

PALASINO



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2026

Palasino Holdings Limited

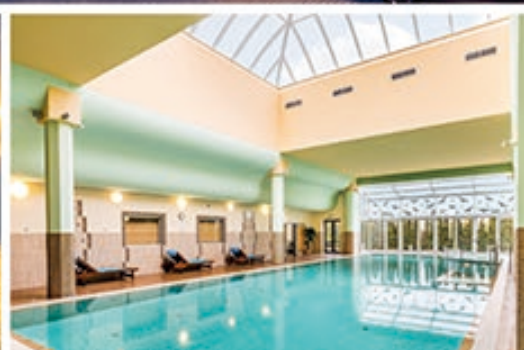
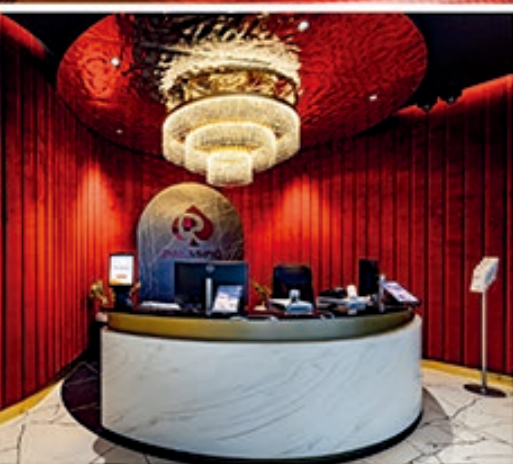
百樂皇宮控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2536

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Introduction

MESSAGE FROM THE MANAGEMENT

We are pleased to present Palasino Holdings Limited's Sustainability Report for the financial year ended 31 March 2026 ("reporting period" or "FY2026"). This report summarizes the Group's sustainability performance, key initiatives and progress across environmental, social and governance ("ESG") matters, and reflects our continued commitment to transparent reporting following our listing on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 26 March 2024. Sustainability has guided the Group since its inception, and we continue to place it at the heart of our corporate strategy by combining responsible business conduct, operational efficiency, profitability, and long-term stakeholder value. ^[C2, Part B 13]

During the reporting year, the Group continued to strengthen its position as a gaming, hospitality and leisure group with operations across Central Europe. A key milestone was the revitalization of the Retail Park Mikulov property and the successful opening of Palasino Mikulov there, our fourth casino in the Czech Republic. This expansion was delivered while maintaining our focus on responsible growth, compliance with applicable laws and regulations, and the high standards expected by our guests, employees, investors and communities.

Environmental responsibility remained a major priority. We continued to invest in energy efficiency, renewable energy generation, and resource conservation across our operations. The Group's photovoltaic systems in the Czech Republic reached a total installed capacity of 584 kWp and produced 380.6 MWh of electricity for our own consumption during the reporting period. Together with other measures, these initiatives helped reduce total electricity consumption across the Group by 8.8%, diesel consumption by 22%, and drinking water consumption by 10.2%. We also improved waste sorting and continued to shift waste away from unsorted municipal waste towards recyclable materials, while gradually modernizing our vehicle fleet and exploring further energy-management solutions.

Our people remain central to the Group's success. We are committed to providing a fair, safe, and inclusive workplace, supporting equal treatment, professional development and open communication across all operations. During the year, employees completed training relevant to their roles, including areas such as compliance, occupational health and safety, responsible gaming, and operational skills. We also continued to support local employment and community engagement. More than 67% of employees came from local communities as at 31 March 2026, and the Group donated approximately CZK 0.9 million to charitable and social initiatives, including projects supporting health, inclusion, children in need, youth sport, animal welfare and local development.

Responsible management and strong governance continue to underpin the way we operate. We maintained our ISO/IEC 27001:2022 certification, reinforcing our commitment to information security and the protection of customer and employee data. We also continued to strengthen our anti-money laundering, anti-corruption, whistleblowing, privacy and compliance practices, while promoting responsible gaming through employee training, customer information, self-limitation, and self-exclusion tools. Looking ahead, we will continue to integrate the sustainability principles set out in this report into our decision-making, monitor progress against our ESG priorities, and respond to evolving regulatory and stakeholder expectations. By balancing growth with responsibility, we aim to create lasting value, minimize adverse impacts, and support a sustainable future for the Group and the communities in which we operate. ^[C2, Part B 13]

Pavel Maršík

*Executive Director and Chief Executive Officer,
Palasino Holdings Limited*

Overview and History of the Group

Palasino Holdings Limited ("Palasino" or "the Company", together with its subsidiaries, "the Group" or "we") is a public limited company incorporated in Cayman Islands on 6 July 2023 and its shares are listed on the Stock Exchange on 26 March 2024. The ultimate controlling shareholder of the Company is Tan Sri Dato' David CHIU, who controls the Company through the investment holding company incorporated in the Cayman Islands, namely Far East Consortium International Limited, which shares are listed on the Stock Exchange. The Company acts as an investment holding company and the operating subsidiaries are principally engaged in the hospitality and gaming business across the Central Europe. The Group operates land-based casinos in the Czech Republic through Palasino Group, a.s. ("Palasino Group"), offering slot machines and live table games. Although our casinos are located in the Czech Republic, our distinctive offering and hospitality attract customers from around the world. In addition, the Group owns and operates three hotels in Germany and one hotel in Austria, providing accommodation, catering, conference and leisure services. The Group operates in compliance with the applicable laws and regulations of the Czech Republic, Germany and Austria.

With nearly 31 years of experience in the gaming and hospitality industry, the Group has established a strong market position built on operational expertise and industry knowledge. Its presence in Central Europe dates back to 1995 with the opening of Palasino Furth im Wald, followed by the launch of Palasino Excalibur City in 1999 and Palasino Wullowitz in 2004.

The Group's flagship destination, Palasino Savannah Resort, combines the Savannah Hotel and Palasino Excalibur City into an integrated leisure and entertainment complex. The resort offers a wide range of gaming, accommodation, wellness, conference, and dining services, serving both gaming and non-gaming guests, including families, leisure travellers, and corporate clients.

Between 2014 and 2017, the Group expanded its hospitality portfolio through acquisitions in Germany and Austria, including Hotel Columbus, Hotel Auefeld, Hotel Kranichhöhe, and Hotel Donauwelle. These properties operate primarily as business and leisure hotels, offering accommodation, catering, and conference facilities for individual and corporate guests.

Our Trademark

Palasino – at the heart of the game

The Group operates under the registered trademark Palasino – at the heart of the game, which has been used across its casino operations throughout Europe. The Palasino brand combines the concepts of "palace" and "casino", reflecting the Group's focus on premium entertainment and hospitality services.

The unified brand identity strengthens the Group's market presence, supports consistent marketing activities across all operations, and helps to differentiate Palasino in the competitive gaming and leisure industry.



Overview and History of the Group

Our Hotels and Casinos

In addition to the Savannah Hotel at Palasino Savannah Resort, which operates under the “Palasino” brand, we own and operate four other hotels in Germany and Austria under the “Trans World Hotels” brand with the “TWH” logo. This brand is derived from the former name of Palasino Group, a.s., Trans World Hotels & Entertainment, a.s. which in turn was derived from the previous owner, Trans World Corporation.

PALASINO SAVANNAH RESORT

Chvalovice, Hatě 199, 669 02 Znojmo, Czech Republic

HOTEL COLUMBUS

Am Reitpfad 4, 63500 Seligenstadt, Germany

PALASINO WULLOWITZ

Dolní Dvořiště 225, 382 72 Dolní Dvořiště, Czech Republic

HOTEL AUEFELD

Hallenbadstraße 33, 34346 Hann. Münden, Germany

PALASINO FURTH IM WALD

Česká Kubice 64, 345 32 Česká Kubice, Czech Republic

HOTEL KRANICHHÖHE

Bövingen 129, 53804 Much, Germany

PALASINO MIKULOV

28. října 1794/1a, 69201 Mikulov, Czech Republic

HOTEL DONAUWELLE

Am Winterhafen 13, 4020 Linz, Austria



Palasino Excalibur City



Hotel Savannah



Palasino Wullowitz



Palasino Furth im Wald



Palasino Mikulov



Hotel Donauwelle



Hotel Kranichhohe



Hotel Auefeld



Hotel Columbus



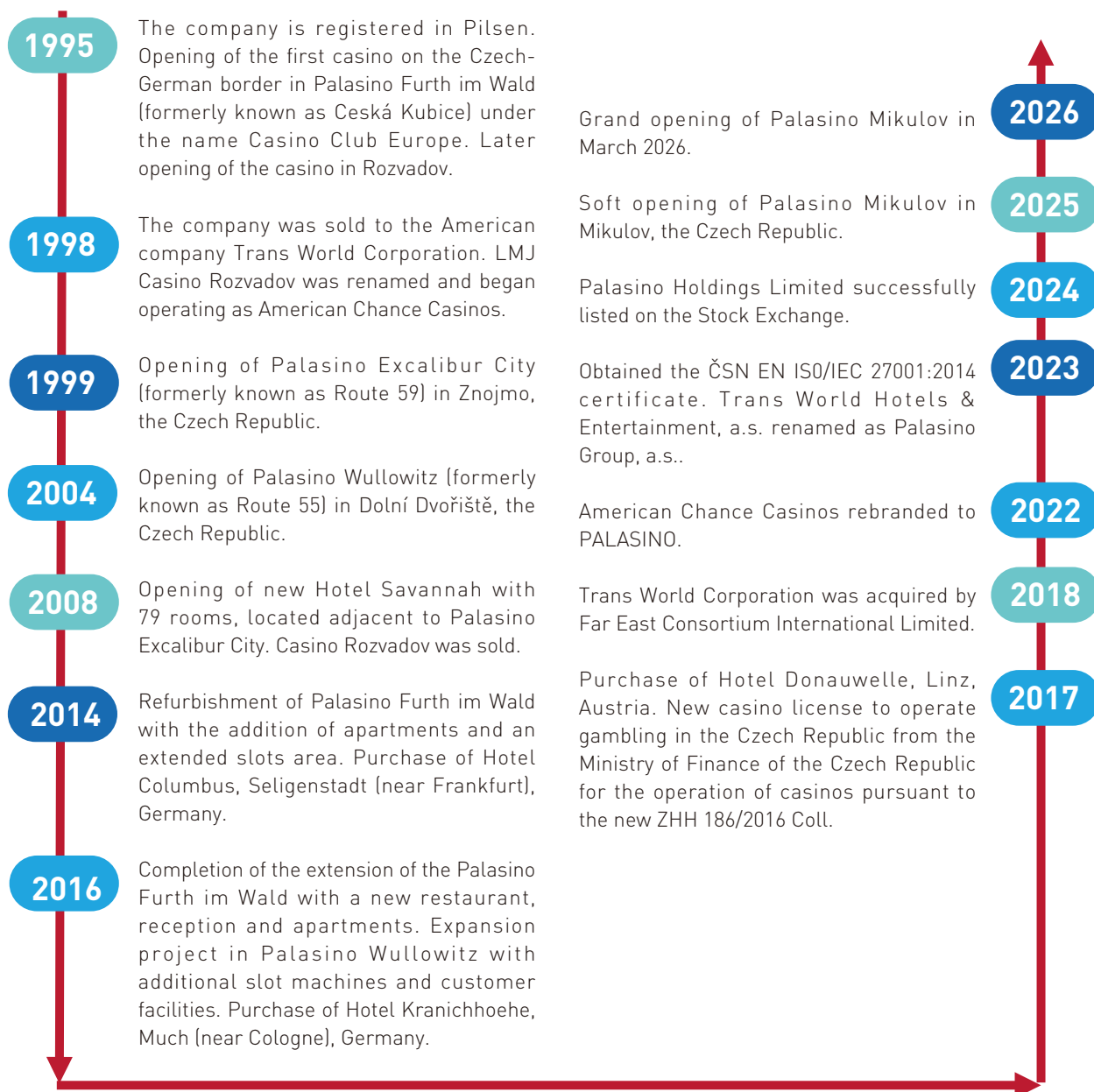
PALASINO
GROUP

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Overview and History of the Group

COMPANY MILESTONES



ESG Statement

We are committed to being a responsible global group to deliver sustainable value to our stakeholders through meaningful efforts in the areas of environment, social responsibility, governance and management. Since the Group's inception, our future strategies and development have been guided by the principles of sustainability, while maintaining maximum efficiency and operational profitability. We consider the synergy between sustainability and business to be a key factor in the Group's development and a major driver of value.

THE TWELVE SUSTAINABLE DEVELOPMENT GOALS

The Group subscribes to the sustainable development goals ("SDGs") adopted by the Member States of the United Nations under General Assembly Resolution A/RES/70/1 of 25 September 2015. This framework seeks to achieve seventeen goals by 2030. The overarching aim of the initiative is to end all forms of poverty-related living, reduce inequalities, address climate change, while ensuring that no one is left behind at risk of poverty. Currently, our work and activities support the following twelve goals.



SUSTAINABLE DEVELOPMENT GOALS

FY2026 SUSTAINABILITY HIGHLIGHTS



Successfully maintained ISO/IEC 27001:2022 certification

We successfully completed the ISO audit for higher standard 2022 and passed all recertification process, confirming that our information security policies, procedures, and controls continue to meet the stringent requirements of this internationally recognized standard.



Successfully opened Palasino Mikulov

Following the acquisition of Retail Park Mikulov in February 2024, which gave us the possibility for conversion into Palasino Mikulov, our fourth casino in the Czech Republic, we carried out extensive revitalization and renovation works, based on a conceptually new architectural design for the casino. The grand opening of Palasino Mikulov was successfully held in March 2026, symbolically marking the official conclusion of the soft-opening period commencing in December 2025, and presenting the new casino to the general public.



Continuing to reduce the Group's carbon footprint

- Reduced communal waste in favour of recycled waste.
- From a total of 584 kWp of photovoltaic panels, we produced 380.6MWh of electricity for our group's consumption.
- Reduced consumption of drinking water for 10.2% against FY2025.

These achievements demonstrate the Group's strong commitment to sustainable business practices and its ability to deliver continuous environmental improvements.



Maintaining a positive workplace for our Employees, who are our best value

Our group is committed to fostering a corporate culture and environment free of discrimination. Our group's gender workforce ratio stood at 48:52 (male to female), the work-related injury rate is 0.7%, and 100% of all employees completed training to improve their job skills during FY2026.



Social Responsibility

Donated approximately CZK0.9 million to charitable causes. This contribution reflects the Group's commitment to supporting the communities in which it operates and creating a positive impact for those in need.

ESG Statement

Business Environment and Future Prospects

The Group operates and manages its casinos and hotels directly, ensuring consistent operational standards, efficient management and a high level of customer service. This approach enables flexibility, direct customer feedback and long-term guest satisfaction across all operations.

The Group continues to explore growth opportunities in the Czech Republic and across Central Europe through acquisitions and new business opportunities, while adhering to its ESG strategy and Code of Conduct.

