehořova 908/4, Prague 3, and its subsidiaries (hereinafter referred to as the "Group") operate commercial passenger train services and commitment services (subsidised by the Ministry or the Region). The Group also operates bus services. Currently, the Group operates passenger services mainly in the Czech Republic, Slovakia and international services also to Poland and Ukraine.

The consolidated financial statements are prepared by Leo Express Global a.s., with its registered office at Řehořova 908/4, Prague 3, Czech Republic.

### 1.2. Year-on-Year Changes and Amendments in the Register of Companies

On January 23<sup>rd</sup> 2023, role of member of Board of directors of Zdeněk Beránek ceased to exist.

On January 24<sup>rd</sup> 2023, Heinz Grossmann became a new member of Board of directors. On January 23<sup>rd</sup> 2023, Manuel Geyer became member of Supervisory Board.

### 1.3. Board of Directors and Supervisory Board as of the Balance Sheet Date

	Position	Name
<b>Board of Directors</b>	Chairman	Manuel Villalante Llauradó
	Vice-chairman	Leoš Novotný
	Member	Sonia Araujo Lopez
	Member	Teresa Torres Torres
	Member	Ibon García Neill
	Member	Heinz Grossmann
	Member	Bc. Martin Bala
<b>Supervisory Board</b>	Chairman	Diego J. Molero Alonso
	Member	Juan Carlos Jiménez Cordente
	Member	Manuel Geyer

### 1.4. Group Identification

In the following text, the term "Group" is used for the consolidation group. The consolidation group includes controlled entities in which the consolidating company has more than 50% of voting rights. The consolidating company of the consolidated group is Leo Express Global a.s., with its registered office at Řehořova 908/4, Prague 3, Czech Republic. The consolidating company is part of the Leo Express. The structure of the consolidation group is as follows:

**Consolidation group structure in 2023**

(CZK '000)					
<b>Company name</b>	Leo Express s.r.o.	Leo Express Tenders s.r.o.	Leo Express Maintenance s.r.o.	Leo Express France	Leo Express Slovens ko s.r.o.
<b>Registered office</b>	Řehořova 908/4, Žižkov, 130 00 Praha 3	Řehořova 908/4, Žižkov, 130 00 Praha 3	Řehořova 908/4, Žižkov, 130 00 Praha 3	320 rue Saint- Honoré 750 01 Paris	Pražská 3222/11; 811 04 Bratislava - mestská část Staré Mesto
Share acquisition cost	100	200	1	24	135
Equity investment %	100	100	100	100	100
Share capital	100	200	1	247	124
Equity	557,903	29,339	248	167	(36,107)
Profit or loss for the current period	(9,078)	18,690	232	(80)	(36,423)
Retained earnings / accumulated losses brought forward	(154,754)	(69,966)	15	0	180
Total assets	643,013	97,772	2,017	265	93,570
Internal share value	557,903	29,339	248	167	0
Consolidation method	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

**Consolidation group structure in 2022**

(CZK '000)					
<b>Company name</b>	Leo Express s.r.o.	Leo Express Tenders s.r.o.	Leo Express Maintenance s.r.o.	Leo Express France	Leo Express Slovensko s.r.o.
<b>Registered office</b>	Řehořova 908/4, Žižkov, 130 00 Praha 3	Řehořova 908/4, Žižkov, 130 00 Praha 3	Řehořova 908/4, Žižkov, 130 00 Praha 3	320 rue Saint- Honoré 750 01 Paris	Pražská 3222/11; 811 04 Bratislava - mestská část Staré Mesto
Share acquisition cost	100	200	1	24	135
Equity investment %	100	100	100	100	100
Share capital	100	200	1	241	121
Equity	536,581	10,649	16	241	308
Profit or loss for the current period	(60,313)	(3,412)	15	0	10
Retained earnings / accumulated losses brought forward	(94,441)	(66,554)	0	0	165
Total assets	679,578	94,643	2,055	24	707
Internal share value	536,581	10,649	16	241	308
Consolidation method	Full consolidation	Full consolidation	Full consolidation	Full consolidation	Full consolidation

**1.5. Other****Research and Development**

The Group continuously invests in the development of new information technologies that facilitate the customer purchase process and overall travel experience with Leo Express (mobile application, information on delays, etc.). The Group also invests in new train units for commercial and public service operation.

### **Environmental Protection**

The Group strictly complies with all legal requirements relating to environmental protection. In the area of railway vehicle maintenance the Group applies the strictest standards for waste management.

### **Human Resources**

The Group management is aware of the fact that the Company's success and growth depend on work with human resources. For this reason, the Company places great emphasis on the recruitment of employees and their subsequent development. The aim of employer branding and the subsequent targeted recruitment is to secure an inflow of talent for all departments. Elaborated on-boarding and development make it possible to fully utilise the potential of human resources. Motivating tools on the one hand and the monitoring of the Company's costs on the other lead to an increased efficiency of performance.

### **Organisational Branch Abroad**

The Group has no organisational branch abroad.

### **Anticipated Development**

The Group management anticipates future development in the segment of multimodal public transport. In the area of railway transportation, following the change in the regulatory environment (especially the "Fourth Railway Package" approved by the European Commission), the opportunity for public service transportation will be significantly expanded and the consolidating company and its subsidiaries intend to play an active role on the market in this area not just in the Czech Republic but also abroad.

### **Acquisition of Treasury Shares**

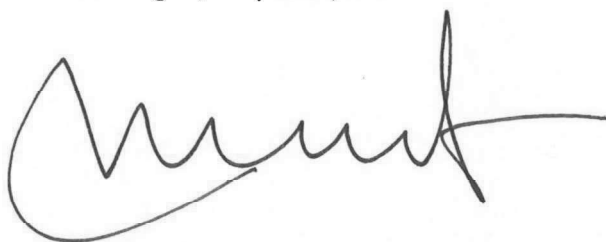
The consolidating company does not own any shares as at the balance sheet date (0% as at 31.12.2022).

**Post Balance Sheet Date Event**

On January 17<sup>rd</sup> 2024, the role of member of Board of directors of Sonia Araujo Lopez ceased to exist.

On January 18<sup>th</sup> 2024, Ismael Gutiérrez Sánchez became a new member of the Board of directors.

In Prague, May 22th, 2024



-----  
Manuel Villalante Llauro  
Chairman of the Board of Directors of Leo Express Global a.s.



