

SCHAFFER  
& PARTNER



# **Translation of the Auditor's Report**

**to the authorisation of the financial statements  
as of March 31, 2022  
and of its financial performance for the year then ended  
and Annual Report as of March 31, 2022  
of the Company**

**Trans World Hotels &  
Entertainment, a.s.**

# TRANSLATION OF THE INDEPENDENT AUDITOR'S REPORT

**on the Audit of the Financial Statements as of March 31, 2022  
and of its Financial Performance for the Year then Ended  
and Annual Report as of March 31, 2022  
of Trans World Hotels & Entertainment, a.s.**

Identification items:

Name of the accounting unit: Trans World Hotels & Entertainment, a.s.

Registration number: 643 58 267

Company address: Česká Kubice 64, 345 32

Principal activity: see point 1 of the Notes to Financial Statements

Audited period: from 1 April 2021 to 31 March 2022

Date of issue: August 29, 2022

Auditors: Schaffer & Partner Audit s.r.o.  
License No. 292

Martin Felenda  
License No. 1871

## **Translation of the Independent Auditor's Report for Associates of Trans World Hotels & Entertainment, a.s.**

### *Opinion*

We have audited the accompanying financial statements of the company Trans World Hotels & Entertainment, a.s. prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise the balance sheet as at 31 March 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, see point 1 of the Notes to the financial statements.

In our opinion, the financial statements give a true and fair view of the financial position of the company Trans World Hotels & Entertainment, a.s. as at 31 March 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 the Annual Report*

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 statutory body is responsible for the other information.



Our opinion on the financial statements does not cover the other information. Nevertheless, in connection with our audit of the 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.

*Responsibilities of the Company's board of directors and supervisory board for the Financial Statements*

The board of directors of the Company 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 the 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 of the Company body 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 the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the financial reporting process in the Company.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the above-mentioned laws and regulations 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control by the board of directors.
- 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 the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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.

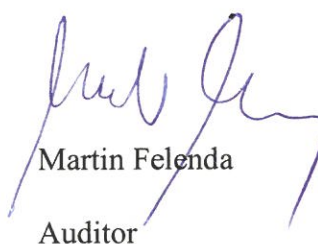
Schaffer & Partner Audit s.r.o.  
Vodičkova 710/31, Prague 1  
License No. 292



Martin Felenda  
Managing Partner

License number 292

Prague, August 29, 2022



Martin Felenda  
Auditor

Statutory auditor responsible for the  
audit resulting in this independent  
auditor's report

License number 1871



**BALANCE SHEET**  
full version

Trans World Hotels & Entertainment, a.s.  
ID 64358267

As of  
31.03.2022  
(in CZK thousand)

Česká Kubice 64  
34532 Česká Kubice

		31.03.2022			31.03.2021
		Brutto	Korekce	Netto	Netto
	<b>TOTAL ASSETS</b>	<b>1 781 850</b>	<b>464 966</b>	<b>1 316 885</b>	<b>1 158 451</b>
<b>A.</b>	<b>Receivables for subscribed capital</b>				
<b>B.</b>	<b>Fixed assets</b>	<b>1 354 798</b>	<b>464 914</b>	<b>889 885</b>	<b>950 233</b>
<i>B.I.</i>	<i>Intangible fixed assets</i>	<i>29 737</i>	<i>25 099</i>	<i>4 638</i>	<i>6 228</i>
B.I.1.	Research and development				
B.I.2.	Valuable rights	29 535	25 099	4 436	6 228
B.I.2.1.	Software	27 668	24 444	3 224	4 793
B.I.2.2.	Other valuable rights	1 867	655	1 212	1 435
B.I.3.	Goodwill				
B.I.4.	Other intangible fixed assets				
B.I.5.	Prepayments for intangible fixed assets and intangible fixed assets under construction	202		202	
B.I.5.1.	Prepayments for intangible fixed assets				
B.I.5.2.	Intangible fixed assets under construction	202		202	
<i>B.II.</i>	<i>Tangible fixed assets</i>	<i>1 053 790</i>	<i>439 815</i>	<i>613 976</i>	<i>641 551</i>
B.II.1.	Land and structures	738 087	187 307	550 780	563 422
B.II.1.1.	Land	45 949		45 949	45 949
B.II.1.2.	Structures	692 138	187 307	504 831	517 472
B.II.2.	Tangible movable assets and sets of tangible movable assets	300 868	250 414	50 454	70 663
B.II.3.	Valuation difference on acquired assets				
B.II.4.	Other tangible fixed assets	6 361	2 094	4 268	6 361
B.II.4.1.	Perennial crops				
B.II.4.2.	Breeding animals and their groups				
B.II.4.3.	Other tangible fixed assets	6 361	2 094	4 268	6 361
B.II.5.	Prepayments for tangible fixed assets and tangible fixed assets under construction	8 474		8 474	1 105
B.II.5.1.	Prepayments for tangible fixed assets	1 830		1 830	
B.II.5.2.	Tangible fixed assets under construction	6 644		6 644	1 105
<i>B.III.</i>	<i>Non-current financial assets</i>	<i>271 271</i>		<i>271 271</i>	<i>302 454</i>
B.III.1.	Equity investments - controlled or controlling entity	271 271		271 271	302 454
B.III.2.	Loans and borrowings - controlled or controlling entity				
B.III.3.	Equity investments in associates				
B.III.4.	Loans and borrowings - associates				
B.III.5.	Other non-current securities and investments				
B.III.6.	Loans and borrowings - other				
B.III.7.	Other non-current financial assets				
B.III.7.1.	Sundry non-current financial assets				
B.III.7.2.	Prepayments for non-current financial assets				
<b>C.</b>	<b>Current assets</b>	<b>417 538</b>	<b>52</b>	<b>417 486</b>	<b>205 788</b>
<i>C.I.</i>	<i>Inventories</i>	<i>3 782</i>		<i>3 782</i>	<i>2 722</i>
C.I.1.	Material	3 274		3 274	2 477
C.I.2.	Work in progress and semifinished goods				
C.I.3.	Products and goods	508		508	245
C.I.3.1.	Products				
C.I.3.2.	Goods	508		508	245
C.I.4.	Young and other animals and their groups				
C.I.5.	Prepayments for inventories				
<i>C.II.</i>	<i>Receivables</i>	<i>63 733</i>	<i>52</i>	<i>63 681</i>	<i>70 090</i>
C.II.1.	Long-term receivables	53 555		53 555	30 000
C.II.1.1.	Trade receivables	6 234		6 234	
C.II.1.2.	Receivables - controlled or controlling entity	17 321		17 321	
C.II.1.3.	Receivables - associates				
C.II.1.4.	Deferred tax asset				

