



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

ANNUAL REPORT 2023

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1. GENERAL INFORMATION

1.1. Primary Business Activities and Ownership Structure

The Company has been principally engaged in providing railway and bus passenger transport. The Group started operating railway passenger trains on the route Prague-Ostrava in November 2012. In November 2014 the Group started operating passenger bus transport, which is currently operated in three European countries – the Czech Republic, Slovakia and Ukraine. Since December 2014, the Group has also operated railway transportation in Slovakia and since July 2018 in Poland.

Leo Express Global a.s. is the umbrella company of the whole group (subsidiaries). The Company provides services in finance, administration, sales & marketing, IT, legal and PR/PA.

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

On January 23, 2023, the role of member of Board of Directors of Mgr. Zdeňek Beránek ceased to exist.

On January 24, 2023, Heinz Grossmann became a member of Board of Directors.

On January 23, 2023, Manuel Geyer became a member of the Supervisory Board.

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

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

1.4. Group Identification

The Company is part of the Leo Express Group. The consolidated financial statements are prepared by Leo Express Global a.s., with its registered office at Řehořova 908/4, Prague 3, Czech Republic, and the consolidated financial statements may be found at www.le.cz.

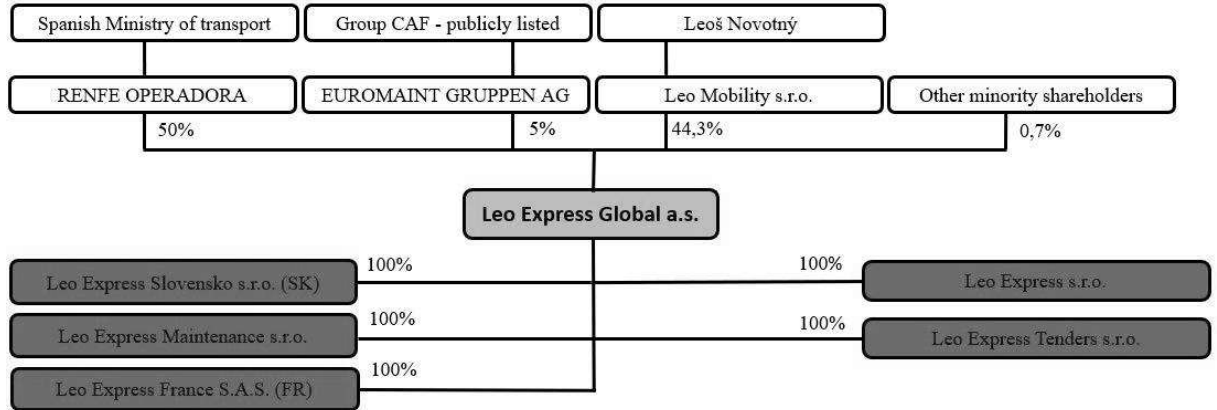
2. REPORT ON RELATED PARTY TRANSACTIONS FOR 2023

In accordance with Section 82 of Act No. 90/2012 Coll., on Business Corporations, the Board of Directors of Leo Express Global a.s. prepared a report on relations between Leo Express Global a.s., with its registered office at Řehořova 908/4, 130 00 Praha 3 - Žižkov (the "Company") as the controlled entity and other controlling entities and other entities controlled by the same entity (hereinafter referred to as "Related Parties") for the year ended 31 December 2023.

2.1. Parties forming a business group – structure of relationship

All companies belonging to a group controlled by the same controlling persons are connected persons.

The direct ownership structure as at December 31st, 2023 was as follows:



The share in Leo Express s.r.o. is pledged in favour of Raiffeisen - Leasing, s.r.o., with registered office in Prague 4, Hvězdova 1716/2b, ID No.: 614 67 863, registered in the Commercial Register maintained by the Municipal Court in Prague, C / 29553, established on the basis of the Agreement on the Establishment of a Pledge on the Share No. 7008005192, concluded between Leo Express Global a.s., ID No.: 290 16 002 as pledgee and the Pledge Creditor on 21 August 2019.

2.2. The role of the Controlled Entity, the manner and means of controlling

The role of the Company is to provide selected services for the whole group (HR, compliance, consulting services, IT).

2.3. Overview of mutual agreements between the Controlled Entity and the Controlling Entity or related parties

During the year 2023, the following agreements concluded with the Controlling Entity or related parties were effective:

Related party	Category	Contract
Leo Express Tenders s.r.o.	Subsidiary	Agreement on the lease of business premises
Leo Express Maintenance s.r.o.	Subsidiary	Service contract
Leo Express Tenders s.r.o.	Subsidiary	Service contract
Leo Express Tenders s.r.o.	Subsidiary	Agreement on the sublease of trains
Leo Express Slovensko s.r.o.	Subsidiary	Agreement on rebilling of costs
Leo Express s.r.o.	Subsidiary	Service contract
Leo Express s.r.o.	Subsidiary	Agreement on the sublease of trains

Trade relations during 2023 were governed under the terms of the contracts signed or single orders. Contracts concluded in 2023 were entered into in line with the provisions

of the Business Corporations Act. Detailed contractual conditions are subject to business secrecy pursuant to Section 504 of the New Civil Code.