Scope of ESG Disclosures ^(C2. Part B 15)

This sustainability report covers the FY2026. The report fulfils relevant provisions of Rule 13.91 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and the ESG Reporting Guide in Appendix C2 to the Listing Rules. This report focuses on material ESG topics and events that relate to our business and operations. The scope of reporting includes hotels and gaming entities over which we have significant operational control. This includes a total of eight key assets:

- **One integrated casino and resort, and three casinos in the Czech Republic;**
 - Palasino Savannah Resort
 - Palasino Furth im Wald
 - Palasino Wulowitz
 - Palasino Mikulov
- **Three hotels in Germany;**
 - Hotel Columbus
 - Hotel Auefeld
 - Hotel Kranichhöhe
- **One hotel in Austria;**
 - Hotel Donauwelle

Involvement of Stakeholders and Assessment of Materiality of the Group ^(C2. Part B 14)

The stakeholder engagement and materiality assessment conducted during the Group's first ESG reporting year in the financial year ended 31 March 2024 remains valid and continues to form the basis of the Group's ESG strategy, priorities and reporting approach. The Group continues to follow the established materiality framework and stakeholder engagement principles outlined in previous ESG reports. Our materiality assessment was conducted using a three-stage approach:

1. Identification:

We identified 15 significant themes across three main ESG categories: Environment, Social and Governance. This process involved thorough desk research, factoring in various aspects of our business and industry.

2. Assessment:

Our key internal and external stakeholders were invited to participate in an online survey to rate the relevance and importance of various topics to both them and the Group. They were provided with instructions to evaluate the topics based on several factors and quantifiable indicators, including the level of positive and/or negative significance, the severity of the impact caused by the topics and the likelihood of risks associated with the topics for them and the Group. A total of 46 topics were assessed, with materiality evaluated as part of the overall analysis.

3. Setting priorities:

An analysis was conducted based on the results of our stakeholder survey. Six key ESG issues were identified and prioritised as the main issues of the importance to our Group: climate change and greenhouse gas emissions, energy management, human rights and employment practices, guest health and safety, business ethics and integrity, and responsible gaming.

These topics have been prioritised as they represent the most significant areas of focus for our Group's ESG strategy. Prioritizing these important issues will serve as the foundation of our business model for the near future. Additionally, we will regularly review and reprioritise these topics to ensure ongoing alignment with stakeholder expectations and perspectives.

ESG key areas (selection of relevant topics)



Involvement of Stakeholders and Assessment of Materiality of the Group ^(C2. Part B 14)

Area E – Important topics

Significant themes – identified impacts, risks and opportunities



Topic	Positive impacts +	Negative impacts -	Opportunities +	Risks -
We are environmentally responsible	X	X	Spreading awareness of sustainable activities	X

Area S – Important topics

Significant themes – identified impacts, risks and opportunities



Topic	Positive impacts +	Negative impacts -	Opportunities +	Risks -
We are a good employer	Employee satisfaction due to high level of employee benefits compared to competitors and employer stability Uniform treatment of all employees across the Company and equal pay Professional and personal development of employees	X	Equal access communication for all employees	Labour shortage
We are accountable to our communities	Palasino makes a significant contribution to the state and municipal budgets through its significant tax levies, supporting the lives of its citizens Supporting employment in the regions where Palasino operates	X	We communicate our activities transparently	X
We value our clients	X	Gaming addiction, "irresponsible" gaming Leakage of personal data of customers (and employees) and subsequent impact on customers (employees)	Implementation of a project for an internal communication tool for clients	Leakage of personal data about customers (and employees)

Area G – Important topics

Significant themes – identified impacts, risks and opportunities



Topic	Positive impacts +	Negative impacts -	Opportunities +	Risks -
We face risks in legislation	X	X	Collaboration across our business sector Lobbying	Legislation restricting marketing communications Legislative changes in connection with the tightening of the gambling law (risk from the state) Dependence on the decisions of the municipal council where the casino operates Level of compliance with set changes in legislation across the market
We are a good steward	Reliable and trustworthy partner	X	Due to the high demands on operational activity, the maturity and reliability of the technology ensures 365/24 operation in all conditions	Financially and operationally demanding running, operation and servicing of systems in the plants

We are Environmentally Responsible (C2. Part C A1)

The Group is committed to reducing energy consumption and improving operational efficiency through sustainable technologies across its operations. Current initiatives include the use of solar power plants and cogeneration units to optimize energy use and reduce environmental impact. We are also updating our company fleet with a focus on fuel efficiency and reduced use of fossil fuels. We prioritize petrol, hybrid and electric vehicles over diesel engines.

INITIATIVES IN THE FIELD OF BUILDING SUSTAINABILITY AND OPERATIONAL REQUIREMENTS

In the financial year ending 31 March 2027, the Group plans to expand its energy management initiatives further by implementing a battery storage system at Palasino Mikulov, supporting more efficient energy utilization and contributing to additional energy savings and operational stability.

We strive to integrate sustainability into all our activities. The operation of buildings and the demands associated with their maintenance, including energy consumption and environmental impact, are important aspects of our sustainability approach.

Renewable energy (C2. Part C A2.1 and A2.3)

Since 2021, the Group has invested in photovoltaic (PV) systems installed on the roofs of its owned buildings in the Czech Republic, supporting renewable energy generation and reducing dependence on external electricity sources. The installations were partially supported by the EU National Renewable Energy Plan subsidy program.

The Group's PV portfolio currently has a total installed capacity of 584 kWp and generated more than 380.6 MWh of renewable energy during the reporting period. Once fully operational throughout the year, the systems are expected to reduce overall electricity consumption by approximately 10–15%.

In addition, gas-fired cogeneration units with up to 95% efficiency are operated at Palasino Savannah Resort and Hotel Kranichhöhe, providing energy-efficient electricity and heat generation for the facilities.

Our rooftop photovoltaic installations include:

99 kWp PV systems in Palasino Furth im Wald (connected since September 2023) 215 kWp PV systems in Palasino Wulowitz (connected since July 2024)

Palasino Resort:
Hotel – 99 kWp PV systems (connected since August 2024)/ Mikulov (connected since December 2025)
Casino – 72 kWp PVS (connected since October 2023)



We are Environmentally Responsible (C2. Part C A1)

(C2. Part C A1 and C2. Part D 22)



Replacement of lighting sources

The Group continues its long-term energy efficiency programme focused on replacing conventional lighting with energy-efficient LED technology across its operations. The transition has been completed in the Group's casino operations in the Czech Republic and is gradually continuing across the hotel portfolio in Germany and Austria.



Replacement of heat sources with heat pumps

The Group continues to evaluate and implement heat pump technology in locations where it is technically and operationally feasible. Through the gradual modernisation of heating systems, the Group aims to reduce overall energy consumption and improve energy efficiency across its operations.



Reducing energy consumption in hotel services: thermal comfort management and control systems

The Group utilises automated regulation and control systems to support the efficient management of heating, cooling and ventilation across its operations. These systems contribute to lower overall energy consumption and support the Group's ongoing energy efficiency initiatives.

The measures contribute to reduced energy consumption, lower operating costs, and improved environmental performance across the Group.



Hybrid and electric vehicles and electric vehicles chargers

The Group supports the gradual transition to hybrid and electric mobility where operationally and economically feasible. Electric vehicle charging stations have been installed at the Group's key locations in the Czech Republic, Germany and Austria for use by guests, employees and the public.

The Group also continues the gradual modernisation of its vehicle fleet, including the introduction of a new electric shuttle bus, and cooperates with external partners on the development of electric vehicles charging infrastructure.



Initiatives to save drinking water (C2. Part C A2)

The Group continues to implement measures aimed at reducing water consumption and improving water efficiency across its operations. These initiatives include the use of water-saving technologies, the monitoring of water consumption, the use of alternative water sources where available, and the reduction of bottled water and plastic waste in catering operations.



TOTAL GREENHOUSE GAS EMISSIONS (TONNES OF CO₂E)

The Group's total energy consumption and greenhouse gas emissions increased this year compared with the previous two years. However, this increase is mainly attributable to the expansion of operations as we successfully opened Palasino Mikulov during FY2026.

We are Environmentally Responsible (C2. Part C A1)**WASTE MANAGEMENT** (C2. PART C A2)

The Group applies waste separation and recycling measures across its operations in compliance with applicable environmental regulations, with a particular focus on reducing unsorted municipal waste. Thanks to improvements in the waste-sorting process, the volume of municipal waste has decreased, while the share of fully recyclable waste has increased.

During the reporting period, the Group did not generate significant hazardous waste and was not subject to any material environmental fines or penalties. During the renovation of the Retail Park Mikulov property, construction waste and debris were sorted by type, recycled and removed for disposal.

Food waste management

The Group seeks to minimise food waste through efficient handling and the optimal use of raw materials across its catering operations. Food waste is separated and disposed of in accordance with applicable environmental standards.

Reducing single use plastic

The Group continues to reduce the use of single-use plastics across its operations by replacing disposable plastic bottles with reusable and more sustainable alternatives. As a result of this initiative, the volume of plastic waste has decreased in favour of glass waste, which is 100% recyclable.

We are a Good Employer

The Group is committed to providing a safe, fair and supportive working environment for its employees. Through employee development, equal opportunities, competitive remuneration, and occupational health and safety initiatives, the Group continues to support long-term employee satisfaction and professional growth.

OCCUPATIONAL HEALTH AND SAFETY (C2. PART C B2)

The Group maintains occupational health and safety measures across all operations to support a safe working environment for employees and guests. Regular employee training, workplace safety procedures, fire protection measures and automated external defibrillators equipment are implemented throughout the Group's facilities.

INVOLVEMENT OF EMPLOYEES

We promote a collaborative and respectful working environment through employee engagement, open communication and fair representation across our operations.

WORKING WITH EMPLOYEES

We are committed to attracting, retaining and developing qualified employees through fair employment practices, competitive remuneration, employee benefits, equal opportunities and professional development programmes. We provide mandatory and specialised training across key operational and regulatory areas, supporting employee growth, workplace safety and compliance with applicable regulations.

We also continue to support employee well-being, long-term career development, and open communication across all our operations.

CODE OF CONDUCT, DIVERSITY, EQUALITY AND INTEGRATION (C2. PART C B1)

- The Group maintains a strong commitment to diversity, equality, and inclusion across all operations.
- Recruitment and employment decisions are based on skills, experience and qualifications, ensuring fair and merit-based treatment.
- Equal opportunity and equal pay principles are embedded in human resource processes and decision-making.
- The Group promotes a respectful, non-discriminatory and inclusive working environment for all employees regardless of gender, age, nationality or background.
- The Code of Conduct defines clear standards of behavior, employee rights and responsibilities, supporting fair and ethical workplace practices.

We are Responsible to Communities (C2. Part C B8)

We strive to establish meaningful relationships with local communities in our areas of operation and to contribute to their health, well-being and satisfaction through a range of activities and programmes. These include community outreach and volunteering initiatives, donations, support for sport and culture, support for local employment, and our significant tax contributions.

DONATION

The Group provides financial support to charities in the regions where we operate, giving back to the communities on which we have an impact. The Group strives to work together over the long term on projects that benefit local communities. During FY2026, nearly CZK 0.9 million was donated in support of these communities.

Support for animals

During FY2026, the Group was the general sponsor of Gut Friedstein GmbH, a shelter for neglected or abandoned animals surrounded by green hills and idyllic forests. The establishment of this shelter sets an example in the care of animals in need. It provides them with a new home, referred to as "Noah's Ark". Here, the animals have the opportunity to find peace in nature and regain their trust in people and other animals. Their motto is: "Saving one animal won't change the world, but the whole world will change for that one animal".

NAUTIS and Good Angel

The Group is proud to be a partner and sponsor of the Good Angel Foundation. Good Angel provides a platform through which companies and individuals can offer targeted financial support to families of seriously ill children. The Foundation supports families facing financial hardship due to illness, provided that the patient is either a dependent child or a parent caring for at least one dependent child. The aim of the Good Angel Foundation's system is to ensure that families receive regular monthly financial assistance amounting to several thousand Czech crowns. Through this system, families receive regular monthly support, increasing their income by an average of 20%. These contributions help to cover medical expenses and support the families' overall financial well-being.

We also support NAUTIS – the National Institute for Autism, a non-profit organisation focused on supporting people with autism spectrum disorders and their families. Through this cooperation, we contribute to initiatives aimed at improving social inclusion, education, counselling and specialised support services for children and adults with autism. A financial donation provided by the Group was also used for the reconstruction of a residential home in Libčice.

We are Responsible to Communities (C2. Part C B8)

Para Hockey Club – SKV Sharks

We continue our long-term support of the SKV Sharks para hockey club, supporting athletes with disabilities and the development of para sports in the Czech Republic. The Group remains proud to contribute to initiatives promoting inclusion, equal opportunities, and community engagement through sport.

Taekwon-do club, NARAMA Pilsen

We continue to support the Taekwon-do club NARAMA Pilsen, a long-standing community partner focused on youth sport and personal development.

During FY2026, one of our employees from Česká Kubice, who is also a club member and junior trainer, won the title of European Champion in power breaking, representing both the club and the Group with distinction.

Nová Ves Children's Home

Since 1996, the Group has been a partner of the Nová Ves Children's Home in the Czech Republic, supporting its work with children in need who depend on the assistance provided by the home. The Children's Home provides care and accommodation for children who cannot be raised in their own families and serves as an alternative educational institution for children and young people. Each year, we visit the home to collect the children's Christmas wishes. We then make every effort to purchase these gifts and present them at the home's annual Christmas party. During FY2026, donations of almost CZK 50,000 were made through the purchase of gifts for 39 children at the home. This annual tradition is of great importance to the Group, and we are committed to continuing this partnership.

IRIS magazine

The Group has been a partner of IRIS, the official magazine of the Zoological and Botanical Garden of Pilsen in the Czech Republic, since its first issue in 1998. The magazine provides general information about the ZOO, including detailed information about the animals found there, as well as special events and activities. IRIS is also a source of natural history news for children and encourages them to learn about the natural world and animal conservation. Pride is taken in supporting this important publication and the Pilsen ZOO as a whole. In addition to monetary and promotional support, educational trips to the ZOO are regularly organized for the children of employees, helping to strengthen the strong partnership with this.

SUPPORTING LOCAL EMPLOYMENT

As part of our commitment to supporting local communities and developing talent, we consider the employment of local people to be essential. This approach creates new job opportunities in the regions in which we operate and helps to foster local professional and personal development. The Group offers above-average wages for these regions, resulting in positive local impacts through increased spending and support for regional businesses and development by our employees. As at 31 March 2026, more than 67% of employees came from local communities.

We are Responsible to Communities (C2. Part C B8)



We Mitigate Risks in Legislation

Gambling regulation in Central Europe is constantly evolving, and governments are promoting responsible gambling environments and tools. As a result, legislation and operating requirements are becoming more stringent. The Group is committed to meeting this challenge and mitigating the risks associated with these legislative changes by, among other things, introducing additional measures to protect players, increasing investment in infrastructure and allocating capital to security measures.

ANTI-MONEY LAUNDERING MEASURES

- Anti-Money laundering ("AML") procedures and internal control systems are implemented across operations in accordance with applicable legal requirements.
- Employees regularly receive mandatory AML, compliance, and ethics training relevant to their roles.

WHISTLEBLOWING, ETHICS HOTLINE

- The Group operates a whistleblowing and ethics reporting system allowing confidential reporting of misconduct or policy violations.

ANTI-CORRUPTION AND BRIBERY

- We maintain a zero-tolerance approach to corruption, bribery, fraud, and unethical behaviour.
- The Code of Conduct defines standards of integrity, transparency, and responsible business conduct for employees and business partners.
- Suppliers and external partners are expected to comply with the Group's ethical and compliance standards.

