



Rozszerzony Skonsolidowany Raport Grupy Kapitałowej Rainbow Tours za III kwartał 2022 roku oraz narastająco za trzy kwartały 2022 roku

[sporządzony zgodnie z MSSF]

Łódź, dnia 18 listopada 2022 roku

 **RAINBOW**
Archipelag Beztroski

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I. SELECTED FINANCIAL DATA

1. SELECTED FINANCIAL DATA COVERING BASIC ITEMS OF THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS (ALSO TRANSLATED TO EURO)

STATEMENT OF FINANCIAL POSITION	PLN'000	PLN'000	EUR'000	EUR'000
	As a 30/09/2022 [Not audited]	As a 31/12/2021 [Not audited]	As a 30/09/2022 [Not audited]	As a 31/12/2021 [audited]
Fixed assets	298 754	275 001	61 348	59 791
Current assets	625 498	280 044	128 444	60 887
Total assets	924 252	555 045	189 792	120 678
equity	198 894	149 332	40 842	32 468
Issued share capital	1 455	1 455	299	316
Equity attributable to shareholders of the parent company	153 661	108 221	31 554	23 529
Long-term liabilities	128 641	118 104	26 416	25 678
Short-term liabilities	596 717	287 609	122 534	62 532
Book value per share	13.67	10.26	2.81	2.23

STATEMENT OF COMPREHENSIVE INCOME	PLN'000	PLN'000	EUR'000	EUR'000
	from 01/01/2022 to 30/09/2022 [Not audited]	from 01/01/2021 to 30/09/2021 [Not audited]	from 01/01/2022 to 30/09/2022 [Not audited]	From 01/01/2021 to 30/09/2021 [Not audited]
Continuing operations, sales revenue	1 933 539	1 007 140	412 444	220 937
Profit /loss on operations	50 109	42 137	10 689	9 244
Pre-tax profit (loss)	48 880	39 166	10 427	8 592
Net profit (loss)	42 873	36 367	9 145	7 978
Net profit (loss) attributable to shareholders of the parent company	38 751	34 657	8 266	7 603
Net profit (loss) per ordinary share attributable to shareholders of the parent company (denominated in PLN /EUR per share)				
- basic	2,95	2,50	0,63	0,55
- diluted	2,95	2,50	0,63	0,55
Total comprehensive income	49 561	37 014	10 572	8 120
Total comprehensive income attributable to:				
- shareholders of the parent company	45 439	35 304	9 693	7 745

CASHFLOW STATEMENT	PLN'000	PLN'000	EUR'000	EUR'000
	from 01/01/2022 to 30/09/2022 [Not audited]	from 01/01/2021 to 30/09/2021 [Not audited]	from 01/01/2022 to 30/09/2022 [Not audited]	From 01/01/2021 to 30/09/2021 [Not audited]
Net cash flow from operations	138 358	186 579	29 513	40 930
Net cash from investing activities	1199	(48 280)	256	(10 591)
Net cash from financing activities	22 360	(24 443)	4 770	(5 362)
Increase (decrease) in net cash and cash equivalents	161 917	113 856	34 539	24 977

2. SELECTED FINANCIAL DATA COVERING BASIC ITEMS OF THE ABRIDGE SINGLE FINANCIAL STATEMENTS (ALSO TRANSLATED TO EURO)

STATEMENT OF FINANCIAL POSITION	PLN'000	PLN'000	EUR'000	EUR'000
	As at 30/09/2022 [Not audited]	As at 31/12/2021 [audited]	As at 30/09/2022 [Not audited]	As at 31/12/2021 [audited]
Fixed assets	167 935	148 690	34 485	32 328
Current assets	620 981	299 349	127 517	65 084
Total assets	788 916	448 039	162 002	97 412
equity	144 712	118 765	29 716	25 822
Issued share capital	1 455	1 455	299	316
Long-term liabilities	70 834	56 008	14 546	12 177
Short-term liabilities	573 370	273 266	117 740	59 413
Book value per share PLN/EUR	9.94	8.16	2.04	1.77

STATEMENT OF COMPREHENSIVE INCOME	PLN'000	PLN'000	EUR'000	EUR'000
	from 01/01/2022 to 30/09/2022 [Not audited]	from 01/01/2021 to 30/09/2021 [Not audited]	from 01/01/2022 to 30/09/2022 [Not audited]	From 01/01/2021 to 30/09/2021 [Not audited]
Continuing operations, sales revenue	1 896 867	994 578	404 622	218 181
Profit /loss on operations	31 484	35 037	6 716	7 686
Pre-tax profit (loss)	31 616	33 354	6 744	7 317
Net profit (loss)	25 609	30 555	5 463	6 703
Net profit (loss) per ordinary share (denominated in PLN /EUR per share)				
- basic	1.76	2.10	0.38	0.46
- diluted	1.76	2.10	0.38	0.46
Total comprehensive income	25 947	31 512	5 535	6 913

CASHFLOW STATEMENT	PLN'000	PLN'000	EUR'000	EUR'000
	from 01/01/2022 to 30/09/2022 [Not audited]	from 01/01/2021 to 30/09/2021 [Not audited]	from 01/01/2022 to 30/09/2022 [Not audited]	From 01/01/2021 to 30/09/2021 [Not audited]
Net cash flow from operations	120 227	180 609	25 646	39 620
Net cash from investing activities	1 879	(4 838)	401	(1 061)
Net cash from financing activities	32 418	(66 210)	6 915	(14 525)
Increase (decrease) in net cash and cash equivalents	154 524	109 561	32 962	24 034

To calculate individual items of the selected financial data the following exchange rates were used:

- To calculate items of the statement of financial position – the average euro exchange rate applicable as at the last day of the period, fixed by National Bank of Poland as at 30.09.2022 (4,8698) and as at 31.12.2021 (4.5994)
- To calculate items of the statement of comprehensive income and cash flow statement – the euro exchange rate being the arithmetic average of average exchange rates fixed by National Bank of Poland, applicable as at the last day of the ended month of the financial period: for the period from 01.01.2022 to 30.09.2022 (4.6880) and for the period from 01.01.2021 to 30.09.2021 (4.5585).

II. ABRIDGED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS OF RAINBOW TOURS GROUP

1. THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	As at 30/09/2022 [not audited]]	As at 31/12/2021 [audited]
		PLN'000	PLN'000
Fixed assets			
Tangible fixed assets	8	231 695	236 868
Investment property		196	196
Goodwill		4 541	4 541
other intangible assets		3 636	4 302
Deferred tax assets		36 430	7 443
Other receivables	9	22 256	21 651
Total fixed assets		298 754	275 001
Current assets			
Stocks		421	99
Trade and other receivables	9	331 909	140 975
Other financial assets	10	464	46
Current tax assets		2 646	5 845
Other assets	11	44 206	49 145
Cash and cash equivalents	12	245 852	83 934
Total current assets		625 498	280 044
Total assets		924 252	555 045

The notes are an integral part of these consolidated financial statements.

LIABILITIES	Note	As at 30/09/2022 [not audited]]	As at 31/12/2021 [audited]
		PLN'000	PLN'000
EQUITY AND LIABILITIES			
equity			
Issued share capital		1 455	1 455
Share premium		36 558	36 558
Reserve		375	37
Translation of foreign operations		9 306	2 956
Retained earnings		105 967	67 215
		<u>153 661</u>	<u>108 221</u>
Equity attributable to shareholders of the parent company		153 661	108 221
Equity attributable to non-controlling interests		45 233	41 111
Total equity		<u>198 894</u>	<u>149 332</u>
Long-term liabilities			
Long-term loans, bank credits and lease liabilities	13	96 980	80 781
Pension liability	15	145	145
Long term provisions		85	-
deferred tax liability		-	-
Other liabilities		31 431	37 088
Total long-term liabilities		<u>128 641</u>	<u>118 104</u>
Short-term liabilities			
Trade payables and other liabilities	14	105 052	92 252
Short-term loans, bank loans and credits and lease liabilities	13	47 430	30 986
other financial liabilities		-	-
Current tax liabilities		45 512	4 467
<i>Including income tax</i>		35 073	341
short -term provisions	15	255 743	7 011
Deferred income	16	135 132	145 978
Other liabilities		7 543	6 915
Total short-term liabilities		<u>596 717</u>	<u>287 609</u>
Total liabilities		<u>725 358</u>	<u>405 713</u>
Total equity and liabilities		<u>924 252</u>	<u>555 045</u>

The notes are an integral part of these consolidated financial statements.

2. THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Note	from 01/01/2022 to 30/09/2022 [not audited]	from 01/07/2022 to 30/09/2022 [not audited]	from 01/01/2021 to 30/09/2021 [not audited]	From 01/07/2021 To 30/09/2021 [not audited]
		PLN'000	PLN'000	PLN'000	PLN'000
continuing operations					
Sales revenue	17	1 933 539	1 113 055	1 007 140	687 516
Cost of sales	18	(1 716 545)	(972 866)	(877 510)	(589 071)
Gross profit (loss) on sales		216 994	140 189	129 630	98 445
Selling cost	18	(133 272)	(66 526)	(89 875)	(52 923)
Overheads	18	(34 792)	(13 335)	(22 655)	(9 682)
Other operating proceeds	19	4 708	4 326	26 000	22 326
Other operating costs	19	(3 529)	(2 630)	(963)	(291)
Operating profit (loss)		50 109	62 024	42 137	57 875
Financial revenue	20	3 829	3 579	557	433
Financial costs	20	(5 058)	(2 310)	(3 528)	(1 397)
Pre-tax profit (loss)		48 880	63 293	39 166	56 911
Income tax	21	(6 007)	(8 470)	(2 799)	(5 191)
Net profit (loss) from continuing operations		42 873	54 823	36 367	51 720
Discontinued operations					
Net profit (loss) from discontinued operations	22	-	-	-	-
NET PROFIT (LOSS)		42 873	54 823	36 367	51 720
Items, which could be later carried to statement of comprehensive income					
Translations of foreign operations		6 350	4 500	(310)	2 543
Effective part of profit and losses linked to hedging instrument in cash flow hedge		338	375	957	237
total other net comprehensive income		6 688	4 875	647	2 780
TOTAL COMPREHENSIVE INCOME		49 561	59 698	37 014	54 500
Net profit attributable to:					
shareholders of the parent company		38 751	49 502	34 657	49 223
non-controlling interests		4 122	5 321	1 710	2 497
		42 873	54 823	36 367	51 720
Total comprehensive income attributable to:					
shareholders of the parent company		45 439	54 377	35 304	52 003
Non-controlling interest		4 122	5 321	1 710	2 497

The Extended Consolidated Report of Rainbow Tours Group for III quarters of 2022
(Data in PLN thousand, unless provided otherwise)

Nota	od 01/01/2022 do 30/09/2022 [not audited]	od 01/07/2022 do 30/09/2022 [not audited]	od 01/01/2021 do 30/09/2021 [not audited]	od 01/07/2021 do 30/09/2021 [not audited]
	PLN	PLN	PLN	PLN
number of shares (in thousands)	14 552	14 552	14 552	14 552
Number of shares – diluted (in thousands)	14 552	14 552	14 552	14 552
Profit (loss) per share (in PLN per share)				
on continuing and discontinuing operations				
Basic	<u>2.95</u>	<u>3.77</u>	<u>2.50</u>	<u>3.55</u>
Diluted	<u>2.95</u>	<u>3.77</u>	<u>2.50</u>	<u>3.55</u>
On continuing operations				
Basic	<u>2.95</u>	<u>3.77</u>	<u>2.50</u>	<u>3.55</u>
Diluted	<u>2.95</u>	<u>3.77</u>	<u>2.50</u>	<u>3.55</u>

The notes are an integral part of these consolidated financial statements.

3. THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued share capital	Share premium	Reserve – hedge accounting	Currency translation from foreign operations	Retained profits	Attributable to shareholders of the parent company	Attributable to non-controlling interests	Total
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
For the period from 01/01/2021 to 30/09/2021 [not audited]								
As at 01/01/2021	1 455	36 558	365	4 488	49 943	92 809	-	92 809
Net profit for the financial year	-	-	-	-	34 657	34 657	1 710	36 367
(Net) other comprehensive income for the financial year	-	-	957	(310)	-	647	-	647
Total comprehensive income	-	-	957	(310)	34 657	35 304	1 710	37 014
Subscription for shares by FEZ FIZ AN PFR	-	-	-	-	-	-	41 903	41 903
As at 30/09/2021	1 455	36 558	1 322	4 178	84 600	128 113	43 613	171 726
For the period from 01/01/2021 to 31/12/2021 [audited]								
As at 01/01/2021	1 455	36 558	365	4 488	49 943	92 809	-	92 809
Net profit for the financial year	-	-	-	-	17 272	17 272	(792)	16 480
(Net) other comprehensive income for the financial year	-	-	(328)	(1 532)	-	(1 860)	-	(1 860)
Total comprehensive income	-	-	(328)	(1 532)	17 272	15 412	(792)	14 620
Subscription for shares by FEZ FIZ AN PFR	-	-	-	-	-	-	41 903	41 903
As at 31/12/2021	1 455	36 558	37	2 956	67 215	108 221	41 111	149 332
For the period from 01/01/2022 to 30/09/2022 [not audited]								
As at 01/01/2022	1 455	36 558	37	2 956	67 215	108 221	41 111	149 332
Net profit for the financial year	-	-	-	-	38 751	38 751	4 122	42 873
(Net) other comprehensive income for the financial year	-	-	338	6 350	-	6 688	-	6 688
Total comprehensive income	-	-	338	6 350	38 751	45 439	4 122	49 561
Other	-	-	-	-	1	1	-	1
As at 30/09/2022	1 455	36 558	375	9 306	105 967	153 661	45 233	198 894

4. THE CONSOLIDATED CASH FLOW STATEMENT

Description	Note	from 01/01/2022	from 01/01/2021
		to 30/09/2022 [not audited]	to 30/09/2021 [not audited]
		PLN'000	PLN'000
I. Pre-tax profit (loss)		48 880	39 166
II. total adjustments		89 478	147 413
Amortization and depreciation		19 985	13 923
Foreign exchange gains (losses)		27	(410)
interest and profit sharing (dividend)		5	-
profit (loss) from investing activities		(417)	1 588
Movement in provisions		248 816	173 510
movement in stocks		(317)	(248)
Movements in receivables and prepaid expenses		(256 474)	(97 559)
Movements in short-term liabilities and prepayment expenses except for loans, credits and financial lease		79 984	78 417
Other adjustments		(2 131)	(21 808)
Net cash from operations		138 358	186 579
Income tax paid		-	-
Net operating cash flows		138 358	186 579
Interest received		2 330	12
Dividends received from entities consolidated under equity method		-	-
Proceeds from sale of financial assets held for sale		-	-
Proceeds from sale of fixed assets		285	53
Proceeds from sale of short-term securities / Purchase of short-term securities		-	-
Proceeds from sale of short-term securities		-	-
Purchase of short-term securities		-	-
Borrowing / Repayment of bank loans and credits		-	(3 491)
Repayment of loans and credits		-	(3 491)
Lending		-	-
Proceeds from sale of a subsidiary/ Purchase of a subsidiary		-	-
Proceeds from sale of a subsidiary		-	-
Purchase of a subsidiary		-	-
Other Borrowing / Repayment		-	-
Other borrowing		-	-
Other repayment		-	26
expenditure on purchase of fixed assets		1 416	44 880
Net cash from investing activities		1 199	(48 280)
Proceeds from subscription of shares by FEZ FIZ AN PFR		-	41 767
Borrowing / Repayment of loans / credits		29 589	(64 515)
Borrowing -loans and credits		(17 323)	12 058
Repayment of loans/ credits and lease liabilities		46 912	76 573
Other borrowing / repayment		-	-
other borrowing – proceeds from lease		-	-
Other repayment		-	-
repayment of finance lease liabilities		-	-

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(Data in PLN thousand, unless provided otherwise)

Description	Note	from 01/01/2022	from 01/01/2021
		to 30/09/2022 [not audited]	to 30/09/2021 [not audited]
		PLN'000	PLN'000
Dividend paid out		-	-
Interest paid		7 229	1 695
Net cash from financing activities		22 360	(24 443)
Increase/ (decrease) in net cash and equivalents		161 917	113 856
Balance sheet movement in cash		161 917	113 856
Movement in cash from exchange gains/losses		-	-
the opening balance of cash and cash equivalents		83 935	28 809
The closing balance of cash and cash equivalents		245 852	142 665

5. NOTES TO INTERIM ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

Nota 1. Data of the Parent Company

Business name of the parent company [the Company, the Issuer, the Parent Company]: Rainbow Tours Spółka Akcyjna

Registered office of the Parent Company: 90-361 Łódź, ul. Piotrkowska 270, Polska

NIP No (National Tax Identification Number): 7251868136

REGON No (National Business Registry Number): 473190014

KRS No (National Court Registry No): 0000178650

Rainbow Tours Company limited by shares is registered in the register of businesses of the National Court Register for the District Court for Lodz – Śródmieście XX Commercial Division of the National Court Register under KRS number 0000178650 (date of registration: 4 November 2003)

Core business, industry sector in WSE:

The main object of the company (according to National Court Register) comprises activities of tour operators (Polish Classification of Activities 7912). According to classification of Warsaw Stock Exchange the Parent Company is in the following sector: 600 [trade and services] 630 [recreation and leisure] / 632 [travel agencies]; industry sector: "hotels and restaurants"

Duration:

Duration of the Parent Company and the Capital Group is not limited.

Information about composition of the Management Board and the Supervisory Board of the parent company

The Management Board of the Company

As at 30.09.2022 and also as at the date of approval of this report for publication (18.11.2022) the Management Board of the Parent Company comprised as follows:

- Grzegorz Baszczyński - the President of the Management Board,
- Piotr Burwicz - the Member of the Management Board,
- Jakub Puchałka - the Member of the Management Board.,
- Maciej Szczechura - the Member of the Management Board.

In the period covered by these interim abridged consolidated financial statements (within the period of three quarters of 2022) as well as after the balance sheet date (30.09.2022), up to the date of approval of this report for publication (18.11.2022), there were no changes in the make-up of Management Board of the Parent Company:

The current fourth joint, five-year term of the Management expires on 25.08.2025 and the mandates expire at the latest on the date of the general meeting to approve financial statements for the last full financial year while being a member of the Management Board, mandates of the members of the Management Board also expire in the event of death, resignation or removal.

Due to the amendment (pursuant to the act of 09.02.2022 to amend the act – the Code of commercial companies and some other acts – Journal of Laws of 12.04.2022, item 807) content of the provision of art. 369 § 1 of the Code of commercial companies, which took effect and is valid from 13.10.2022 (and is applicable to mandates and terms of members of governing bodies, which were in place at the date of the taking effect of the above mentioned act of 09.02.2022 of 13.10.2022), the period of current, fourth term of office of the Management Board will be calculated in respect of full financial year, the common term of office of the Management Board will be valid from 25.08.2020 to 25.08.2025, a mandate of the member of the Supervisory Board of the new seventh term of office will expire with the date of the general meeting of the Company to approve the financial statements for the financial year 2025 that is in the year 2026.

The Supervisory Board of the Company:

As at 30.09.2022, as at the date of approval of this report for publication (18.11.2022) the Supervisory Board comprised as follows:

- Paweł Walczak - the chairman of the Supervisory Board,
- Paweł Niewiadomski - the deputy chairman of the Supervisory Board,
- Tomasz Czapla - the member of the Supervisory Board,
- Grzegorz Kubica the member of the Supervisory Board,

- Paweł Pietras - the member of the Supervisory Board
- Joanna Stępień-Andrzejewska - the member of the Supervisory Board,
- Remigiusz Talarek - the member of the Supervisory Board

In the period covered by these interim abridged financial statements (within three quarters of 2022) as well as after the balance sheet date (30.09.2022), up to the date of approval of this report for publication (18.11.2022 r), there were following changes in the makeup of the Supervisory Board of the Parent Company.

Because of the expiry, on 30.06.2022 (that is on the day of convening the General Meeting to approve the financial meetings for the last full financial year of being a member of the Supervisory Board), of mandates of members of the Supervisory Board of the Company and as a result of the expiry on 24.06.2022 of the common sixth term of office of the Supervisory Board of the Company, the General Meeting has decided what follows:

(1) Pursuant to provisions of the resolution No 22 of the Ordinary General Meeting of the Company on 30.06.2022 (the content of all resolutions adopted by the Ordinary General Meeting of the Company, with information about results of the voting was published in the current ESPI report of the Parent Company No 17/2022 of 30.06.2022) – the General Meeting of the Company acting pursuant to § 20 section 8 of the Articles of Association of the Company, decided to determine the number of members of the Supervisory Board of the next (seven) term of office to be seven.

(2) Pursuant to provisions of the resolutions of the Ordinary General Meeting of the Company of 30.06.2022 with numbers from No 23 to 29 – the General Meeting of the Company acting pursuant to § 20 section 2 and § 27 letter g of the Articles of Association in connection with art. 385§ 1 of the Code of Commercial Companies, decided to appoint to the Supervisory Board of the Company of the next (seventh), common, three-year term of office the following persons:

- (-) Mr Tomasz Czapla (the resolution of the OGM 23),
- (-) Ms Monika Kulesza (the resolution of the OGM No 24),
- (-) Mr Paweł Niewiadomski (the resolution of the OGM No 25),
- (-) Mr Paweł Pietras (the resolution of the OGM No 26),
- (-) Ms Joanna Stępień-Andrzejewska (the resolution of the OGM No 27),
- (-) Mr Remigiusz Talarek (the resolution of the OGM No 28),
- (-) Mr Paweł Walczak (the resolution of the OGM No 29).

In the place of Mr Grzegorz Kubica, who previously was the member of the Supervisory Board of the sixth term, whose mandate expired on 30.06.2022, a new member of the Supervisory Board - that is Ms Monika Kulesza, was appointed. Except for the change in the composition of the Supervisory Board of the seventh, common three-year term, no other changes were introduced.

Except for the above facts, in the period covered by these interim abridged consolidated financial statements (in the period of three quarters of 2022) as well as after the balance sheet date (30.09.2022) to the date of approval of this report for publication (18.11.2022), there were no other changes in the composition of the Supervisory Board of the parent company.

The current, seventh, joint term of office of the Supervisory Board expires on 30.06.2025 and the mandates expire at the latest on the date of the annual general meeting to approve financial statements of the company for the last full financial year of being a member of the Supervisory Board.

Due to the amendment (pursuant to the act of 09.02.2022 to amend the act – the Code of commercial companies and some other acts – Journal of Laws of 12.04.2022, item 807) content of the provision of art. 369 § 1 of the Code of commercial companies, which took effect and is valid from 13.10.2022 (and is applicable to mandates and terms of members of governing bodies, which were in place at the date of the taking effect of the above mentioned act of 09.02.2022 and of 13.10.2022), the period of current, seventh term of office of the Management Board will be calculated in respect of full financial year, (in case of Rainbow Tours S.A. in respect of three full financial years) and thus, the common term of office of the Management Board will be valid from 30.06.2022 to 30.06.2025, a mandate of the member of the Supervisory Board of the new seventh term of office will expire with the date of the general meeting of the Company to approve the financial statements for the financial year 2025 that is in the year 2026.

Stock Exchange Quotation

Rainbow Tours Spółka Akcyjna is quoted in continuous trading system at parallel market at Warsaw Stock Exchange, under the short name "Rainbow Tours" and the marking "RBW".

ISIN code for Companies shares traded in the Warsaw Stock Exchange in the total number of 9,827,000: PLRNBWT00031.

ISIN code for other, dematerialized Company's shares, not traded at WSE in the total number: 3,825,000 shares (registered preference shares A and C1 series), which are not trade in The Warsaw Stock Exchange: PLRNBWT00049.

ISIN code (granted by National Depository for Securities (KDPW) in the process of conversion of registered shares to bearer shares, which are not traded at Warsaw Stock Exchange – dematerialized bearer shares in the total number of 900,000 (shares arising due to conversion, upon request of shareholders of the companies: Flyoo Sp. z o.o., Elephant Capital Sp. z o.o. and TCZ Holding Sp. z o.o., total of 900,000 registered preferred shares – A series to bearer shares - currently marked as AB series shares) PLRNBWT00056. On 03.11.2022 the Management Board of the Company filed to WSE (with the delivery date: 04.11.2022) a request to trade 900,000 AB series ordinary bearer shares on the parallel market of Warsaw Stock Exchange as a result of assimilation of shares in the National Depository for Securities. At the same time together with filing the respective request to WSE, the Management Board of the Company, on 03.11.2022, filed to National Depository for Securities (with the delivery date: 04.11.2022) relevant request to assimilate securities (together with the required attachments, including registration letter) presenting the respective ordinary bearer shares (marked in the National Depository for Securities with the ISIN code: PLRNBWT00056) as securities subject to assimilation under the ISIN code of securities PLRNBWT00031 (currently the number of shares covered by the code is 9,827,000- these are shares traded at the parallel market on the Warsaw Stock Exchange). According to the content of the requests filed to WSE and the National Depository for Securities the proposed date of the assimilation is also the proposed date of introduction of 900,000 shares of AB series to trade at the regulated market at WSE under the ISIN code: PLRNBWT00031 total oof 10,727,000 shares of the company from the number 14,552,000 of issued shares will be listed.

LEI (Legal Entity Identifier) Code for the Company: 25940062QUG3WEUEGE88.

As at the date of approval of this report for publication (18.11.2022)WSE industry segment is as follows:"Hotels and restaurants". Shares of the company have following indices: WIG, WIG-Poland, sWIG80, sWIG80TR, sWIG80dvp, WIG140 InvestorMS.

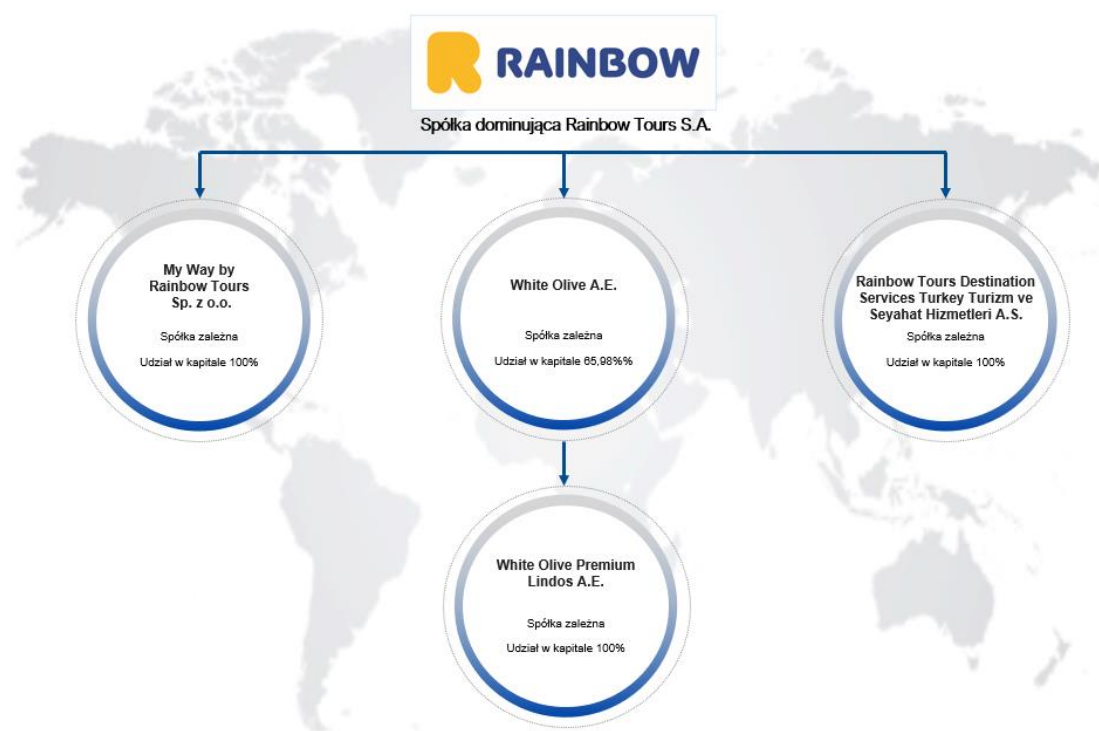
Nota 2. Description of the Capital Group with entities subject to consolidation

The chart below presents structure of Rainbow Tours Group as at 30.09.2022. The Group structure covers the Parent Company and its subsidiaries (jointly referred to as "Rainbow Tours Group", "the Capital Group", "the Group") with presentation of Parent company's percentage share in the equity of individual subsidiaries.