Information and events that are part of the trade secret of the Controlling Entity, Company or Related parties are considered confidential information as well as information, which is considered to be a trade secret by any person related to the Group. Also, any information on trade relations which singly or in connection with other information could cause harm to any person within the Group should be considered confidential.

For the reasons outlined above this report does not include:

- Information about projects which may lead to the acquisition of the share in selected companies, and in which the Controlled Entity was the party preparing the acquisition; and

Information on the business and pricing conditions of the contracts:

- Performance and consideration under the above-mentioned contracts are provided at prices and terms customary in business to any other party.

2.4. Other legal acts and measures initiated by or at the interest of related parties and assessment of detriment suffered by the controlled entity

As part of the comparability of statements, revenues from the Pardubice Region for services under the contract were reclassified from the line of other operating revenues to the line of revenue from the sale of products and services.

During the fiscal period, there were no actions taken by the Company in the interest of the Controlling Entity or other related parties except for general actions taken by the Controlling Entity in relation to the Company as a majority shareholder of the Company.

During the fiscal period, no damage from the abovementioned agreements, compensations, other legal acts and measures was caused to the Company.

Transactions with related parties are disclosed in the notes to the financial statements.

2.5. Advantages, disadvantages and risks arising from the relationship between the persons according to paragraph 1

In general, the relations between related parties are advantageous. The most important advantage is the possibility of obtaining funds for financing.

2.6. This report was prepared on 31 March 2024.

This report is presented to the auditor who audited the financial statements. Given that the Company is preparing an annual report, this report will be attached to the annual report and as such kept in the collection of documents in the Register of Companies held by the Municipal Court in Prague.

3. OTHER

3.1. Research and Development

The Company 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 Company also invests in new train units for commercial and public service operation.

3.2. Environmental Protection

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

3.3. Human Resources

The Company bases its success and growth on 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.

3.4. Organisational Branch Abroad

The Company has no organisational branch abroad.

3.5. Anticipated Development

The Company 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 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.

3.6. Acquisition of Treasury Shares

As at the balance sheet date, the Company does not hold any treasury shares.

3.7. Post Balance Sheet Date Events

There were no events between the balance sheet date and the date of the financial statements whose impact was not recognised in the financial statements.

In Prague on 22 May 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.

4. REPORT OF THE BOARD OF DIRECTORS 2023

Dear Friends, Customers, Investors and Partners of Leo Express Global a.s.,

for Leo Express Global a.s. and its group companies, financial year 2023 was a pivotal year with the expansion into new PSO services in Slovakia and record revenues in the existing network.

From December 2023, Leo Express has commenced commuter and regional train services in the Danube region around Bratislava in a 9-year contract with the Slovak Ministry of Transport. Leo Express has replaced a service previously operated by ZSSK and ÖBB, increasing the frequency of services by around 60% and improving quality across all major KPIs by introducing new low-platform, fully air-conditioned and PRM toilet equipped modern Alstom Lint DMUs and providing services from daily newspapers, a children's department to stable WiFi connections. With 1,7mil trainkms, Leo Express has become a leading alternative operator in the Slovak market. The company is also testing a limited catering programme on this and other regional PSO services.

On the existing network in Czech, Slovakia and Poland, Leo Express has greatly improved its efficiency across the network, shortening transport times, improving its online and up to date customer services. In terms of safety, we are pleased to inform that 2023 was without any major accidents or other service failures. In terms of delays, Leo Express is leading statistics with less than [1%] caused by the company.

Leo Express also remains committed to its environmental programme, continuing with its programmes for CO2 compensation or planting trees. Also, ensuring recycling throughout its services and reducing the need for packaging materials.

Going forward, Leo Express is committed to its core values: safety, sustainability and customer oriented services. The company has started working with artificial intelligence in marketing services and is looking for areas to implement new technologies.

In terms of its employees, Leo Express is taking great care to ensure their future development through introducing new training and educational opportunities as well as improving employer benefits.


From a financial point of view, Leo Express Group has reached revenues of CZK 603 mil and an EBITDAR before business development of over CZK 150 mil.

On behalf of the entire Leo Express team, we would like to thank you for your continued support. We are looking forward to growing together Leo Express and becoming a leading alternative railway passenger company in Europe.