PRIVACY AND DATA SECURITY

- We place strong emphasis on the protection of customer and employee data through internal security procedures, operational safeguards, employee training, and GDPR compliance measures.
- The Group maintains data protection and cyber-security standards across its operations, including ISO/IEC 27001 certification for its information security management system.
- During the reporting period, we did not record any material breaches of data protection or privacy regulations.

HUMAN RIGHTS AND FAIR WORKING CONDITIONS

We are committed to providing a safe, respectful, and fair working environment across all our operations. The Group applies workplace safety, equal treatment, and non-discrimination principles in accordance with applicable labour laws and internal policies.

We fully comply with European Union labour regulations relating to human rights, modern slavery, child labour, and employee protection, while promoting dignity, respect, and equal opportunities for all employees.

We Address and Mitigate the Risks Associated with Gambling Addiction

RESPONSIBLE GAMING

We recognise gambling as a form of entertainment and are committed to promoting responsible gaming principles across all our operations. The Group continuously monitors regulatory developments and supports measures to protect players, promote transparency, and prevent gambling-related harm.

Our operations are conducted in accordance with applicable legal requirements and responsible gaming standards in the jurisdictions where we operate.

Following the rules

The Group implements its compliance policy under the Gambling Act in full and applies its AML policy in accordance with the guidelines approved by the Financial Analytical Office. It also operates responsible gaming programmes in accordance with the Gambling Act and provides customers with options for self-limitation and self-exclusion. We have introduced a new tool, a panic-button kiosk, for customers who wish to self-exclude from gambling.

Responsibility

The Group provides extensive training for staff to recognise and manage problem gambling and continues to work with organisations such as Lending Hands, which support people affected by gambling addiction, so that Group staff can better understand appropriate approaches and support options for these customers. Through this approach, the Group demonstrates to customers and the wider community that social and corporate responsibility in relation to the harmful effects associated with gambling is an important issue for the Group and not merely a statement of intent.

Cooperation

We strive to maintain positive relationships with local communities by operating responsibly, transparently, and with respect for the surrounding environment. The Group supports responsible gaming initiatives and continuously implements measures to protect players and prevent gambling-related harm.

Employees regularly receive responsible gaming training, including identifying problem gambling behaviour and appropriate customer communication. Information materials and self-limitation tools are also available to support players who may require assistance.

We are a Responsible Manager

We recognise that responsible management is essential to the long-term success and sustainability of our business. Across all our operations, we strive to balance environmental, social, and governance responsibilities with efficient and transparent business performance.

We value long-term relationships with employees, guests, suppliers, and business partners, built on trust, fairness, reliability, and mutual respect. Responsible business conduct, transparent cooperation, and timely fulfilment of commitments remain fundamental principles of our management approach.

THE MANAGEMENT BOARD AND BOARD OF DIRECTORS

PALASINO HOLDINGS LIMITED

Board composition/Oversight ^[C1. Part 1 B]

The Palasino Board of Directors ("the Board") currently consists of eight directors, including one executive director, two non-executive directors and five independent non-executive directors. The following table provides information on the roles and responsibilities of each board member.

Name	Position	Responsibilities
Tan Sri Dato' David Chiu (丹斯里拿督邱達昌)	Non-executive Director and Chairman of the Board	Providing strategic advice in the formulation of business plans and major decisions of the Group
Cheong Thard Hoong (孔祥達)	Non-executive Director	Providing strategic advice in the formulation of business plans and major decisions of the Group
Pavel Maršík	Executive Director and Chief Executive Officer	Day-to-day management and strategic planning of the Group
Ngai Wing Liu (廖毅榮)	Independent non-executive Director	Providing oversight of the Board and independent advice on the operation and management of the Group
Kam Choi Rox Lam (林錦才)	Independent non-executive Director	Providing oversight of the Board and independent advice on the operation and management of the Group
Sin Kiu Ng (吳先僑)	Independent non-executive Director	Providing oversight of the Board and independent advice on the operation and management of the Group
Jie Jiao (焦捷)	Independent non-executive Director	Providing oversight of the Board and independent advice on the operation and management of the Group
Chuchu Tracy Li (李楚楚)	Independent non-executive Director	Providing oversight of the Board and independent advice on the operation and management of the Group

The functions and duties of our Board include convening shareholder meetings, reporting to shareholders at those meetings, implementing shareholder resolutions, determining our business and investment plans, preparing our annual budget and final accounts, formulating proposals for dividend and bonus distributions and for increases or reductions in capital, as well as exercising other powers, functions and duties as authorised by our Articles of Association. The Board meets quarterly at the highest level.^[C1. Part 1 C.5] Appropriate Board committees have also been established to support its functions and duties, including the audit committee, remuneration committee, nomination committee, executive committee, investment committee and the ESG committee.^[C1. Part 1 C.4]

We are a Responsible Manager

Board diversity ^[C1 Part 1 J]

The Board has adopted a Board Diversity Policy in order to enhance the effectiveness of the Board of Directors and maintain a high standard of corporate governance. The policy sets out criteria for selecting candidates for the Board, including but not limited to gender, age, cultural background, educational background, professional experience, skills, knowledge and length of service. The ultimate decision on appointments to the Board is based on merit and the contribution that selected candidates will bring to the Board of Directors. Our directors have a balanced mix of knowledge and skills, including expertise in business management, finance, accounting and law. They hold degrees in a range of subjects, including hotel and tourism management, law, international trade, accounting, business administration, economics and mechanical engineering. Board members range in age from 36 to 75. We recognise that gender diversity on the Board is a potential area for improvement, given that the majority of our directors are male. To address this, the Group plans to identify and select female candidates with a broad range of skills, experience and knowledge across different fields, and to maintain a list of such individuals who possess the qualities required to become members of the Board. This list will be reviewed periodically by our Nomination Committee in order to develop a pipeline of potential successors and promote gender diversity. In addition to Board-level diversity, we are also committed to promoting gender diversity at senior management level and throughout the Group by providing career development opportunities, training in knowledge and skills, and succession planning support for female employees. The Board will also seek to ensure that an appropriate level of gender diversity is achieved with reference to investor expectations, as well as international and local best practice. The Nomination Committee is responsible for reviewing the diversity of the Board and for periodically monitoring and evaluating the implementation of the Board Diversity Policy to ensure its continued effectiveness. The Nomination Committee will also include in future annual reports a summary of the Board Diversity Policy, including any measurable objectives set for its implementation and the progress made in achieving those objectives. The Board considers that its current composition satisfies the requirements set out in the Board Diversity Policy.

SUSTAINABILITY GOVERNANCE

The Board is responsible for establishing, adopting and reviewing our ESG objectives, strategies, priorities, initiatives and goals, as well as for reviewing and approving our annual Sustainability Report. The Board also identifies key performance indicators (KPIs) and other relevant measures used to evaluate and address our ESG-related risks in accordance with the European Sustainability Reporting Standards (ESRS). These risks are assessed according to their materiality to the Group. Our senior management oversees all matters related to sustainability and is responsible for managing the Group's sustainability policies and strategies, including the setting and monitoring of targets, key initiatives, sustainability reporting, associated risks and opportunities, and other matters of significance. ^[C2. Part B 13]

The Board closely monitors the Group's compliance with ESG rules and regulations, informed by our materiality assessment. The ESG Committee was established on 26 June 2024 and comprises a total of 3 members as at 31 March 2026, to assist the Board in overseeing ESG governance, ensuring the implementation of ESG policies, monitoring ESG-related performance and targets, adjusting ESG strategies, and preparing the Group's ESG Report. The ESG committee reports to the Board periodically on the Group's ESG performance and the effectiveness of our ESG systems. During the year ended 31 March 2026, 1 ESG Committee meeting was held. ^[C2 Part 2 B.1]

The ESG committee will support the Board in keeping abreast of the Stock Exchange's reporting requirements and the related listing regulations.

The Group does not currently have a formal environmental policy. Once established, the ESG committee will identify priority areas for the Group's environmental efforts and consider the development of an official environmental policy to guide our future ESG actions.

Appendix 1 – Environmental Performance Data

ESG FY2026 – YEAR-ON-YEAR ENVIRONMENTAL DATA OVERVIEW					
Country Unit	CZECH REPUBLIC TOTAL	GERMANY TOTAL	AUSTRIA TOTAL	TOTAL	% CHANGE against FY2024
Purchased Electricity (kWh) 2026	4,113,581.0	866,641.0	512,537.0	5,492,759.0	-8.8%
Purchased Electricity (kWh) 2025	4,097,947.0	856,102.0	659,502.0	5,613,551.0	-6.8%
Purchased Electricity (kWh) 2024	4,474,128.0	883,307.0	667,646.0	6,025,081.0	0.0%
Purchased Heat (MJ) 2026% change against 2025	3,157,707.0	0.0	853.0	3,158,560.0	16.2%
Purchased Heat (MJ) 2025	2,716,492.0	0.0	837.0	2,717,329.0	0.0%
Purchased Heat (MJ) 2024 due gas high price	3,099.0	0.0	778.0	3,877.0	–
Consumption of Gaseous Fuel (m³) 2026	290,446.0	323,355.0	0.0	613,801.0	0.6%
Consumption of Gaseous Fuel (m³) 2025	287,005.0	306,207.0	0.0	593,212.0	-2.7%
Consumption of Gaseous Fuel (m³) 2024	301,280.0	308,613.0	0.0	609,893.0	–
Consumption of Liquid Fuel (l) 2026	1,865.0	0.0	0.0	1,865.0	133.1%
Consumption of Liquid Fuel (l) 2025	800.0	0.0	0.0	800.0	0.0%
Consumption of Liquid Fuel (l) 2024	800.0	0.0	0.0	800.0	–
Consumption of Liquefied Petrol/Oil (l) 2026	34.0	0.0	0.0	34.0	13.3%
Consumption of Liquefied Petrol/Oil (l) 2025	31.0	0.0	0.0	31.0	3.3%
Consumption of Liquefied Petrol/Oil (l) 2024	30.0	0.0	0.0	30.0	–
Consumption of Diesel (l) 2026	52,436.0	5,621.0	0.0	58,057.0	-22.2%
Consumption of Diesel (l) 2025	56,138.0	631.0	0.0	56,769.0	-23.9%
Consumption of Diesel (l) 2024	74,456.0	173.0	0.0	74,629.0	–
Consumption of Petrol (l) 2026	23,738.0	0.0	0.0	23,738.0	66.5%
Consumption of Petrol (l) 2025	18,484.0	0.0	0.0	18,484.0	29.6%
Consumption of Petrol (l) 2024	14,259.0	0.0	0.0	14,259.0	–
Consumption Records of Water (m³) 2026	23,828.0	14,717.0	6,935.0	45,480.0	-2.3%
Consumption Records of Water (m³) 2025	23,161.0	21,072.0	6,389.0	50,622.0	8.8%
Consumption Records of Water (m³) 2024	24,740.0	14,930.0	6,864.0	46,534.0	–

Appendix 1 – Environmental Performance Data

ESG FY2026 – YEAR-ON-YEAR ENVIRONMENTAL DATA OVERVIEW					
Country Unit	CZECH REPUBLIC TOTAL	GERMANY TOTAL	AUSTRIA TOTAL	TOTAL	% CHANGE against FY2024
Paper Consumption (kg) 2026	401.0	1,170.0	430.0	2,001.0	-3.2%
Paper Consumption (kg) 2025	505.0	1,170.0	484.0	2,159.0	4.4%
Paper Consumption (kg) 2024	584.0	1,420.0	64.0	2,068.0	–
Refrigerant Use (kg) 2026	44.3	252.7	0.0	297.0	-65.3%
Refrigerant Use (kg) 2025	0.0	252.7	0.0	252.7	-70.4%
Refrigerant Inventory (kg) 2024	463.1	252.7	139.3	855.2	–
Records of Hazardous Waste (t) 2026	0.6	0.6	0.0	1.2	-69.7%
Records of Hazardous Waste (t) 2025	1.0	0.0	1.5	2.5	-37.9%
Records of Hazardous Waste (t) 2024	1.0	1.5	1.5	4.0	–
Records of Non-Hazardous Waste (t) 2026	196.4	33.4	8.0	237.8	-7.9%
Records of Non-Hazardous Waste (t) 2025	218.6	31.0	8.3	257.9	-0.1%
Records of Non-Hazardous Waste (t) 2024	218.8	31.0	8.3	258.1	–
Records Waste Recycled Paper (t) 2026	19.0	7.5	2.0	28.5	22.8%
Records Waste Recycled Paper (t) 2025	15.1	7.8	2.5	25.4	9.5%
Records Waste Recycled Paper (t) 2024	12.9	7.8	2.5	23.2	–
Records Waste Recycled Glass (t) 2026	12.7	3.6	5.0	21.3	46.6%
Records Waste Recycled Glass (t) 2025	9.1	3.6	1.2	13.9	-4.1%
Records Waste Recycled Glass (t) 2024	9.7	3.6	1.2	14.5	–
Records Waste Recycled Plastic (t) 2026	3.0	0.0	3.0	6.0	-51.2%
Records Waste Recycled Plastic (t) 2025	4.9	0.0	2.3	7.2	-41.5%
Records Waste Recycled Plastic (t) 2024	4.4	5.6	2.3	12.3	–
Renewable or Alternative Energy (kWh) 2026	380,590.0	0.0	0.0	380,590.0	1,108.2%
Renewable or Alternative Energy (kWh) 2025	297,744.0	0.0	0.0	297,744.0	845.2%
Renewable or Alternative Energy (kWh) 2024	31,500.0	0.0	0.0	31,500.0	–

Appendix 2 – Social Performance Data

TABLE 1

Metric	Unit	FY2026
Total workforce^{1,2}		
By gender		
Male	Number	331
Female	Number	362
Gender Composition/Gender Workforce Ratio		52%
By region		
Czech Republic		
Male	Number	265
Female	Number	297
Gender Composition/Gender Workforce Ratio		53%
Germany		
Male	Number	50
Female	Number	44
Gender Composition/Gender Workforce Ratio		47%
Austria		
Male	Number	16
Female	Number	21
Gender Composition/Gender Workforce Ratio		57%
By age group		
30 or below	Number	184
31-40	Number	192
41-50	Number	164
51 or above	Number	153

Appendix 2 – Social Performance Data

Metric	Unit	FY2026
By employee category		
Senior management ³		
Male	Number	17
Female	Number	4
Middle management ⁴		
Male	Number	40
Female	Number	21
General staffs ⁵		
Male	Number	275
Female	Number	336
By employee type		
Full-time	Number	564
Part-time	Number	129

1. The social performance table only includes social data within the scope of ESG reporting. The total number of employees within the scope of ESG reporting is 693 as of 31 March 2026.
2. The data includes full-time and part-time employees.
3. Senior management refers to positions such as general managers of regional offices and hotels, members of executive committees, department heads and directors, casino managers and assistant casino managers.
4. Middle management refers to managers of departments, regional offices and hotels other than senior management, floor managers, pit bosses and heads of departments.
5. General staff refers to employees other than senior management and middle management.