As at the balance sheet date (30.09.2022) and as at 30.09.2021 and as at 31.12.2021 the Issuer was a parent company to the companies (the subsidiaries), presented below, which were consolidated:

- "My Way by Rainbow Tours" Sp. z o.o.,
- White Olive A.E. [Anonymi Etaireia - company limited by shares operating under Greek law],
- White Olive Premium Lindos A.E. [Anonymi Etaireia - company limited by shares operating under Greek law],
- Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S. [Anonim Sirketi - company limited by shares operating under Turkish law].

RAINBOW TOURS GROUP AS AT 30.09.2022 / 30.09.2021					
Business name	Registered office	Object	The competent court/ the institution keeping the register	Share in the share capital / votes	Remarks
"My Way by Rainbow Tours" Sp. z o.o.	Poland, Łódź	Organizing and providing training for tour guides, leisure time animators, holiday representatives as a part of Rainbow Academy project"	District Court for Łódź-Śródmieście in Łódź, XX Division of the National Court Register (KRS) – KRS No 0000261006	100% / 100%	Direct subsidiary
White Olive A.E.	Greece, Athens	Operations of hotels	GEMI (business register) – No 137576424000	65.98% / 65.98%	Direct subsidiary
White Olive Premium Lindos A.E.	Greece, Athens	Operations of hotels	GEMI (business register) – No 126193120000	100% / 100%	Indirect subsidiary (indirect share) – the subsidiary depending directly on White Olive A.E.
Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S.	Turkey, Alanya	Operations of tour operators	Business register (Ticaret Sicilinin): 25046; Central Registration System (MERSIS): 0734199873400001	100% / 100%	Direct subsidiary



Description of the subsidiaries, which formed Rainbow Tours Group and were consolidated as at 30.09.2022

1) Rainbow Tours Spółka Akcyjna –Parent Company

Activities of the parent company concentrate mainly on organization and sales of company's tourism services and intermediary sales of services of other companies as well as sales of coach and plane tickets. The objective of the parent company is to provide external financing to Group's entities and ensure Group's development.

2) My Way by Rainbow Tours” Sp. z o.o. (previously: Portal Turystyczny Sp. z o.o.) –direct subsidiary

The operations of “My Way by Rainbow Tours” Sp. z o.o. concentrate on organizing and providing training for travel couriers, leisure time animators, and holiday representatives under the Rainbow Academy project [the website: <http://akademiarainbow.pl/>].

3) White Olive A.E. [Anonymi Etaireia - company limited by shares operating under Greek law] – direct subsidiary

In January 2016 Rainbow Tours S.A. incorporated the respective company limited by shares operating under Greek law. The subsidiary carries out hotel activities and owns two hotel properties and additionally leases (on long-term lease) hotel property in Greece on Zakynthos. Moreover, White Olive A.E. leases on a long-term a hotel property in Greece on Crete. The White Olive hotel chain, which is directly administered by White Olive A.E., has the following hotels:

- “White Olive Premium Laganas” – a four-star hotel situated on a Greek island Zakynthos in Laganas, the hotel owned and administered by White Olive A.E.; “White Olive Premium Laganas” offers 137 spacious and modernly decorated four-star hotels, in 6 different types;
- “White Olive Premium Cameo” – a four-star hotel situated in Agios Sostis on the Greek Island Zakynthos, the hotel administered by White Olive A.E. on long-term lease, “White Olive Premium Cameo” offers 125 spacious and modernly furnished four-star hotel rooms in four types, situated in two buildings;
- “White Olive Elite Laganas” – a newly built five-star hotel complex (opened in July 2019), situated on the Greek Island Zakynthos in Laganas, the hotel owned and administered by White Olive A.E.; “White Olive Elite Laganas” is a modern hotel with 195 spacious and excellently furnished five-star hotel rooms in 3 different types;
- “White Olive Elite Rethymno” – a five-star hotel situated in Sfakaki on Crete, in the neighbourhood of Rethymno; the hotel administered by White Olive A.E. is the property of White Olive A.E. and it is run by it (starting from October 2019 to June

2021 the hotel was run by White Olive A.E on a long-term lease);” following complete overhaul in winter 2020/2021, both of hotel rooms and communal spaces of the hotel. Currently White Olive Rethymno offers 70 comfortable and modernly decorated five-star rooms (for 186 people) situated in five-storey main building (hotel offers rooms in 4 different types, large pool of rooms with the sea view, including rooms with direct entry to the swimming pool area).

White Olive hotel chain also include a hotel - White Olive Premium Lindos, which is owned by the indirect subsidiary of the Issuer, that is company limited by shares operating under Greek law named White Olive Premium Lindos A.E. (a direct subsidiary of White Olive A.E.), which was described in point 4 below.

4) White Olive Premium Lindos A.E. [Anonymi Etaireia - the company limited by shares operating under Greek law] – an indirect subsidiary

White Olive Premium Lindos A.E. (previously: Oikodomikes Xenodoxeaiakes Touristikies Kai Emporikies Epixeiriseis M. B. Kai I. Venetoulis” A.E.) with its registered office in Athens is a subsidiary dependent in 100% on the subsidiary of the Issuer, that is White Olive A.E. with its registered office in Athens. This indirect subsidiary of the Issuer, since August 2019, is an owner of a hotel property named:

- “White Olive Premium Lindos” (previously “Pefkos Garden”), that is a four-star hotel situated on Greek Island of Rhodes; “White Olive Premium Lindos” offers 97 spacious and modern four-star hotel rooms, “White Olive Premium Lindos” underwent an overhaul of both hotel rooms as well as communal spaces in winter 2019/2020

5) Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S. [Anonim Sirketi - company limited by shares operating under Turkish law] – a direct subsidiary

As a result of the incorporation process of the subsidiary of Rainbow Tours, which started in February 2020 and was undertaken in the subsequent months at the territory of the Republic of Turkey, on 26 August 2020, the subsidiary of the Issuer, that is the company limited by shares operating under Turkish law (Business name): Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri Anonim Sirketi was entered to a relevant register by the Commerce and Industry Chamber in Alanya (Alanya Ticaret Ve Sanayi Odasi). The company was provided with the number in the Register of the Chamber (Oda Sicilinin): 24876, the number in a Business Register (Ticaret Sicilinin): 25046, and the number in the Central Registration System (MERSIS): 0734199873400001. The registered office of the subsidiary is in Alanya (Antalya) in the Republic of Turkey. The newly incorporated subsidiary is a company limited by shares and was incorporated under relevant law of the Republic of Turkey. The only shareholder, which holds 100% of the share capital and votes at the General Meeting of the subsidiary, is Rainbow Tours S.A. The formation of the subsidiary is intended to develop business operations of Rainbow Tours Group in respect of activities of tour operators, as well as to make the internal organization structure of the Group more efficient and save on operating costs and improve effectiveness of Group’s operations. That is in line with the strategy of vertical integration of the Issuer, which according to intention of Rainbow Tours involves (with the same time resignation from external suppliers) substantial optimisation of costs of provision of package holidays, as well as increase in profitability of additional services sold to customers of Rainbow Tours Company limited by shares (tours and optional excursions) and the next stage the subsidiary will be ready to offer touristic products to other businesses (other tour operators). Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri Anonim Sirketi started its operations in the season Summer 2021.

Nota 3. Description of changes in Group’s organization

In the reporting period covered by the interim abridged consolidated financial statements (that is in the period of three months ended on 30.09.2022), as well as after the balance sheet date, up to the date of approval of this report for publication (18.11.2022), no changes occurred in Rainbow Tours Group.

The intention of the Issuer and the subsidiaries White Olive A.E. and White Olive Premium Lindos A.E. is to merge the subsidiaries operating under Greek law (i) the company operating under Greek law under business name White Olive A.E. with the registered office in Athens (Greece)- as the acquiring company and (ii) of the company operating under Greek law under business name White Olive Premium Lindos A.E with registered office in Athens (Greece) – as the acquired company.

Nota 4. Information of rules adopted to prepare the interim abridged consolidated financial statements.

4.1 base of preparation and the format of the financial statements

These abridged interim consolidated financial statements were prepared according to IAS 34 “Interim Financial Reporting” and in consideration of the provisions of the regulation of the Minister of Finance of 29.03.2018 on current and periodic information required by the provisions of law of non-member state (Journal of Laws of 2018, item 757). Due to application of IAS and under § 66 section

6 of the respective regulation of the Minister of Finance, these abridged interim consolidated financial statements cover the data for following periods.

- in case of the statement of the financial position – data as at 30.09.2022 and comparative data as at 31.12.2021,
- in case of statement of comprehensive income and cash flows statement – data for III quarter of 2022 that is for the period from 01.07.2022 to 30.09.2021 and the comparative data for III quarter of 2021 that is for the period from 01.07.2021 to 30.09.2021 and the data accruing for the period from 01.01.2021 to 30.09.2021
- in case of statement of changes in equity – data accruing for the current financial year, that is for the period of nine months ended on 30.09.2022 and the comparative data for the period of nine months ended on 30.09.2021, the Parent Company decided to publish additionally data for the period of twelve months ended on 31.12.2021

The abridged interim consolidated financial statements do not cover all information that is disclosed in the annual consolidated financial statements drafted according to IFRS. These consolidated financial statements should be read jointly with the consolidated annual financial statements of Rainbow Tours Group for the financial year 2021, which was published in the consolidated periodic annual report RS/2021 on 29.04.2022.

The financial statements were prepared in accordance with historic cost principle, except for financial instruments, which were measured at fair value.

Financial statements of individual entities of the Group are presented in the currency of the basic economic environment, where the entities are operating (“in functional currency”). The consolidated financial statements are drafted in Polish zloty (PLN), which is the presentation and functional currency of the parent company. All financial data are presented in thousands of Polish zloty, unless provided otherwise.

Some financial data presented in these financial statements were rounded. Consequently, some of the totals presented in the in tables: in a given column or line may vary slightly from the total value for a given column or line.

Whenever these financial statements mention (the consolidated) profit and loss account it is to be understood as “the consolidated statement of comprehensive income”. Whenever the financial statements mention the balance sheet it means “the consolidated statement of financial position”. The financial statements also interchangeably use the terms “(the consolidated) cash flow account” and “(the consolidated) cash flow statement”.

These abridged interim consolidated financial statements are not subject to approval by the approving body under art. 53 of the Accounting Act of 29.09.1994. These abridged interim consolidated financial statements are signed by the head of the unit, that is the Management Board of Rainbow Tours S.A. and if a person is appointed to keep the accounts, then that person. These abridged interim consolidated financial statements were approved for publication and signed on 18.11.2022.

4.2 Continuation of operations

These interim abridged consolidated financial statements were drafted assuming that the Company and the Group continue their business operations in the foreseeable future and does not provide any adjustments with respect to methods of valuation and classification of assets and liabilities, which could be deemed essential, if the Company was not able to continue operations in the foreseeable future. As at the date of publication of these financial statements (that is as at 29 April 2021) there are no circumstances indicating a threat to continuation of operations by the subsidiaries of Rainbow Tours Group, including the parent, Company.

4.3 Uncertainty of estimates

In preparation of the Extended Consolidated Report of Rainbow Tours Group, the Management Board uses its judgment to make numerous estimates and assumptions, which have effect on applied accounting rules and presented amounts of assets, liabilities, revenue and costs. The actually occurring amounts may differ from those estimated by the Management Board.

In these interim abridged financial statements significant judgments made in the scope of accounting rules used by the Group and main sources of estimation of uncertainties were the same as the ones presented in part IV “Accounting rules (policy) of the Capital Group”, in Note 4.5 “Important Estimations and Assumptions” in the consolidated annual financial statements of Rainbow Tours Group for the financial year 2021, which was published in the consolidated periodic annual report RS/2021 29.04.2022.

4.4 Important accounting rules

These consolidated financial statements apply accounting policy, which was drafted according to International Financial Reporting Standards (IFRS) and interpretations issued by International Accounting Standards Board (IASB) as well as International Financial Reporting Interpretations Committee (IFRIC) in the form approved and published by EU. Detailed description of the accounting rules adopted by the Group was presented in part IV “accounting rules (policy) of the Group” in the consolidated annual financial

statements of Rainbow Tours Group for the financial year 2021, which was published in the consolidated periodic annual report RS/2021 on 29.04.2022.