In Prague on 22 May 2024



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



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



Peter Köhler
CEO
of Leo Express Global a.s.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

(Translation of Financial Statements Originally Issued in Czech)

1. ACCOUNTING PRINCIPLES AND POLICIES

The Company's accounting books and records are kept and the 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 kept 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 financial statements have been prepared as of the balance sheet date of 31 December 2023, for the year ended 31 December 2023.

The financial statements were prepared on 30 April 2024.

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

1.1. Going Concern Assumption

At the end of 2023, the Leo Express Group successfully launched the operation of the obligatory train service on the line Bratislava - Dunajská Streda - Komárno. The group will, through the company Leo Express Slovensko s.r.o. to operate this line for the Ministry of Transport and Construction of the Slovak Republic for 9 years.

With this contract, the size of the group almost doubled year-on-year, and at the same time, the number of recipients of central services that Leo Express Global a.s. to the group provides.

The company continues to provide its services to other companies in the Leo Express group, or to increase them thanks to the expansion of current projects and the launch of new ones. Management anticipates that the Company will be paid receivables from subsidiaries after they obtain their own bank financing during 2024. The company further expects that from financial year 2025 onwards, the company will have a regular dividend income from the successful projects of the subsidiaries. The management assumes that with these steps the Company will secure sufficient resources also for financing business development activities. For this reason, the company has prepared individual financial statements for the year 2023 with the going concern assumption.

1.2. Activities of the Company

Leo Express Global a.s. is an umbrella company for the whole group (subsidiaries). It provides legal, financial, administrative, marketing, IT and other services to its subsidiaries.

1.3. 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 to 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 (straight line, accelerated, machine-hour-rate)	Number of years/ %
Buildings	Straight-line	50 years
Machinery and equipment	Straight-line	2-20 years

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.

1.4. 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 (straight line, accelerated, machine-hour-rate)	Number of years/%
Software	Straight-line	3
Other intangible fixed assets	Straight-line	3 - 6 years

1.5. Non-Current Financial Assets

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

Securities are carried at cost. Upon acquisition equity investments are carried at cost and subsequently revalued using the equity method. The cost of securities includes the direct costs of acquisition, such as fees and commissions paid to brokers, advisors and stock exchanges.

At the date of acquisition of the securities and equity investments, the Company categorises these non-current financial assets based on their underlying characteristics as equity investments - subsidiary (controlled entity) and equity investments in associates or debt securities held to maturity, or securities and equity investments available for sale.

Investments in enterprises in which the Company is able to govern their financial and operating policies so as to obtain benefits from their operations are treated as 'Equity investment - subsidiary (controlled entity)'.

Investments in enterprises in which the Company is in a position to exercise significant influence over their financial and operating policies so as to obtain benefits from their operations are treated as 'Equity investments in associates.'

At the balance sheet date, the Company records:

- Equity investments in subsidiaries and associates at the value established using the equity method of accounting. The equity investment recognised at cost on acquisition is revalued at the balance sheet date to reflect the value equivalent to the Company's proportion of a subsidiary/associate's equity.

1.6. 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.

Impairment

Allowances against receivables are recognised if there is a legitimate reason for their irrecoverability.

1.7. Payables

Payables are stated at their nominal value.

1.8. Loans

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

1.9. 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 Company recognises a reserve for unused vacation days, which is created based on an analysis of unused vacation days transferred to subsequent years, and a reserve for legal disputes, which is created based on an analysis of future expenses in relation to legal disputes.

1.10. Foreign Currency Translation

Transactions denominated in foreign currencies during the year are translated using the exchange rate of the Czech National Bank prevailing on the date of the transaction.

At the balance sheet date, the relevant assets and liabilities are translated at the Czech National Bank's exchange rate prevailing as of that date.

1.11. Finance Leases

Operating lease payments are charged to expense. Future payments for the operating lease of Alstom LINT train units amount to CZK 210,390 thousand.

1.12. Taxation

1.12.1. Current Tax Payable

Management of the Company would recognise a tax payable and a tax charge in case of obligation based on its tax calculation which follows from its understanding of the interpretation of Czech tax legislation valid at the 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 financial statements may change based on the ultimate opinion of the tax authorities.

1.12.2. Deferred Tax

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

The carrying amount of deferred tax assets is reviewed at the 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.

1.13. Impairment

At each balance sheet date, the Company 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 Company 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.

1.14. 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.

1.15. 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.

1.16. Use of Estimates

The presentation of 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 Company 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.