C.II.1.5.	<i>Receivables - other</i>	30 000		30 000	30 000
C.II.1.5.1.	Receivables from partners				
C.II.1.5.2.	Long-term prepayments made				
C.II.1.5.3.	Estimated receivables				
C.II.1.5.4.	Sundry receivables	30 000		30 000	30 000
<b>C.II.2.</b>	<b><i>Short-term receivables</i></b>	<b>10 178</b>	<b>52</b>	<b>10 126</b>	<b>40 090</b>
C.II.2.1.	Trade receivables	941	52	889	1 578
C.II.2.2.	Receivables - controlled or controlling entity				
C.II.2.3.	Receivables - associates				
C.II.2.4.	<i>Receivables - other</i>	9 237		9 237	38 512
C.II.2.4.1.	Receivables from partners				
C.II.2.4.2.	Social security and health insurance contributions				
C.II.2.4.3.	State - tax receivables	5 896		5 896	
C.II.2.4.4.	Short-term prepayments made	3 186		3 186	222
C.II.2.4.5.	Estimated receivables				
C.II.2.4.6.	Sundry receivables	155		155	38 290
<b>C.II.3.</b>					
C.II.3.1.					
C.II.3.2.					
C.II.3.3.					
<b>C.III.</b>	<b><i>Current financial assets</i></b>	<b>114 020</b>		<b>114 020</b>	<b>77 097</b>
C.III.1.	Investments - controlled or controlling entity				
C.III.2.	Other current financial assets	114 020		114 020	77 097
<b>C.IV.</b>	<b><i>Cash</i></b>	<b>236 003</b>		<b>236 003</b>	<b>55 880</b>
C.IV.1.	Cash on hand	63 065		63 065	26 921
C.IV.2.	Cash at bank	172 938		172 938	28 959
<b>D.</b>	<b><i>Other assets</i></b>	<b>9 514</b>		<b>9 514</b>	<b>2 429</b>
D.1.	Deferred expenses	8 742		8 742	2 429
D.2.	Complex deferred expenses				
D.3.	Accrued income	772		772	

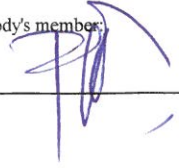


		31.03.2022	31.03.2021
	<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1 316 885</b>	<b>1 158 451</b>
<b>A.</b>	<b>Equity</b>	<b>1 117 281</b>	<b>1 014 745</b>
<i>A.I.</i>	<i>Share capital</i>	<b>100 000</b>	<b>100 000</b>
A.I.1.	Share capital	100 000	100 000
A.I.2.	Treasury shares and holdings (-)		
A.I.3.	Changes in share capital		
<i>A.II.</i>	<i>Share premium and capital funds</i>	<b>-386 448</b>	<b>-362 100</b>
A.II.1.	Share premium		
A.II.2.	<i>Capital funds</i>	<b>-386 448</b>	<b>-362 100</b>
A.II.2.1.	Other capital funds	12 260	12 260
A.II.2.2.	Gains or losses from the revaluation of assets and liabilities (+/-)	-147 156	-122 808
A.II.2.3.	Gains or losses from the revaluation upon transformations of business corporations (+/-)	-251 552	-251 552
A.II.2.4.	Gains or losses from transformations of business corporations (+/-)		
A.II.2.5.	Gains or losses from valuation upon transformations of business corporations (+/-)		
<i>A.III.</i>	<i>Funds from profit</i>	<b>24 717</b>	<b>24 717</b>
A.III.1.	Other reserve funds	24 717	24 717
A.III.2.	Statutory and other funds		
<i>A.IV.</i>	<i>Retained earnings (+/-)</i>	<b>1 252 130</b>	<b>1 242 644</b>
A.IV.1.	Accumulated profits brought forward	1 252 130	1 242 644
A.IV.2.	Accumulated losses brought forward (-)		
A.V.	<i>Profit or loss for the current period (+/-)</i>	126 883	9 485
A.VI.	Profit share prepayments declared (-)		
<b>B.+C.</b>	<b>Liabilities</b>	<b>112 685</b>	<b>68 272</b>
<b>B.</b>	<b>Reserves</b>	<b>46 060</b>	<b>4 903</b>
<i>B.I.</i>	<i>Reserve for pensions and similar liabilities</i>		
B.II.	Income tax reserve	27 527	
B.III.	Reserves under special legislation		
B.IV.	Other reserves	18 533	4 903
<b>C.</b>	<b>Payables</b>	<b>66 625</b>	<b>63 369</b>
<i>C.I.</i>	<i>Long-term payables</i>	<b>18 940</b>	<b>22 735</b>
C.I.1.	<i>Bonds issued</i>		
C.I.1.1.	Convertible bonds		
C.I.1.2.	Other bonds		
C.I.2.	Payables to credit institutions	2 012	3 224
C.I.3.	Long-term prepayments received		
C.I.4.	Trade payables		
C.I.5.	Long-term bills of exchange to be paid		
C.I.6.	Payables - controlled or controlling entity		
C.I.7.	Payables - associates		
C.I.8.	Deferred tax liability	16 928	19 511
C.I.9.	<i>Payables - other</i>		
C.I.9.1.	Payables to partners		
C.I.9.2.	Estimated payables		
C.I.9.3.	Sundry payables		
<i>C.II.</i>	<i>Short-term payables</i>	<b>47 685</b>	<b>40 634</b>
C.II.1.	<i>Bonds issued</i>		
C.II.1.1.	Convertible bonds		
C.II.1.2.	Other bonds		
C.II.2.	Payables to credit institutions	1 211	1 218
C.II.3.	Short-term prepayments received	816	541
C.II.4.	Trade payables	14 649	14 894
C.II.5.	Short-term bills of exchange to be paid		
C.II.6.	Payables - controlled or controlling entity		
C.II.7.	Payables - associates		
C.II.8.	<i>Other payables</i>	<b>31 009</b>	<b>23 981</b>
C.II.8.1.	Payables to partners		
C.II.8.2.	Short-term financial borrowings		
C.II.8.3.	Payables to employees	14 958	12 858
C.II.8.4.	Social security and health insurance payables	7 962	7 024
C.II.8.5.	State - tax payables and subsidies	1 158	1 725
C.II.8.6.	Estimated payables	6 931	2 374
C.II.8.7.	Sundry payables		

