



## ANNUAL REPORT 2022

- **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 2022

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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 February 4, 2022, the role of member of Board of directors of Manuel Villalante Llauradó ceased to exist.

On February 4, 2022, Manuel Villante Llauradó became a chairman of Board of directors. On February 7, 2022, Martin Bala became a member in the Board of Directors.

### 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	Mgr. Zdeněk Beránek
	Member	Bc. Martin Bala
Supervisory Board	Member	Diego J. Molero Alonso
	Member	Juan Carlos Jiménez Cordente

### 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](http://www.le.cz).

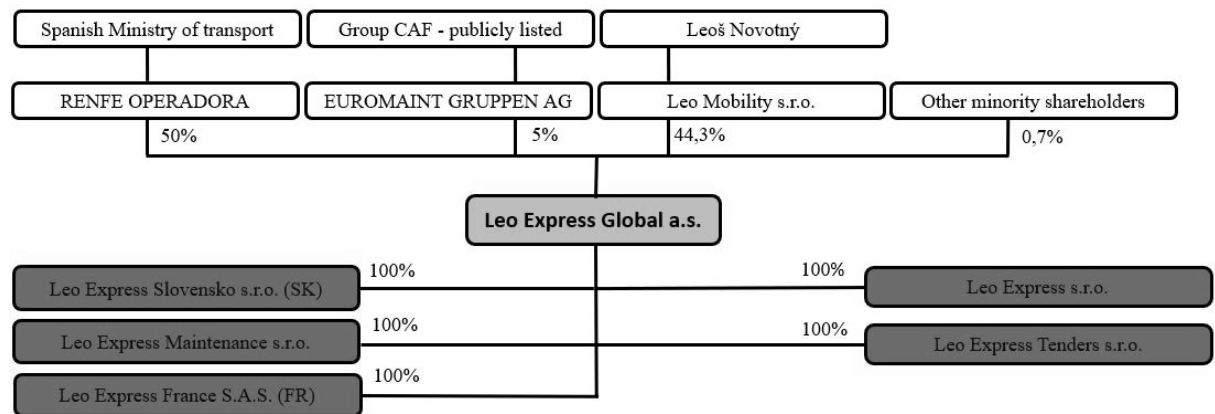
## 2. REPORT ON RELATED PARTY TRANSACTIONS FOR 2022

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 2022.

## 2.1. Persons 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 31<sup>st</sup>, 2022 was as follows:



On October 4<sup>th</sup> 2022, new company Leo Express France S.A.S. in France was established.

## 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 2022, 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 2022 were governed under the terms of the contracts signed or single orders. Contracts concluded in 2022 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**

In the last accounting period, no actions were taken at the instigation or in the interest of the controlling person or persons controlled by him, which would relate to assets that exceed 10% of the equity determined according to the last financial statement.

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 2023.**

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

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

On January 24<sup>th</sup> 2023, Heinz Grossmann became a new member of the Board of directors.

On January 23<sup>rd</sup> 2023, Manuel Geyer became a new member of Supervisory board.

In Prague on 25 May 2023.



Manuel Villalante Llauroadó  
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 2022

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

for Leo Express Global a.s., the financial year 2022 was a milestone with reaching its 10-year jubilee in December 2022 following a full decade of operations. During this time, the Company has grown from a start-up to a highly experienced and well positioned European passenger rail company. The group is now uniquely positioned to be an European leader in rail safety, technical innovation and quality of customer service. The year 2022 was also marked by the resumption of full operations following the COVID pandemic.

The economic and environmental challenges of our time need modern rail services. Rail has become an engine and symbol for European innovation and integration. With the recent volatility in the energy markets, rail continues to be the most environmentally and economically sustainable transport mode. The continued integration into a single European railway area needs to continue to enable cost efficient domestic and cross boarder services.

Subsidiaries of Leo Express Global operated both open access and PSO services between Czech Republic, Poland and Slovakia. With its cross-border bus services, also a lot of Ukrainian citizens were able to use the Leo Express services.

We are proud that Leo Express has one of the best safety and punctuality records in Central Europe. This also formed the basis for the award of the new Danube Service contract by the Slovak Ministry of Transport and Development in August 2022.