1.17. Cash Flow Statement

The cash flow statement is prepared using the indirect method. 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 December 2023
	31 December 2022

Cash on hand and cash in transit	0	0
Cash at bank	7,617	17,509
Overdraft balances of current accounts included in current bank loans	0	0
Cash equivalents included in current financial assets	0	0
Total cash and cash equivalents	17,509	17,509

Cash flows from operating, investment and financial activities presented in the cash flow statement are not offset.

1.18. Changes in Accounting Policies

In the year ended 31 December 2023, the Company made no changes in accounting policies.

2. ADDITIONAL INFORMATION

2.1. Intangible Fixed Assets (Intangible FA)

Cost

	(CZK '000)				
	Opening balance	Additions	Disposals	Transfers	Closing balance
Research and development	0	0	0	0	0
Valuable rights/software	13,435	0	840	0	14,275
Goodwill	0	0	0	0	0
Other intangible FA	1,056	0	0	0	1,056
Prepayments for intangible FA	0	0	0	0	0
Intangible FA in progress	0	0	1644	0	1,644
Total in 2023	14,491	2,484	0	0	16,975
Total in 2022	14,711	0	(220)	0	14,491

Provisions and Accumulated Amortisation

	(CZK '000)				
	Opening balance	Additions	Disposals		Closing balance
Research and development	0	0	0	0	0
Valuable rights/software	13,311	70	0	0	13,381
Goodwill	0	0	0	0	0
Other intangible FA	894	142	0	0	1,036
Prepayments for intangible FA	0	0	0	0	0
Intangible FA in progress	0	0	0	0	0
Total in 2023	14,205	212	0	0	14,417
Total in 2022	13,934	491	(220)	(220)	14,205

2.2. Tangible Fixed Assets (Tangible FA)

Cost

	(CZK '000)				
	Opening balance	Additions	Disposals	Transfers	Closing balance
Land	0	0	0	0	0
Buildings	482	0	0	0	482
Individual tangible movable assets and sets	1,784	0	0	0	1,784
Other tangible FA	0	0	0	0	0
Prepayments for tangible FA	27,339	0	(27,339)	0	0
Tangible FA in progress	0	0	0	0	0
Total in 2023	29,605	0	(27,339)	0	2,266
Total in 2022	34,136	0	(4,531)	0	29,605

Provisions and Accumulated Depreciation

	(CZK '000)				
	Opening balance	Additions	Disposals		Closing balance
Land	0	0	0	0	0
Buildings	79	9	0	0	88
Individual tangible movable assets and their sets	1,784	0	0	0	1,784
Other tangible FA	0	0	0	0	0
Prepayments for tangible FA	2,018	0	(2,018)	0	0
Tangible FA in progress	0	0	0	0	0
Total in 2023	3,881	9	(2,018)	(2,018)	1,872
Total in 2022	33,498	2,253	(31,870)	(31,870)	3,881

In 2023, the valuation allowance was dissolved in the amount of CZK 2,018 thousand of the advance paid in the amount of CZK 27,339 thousand. This advance was repaid in 2023.

2.3. Non-Current Financial Assets

2.3.1. Equity Investments – Controlled Entity

2023

							(CZK '000)
Company name	Registered office	Ownership %	Share capital	Equity	Profit/loss	Net book value	
Leo Express Tenders s.r.o.	Řehořova 908/4, Praha 3 - Žižkov, 130 00	100 %	200	29,339	18,690	29,339	
Leo Express Slovensko s.r.o.	Pražská 3222/11, 811 04 Bratislava - mestská část Staré Mesto	100 %	124	(36,107)	(36,423)	0	
Leo Express France S.A.S	320 rue Saint-Honoré 75001 Paris	100 %	247	167	(80)	167	
Leo Express s.r.o.	Řehořova 908/4, Praha 3 - Žižkov, 130 00	100 %	100	557,903	(9,078)	557,903	
Leo Express Maintenance s.r.o.	Řehořova 908/4, Praha 3 - Žižkov, 130 00	100 %	1	248	232	248	

2022

							(CZK '000)
Company name	Registered office	Ownership %	Share capital	Equity	Profit/loss	Net book value	
Leo Express Tenders s.r.o.	Řehořova 908/4, Praha 3 - Žižkov, 130 00	100 %	200	10,649	(3,412)	10,649	
Leo Express Slovensko s.r.o.	Wolkrova 37, Bratislava-Petržalka 851 01	100 %	121	308	10	308	
Leo Express France S.A.S	320 rue Saint-Honoré 75001 Paris	100 %	241	241	0	241	
Leo Express s.r.o.	Řehořova 908/4, Praha 3 - Žižkov, 130 00	100 %	100	536,581	(60,313)	536,581	
Leo Express Maintenance s.r.o.	Řehořova 908/4, Praha 3 - Žižkov, 130 00	100 %	1	16	15	16	

2.4. Short-Term Receivables

Overdue receivables as at 31 December 2023 amounted to CZK 17,299 thousand (as of 31 December 2022: CZK 3,154 thousand).