C.III.	<b>Other liabilities</b>		
C.III.1.	<i>Accrued expenses</i>		
C.III.2.	<i>Deferred income</i>		
<b>D.</b>	<b>Other liabilities</b>	<b>86 919</b>	<b>75 434</b>
D.1.	Accrued expenses	86 919	75 434
D.2.	Deferred income		

Financial statements date: 29.08.2022

Signature of the statutory body's member:



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

Trans World Hotels & Entertainment, a.s.  
ID 64358267

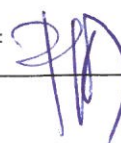
Year ended  
31.03.2022  
(in CZK thousand)

Česká Kubice 64  
34532 Česká Kubice

		Year ended 31.03.2022	Year ended 31.03.2021
I.	Sales of products and services	920 708	381 889
II.	Sales of goods	2 144	1 015
A.	Purchased consumables and services	137 706	83 512
A.1.	Costs of goods sold	1 930	1 213
A.2.	Consumed material and energy	60 841	30 500
A.3.	Services	74 935	51 800
B.	Change in internally produced inventory (+/-)		
C.	Own work capitalised (-)		
D.	Staff costs	261 339	247 108
D.1.	Payroll costs	190 986	182 478
D.2.	Social security and health insurance costs and other charges	70 353	64 630
D.2.1.	Social security and health insurance costs	62 142	59 483
D.2.2.	Other charges	8 211	5 147
E.	Adjustments to values in operating activities	41 586	45 054
E.1.	Adjustments to values of intangible and tangible fixed assets	41 608	45 208
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	41 608	45 208
E.1.2.	Adjustments to values of intangible and tangible fixed assets - temporary		
E.2.	Adjustments to values of inventories		
E.3.	Adjustments to values of receivables	-22	-153
III.	Other operating income	37 722	131 547
III.1.	Sales of fixed assets	862	262
III.2.	Sales of material		
III.3.	Sundry operating income	36 860	131 285
F.	Other operating expenses	349 851	136 636
F.1.	Net book value of sold fixed assets	459	482
F.2.	Net book value of sold material		
F.3.	Taxes and charges	267 858	112 352
F.4.	Reserves relating to operating activities and complex deferred expenses	13 630	964
F.5.	Sundry operating expenses	67 904	22 839
*	<b>Operating profit or loss (+/-)</b>	<b>170 092</b>	<b>2 141</b>
IV.	Income from non-current financial assets - equity investments		
IV.1.	Income from equity investments - controlled or controlling entity		
IV.2.	Other income from equity investments		
G.	Costs of equity investments sold		
V.	Income from other non-current financial assets		
H.	Costs of other non-current financial assets		
VI.	Interest income and similar income	399	60
VI.1.	Interest income and similar income - controlled or controlling entity	252	
VI.2.	Other interest income and similar income	147	60
I.	Adjustments to values and reserves relating to financial activities		
J.	Interest expenses and similar expenses	144	189
J.1.	Interest expenses and similar expenses - controlled or controlling entity		
J.2.	Other interest expenses and similar expenses	144	189
VII.	Other financial income	17 214	35 927
K.	Other financial expenses	35 461	25 584
*	<b>Financial profit or loss (+/-)</b>	<b>-17 992</b>	<b>10 214</b>
**	<b>Profit or loss before tax (+/-)</b>	<b>152 100</b>	<b>12 354</b>
L.	Income tax	25 217	2 869
L.1.	Due income tax	27 800	1 698
L.2.	Deferred income tax (+/-)	-2 583	1 171
**	<b>Profit or loss net of tax (+/-)</b>	<b>126 883</b>	<b>9 485</b>
M.	Transfer of share of profit or loss to partners (+/-)		
***	<b>Profit or loss for the current period (+/-)</b>	<b>126 883</b>	<b>9 485</b>
*	Net turnover for the current period	978 187	550 438

Financial statements date: 29.08.2022

Signature of the statutory body's member:





# CASH FLOW STATEMENT

Trans World Hotels & Entertainment, a.s.

ID 64358267

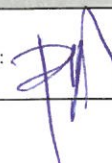
Year ended  
31.03.2022  
(in CZK thousand)