Also, Leo Express through its various initiatives, manages to focus on environmentally friendly programmes such as CO<sub>2</sub> compensation or planting trees. Within our world class catering offering, we try to minimise packaging materials and other wastage.

From a financial point of view, the core business of Leo Express Group has improved significantly in 2022 compared to prior years and EBITDAR has reached over EUR 4 mil.

On behalf of the entire Leo Express team, we would like to thank you for your continued support. We are looking forward to the future growth of the entire Leo Express Group and to new markets and emerging projects.

In Prague on 25 May 2023



Manuel Villalante Llauradó  
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.



**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

(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 2022, for the year ended 31 December 2022.

The financial statements were prepared on 15 May 2023.

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

### 1.1. Going Concern Assumption

The year 2022 was only affected by the Covid pandemic in the first quarter and the Group was gradually able to resume full train operations from April 2022. The year 2022 was marked by a gradual increase in costs, but the Group has been able to pass these costs through to the end fares and believes it will largely be able to do so in the future.

In 2022, Leo Express Group participated in a tender for the operation of a public service obligation train service on the Bratislava - Dunajská Streda - Komárno line. The Group was awarded this contract and from December 2023 Leo Express Slovensko s.r.o. will operate this line for the Ministry of Transport and Construction of the Slovak Republic for 9 years.

The company's management has considered the potential effects of the current armed conflict in Ukraine on the company's activities and concluded that they do not pose a significant risk in relation to the assumption of going concern of the company.

The Company expects that it will continue in providing its services to other companies in the Leo Express Group and therefore, the Company prepared its individual financial statements for 2022 assuming the going concern principle.





## 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**

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.

#### **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.

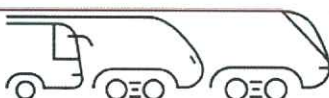
The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

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 2022	31 December 2021
Cash on hand and cash in transit	0	0
Cash at bank	17,509	52,990
Overdraft balances of current accounts included in current bank loans	0	0
Cash equivalents included in current financial assets	0	0
<b>Total cash and cash equivalents</b>	<b>17,509</b>	<b>52,990</b>

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 2022, the Company made no changes in accounting policies.



## 2. ADDITIONAL INFORMATION

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

#### Cost

	Opening balance	Additions	Disposals	Transfers	(CZK '000) Closing balance
Research and development	0	0	0	0	0
Valuable rights/software	13,655	0	(220)	0	13,435
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	0	0	0
<b>Total in 2022</b>	<b>14,711</b>	<b>0</b>	<b>(220)</b>	<b>0</b>	<b>14,491</b>
<b>Total in 2021</b>	<b>14,680</b>	<b>31</b>	<b>0</b>	<b>0</b>	<b>14,711</b>

#### Provisions and Accumulated Amortisation

	Opening balance	Additions	Disposals	(CZK '000) Closing balance
Research and development	0	0	0	0
Valuable rights/software	13,195	336	(220)	13,311
Goodwill	0	0	0	0
Other intangible FA	739	155	0	894
Prepayments for intangible FA	0	0	0	0
Intangible FA in progress	0	0	0	0
<b>Total in 2022</b>	<b>13,934</b>	<b>491</b>	<b>(220)</b>	<b>14,205</b>
<b>Total in 2021</b>	<b>12,991</b>	<b>943</b>	<b>0</b>	<b>13,934</b>

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

#### Cost

	Opening balance	Additions	Disposals	Transfers	(CZK '000) Closing balance
Land	0	0	0	0	0
Buildings	482	0	0	0	482
Individual tangible movable assets and sets	1,924	0	(140)	0	1,784
Valuation difference on acquired assets	0	0	0	0	0
Other tangible FA	0	0	0	0	0
Prepayments for tangible FA	27,339	0	0	0	27,339
Tangible FA in progress	4,391	0	(4,391)	0	0
<b>Total in 2022</b>	<b>34,136</b>	<b>0</b>	<b>(4,531)</b>	<b>0</b>	<b>29,605</b>
<b>Total in 2021</b>	<b>33,916</b>	<b>311</b>	<b>(91)</b>	<b>0</b>	<b>34,136</b>