Appendix 2 – Social Performance Data

TABLE 2

Metric	Unit	FY2026
New Employees		
By gender		
Male	Number	89
Female	Number	113
By region		
Czech Republic	Number	165
Germany	Number	10
Austria	Number	27
By age group		
30 or below	Number	103
31-40	Number	42
41-50	Number	32
51 or above	Number	25
Employee turnover rates⁶		
By gender		
Male	Percentage (%)	41%
Female	Percentage (%)	59%
By region		
Czech Republic	Percentage (%)	78%
Germany	Percentage (%)	3%
Austria	Percentage (%)	19%
By age group		
30 or below	Percentage (%)	46%
31-40	Percentage (%)	25%
41-50	Percentage (%)	16%
51 or above	Percentage (%)	14%

6. Employee turnover refers to the total number of employees who left the Group during FY2026. It is calculated as "total number of employees who left the Group during the reporting period divided by total number of employees as of the end of reporting period and then multiplied by 100%"

Appendix 2 – Social Performance Data

TABLE 3

Metric	Unit	FY2026
Health and safety⁷		
Work-related injuries	Number	5
Work-related injuries rate	Percentage (%)	0.7%
Lost days due to work-related injury	Days	328
Work-related injuries with fatality	Number	0
Learning & development		
Average training hours per employees ⁸	Hours	2.7
By gender		
Male	Hours	3.1
Female	Hours	2.3
By region		
Czech Republic	Hours	3.3
Germany	Hours	–
Austria	Hours	–
By employee category		
Senior management	Hours	11.9
Middle management	Hours	4.0
General staff	Hours	2.2
Percentage of employees that received training⁹		
By gender		
Male	Percentage (%)	100%
Female	Percentage (%)	100%
By region		
Czech Republic	Percentage (%)	100%
Germany	Percentage (%)	100%
Austria	Percentage (%)	100%
By employee category		
Senior management	Percentage (%)	100%
Middle management	Percentage (%)	100%
General staff	Percentage (%)	100%
Percentage of employee receiving regular training	Percentage (%)	100%

7. The rate of work-related injuries is calculated as "Total number of recordable work-related injuries divided by number of employees (per 100 employees)".

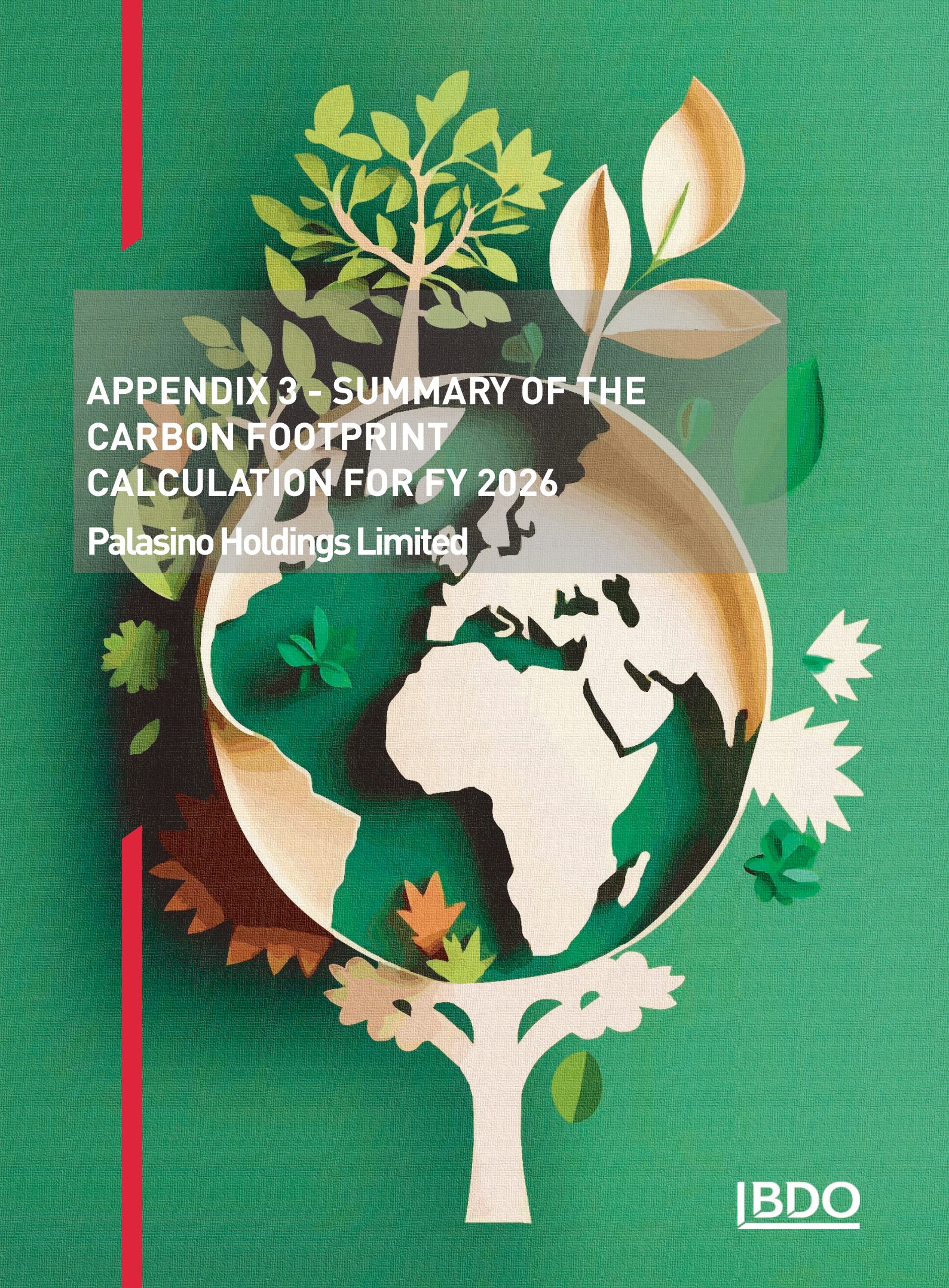
8. The average training hours per employee is calculated as "Total number of training hours provided to employees during the Reporting Period divided by total number of employees as of the Reporting Period".

Appendix 2 – Social Performance Data

TABLE 4

Metric	Unit	FY2026
Customer Relationship		
Products and service-related complaints received	Number	0
Community Investment¹⁰		
Donation amount		
Arts & culture	CZK ¹⁰	15,000
Environment	CZK ¹⁰	60,000
Community wellness	CZK ¹⁰	361,193
Youth education & development	CZK ¹⁰	0
Others	CZK ¹⁰	125,000
Number of volunteers		
Arts & culture	Number	20
Environment	Number	5
Community wellness	Number	15
Youth education & development	Number	0
Others	Number	13
Arts & culture	Hours	120
Environment	Hours	25
Community wellness	Hours	66
Youth education & development	Hours	0
Others	Hours	35

10. The exchange rate of 1 Czech Koruna = 0.33 Hong Kong Dollar can be used.

A stylized illustration of a globe with a tree and leaves. The globe is white with green landmasses and is surrounded by various green and yellow leaves. A tree trunk is visible at the bottom, and a branch with leaves is at the top. The background is a solid green color with a subtle texture. Two vertical red bars are on the left side of the page.

APPENDIX 3 - SUMMARY OF THE CARBON FOOTPRINT CALCULATION FOR FY 2026

Palasino Holdings Limited

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METHODOLOGY AND PROCEDURES USED	40
EMISSIONS INVENTORY	46



EXECUTIVE SUMMARY

Executive Summary

SCOPE AND OBJECTIVES

The Group has calculated the organisation's carbon footprint in accordance with the GHG Protocol methodology. This step follows on from previous carbon footprint calculations prepared for the reporting periods FY24 and FY25. The calculation for the FY26 period was prepared in accordance with the requirements of the Hong Kong regulatory framework and the Group's defined reporting scope.

The aim of the study was to continue the systematic mapping of the environmental impacts of the Group's activities, to quantify the greenhouse gas emissions associated with its operations, and to ensure transparent communication of the results to stakeholders.

SCOPE OF CALCULATION

Reporting period:	FY2026 (1 April 2025–31 March 2026)
Organisational scope:	Palasino Group and its subsidiaries
Reporting scope:	Scope 1, 2 and Scope 3 categories 5 and 6

The calculation was performed for FY2026 covering Scope 1 – direct emissions from own operations, Scope 2 – indirect emissions from purchased energy, and the waste and business travel categories in Scope 3 – other indirect emissions across the entire value chain.

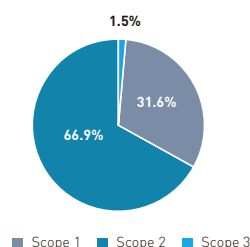
CALCULATION RESULTS

Scope	Amount of CO ₂ e	Scope 1 and 2 emissions intensity per net revenue*	Scope 1 and 2 emissions intensity per employee**
Scope 1	1,608.9 t	N/A	N/A
Scope 2 (market-based method)	3,400.7 t	N/A	N/A
Scope 3	75.8 t	N/A	N/A
Total:	5,085.4 t	108.2 t CO₂e/€1 million	7.2 t CO₂e/1 employee

* The net revenue used for the conversion is €46.31 million.

** The number of employees used for the conversion is 694.

Breakdown of emissions by Scope 1, 2 and 3



SCOPE 1 AND 2

The main part of the Palasino Group's carbon footprint is linked to the consumption of energy required to operate hotel and casino facilities. Scope 1 and Scope 2 emissions account for 98.5% of the Palasino Group's total carbon footprint.

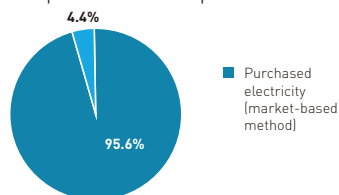
The most significant source of emissions is purchased electricity, which accounts for 66.9% of the Palasino Group's total carbon footprint. This result reflects the energy intensity of operating hotel and casino facilities, particularly the requirements for lighting, ventilation, air conditioning and round-the-clock operation.

Scope 1 emissions account for 31.6% of the total carbon footprint. The dominant source is stationary natural gas combustion, which accounts for 86.9% of Scope 1 emissions and contributes approximately 27.5% to the Palasino Group's total carbon footprint. A smaller proportion of emissions comes from mobile combustion and refrigerant leaks from air-conditioning and refrigeration equipment.

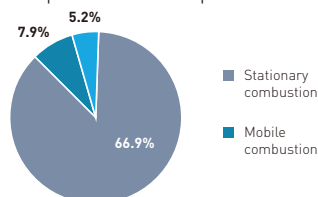
SCOPE 3

Scope 3 emissions account for 1.5% of the Palasino Group's total carbon footprint, equivalent to 75.8 tonnes of CO₂e. Within the monitored categories, the most significant source of emissions is waste generated during operations, which accounts for approximately 99% of Scope 3 emissions. Emissions from business travel have only a negligible impact on the overall result.

Composition of Scope 2 emissions



Composition of Scope 1 emissions



Executive Summary

EXECUTIVE SUMMARY

Year-on-year comparison

Greenhouse gas emissions – Scope 1	FY 2024	Greenhouse gas emissions (Tonnes CO ₂ equivalent)		
		FY 2025	FY 2026	% change
Stationary combustion	1,148.1	1,309.9	1,398.6	+6.77%
Mobile combustion	183.7	129.7	126.4	-2.54%
Refrigerants and fugitive emissions	0.0	0.0	83.8	N/A
Greenhouse gas emissions – Scope 2				
Purchased electricity – market-based method	4,069.9	3,613.1	3,251.2	-10.02%
Purchased heat, steam and cooling	139.8	146.7	149.5	+1.91%
Greenhouse gas emissions – Scope 3				
Waste generated during operations	115.6	81.2	75.1	-7.51%
Business travel	7.1	23.4	0.7	-97.01%
Total greenhouse gas emissions				
Total greenhouse gas emissions (market-based method)	5,664.2	5,157.4	5,085.4	-1.40%

Scope 1,2 emissions intensity		FY 2025	FY 2026	% year-on-year change
Per net revenue*	112.4 t CO ₂ e/€1 million	108.2 t CO ₂ e/€1 million		-3.8%
Per employee**	7.56 t CO ₂ e/1 employee	7.22 t CO ₂ e/1 employee		-4.5%

Executive Summary

DETAILED CALCULATION RESULTS

Scope 1 and 2 emissions

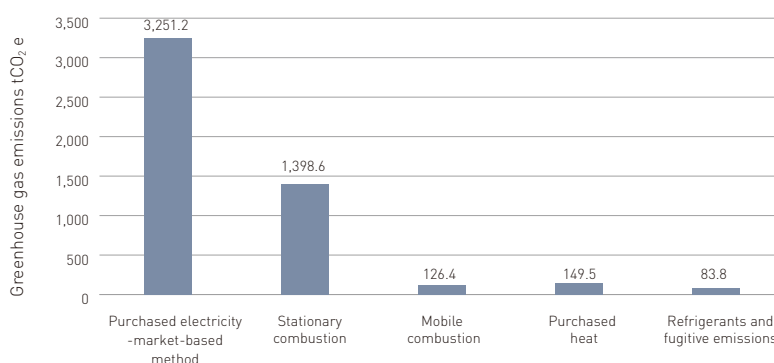
Key findings of the calculation

Total greenhouse gas emissions under Scope 1 and Scope 2 reached 5,057.2 t CO₂e (market-based method) for the FY2026 reporting period.

The most significant source of emissions is purchased electricity, which accounts for 3,251.2 t CO₂e, i.e. approximately 64% of Scope 1 and 2 emissions. The second most significant source is stationary natural gas combustion, with emissions of 1,398.6 t CO₂e, accounting for approximately 28% of Scope 1 and 2 emissions. Other monitored sources, i.e. purchased heat (149.5 t CO₂e), mobile combustion (126.4 t CO₂e) and refrigerant leaks (83.8 t CO₂e), account for a significantly lower share of total emissions.

The results confirm that the Palasino Group's carbon footprint is predominantly influenced by the energy intensity of hotel and casino operations.

Emissions by Scope 1 and 2 categories

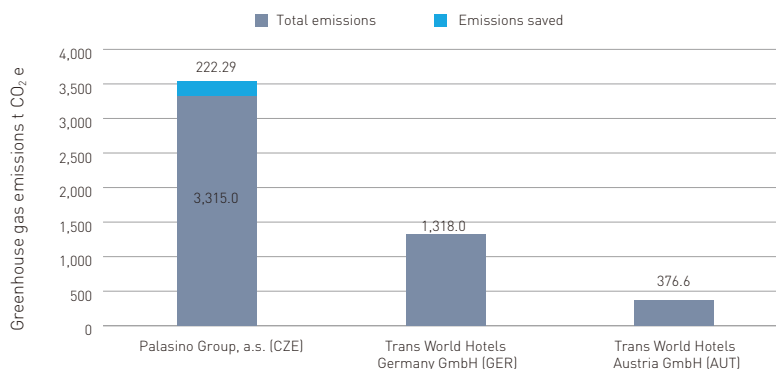


Breakdown of emissions by location

The highest share of Scope 1 and 2 emissions comes from operations in the Czech Republic, which generate 3,315.0 t CO₂e, i.e. approximately 65.6% of total Scope 1 and 2 emissions. At the same time, the photovoltaic power plants installed there contributed to a saving of 222.3 t CO₂e.

Operations in Germany reported emissions of 1,318.0 t CO₂e (26.1%) and operations in Austria 376.6 t CO₂e (7.4%). The results reflect the geographical distribution of the hotel and casino facilities in operation and the associated energy consumption in each country.