Recognition of business transactions

Business transactions are recognized in the accounts when they are concluded and in the respective period.

Principle of materiality

Data (financial or non-financial) are considered material when such data, if not recognized or distorted (in the accounts or notes to financial statements), could affect economic decisions taken based on these statements by users of financial statements

Effect of applying new accounting standards and amendments in the accounting policy.

Accounting principles (policy) used to draft these consolidated financial statement for six months ended on 30.06.2022 and consistent with those used to draft the consolidated financial statements for the financial year ended on 31.12.2021, except for changes described below:

The same rules were applied for the current and the comparative period.

Changes resulting from amendments in IFRS

From the beginning of the financial year new or amended standards and interpretations issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretation Committee have been applied as follows:

- Amendments in IFRS 3, IAS 16, IAS 37 and annual amendments to standards 2018-2020 (*Annual improvements*)

Amendments in those standards were published on 14.05.2020 and are effective for annual periods starting from 01.01.2022 or later. The amendments include: introduction of the prohibition to reduce cost of manufacture of fixed assets by revenue from sales of test products created in the process of manufacturing/creating fixed asset and clarifying, which costs are taken into account by the company in the assessment if a given contract will bring losses.

Changes and interpretations of IFRS, which became effective from 01.01.2022 and didn't have effect on these financial statements.

Amendments introduced by the Group independently

The Group did not made adjustment of presentation of comparative data as at 31.12.2021 and for the period of 6 months ended on 30.06.2021.

Nonapplicable standards (New standards and interpretations)

In these financial statements the Group did not decide to apply the published standards and interpretation before their effective date.

The following standards and interpretations issued by the International Accounting Standards Board or International Financial Reporting Interpretation Committee, are not yet effective as at the balance sheet date.

- IFRS 17 Insurance contracts

The new standard was published on 18.05.2017 and then amended on 25.06.2020 and is effective for annual periods starting from 01.01.2023 or later. Early application is allowed (under the condition that IFRS 15 and IFRS 9 are applied at the same time). The standard replaces previous regulation on insurance contracts (IFRS 4). On 25.06.2020 IFRS 4 was also amended– in respect of renewing the period of exempting insurers from application of IFRS 9 Financial Instruments to 01.01.2023.

The respective standard does not apply to the financial statements of the Group.

- Amendments in IAS 1 Presentation of financial statements: Classification of short-term and long-term liabilities.

Amendment to IAS 1 was published on 23.01.2020 and then in July 2020 the effective date was changed and it applies to annual periods starting from 01.01.2023 or later.

The respective amendment defined anew criteria, which must be filled for the liability to be short-term. The amendment may change the presentation of liabilities and their reclassification between short and long-term liabilities.

The Group applies the amended standard from 01.01.2023. As at the date of preparation of these financial statements it is not possible to reliably assess the effect of applying the new standard.

- Amendments to IAS 1 – Disclosure of accounting principles (policies) and IAS 8 – *Definition of estimates*

The amendments in the standards were published on 12.02.2021 and are applicable for annual periods starting from 01.01.2023 or later. The purpose of these changes is to put more pressure on disclosure of significant accounting policies and clarifying the nature of differences between changes in estimates and changes in accounting policies.

The Group has been using the amended standards since 01.01.2023. As at the date of drafting these financial statements it is not possible to reliably assess the effect of application of the amended standards.

- Amendment IAS 12 Income tax: deferred tax for assets and liabilities arising on a single transaction.

Amendment to IAS 12 was published on 07.05.2021 and is effective for annual periods starting 01.04.2023 or later. The amendments clarify that exemption concerning initial recognition of deferred tax is not applicable to transactions, in which at initial recognition also arise taxable and deductible temporary differences and the companies are obliged to recognize deferred tax on a transaction, and thus, they explain uncertainties whether exemption is applicable to transactions such as lease and decommissioning liabilities.

The Group will apply the amendment in the standard 01.01.2023. As at the date of drafting these financial statements it is not possible to reliably assess the effect of applying the new standard.

Amendment to IFRS 17 Insurance Contracts: First application of IFRS 17 and IFRS 9 – comparative information

Amendment to IFRS 17 was published on 09.12.2021 and is effective for annual periods starting from 01.04.2023 or later. The amendment includes transitional option concerning comparative information about financial assets presented in initial application of IFRS 17. The amendment is aimed to help companies to avoid temporary accounting mismatch and liabilities arising on insurance contracts.

The respective standard is applicable to the financial statements of the Group.

Nota 5. Information on changes in the accounting rules (policy) and significant changes in estimates, including adjustments of provisions, deferred tax assets and liabilities, impairment of assets

Accounting rules applied in preparation of these interim consolidated financial statements were presented in the last consolidated annual financial statements of Rainbow Tours Group for the financial year 2021, which were published in the consolidated periodic report RS/2021 on 29.04.2022. These financial statements apply the same accounting rules and calculation methods as in the last annual report.

Adjustment of the previously published financial statements

In the period covered by these interim abridged financial statements Rainbow Tours Group did not make adjustment of the previously published financial statements.

Nota 6. Explanations regarding seasonality or cyclical events in operations of the Issuer in the presented period.

The operations of the Group due to their type are seasonal - the highest revenue is earned in the summer season in III quarter, and the lowest in IV quarter.

The charts below present: amount of revenue from sales of package travel in the period from January 2015 to March 2022 (on the month-on-month basis over the years and in individual months of the year for different financial/ calendar years.) and also the value of revenue from sales of package travel on quarter-on-quarter basis in years 2012 – 2022.

The charts below present the effect of COVID-19 pandemic on operations of the parent company, which in the period of lockdowns and due to SARS-CoV-2 pandemic, did not earn sales revenue in II quarter of 2020 and recorded decrease in levels of sales revenue in specific quarters of 2020 and 2021. The amounts presented refer only to the Parent Company. The Company resigned from comparing consolidated data due to different times of taking control over subsidiaries and also due to close cooperation among all entities and subsequent mutual exclusion of transactions.

Chart. –Monthly sales revenue from 2015.01 to 2022.09

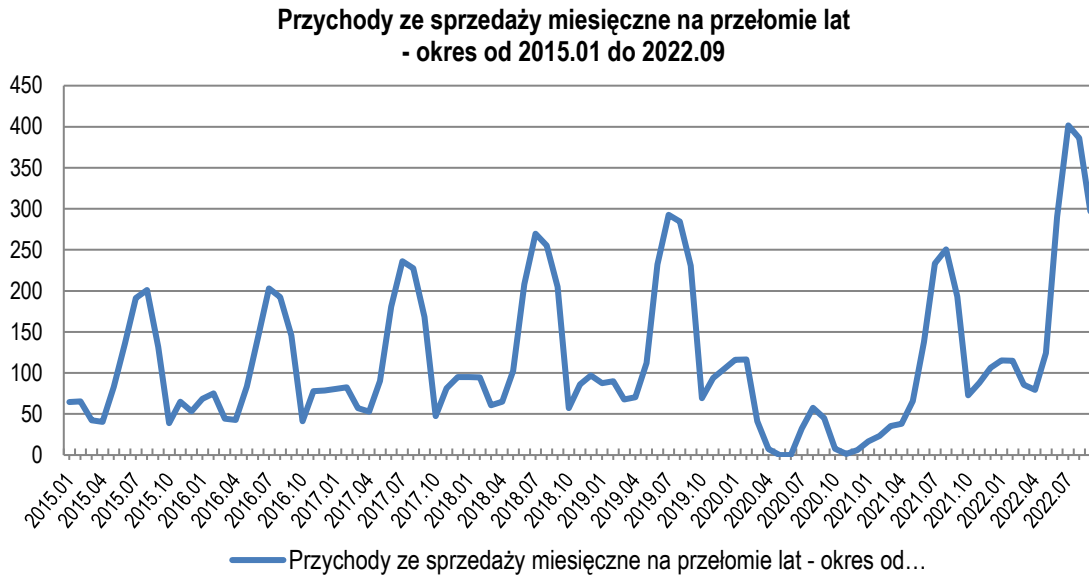


Chart. – Comparison of sales revenue on month-on-month basis from 2015 – 2022 (to September 2022)

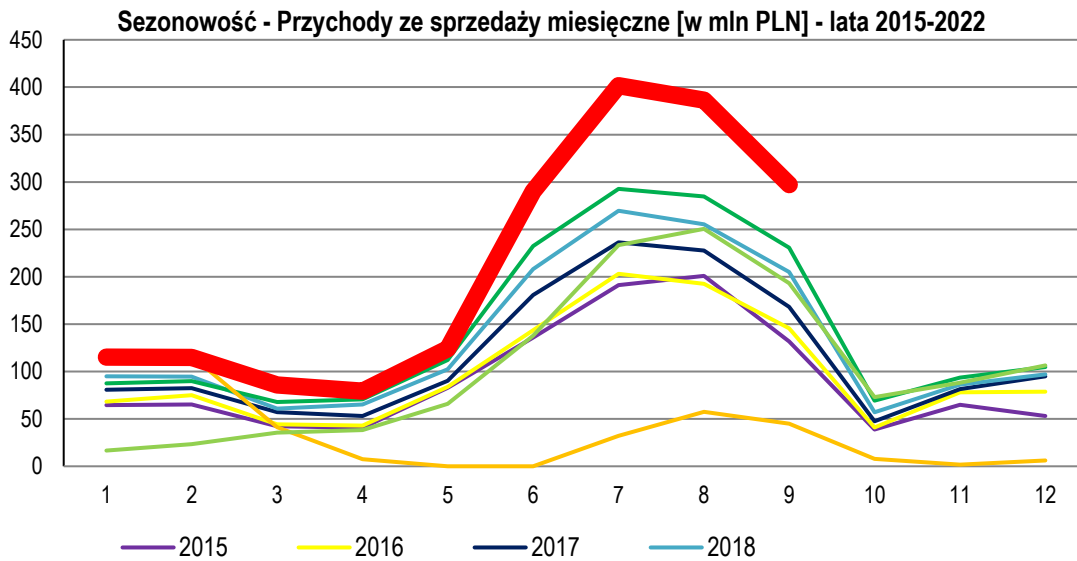
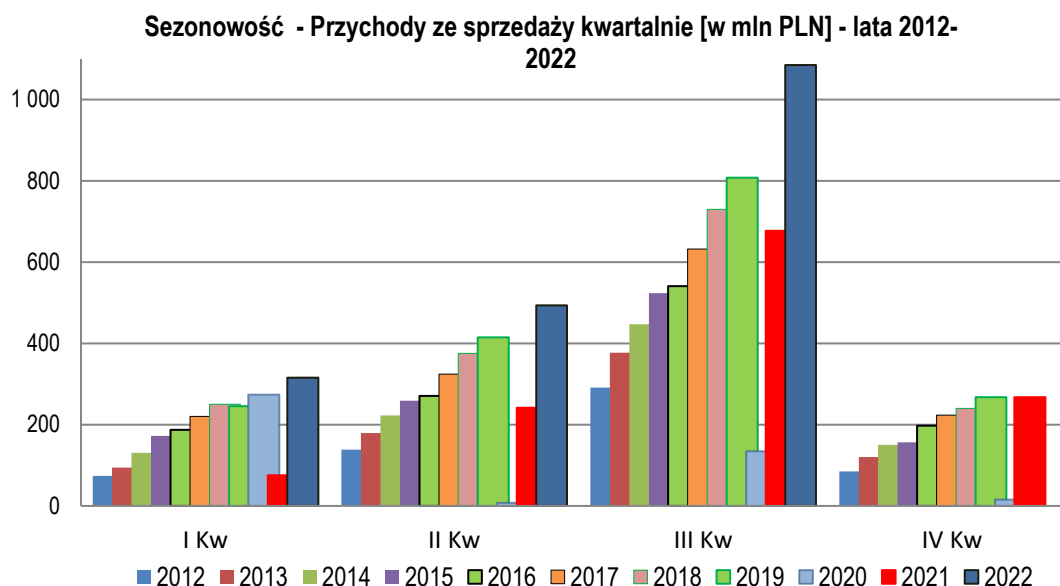


Chart. – comparison of quarter-on-quarter sales revenue from 2012 – 2022



Nota 7. Information on issue, buy back and repayment of non-equity and equity securities

In the period covered by these abridged interim consolidated financial statements, that is in the period of III quarter of 2022, also accruing within the period of three quarters of 2022 (that is from 01.01.2022 to 30.09.2022) and also in the period after the balance sheet date (30.09.2022) up to the date of approval of this report for publication (18.11.2022), neither the Parent Company in the Group nor other companies of Rainbow Tours Group issued, bought back or repaid non-equity or equity securities.