-----  
Martin Bala  
Member the Board of Directors of Leo Express Global a.s.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
2023**

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## 1. ACCOUNTING PRINCIPLES AND POLICIES

The consolidating company's accounting books and records are maintained and the consolidated financial statements were prepared in accordance with the Accounting Act 563/1991 Coll., as amended; the Regulation 500/2002 Coll. which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended; and Czech Accounting Standards for Businesses, as amended.

The accounting records are maintained in compliance with general accounting principles, specifically the historical cost valuation basis (unless stated otherwise), the accruals principle, the prudence concept and the going concern assumption.

The Company's consolidated financial statements are prepared using the direct consolidation method. Their aim is to give a true and fair view of the assets, liabilities, financial position and profit and loss of the companies that were included in the consolidation group. As a whole, these financial statements serve to inform shareholders and creditors.

The consolidation method chosen is applied continually and consistently to the entities included in the consolidation group.

The full consolidation method was used to include controlled entities in the consolidated financial statements.

The Company's consolidated financial statements have been prepared as of the balance sheet date, i.e. 31 December 2023, for the year ended 31 December 2023.

The consolidated financial statements were prepared on 30<sup>th</sup> April 2024.

These consolidated financial statements are presented in thousands of Czech crowns (CZK '000), unless stated otherwise.

Separate financial statements of controlled entities which have their registered office abroad and maintain accounting books and records in a foreign currency are translated at the exchange rate ruling as of 31 December 2023.

### 1.6. Going Concern Assumption

The Leo Express Group has successfully launched the operation of PSO service on the Bratislava - Dunajská Streda - Komárno line at the end of 2023. The Group, through Leo Express Slovensko s.r.o., will operate this line for the Ministry of Transport and Construction of the Slovak Republic for 9 years. This contract will almost double the size of the Group year-on-year.

The management is actively working on a significant expansion of the offered capacities in the commercial transport segment, and at the same time, companies within the group



participate in tenders for PSO services. For the year 2024, the Group plans sales exceeding CZK 1 billion and a net profit in the order of tens of millions of CZK.

The consolidating company prepared the consolidated financial statements using the going concern assumption.

### 1.7. Tangible Fixed Assets

Tangible fixed assets include land, structures and tangible assets with an estimated useful life greater than one year and an acquisition cost greater than CZK 80 thousand on an individual basis.

Purchased tangible fixed assets are stated at cost less accumulated depreciation and any recognised impairment losses. Tangible fixed assets developed internally are valued at direct costs and incidental costs directly attributable to the internal production of assets (production overheads) and to the production period. Costs of sale are not included.

The following tangible fixed assets are stated at replacement cost: tangible fixed assets acquired through donation, tangible fixed assets acquired without consideration on the basis of a contract to purchase a leased asset (accounted for by a corresponding entry in the relevant accumulated depreciation account), fixed assets recently entered in the accounting records (accounted for by a corresponding entry in the relevant accumulated depreciation account), and an investment of tangible fixed assets. In such a case, replacement cost is determined by an expert opinion.

The cost of fixed asset improvements exceeding CZK 80 thousand for the taxation period increases the acquisition cost of the related tangible fixed asset.

Depreciation is charged so as to write off the cost of tangible fixed assets, other than land and assets under construction, over their estimated useful lives, using the straight-line method, on the following basis:

	Depreciation method	Number of years / %
Buildings	Straight-line	10-15 years
Machinery and equipment	Straight-line	2-20 years
Overhauls of chassis	Machine-hour	Based on km

Assets held under finance leases are depreciated by the lessor.

Technical improvements on tangible fixed assets held under a lease are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful life.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the net book value of the asset at the sale date and is recognised through the profit and loss account.

**1.8. Intangible Fixed Assets**

Intangible fixed assets primarily include intangible assets arising from research and development, valuable rights and software with an estimated useful life greater than one year and an acquisition cost greater than CZK 60 thousand on an individual basis.

Intangible assets arising from research and development, valuable rights and software are capitalised only if utilised for trading. Intangible assets arising from research and development, software and valuable rights generated internally for the Company's internal needs are not capitalised. Internally generated intangible assets are stated at the lower of internal production costs and replacement cost.

Purchased intangible fixed assets are stated at cost less accumulated amortisation and any recognised impairment losses.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

The cost of fixed asset improvements exceeding CZK 60 thousand for the taxation period increases the acquisition cost of the related intangible fixed asset.

Amortisation of intangible fixed assets is recorded on a straight-line basis over their estimated useful lives as follows:

	Amortisation method	Number of years / %
Software	Straight-line	2
Other intangible fixed assets	Straight-line	3 - 4 years

**1.9. Non-Current Financial Assets**

Non-current financial assets consist of loans with maturity exceeding one year, securities available for sale and debt securities with maturity over one year held to maturity.

Upon acquisition, securities are carried at cost. The cost of securities includes the direct costs of acquisition, such as fees and commissions paid to brokers, advisors and stock exchanges.

As of the date of acquisition of securities and equity investments, these non-current financial assets are classified based on their nature as debt securities held to maturity or securities and equity investments available for sale.

As of the date of the consolidated financial statements, non-current financial assets include:

- Equity securities held for trading that are fair valued. Changes in fair value of equity securities held for trading are recognised in profit or loss for the period.

- Debt securities held to maturity are stated at cost plus interest income (including amortisation of any premium or discount).
- Securities and equity investments available for sale are fair valued if the fair value can be determined. Changes in fair value of securities available for sale are accounted for against gains or losses from the revaluation of assets and liabilities as part of the equity in case of a change in fair value which is unlikely to be permanent. If the impairment is likely to be permanent, it is recognised as an expense in the current period. If there is a demonstrable increase in fair value of securities available for sale once the impairment is recognised, the increase in fair value is recognised at the maximum amount of the previously recognised impairment as income for the period.

#### 1.10. Goodwill arising on Consolidation

Goodwill arising on consolidation represents the difference between the acquisition cost of an investment in a subsidiary and its value determined on the basis of the Parent Company's interest in the fair value of equity which arises as a difference of fair values of assets and fair values of liabilities as of the date of acquisition or as of the date of a further capital increase (a further increase of securities or investments). The acquisition date is the date from which the effectively controlling entity starts to exercise influence over the consolidated company. Goodwill arising on consolidation is amortised on a straight line basis over 15 years, unless there are grounds for applying a shorter amortisation period. Goodwill arising on consolidation is charged to consolidation goodwill in expenses on ordinary activities or credited to negative consolidation goodwill in income on ordinary activities as appropriate.

#### 1.11. Inventory

Purchased inventory is valued at acquisition costs. Acquisition cost includes the purchase cost and indirect acquisition costs such as customs fees, freight costs and storage fees, commissions, insurance charges and discounts.