#### Provisions and Accumulated Depreciation

	Opening balance	Additions	Disposals	(CZK '000) Closing balance
Land	0	0	0	0
Buildings	69	10	0	79
Individual tangible movable assets and their sets	1,699	225	(140)	1,784
Valuation difference on acquired assets	0	0	0	0
Other tangible FA	0	0	0	0
Prepayments for tangible FA	27,339	2,018	(27,339)	2,018



Tangible FA in progress	4,391	0	(4,391)	0
<b>Total in 2022</b>	<b>33,498</b>	<b>2,253</b>	<b>(31,870)</b>	<b>3,881</b>
<b>Total in 2021</b>	<b>1,533</b>	<b>32,056</b>	<b>(91)</b>	<b>33,498</b>

Allowance for downpayment amounting CZK 27 339 thousand was released in FY 2022. Tangible fixed asset in progress amounting CZK 4 391 thousand was written off as a lost investment.

## 2.3. Non-Current Financial Assets

### 2.3.1. Equity Investments – Controlled Entity

#### 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

#### 2021

(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	14,062	(27,340)	14,062
Leo Express Slovensko s.r.o.	Wolkrova 37, Bratislava-Petržalka 851 01	100 %	124	307	55	307
Leo Express s.r.o.	Řehořova 908/4, Praha 3 - Žižkov, 130 00	100 %	100	596,894	24,848	596,894

## 2.4. Short-Term Receivables

Overdue receivables as at 31 December 2022 amounted to CZK 3,154 thousand (as of 31 December 2021: CZK 26,241 thousand).

### Aging of trade receivables

(CZK '000)								
Year	Category	Before due date	Past due date					Total
			0 - 90 days	91 - 180 days	181 - 360 days	1 - 2 years	2 and more years	
2022	Gross	4,573	2,424	0	0	0	730	3,154
	Allowances	0	0	0	0	0	649	649
	Net	4,573	2,424	0	0	0	81	2,505
2021	Gross	4,323	11	2	69	9,663	16,496	26,241
	Allowances	0	0	0	68	9,626	15,782	25,476
	Net	4,323	11	2	1	37	714	765

Allowances movements can be analysed as follows:

(CZK '000)





	2022	2021
Opening balance at 1 January	25,476	26,570
Allowances created	649	0
Allowances released	(25,476)	(1,094)
<b>Closing balance at 31 December</b>	<b>649</b>	<b>25,476</b>

### 2.4.1. Short-Term Intercompany Receivables

#### Short-term trade receivables

Company name	(CZK '000)	
	Balance at 31 December 2022	Balance at 31 December 2021
Leo Express s.r.o.	2,655	3,107
Leo Express Maintenance s.r.o.	828	-
Leo Express Tenders, s.r.o.	3,479	1,153
<b>Total short-term intercompany receivables</b>	<b>6,962</b>	<b>4,260</b>
<i>Other than intercompany receivables</i>	765	26,304
<b>Total short-term receivables</b>	<b>7,727</b>	<b>30,564</b>

### 2.5. 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.

### 2.6. Movements in Equity

During 2022, the changes in equity were as follows:

Transfer of the result of the accounting period 2021 in the amount of 123,670 thousand CZK to the account of unpaid losses of previous years (-108,960 thousand CZK in 2020).

### 2.7. Distribution of Profit or Settlement of Loss

The profit for the year 2022 amounting to CZK 22,047 thousand will be transferred to the account of unpaid losses of previous years.

### 2.8. 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)
<b>Balance at 1 Jan 2022</b>	<b>(160,622)</b>
Change in the valuation of an equity investment accounted for using the equity method of accounting	(63,710)
<b>Balance at 31 Dec 2022</b>	<b>(224,332)</b>



## 2.9. Provisions

### Other provisions

	(CZK '000)	
	Balance at 31 December 2022	Balance at 31 December 2021
Other provisions (provision for unused vacation days)	1,498	1,480
Other provisions (legal disputes - liability for Leo Express GmbH's payable to one of the suppliers)	26,530	27,704
<b>Total other provisions</b>	<b>28,028</b>	<b>29,184</b>

### 2.9.1. Collateralised or Otherwise Secured Long-Term Payables

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

### 2.9.2. Short-Term Payables

Overdue payables as at 31 December 2022 amount to CZK 1,086 thousand (as at 31 December 2021: CZK 1,159 thousand).