Nota 8. Tangible fixed assets

	As at 30/09/2022 [not audited]			As at 31/12/2021 [audited]		
	TOTAL	own	Used under lease contracts	TOTAL	own	Used under lease contracts
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Own land	24 230	24 230	-	23 818	23 818	-
Buildings	145 193	145 193	-	145 522	145 522	-
Right of use assets	41 950	-	41 950	49 119	-	49 119
Plant and Machinery	1 252	1 252	-	1 246	1 191	55
Motor vehicles	2 508	1 520	988	1 259	130	1 129
Equipment	14 355	14 355	-	15 276	15 276	-
Capital expenditure	89	89	-	628	628	-
	229 577	186 639	42 938	236 868	186 565	50 303

The claims of Towarzystwo Ubezpieczeń Europa S.A. (Insurance Company Europa S.A) with its offices in Wrocław concerning reimbursement of amounts paid for the benefit of Marshall of Łódzkie Province linked to operations of tour operators or entrepreneurs facilitating acquisition of related tourism services, arising out of the Guarantee No GT 518/2022 of 15.09.2022 (at the same time security for claims under insurance guarantee GT 500/2021 of 10.09.2021, the insurance guarantee No GT 359/2020 of 08.09.2020 amended with the attachment No 1 of 11.08.2021) pursuant to the contract of 14.09.2022 to grant insurance guarantee for tour operators or entrepreneurs facilitating acquisition of related tourism services – are secured by notarised blanket mortgage established on the first free place of the fixed assets of the Company, that is property situated at 270 Piotrkowska street, recorded in the land and mortgage register No: LD1M/00264242/0, LD1M/00264245/1, LD1M/00264246/8, LD1M/00264247/5, LD1M/00264248/2, LD1M/00264253/0, LD1M/00264254/7, LD1M/00264255/4, LD1M/00264257/8, LD1M/00264259/2, LD1M/00264263/3, LD1M/00264264/0, LD1M/00264266/4, LD1M/00187747/6, LD1M/00172644/6,

LD1M/00273816/1, LD1M/00273817/8, LD1M/00273818/5, LD1M/00273819/2, LD1M/00273820/2, LD1M/00273822/6, LD1M/00273823/3, LD1M/00273824/0, LD1M/00273825/7, LD1M/00273826/4, LD1M/00273827/1, LD1M/00273843/9, LD1M/00273844/6, LD1M/00273847/7, LD1M/00273846/0, LD1M/00273845/3, LD1M/00272177/2, LD1M/00272179/6, LD1M/00272180/6, LD1M/00272181/3, LD1M/00272182/0, LD1M/00272183/7, LD1M/00272184/4, LD1M/00272185/1, LD1M/00272186/8, LD1M/00272187/5, LD1M/00272188/2 maintained for the District Court for Łódź- Śródmieście in Lodz, XVI Division of Land Register for the amount of PLN 13,518,000 (thirteen million five hundred and eighteen thousand Polish zloty), which is 120% of the value of the property presented in the appraisal reports. The value of the property at purchase price is PLN 4,506,907.10

The company established mortgage on the property situated in Laganas, Zakynthos, Greece (the property of the Greek companies) for securing claims of Bank Gospodarstwa Domowego with its registered office in Warsaw, to repay investment loan taken by Rainbow Hotels A.E. and White Olive A.E and Rainbow Tours S.A. The value of the blanket mortgage of Rainbow Hotels A.E. is EUR 3,150 thousand and the value of the blanket mortgage of White Olive A.E. is EUR 13,900.

There were no fixed assets held for sale.

Nota 9. Receivables and other receivables

	As at 30/09/2022 [not audited]	As at 31/12/2021 [audited]
	PLN'000	PLN'000
Trade receivables	76 138	22 120
Allowance for doubtful debts	(3 843)	(3 843)
	72 295	18 277
<i>Deferred sales proceeds:</i>		
Other receivables	12 334	2 531
Other receivables – deposits	35 208	18 856
Other receivables – advances paid – hotels	208 145	115 431
write-off of doubtful debts	(4 103)	(2 946)
Other receivables – advances paid – air transport	19 937	10 477
Cash and cash equivalents	10 349	-
	354 165	162 626
Fixed assets	22 256	21 651
Current assets	331 909	140 975
Total	354 165	162 626

The increase of receivables as at 30.09.2022 and as at 31.12.2021 is a typical occurrence related to seasonality of the Issuer's operations.

Table. Receivables and movement in allowance for doubtful accounts

	The period of nine months ended on [Not audited]	The period of 12 months ended on 31/12/2021 [audited]
	PLN'000	PLN'000
Opening balance	6 789	11 789
allowance for doubtful accounts	1 157	-
amounts written off as bad debts	-	-
amounts recovered within the year	-	-
reversal of allowance for doubtful accounts	-	(5 000)
Unwind of discounts	-	-
Closing balance	7 946	6 789

Tour operator activities dominate the structure of sales revenue. Services are sold in two channels (own distribution channel - retail stores and call centre, and through network of agents). In case of services sold by stores, customers have to pay for a package tour immediately. The receivables arise only in case of sales through agents, which have specified deadlines for payment for package tours. Additionally, the parent company sells package travel as part of its intermediary activities [sales of plane tickets, sales of blocks of seats in planes] and other services, which support tourism services.

Before it starts cooperation with a new agent the Company uses the external assessment system to assess credit worthiness of an agent and use it as a base to set credit limit for the agent. Limits and the scores of the agent are verified twice a year. Receivables are secured also by blank promissory notes with promissory note contract, guarantees provided by a bank, and a system of deposits.

The age analysis does not include advances because they do not have maturity dates. According to the Management Board the items are fully recoverable and there is no need to recognize allowance for doubtful accounts.

According to the classification of receivables resulting from the accounting policy the Management Board analyses estimates of allowance for doubtful accounts from time to time.

- 1) receivables from individual customer (acquired by own distribution channel or by an agent),
- 2) receivables from institutions,
- 3) advances transferred to entities providing tourism services

Ad. 1) According to general conditions of participation in a package travel an individual customer should make advance payment of 30% and pay the remaining amount of 70% 30 days before the start of package travel. The respective receivables are not prone to credit risk. If a customer resigns from package travel the amounts paid – depending on the date of resignation, are proportionally reimbursed. In such situation the Company place the offer of the package travel on the market again.

In case of sale of package travels by agents the receivables are secured by deposits, bank guarantees and by promissory note agreements and declaration about voluntary submission to enforcement

As regards IFRS 9, the Management Board of the Company thinks that risk of recognizing impairment loss on receivables is marginal. In the historic period the Parent Company did not recognize allowance for such receivables.

Ad. 2) The receivables arise generally as a result of sales of blocks in charter planes. Such contracts are concluded with organizations, which financial standing is analysed before signing contracts, the date of repayment of amounts due is set for 7 days before departure. Such receivables are secured with deposits and bank guarantees for amounts estimated as the worth of 1 week of flights. The respective receivables are strictly controlled. Lack of payments for sold blocks at due dates provides the right to use the security – deposits and bank guarantees. Such receivables arise mainly in high season, that is in II and III quarter of the calendar year.

The Group sees that the opportunity to sell block of seat in planes will be decreasing in the years to come. The reduced abilities to sell blocks are a consequence of the development of the tourism market in Poland. Seats in planes are used to serve the need of increased number of package travel organised by the Group.

Ad. 3) The parent company pays advances/ deposits to book attractive hotels. The amounts in each following period (before COVID-19 pandemic) rose in correlation with growth of Company's operations. The amounts transferred constitute receivables to settle in the period longer than 3 years in respect of hotel services.

	09/2022	12/2021	09/2021
	PLN'000	PLN'000	PLN'000
Hotel deposits	219 441	127 615	209 660
Total assets	788 916	448 039	588 357
Sales revenue - annualized from July to the balance sheet date	2 166 584	1 264 295	1 010 046
total deposits to assets	27.82%	28.48%	35.63%
deposits to revenue in the period	10.13%	10.09%	20.76%

When the parent company transfers funds, it has security for the amounts in the form promissory note agreements, and in special cases, it establishes mortgage on a hotel property. The company reversed the impairment for advances paid for future hotel services in the amount of PLN 5,000 thousand because the reasons to create impairment loss ceased to exist. The impairment as at the end of 2021 amounts to PLN 2,946 thousand and as at the end of September 2021 it came to PLN 4,103.

Nota 10. Other financial assets

	As at 30/09/2022 [not audited] PLN'000	As at 31/12/2021 [audited] PLN'000
Derivatives designated and effective as hedging instruments carried at fair value through profit of loss		
Currency forward contracts	464	46
	464	46
Assets valued at amortised costs – lending		
Loans to related parties	-	-
Loans to other parties	-	-
	464	46
Total	464	46
Current assets	464	46
Fixed assets	-	-
	464	46

Nota 11. Other assets

	As at 30/09/2022 [not audited] PLN'000	As at 31/12/2021 [audited] PLN'000
Prepaid expenses:		
Costs of package travel off season	36 600	44 464
Costs of catalogues off season	-	46
Commission off season **	465	961
insurance off season	4 293	1 479
other off season	1 121	245
Other - commission of Tourism Assistance Fund	1 727	1 950
	44 206	49 145
Current assets	44 206	49 145
Fixed assets	-	-
	44 206	49 145

*Cost of package trips in the next period refers to accounted for amounts, which are not yet due, but they will be due in accordance with schedule of provision of tourism services

** costs of commissions recognized in the period, to which they refer because the service has not been yet provided according to schedule of provision of tourism services

Nota 12. Cash and cash equivalents

	The period ended on 30/09/2022 [not audited] PLN'000	The period ended on 31/12/2021 [audited] PLN'000
Cash at bank and in hand	245 852	83 934
	245 852	83 934

Nota 13. Credits, bank loans and lease liabilities

	As at 30/09/2022 [not audited] PLN'000	As at 31/12/2021 [audited] PLN'000
Hedged – at amortised cost		
Overdrafts	26 202	-
Revolving credits	30 710	10 000
Bank loans – investments	54 040	57 839
Loans from governmental entities	-	-
Other subsidiary funds from governmental entities	496	1 961
Transfer of receivables	-	-
Financial lease liabilities	578	614
Right of use liabilities	32 384	41 443
	144 410	111 857
Short-term liabilities	47 430	30 986
Long-term liabilities	96 980	80 871
	144 410	111 857

The Group uses means of transport under finance lease contracts. The average contract term is 3 years. The Group can purchase objects of leases for the nominal value as at the end of the contract term. Group's liabilities arising from contracts are secured by lessors' rights to assets covered by the contract.

As at 30.09.2022 the Parent Company used a bank loan in the amount of PLN 56.912. As at 30.09.2022 the subsidiary White Olive A.E had liabilities from investment loan in the amount of EUR 11.213 thousand, which is equivalent of PLN 54,639 thousand. The amount of the loan was presented at amortized cost, that is reduced by financing costs in the total amount of EUR 122.9 thousand (PLN 599 thousand). The costs will be settled over the period of repayment of the loan.

As at 31.12.2021 the Parent Company used a bank loan in the amount of PLN 10,000 thousand. As at 31.12.2021 the subsidiary White Olive A.E. had liabilities from investment loan in the amount of EUR 12,575 thousand, which is equivalent of PLN 57,838 thousand. The amount of the loan was presented at amortized cost, that is reduced by financing costs in the total amount of EUR 157.7 thousand (PLN 725.2). The costs will be settled over the period of repayment of the loan

As at 30.09.2022 the Issuer made revaluation of rental liabilities arising on renegotiation on contracts with lessors concerning renewal of contracts in exchange for rent discounts including lease payment schedule. The difference between the amount of liability and amount resulting from modified contracts increased respectively the value of right of use assets and value of lease liabilities.

Lease liabilities introduced according to IFRS 16 (rental agreements covered by the standard) are presented in the comparative data.

from 01/01/2022 to 30/09/2022	Land and buildings	Machinery, equipment and motor vehicles	total
	PLN'000	PLN'000	PLN'000
As at 01/01/2022	41 443	614	42 057
Increase	472	453	925
Cost of interest	-	(10)	(10)
Modification of lease terms	-	-	-
variable lease payments adjustments	-	8	8
Lease payments	(9 531)	(487)	(10 018)
Exchange differences	-	-	-
As at 30/09/2022	32 384	578	32 962

from 01/01/2021 to 31/12/2021	Land and buildings	Machinery, equipment and motor vehicles	total
	PLN'000	PLN'000	PLN'000
As at 01/01/2021	44 190	877	45 067
Increase	14 463	294	14 757
Cost of interest	(217)	(24)	(241)
Modification of lease terms	(7 982)	-	(7 982)
variable lease payments adjustments	-	22	22
Lease payments	(9 011)	(555)	(9 566)
Exchange differences	-	-	-
As at 31/12/2021	41 443	614	42 057

As at 30/09/2022	To 3 months	From 3 to 12 months	from 1 year to 2 years	From 2 to 5 years	More than 5 years
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Lease liabilities	3 072	10 559	10 259	3 473	5 599

As at 31/12/2021	To 3 months	From 3 to 12 months	from 1 year to 2 years	From 2 to 5 years	More than 5 years
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Lease liabilities	2 625	8 161	14 373	9 676	7 222

Nota 14. Trade and other payables

	Stan na 30/09/2022 [not audited]	Stan na 31/12/2021 [audited]
	PLN'000	PLN'000
Trade payables	86 844	82 050
Payroll liabilities	6 478	3 948
Other liabilities – accounts receivables and payables from purchase of shares	2 600	2 600
Other liabilities – recorded after the balance sheet date	-	-
Other liabilities – remaining	9 130	3 654
Total	105 052	92 252

Nota 15. Provisions, including provisions for employee benefits and accrued holiday leave provision

	Stan na 30/09/2022 [not audited]	Stan na 31/12/2021 [audited]
	PLN'000	PLN'000
Employee benefits (i)	1 058	1 058
Employee benefits (ii)	145	145
Costs of complaints i	194	56
Other provisions – estimated costs of flight and hotel costs	254 576	5 897
	255 973	7 156
Short- term provisions	255 743	7 011
Long -term provisions	145	145
	255 973	7 156

(i) Provisions for employee benefits cover holiday leaves, accruing entitlements to holiday leaves and employees' claims with respect to remuneration.

(ii) Provision for employee benefits covers retirement pays, if any, which the parent company will be obliged to pay out in case of retirement of employees.

(iii) provision of costs of planes and hotels were estimated based on comparative analysis with relevant budgeted with relevant documents. The budgeted costs should be considered as costs incurred in the period.