##### Allowances

The Company recognised allowances for inventory whose impairment is not deemed permanent.

#### 1.12. Receivables

Upon origination, receivables are stated at their nominal value as subsequently reduced by appropriate provisions for doubtful and bad amounts. Receivables acquired for consideration or through an investment are stated at cost less provisions for doubtful and bad amounts.

##### Allowances

Allowances for receivables are recognised if the receivable is more than 360 days past its due date.



### 1.13. Payables

Payables are stated at their nominal value.

### 1.14. Loans

Loans are stated at their nominal value. The portion of long-term loans maturing within one year from the consolidated balance sheet date is included in short-term loans.

### 1.15. Provisions

Provisions are intended to cover liabilities and expenditure the nature of which is clearly defined, and which are either likely to be incurred or certain to be incurred as of the balance sheet date but uncertain as to their amount or as to the date on which they will arise.

The Group recognises a reserve for unused vacation days, which is created based on an analysis of unused vacation days transferred to subsequent years, a reserve for legal disputes, which is created based on an analysis of future expenses in relation to legal disputes, and a reserve related to the Group's loyalty programme.

### 1.16. Minority Equity

These are liability balance sheet items where minority equity interests in subsidiaries are presented and classified into interest in share capital, capital funds, funds from profit, retained earnings/accumulated losses and profit or loss for the current period.

### 1.17. Foreign Currency Translation

Given the economic substance of the transactions and the environment in which the Group operates, the Czech crown (CZK), which is also the functional currency of the parent company, is used as the presentation currency for the consolidated financial statements and the balances are rounded to the nearest thousand.

Each company in the Group determines its functional currency according to the environment in which it operates (LEO Express Slovensko EUR).

Transactions denominated in foreign currencies are translated into the functional currency (Czech crown) based on the effective exchange rate of the Czech National Bank. As of the consolidated balance sheet date, financial assets and liabilities denominated in foreign currencies are translated into the functional currency of each company within the consolidation group using the exchange rate of the Czech National Bank prevailing as of that date. The resulting exchange rate differences are accounted for in profit or loss.

For the purpose of presenting the consolidated financial statements, assets, liabilities, income and expenses of foreign subsidiaries are presented in CZK using the exchange rates prevailing as of the balance sheet date.



**1.18. Finance Leases**

A finance lease is the acquisition of a tangible fixed asset such that, over or after the contractual lease term, ownership title to the asset transfers from the lessor to the lessee; pending the transfer of title the lessee makes lease payments to the lessor for the asset that are charged to expenses.

Finance lease repayments are expensed as incurred. The initial lump-sum payment related to assets acquired under finance leases is amortised and expensed over the lease period.

Financing of train Stadler Flirt

Raiffeisen – Leasing, s.r.o.	Monthly instalment (CZK '000)
Total lease payments 2023	41,208
Total lease payments 2024	41,863
Total outstanding principal 2024-2030	343,992

Operating lease payments are charged to expenses. Future payments of Leo Express Tenders s.r.o. for the operating lease of Alstom LINT train units amounts to CZK 210,390 thousand. Future payments of Leo Express Slovensko s.r.o. for the operating lease of Alstom LINT train units amounts to CZK 1,105,500 thousand.

**1.19. Taxation****1.19.1. Tax Depreciation of Fixed Assets**

For the purpose of calculating tax depreciation, the straight-line method is used.

**1.19.2. Current Tax Payable**

Management of the Company has recognised a tax payable and a tax charge based on its tax calculation which follows from its understanding of the interpretation of Czech tax legislation valid at the consolidated financial statements date and believes that the amount of tax is correct in compliance with the effective Czech tax regulations. Since various interpretations of tax laws and regulations by third parties, including state administrative bodies, exist, the income tax payable reported in the Company's consolidated financial statements may change based on the ultimate opinion of the tax authorities.

**1.19.3. Deferred Tax**

Deferred tax is accounted for using the balance sheet liability method.



The carrying amount of deferred tax assets is reviewed at the consolidated balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the related deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset and reported on an aggregate net basis in the balance sheet, except when partial tax assets cannot be offset against partial tax liabilities.

### 1.20. Impairment

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the greater of the net selling price and the value in use. In assessing the value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.

### 1.21. Borrowing Costs

Borrowing costs arising from loans attributable to the acquisition, construction or production of fixed assets are added to the cost of those assets.

### 1.22. Revenue Recognition

Revenue is measured at the value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, value added tax and other sales related taxes.

Sales of services are recognised when the service is provided.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.



Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

The Group is a recipient of compensation for travel fare discounts from the Ministry of Transport. The compensation is intended to reimburse the discounts that the carrier provides to selected groups of passengers pursuant to Act No. 526/1990 Coll., on Prices. The compensation is reported in the period in which the transportation services were provided.

### 1.23. Use of Estimates

The presentation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Management of the Group has made these estimates and assumptions on the basis of all the relevant information available to it. Nevertheless, pursuant to the nature of estimates, the actual results and outcomes in the future may differ from these estimates.

### 1.24. Cash Flow Statement

In line with Regulation No. 500/2002 Coll., the Group does not prepare the consolidated cash flow statement. Cash equivalents include current liquid assets which are easily convertible into cash in an amount agreed in advance and not expected to be subject to material fluctuations in value over time.

Cash and cash equivalents can be analysed as follows:

	(CZK '000)	
	31.12.2023	31.12.2022
Cash on hand and cash in transit	997	225
Cash at bank	95,570	77,671
Cash equivalents included in current financial assets	0	0
<b>Total cash and cash equivalents</b>	<b>96,567</b>	<b>77,896</b>

### 1.25. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the parent company and of the entities controlled by the Company (its subsidiaries).

The parent company controls its subsidiaries if:

- The parent company holds the majority of the voting rights of shareholders or owners of a subsidiary;
- The parent company has the right to appoint or recall most of the members of the administrative, management or supervisory body of the subsidiary and it is simultaneously a shareholder of the subsidiary;
- The parent company has the right to exercise controlling influence over a subsidiary where it is a shareholder or owner based on a concluded contract or pursuant to the subsidiary's Articles of Association, Memorandum of Association or Founder's



Deed, if the law that the subsidiary is governed by allows it to be subordinated to such contracts or provisions.