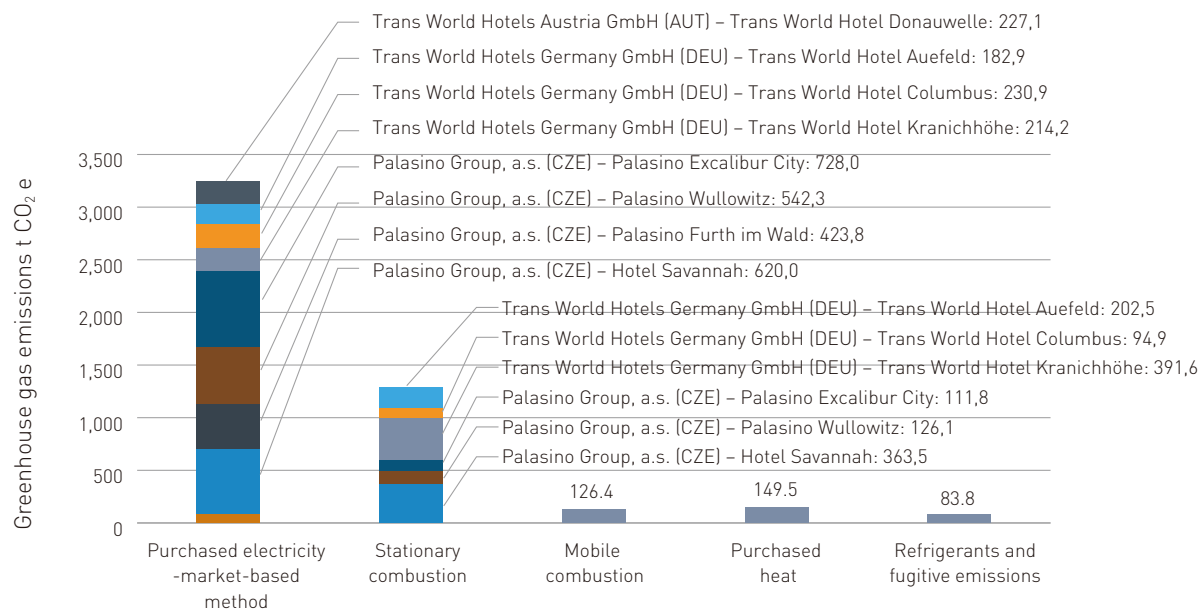
Breakdown of Scope 1 and 2 emissions within the Palasino Group



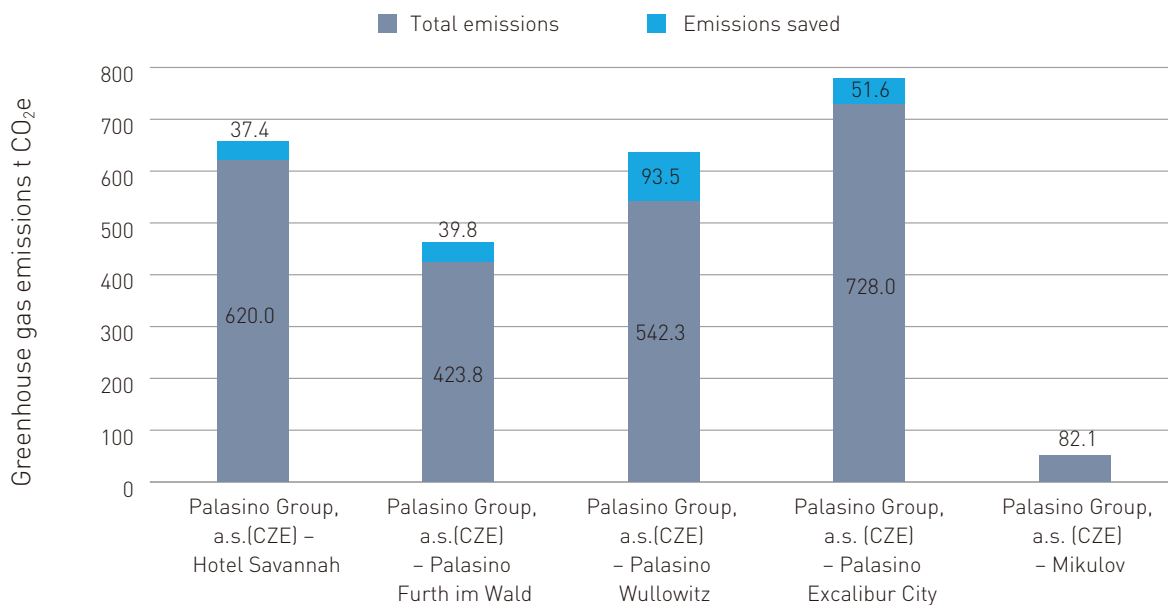
DETAILED GRAPHIC ILLUSTRATIONS

Emissions under Scope 1 and 2

Emissions for FY 2026 by Scope 1 and 2 categories, with a breakdown by site for the most significant categories



Breakdown of Scope 2 emissions for FY 2026 – Purchased electricity (market-based method) at the level of Palasino Group, a.s. (CZE) by location



Executive Summary

DETAILED CALCULATION RESULTS

Scope 3 emissions

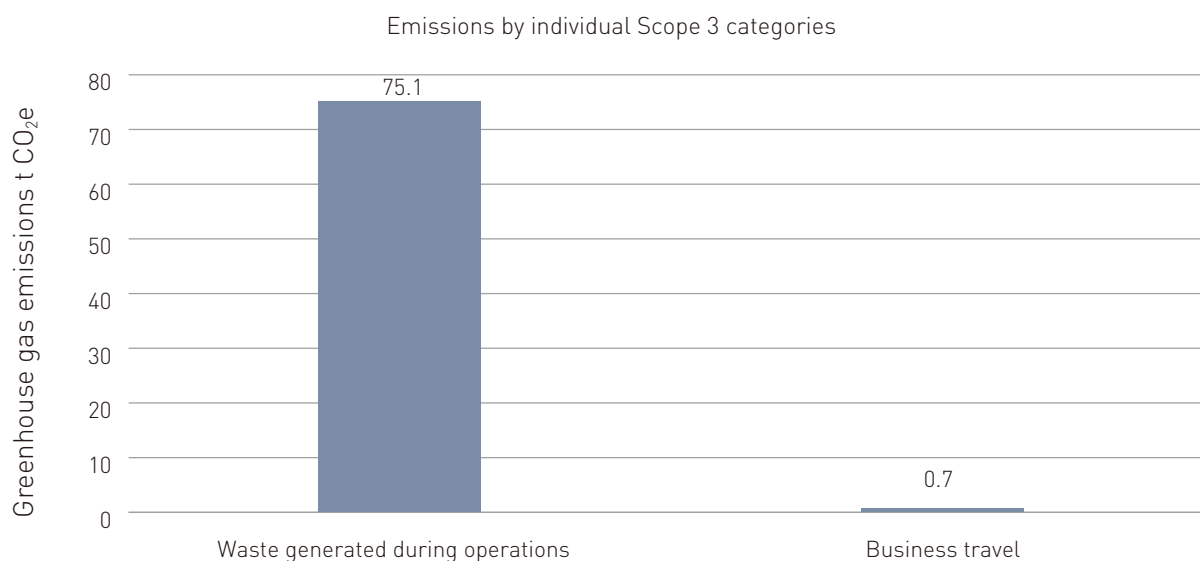
Key findings of the calculation

Total emissions reported under Scope 3 reached 75.8 t CO₂e for the FY2026 reporting period, representing 1.5% of the Palasino Group's total carbon footprint.

The calculation for the FY2026 period was prepared in accordance with the requirements of the Hong Kong regulatory framework and the Group's defined reporting scope. Consequently, only selected Scope 3 categories were included in the calculation, specifically operational waste and employee business travel. The results therefore do not represent a complete quantification of emissions across the entire value chain in accordance with the GHG Protocol, but correspond to the defined reporting scope for the given period.

The most significant category monitored is waste generated during operations, which reached 75.1 t CO₂e and accounts for approximately 99% of reported Scope 3 emissions. Emissions from business travel amounted to only 0.7 t CO₂e and contribute negligibly to the Palasino Group's overall carbon footprint.

The results confirm that, under the current reporting scope, the Palasino Group's carbon footprint is predominantly influenced by Scope 1 and Scope 2 emissions, whilst the monitored Scope 3 categories have only a limited impact on the overall result. When interpreting the results, however, it is necessary to take into account that other potentially relevant Scope 3 categories were not included in the calculation for FY2026.



Executive Summary

DETAILED CALCULATION RESULTS

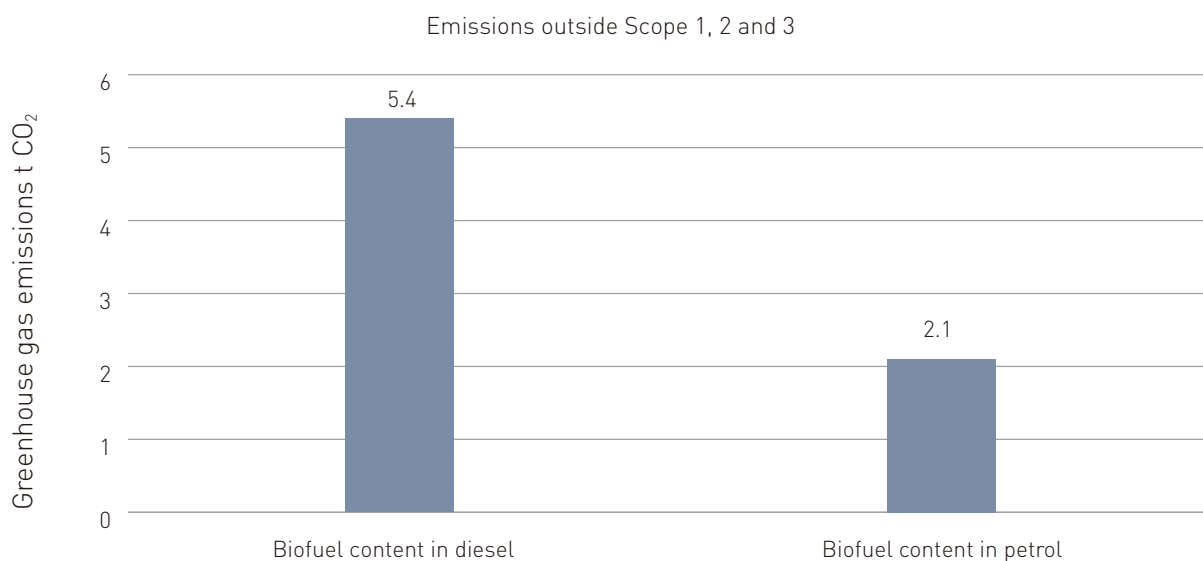
Emissions outside Scope 1, 2 and 3

Calculation results

Emissions outside Scopes 1, 2 and 3 represent biogenic carbon emissions, which are reported separately from the company's carbon footprint in accordance with the GHG Protocol methodology.

These emissions originate from biological sources and form part of the short-term carbon cycle. In the case of the Group, biogenic carbon emissions arise in connection with the combustion of fuels (diesel and petrol) in the vehicle fleet and in stationary facilities. Emissions corresponding to this bio-component amount to 7.5 t CO₂ and are reported separately as biogenic emissions.

These emissions are not included in the company's total carbon footprint, as they are not considered to contribute to an increase in long-term CO₂ concentrations in the atmosphere, but are reported transparently for the sake of completeness and comparability of results.





METHODOLOGY AND PROCEDURES USED

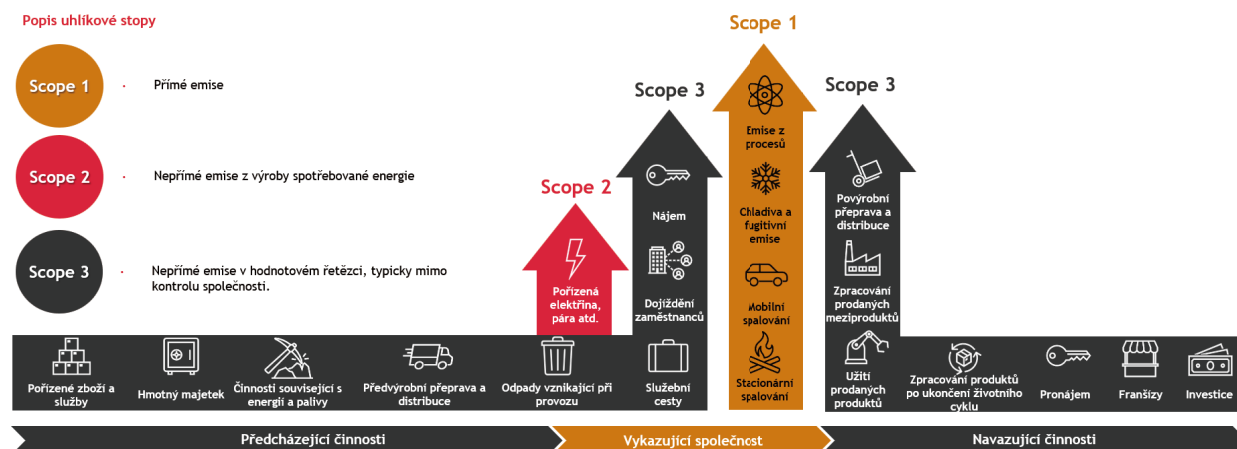
Methodology and Procedures Used

METHODOLOGY FOR CALCULATING THE CARBON FOOTPRINT

Key principles for the calculation

Calculation procedure

The carbon footprint calculation consists of the following stages. Detailed information is provided in section "METHODS USED" on page 43.



Methodology and Procedures Used

PROCEDURES USED

Detailed scope of measurements

Description of the Group

The main business activity of the Group sits with Palasino Group, which is the operation of gambling in casinos in the towns of Česká Kubice, Chvalovice, Hatě, Dolní Dvořiště and, most recently, Mikulov, as well as hospitality and accommodation services in Much, Seligenstadt, Hannoversch Münden and Linz. It also includes currency exchange services, the sale of brewing alcohol, potable alcohol and spirits, beauty treatments, pedicures, manicures, advisory and consultancy services, etc.

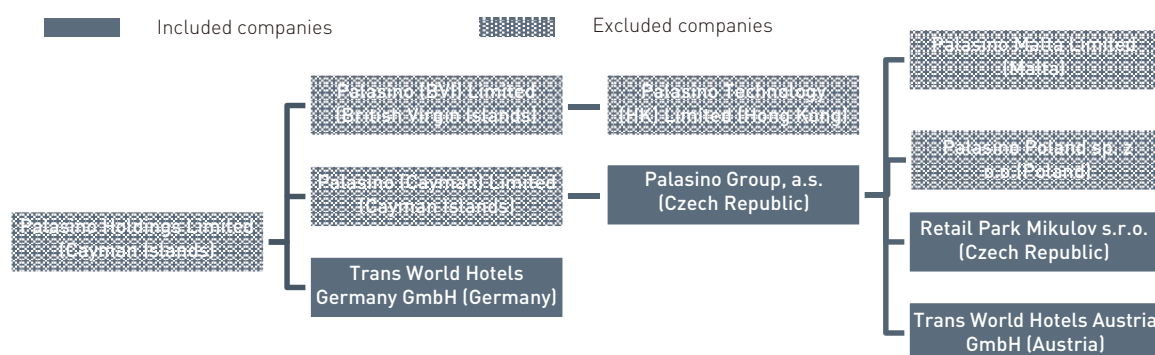
Scope of the calculation

Reporting period:	FY2026 (1 April 2025–31 March 2026)
Reporting scope:	Scope 1, 2 and Categories 5 and 6 in Scope 3
Specific exclusions:	Yes
Organisational boundaries:	Palasino Group a.s. and its subsidiaries
Consolidation approach:	Control approach – operational control
Changes in organisational boundaries:	Yes

Scope	Source
Scope 1	Stationary combustion
	Mobile combustion
	Refrigerants and other fugitive emissions
Scope 2	Purchased electricity
	Purchased heat
Scope 3	Purchased goods and services
	Tangible assets
	Fuel and energy-related activities (not included in Scope 1 or 2)
	Pre-production transport and distribution
	Waste generated during operations
	Business travel
	Employee commuting
	End-of-life of sold products
	Leasing

Organisational boundaries

For the purposes of this calculation, the group's carbon footprint is calculated for Trans World Hotels Germany GmbH and Palasino Group a.s., whilst Palasino Malta Limited and Palasino Poland sp. z o.o. are newly excluded in this reporting period.