#### Short-Term Intercompany Payables

##### Short-Term Trade Payables

	(CZK '000)	
Company name	Balance at 31 December 2022	Balance at 31 December 2021
Leo Express s.r.o.	310	840
	12	-
Leo Express Tenders, s.r.o.	0	0
Other companies belong to the Group	0	0
<b>Total short-term intercompany payables</b>	<b>322</b>	<b>840</b>
<i>Other than intercompany payables</i>	5,002	2,505
<b>Total short-term payables</b>	<b>5,324</b>	<b>3,345</b>

## 2.10. Deferred Income Taxation

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

## 2.11. Income from Ordinary Activities

	(CZK '000)					
	Year ended 31 December 2022			Year ended 31 December 2021		
	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	28,250	0	28,250	26,492	0	26,492
Revenues from other services	7	0	7	5,400	0	5,400
<b>Total sales of own products and services</b>	<b>28,257</b>	<b>0</b>	<b>28,257</b>	<b>31,892</b>	<b>0</b>	<b>31,892</b>

## 2.12. Consumed Purchases

	(CZK '000)	
	Year ended 31 December 2022	Year ended 31 December 2021

21



Consumed material	247	3,600
Consumed energy	319	153
Consumption of other non-storable supplies	0	0
<b>Total consumed purchases</b>	<b>566</b>	<b>3,753</b>

## 2.13. Services

	(CZK '000)	
	Year ended 31 December 2022	Year ended 31 December 2021
Repairs and maintenance	379	43
Travel expenses	98	969
Representation costs	23	18
Telephone and data services	2 501	1,921
Low value intangible assets put to use	0	54
Rental	1 318	1,200
Leases	246	238
Total other services	8 584	8,859
Fee for the use of infrastructure	2	0
Coach lines	0	0
Marketing	1 389	1,286
Interior and exterior cleaning	69	83
Advisory	2 972	3,880
Catering	0	0
Other services	4 152	3,610
<b>Total</b>	<b>13 149</b>	<b>13,302</b>

## 2.14. Employees, Management and Statutory Bodies

The average weighted headcount for the years ended 31 December 2022 and 31 December 2021 is as follows:

	2022	2021
Managers	7	7
Other employees	15	16
<b>Total</b>	<b>22</b>	<b>23</b>

Total payroll costs in the year ended 31 December 2022 amounted CZK 20,925 thousand (2021: CZK 14,302 thousand).

## 2.15. Other Operating Income and Expenses

### 2.15.1. Sundry Operating Income

	(CZK '000)	
	Year ended 31 December 2022	Year ended 31 December 2021
Contractual penalties and default interest	10,955	17,152
Income from assigned receivables	459	262
Income from the sale of a part of business	0	23
Other operating income	2,907	256,105
<b>Total</b>	<b>14,321</b>	<b>273,542</b>





**2.15.2. Sundry Operating Expenses**

	(CZK '000)	
	Year ended 31 December 2022	Year ended 31 December 2021
Contractual penalties and default interest	9	5,062
Other penalties and fines	2	43
Assignment of receivable	44,534	52,614
Insurance	580	301
Other operating expenses	7,738	1,986
<b>Total</b>	<b>52,863</b>	<b>60,006</b>

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

**2.15.3. Other Interest Income and Similar Income**

	(CZK '000)	
	Year ended 31 December 2022	Year ended 31 December 2021
Interest on current bank accounts	622	0
<b>Total</b>	<b>622</b>	<b>0</b>

**2.16. Interest Expenses and Similar Expenses**

	(CZK '000)	
	Year ended 31 December 2022	Year ended 31 December 2021
Interest expenses with related parties	0	14,132
Other interest expenses	0	9,895
<b>Total</b>	<b>0</b>	<b>24,027</b>

Díky splacení a kapitalizaci půjček v závěru roku 2021 již je společnost zcela oddlužená a nemá tak žádné nákladové úroky v roce 2022.