The results of any subsidiaries acquired or disposed of by the Group during the year are included in the consolidated profit and loss account from the effective date of acquisition and up to the effective date of disposal, as appropriate. Where necessary, adjustments were made to the financial statements of subsidiaries to bring their accounting policies into line with those applied by the parent company. All intra-group transactions, balances, income and expenses were eliminated in full upon consolidation.

The consolidated financial statements were prepared on the basis of the full consolidation method.

The consolidating company prepared these consolidated financial statements in accordance with Czech Accounting Standard No. 020.

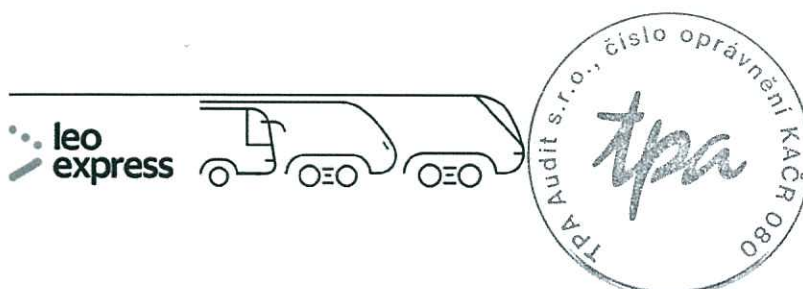
#### **1.26. Loss of the control**

Upon disposal of control, the parent company loses control over the net assets of the subsidiary. As of this date, the subsidiary's assets and liabilities are no longer part of the consolidated assets and liabilities. However, the revenues and expenses (including all consolidation adjustments) from the beginning of the accounting period to the date of disposal must be recognized in consolidated statement of profit and loss.

The values of the assets and liabilities of the subsidiary sold are included in the consolidated income statement under other operating expenses (or, if negative, under other operating income) at the measurement date of the disposal. There was no disposal of decisive influence within the financial year.

#### **1.27. Changes in Accounting Policies**

As of 1 January 2023, the inventory valuation system was changed to the arithmetic average.



## 2. ADDITIONAL DATA

### 2.1. Intangible Fixed Assets (Intangible FA)

#### Cost

	(CZK '000)				
	Opening balance	Additions	Disposals	Transfers	Closing balance
Valuable rights/software	14,625	841	0	0	15,466
Other intangible FA	1,537	0	0	0	1,537
Prepayments for intangible FA	0	0	0	0	0
Intangible FA under construction	0	2,073	0	0	2,073
<b>Total in 2023</b>	<b>16,162</b>	<b>2,073</b>	<b>0</b>	<b>0</b>	<b>19,076</b>
<b>Total in 2022</b>	<b>16,227</b>	<b>343</b>	<b>(408)</b>	<b>0</b>	<b>16,162</b>

#### Provisions and Accumulated Amortisation

	(CZK '000)			
	Opening balance	Additions	Disposals	Closing balance
Valuable rights/software	13,589	280	0	13,869
Other intangible FA	1,035	191	0	1,226
<b>Total in 2023</b>	<b>14,624</b>	<b>471</b>	<b>0</b>	<b>15,095</b>
<b>Total in 2022</b>	<b>14,127</b>	<b>717</b>	<b>(220)</b>	<b>14,624</b>

### 2.2. Tangible Fixed Assets (Tangible FA)

#### Cost

	(CZK '000)				
	Opening balance	Additions	Disposals	Transfers	Closing balance
Buildings	4,993	0	0	0	4,993
Individual tangible movable assets and their sets	107,152	10,803	0	5,982	123,937
Prepayments for tangible FA	33,320	45,198	(27,339)	(5,982)	45,197
Tangible FA under construction	0	1,747			1,747
<b>Total in 2023</b>	<b>145,465</b>	<b>57,748</b>	<b>(27,339)</b>	<b>0</b>	<b>175,874</b>
<b>Total in 2022</b>	<b>157,610</b>	<b>46,957</b>	<b>(59,102)</b>	<b>0</b>	<b>145,465</b>

#### Provisions and Accumulated Depreciation

	(CZK '000)			
	Opening balance	Additions	Disposals	Closing balance
Buildings	3,258	38	0	3,296
Individual tangible movable assets and their sets	24,983	39,393	(9,432)	54,944
Prepayments for tangible FA	2,018	0	(2,018)	0
Tangible FA under construction	0	0	0	0
<b>Total in 2023</b>	<b>30,259</b>	<b>39,431</b>	<b>(11,450)</b>	<b>58,240</b>
<b>Total in 2022</b>	<b>83,098</b>	<b>33,600</b>	<b>(86,439)</b>	<b>30,259</b>

In 2023, the allowance in the amount of CZK 2,018 thousand connected to the provided deposit amounting CZK 27,339 thousand was released. This deposit was paid back in 2023.

### 2.3. Inventory

As of 31 December 2023, the Group reported inventory amounting to CZK 74,441 thousand (as of 31 December 2022: CZK 35,980 thousand).

In the current period, the inventory includes primarily spare parts for the maintenance of Stadler Flirt and Alstom LINT train units.

### 2.4. Long-term Prepayments

As of 31 December 2023, the Group reported long-term prepayments in the amount of CZK 4,017 thousand (CZK 246 thousand as at 31.12.2022).

### 2.5. Short-Term Trade Receivables

Overdue receivables as at 31 December 2023 amount to CZK 12,557 thousand (as at 31.12.2022: CZK 5,310 thousand).

#### Aging of trade receivables

Year	Category	Before due date	Past due date					Total past due date	Total
			0 - 90 days	91 - 180 days	181 – 360 days	1 - 2 years	2 and more years		
(CZK '000)									
2023	Gross	32,338	12,482	26	30	19	0	12,557	44,895
	Allowance	0	0	0	0	4	0	4	4
	Net	32,338	12,482	26	30	15	0	12,553	44,891
2022	Gross	15,362	4,286	95	50	11	868	5,310	20,672
	Allowances	0	0	0	0	0	788	787	787
	Net	15,362	4,286	95	50	11	80	4,523	19,885

#### Short-term trade receivables

Company name	(CZK '000)	
	Balance at 31.12.2023	Balance at 31.12.2022
Beacon Rail Finance S.a r.l.	12,251	4,051
Kontron Transportation s.r.o.	7,663	0
ENTIDAD PÚBLICA EMPRESARIAL RENFE-OPERADORA	5,805	0
HASE ELEKTRONIC s.r.o.	5,118	0
Czech Ministry of Transport	4,275	4,433
Other	9,783	12,188
<b>Total short-term trade receivables</b>	<b>44,895</b>	<b>20,672</b>

### 2.6. Allowances

Allowances reflect temporary impairment of assets. As of 31.12.2023, the Group recognised allowances for receivables in the amount of CZK 4 thousand. As of 31.12.2022, allowances for receivables amounted CZK 787 thousand.