Included greenhouse gas emission sources

For the purposes of the greenhouse gas emissions inventory, only the categories 'Waste Generated in Operations' (Category 5) and 'Business Travel' (Category 6) were included in Scope 3. The scope of the categories included was determined with regard to the requirements and reporting framework of the Hong Kong-based group for which the report is being prepared.

Other Scope 3 categories defined by the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard were not included in the calculation. Their exclusion is based on an internally defined reporting scope and does not constitute an omission of data within the selected categories. The results presented in this report therefore do not represent a complete inventory of emissions across all fifteen Scope 3 categories as defined by the GHG Protocol, but correspond to the Group's predefined reporting scope.

Methodology and Procedures Used

METHODS USED

Procedure for calculating greenhouse gas emissions

Category	Procedure
Stationary combustion	Activity data (fuel consumption) were multiplied by an appropriate emission factor.
Mobile combustion	Activity data (fuel consumption) were multiplied by an appropriate emission factor.
Refrigerants and fugitive emissions	Fugitive emissions of refrigerants were determined as the amount of refrigerant replenished during the period in question, assuming that this amount corresponds to the leakage into the atmosphere. The emissions were subsequently converted to CO ₂ equivalent using the GWP values of the relevant refrigerants.
Purchased electricity	Activity data (electricity consumption) were multiplied by an appropriate emission factor for electricity generation in the given country for the site-based method and for the generation of the residual energy mix in the given country for the market-based method*. * The market-based method takes into account the specific energy mix of the suppliers from whom the Group purchases electricity and allows for the inclusion of renewable energy contracts or certificates of origin. In contrast, the site-based method is based on the average energy mix of the geographical area where the electricity is consumed, regardless of the specific supplier. This demonstrates the real impact of the energy infrastructure in the region. Both methods are important – the market-based method encourages companies to purchase cleaner energy, whilst the location-based method provides an objective overview of emissions associated with local electricity generation.
Heat purchased	Activity data (heat consumption) was multiplied by an appropriate emission factor.
Waste generated during operations	Activity data (amount of waste) were multiplied by an appropriate emission factor based on the expected method of waste disposal.
Business travel	Activity data (distance travelled by a given mode of transport) were multiplied by an appropriate emission factor.

Methodology and Procedures Used

METHODS USED

Data and tools used

Emissions factor database

The quantity of greenhouse gas emissions was calculated based on activity data (consumption, electricity, fuels, expenditure, etc.) and using standardised emission factors, which express the quantity of greenhouse gas emissions per unit of activity (see table below).

The emission factor databases from UK DEFRA and US EPA were selected in accordance with the recommendations of the GHG Protocol standards and, together with the database from AIB, are highly relevant for calculating the Group's carbon footprint. The US EPA database has the lowest relevance because it covers industrial statistics from North America, but it does allow for the calculation of emissions from data on total expenditure on purchased products. No other publicly available database allows for the calculation of emissions based on data on total expenditure on purchased products for Europe. For this reason, it is an appropriate database.

The emission factors used in the Purchased Electricity category were applied for 2023, even though the data relate to 2024 and 2025. The emission factors for 2023 are the most up-to-date and accurate at the time of calculation, as the responsible organisations are not expected to publish new emission factors for 2024 until summer 2025.

Scope	Source	Activity data	Data quality	Calculation method	Emission factor database used	Database version
Scope 1	Stationary combustion	Fuel consumption	Primary data	Activity-based approach	United Kingdom Department for Environment, Food and Rural Affairs	2025_v 1.0
	Mobile combustion	Fuel consumption	Primary data	Activity-based approach	United Kingdom Department for Environment, Food and Rural Affairs	2025_v 1.0
	Refrigerants and other fugitive emissions	Quantity of refrigerants	Primary data	Activity-based approach	United Kingdom Department for Environment, Food and Rural Affairs	2025_v 1.0
Scope 2	Purchased electricity	Amount of electricity	Primary data	Location-based Market-based	AIB Association of Issuing Bodies	2024_1.0
	Heat generated	Amount of heat	Primary data	Activity-based approach	United Kingdom Department for Environment, Food and Rural Affairs	2025_v 1.0
Scope 3	Waste generated during operations	Amount of waste	Secondary data	Activity-based approach	United Kingdom Department for Environment, Food and Rural Affairs and Custom emission factor for hazardous waste: https://ci2.co.cz/sites/default/files/souboryredakce/metodika_us_web-1.pdf	2025_v 1.0
	Business travel	Distance travelled	Secondary data	Activity-based approach	United Kingdom Department for Environment, Food and Rural Affairs	2025_v 1.0

Methodology and Procedures Used

METHODS USED

Data and tools used

Tool used to calculate the carbon footprint

Greenhouse gas emissions were calculated using a BDO Excel spreadsheet, which calculates total greenhouse gas emissions based on the activity data provided and the selected emission factor. See below for an example of the spreadsheet structure, showing the emission source categories and how it works.

Sample example:

S1 - Stacionární spalování

Tato kategorie zahrnuje spalování paliv ve stacionárních zařízeních vlastněných nebo kontrolovaných vykazující společností ve vykazovaném období, tj. např. spalování paliv v kotlích, pecích, hořácích, turbínách, ohřívácích, spalovnách, motorech, fénkách atd. Tyto aktivity emitují do atmosféry skleníkové plyny oxid uhličitý, metan a oxid dusný. U spalování biopaliv také tzv. "biogení CO₂", který je počítán zvlášť v listu Mimo rozsah Scope 1, 2 a 3.

Požadovaná data: ▶ Název společnosti ▶ Název paliva ▶ Spotřeba paliva ▶ Jednotka

Formule výpočtu:

$$\text{Emise skleníkových plynů}_{\text{palivo}} = \text{Spotřeba paliva} * \text{Emisní faktor}_{\text{skleníkové plyny, palivo}}$$

Equation for calculating emissions for a given category, or method

Údaje poskytnuté uživatelem						Emise skleníkových plynů [t CO ₂ e]		Emisní faktor [v kg na ...]		Informace o emisním faktoru			
Název Společnosti	Lokalita	Účel	Název paliva	Spotřeba paliva	Jednotka	Celkem CO ₂ e	Jednotka	Celkem CO ₂ e	Jednotka	Vydavatel	Kategorie	Druh paliva	Název paliva
Praha		Rymové vytápění	Zemní plyn	11 967,00	metr krychlový	24 478		2,0454	metr krychlový	UK_DEFRA	Fuels	Gaseous fuels	Natural gas
Brno		Rymové vytápění	Zemní plyn	9,30	MWh	1 701		0,1829	kWh (Gross CV)	UK_DEFRA	Fuels	Gaseous fuels	Natural gas
Píseň		Rymové vytápění	Zemní plyn	780,23	metr krychlový	1 594		2,0454	metr krychlový	UK_DEFRA	Fuels	Gaseous fuels	Natural gas
Znojmo		Rymové vytápění	Teplá voda	261	metr krychlový	534		2,0454	metr krychlový	UK_DEFRA	Fuels	Gaseous fuels	Natural gas
České Budějovice		Rymové vytápění	Teplá voda	2 106,00	metr krychlový	4 308		2,0454	metr krychlový	UK_DEFRA	Fuels	Gaseous fuels	Natural gas
Suma (všechny)						32,2							

15 123,53 Suma (všechny)

Resulting emissions (calculated based on the equation above)

Information on the emission factor (source, category, name)

Values of the selected emission factor

The background is a textured green. A central illustration features a globe with green continents and white oceans. The globe is surrounded by stylized plants: a tree with green leaves at the top left, a plant with large orange and white leaves at the top right, and a tree with orange and green leaves at the bottom. Various green and orange leaves are scattered around the globe. A semi-transparent grey rectangle is positioned behind the globe, containing the title text. Two vertical red bars are on the left side of the page.

EMISSIONS INVENTORY

Emissions Inventory

EMISSIONS INVENTORY

Basic information

The Group's policy on emissions inventory quality management:

Once a year, prior to calculating the Group's carbon footprint, the Group reviews the categories of the emissions inventory under Scope 1, 2 and 3 and verifies whether there have been any changes in the Group's activities that would require an update to the list of categories and specific emission sources. The specific data used in the calculation of the Group's carbon footprint is stored in a collection form, which is used for archiving purposes.

When interpreting year-on-year changes in greenhouse gas emissions, it is necessary to take into account several significant methodological and data changes that affect the comparability of results between reporting periods.

In the previous reporting period, the carbon footprint was determined on a broader basis, with all relevant Scope 3 categories included in the calculation in accordance with the requirements of the GHG Protocol. Entities in Poland and Malta were also included within the organisational boundary. In the current reporting period, these entities were excluded from the calculation as they were not in operation, and the Scope 3 scope was limited solely to the categories of Operational Waste (Category 5) and Business Travel (Category 6) in accordance with the requirements of group reporting.

Changes to the emissions inventory:

At the same time, an error was identified during the current calculation in the input data relating to heat consumption in the previous period. As a result of an incorrect conversion of units, the reported amount of heat consumed was not determined correctly, which led to a distortion of the related Scope 2 emissions. In the current reporting period, this error was rectified and the calculation was performed based on correctly converted data.

Due to changes in the organisational boundary, the scope of the included Scope 3 categories, and the correction of historical heat consumption data, the total reported emissions between individual periods cannot be considered fully comparable. Year-on-year differences may therefore not reflect an actual change in the company's environmental performance, but are partly due to changes in methodology, the scope of reporting and the quality of input data.

For the purposes of assessing trends and the development of emissions over time, it is recommended to focus on individual comparable emission sources and to ensure a consistent reporting scope in subsequent reporting periods.

Greenhouse gas emissions conversion policy for the base year and materiality threshold:

The Group has not yet determined a base year and therefore does not currently apply a policy for recalculating greenhouse gas emissions in the base year or a materiality threshold. This policy will be established and applied once the base year has been determined.

Emissions Inventory

EMISSIONS INVENTORY

Scope	Source	Is the source relevant?	Explanation of greenhouse gas emission sources
Scope 1	Stationary combustion	Yes	Relevant. The organisation uses stationary fuel combustion sources (natural gas, LPG, heating oil and diesel) in its operations for heating, domestic hot water and the operation of diesel generators.
	Mobile combustion	Yes	Relevant. The organisation uses passenger cars with petrol and diesel combustion engines to carry out its activities.
	Refrigerants and other fugitive emissions	Yes	Relevant. The organisation uses refrigeration and air-conditioning equipment containing greenhouse gases. Any refrigerant leaks during operation, servicing or equipment failures constitute direct greenhouse gas emissions.
	Process emissions	No	Not relevant. As part of its activities, the organisation does not operate any technological or manufacturing processes that would result in direct greenhouse gas emissions from process reactions. The category of process emissions has therefore not been identified as a relevant source of emissions and is not included in the greenhouse gas emissions inventory.
Scope 2	Purchased electricity	Yes	Relevant. The organisation purchases electricity from external suppliers for the operation of buildings, technological equipment and routine business activities.
	Purchased heat	Yes	Relevant. The organisation purchases heat from external suppliers for the purpose of heating buildings and providing hot water.
Scope 3	Purchased goods and services	No	Excluded from the reporting scope. This Scope 3 category was not subject to data collection or emissions calculation during the reporting period. In accordance with group reporting requirements, the scope of the inventory was limited solely to Scope 3 categories – Category 5: Operational waste and Category 6: Business travel. Consequently, no assessment of relevance or quantification of emissions was carried out for this category.
	Tangible assets	No	Excluded from the scope of reporting. This Scope 3 category was not subject to data collection or emissions calculation during the reporting period. In accordance with the requirements of group reporting, the scope of the inventory was limited solely to Scope 3 categories – Category 5: Operational waste and Category 6: Business travel. Consequently, no relevance assessment or quantification of emissions was carried out for this category.

Emissions Inventory

Scope	Source	Is the source relevant?	Explanation of greenhouse gas emission sources
Scope 3	Activities related to fuels and energy	No	Excluded from the scope of reporting. This Scope 3 category was not subject to data collection or emissions calculation during the reporting period. In accordance with group reporting requirements, the scope of the inventory was limited solely to Scope 3 categories – Category 5: Operational waste and Category 6: Business travel. Consequently, no relevance assessment or emissions quantification was carried out for this category.
	Pre-production transport and distribution	No	Excluded from the scope of reporting. This Scope 3 category was not subject to data collection or emissions calculation during the reporting period. In accordance with the requirements of group reporting, the scope of the inventory was limited solely to Scope 3 categories – Category 5: Operational waste and Category 6: Business travel. Consequently, no relevance assessment or emissions quantification was carried out for this category.
	Operational waste	Yes	Relevant. Waste is generated during the organisation's operations and is handed over to authorised external entities for further management (recycling, energy recovery, disposal).
	Business travel	Yes	Relevant. The organisation's employees undertake business travel for the purpose of performing their work duties, primarily by air.
	Employee commuting	No	Excluded from the scope of reporting. This Scope 3 category was not subject to data collection or emissions calculation during the reporting period. In accordance with group reporting requirements, the scope of the inventory was limited solely to Scope 3 categories – Category 5: Operational waste and Category 6: Business travel. Consequently, no assessment of relevance or quantification of emissions was carried out for this category.
	Leasing	No	The calculation used the consolidation approach with operational control; for this reason, this category is not relevant, as any leased assets from third parties that consume fuel or energy are included in Scope 1 and 2.
	Post-production transport and distribution	No	Excluded from the reporting scope. This Scope 3 category was not subject to data collection or emissions calculation during the reporting period. In accordance with group reporting requirements, the scope of the inventory was limited solely to Scope 3 categories – Category 5: Operational waste and Category 6: Business travel. Consequently, no assessment of relevance or quantification of emissions was carried out for this category.