Aging of trade receivables

									(CZK '000)	
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			
2023	Gross	11,640	17,286	0	13	0	0	17,299	28,939	
	Allowances	0	0	0	0	0	0	0	0	
	Net	11,640	17,286	0	13	0	0	17,299	28,939	
2022	Gross	4,573	2,424	0	0	0	730	3,154	7,727	
	Allowances	0	0	0	0	0	649	649	649	
	Net	4,573	2,424	0	0	0	81	2,505	7,078	

Allowances movements can be analysed as follows:

	(CZK '000)	
	2023	2022
Opening balance at 1 January	649	25,476
Allowances created	0	649
Allowances released	(649)	(25,476)
Closing balance at 31 December	0	649

2.4.1. Short-Term Intercompany Receivables

Short-term trade receivables

Company name	(CZK '000)	
	Balance at 31 December 2023	Balance at 31 December 2022
Leo Express s.r.o.	121	2,655
Leo Express France	74	0
Leo Express Maintenance s.r.o.	0	828
Leo Express Slovensko s.r.o.	10,642	0
Leo Express Tenders s.r.o.	0	3,479
Total short-term intercompany receivables	10,837	6,962
<i>Other than intercompany receivables</i>	18,102	765
Total short-term receivables	28,939	7,727

2.5. Accrued expenses

Accrued expenses in the amount of 3,866 thousand CZK (440 thousand CZK as of 31.12.2022) are mainly made up of accrued costs related to the rental and maintenance of units from Beacon Rail Finance S.a r.l..

2.6. Equity

The Company's equity includes share capital, 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.

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

2.7. Movements in Equity

During 2023, the changes in equity were as follows:

Transfer of the result of the accounting period 2022 in the amount of 22,047 thousand CZK to the account of unpaid losses of previous years (123,670 thousand CZK in 2021).

2.8. Distribution of Profit or Settlement of Loss

The profit for the year 2023 amounting to CZK 7,836 thousand will be transferred to the account of unpaid losses of previous years.

2.9. Gains and Losses from the Revaluation of Assets and Liabilities

Movements on the 'Gains and losses from the revaluation of assets and liabilities' account:

	(CZK '000)
Balance at 1 Jan 2023	(224,332)
Change in valuation of equity participation	9,461
Balance at 31 Dec 2023	(214,871)

2.10. Provisions

Other provisions

	(CZK '000)	
	Balance at	Balance at
	31 December 2023	31 December 2022
Other provisions (provision for unused vacation days)	1,981	1,498
Other provisions (legal disputes)	19,112	26,530
Total other provisions	21,093	28,028

The item of other provisions consists of a provision for the litigation with SRI Rail Invest GmbH. The amount of the provision was updated in 2023 according to the development of the litigation.

2.10.1. Collateralised or Otherwise Secured Long-Term Payables

The company has no long-term liabilities covered by a lien.

2.10.2. Short-Term Payables

Overdue payables as at 31 December 2023 amount to CZK 15,446 thousand (as at 31 December 2022: CZK 1,086 thousand).

Short-Term Intercompany Payables

Short-Term Trade Payables

	(CZK '000)	
Company name	Balance at	Balance at
	31 December 2023	31 December 2022
Leo Express s.r.o.	392	310
Leo Express Maintenance s.r.o.	12	12
Leo Express Tenders, s.r.o.	5,835	0
Other companies belong to the Group	0	0
Total short-term intercompany payables	6,239	322
<i>Other than intercompany payables</i>	17,030	5,002
Total short-term payables	23,269	5,324

2.11. Deferred Income Taxation

Leo Express Global a.s. records a deferred tax asset but does not account for it because of prudence principle.

2.12. Income from Ordinary Activities

(CZK '000)

	Year ended			Year ended		
	31 December 2023			31 December 2022		
	In- country	Cross- border	Total	In- country	Cross- border	Total
Advertising	0	0	0	0	0	0
Lease of trains	0	0	0	0	0	0
Service services	38,054	0	38,054	28,250	0	28,250
Revenues from other services	45	0	45	7	0	7
Total sales of own products and services	38,099	0	38,099	28,257	0	28,257

2.13. Consumed Purchases

(CZK '000)

	Year ended	Year ended
	31 December 2023	31 December 2022
Consumed material	1,204	247
Consumed energy	307	319
Consumption of other non-storable supplies	0	0
Total consumed purchases	1,511	566

2.14. Services

(CZK '000)

	Year ended	Year ended
	31 December 2023	31 December 2022
Repairs and maintenance	189	379
Travel expenses	230	98
Representation costs	80	23
Telephone and data services	3,421	2,501
Low value intangible assets put to use	0	0
Rental	1,623	1,318
Leases	280	246
Total other services	15,686	8,584
Fee for the use of infrastructure	4	2
Coach lines	0	0
Marketing	1,185	1,389
Interior and exterior cleaning	62	69
Advisory	9,626	2,972
Catering	0	0
Other services	4,809	4,152
Total	21,509	13,149

2.15. Employees, Management and Statutory Bodies

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

	2023	2022
Managers	9	7
Other employees	17	15
Total	26	22

Total payroll costs in the year ended 31 December 2023 amounted CZK 27,323 thousand (2022: CZK 20,925 thousand).