Allowances movements can be analysed as follows:

	(CZK '000)	
	2023	2022
Opening balance at 1 January	787	38,652
Allowances charge	33	0
Release	(816)	(37,865)
<b>Closing balance at 31 December</b>	<b>4</b>	<b>787</b>

## 2.7. Short-Term Prepayments

As of 31.12.2023, the Group reported short-term prepayments amounting CZK 33,693 thousand. (As at 31.12.2022, the short-term prepayments amounted CZK 10,385 thousand.)

In both periods, short-term prepayments primarily include operating prepayments provided.

## 2.8. Other short-term receivables

As at 31.12.2023, other short-term receivables amount CZK 2,031 thousand. (as at 31.12.2022, the value of other short-term receivables was CZK 7,672 thousand).

## 2.9. Deferred expenses

As at 31.12.2023, the Group reported prepaid expenses amounting CZK 102,459 thousand (In 2022, deferred expenses amounted CZK 138,178 thousand).

Deferred expenses in 2023 consist mainly of accrued expenses for the first increased instalment due to leasing of FLIRT train units (CZK 88,828 thousand), and accrued expenses incurred before the start of the operation of the PSO service in Pardubice region.

## 2.10. Equity

The Group's equity includes share capital of the consolidating company, contributions outside the Company's share capital (other capital funds), a reserve for cash flow hedges, profit/loss of prior periods and profit/loss of the current period and a share in profit under the equity method. The consolidated equity also includes minority interests.

The share capital is composed of 27,056,618 ordinary registered shares in certificate form in the nominal value of CZK 10, ISIN CZ0008209681.

**2.11. Provisions**Other provisions

	(CZK '000)	
	Balance 31.12.2023	Balance 31.12.2022
Other provisions (provision for unused vacation days)	5,830	4,114
Other provisions (legal disputes)	37,902	68,659
Other provisions (distributed credit)	10,015	10,268
Other provisions (other)	9,464	8,077
<b>Total other reserves</b>	<b>63,211</b>	<b>91,118</b>

**2.12. Long-Term Payables**

Long-term payables in the amount of CZK 98 thousand (CZK 864 thousand in 2022) contains liabilities that have a maturity of more than one year at the time the consolidated financial statements are prepared.

**2.13. Short-Term Payables**

Short-term payables amounting CZK 147,722 thousand (CZK 142,487 thousand in 2022) consist mainly of commercial payables amounting CZK 72,446 thousand and provided prepayments amounting CZK 50,149 thousand.

**2.13.1. Short-Term Trade Payables**

Overdue commercial payables as at 31.12.2023 amount CZK 13,546 thousand (CZK 19,113 thousand as at 31.12.2022).

Short-Term Trade Payables

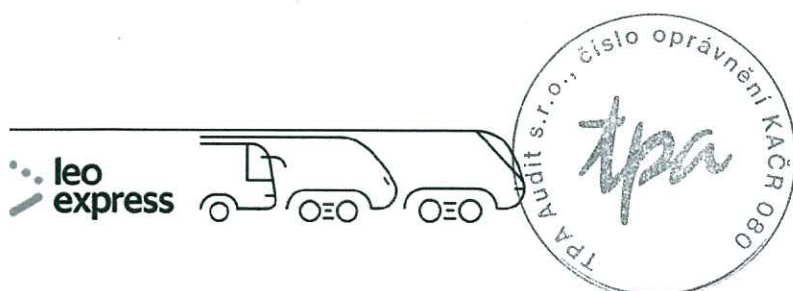
	(CZK '000)	
Company name	Year ended 31 December 2023	Year ended 31 December 2022
Alpha Trains Luxembourg	15,646	0
Beacon Rail Finance S.a r.l.	11,842	4,889
Správa železnic, státní organizace	6,624	12,151
Železnice Slovenskej republiky	3,432	0
RHK Energy Solutions s.r.o.	3,206	0
Ostatní	31,696	39,191
<b>Total short-term payables</b>	<b>72,446</b>	<b>56,231</b>

**2.14. Deferred expenses**

Deferred expenses in the amount of 11,095 thousand CZK (6,289 thousand CZK as of 31.12.2022) are made up of uninvoiced services for the year 2023.

**2.15. Deferred income**

Deferred income in the amount of 13,962 thousand CZK (10,269 thousand CZK as at 31.12.2022) is mainly an accrual adjustment of sales for tickets that were purchased in 2023 but will only be used in 2024.



**2.16. Short-Term Prepayments Received**

As at 31 December 2023, short-term prepayments received amount to CZK 50,149 thousand (as at 31 December 2022: CZK 32,413 thousand). In both periods, short-term prepayments received primarily include prepayments for the purchase of tickets from companies in the Group and prepayment from insurance company for the repair of the damaged train after the accident.

**2.17. Bank Loans**

Short-term bank loans include:

Bank/creditor	Currency			Form of collateral
		Balance at 31 Dec 2023	Balance at 31 Dec 2022	
Raiffeisenbank, a.s.	CZK	0	30,000	Blank bill of exchange
Komerční banka a.s.	CZK	0	5,000	Blank bill of exchange
<b>Total</b>		<b>0</b>	<b>35,000</b>	

(CZK '000)

**2.18. Deferred tax**

Deferred tax liability in companies within the Group due to the residual value of fixed assets is offset by deferred tax receivables from other titles.

**2.19. Income from Ordinary Activities**

	(CZK '000)					
	Year ended 31 December 2023			Year ended 31 December 2022		
	In- country	Cross- border	In- country	Cross- border	In- country	Cross- border
Advertising	23,402	0	23,402	21,383	0	21,383
Catering	24,412	1,711	26,123	22,365	1,348	23,713
Travel fare	291,120	43,480	334,600	221,894	35,668	257,561
Leasing	0	0	0	27,577	0	27,577
Public service obligation - Pardubice region	121,283	0	121,283	102,094	0	102,094
Other	527	0	527	468	0	468
<b>Total sales of own products and services</b>	<b>460,744</b>	<b>45,191</b>	<b>505,935</b>	<b>395,781</b>	<b>37,016</b>	<b>432,797</b>

**2.20. Consumed material and energy**

	(CZK '000)	
	Year ended 31 December 2023	Year ended 31 December 2022
Consumed material	77,180	110,794
Consumed energy	48,178	2,994
<b>Total consumed purchases</b>	<b>125,358</b>	<b>113,788</b>