**2.17. Other Financial Income**

	(CZK '000)	
	Year ended 31 December 2022	Year ended 31 December 2021
Foreign exchange rate gains	906	455
<b>Total</b>	<b>906</b>	<b>455</b>

Díky splacení a kapitalizaci půjček v závěru roku 2021 již je společnost zcela oddlužená a nemá tak žádné nákladové úroky v roce 2022.

**2.18. Other Financial Expenses**

	(CZK '000)	
	Year ended 31 December 2022	Year ended 31 December 2021
Foreign exchange rate losses	1,728	2,653
Banking fees	32	46
<b>Total</b>	<b>1,760</b>	<b>2,699</b>

### 2.19. 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 2022 amounted to CZK 240 thousand.

### 2.20. Post Balance Sheet Events

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

On January 24<sup>th</sup> 2023, Heinz Grossmann became a new member of the Board of directors.

On January 23<sup>rd</sup> 2023, Manuel Geyer became a new member of Supervisory board.

In Prague on 15 May 2023



Manuel Villalante Llauradó

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

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# Financial statements

from 1.1.2022 to 31.12.2022

Leo Express Global



DATE: 10.5.2023

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Statutory body

Manuel Villalante Llauradó

Martin Bala



# Leo Express Global

# BALANCE SHEET

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

as at 31.12.2022  
in Tsd. CZK

ROW	CURRENT PERIOD			PREVIOUS PERIOD
	GROSS	ADJUSTMENTS	NET	NET
<b>TOTAL ASSETS</b>	620 185	-18 735	601 450	672 797
<b>B. Non-current assets</b>	591 891	-18 086	573 805	612 678
<b>I. Intangible assets</b>	14 491	-14 205	286	777
2 Valuable rights	13 435	-13 311	124	460
1 Software	13 435	-13 311	124	460
4 Other intangible assets	1 056	-894	162	317
<b>II. Tangible assets</b>	29 605	-3 881	25 724	638
1 Lands and buildings, halls and structures	482	-79	403	413
2 Buildings, halls and structures	482	-79	403	413
2 Property, plant and equipment	1 784	-1 784	0	225
5 Advance payments for tangible assets and tangible assets in progress	27 339	-2 018	25 321	0
1 Advance payments for tangible assets	27 339	-2 018	25 321	0
<b>III. Investments</b>	547 795	0	547 795	611 263
1 Investments - controlling interest	547 795	0	547 795	611 263
<b>C. Current assets</b>	27 854	-649	27 205	59 987
<b>II. Receivables</b>	10 345	-649	9 696	6 997
1 Non-current receivables	0	0	0	60
5 Receivables - other	0	0	0	60
2 Advance payments	0	0	0	60
2 Current receivables	10 345	-649	9 696	6 937
1 Trade receivables	7 727	-649	7 078	5 088
4 Receivables - other	2 618	0	2 618	1 849
3 Tax receivables	128	0	128	967
4 Advance payments	1 007	0	1 007	750
5 Estimated receivables	1 470	0	1 470	117
6 Other receivables	13	0	13	15
<b>IV. Cash and Cash equivalents</b>	17 509	0	17 509	52 990
2 Cash at bank	17 509	0	17 509	52 990
<b>D. Accruals and deferrals</b>	440	0	440	132
1 Deferred expenses	440	0	440	107
3 Accrued income	0	0	0	25