Česká Kubice 64  
34532 Česká Kubice

		Year ended 31.03.2022	Year ended 31.03.2021
<b>P.</b>	<b>Opening balance of cash and cash equivalents</b>	132 977	185 956
	<i>Cash flows from ordinary activities (operating activities)</i>		
Z.	Profit or loss from ordinary activities before tax	152 100	12 354
A.1.	Adjustments for non-cash transactions	54 620	46 368
A.1.1.	Depreciation of fixed assets	41 608	45 208
A.1.2.	Change in provisions and reserves	13 608	811
A.1.3.	Profit/(loss) on the sale of fixed assets	-403	220
A.1.4.	Revenues from profit shares		
A.1.5.	Interest expense and interest income	-255	129
A.1.6.	Adjustments for other non-cash transactions	62	
<b>A.*</b>	<b>Net operating cash flow before changes in working capital</b>	<b>206 720</b>	<b>58 722</b>
A.2.	Change in working capital	23 729	-38 325
A.2.1.	Change in operating receivables and other assets	5 242	-20 847
A.2.2.	Change in operating payables and other liabilities	19 547	-18 692
A.2.3.	Change in inventories	-1 060	1 214
A.2.4.	Change in current financial assets		
<b>A.**</b>	<b>Net cash flow from operations before tax</b>	<b>230 449</b>	<b>20 397</b>
A.3.	Interest paid	-144	-189
A.4.	Interest received	399	60
A.5.	Income tax paid from ordinary operations	-7 213	2 126
A.6.	Received profit shares		
<b>A.***</b>	<b>Net operating cash flows</b>	<b>223 491</b>	<b>22 395</b>
	<i>Cash flows from investing activities</i>		
B.1.	Fixed assets expenditures	-6 088	-19 646
B.2.	Proceeds from fixed assets sold	862	262
B.3.	Loans and borrowings to related parties		
<b>B.***</b>	<b>Net investment cash flows</b>	<b>-5 226</b>	<b>-19 384</b>
	<i>Cash flow from financial activities</i>		
C.1.	Change in payables from financing	-1 219	-55 990
C.2.	Impact of changes in equity		
C.2.1.	Cash increase in share capital		
C.2.2.	Capital payments to partners		
C.2.3.	Other cash contributions made by partners		
C.2.4.	Settlement of loss by partners		
C.2.5.	Payments from capital funds		
C.2.6.	Profit shares paid		
<b>C.***</b>	<b>Net financial cash flows</b>	<b>-1 219</b>	<b>-55 990</b>
<b>F.</b>	<b>Net increase or decrease in cash and cash equivalents</b>	<b>217 046</b>	<b>-52 979</b>
<b>R.</b>	<b>Closing balance of cash and cash equivalents</b>	<b>350 023</b>	<b>132 977</b>

Financial statements date: 29.08.2022

Signature of the statutory body's member:



**STATEMENT OF  
CHANGES IN EQUITY**

Year ended  
31.03.2022  
(in CZK thousand)

Trans World Hotels & Entertainment, a.s.  
ID 64358267

Ceská Kubice 64  
34532 Česká Kubice

	Share capital	Capital funds	Funds from profit, reserve fund	Accumulated profits brought forward	Accumulated losses brought forward	Profit or loss for the previous years	Profit or loss for the current period	TOTAL EQUITY
<b>Balance at 31 March 2020</b>	100 000	12 260	-122 808	20 000	-251 552	912 189	45 809	967 450
Distribution of profit or loss				4 717		284 646		37 810
Change in share capital						45 809	-45 809	
Profit shares paid								
Profit share prepayments declared								
Payments from capital funds								
Profit or loss for the current period							9 485	9 485
<b>Balance at 31 March 2021</b>	100 000	12 260	-122 808	24 717	-251 552	1 242 644	9 485	1 014 745
Distribution of profit or loss			-24 348				-9 485	-24 348
Change in share capital						9 485		
Profit shares paid								
Profit share prepayments declared								
Payments from capital funds								
Profit or loss for the current period							126 883	126 883
<b>Balance at 31 March 2022</b>	100 000	12 260	-147 156	24 717	-251 552	1 252 130	126 883	1 117 281

Financial statements date: 29.08.2022

Signature of the statutory body's member:

**Trans World Hotels & Entertainment, a.s.**

Notes to the financial statements at 31 March 2022

Company:	Trans World Hotels & Entertainment, a. s.
Registered office:	Česká Kubice 64, 345 32 Česká Kubice
Tax identification number:	643 58 267
Date of incorporation:	06.09.1995 as LMJ Casino Rozvadov, a.s.
Legal form:	joint-stock company
Scope of business:	operation of gambling in casinos, hospitality and accommodation activities
Date of balance, accounting period:	31 March 2022; fiscal year 2021/2022
Date of preparation of the financial statement:	29 August 2022



## **1. Company description**

Trans World Hotels & Entertainment, a.s. (hereinafter „company”) is a legal entity, a joint stock company, which was established at 6 September 1995 as LMJ Casino Rozvadov a. s. with registered office in České Kubice 64, Česká republika, Identification number 64358267. It is registered with the Regional Court in Pilsen under file number B 492.

Its main activity is the operation of gambling in casinos in the municipalities of Česká Kubice, Chvalovice - Hatě and Dolní Dvořiště, further hospitality and accommodation activities, particularly the operation of the hotel Savannah in Hatě near Znojmo, exchange activities, sale of fermentation alcohol, potable alcohol and spirits, cosmetic services, pedicure, manicure, advisory and consultancy activities etc.

The sole shareholder of the company is FEC Overseas Investment (UK) Limited, M24DN Manchester, Northern Assurance Building, Second Floor, 9-21 Princess Street, United Kingdom, registration number: 11169889.

The Company is part of the consolidation unit within Far East Consortium International Limited. Company compiles consolidated financial statements based on Czech accounting regulations. The accounting period is the financial year beginning on 1 April 2021 and ending on 31 March 2022. The previous accounting period began on 1 April 2020 and ended on 31 March 2021.

The share capital of the company consists of 400 registered shares with a nominal value of 75 thousand CZK and 100 registered shares on name with a nominal value of 700 thousand CZK.

In the current financial year, changes were made to the commercial register concerning the scope of the business.

Members of the statutory and supervisory bodies at 31 March 2022:

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**Board of directors**

Chairman: Pavel Maršík  
Member: Colin Chapman Stewart  
Member: Tomáš Kment

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**Supervisory board**

Member: Marek Sedláček  
Member: John Friar  
Member: Jiří Brož

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## **2. Basic principles for the preparation of financial statements**

The enclosed financial statement has been prepared in accordance with the Accounting Act No. 563/1991 Coll. and the implementing Decree No. 500/2002 Coll. and in accordance with the accounting policies for businesses as amended for 2022 and 2021.

## **3. Valuation and depreciation methods**

Valuation methods used by the Company in preparing the 2021-2022, respectively 2020-2021, financial statements, are as follows:

### **a) Intangible fixed assets**

Intangible fixed assets are measured at cost, which includes acquisition cost and acquisition-related costs. Small intangible assets (up to CZK 80,000) are charged to operating expenses and are kept only in operational records.

**b) Tangible fixed assets**

Tangible fixed assets are valued at cost, which includes acquisition costs, transport costs, customs duties and other acquisition-related costs.

The cost of technical improvements to tangible fixed assets increases their cost. Ordinary repairs and maintenance are charged to expenses.