**2.21. Services**

	(CZK '000)	
	Year ended 31.12.2023	Year ended 31.12.2022
Repairs and maintenance	4,130	10 441
Travel expenses	5,143	3 421
Representation costs	149	52
Telephone, fax and internet	7,392	6 701
Low value intangible assets put to use	1,253	21 195
Rental / Lease	13,354	11 858
Leases	104,777	108 569
Total other services	133,085	103 953
Fee for the use of infrastructure	51,318	44 423
Coach lines, km fee	9,310	6 983
Marketing	11,508	8 454
Interior and exterior cleaning	10,851	9 663
Advisory	13,879	11 137
Commission	6,410	4 324
Other services	29,809	18 969
<b>Total</b>	<b>269,283</b>	<b>266,190</b>

**2.22. Employees, Management and Statutory Bodies of the Companies in the Group**

The average recalculated headcount for the years ended 31 December 2023 and 31 December 2022 is as follows:

	2023	2022
Managers	16	16
Other employees	194	163
<b>Total</b>	<b>210</b>	<b>179</b>

Total salary costs in 2023 amounted CZK 127,045 thousand (2022: CZK 101,356 thousand).

**2.23. Other Operating Income and Expenses****2.23.1. Sundry Operating Income**

	(CZK '000)	
	Year ended 31 December 2023	Year ended 31 December 2022
Contractual penalties and default interest	45	11,060
Compensation from the Ministry of Transport	71,166	66,626
Received insurance benefits	772	8,716
Other operating income	18,985	1,960
<b>Total</b>	<b>90,968</b>	<b>88,362</b>

### 2.23.2. Sundry Operating Expenses

	(CZK '000)	
	Year ended 31.12.2023	Year ended 31.12.2022
Contractual penalties and default interest	162	782
Other penalties and fines	42	19
Insurance	17,809	11,223
Receivable write-off	911	57,931
Other operating expenses	4,281	12,277
<b>Total</b>	<b>23,205</b>	<b>79,426</b>

### 2.23.3. Other Interest Income and Similar Income

	(CZK '000)	
	Year ended 31.12.2023	Year ended 31.12.2022
Interest on current bank accounts	1,936	1 655
<b>Total</b>	<b>1,936</b>	<b>1 655</b>

### 2.24. Interest Expenses and Similar Expenses

	(CZK '000)	
	Year ended 31.12.2023	Year ended 31.12.2022
Interest on loans a bank overdrafts	4,494	3,541
<b>Total</b>	<b>4,494</b>	<b>3,541</b>

### 2.25. Other Financial Income

	(CZK '000)	
	Year ended 31.12.2023	Year ended 31.12.2022
Foreign exchange rate gains	3,893	3,195
<b>Total</b>	<b>3,893</b>	<b>3,195</b>

### 2.26. Other Financial Expenses

	(CZK '000)	
	Year ended 31.12.2023	Year ended 31.12.2022
Foreign exchange rate losses	5,093	4,830
Banking fees	423	144
Other financial expenses	2,628	2,509
<b>Total</b>	<b>8,144</b>	<b>7,483</b>

### 2.27. Fee to the Auditors

In 2023 the remuneration to the statutory auditor was CZK 720 thousand.

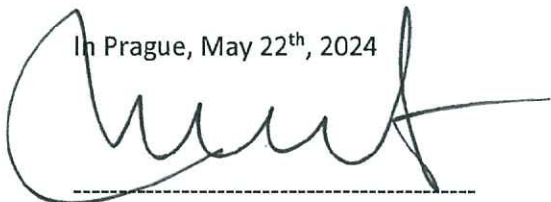


## 2.28. Post Balance Sheet Events

On January 17<sup>th</sup> 2024, the role of member of Board of directors of Sonia Araujo Lopez ceased to exist.

On January 18<sup>th</sup> 2024, Ismael Gutiérrez Sánchez became a new member of the Board of directors.

In Prague, May 22<sup>th</sup>, 2024



Manuel Villalante Llauradó  
Chairman of the Board of Directors of Leo Express Global a.s.



Martin Bala  
Member the Board of Directors of Leo Express Global a.s.



**BALANCE SHEET**

full version

Leo Express Global a.s.

Corporate ID 290 16 002

As of  
31.12.2023  
(in CZK thousand)Řehořova 908/4, Žižkov  
130 00 Praha 3

		31.12.2023	31.12.2022
		Netto	Netto
	<b>CONSOLIDATED TOTAL ASSETS</b>	<b>494 321</b>	<b>431 178</b>
<b>A.</b>	<b>Receivables for subscribed capital</b>		
<b>B.</b>	<b>Fixed assets</b>	<b>121 615</b>	<b>116 744</b>
<i>B.I.</i>	<i>Intangible fixed assets</i>	<i>3 981</i>	<i>1 538</i>
B.I.1.	Development		
B.I.2.	Valuable rights	1 597	1 036
B.I.2.1.	Software	1 597	1 036
B.I.2.2.	Other valuable rights		
B.I.3.	Goodwill		
B.I.4.	Positive goodwill arising on consolidation		
B.I.5.	Other intangible fixed assets	311	502
B.I.6.	Prepayments for intangible fixed assets and intangible fixed assets under construction	2 073	
B.I.6.1.	Prepayments for intangible fixed assets		
B.I.6.2.	Intangible fixed assets under construction	2 073	
<i>B.II.</i>	<i>Tangible fixed assets</i>	<i>117 634</i>	<i>115 206</i>
B.II.1.	Land and structures	1 697	1 735
B.II.1.1.	Land		
B.II.1.2.	Structures	1 697	1 735
B.II.2.	Tangible movable assets and sets of tangible movable assets	68 993	82 169
B.II.3.	Valuation difference on acquired assets		
B.II.4.	Other tangible fixed assets		
B.II.4.1.	Perennial crops		
B.II.4.2.	Breeding animals and their groups		
B.II.4.3.	Other tangible fixed assets		
B.II.5.	Prepayments for tangible fixed assets and tangible fixed assets under construction	46 944	31 302
B.II.5.1.	Prepayments for tangible fixed assets	45 197	31 302
B.II.5.2.	Tangible fixed assets under construction	1 747	
<i>B.III.</i>	<i>Non-current financial assets</i>		
B.III.1.	Equity investments - controlled or controlling entity		
B.III.2.	Loans and borrowings - controlled or controlling entity		
B.III.3.	Equity investments in associates		
B.III.4.	Loans and borrowings - associates		
B.III.5.	Other non-current securities and investments		
B.III.6.	Loans and borrowings - other		
B.III.7.	Other non-current financial assets		
B.III.7.1.	Sundry non-current financial assets		
B.III.7.2.	Prepayments for non-current financial assets		
<b>C.</b>	<b>Current assets</b>	<b>267 204</b>	<b>172 402</b>
<i>C.I.</i>	<i>Inventories</i>	<i>74 441</i>	<i>35 980</i>
C.I.1.	Material	67 708	35 840
C.I.2.	Work in progress and semifinished goods		
C.I.3.	Products and goods		
C.I.3.1.	Products		
C.I.3.2.	Goods		
C.I.4.	Young and other animals and their groups		
C.I.5.	Prepayments for inventories	6 733	140
<i>C.II.</i>	<i>Receivables</i>	<i>96 196</i>	<i>58 526</i>
C.II.1.	Long-term receivables	4 017	294
C.II.1.1.	Trade receivables		48
C.II.1.2.	Receivables - controlled or controlling entity		
C.II.1.3.	Receivables - associates		
C.II.1.4.	Deferred tax asset		
C.II.1.5.	Receivables - other	4 017	246
C.II.1.5.1.	Receivables from partners		
C.II.1.5.2.	Long-term prepayments made	4 017	246
C.II.1.5.3.	Estimated receivables		
C.II.1.5.4.	Sundry receivables		
<i>C.II.2.</i>	<i>Short-term receivables</i>	<i>92 179</i>	<i>58 232</i>
C.II.2.1.	Trade receivables	44 891	19 885
C.II.2.2.	Receivables - controlled or controlling entity		