Nota 16. Deferred income and other liabilities

	As at 30/09/2022 [not audited]	As at 31/12/2021 [audited]
	PLN'000	PLN'000
advances paid by customers	135 132	145 978
liabilities towards customer taken over by Insurance Guarantee Fund	38 974	44 003
Liabilities towards customers	-	-
Other liabilities	-	-
total	174 106	189 981
Short-term	142 675	152 893
Long-term	31 431	37 088
	174 106	189 981

As a part of liquidity assistance of the government of Poland concerning prevention, counteracting and combating COVID-19 and crisis situations triggered by it, the government introduced i.e. soft loans to repay amounts paid by customers of tour operators, who resigned from package holidays due to crisis situation linked to SARS-CoV-2 pandemic; the loans granted from the fund include financial resources for tourists and tour operators for cancelled holiday packages (Touristic Reimbursement Fund operating with Insurance Guarantee Fund, which repays amounts for cancelled package travel to customers, with 7.5% participation of tourism companies and based on applications of a tour operator and a customer).

The company, due to its entitlement, filed relevant applications to Tourism Guarantee Fund for repayment of some of amounts in respect of reimbursement of advance payments to customers, which during SARS-CoV-2 pandemic withdrew from package holiday contracts or the contracts were terminated by a tour operator. Payments made by Tourism Guarantee Fund on behalf of the Company constitute financing in the form of a loan granted by Tourism Guarantee Fund; the loan will have to be repaid in 72 equal instalments starting from December 2021 (the change of the original term to start repayment – previously from April 2021 - according to the act of 24.06.2021 concerning the amendment of the act on specific solutions related to prevention, counteracting and combating COVID-19, other infectious diseases and resulting crisis and some other acts – Journal of Laws of 2021, item 1192); and first instalment is payable to 31.12.2021- while the subsequent instalments, except for the first instalments, are repaid up to 21 day of each months, starting from January 2022 r.

Because the Company used the respective aid instrument it had resulting liabilities towards Touristic Reimbursement Fund at Insurance Guarantee Fund (the liability toward costumers, which was taken over by the Fund): as at 31.12.2021, in the amount of 44,003 thousand and as at 30.09.2022 in the amount of 38,974 thousand).

Nota 17. Revenue from sales of services, materials and goods

	The period of 9 months ended on 30/09/2022 [not audited]	The period of 9 months ended on 30/09/2021 [not audited]
	PLN' 000	PLN' 000
Revenue from sale of package travel	1 931 056	1 005 983
Other revenue	2 483	1 157
	1 933 539	1 007 140

The Management of the Parent Company verified estimates and assumptions in recognition of revenues. As a consequence of the analysis the Group still recognizes sales revenue upon performance of the obligation to provide services (in practice the service is provided over time).

The end of the package travel is considered to be the date of recognition of revenue, but because recognition of revenue at the turn of the reporting periods (the package travel starting in one period and ending in the other) is insignificant, the Group simplifies the matter and recognizes revenue at the first day of the package travel. In case of charter services (plane seats) the date of recognition of the revenue is the date of provision of the service by the carrier.

The table below presents the amount of revenue earned at the turn of the balance sheet date and allocated to sales revenue at the start of the package travel.

Pois	The period of 9 months ended on 30/09/2022	The period of 9 months ended on 30/09/2021
	PLN'000	PLN'000
sales revenue of the Parent Company recognized in comprehensive income	1 896 867	994 578
– including: the amount of revenue earned at the turn of the year (the balance sheet date)	58 934	37 920
Revenue at the turn of the balance sheet date in total revenue	3,11%	3,81%

In order to examine the effect on the value of sales revenue, the amounts of revenue earned at the turn of the year (the balance sheet date) were settled against the number of days of individual package travel.

The table below presents the amount of adjusted revenue of the Parent Company for the period of 9 months ended on 30.09.2022 and for the period of 9 months ended on 30.09.2021.

Allocation of revenue	01/01/2022-30/09/2022	01/01/2021-30/09/2021
	PLN'000	PLN'000
Sales revenue recognized in the comprehensive income	1 896 867	994 578
Adjustment by revenue earned at the turn of (the balance sheet date)	(58 934)	(37 920)
adjusted revenue from sales of package travel recognized in comprehensive income	1 837 933	956 658
revenue earned at the turn of 2020 settled on the straight-line basis and their allocation to 2021.		2 237
revenue earned at the turn 2021 settled on the straight-line basis and their allocation to 2022	20 964	-
revenue earned at the turn of September and October 2021 settled on the straight-line basis and their allocation to the period of 9 months		14 965
revenue earned at the turn of September and October 2022 settled on the straight-line basis and their allocation to the period of 9 months	38 820	-
Adjustment by revenue earned at the turn of the year settled on the straight-line basis	59 784	17 202
Adjusted sales revenue recognized in the comprehensive income	1 897 717	973 860
the difference between the amount of revenue recognized in the comprehensive income and the adjusted revenue	850	(20 718)
the percentage difference between the amount recognized in the comprehensive income and adjusted revenue	0,04%	-2,08%

The table below shows the effects of revenue adjustment on the results of the Parent Company.

Description	01/01/2022-30/09/2022	01/01/2021-30/09/2021
	PLN'000	PLN'000
sales revenue recognized in comprehensive income	1 896 867	994 578
Adjusted sales revenue recognized in the comprehensive income	1 897 717	973 860
The difference between the amount of revenue recognized in the comprehensive income and the adjusted revenue	850	(20 718)
the operating margin (profit on sales/ sales revenue)	10,03%	11,69%
The amount of the operating margin	85	(2 423)
income tax on operating margin	(16)	460
the effect of the amount on net performance of the Company	69	(1 963)
Net profit (loss) recognized in the comprehensive income	69	30 555
Adjusted net profit loss	25 609	28 592

Due to seasonality and cyclical nature of operations of the Group the effect of the applied accounting policy is not significant in the perspective of the whole financial year.

Nota 18.Costs by type

	The period of 9 months ended on 30/09/2022	The period of 9 months ended on 30/09/2021
	[not audited]	[not audited]
	PLN'000	PLN'000
Amortization and depreciation	(19 985)	(13 923)
Consumption of raw and other materials	(11 737)	(6 892)
Outsourcing	(1 718 202)	(884 573)
costs of employee benefits	(68 602)	(45 579)
Taxes and charges	(3 270)	(2 323)
other costs	(62 813)	(36 750)
Value of goods and materials sold	-	-
Other – remaining operating costs	-	-
Total	(1 884 609)	(990 040)

Nota 19.other operating revenue/ operating costs

Other operating revenue	The period of 9 months ended on 30/09/2022	The period of 9 months ended on 30/09/2021
	[not audited]	[not audited]
	PLN'000	PLN'000
profits on sale of assets		
profits on sale of fixed assets	285	48
Profits on sale of investment property	-	-
	<u>285</u>	<u>48</u>
Reversal of impairment losses		
Intangible assets	-	-
Tangible fixed assets	-	-
financial assets	-	-
trade receivables	-	-
Other	-	-
	<u>-</u>	<u>-</u>
Other operating revenue:		
Profits from measurement of investment property	-	-
subsidies	2 426	25 562
Other	1 997	390
	<u>4 708</u>	<u>26 000</u>

Other operating costs	The period of 9 months ended on 30/09/2022	The period of 9 months ended on 30/09/2021
	[not audited]	[not audited]
	PLN'000	PLN'000
Loss on sale of assets		
Loss on sale of fixed assets	-	-
loss on sale of investment property	-	-
	<u>-</u>	<u>-</u>
Recognized impairment		
Goodwill	-	-
Intangible assets	-	-
Tangible fixed assets	-	-
Financial assets	-	-

Other operating costs	The period of 9 months ended on 30/09/2022	The period of 9 months ended on 30/09/2021
	[not audited]	[not audited]
	PLN'000	PLN'000
Trade receivables	(1 157)	-
Other	-	-
	<u>(1 157)</u>	<u>-</u>
Other operating costs		
loss on measurement of investment property	-	-
Cost of liquidation of fixed assets and current assets	-	-
Other – complaints	(610)	(656)
Other	(1 762)	(307)
	<u>(3 529)</u>	<u>(963)</u>

Nota 20.Revenue/ financial costs

	The period of 9 months ended on 30/09/2022	The period of 9 months ended on 30/09/2021
	[not audited]	[not audited]
	PLN'000	PLN'000
Lease proceeds		
Contingent revenue from finance lease	-	-
Revenue from operating lease	-	-
- on investment property	-	-
- contingent revenue from operating lease	-	-
	<u>-</u>	<u>-</u>
interest revenue		
Bank deposits	3 829	12
Other loans and revenue	-	-
	<u>3 829</u>	<u>12</u>
Total	<u>3 829</u>	<u>12</u>

Table. financial revenue analysed per category of assets

	The period of 9 months ended on 30/09/2022	The period of 9 months ended on 30/09/2021
	[not audited]	[not audited]
	PLN'000	PLN'000
Interest revenue		
loans and receivables (covering cash in hand and bank deposits)	3 829	-
Investments held to maturity	-	-
interest revenue from financial assets, which were not set for measurement at WSE.	-	-
financial revenue from non-financial assets	-	-
Other financial revenue	-	545
Total	<u>3 829</u>	<u>557</u>

Interest cost	The period of 9 months ended on 30/09/2022	The period of 9 months ended on 30/09/2021
	[not audited]	[not audited]
	PLN'000	PLN'000
interest on bank loans, credits and overdrafts (except from those received from related parties)	(2 285)	(2 118)
interest on bank loans, credits and overdrafts obtained from related parties	-	-
interest on financial lease liabilities	(18)	(19)
Other interest costs	(12)	(198)
Interest costs on financial liabilities measured at WSE	(2 315)	(2 335)
less amounts recognized in costs of assets eligible for capitalization	-	-
	(2 315)	(2 335)
Other financial costs:		
other financial costs – costs of guarantees	(1 987)	(558)
other discount	(756)	(635)
	(5 058)	(3 528)

Nota 21. Income tax

income tax	The period of 9 months ended on 30/09/2022	The period of 9 months ended on 30/09/2021
	[not audited]	[not audited]
	PLN'000	PLN'000
Gross profit (loss)	48 880	39 166
Permanent differences increasing the tax base	(1 792)	(16 929)
temporary differences in the tax base	79 539	34 840
Tax base	126 627	57 077
Tax rate	19%	19%
Tax losses offset with an asset	-	-
Current Tax	30 731	9 769
Deferred tax	(36 738)	(6 970)
Income tax recognized in the account	(6 007)	2 799
Effective tax rate	12,3%	17,1%

Nota 22. Discontinuing operations

In the period of nine months ended on 30.09.2022 as well as in 2021 no subsidiary was sold in the Group.

Nota 23. Information on dividend paid out (or declared) per share, jointly per one share, both for ordinary shares and preferred shares.

In the period covered by the financial statements, that is in the period of 9 months ended on 30.09.2022, the Parent company did not pay dividend, however pursuant to the respective resolution of 14.09.2022 the Management Board of the Company took the decisions to recommend and apply to the General Meeting of the Company to take decision concerning payment of dividend to Shareholders of the Company from the funds kept in the Company in previous periods as "retained earnings". In the period following the balance sheet date (30.09.2022) up to the date of approval of this report for publication (18.11.2022) the Company took decision and paid the dividend for shareholders.

Pursuant to provisions of the Resolution No 4 of the Extraordinary General Meeting of the Company of 12.10.2022 (the content of all resolutions adopted by the General Meeting of the Company, together with the information on voting results was published in the current report ESPI No 30/2022 of 12.10.2022) the General Meeting of the Company decided to allocate for distribution the

amount of 21,828,000.00 among shareholders of the Company (the funds kept in the company as “retained earnings”, which is the category of supplementary capital created from previous years’ profit, which can be allocated for dividend payment for shareholders of the Company according to relevant provisions of art. 348 § 1 of the Code of Commercial Companies) and pay dividend in the total amount of PLN **21,828,000.00**, that is in the amount of PLN **1.50 per share**, to shareholders of the Company, that is to pay dividend from funds coming from:

- From part of the net profit of the Company for the financial year 2019 (net profit in the total amount of PLN 26,117,645.17) in the amount of **14,552,000.00** that is in the amount of PLN **1.00 per share**,
- From part of the net profit of the company for the financial year 2021 (net profit in the amount of PLN 19,092,313.67) in the amount of **7,276,000.00** that is in the amount of **0.50 per share**,

Dividend for ordinary and preferred shares (vote preferred shares at the General Meeting) was paid in the same amount of 1.50 per share.

The Management Board of the parent company while taking its decision to apply to the General Meeting to pay dividend, intended to ensure a share in profits earned by the Company at the time of better economic situation in the Summer 2022 season for shareholders of the company (increase in levels of sales compared to previous periods affected by the results of SARS-CoV-2 pandemic), which is one of the basic reasons for investors and shareholders to buy a share in the stock company in public limited companies and to get related income from capital engagement in purchase of shares issued by the company.

In order to increase financial security of the Company in difficult economic situation caused by the SARS-CoV-2 pandemic. The Management Board of the parent company in 2020 decided to allocate net profit for 2019 in the amount of PLN **26,117,645.17** as retained earnings, pursuant to provisions of the resolution No 7 of the Ordinary General Meeting of the Company of 25.08.2020. The General Meeting of the Company decided to allocate net profit for the financial year 2019 in the total amount of PLN 26,117,645.17 as retained earnings in the Company. Similar motivation linked to expectation of good sales performance in 2022 was the reason for the Management Board to apply to the General Meeting to allocate net profit of the Company for 2021 in the amount of PLN **19,092,313.67** as retained earnings, pursuant to the resolution No 8 of the Ordinary General Meeting of the Company of 30.06.2022. The General Meeting of the Company decided to allocate net profit for the financial year 2021 in the total amount of PLN 19,092,313.67 as retained earnings.