Small tangible assets up to CZK 40 thousand are charged as a one-off expense and are kept only in operational records. Small tangible assets in the range of CZK 40 - 80 thousand are accrued according to the relative estimated useful life, which is further specified in an internal directive according to the most common types of assets.

**Depreciation**

Depreciation is calculated on the basis of the acquisition cost and the estimated useful life of the relevant asset. The life expectancy is defined as follows:

	<b>Number of years</b>
Structures	20 - 50
Machines, devices and equipment	4 - 12
Means of transport	3 - 5
Inventory	4 - 12

**c) Financial assets**

Shares and securities are valued at cost, which includes the acquisition price and direct acquisition costs, e.g. fees and commissions to brokers and exchanges. If the carrying amount decreases, the difference is treated as a temporary impairment and is recognised as a valuation allowance.

In the case of equity securities held for trading, they are revalued to fair value. The change in fair value affects profit or loss and is accounted for as a finance cost (account group 56) or finance income (account group 66).

**d) Inventories**

Purchased inventories are valued at actual cost using the method "first-in, first-out" (FIFO - the first price for the valuation of inventory additions shall be used as the first price for the valuation of inventory drawdowns) or the weighted arithmetic average method depending on the type of inventory. The cost of inventories includes the cost of their acquisition including related costs (shipping costs, duties, commissions, etc.).

**e) Receivables**

Receivables are valued at nominal value. The valuation of doubtful debts is reduced by an allowance charged to expense for their realisable value.

**f) Equity**

The share capital of the company is shown in the amount registered in the Commercial Register of the Regional Court.

**g) Credits received**

Short-term and long-term loans are accounted at nominal value. The part of long-term loans that is repayable within one year from the date of the financial statements is also considered to be a short-term loan.

**h) Financial leasing**

The Company accounts for leased assets by expensing the lease payments and capitalizing the related value of the leased assets when the lease expires and the purchase option is exercised. Rent payments paid in advance are accrued.

**i) Foreign exchange operations**

Assets and liabilities acquired in foreign currencies are measured in Czech crowns at the daily exchange rate and at the end of the accounting period are valued at the exchange rate valid as at 31 March 2022 as announced by the Czech National Bank.

Realised and unrealised foreign exchange gains and losses are charged to income or expense in the current year.

**j) Cost and revenue accounting**

Income and expenses are accrued, i.e. to the period to which they relate both materially and temporally.

The Company charges provisions and allowances to cover all known risks, losses and impairments at the date of the financial statements.

The revenues, i.e. the proceeds from the live game, are accounted for on a daily basis based on the "DAILY SUMMARY REPORT" document, converted at the daily CNB (Czech National Bank) exchange rate. Revenue from gaming machines is charged on the basis of the same document on the last day of the month at the exchange rate according to the CNB

**k) Income tax, fees and contributions**

In the years 2021-2022, respectively 2020-2021, the company that is operating casinos according to the Gambling Act 186/2016 Coll., according to the Gambling Tax Act 187/2016 Coll. and according to the Income Tax Act 586/1992 Coll. and as later amendments, was burdened with the following tax and fee payments:

1. a rate of 23% for the sub-basis of the tax on live gaming, which is the amount by which the sum of deposits Act, received and not returned exceeds the sum of winnings paid out on live gaming under Section 4(f) of the
  
2. a rate of 35 % for the sub-base of the tax on technical gaming, which is the amount by which the aggregate Section 4(e) of the Act. of deposits received and not returned exceeds the sum of winnings paid out on technical gaming under

The gambling tax period is the calendar quarter.

Income tax expense is calculated using the applicable tax rate on accounting profit increased or decreased by permanently or temporarily unrecognisable tax expenses and non-taxable income (e.g. creation and settlement of other provisions and valuation allowances, representation costs, difference between accounting and tax depreciation, etc.)

The deferred tax liability reflects the tax effect of temporary differences between the amortised cost of assets and liabilities in terms of accounting and determination of the income tax base.

**l) The method of determining valuation allowances**

Valuation allowances represent temporary reductions in the value of assets. Valuation allowances were booked in the amount of 52 thousand CZK to trade receivables that are overdue.

	Balance at 31 March	Creation	Settlement	Final state
allowances for receivables	74	52	74	52



## Supplementary information on significant items of assets and liabilities, profit and loss account

All figures are in thousands CZK

### ASSETS

B. Fixed assets		previous year	change in %
	<b>Balance sheet value</b>	<b>889 885</b>	<b>950 233</b>
			<b>-6,35%</b>

#### B. I. Intangible fixed assets

ACQUISITION PRICE		Initial balance	Additions	Disposal	Transfers	Final balance
B.I.2.1.	Software	32 077	632	5 041	0	27 668
B.I.2.	Valuable rights	1 867	0	0	0	1 867
B.I.5.2.	Intan. fixed assets in progress	0	1 467	1 265	0	202
	<b>Total</b>	<b>33 944</b>	<b>2 099</b>	<b>6 306</b>	<b>0</b>	<b>29 737</b>

ADJUSTMENT		Initial balance	Depre- ciation	Disposal	Final balance	Residual value
B.I.2.1.	Software	-27 284	-2 202	5 042	-24 444	3 224
B.I.2.	Valuable rights	-432	-223	0	-655	1 212
B.I.5.2.	Intan. fixed assets in progress	0	0	0	0	202
	<b>Total</b>	<b>-27 716</b>	<b>-2 425</b>	<b>5 042</b>	<b>-25 099</b>	<b>4 638</b>

Summary of small intangible assets not included in the balance sheet at cost as at 31 March 2022 respectively 31 March 2021 is 1 110 thousand CZK, resp. 1 110 thousand CZK.