C.II.2.3.	Receivables - associates		
C.II.2.4.	<i>Receivables - other</i>	<b>47 288</b>	<b>38 346</b>
C.II.2.4.1.	Receivables from partners		
C.II.2.4.2.	Social security and health insurance contributions		
C.II.2.4.3.	State - tax receivables	10 604	8 656
C.II.2.4.4.	Short-term prepayments made	33 693	10 385
C.II.2.4.5.	Estimated receivables	960	11 633
C.II.2.4.6.	Sundry receivables	2 031	7 672
<b>C.III.</b>	<b>Current financial assets</b>		
C.III.1.	Investments - controlled or controlling entity		
C.III.2.	Other current financial assets		
<b>C.IV.</b>	<b>Cash</b>	<b>96 567</b>	<b>77 896</b>
C.IV.1.	Cash on hand	997	225
C.IV.2.	Cash at bank	95 570	77 671
<b>D.</b>	<b>Other assets</b>	<b>105 502</b>	<b>142 032</b>
D.1.	Deferred expenses	102 459	138 178
D.2.	Complex deferred expenses		
D.3.	Accrued income	3 043	3 854



		31.12.2023	31.12.2022
	<b>CONSOLIDATED TOTAL LIABILITIES &amp; EQUITY</b>	<b>494 321</b>	<b>431 178</b>
<b>A.</b>	<b>Equity</b>	<b>184 058</b>	<b>180 151</b>
<i>A.I.</i>	<i>Share capital</i>	<b>270 566</b>	<b>270 566</b>
A.I.1.	Share capital	270 566	270 566
<i>A.II.</i>	<i>Share premium and capital funds</i>	<b>1 029 151</b>	<b>1 029 151</b>
A.II.1.	Share premium	66 162	66 162
A.II.2.	<i>Capital funds</i>	<b>962 989</b>	<b>962 989</b>
A.II.2.1.	Other capital funds	962 989	962 989
A.II.2.6.	Consolidation reserve fund		
<i>A.III.</i>	<i>Funds from profit</i>	<b>12</b>	<b>11</b>
A.III.1.	Other reserve funds	12	11
<i>A.IV.</i>	<i>Retained earnings (+/-)</i>	<b>-1 119 758</b>	<b>-1 116 506</b>
A.IV.1.	Accumulated profits or losses brought forward (+/-)	-1 106 964	-1 103 712
A.IV.2.	Minority interest in profit or loss of prior years (+/-)		
A.IV.3.	Other profit or loss from prior years (+/-)	-12 794	-12 794
<i>A.V.</i>	<i>Consolidated profit or loss for the current period (+/-)</i>	<b>4 087</b>	<b>-3 071</b>
A.V.1.	Consolidated profit or loss for the current period attributable to the parent company's shareholders (+/-)	4 087	-3 071
A.V.2.	Minority interest in profit or loss for the current period (+/-)		
<i>A.VI.</i>	<i>Interest in profit under the equity method (+/-)</i>		
A.VI.1.	Interest in profit or loss for the current period under the equity method attributable to the parent company's shareholders (+/-)		
A.VI.2.	Minority interest in profit or loss under the equity method (+/-)		
<i>A.VIII.</i>	<i>Other minority equity</i>		
A.VIII.1.	Minority interest in share capital		
A.VIII.2.	Minority interest in other capital funds		
<b>B.+C.</b>	<b>Liabilities</b>	<b>285 206</b>	<b>234 469</b>
<b>B.</b>	<b>Reserves</b>	<b>63 211</b>	<b>91 118</b>
B.IV.	Other reserves	63 211	91 118
<b>C.</b>	<b>Payables</b>	<b>221 995</b>	<b>143 351</b>
<i>C.I.</i>	<i>Long-term payables</i>	<b>74 273</b>	<b>864</b>
C.I.2.	Payables to credit institutions		
C.I.3.	Long-term prepayments received		
C.I.6.	Payables - controlled or controlling entity	74 175	
C.I.9.	<i>Payables - other</i>	<b>98</b>	<b>864</b>
C.I.9.3.	Sundry payables	98	864
<i>C.II.</i>	<i>Short-term payables</i>	<b>147 722</b>	<b>142 487</b>
C.II.2.	Payables to credit institutions		35 000
C.II.3.	Short-term prepayments received	50 149	32 413
C.II.4.	Trade payables	72 446	56 231
C.II.6.	Payables - controlled or controlling entity		
<i>C.II.8.</i>	<i>Other payables</i>	<b>25 127</b>	<b>18 843</b>
C.II.8.2.	Short-term financial borrowings		
C.II.8.3.	Payables to employees	11 291	7 752
C.II.8.4.	Social security and health insurance payables	5 813	3 945
C.II.8.5.	State - tax payables and subsidies	5 092	3 993
C.II.8.6.	Estimated payables	1 880	618
C.II.8.7.	Sundry payables	1 051	2 535
<b>D.</b>	<b>Other liabilities</b>	<b>25 057</b>	<b>16 558</b>
D.1.	Accrued expenses	11 095	6 289
D.2.	Deferred income	13 962	10 269