Emissions Inventory

Scope	Source	Is the source relevant?	Explanation of greenhouse gas emission sources
Scope 3	Processing of sold intermediates	No	Excluded from the scope of reporting. This Scope 3 category was not subject to data collection or emissions calculation during the reporting period. In accordance with the requirements of group reporting, the scope of the inventory was limited solely to Scope 3 categories – Category 5: Operational waste and Category 6: Business travel. Consequently, no assessment of relevance or quantification of emissions was carried out for this category.
	Use of sold products	No	Excluded from the reporting scope. This Scope 3 category was not subject to data collection or emissions calculation during the reporting period. In accordance with group reporting requirements, the scope of the inventory was limited solely to Scope 3 categories – Category 5: Operational waste and Category 6: Business travel. Consequently, no assessment of relevance or quantification of emissions was carried out for this category.
	Processing of sold products at the end of their life cycle	No	Excluded from the scope of reporting. This Scope 3 category was not subject to data collection or emissions calculation during the reporting period. In accordance with group reporting requirements, the scope of the inventory was limited solely to Scope 3 Categories 5: Operational waste and 6: Business travel. Consequently, no assessment of relevance or quantification of emissions was carried out for this category.
	Leasing	No	Excluded from the scope of reporting. This Scope 3 category was not subject to data collection or emissions calculation during the reporting period. In accordance with the group reporting requirements, the scope of the inventory was limited solely to Scope 3 categories – Category 5: Operational waste and Category 6: Business travel. Consequently, no relevance assessment or emissions quantification was carried out for this category.
	Franchises	No	The Group does not grant franchises.
	Investments	No	The Group does not provide financial services.



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Appendix 4 – Report on Compiled ESG Reporting Requirements under the requirements in Appendices C1 and C2 of the Main Board Listing Rules by BDO Audit s. r. o. under the supervision of BDO International Limited (“BDO”)



The following section of the ESG report focuses on meeting the formal requirements of the ESG Reporting Code, specifically those outlined in Appendices C1 and C2 of the Main Board Listing Rules. It includes both mandatory disclosures and those reported on a 'comply or explain' basis and is structured around the key pillars and aspects defined by the regulatory framework. Certain responses in this section summarise or refer, where appropriate, to information already disclosed in the FY2025 ESG Report or in the introductory and narrative sections of this ESG Report, in order to avoid unnecessary duplication whilst maintaining the required disclosure structure. BDO supported the company throughout the preparation of this section by providing methodological guidance on the ESG reporting process and helping to ensure transparency and alignment with current regulatory expectations.

Appendix 4 – Report on Compiled ESG Reporting Requirements under the requirements in Appendices C1 and C2 of the Main Board Listing Rules by BDO Audit s. r. o. under the supervision of BDO International Limited (“BDO”)

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Appendix 4 – Report on Compiled ESG Reporting Requirements under the requirements in Appendices C1 and C2 of the Main Board Listing Rules by BDO Audit s. r. o. under the supervision of BDO International Limited (“BDO”)

COMPLIANCE WITH THE CORPORATE GOVERNANCE

Code C1 – Part 1

Palasino Holdings Limited confirms full compliance with Section C1, Part 1 of the Corporate Governance Code. The Company's Corporate Governance Report – available in full within the Annual Report – provides a comprehensive overview of the responsibilities and accountabilities of the Board, senior management and all established committees. It outlines how the Board operates, including the division of duties, oversight mechanisms and the types of decisions reserved for Board approval as opposed to those delegated to management. The report also discloses directors' attendance, training, and compliance with the Model Code. These disclosures reflect Palasino's commitment to transparency, integrity, and effective leadership. [See more in the chapter: WE ARE A RESPONSIBLE MANAGER]

Access the full Corporate Governance Report here:

link to Annual Report <https://www.irasia.com/listco/hk/palasino/annual/index.htm>

Code C1 – Part 2

Palasino Holdings Limited is committed to maintaining high standards of corporate governance in accordance with the principles and code provisions set out in Part 2 of the Corporate Governance Code. During FY2026, the Company confirms full compliance with all applicable provisions, including those under Section C1 – Principles of good corporate governance.

With regard to code provision E.1.8, the Company discloses remuneration on an individual basis only for the Board, whilst the remuneration of the remaining senior managements is disclosed within the remuneration bands and other categories set out in the Annual Report.

The majority of the detailed disclosures regarding the Board's composition, committee structure, director training, attendance and governance practices are included in the Corporate Governance Report section of the Annual Report. These disclosures provide a comprehensive overview of how the Company ensures effective oversight, accountability and ethical conduct at all levels.

The Company continues to uphold high standards of integrity, transparency and accountability through its Code of Conduct, internal control systems and policies on anti-corruption, whistleblowing and data privacy. Stakeholder engagement, responsible gaming and diversity remain key pillars of our governance approach.

SCOPE OF REPORTING

This report has been prepared on a consolidated basis for Palasino Holdings Limited.

Compared with the previous reporting period, this report differs in that Palasino Malta Limited and Palasino Poland sp. z o.o. have been excluded. The exclusion was made due to the intended sale of Palasino Malta Limited and the winding-down of Palasino Poland sp. z o.o. operations.

Appendix 4 – Report on Compiled ESG Reporting Requirements under the requirements in Appendices C1 and C2 of the Main Board Listing Rules by BDO Audit s. r. o. under the supervision of BDO International Limited (“BDO”)

STATEMENT BY THE BOARD OF DIRECTORS

Responsibilities in the area of ESG management remain unchanged from the previous year. Commitments and obligations remain the same, and priorities have not changed either.

Our aim is to prepare our group for the future by ensuring that sustainability is at the heart of our corporate strategy, and by developing a business model in which profitability and value for investors are combined with and complemented by ESG considerations. This commitment to sustainability is also driven by changes in legislation, which encourage our Group to go beyond mere compliance and to embrace and embody new standards of responsible behaviour.

As disclosed in the previous reporting period, the ESG Committee supports the Board of Directors in overseeing ESG governance, implementing policies and monitoring ESG performance and targets. The ESG Working Group is responsible for data collection and for providing support in assessing the materiality of environmental, social and climate risks, evaluating appropriate responses, compiling ESG data for the ESG report, and continuously monitoring the implementation and effectiveness of measures taken to address our ESG-related risks and responsibilities.

REPORTING PRINCIPLES

The materiality assessment process was conducted in accordance with the ESRS standards for FY2023. The method for identifying material ESG data and involving employees in this process took place in several stages:

1. The scope of employee involvement in the ESG materiality assessment process was determined following an evaluation by company management. Identifying the employees to be involved was crucial for obtaining relevant information and for the successful implementation of the ESG strategy, the materiality assessment and the subsequent data collection.
2. Training was provided by the external consultant BDO on the methodology and approach for determining materiality, and on setting up the process and tables for identifying material issues and their benefits or risks to the company.
3. The identification of material ESG data took place over several rounds with the participation of the employees selected to be involved. In the first phase of data collection, 48 material topics and their impacts or opportunities were assessed. In the next round, material topics were identified, and the ESG-related impacts, risks and opportunities were described; these were to form the basis for the preparation of the ESG report through assessment according to a risk scale.
4. In the final round, six key material ESG topics were identified and agreed upon for our entire group. This outcome was subsequently approved by the company's Board of Directors, and an ESG manager was appointed.

The methodology for calculating the carbon footprint is described in the report Appendix 3 – *Summary of the carbon footprint calculation for FY2026*.

Appendix 4 – Report on Compiled ESG Reporting Requirements under the requirements in Appendices C1 and C2 of the Main Board Listing Rules by BDO Audit s. r. o. under the supervision of BDO International Limited (“BDO”)

ENVIRONMENTAL INFORMATION

A1: Emissions

Our efforts are driving an active approach to combating climate change, and we will strive to achieve climate neutrality by 2050, provided that investment in these technologies makes sense in terms of investment costs and return on investment. Our strategy and business model are undergoing a transformation that will enable us to achieve these goals whilst continuing to deliver value to our customers and shareholders. Our transition strategy is based on the principles of sustainable development, innovation and social responsibility. The Group is in compliance with relevant laws and regulations that have a significant impact on the Group relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

As part of our commitment to decarbonisation, we have identified the following as key pathways to achieving these goals: investment in technologies that will help us reduce energy intensity and utilise renewable energy sources; improving energy efficiency; reducing reliance on fuel combustion; and reducing demands within our supplier-customer relationships. We plan to complete our projects aimed at reducing energy intensity through the use of renewable energy sources and investments in equipment and technologies to reduce emissions in our services. A further focus will be on identifying, in greater detail, the processes within our supply chain relating to the provision of services, products and maintenance. We are also committed to collaborating with our partners in the value chain so that we can work together to reduce our overall impact on the climate.

Our climate change mitigation transition plan is integrated into our overall business strategy and financial planning, with the cost-effectiveness of investments relative to the savings achieved being a key consideration. Emissions reduction is one of several key factors in our decision-making and investment processes. This approach involves allocating financial resources to renewable energy projects, energy efficiency measures and technologies that reduce energy consumption, thereby supporting long-term financial stability, cost reduction and business growth in line with global climate targets. Our commitment to sustainability is continuously assessed and updated to ensure that our business models and investment decisions are fully aligned with the latest trends and regulations in the field of climate change mitigation. (See more in the chapter: *WE ARE ENVIRONMENTALLY RESPONSIBLE*)

We do not currently have a formalised transition plan for climate change mitigation. We recognise its importance, but at the same time we wish to assess the investments made in relation to the efficiency of the resources deployed in the context of overall costs. We are working on drawing up a plan, but given the high demands placed on the S and G aspects, it is necessary to evaluate correctly the level of effectiveness of the commitment made. Our commitments to sustainability and reducing our climate impact will be continuously assessed in the context of technological developments and their effectiveness. Specific measures implemented during the reporting period can be found in the chapter: *WE ARE ENVIRONMENTALLY RESPONSIBLE*.

Air emissions (A1.1)

The carbon footprint was calculated in accordance with the GHG Protocol; the resulting carbon footprint was calculated with a focus on including the greenhouse gases CO₂, N₂O, CH₄, HFCs, PFCs and SF₆, where these were identified as relevant in the emissions inventory. Further information on the carbon footprint calculation can be found in the report Appendix 3 – *Summary of the carbon footprint calculation for FY2026*.

Waste management (A1.3, A1.4)

The total amount of hazardous waste generated in the reporting year was 1.2 tonnes. The total amount of hazardous waste generated fell by 69.7%. The total amount of non-hazardous waste generated was 237.8 tonnes, a reduction of 7.8% compared with the previous period. More detailed information can be found in the report Appendix 3 – *Summary of the carbon footprint calculation for FY2026*.

Appendix 4 – Report on Compiled ESG Reporting Requirements under the requirements in Appendices C1 and C2 of the Main Board Listing Rules by BDO Audit s. r. o. under the supervision of BDO International Limited (“BDO”)

Set targets (A1.5, A1.6)

The company has not yet established any measures for the transition to climate change mitigation. Given the number of regulatory measures required to ensure operations, we must invest significant financial resources in systems and processes that will ensure compliance with these measures and support the sustainability of our operations. We plan to implement this, but have not yet set a firm deadline. We are gradually taking steps to reduce our environmental impact (see more in the chapter: *WE ARE ENVIRONMENTALLY RESPONSIBLE*).

As part of our waste management targets, we have committed to not increasing the volume of mixed municipal waste produced and to converting as much of this waste as possible into recyclable waste, where feasible, through our suppliers. We are also focusing on the possibility of take-back schemes for packaging associated with the products we supply, thereby reducing the waste we generate.

A2: Resource Use

See the chapter: *WE ARE ENVIRONMENTALLY RESPONSIBLE*.

Energy (A2.1, A2.3)

See the chapter: *WE ARE ENVIRONMENTALLY RESPONSIBLE – Renewable energy*.

Water (A2.2, A2.4)

Total water consumption for the group is 45,480 m³. Water consumption has fallen by 10.2% compared with the previous year.

The company has no issues with water supply and standard measures are in place to ensure its efficient use.

Packaging (A2.5)

We use packaging materials as part of our wine production. In 2025, 651 bottles of wine, each with a volume of 0.7 litres, were produced and packaged. The production of 651 bottles of wine, each with a volume of 0.75 litres, consumed 0.26 tonnes of bottle glass and 1.3 kg of aluminium for the closures. Of this amount, 0.193 tonnes of bottle glass and 0.964 kg of aluminium for the closures were sold.

A3: Environment and Natural Resources

The Group is actively committed to managing the impact of its activities on the environment and natural resources. We assess these impacts not only in terms of our own environmental footprint but also in terms of cost savings in processing and disposal, including the optimisation of energy consumption. We strive to reduce energy consumption, utilise alternative energy sources produced by technologies installed at our sites, and reduce our environmental footprint through specific measures in the areas of recycling, the use of renewable energy sources and electromobility. These measures form part of our long-term commitment to sustainability and responsible business practices.

Our impact on the environment and natural resources (A3.1)

We describe significant environmental impacts in the chapter ‘*INVOLVEMENT OF STAKEHOLDERS AND ASSESSMENT OF MATERIALITY OF THE GROUP*’. You can find the specific measures we are implementing in the chapter ‘*WE ARE ENVIRONMENTALLY RESPONSIBLE*’.

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SOCIAL INFORMATION

Employment and working conditions

B1: Employment

Equal treatment and equal opportunities in employment are declared and promoted by the Group’s management in its stance and company-wide policies. These key values are presented on the Group’s website and in individual policies.

Policies:

- Human resource development (“HRD”) 35 Principles of Work Ethics and Appearance
- Code of Conduct
- HRD 01 Recruitment
- Non-discriminatory nature of job vacancy advertising
- Equal career progression opportunities for all employees.

Employee characteristics (B1.1, B1.2)

The total number of employees by gender, type of employment, age group and geographical region is available in the Appendix 2 – *Social Performance Data*.

Information on staff turnover rates, broken down by gender, age group and geographical region, is set out in the Appendix 2 – *Social Performance Data*.

The Group is in compliance with relevant laws and regulations that have a significant impact on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

B2: Health and Safety

The company continuously implements changes to labour and health and safety legislation, collaborates with external specialists on regular inspections, and carries out job categorisation, including risk assessments for factors such as visual strain, lighting, night work, mental and physical strain, and the need for personal protective equipment. These measures ensure that the Group is in compliance with relevant laws and regulations that have a significant impact on providing a safe working environment and protecting employees from occupational hazards. (See more in the chapter: *WE ARE A GOOD EMPLOYER*.)

Workplace accidents (B2.1, B2.2, B2.3)

Policies relating to health and safety at work have remained unchanged. This issue remains a priority for the Group; see the chapter ‘*INVOLVEMENT OF STAKEHOLDERS AND ASSESSMENT OF MATERIALITY OF THE GROUP*’. All employees undergo regular training in occupational health and safety, which forms part of both their induction and ongoing training. Workplace risk assessments are carried out as part of the KZAM system for individual job roles, and we constantly strive to reduce the assessed risk level or, where necessary, mitigate it through other means of employee relaxation or the provision of protective equipment.

The health of our employees is a priority for us, which is why we create a safe working environment, regularly check compliance with the measures in place and monitor working conditions. We implement all preventive and control measures in accordance with current legislation and with the support of professionals qualified in the field of occupational health and safety.

Over the last three years, and including the most recent reporting period, we have not recorded any fatal workplace accidents.

Our Company’s employees missed a total of 328 days during the reporting period as a result of workplace accidents.

More detailed information can be found in the Appendix 2 – *Social Performance Data*.

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B3: Development and training

Staff training forms part of our company policy. Our staff and their skill levels are our competitive advantage. Individual training courses are provided where possible and in line with job roles. Training is delivered in-house in areas such as croupier courses and German language tuition. The conditions for staff applying for training have not changed compared with the previous period.

During the reporting period, 100% of employees received training.

The average number of training hours completed is 2.7. The calculation includes all training courses, both those required by law and optional ones.