2.16. Other Operating Income and Expenses

2.16.1. Sundry Operating Income

	(CZK '000)	
	Year ended 31 December 2023	Year ended 31 December 2022
Contractual penalties and default interest	9	10,955
Insurance income	11	459
Revenues from subleasing of trains	39,481	0
Other operating income	5,906	2,907
Total	45,407	14,321

2.16.2. Sundry Operating Expenses

	(CZK '000)	
	Year ended 31 December 2023	Year ended 31 December 2022
Contractual penalties and interests	85	9
Other fines and penalties	15	2
Receivable write-off	793	44 534
Insurance	336	580
Leasing of trains	37 853	2 806
Other operating expense	1 283	4 932
Celkem	40 365	52 863

In 2023, the company wrote off older bad receivables that were not collectible amounting CZK 793 thousand, for which allowance had already been made (CZK 44,534 thousand in 2022).

2.16.3. Other Interest Income and Similar Income

	(CZK '000)	
	Year ended 31 December 2023	Year ended 31 December 2022
Interest on intercompany loans	110	0
Interest on current bank accounts	282	622
Total	392	622

2.17. Interest Expenses and Similar Expenses

	(CZK '000)	
	Year ended 31 December 2023	Year ended 31 December 2022
Interest expenses with related parties	18	0
Other interest expenses	0	0
Total	18	0

2.18. Other Financial Income

	(CZK '000)	
	Year ended 31 December 2023	Year ended 31 December 2022
Foreign exchange rate gains	1,380	906
Total	1,380	906

2.19. Other Financial Expenses

	(CZK '000)	
	Year ended 31 December 2023	Year ended 31 December 2022
Foreign exchange rate losses	3,574	1,728
Banking fees	39	32
Total	3,613	1,760

2.20. Fee to the Auditors

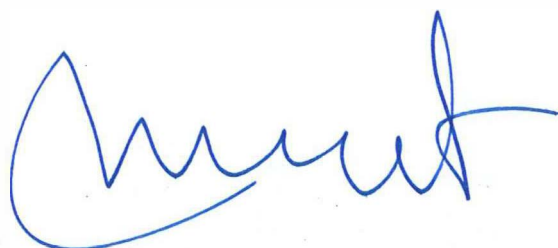
The fee paid to TPA Audit s.r.o. for the obligatory audit of the annual financial statements for the year ended 31 December 2023 amounted to CZK 245 thousand.

2.21. Post Balance Sheet Events

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

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

In Prague on 22 May 2024



Manuel Villalante Llauro

Chairman of the Board of Directors of
Leo Express Global a.s



Martin Bala

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

3. FINANCIAL STATEMENTS

Financial statements

from 1.1.2023 to 31.12.2023

Leo Express Global



DATE: 4.4.2024

A handwritten signature in blue ink, consisting of a large, stylized initial 'M' followed by a surname that appears to be 'Villalante'.