**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
structured by the nature of expense method

Leo Express Global a.s.  
Corporate ID 290 16 002

Year ended  
31.12.2023  
(in CZK thousand)

Řehořova 908/4, Žižkov  
130 00 Praha 3

		Year ended 31.12.2023	Year ended 31.12.2022
I.	Sales of products and services	505 935	432 797
II.	Sales of goods		
A.	Purchased consumables and services	<b>394 641</b>	<b>379 978</b>
A.1.	Costs of goods sold		
A.2.	Consumed material and energy	125 358	113 788
A.3.	Services	269 283	266 190
D.	Staff costs	<b>167 985</b>	<b>133 870</b>
D.1.	Payroll costs	127 045	101 356
D.2.	Social security and health insurance costs and other charges	<b>40 940</b>	<b>32 514</b>
D.2.1.	Social security and health insurance costs	40 320	32 428
D.2.2.	Other charges	620	86
E.	Adjustments to values in operating activities	<b>27 671</b>	<b>-58 835</b>
E.1.	Adjustments to values of intangible and tangible fixed assets	<b>28 454</b>	<b>-1 852</b>
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	30 471	27 860
E.1.2.	Adjustments to values of intangible and tangible fixed assets - temporary	-2 017	-29 712
E.3.	Adjustments to values of receivables	-783	-56 983
III.	Other operating income	<b>90 968</b>	<b>88 362</b>
III.1.	Sales of fixed assets		
III.2.	Sales of material		
III.3.	Sundry operating income	90 968	88 362
F.	Other operating expenses	<b>-4 377</b>	<b>63 014</b>
F.1.	Net book value of sold fixed assets		4 438
F.3.	Taxes and charges	328	398
F.4.	Reserves relating to operating activities and complex deferred expenses	-27 910	-21 248
F.5.	Sundry operating expenses	23 205	79 426
*	<b>Operating profit or loss (+/-)</b>	<b>10 983</b>	<b>3 132</b>
IV.	Income from non-current financial assets - equity investments		
IV.1.	Income from equity investments - controlled or controlling entity		
G.	Costs of equity investments sold		
VI.	Interest income and similar income	<b>1 936</b>	<b>1 655</b>
VI.2.	Other interest income and similar income	1 936	1 655
J.	Interest expenses and similar expenses	<b>4 494</b>	<b>3 541</b>
J.1.	Interest expenses and similar expenses - controlled or controlling entity		
J.2.	Other interest expenses and similar expenses	4 494	3 541
VII.	Other financial income	3 893	3 195
K.	Other financial expenses	8 144	7 483
*	<b>Financial profit or loss (+/-)</b>	<b>-6 809</b>	<b>-6 174</b>
**	<b>Profit or loss before tax (+/-)</b>	<b>4 174</b>	<b>-3 042</b>
L.	Income tax	<b>87</b>	<b>29</b>
L.1.	Due income tax	87	29
L.2.	Deferred income tax (+/-)		
**	<b>Profit or loss net of tax (+/-)</b>	<b>4 087</b>	<b>-3 071</b>
***	<b>Consolidated profit or loss for the current period (+/-)</b>	<b>4 087</b>	<b>-3 071</b>
*	Net consolidated turnover for the current period	<b>602 733</b>	<b>526 009</b>
	Profit or loss for the current period (+/-) attributable to shareholders of the parent company	4 087	-3 071
	Minority interest in profit or loss for the current period (+/-)		
****	<b>Interest in profit or loss under the equity method</b>		
	Profit or loss for the current period (+/-) attributable to shareholders of the parent company		
	Minority interest in profit or loss for the current period (+/-)		





## Independent Auditor's Report

# Leo Express Global a.s.

Accounting period  
from 1.1.2023 to 31.12.2023

### Identification of the Accounting Unit

Company: **Leo Express Global a.s.**  
Identification No.: 29 01 60 02  
Registered Office: Řehořova 908/4, Žižkov, 130 00 Praha 3  
Legal Form: Joint Stock Company  
File Number: B 15847, Trade Register Court Prague

#### TPA Audit s.r.o.

140 00 Praha 4, Antala Staška 2027/79  
Tel.: +420 222 826 311, E-mail: [audit@tpa-group.cz](mailto:audit@tpa-group.cz), [www.tpa-group.cz](http://www.tpa-group.cz)  
Pobočky: 746 01 Opava, Veleslavínova 240/8, Tel.: +420 553 622 565  
IČO: 60203480, Městský soud v Praze, spisová zn. C.25463  
Číslo oprávnění 80 Komory auditorů ČR

Albánie | Bulharsko | Černá Hora | Česká republika | Chorvatsko | Maďarsko  
Polsko | Rakousko | Rumunsko | Slovensko | Slovinsko | Srbsko



**The auditor's report is determined for shareholders of the company**

**Auditor's Opinion**

We have audited the accompanying the consolidated financial statements of the company Leo Express Global a.s. and its subsidiaries (the Group) prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise of the consolidated balance sheet as at 31.12.2023, and the consolidated income statement, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Company Leo Express Global a.s. see Note to the consolidated financial statements.

**In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31.12.2023, and of its consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in the Czech Republic.**

**Basis for Opinion**

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic 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.

**Other Information**

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the consolidated financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information. In connection with our audit of consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in consolidated financial statements is, in all material respects, consistent with consolidated financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Group obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.



## **Responsibility of Board of Directors and Supervisory Board for the consolidated financial statements**

The statutory representative is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as statutory body determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's Responsibility for the Audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of consolidated financial statements, including the disclosures, and whether represent the underlying transactions and events in a manner that achieves fair presentation.

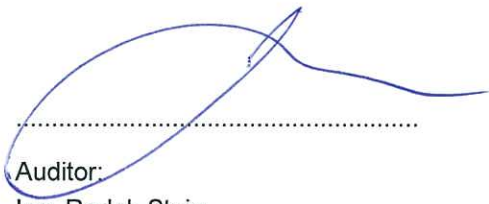
Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.





We communicate with the board of Directors and Supervisory Board 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.

In Prague, on 24.5.2024



A handwritten signature in blue ink, consisting of a large loop followed by a horizontal line and a short tail.

Auditor:

Ing. Radek Stein

Certificate No. 2193 KAČR



TPA Audit s.r.o.

Antala Staška 2027/79, Praha 4

Certificate No. 080 KAČR