#### B.II. Tangible fixed assets

ACQUISITION PRICE		Initial balance	Disposal	Additions	Transfers	Final balance
B.II.1.2.	Structures	690 433		1 704	443	692 138
B.II.2.	Tangible movable assets	300 578	-2 702	2 993	286	300 868
	<i>thereof Machinery, devices and equip.</i>	180 055	-613	987	286	180 429
	<i>thereof Means of transport</i>	19 468	-2 034	1 050	0	18 484
	<i>thereof Inventory</i>	101 055	-55	956	0	101 956
B.II.1.1.	Land	45 949	0	0	0	45 949
B.II.4.3.	Other tangible fixed assets	6 361	0	0	0	6 361
B.II.5.2.	Tangible fixed assets in	1 105	-4 780	10 319	-729	6 644
B.II.5.1.	Prepayments tan. fixed assets	0	-1 194	3 024	0	1 830
	<b>Total</b>	<b>1 044 426</b>	<b>-8 676</b>	<b>18 040</b>	<b>0</b>	<b>1 053 790</b>

ADJUSTMENT		Initial balance	Disposal	Depre- ciation	Final balance	Residual value
B.II.1.2.	Structures	-172 961	0	-14 346	-187 307	504 831
B.II.2.	Tangible movable assets	-229 912	2 242	-22 743	-250 414	50 454
	<i>thereof Machinery, devices and equip.</i>	-129 966	574	-17 761	-147 153	33 276
	<i>thereof Means of transport</i>	-9 330	1 614	-2 112	-9 828	8 656
	<i>thereof Inventory</i>	-90 616	54	-2 870	-93 432	8 524
B.II.1.1.	Land	0	0	0	0	45 949
B.II.4.3.	Other tangible fixed assets	0	0	-2 094	-2 094	4 268
B.II.5.2.	Tangible fixed assets in	0	0	0	0	6 644
B.II.5.1.	Prepayments tan. fixed assets	0	0	0	0	1 830
	<b>Total</b>	<b>-402 873</b>	<b>2 242</b>	<b>-39 183</b>	<b>-439 815</b>	<b>613 976</b>

**B.III. Non-current financial assets**

The decrease in equity of the subsidiaries TWHG and TWHA was not due to a deterioration in the performance of these companies. The reason for the revaluation was the appreciation CZK against to EUR. between the balance sheet dates of 31 March 2022 and 31 March 2021.

On 8 July 2021, the subsidiary Palasino Malta Limited was established. Its head office is located in 170 Pater House, Level 1 (Suite A285) Psaila Street, BKR9077 Birkirkara, Malta; VAT MT28463330, DIČ 970846726 (hereinafter PML). TWHE owns 100% of its shares.

	Initial balance	Additions	Disposals	Final balance
<b>B.III.1. Equity investments - controlled or controlling entity</b>	<b>302 454</b>	<b>5 269</b>	<b>36 453</b>	<b>271 271</b>
Trans World Hotels Germany (TWHG)	258 830		31 286	227 544
Trans World Hotels Austria (TWHA)	43 624	5 087	4 985	43 726
Palasino Malta Limited	0	182	182	0

PML reported negative equity in the first year of its establishment, therefore the share was revalued to CZK 0,-.

C. Current assets		Previous year		change in %
	Balance sheet value	417 486	205 788	102,87%

#### C.I. Inventories

Inventory consists of restaurant supplies, LTO and propane supplies, and promotional materials.

#### C.II. Receivables

C.II.1 Long-term receivables		at 31 March 2022	at 31 March 2021
C.II.1.1.	Trade receivables	6 234	0
C.II.1.2.	Receivables - controlled or controlling entity	17 321	0
C.II.1.5.	Receivables - others	30 000	30 000
Total		53 555	30 000

Receivables from controlled persons increased by CZK 17,321 thousand due to a loan granted to a subsidiary of PML.

As of 31 March 2022 and 31 March 2021, respectively, the Company had deposited the gaming principal in a Treasury account holding 30 000 TCZK and 30 000 TCZK respectively. (C.II.1.5.)

At the balance sheet date, the Company does not record receivables that have a maturity of more than five years.

C.II.2 Short-term receivables		at 31 March 2022	at 31 March 2021
C.II.2.1	Trade receivables	941	889
C.II.2.4.	Other receivables	9 237	38 512
<i>thereof</i>	C.II.2.4.3. State - tax receivable	5 896	0
<i>thereof</i>	C.II.2.4.4. Short-term deposits given	3 186	222
<i>thereof</i>	C.II.2.4.6 Other receivables	155	38 290
	<i>thereof subsidy COVID-19</i>	0	38 265

#### C.III Current financial assets and C.IV. Cash

C.III. Current financial assets represent available funds deposited in capital markets, when they are revalued to fair value.

		at 31 March 2022	at 31 March 2021
C.III.	Current financial assets	114 020	77 097
C.IV.	Cash	236 003	55 880

D. Other assets		Previous year		change in %
	Balance sheet value	9 514	2 429	291,68%

Deferred costs include mainly accruals for wastewater treatment plant costs - CZK 715 thousand CZK, for marketing services – billboards, advertising, insurance, etc. and are expensed in the period to which they relate. It also records items of small operating equipment that the entity, in accordance with its internal policy, expensed over time according to estimated useful lives.

As at 31 March 2022 and 31 March 2021, respectively, deferred expenses amounted to 8 742 TCZK and 2 429 TCZK, respectively.



## LIABILITIES

A. Equity	Previous year		change in %
Balance sheet value	1 117 281	1 014 746	10,10%

Based on the decision of the General Meeting of the company held on 20 September 2021, it was approved to transfer the profit for 2020-2021 in the amount of CZK 9 485 thousand to the account of retained earnings of previous years. The statement of changes in equity is part of the statements presented in the financial statements.

B. Reserves	Previous year		change in %
Balance sheet value	46 060	4 903	839,42%

There is a new reserve for corporation tax in the reserves account as at 31 March 2022.

	Initial balance	Release	Creation	Final balance
B.II Income tax reserve	0	0	27 527	27 527
B.IV Other reserves	4 903	5 899	19 529	18 533
<i>thereof Reserve for untaken holiday</i>	4 903	5 899	4 910	3 914
<i>thereof Reserve bonuses</i>	0	0	12 218	12 218

C. Payables	Previous year		change in %
Balance sheet value	66 625	63 368	5,14%

### C.I. Long-term payables

At the balance sheet date, the Company does not record payables that have maturity of more than five years.