Statutory body

Manuel Villalante Llauradó

Martin Bala

Leo Express Global

BALANCE SHEET

Reg.No: 29016002
130 00 Praha 3, Řehořova 908/4

as at 31.12.2023
in Tsd. CZK

ROW	CURRENT PERIOD			PREVIOUS PERIOD
	GROSS	ADJUSTMENTS	NET	NET
TOTAL ASSETS	648 449	-16 289	632 160	601 450
B. Non-current assets	606 897	-16 289	590 608	573 805
I. Intangible assets	16 975	-14 417	2 558	286
2 Valuable rights	14 275	-13 381	894	124
1 Software	14 275	-13 381	894	124
4 Other intangible assets	1 056	-1 036	20	162
5 Advance payments for intangible assets and intangible assets in progress	1 644	0	1 644	0
2 Intangible assets in progress	1 644	0	1 644	0
II. Tangible assets	2 266	-1 872	394	25 724
1 Lands and buildings, halls and structures	482	-88	394	403
2 Buildings, halls and structures	482	-88	394	403
2 Property, plant and equipment	1 784	-1 784	0	0
5 Advance payments for tangible assets and tangible assets in progress	0	0	0	25 321
1 Advance payments for tangible assets	0	0	0	25 321
III. Investments	587 656	0	587 656	547 795
1 Investments - controlling interest	587 656	0	587 656	547 795
C. Current assets	37 686	0	37 686	27 205
II. Receivables	30 069	0	30 069	9 696
2 Current receivables	30 069	0	30 069	9 696
1 Trade receivables	28 939	0	28 939	7 078
4 Receivables - other	1 130	0	1 130	2 618
3 Tax receivables	112	0	112	128
4 Advance payments	1 018	0	1 018	1 007
5 Estimated receivables	0	0	0	1 470
6 Other receivables	0	0	0	13
IV. Cash and Cash equivalents	7 617	0	7 617	17 509
2 Cash at bank	7 617	0	7 617	17 509
D. Accruals and deferrals	3 866	0	3 866	440
1 Deferred expenses	3 866	0	3 866	440



ROW	CURRENT PERIOD	PREVIOUS PERIOD
TOTAL EQUITY and LIABILITIES	632 160	601 450
A. Equity	565 748	564 123
I. Registered capital	270 566	270 566
1 Registered capital	270 566	270 566
II. Share premium and reserves	814 280	804 819
1 Share premium	66 162	66 162
2 Reserves	748 118	738 657
1 Other reserves	962 989	962 989
2 Difference from revaluation of assets and liabilities (+/-)	-214 871	-224 332
IV. Retained earnings (+/-)	-511 262	-533 309
1 Accumulated profits or accumulated losses from previous years (+/-)	-511 262	-533 309
V. Profit / Loss for the current accounting period (+/-)	-7 836	22 047
B. + C. Liabilities	66 411	37 327
B. Provisions	21 093	28 028
4 Other provisions	21 093	28 028
C. Liabilities	45 318	9 299
II. Current liabilities	45 318	9 299
3 Advance payments	7 500	0
4 Trade payables	23 269	5 324
6 Payables to related parties - controlling interest	10 018	0
8 Payables - other	4 531	3 975
3 Payables to employees	1 866	1 507
4 Payables to social security	849	724
5 Tax payables and subsidies	1 528	1 400
6 Estimated payables	222	200
7 Other liabilities	66	144
D. Accruals and deferrals	1	0
1 Accrued expenses	1	0



Reg.No: 29016002

130 00 Praha 3, Řehořova 908/4

from 1.1.2023 to 31.12.2023

in Tsd. CZK

ROW	CURRENT PERIOD	PREVIOUS PERIOD
I. Sales of own products and services	38 099	28 257
A. Production consumed	23 020	13 715
2 Materials and energy	1 511	566
3 Services	21 509	13 149
D. Personnel costs	35 465	27 454
1 Wages and salaries	27 323	20 925
2 Social security and other expenses	8 142	6 529
1 Social security	8 132	6 529
2 Other expenses	10	0
E. Adjustments in operating segment	-2 445	-72 592
1 Adjustments of non-current tangible and intangible assets	-1 796	-28 986
1 Adjustments of non-current tangible and intangible assets - depreciation	222	726
2 Adjustments of non-current tangible and intangible assets - allowance	-2 018	-29 712
3 Adjustments of receivables (allowance)	-649	-43 606
III. Other operating revenues	45 407	14 321
3 Sundry operating revenues	45 407	14 321
F. Other operating expenses	33 443	51 722
3 Taxes and fees from operating activity	13	15
4 Provisions and accruals	-6 935	-1 156
5 Sundry operating expenses	40 365	52 863
* Operating profit/loss (+/-)	-5 977	22 279
VI. Interest revenues and similar revenues	392	622
1 Interest revenues and similar revenues - controlling interest	110	0
2 Other interest revenues and similar revenues	282	622
J. Interest expenses and similar expenses	18	0
1 Interest expenses and similar expenses - controlling interest	18	0
VII. Other financial revenues	1 380	906
K. Other financial expenses	3 613	1 760
* Financial profit/loss (+/-)	-1 859	-232
** Profit/loss before tax (+/-)	-7 836	22 047
** Profit/loss after tax (+/-)	-7 836	22 047
* Net turnover for the accounting period = I.+ II.+ III.+ IV.+ V.+ VI.+ VII.	85 278	44 106