The breakdown of the average number of training hours completed by gender and employee category is set out in the Appendix 2 – *Social Performance Data*.

B4: Labour standards

The Group's approach to the prevention of child and forced labour has remained unchanged since FY2025. The Group continues to verify work eligibility during recruitment, prohibits child and forced labour in its internal policies, and provides reporting channels for suspected breaches of these policies. The Group is in full compliance with all relevant laws and regulations aimed at preventing child and forced labour.

Measures (B4.1, B4.2)

The Group continues to apply its procedures for the prevention of child and forced labour without change, including regular reviews of working practices, verification of candidates' age and eligibility during recruitment, transparent conclusion of employment contracts, reviews of personnel records and supplier relationships, and the option to report potential breaches of labour rights anonymously via the ethics hotline.

Operational procedures

Within the framework of supplier-customer relationships, we are not in a position to carry out checks relating to environmental and social risks. However, as we work predominantly (99%) with companies from the EU and the United Kingdom, it is highly likely that these companies also comply with appropriate standards. A Code of Conduct has been drawn up for contractual partners as a set of guidelines on business ethics.

B5: Supply chain management (B5.1, B5.2, B5.3, B5.4)

The largest proportion of our suppliers are based in the Czech Republic, where we work with 707 partners. We have a further 556 suppliers in other European countries. We also have individual suppliers in the United Kingdom, Hong Kong, other parts of Asia, North America and other regions. The specific numbers of suppliers from these countries are shown in the table below:

Number of suppliers by geographical region		
Czech Republic	Number	707
Europe	Number	556
United Kingdom	Number	9
Hong Kong	Number	3
Asia (excluding Hong Kong, Mainland China and Singapore)	Number	1
Other region	Number	7
North America	Number	8

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As part of the materiality assessment, perspectives on environmental and social risks within the supply chain were taken into account through our company’s representatives, who have long-standing working relationships with these firms and are in regular contact with these key suppliers and customers. Thanks to these interactions, potential risks are monitored on an ongoing basis, even where formal checks are not carried out. We are prepared to respond immediately to any risks that may be identified. Under ISO 27001, it is mandatory to assess significant suppliers once a year, which we do. Furthermore, the fact that we work predominantly with partners from the EU and the United Kingdom ensures a high likelihood of compliance with the relevant environmental and social standards. The Group’s influence on its suppliers has not changed compared with the previous reporting period.

B6: Product responsibility

Our product responsibility policies, approach to responsible gaming, and measures relating to privacy and personal data protection remain unchanged from FY2025. In line with the approach, the Group ensures full compliance with relevant laws and regulations that significantly impact health and safety, advertising, labeling, privacy, and redress mechanisms related to the products and services we provide.

As part of our product responsibility, we have the following policies in place:

- A policy on the implementation of established rules in full compliance with the Czech Gambling Act (“ZHH”)
- An AML policy in accordance with the guidelines approved by the Financial Analytical Office (“FAÚ”).

We have also introduced responsible gambling programmes in accordance with the ZHH regulations, offering clients options for self-restriction and self-exclusion.

Products and services (B6.1, B6.2, B6.3, B6.4)

None of our products were withdrawn from the market during the reporting period due to health risks.

Rules and procedures have been established for handling incoming emails from clients sent to info@palasino.eu in order to ensure effective and consistent communication and the prompt handling of enquiries, requests or complaints.

Receipt of emails: Upon receipt of an email at info@palasino.eu, the system automatically generates a reply confirming receipt of the message. The processing procedure is identical to that in previous years.

Role of the Board of Directors in the overall process: The Board of Directors may intervene in the process and, if necessary, adjust the procedure.

Language policy: If a client writes in English or German, the reply is sent in Czech and is accompanied by a translation into the relevant language, generated by DeepL or AI.

If any communication is received by post, the procedure is similar, except that the document is scanned and forwarded to the relevant employee.

The Palasino Group has implemented a Code of Conduct, as well as internal policies and training programmes focused on compliance with legal regulations and the protection of intellectual property. As part of the Code of Conduct, staff are made aware of the expected conduct and approach regarding personal data and intellectual property.

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Customer data (B6.5)

Retention of personal data:

- For the gambling sector – documentation relating to players and their activities: 10 years from the end of the business relationship in accordance with the AML Act.
- For CCTV recordings: for a period of 2 years.
- For other operations: in accordance with legislation and the records management and disposal policy.

Once the specified period has elapsed, the data are securely deleted or destroyed.

Access to personal data is restricted to authorised personnel in selected departments and in accordance with ISO 27001 requirements.

Personal data may only be transferred to third parties under pre-determined and defined conditions.

B7: Anti-corruption (B7.1, B7.2)

Compliance with laws and regulations has remained unchanged compared with the previous period. By implementing an internal system for reporting illegal conduct (whistleblowing) and control audits, we ensure that we comply with legal and ethical standards. During the reporting period, there were no legal proceedings relating to corrupt practices brought against the Group or our employees.

Training (B7.3)

Our employees and board members are trained to identify potential risk situations that may lead to unethical conduct.

Ethical conduct and transparency in business relationships: The training emphasises the importance of transparency in dealings with partners, clients and public institutions.

Participants are informed about the relevant legislation concerning corruption, money laundering and other illegal practices, including the potential legal consequences for both individuals and the company.

Communities

B8: Investment in communities

We strive to build beneficial relationships with local communities in the areas where we operate and to contribute to their health, well-being and satisfaction through various activities and programmes. These include community engagement and volunteering initiatives, charitable donations, support for local employment and our significant tax contributions. The Group provides financial support to charitable organisations in the regions where we operate, thereby giving back to the communities we value. In this financial year, we donated nearly CZK0.9 million to support our communities. (See more in the chapter: *WE ARE A RESPONSIBLE PARTNER TO COMMUNITIES*)

As a gambling operator, the Group makes a significant contribution to the state coffers through its activities. As part of the redistribution of taxes paid by Palasino, the state directly allocates a portion of our gambling tax to the towns and cities where we operate.

As part of our efforts to support local communities and develop talent, we prioritise the employment of local staff. (See more in the chapter: *Supporting local employment*)

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Areas we influence (B8.1)

Education: We support educational initiatives aimed at developing professional skills, both internally for our employees and externally, for example through donations to schools and educational institutions.

Charitable work: For several years now, we have been supporting a children’s home and also making a significant monthly contribution to the Good Angel foundation, through which we support families and sick children.

Labour market needs: The company participates in activities aimed at improving employment and developing the labour market, both through vocational training and by supporting business projects that create job opportunities.

Health: We actively contribute to the health and wellbeing of our employees.

Culture and sport: Our policy is to support cultural and sporting activities that contribute to community development, for example by sponsoring cultural events and sports teams, not only in our own regions.

Sources of support (B8.2)

Our company’s funding of charitable activities takes place on two levels. One level consists of regular (annual) contributions; the other is ad hoc support based on specific opportunities. This always depends on the specific initiatives being supported during a given period.

CLIMATE INFORMATION

Governance

The Group has not yet carried out a comprehensive analysis of climate risks and opportunities. However, climate issues are monitored within the broader ESG governance framework, in particular through the Board of Directors, the ESG Committee, the ESG Working Group and senior management. These bodies are involved in monitoring environmental issues, energy efficiency, resource consumption, emissions and other measures related to reducing the Group’s environmental impact.

The ESG Committee reports updates on the Group’s climate developments and performance to the Board of Directors once a year.

The ESG Committee seeks the Board of Director’s approval before making any decisions or entering into any commitments regarding climate-related issues.

In FY2026, information regarding the latest climate-related trends and related risks and opportunities were presented at our Board meeting to inform and upskill the Board on the potential impacts and implications of climate change on our business operations and the Company’s strategy.

Strategy

Business model and value chain

Climate change and greenhouse gas emissions: Climate change is a defining global issue that presents our Group with various risks and opportunities. Physical risks such as extreme temperature fluctuations, extreme weather events, droughts and extreme summer temperatures could make our day-to-day operations more difficult, whilst transition risks such as stricter regulations, changes in market expectations and reputational risks could affect our Group’s operating costs. For the FY2026 carbon footprint calculation, the Group reported Scope 1, Scope 2 and selected Scope 3 categories only, namely operational waste and business travel. On this basis, purchased electricity and other energy-related emissions represent the main contributors to the reported carbon footprint. However, the Group acknowledges that, if a broader Scope 3 calculation were performed, purchased services from external partners would be expected to remain a significant, and potentially the largest, source of emissions. The development of innovative technologies creates opportunities to improve energy efficiency, reduce emissions and optimise operating costs. The Group will therefore continue to explore opportunities to deploy additional renewable energy sources and other energy-saving technologies within its business activities.

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Energy management: effective energy management involves taking into account fluctuations in energy prices, the availability of energy resources and strategies to improve energy efficiency. Despite the challenges these factors present, they also create opportunities to develop innovative solutions to reduce energy consumption whilst maintaining the quality of our service and the sustainability of our business operations. To enhance our energy efficiency and energy management strategy, our Group is actively pursuing the installation of on-site renewable energy generation equipment to save operating costs. We have installed a photovoltaic power system with a total capacity of 584 kWp at our facilities. This enables us to generate electricity on-site without relying on a fossil fuel-powered grid, which not only helps to reduce our carbon footprint but also generates a return on investment, ultimately improving our Group’s financial performance.

Strategy and decision-making

Climate risks and opportunities have not yet been formally integrated into the Group’s overall corporate strategy in the form of a separate climate strategy or scenario analysis. However, the Group is continuously implementing measures aimed at reducing energy consumption, increasing the use of renewable sources, improving the energy efficiency of buildings, modernising technologies, gradually renewing its vehicle fleet and reducing waste production.

The Group has not carried out a formal climate scenario analysis. Given the nature of its business, which is not directly linked to energy-intensive production or significantly climate-sensitive supply chains, it does not consider such an analysis necessary at this stage. However, the Group will continue to monitor the need for a scenario analysis in light of regulatory developments, market trends and the future significance of climate risks.

The current measures in our plan include, in particular:

- Increasing energy efficiency in buildings by improving insulation, installing efficient lighting and implementing more efficient heat recovery.
- Switching to renewable energy sources – installing solar panels, utilising combined heat and power units, and employing air recuperation.
- Fleet modernisation – replacing company vehicles with fossil fuel hybrids and electric vehicles and developing green urban transport.

Mitigation measures include promoting:

- Changing consumption habits – for example, reducing meat consumption, promoting local produce and reducing food waste.
- Recycling and waste reduction – minimising waste production and reusing waste reduces emissions associated with the production of new materials.

We have established a strategy to gradually reduce energy intensity and cut energy consumption by installing new alternative energy generation technologies. We are making a gradual effort to change consumption habits in order to reduce the consumption of food, meat and other products, and to minimise animal waste. Another strategy is to increase the proportion of recycled and compostable waste and to reduce municipal waste.

We aim to achieve the climate targets by allocating financial resources and gradually introducing specific technologies and practices. As part of our capital expenditure financial resource planning, we plan to allocate a portion of these investment resources each year to meet these targets.

Financial position, financial performance and cash flows (Current and anticipated financial position)

Although we have not carried out a climate risk analysis, we observed that climate-related risks had a somewhat positive impact on our financial situation in the last financial year. Thanks to the opportunity we seized three years ago to install photovoltaic systems and secure a subsidy scheme for these installations, we were able to significantly reduce our energy consumption and, consequently, lower our financial costs. In the last financial year, we also successfully negotiated energy prices with our suppliers, thereby ensuring greater cost stability and operational certainty.

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Whilst our current investment plans are primarily focused on the development and expansion of our facilities, we recognise that climate-related risks, such as energy price volatility and regulatory changes, may influence our long-term financial planning.

We continue to monitor developments in energy markets and regulatory frameworks and will adjust our investment and financing strategies accordingly, if necessary. At present, there are no changes to our approach compared with the previous year.

Climate resilience

At this stage, we have not carried out a formal climate-related scenario analysis to assess the resilience of our strategy and business model. This is primarily due to the nature of our operations, which are not directly exposed to high-emission industrial activities or climate-sensitive supply chains.

Overall, climate resilience has not changed compared with FY2025.

Risk Management

Risks and opportunities continue to be assessed as part of a broader operational risk management system at management level. The Group has not implemented a separate formal climate risk management system, nor does it use climate scenario analysis, as, given the nature of its activities, it has not been assessed that such an analysis would currently yield sufficiently useful outputs.

However, the Group continuously monitors, in particular, factors relating to the availability and prices of energy, regulatory developments and new technological solutions; significant risks or opportunities are further assessed in terms of costs, feasibility, benefits and implementation possibilities.

Metrics and Targets

Greenhouse gas emissions

For further information, please refer to the section of the Appendix 3 - *Summary of the carbon footprint calculation for FY2026*.

Climate-related transition risks, Climate-related physical risks

Based on our current assessment and the nature of our operations, we have not identified any material assets or business activities that are significantly vulnerable to climate-related transition risks or physical risks. As such, we do not report any amount or percentage of assets exposed under data points 30 and 31.

This conclusion is based on the fact that our operations are not energy-intensive, are located in regions with low exposure to extreme weather events and are not currently subject to climate-related regulatory pressures. We will continue to monitor these risks as part of our evolving ESG risk management framework.

Climate-related opportunities

Assets with a value of €3,595 million, representing 6% of total assets, have been identified as contributing to the company's energy efficiency efforts and carbon footprint reduction, particularly in relation to Scope 1 and Scope 2 emissions: These assets include all equipment and technologies that contribute to energy savings and, consequently, to a reduction in the company's carbon footprint and operating costs. This encompasses systems such as heat pumps, heat recovery units, thermal insulation, water-saving devices, and other technologies designed to enhance energy and resource efficiency. Collectively, these measures help reduce greenhouse gas emissions, particularly within Scope 1 and Scope 2.

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Capital deployment

In line with our commitment to reducing greenhouse gas emissions and improving energy efficiency, we have allocated capital expenditure specifically to address climate-related risks and opportunities. An investment of €0.696 mil was made, for which a subsidy of €0.168 mil was obtained from the state aid programme. The key investment in this area is the installation of photovoltaic panels at our facilities.

Internal carbon prices

We do not currently apply an internal carbon price in our decision-making processes, including investment decisions, transfer pricing or scenario analysis.

Remuneration

Our company has implemented a sustainability-linked remuneration framework that reflects our broader commitment to sustainable development and long-term value creation for shareholders. This framework incorporates performance indicators related to social and governance principles.

However, we have not yet introduced specific performance metrics that are directly linked to climate-related objectives. Whilst sustainability is a key consideration in our overall performance evaluation, the integration of climate-specific targets into remuneration structures remains under review.

Industry-based metrics

We do not currently disclose industry-specific metrics relating to our business activities.

Climate-related targets

As part of our commitment to environmental sustainability, we have defined four general climate-related targets to be achieved by 2030, using 2018 as the baseline year. These targets apply to all our companies operating in the Czech Republic, Germany and Austria. Whilst there are currently no legally binding climate targets applicable to our type of business, we recognise the importance of setting clear and measurable objectives. Therefore, we plan to refine and quantify these targets further over time.

1. Reduce electricity consumption by 2030, compared to 2018 levels
2. Installation of alternative technologies for renewable energy production
3. Reduce municipal waste, with the aim of increasing the proportion of recyclable materials
4. Minimise food waste across our operations

See more in the chapter: *WE ARE ENVIRONMENTALLY RESPONSIBLE*