#### C.I.2. Payables to credit institutions

The company obtained a loan from ESSOX s.r.o. to finance eight passenger cars in 2019. The total amount of the loan is CZK 4 442 thousand. The amount of outstanding debt as at 31 March 2022 and 31 March 2021 is CZK 2,012 thousand and CZK 3,224 thousand, respectively. The company keeps records of the cars in its assets. The company records the short-term part of the loan due within 1 year in the amount of CZK 1 211 thousand (item C.II.2 in the balance sheet).

#### C.I.8. Deferred tax liability

The Company has calculated deferred tax based on temporary differences between the amortised cost of assets and liabilities from an accounting perspective and the determination of the income tax base taking into account the period of realisation. The Company has calculated deferred tax as follows:

	at 31 March 2022	at 31 March 2021
Difference between the tax and accounting amortised cost of assets	-106 047	-107 665
Other reserves	16 900	4 903
Allowances	53	74
Total deferred tax base	-89 094	-102 687
Deferred tax rate	19%	19%
<b>Deferred tax</b>	<b>-16 928</b>	<b>-19 511</b>

The Company accounted for a decrease in deferred tax liability in the amount of CZK 2 583 thousand in

the years 2021-2022 (2020-2021 - CZK 1 171 thousand). Item L.2. in the profit and loss account.

## C.II. Short-term payables

<b>C.II.8.4. Social security and health insur. payables</b>	at 31 March 2022	at 31 March 2021
Social security liabilities	5 375	2 292
Health insurance liabilities	2 587	4 732

These liabilities were paid in April 2022.

### C.II.8.6. Estimated payables

Passive accounts include mainly uninvoiced services - maintenance, energy, audit. As at 31 March 2022 and 31 March 2021, respectively, the estimated liabilities amounted to CZK 6 931 thousand and CZK 2 374 thousand.

<b>D. Accrual of liabilities</b>	<b>Previous year</b>		<b>change in %</b>
<b>Balance sheet value</b>	<b>86 919</b>	<b>75 434</b>	<b>14,44%</b>

Accrued expenses mainly include gaming tax and are charged to current period expenses. As at 31.3.2022, the balance of the gambling tax amounted to 86 353 TCZK. This is the gambling tax for the first quarter of 2022.

### Assets and liabilities not recognised in the balance sheet

The Company has unrecognised assets on the balance sheet as at 31 March 2022. These are small assets, hired assets and value gaming chips.

Assets leased by the company in the form of operating lease (i.e. the lessee does not repurchase the assets at the end of the lease term) as at 31 March 2022 (in thousands CZK):

Description	Rent
slots, chippers	37 228

## PROFIT AND LOSS STATEMENT

All revenues are generated in Czech republic.

Revenue	change in %	2021 - 2022		2020 - 2021	
		Casinos	Hotel	Casinos	Hotel
<b>I. Sales of products and services</b>		<b>884 555</b>	<b>36 153</b>	<b>364 814</b>	<b>17 075</b>
<i>thereof</i> <i>Operation of gambling</i>		851 630	0	343 718	0
<i>Accommodation</i>		999	20 021	310	9 619
<i>Spa activity</i>		0	1 508	0	405
<i>Hospitality activities</i>		24 927	14 203	13 215	6 720
<i>Services to companies in the group</i>		6 417	0	6 698	0
<i>Other services</i>		582	421	873	331
<b>II. Sales of goods</b>		<b>1 970</b>	<b>174</b>	<b>929</b>	<b>86</b>
<b>Total sales</b>	<b>141,01%</b>	<b>886 525</b>	<b>36 327</b>	<b>365 743</b>	<b>17 161</b>

### III.3 Sundry operating income

	2021-2022	2020-2021
Subsidies - COVID	36 745	131 165
Others	115	120
	<b>36 860</b>	<b>131 285</b>

### D. Staff costs

	2021 - 2022		2020 - 2021	
	Employees	thereof manage- ment	Employees	thereof management
Average number of employees	378	13	411	11
Payroll	178 159	25 383	170 900	26 470
Remuneration to members of statutory bodies	12 827	12 827	11 578	11 578
Social security and health insurance	62 142	6 426	59 483	6 405
Social costs	8 211	625	5 147	531
Total personal costs	<b>261 339</b>	<b>45 261</b>	<b>247 108</b>	<b>44 984</b>

### F. 3 Taxes and charges

The most significant contributor to the tax is the gambling tax.

	k 31. 3. 2022	k 31. 3. 2021
Road tax	48	47
Property tax	118	143
Gaming tax - SLOTS	220 092	92 951
Others fee and taxes	183	153
Gaming tax - LIVE GAMES	47 417	19 058
	<b>267 858</b>	<b>112 352</b>

### L. 1 Due income tax

Income tax calculation (in thousands CZK)

	at 31 March 2022	at 31 March 2021
Profit before tax	152 100	12 354
Non-taxable income	0	0
Non-deductible costs	24 265	3 483
Tax base	176 365	15 837
Deduction of tax losses, gifts	0	0
Income tax rate	19%	19%
Tax before relief	33 509	3 009
Tax relief		161
Computed tax estimation	33 509	2 848
paid in advance	-5 982	0
change between estimation and tax return	273	-1 150
<b>Due income tax:</b>	<b>27 800</b>	<b>1 698</b>

### Transactions and relationships with related entities

In the years 2021-2022 and 2020-2021, respectively, the members of the statutory bodies did not receive any loans, guarantees, advances or other benefits and do not own any shares in the company.



Short-term receivables from related parties as at 31 March 2022 and 31 March 2021 were as follows:

Related party	Text	at 31 March 2022	at 31 March 2021
TWHA	From business relations	110	119
TWHG	From business relations	313	396
FEC	From business relations	0	153
<b>Total</b>		<b>423</b>	<b>668</b>

Long-term receivables with a value of CZK 6 234 thousand are recorded only against the subsidiary PML.

Although the company uses the services of related parties as a normal part of the company's business activities, in 2021-2022 the purchases of services amounted to CZK 0, compared to CZK 10 051 thousand in 2020-2021.