Because of improved results of the operations in 2022, which were finally confirmed by sales performance in Summer 2022 season, taking into account exactions with respect to pandemic situation in Poland and in the world linked to COVID-29 pandemic and relative stabilization of operations, the Management Board of the Company decided to apply to the General Meeting to pay dividend to shareholders of the company from funds kept in the company in the previous years as “retained earnings” (which is i.e. category of supplementary capital created from previous years’ profits, which may be allocated for dividend payment for shareholders of the Company according to relevant provisions of art. 348 § 1 of the Code of Commercial Companies), and that especially with the aim to ensure share in profits earned by the Company in the good economic situation for shareholders of the Company; especially profits earned in the financial year 2019 (here: the period of normal operations of the Company in historically record year 2019 when it comes to revenue) but also in the financial year 2021, which was still affected by consequences of SARS-CoV-2 pandemic but which showed improved conditions for tour operator activities compared to the pandemic year 2020, and resulted in earning net profit, which due to precautionary reasons (before expected levels of sales were confirmed) was initially left in the company as “retained earnings”.

By comparing the amounts of net profits for the Company from 2019 and 2021 left in the Company as retained earnings, which constitute “supplementary capital” created from the profit (the funds from the supplementary capital were used for reserve capital to pay dividend to shareholders of the Company), and which are to be agreed group of funds partly allocated to dividend payment for shareholders, the Management Board of the Company aim to refer to periods of operations generating net profits, but which were previously omitted in dividend payment due to effects of SARS-CoV-2 pandemic. Thus, the Management Board of the Company applied that the amount of dividend allocated for payments to shareholders was set in the total amount of PLN **21,828,000.00** that is in the amount of PLN **1.50** per share.

Pursuant to the above-mentioned Resolution No 4 of the EGM of the Company of 12.10.2022 the General Meeting of the Company established that:

- 1) Number of shares covered by dividend is 14,552,00, from the total number of shares of 14,552,000,
- 2) the date (D Day) for which the list of shareholders with the right to dividend (that is dividend record date, that is the date of establishing the right to dividend) will be 21 October 2022,
- 3) Dividend payment date will be 31 October of 2022.

The right to dividend and dividend payment was established on the above dates and the number of shares came to 14,552,000.

Nota 24. Information on movement in conditional liabilities or conditional assets, which took place from the last financial year.

24.1 Insurance guarantees granted by Towarzystwo Ubezpieczeń Europa S.A. (Europa Insurance Company) for companies of Rainbow Tours Group.

Guarantee Contract No GT 500/2021

On 10.09.2021, the parent company concluded [with Towarzystwo Ubezpieczeń Europa Company Limited by Shares with its registered office in Wrocław ("the Guarantor")] the insurance guarantee contract No GT 500/2021 of 10.09.2021, with supporting documents (the contract to issue insurance guarantee, the deposit contract, the promissory note contract) hereinafter referred to as "the Guarantee Contract No GT 500/2021" for granting insurance guarantee by the Guarantor to Rainbow Tours S.A. as a tour operator and an entrepreneur facilitating acquisition of tourism related services, which benefits the Marshall of Łódzkie Province ("the Beneficiary") and each travelling person, who during the Guarantee period concluded with contract with the Obligor (the Beneficiary).

The subject matter of the contract is to determine rules of granting the new insurance guarantee ("the Guarantee") by the Guarantor for Rainbow Tours S.A. as a tour operator and an entrepreneur facilitating acquisition of related services, which benefits the Marshall of the Łódzkie Province (the Beneficiary) according to art 7, section 1 point 1 and section 2 point 1 of the Act on package tours and related tourism services of 24 November 2017 (Journal of Laws, 2019, item 548 1 as amended), and because of its obligation to provide customers with following service in case of insolvency.

- a) Payment of sufficient amount to refund cost of continuation of package holidays or cost of return of Obligor's customers from holidays to the country, especially cost of transportation and accommodation, as well as justified costs incurred by customers, if a tour operator or an entrepreneur facilitating acquisition of related tourism services fails to ensure the continuation or return despite its obligation,
- b) repaying amounts paid by customers for package holidays, or each service, to the entrepreneur facilitating acquisition of related services, when it was a tour operator's or an entrepreneur' facilitating acquisition of related services or persons' acting on their behalf fault that package holidays services were not provided or any of the services paid for to the business facilitating acquisition of related tourism services.
- c) reimbursing some of customer's payment for package holidays, which is equivalent to the part of the package holidays that did not take place or for each service paid for to the entrepreneur facilitating acquisition of related services, which service is corresponding with the service that was not or will not be provided at the fault of the tour operator or the entrepreneur facilitating acquisition of related services or persons acting on their behalf.

Guarantee Contract No 500/2021 secures payment of claims arising from occurrence of events specified in point 1 letter a), b) and c) above, which result from contracts to provide tourism services and contracts for related tourism services entered into by Rainbow Tours with customers from 17.09.2021 to 16.09.2022, even if the contracts were not performed in that period

If the Guarantor exercises the guarantee for the Beneficiary of the Guarantee, the Obligor will reimburse the Guarantor the amount paid under the Guarantee within 7 days of the receipt of the request for payment, with all incurred Guarantor's costs due to exercise of the Guarantee and in case of delayed payment - additionally with statutory interest. The Obligor will reimburse the Guarantor the amount paid to the Beneficiary under the Guarantee, irrespective of any objections about validity of the payment, made upon instruction of the beneficiary regarding grounds for demanding payment of Obligor's debt under the Guarantee, which it could make or actually made. The guarantor is entitled to account the funds collected from the Obligor under this contract for repayment of amounts payable to Guarantor from the Obligor, arising from this contract in the following sequence (1) contractual interest, (2) costs, (3) the principal.

According to the provisions of the Guarantee contract No GT 500/2021, its value upon signature and at the same time the value of the Guarantee provided by the Guarantor for the Beneficiary, hereinafter referred to as "the Amount of the Guarantee" is PLN 90,000,000, which is equivalent of EUR 19,786,742,88 translated using the average euro exchange rate published by National Bank of Poland for the first time in the year of issuance of the guarantee, that is on 04.01.2021 (1 euro= PLN 4.5485).

Owing to the fact that the Guarantee Contract No GT 500/2021 of 10.09.2021 was concluded, the security of the Guarantor's claims to reimburse amounts paid under the Guarantee for the beneficiary is as follows:

- a) the deposit in the amount of PLN 18,550,000 set in the bank account of Towarzystwo Ubezpieczeń Europa S.A. - the deposit was set by paying additional amount of PLN 8,000,000 to the account of Towarzystwo Ubezpieczeń Europa S.A to the deposit

in the amount of PLN 10,550,000 of 08.09.2020 (the deposit in the amount of PLN 10,550,000.00 set pursuant to the deposit contract made by the Company with Towarzystwo Ubezpieczeń Europa S.A. of 08.09.2020 was counted toward the deposit).

- b) notarised blanket mortgage established on the first free place in the fixed assets of Rainbow Tours, that is the property in Lodz, at 270 Piotrkowska, entered to the Land and Mortgage Register No: LD1M/00264242/0, LD1M/00264245/1, LD1M/00264246/8, LD1M/00264247/5, LD1M/00264248/2, LD1M/00264253/0, LD1M/00264254/7, LD1M/00264255/4, LD1M/00264257/8, LD1M/00264259/2, LD1M/00264263/3, LD1M/00264264/0, LD1M/00264266/4, LD1M/00187747/6, LD1M/00172644/6, LD1M/00273816/1, LD1M/00273817/8, LD1M/00273818/5, LD1M/00273819/2, LD1M/00273820/2, LD1M/00273822/6, LD1M/00273823/3, LD1M/00273824/0, LD1M/00273825/7, LD1M/00273826/4, LD1M/00273827/1, LD1M/00273843/9, LD1M/00273844/6, LD1M/00273847/7, LD1M/00273846/0, LD1M/00273845/3, LD1M/00272177/2, LD1M/00272179/6, LD1M/00272180/6, LD1M/00272181/3, LD1M/00272182/0, LD1M/00272183/7, LD1M/00272184/4, LD1M/00272185/1, LD1M/00272186/8, LD1M/00272187/5, LD1M/00272188/2, kept by the District Court for Łódź Śródmieście in Łódź XVI Division of Land and Mortgage Register with the value of PLN 13,518,000 (thirteen million five hundred eighteen thousand), which is 120% of the property value presented in the appraisal reports of 10.09.2018 and 28.02.2020 until 16.10.2023.
- c) Blank promissory note with no protest clause, which may be filled to the amount of PLN 9,000,000, which is the equivalent of the Sum of the Guarantee.

Total commission payable to the Guarantor from the Obligor for issuance of the Guarantee was calculated on arm's length, and came to PLN 1,890,000,

Neither the respective Guarantee contract No GT 500/2021 nor contracts and supporting documentations (the insurance guarantee contract, the deposit contract) provide penalty clauses.

The Annex of 23.06.2022 to the insurance guarantee contract (with relevant attachments to the supporting documentations, the annex to promissory note agreement) No GT 500/2021 of 10.09.2021.

On 23.06.2022, the parent company signed with Towarzystwo Ubezpieczeń Europa Joint Stock Company (the Guarantor) the annex to the insurance guarantee contract (with relevant attachments to the supporting documentation, the annex to the guarantee, the annex to the promissory note agreement) No GT 500/2021 of 10.09.2021, pursuant to which the upper limit of the Guarantors liability under the Guarantee (the Amount of the Guarantee) was increased from the previous amount of PLN 90,000,000 (the equivalent of EUR 19,786,742.88, calculated using the average exchange rate published by the National Bank of Poland for the first time in the year of the issuance of the guarantee, that is on 02.01.2021, in the amount of EUR 4,5485) to the amount of PLN 150,000,000 (the equivalent of EUR 32,977,904.80) that is by the amount of PLN 60,000,000 (the equivalent of EUR 13,191,161.92).

The Guarantee amount was increased because of substantial rise in real income earned by the Company compares with the ones previously assumed and in order to guarantee that the Company complies with requirement and instructions concerning minimum guarantee amount - what is specified in the Regulation of the Minister of Finance of 27.12.2017 on obligatory insurance for the benefit of customers in respect of operations of tour operators and tourism intermediaries.

The increased guarantee – PLN 150,000,000 (the equivalent of EUR 32,977,904.80) secures payment of claims arising from events that occurred and were specified in contracts for provision of tourism services and contracts for related services concluded by the Parent Company with customers in the period from 17.09.2021 to 16.09.2022, even if the services were not provided in that period, whereas the contracts to provide tourism services concluded in the period from 17.09.2021 to 13.05.2022 are covered by the guarantee to the amount of PLN 90,000,000 (the equivalent of EUR 19,786,742.88) and that means that the increased Amount of the Guarantee is valid and refers to contracts for provision of tourism services in the period from 14.05.2022 to 16.09.2022.

For the purpose of securing claims of the Guarantor to repay amounts paid under the Guarantee to the Beneficiary the Company maintains two types of security, that is (a) a deposit in the bank account of Towarzystwo Ubezpieczeń Europa S.A., (b) notarised blanket mortgage established on the first free place of the fixed assets of the Company, that is property situated at 270 Piotrkowska street (increase of the mortgage as a consequence of revaluation and increase in the value of the property) and (c) blank promissory note with no protest clause (the amendment of the content of the promissory note agreement and increase of the amount the promissory note can be filled for).

Additional commission for the Guarantor, which is due because of signing the annex to the Guarantee Contract No 500/2021, was set in the market value, proportionally to the protection period covered by the increased Sum of the Guarantee, in the amount of PLN 600 thousand.

The Guarantee Contract No GT 518/2022

On 15.09.2022 the parent company obtained, from Towarzystwo Ubezpieczeń Europa Company Limited by Shares with its registered office in Wrocław ("the Guarantor"), the insurance guarantee issued by Towarzystwo Ubezpieczeń for tour operators or entrepreneurs facilitating acquisition of related tourism services, which benefits the Marshall of the Łódzkie Voivodeship and each customer, which in the period of the validity of the Guaranteed entered into contract with Obligor ("the Beneficiary") and which was issued by the Guarantor under the number GT 518/2022 and also pursuant to the guarantee contract entered by the Parent Company with Towarzystwo Ubezpieczeń Europa Company Limited by Shares with its registered office in Wrocław ("the Guarantor") on 14.09.2022, and which is referred to as the "Guarantee Contract No 518/2022" which concerns granting the insurance guarantee to Rainbow Tours S.A as a tour operator and an entrepreneur facilitating acquisition of related tourism services, which benefits the Marshall of the Łódzkie Voivodeship and each customer, which in the period of the validity of the Guaranteed entered into contract with Obligor ("the Beneficiary").

The subject matter of the contract is to determine rules of granting the new insurance guarantee ("the Guarantee") by the Guarantor for Rainbow Tours S.A. as a tour operator and an entrepreneur facilitating acquisition of related services, which benefits the Marshall of the Łódzkie Province (the Beneficiary) according to art 7, section 1 point 1 and section 2 point 1 of the Act on package tours and related tourism services of 24 November 2017 (Journal of Laws, 2019, item 548 1 as amended), and because of its obligation to provide the customers with following service in case of insolvency.

- a) Payment of sufficient amount to refund return of Obligor's customers from package holidays to the place of departure or scheduled return if the Obligor (Rainbow Tours S.A.) fails to ensure it despite its obligation.
- b) repaying the amounts paid by customers for package holidays, when it was obligor's or the person's acting on its behalf fault that the package holiday service was not provided.
- c) reimbursing some of customer's payment for a package tour, which is equivalent to the scope of the service, which was not provided at the fault of the Obligor (Rainbow Tours SA) or persons acting on its behalf.