Leo Express Global

Reg.No: 29016002
130 00 Praha 3, Řehořova 908/4

CASH FLOW STATEMENT

from 1.1.2023 to 31.12.2023
in Tsd. CZK

ROW		CURRENT PERIOD	PREVIOUS PERIOD
P.	Cash and cash equivalents at the beginning of the period	17 509	52 990
Z.	Accounting profit or loss before tax	-7 836	22 047
A.1.	Non-cash transactions	-8 961	-25 445
A.1.1.	Depreciation of fixed assets (+) with exception of disposed non-current assets and amortization of revaluation difference on acquired assets and goodwill (+)	222	726
A.1.2.	Change in adjustments to assets and in provisions	-9 602	-74 474
A.1.2.1.	<i>Change in adjustments to assets</i>	-2 667	-73 318
A.1.2.2.	<i>Change in provisions</i>	-6 935	-1 156
A.1.5.	Interest payable (+) with exception of capitalised interest and interest receivable (-)	-374	-622
A.1.5.1.	<i>Interest payable</i>	18	0
A.1.5.2.	<i>Interest receivable</i>	-392	-622
A.1.6.	Other non-monetary transactions	793	48 925
A.*	Net cash flow from operating activities before taxation and changes of working capital	-16 797	-3 398
A.2.	Change of non-monetary items of working capital	12 095	-32 463
A.2.1.	(Increase) / decrease in current receivables (+/-), deferred assets and estimated receivables	-23 943	-3 935
A.2.2.	Increase / (decrease) in current payables (+/-), deferred liabilities and estimated payables	36 038	-28 528
A.**	Net cash flow from operating activities before taxes	-4 702	-35 861
A.3.	Interests paid excluding capitalised interests (-)	-36	0
A.4.	Interest received (+)	392	622
A.***	Net cash flow from operating activity	-4 346	-35 239
B.1.	Purchases of fixed assets	-5 546	-242
B.***	Net cash flow from investment activity	-5 546	-242
C.***	Net cash flow from financial activity	0	0
F.	Net increase or decrease of cash and cash equivalents	-9 892	-35 481
D.	Difference D=P+F-R	0	0
R.	Cash and cash equivalents at the end of the period	7 617	17 509



Leo Express Global

Reg.No: 29016002

130 00 Praha 3, Řehořova 908/4

STATEMENT OF MOVEMENTS IN EQUITY

from 1.1.2023 to 31.12.2023

in Tsd. CZK

	Issued / Registered capital and treasury shares	Share premium	Reserves from business transformatio n, revaluation and	Other reserves	Legal reserves	Other reserves from profit	Accumulated profits/losses	Total
Balance as at 31.12.2021	270 566	66 162	-160 622	962 989	0	0	-533 309	605 786
Transactions with shareholders	0	0	0	0	0	0	22 047	22 047
Profit / Loss - current period							22 047	22 047
Net unrealised gains (losses) total, not recognised in the income statements	0	0	-63 710	0	0	0	0	-63 710
Revaluation of financial investments			-63 710					-63 710
Balance as at 31.12.2022	270 566	66 162	-224 332	962 989	0	0	-511 262	564 123
Transactions with shareholders	0	0	0	0	0	0	-7 836	-7 836
Profit / Loss - current period							-7 836	-7 836
Net unrealised gains (losses) total, not recognised in the income statements	0	0	9 461	0	0	0	0	9 461
Revaluation of financial investments			9 461					9 461
Balance as at 31.12.2023	270 566	66 162	-214 871	962 989	0	0	-519 098	565 748



4. INDEPENDENT AUDITOR'S REPORT



Independent Auditor's Report

Leo Express Global a.s.

Accounting period
from 1.1.2023 to 31.12.2023

Identification of the Company

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, 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 financial statements of the company Leo Express Global a.s. prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise of the balance sheet as of 31.12.2023, and the income statement, statement of changes in equity and statement of cash flows, 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 1 to the financial statements.

In our opinion, the financial statements give a true and fair view of the financial position of the company Leo Express Global a.s. as of 31.12.2023, and of its financial performance and its cash flows 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 Financial Statements section of our report. We are independent of the Company 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.

Emphasis of Matter

We draw attention to Note 1.1 to the financial statements which describes the plans of the Company involving future cash flows from ordinary business. Our opinion is not qualified in respect of this matter.

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 financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 the financial statements is, in all material respects, consistent with the 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 Company 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 Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of Directors is responsible for assessing the Company'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 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 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:

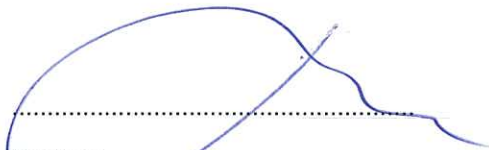
- Identify and assess the risks of material misstatement of financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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 Company'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 board of Directors 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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of financial statements, including the disclosures, and whether financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Leo Express Global a.s.

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



Auditor:

Ing. Radek Stein

Certificate No. 2193 KAČR



TPA Audit s.r.o.

Antala Staška 2027/79, Praha 4

Certificate No. 080 KAČR