ROW	CURRENT PERIOD	PREVIOUS PERIOD
<b>TOTAL EQUITY and LIABILITIES</b>	<b>601 450</b>	<b>672 797</b>
<b>A. Equity</b>	<b>564 123</b>	<b>605 786</b>
<b>I. Registered capital</b>	<b>270 566</b>	<b>270 566</b>
1 Registered capital	270 566	270 566
<b>II. Share premium and reserves</b>	<b>804 819</b>	<b>868 529</b>
1 Share premium	66 162	66 162
<b>2 Reserves</b>	<b>738 657</b>	<b>802 367</b>
1 Other reserves	962 989	962 989
2 Difference from revaluation of assets and liabilities (+/-)	-224 332	-160 622
<b>IV. Retained earnings (+/-)</b>	<b>-533 309</b>	<b>-656 979</b>
1 Accumulated profits or accumulated losses from previous years (+/-)	-533 309	-656 979
<b>V. Profit / Loss for the current accounting period (+/-)</b>	<b>22 047</b>	<b>123 670</b>
<b>B. + C. Liabilities</b>	<b>37 327</b>	<b>66 525</b>
<b>B. Provisions</b>	<b>28 028</b>	<b>29 184</b>
4 Other provisions	28 028	29 184
<b>C. Liabilities</b>	<b>9 299</b>	<b>37 341</b>
<b>II. Current liabilities</b>	<b>9 299</b>	<b>37 341</b>
4 Trade payables	5 324	3 345
6 Payables to related parties - controlling interest	0	32 000
<b>8 Payables - other</b>	<b>3 975</b>	<b>1 996</b>
3 Payables to employees	1 507	1 045
4 Payables to social security	724	543
5 Tax payables and subsidies	1 400	10
6 Estimated payables	200	265
7 Other liabilities	144	133
<b>D. Accruals and deferrals</b>	<b>0</b>	<b>486</b>
1 Accrued expenses	0	486



Reg.No: 29016002

130 00 Praha 3, Řehořova 908/4

from 1.1.2022 to 31.12.2022

in Tsd. CZK

ROW		CURRENT PERIOD	PREVIOUS PERIOD
I.	Sales of own products and services	28 257	31 892
A.	<b>Production consumed</b>	13 715	17 055
2	Materials and energy	566	3 753
3	Services	13 149	13 302
D.	<b>Personnel costs</b>	27 454	18 789
1	Wages and salaries	20 925	14 302
2	<b>Social security and other expenses</b>	6 529	4 487
1	Social security	6 529	4 487
E.	<b>Adjustments in operating segment</b>	-72 592	29 904
1	<b>Adjustments of non-current tangible and intangible assets</b>	-28 986	32 999
1	Adjustments of non-current tangible and intangible assets - depreciation	726	1 269
2	Adjustments of non-current tangible and intangible assets - allowance	-29 712	31 730
3	Adjustments of receivables (allowance)	-43 606	-3 095
III.	<b>Other operating revenues</b>	14 321	273 542
1	Sales of non-current assets	0	23
2	Sales of materials	0	1
3	Sundry operating revenues	14 321	273 518
F.	<b>Other operating expenses</b>	51 722	61 583
3	Taxes and fees from operating activity	15	172
4	Provisions and accruals	-1 156	1 405
5	Sundry operating expenses	52 863	60 006
*	<b>Operating profit/loss (+/-)</b>	22 279	178 103



IV.	Revenues from investments - ownership interests	0	1 507
1	Revenues from securities and interests in subsidiaries	0	1 507
G.	Costs of sold securities and ownership interests	0	29 669
VI.	Interest revenues and similar revenues	622	0
2	Other interest revenues and similar revenues	622	0
J.	Interest expenses and similar expenses	0	24 027
1	Interest expenses and similar expenses - controlling interest	0	14 132
2	Other interest expenses and similar expenses	0	9 895
VII.	Other financial revenues	906	455
K.	Other financial expenses	1 760	2 699
*	Financial profit/loss (+/-)	-232	-54 433
**	Profit/loss before tax (+/-)	22 047	123 670
**	Profit/loss after tax (+/-)	22 047	123 670
*	Net turnover for the accounting period = I.+ II.+ III.+ IV.+ V.+ VI.+ VII.	44 106	307 396