As at 31 March 2022 and 31 March 2021, respectively, current liabilities to these companies were as follows (in thousands CZK):

Related person	Text	at 31 March 2022	at 31 March 2021
TWHA	From business relations	0	0
TWHG	From business relations	0	135
TWC	From business relations	0	1 561
PML	From business relations	0	0
<b>Total</b>		<b>0</b>	<b>1 696</b>

**Remuneration of the audit firm**

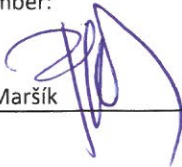

Total remuneration of the auditing company Schaffer & Partner Audit s.r.o., for the statutory audit of the financial statements for the year 2021-2022 amounted to 669 TCZK (2020-2021 669 TCZK).

**Significant events that occurred between the balance sheet date and the time of preparation of the financial statements.**

There were no significant events between the balance sheet date and the date of the financial statements.

Proposal of the Chairman of the Board of Directors for the distribution of the financial result

The Chairman of the Board of Directors proposes to allocate the profit for the financial years 2021-2022 to the retained earnings account from previous years.

Prepared on:	Signature of the statutory body's member:	Person responsible for the financial statements:
on August 29, 2022	Ing. Pavel Maršík 	Ing. Jana Vítková 

**Trans World Hotels & Entertainment, a.s.**  
with registered office in Česká Kubice 64, 345 32 Česká Kubice, Czech Republic

(hereinafter the "Company")

**Annual report for period from 1 April 2021 till 31 March 2022**

**The attached, audited financial statements include all information about the company's performance, activities and economic position:**

- a) No significant events have occurred since balance sheet date that would not be mentioned in Financial statements
- b) The expected development of the Company is the continued growth of both divisions, gaming and hotel, both organically and through other acquisitions
- c) There are no significant research and development activities
- d) The Company does not own any own shares
- e) The Companies protect the environment and adhere standard labour relations
- f) The Companies do not have branch office or another part of business abroad
- g) Related parties relation report is attached

In Česká Kubice on August 29, 2022



\_\_\_\_\_  
Ing. Pavel Maršík  
Chairman of the Board

**Approved by sole shareholder, FEC Overseas Investment (UK) Limited, M24DN Manchester, Northern Assurance Building, Second Floor, 9-21 Princess Street, United Kingdom, registration number: 11169889**

In Hong Kong on August 29, 2022



\_\_\_\_\_  
Mr. Cheong Thard Hoong  
FEC Overseas Investment (UK) Limited  
Director of the Company

**Trans World Hotels & Entertainment, a.s.**  
(hereinafter the "Company")

**Related parties' relation report prepared for the period from 1 April 2021 till 31 March 2022 pursuant to §82 of Act No. 90/2012 Coll., Corporations Act (hereinafter the "Corporations Act")**

a) Structure of relations between the Company and controlling company and between the Company and other controlled companies

The Company is controlled by FEC Overseas Investment (UK) Limited with its seat in Manchester, Northern Assurance Building, 2. Floor, 9-21 Princess Street UK, registration number 11169889.

Company is controlling person in relation to the companies:

- Palasino Malta Limited, 170, Pater House, Level 1 (Suite A285), Psaila Street, Birkirkara, BKR 9077, Malta, registration number C 99645,
- Trans World Hotels Germany, GmbH with its seat in Am Reitpfad 4, 63500 Seligenstadt-Froschhausen, Germany, registration number HRB 48085, a
- Trans World Hotels Austria GmbH with its seat in Am Winterhafen 13, 4020 Linz, Austria, registration number 089480p.

The Company controls Palasino Malta Limited and Trans World Hotels Germany GmbH through share ownership where it is the sole shareholder of both aforementioned companies. The Company also controls Trans World Hotels Austria GmbH through ownership of 94 % share, Trans World Hotels Germany GmbH holds 6 % of the Trans World Hotels Austria's share.

Palasino Malta Limited, Trans World Hotels Germany GmbH and Trans World Hotels Austria GmbH are persons controlled by the same controlling person as the Company.

b) Role of the Company as the controlled company

The principal activities of the Company are the operation of gambling games in casinos in the municipalities of Česká Kubice, Hatě u Znojma and Dolní Dvořiště, as well as catering activities, in particular the operation of the Savannah Hotel in Hatě u Znojma, currency exchange services, production, installation, repair of electrical machines and devices, electronic and telecommunications equipment, production, trade and services not listed in Annexes 1 to 3 of the Trade Act, sale of fermented alcohol, potable alcohol and spirits, cosmetic services and pedicure and manicure and road and motor transport - personal operated by vehicles intended for the transport of no more than 9 persons, including the driver. The company holds an operational function within the group in relation to the above-mentioned activities in the territory of the Czech Republic.

c) Method and means of control

The sole shareholder of the Company is company FEC Overseas Investment (UK) Limited. Company FEC Overseas Investment (UK) Limited controls the Company through ownership of 100 % of the Company's share. The control of the Company is exercised through the decisions-making at the Company's general meetings.

d) Actions taken at the initiative or in the interest of the controlling company or the companies controlled by the controlling company where such actions concerned assets exceeding 10% of the controlled company's equity based on last period financial statements

There were not taken such actions.

e) Contracts concluded between controlled and controlling companies and between controlled companies

Contract for management service providing concluded between the Company and Trans World Hotels Austria GmbH dated 01.10.2017

Contract for management service providing concluded between the Company and Trans World Hotels Germany GmbH dated 01.10.2014

Contract for management service providing concluded between Trans World Hotels Germany GmbH and Trans World Hotels Austria GmbH dated 1.10.2017

Contract for management service providing concluded between the Company and Palasino Malta Limited dated 1.10.2021

Loan Contract concluded between the Company and Palasino Malta Limited dated 1.8.2021

f) Assessment of potential damage caused to the Company and assessment of its compensation according to Section 71 and 72 of the Corporation Act

The Company did not suffer any damage in connection with above mentioned contracts, other legal acts or other actions taken.

g) Advantages, disadvantages and risk resulting from relations between companies

There are neither advantages nor disadvantages resulting from relations between related parties. The relations are, from the advantages and disadvantages point of view, neutral. There are no risks that could arise from such relations.

**Further information on related parties' relations can be found in attached, audited Notes to financial statements.**

In Česká Kubice on June 30, 2022

  
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Ing. Pavel Maršík  
Chairman of the Board