# Leo Express Global

Reg.No: 29016002

130 00 Praha 3, Řehořova 908/4

## CASH FLOW STATEMENT

from 1.1.2022 to 31.12.2022

in Tsd. CZK

ROW		CURRENT PERIOD	PREVIOUS PERIOD
P.	Cash and cash equivalents at the beginning of the period	52 990	1 658
Z.	<b>Accounting profit or loss before tax</b>	<b>22 047</b>	<b>123 670</b>
A.1.	Non-cash transactions	-25 445	83 726
A.1.1.	Depreciation of fixed assets (+) with exception of disposed non-current assets and amortization of revaluation difference on acquired assets and goodwill (+)	726	1 269
A.1.2.	<b>Change in adjustments to assets and in provisions</b>	<b>-74 474</b>	<b>30 040</b>
A.1.2.1.	Change in adjustments to assets	-73 318	28 636
A.1.2.2.	Change in provisions	-1 156	1 404
A.1.3.	Profit/(loss) on sale of fixed assets (-/+)	0	28 369
A.1.5.	<b>Interest payable (+) with exception of capitalised interest and interest receivable (-)</b>	<b>-622</b>	<b>24 027</b>
A.1.5.1.	Interest payable	0	24 027
A.1.5.2.	Interest receivable	-622	0
A.1.6.	Other non-monetary transactions	48 925	21
A.*	<b>Net cash flow from operating activities before taxation and changes of working capital</b>	<b>-3 398</b>	<b>207 396</b>
A.2.	<b>Change of non-monetary items of working capital</b>	<b>-32 463</b>	<b>-247 436</b>
A.2.1.	(Increase) / decrease in current receivables (+/-), deferred assets and estimated receivables	-3 935	31 436
A.2.2.	Increase / (decrease) in current payables (+/-), deferred liabilities and estimated payables	-28 528	-281 806
A.2.3.	(Increase) / decrease in inventories (+/-)	0	2 934
A.**	<b>Net cash flow from operating activities before taxes</b>	<b>-35 861</b>	<b>-40 040</b>
A.3.	Interests paid excluding capitalised interests (-)	0	-9 895
A.4.	Interest received (+)	622	0
A.***	<b>Net cash flow from operating activity</b>	<b>-35 239</b>	<b>-49 935</b>
B.1.	Purchases of fixed assets	-242	-96 990
B.2.	Proceeds from sales of fixed assets	0	1 300
B.***	<b>Net cash flow from investment activity</b>	<b>-242</b>	<b>-95 690</b>
C.2.	<b>Impact from changes in equity on cash and cash equivalents</b>	<b>0</b>	<b>196 957</b>
C.2.1.	Increase of cash and cash equivalents by increase of share capital, share premiums, or legal reserves including advance payments for this increases (+)	0	196 957
C.***	<b>Net cash flow from financial activity</b>	<b>0</b>	<b>196 957</b>
F.	<b>Net increase or decrease of cash and cash equivalents</b>	<b>-35 481</b>	<b>51 332</b>
D.	Difference D=P+F-R	0	0
R.	Cash and cash equivalents at the end of the period	17 509	52 990





# Leo Express Global

Reg.No: 29016002

130 00 Praha 3, Řehořova 908/4

## STATEMENT OF MOVEMENTS IN EQUITY

from 1.1.2022 to 31.12.2022

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 31.12.2020	123 462	16 310	-147 227	695 902	2 225	0	-658 686	31 986
Transactions with shareholders	147 104	49 852	0	267 087	-2 225	0	125 377	587 195
Changes in registered capital	147 104	49 852						196 956
Changes in treasury shares					-2 225		1 707	-518
Reclassifications and transfers				267 087				267 087
Profit / Loss - current period							123 670	123 670
Net unrealised gains (losses) total, not recognised in the income statements	0	0	-13 395	0	0	0	0	-13 395
Revaluation of financial investments			-13 395					-13 395
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





#### 4. INDEPENDENT AUDITOR'S REPORT



## Independent Auditor's Report

# Leo Express Global a.s.

Accounting period  
from 1.1.2022 to 31.12.2022

### Identification of the Company

Company: **Leo Express Global a.s.**  
Identification No.: 290 16 002  
Registered Office: Řehořova 908/4, 130 00 Praha 3 - Žižkov  
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 31.12.2022, 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 31.12.2022, 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.

**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 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:

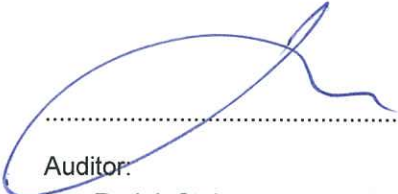
- Identify and assess the risks of material misstatement of financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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 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 26.5.2023



Auditor:

Ing. Radek Stein

Certificate No. 2193 KAČR



TPA Audit s.r.o.

Antala Staška 2027/79, Praha 4

Certificate No. 080 KAČR