The Guarantee covered by the Guarantee Contract No GT 518/2022 secures payment of claims arising on events mentioned above (letters a, b i c) and arising from package holiday contracts and contracts for related tourism services entered by Rainbow Tours with customers in the period from 17.09.2022 to 16.09.2023, even if the services were not provided in that period.

If the Guarantor exercises the guarantee for the Beneficiary of the Guarantee, the Obligor will reimburse the Guarantor the amount paid under the Guarantee within 7 days of the receipt of the request for payment with all incurred Guarantor's costs due to exercise of the Guarantee and in case of delayed payment - additionally with statutory interest. The Obligor will reimburse the Guarantor the amount paid to the Beneficiary under the Guarantee, irrespective of any objections about validity of the payment made upon instruction of the beneficiary regarding grounds for demanding payment of Obligor's debt under the Guarantee, which it could make or actually made. The guarantor is entitled to account the funds collected from the Obligor under this contract for repayment of amounts payable to Guarantor from the Obligor, arising from this contract in the following sequence (1) contractual interest, (2) costs, (3) the principal.

According to the provisions of the Guarantee contract No GT 518/2022, its value upon signature and at the same time the value of the guarantee provided by the Guarantor for the Beneficiary, hereinafter referred to as "the amount of the guarantee", amounted to PLN 150,000,000.00, which is equivalent to EUR 32,687,572.18 translated using the average euro exchange rate published by National Bank of Poland for the first time in the year of issuance of the guarantee, that is on 03.01.2022 (1 euro= PLN 4.5889).

Because of the above information, that is in connection with entering into Guarantee Contract No 518/2022 for the purpose of securing claims of the Guarantor concerning repayment of amounts paid under the guarantee for the Beneficiary, the following securities were set:

Owing to the fact that the Guarantee Contract No GT 518/2022 of 10.09.2021, the security of the Guarantor's claims to reimburse amounts paid under the Guarantee for the beneficiary is as follows

- a) money deposit in the amount of PLN 18,986,000 set in the bank account of Towarzystwo Ubezpieczeń Europa S.A. and the deposit include: (i) deposit in the amount of PLN 18,550,000 set pursuant to the deposit contracts of 10.09.2021 and which at the same time is the security for the Guarantee No GT 518/2022 and the Guarantee No GT 500/2021 (securing repayment of claims arising on occurrence of events provided for in the package holiday contracts and contracts for related tourism services, made by the Obligor with customers in the period from 17.09.2021 up to 16.09.2022) and (II) interest in the amount of PLN 435,915.86 due in respect of bank deposits in the period from 20.10.2020 to 20.10.2022 and set pursuant to deposit contracts of 10.09.2021 and of 08.09.2020.

- b) notarised blanket mortgage established on the first free place in the fixed assets of Rainbow Tours, that is the property in Lodz, at 270 Piotrkowska, entered to the Land and Mortgage Register No: LD1M/00264242/0, LD1M/00264245/1, LD1M/00264246/8, LD1M/00264247/5, LD1M/00264248/2, LD1M/00264253/0, LD1M/00264254/7, LD1M/00264255/4, LD1M/00264257/8, LD1M/00264259/2, LD1M/00264263/3, LD1M/00264264/0, LD1M/00264266/4, LD1M/00187747/6, LD1M/00172644/6, LD1M/00273816/1, LD1M/00273817/8, LD1M/00273818/5, LD1M/00273819/2, LD1M/00273820/2, LD1M/00273822/6, LD1M/00273823/3, LD1M/00273824/0, LD1M/00273825/7, LD1M/00273826/4, LD1M/00273827/1, LD1M/00273843/9, LD1M/00273844/6, LD1M/00273847/7, LD1M/00273846/0, LD1M/00273845/3, LD1M/00272177/2, LD1M/00272179/6, LD1M/00272180/6, LD1M/00272181/3, LD1M/00272182/0, LD1M/00272183/7, LD1M/00272184/4, LD1M/00272185/1, LD1M/00272186/8, LD1M/00272187/5, LD1M/00272188/2 kept by the District Court for Łódź Śródmieście in Łódź XVI Division of Land and Mortgage Register with the value of PLN 17,484,000.00, which is 120% of the property value presented in the appraisal reports made by mgr inż. Andrzej Zarychta of 19.10.2021; the mortgage is at the same time is a security for the insurance guarantee No 359/2020, amended with the annex No 1 of 11.08.2021 and insurance guarantee No 500/2021 of 10.09.2021, amended with the Annex No 1 of 23.06.2022.
- c) Blank promissory note with no protest clause, which may be filled to the amount of PLN 9,000,000, which is the equivalent of the Sum of the Guarantee
- d) Bank guarantee/ bank guarantees (issued before the date of granting the Guarantee No GT 528/2022, where the Guarantee Contract provided for that the security may be replaced in whole or partly by a security in the form of additional money deposit.

Total commission payable to the Guarantor from the Obligor for issuance of the Guarantee was calculated on arm's length, and came to PLN 3,625,479.00.

Neither the respective Guarantee contract No GT 518/2022 nor contracts and supporting documentations (the insurance guarantee contract, the deposit contract) provide penalty clauses.

24.2 Transactions limits for derivatives

The Parent Company has transaction limits for derivative deals, which allow to trade in derivatives. The company uses derivative instruments to hedge future foreign currency flows by trading in forwards.

Table: The value of transaction limits is presented in the table below in PLN (thousand).

Bank	type	Limit amount	Valid to
		PLN'000	
Santander Bank Polska S.A.	transaction limit	15 000	2022-11-15

As at the date of approval of this report for publication (that is as at 18.11.2022) limit of derivative transaction in Santander Bank Polska S.A was renewed for the next 12 months.

As at 30.09.2022 the Company had forward contracts for purchase of USD and EUR for PLN.

Table. Information on open positions with closing date after 30.09.2022 in thousands of PLN and respectively (if its applicable) in USD and EUR.

Currency	Amount contracted in the currency	Amount in PLN as at the date of the contract performance
USD	5 450	25 575
EUR	-	-

As at 30.09.2021 the Parent Company had forward contracts for purchase of USD for PLN.

Table. Information on open positions with closing date after 30.09.2021 in thousands of PLN and respectively (if its applicable) in USD (thousand).

Currency	Amount contracted in the currency	Amount in PLN as at the date of the contract performance
USD	8 150	31 040
EUR	1 100	4 965

As at 14.11.2022 the Company had forward contracts for purchase of USD and EUR for PLN executed from 30.09.2022 to February 2023.

Currency	Amount contracted in the currency	Amount in PLN as at the date of the contract performance
USD	34 500	164 209
EUR	1 700	8 107

Table. Changes in valuation of the portfolio in the individual reporting periods (without effect of the deferred tax).

description	01/01/2022-30/09/2022	01/01/2021-31/12/2021	01/01/2021-30/09/2021
	PLN'000	PLN'000	PLN'000
Revaluation reserve opening balance	46	451	451
Created on purpose	-	-	-
Other increases (valuation of currency hedge transactions)	464	46	1 632
Used on purpose o	-	-	-
Reclassified to profit or loss – recognition in cost of sales	(46)	(451)	(451)
Reserve closing balance	464	46	1 632

In case of other contingent assets (presented in the annual single and consolidated financial statements for 2021) no significant changes occurred.

Nota 25. Presentation of segment of operations of the Group

Basic reportable segments accepted by the Group and the Parent Company are industry segments, the supplementary segments are geographical segments, which are separated based on the criteria of localization of assets. The Parent Company operates in one geographical region, which is Poland and the operating companies in other geographic regions.

The Company separated the following industry segments:

- sale of package travel,
- Sale of services in the hotel segment,
- Other.

Segment revenue includes revenue from sales to external customers or transaction with other segments. The revenue is recognized in the profit and loss account and can be directly attributed to a specific segment and the part of revenue, which can be attributed to the segment based when it has reasonable basis.

Costs of segments are costs of operating activities of the segment, which cannot be attributed to it, with other costs, which can be attributed to the segment when it has reasonable basis.

Segment costs are in particular:

- cost of sales,
- selling costs,
- overheads.

The profit or loss of the segment is the difference between segment revenue and segment costs. It reflects profit on operating activities before recognizing overheads, revenue from interest and interest costs, income tax, profits or losses on investment.

- used by the segment in operations,
- Segment assets do not cover assets arising on income tax or the assets used in general operations of the entity. Segment liabilities are liabilities included in operations, which can be directly attributed to a specific segment or assigned to it based on rationale.

Table: Revenue and results for segments of operations of Rainbow Tours Group for the period of nine months ended on 30.09.2022.

segments of operations of Rainbow Tours Group for the period 01/01/2022-30/09/2022	Activities of tour operators		Hotel segment		Other operations		Consolidation adjustments	TOTAL
	Poland	Abroad	Poland	Abroad	Poland	Abroad		
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000		
continuing operations, sales revenue	1 894 239	64 361	-	46 238	2 970	2	(74 271)	1 933 539
- within the Group	5 707	40 529	-	26 607	1 426	2	(74 271)	-
- from customer	1 888 532	23 832	-	19 631	1 544	-	-	1 933 539
Continuing operations, cost of sales	(1 704 328)	(54 716)	-	(28 631)	(2 652)	-	73 782	(1 716 545)
- within the Group	(66 433)	(6 646)	-	(703)	-	-	73 782	-
- from customers	(1 637 895)	(48 070)	-	(27 928)	(2 652)	-	-	(1 716 545)
Gross profit (loss) on sales	189 911	9 645	-	17 607	318	2	(489)	216 994
Continuing operations, selling costs	(128 896)	(1 322)	-	(3 020)	(34)	-	-	(133 272)
- within the Group	-	-	-	-	-	-	-	-
- from customers	(128 896)	(1 322)	-	(3 020)	(34)	-	-	(133 272)
Continuing operations. Overheads	(29 494)	(1 529)	-	(3 654)	(847)	-	732	(34 792)
- within the Group	-	-	-	(445)	(287)	-	732	-
- from customers	(29 494)	(1 529)	-	(3 209)	(560)	-	-	(34 792)
Continuing operations. other operating revenue	2 860	264	-	1 810	17	-	(243)	4 708
- within the Group	-	243	-	-	-	-	(243)	-
- from customers	2 860	21	-	1 810	17	-	-	4 708
Continuing operations other operating costs	(2 325)	(1 102)	-	(91)	(11)	-	-	(3 529)
- within the Group	-	-	-	-	-	-	-	-
- from customers	(2 325)	(1 102)	-	(91)	(11)	-	-	-3 529
Profit (loss) on operations	32 056	5 956	-	12 652	(557)	2	-	50 109

Table: Revenue and results for segments of operations of Rainbow Tours Group for the period of twelve months ended on 31.12.2021 (the financial year 2021).

segments of operations of Rainbow Tours Group for the period 01/01/2021-31/12/2021	Activities of tour operators		Hotel segment		Other operations		Consolidation adjustments	TOTAL
	Poland	Abroad	Poland	Abroad	Poland	Abroad		
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000		
continuing operations, sales revenue	1 261 698	44 003	-	27 811	2 983	-	(57 071)	1 279 424
- within the Group	4 928	32 163	-	18 439	1 081	460	(57 071)	-
- from customer	1 256 770	11 840	-	9 372	1 902	(460)	-	1 279 424
Continuing operations, cost of sales	(1 125 308)	(35 913)	-	(26 407)	(2 706)	-	56 143	(1 134 191)
- within the Group	(50 757)	(4 928)	-	(458)	-	-	56 143	-
- from customers	(1 074 551)	(30 985)	-	(25 949)	(2 706)	-	-	(1 134 191)
Gross profit (loss) on sales	136 390	8 090	-	1 404	277	-	(928)	145 233
Continuing operations, selling costs	(113 721)	(3 239)	-	(3 133)	(53)	-	-	(120 146)
- within the Group	-	-	-	-	-	-	-	-
- from customers	(113 721)	(3 239)	-	(3 133)	(53)	-	-	(120 146)

The Extended Consolidated Report of Rainbow Tours Group for III quarters of 2022
(Data in PLN thousand, unless provided otherwise)

segments of operations of Rainbow Tours Group for the period 01/01/2021-31/12/2021	Activities of tour operators		Hotel segment		Other operations		Consolidation adjustments	TOTAL
	Poland	Abroad	Poland	Abroad	Poland	Abroad		
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000		
Continuing operations. Overheads	(27 926)	(1 788)	-	(4 862)	(1 159)	-	1 035	(34 700)
- within the Group	(67)	(60)	-	(908)	-	-	1 035	-
- from customers	(27 859)	(1 728)	-	(3 954)	(1 159)	-	-	(34 700)
Continuing operations. other operating revenue	28 180	38	-	2 618	421	-	(107)	31 150
- within the Group	-	-	-	96	-	11	(107)	-
- from customers	28 180	38	-	2 522	421	(11)	-	31 150
Continuing operations other operating costs	(1 383)	(79)	-	(184)	(3)	-	-	(1 649)
- within the Group	-	-	-	-	-	-	-	-
- from customers	(1 383)	(79)	-	(184)	(3)	-	-	(1 649)
Profit (loss) on operations	21 540	3 022	-	(4 157)	(517)	-	-	19 888

Table: Revenue and results for segments of operations of Rainbow Tours Group for the period of 9 months ended on 30.09.2021.

segments of operations of Rainbow Tours Group for the period 01/01/2021-30/09/2021	Activities of tour operators		Hotel segment		Other operations		Consolidation adjustments	TOTAL
	Poland	Abroad	Poland	Abroad	Poland	Abroad		
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000		
continuing operations, sales revenue	992 873	39 720	-	25 953	2 002	-	(53 408)	1 007 140
- within the Group	4 467	28 609	-	19 487	845	-	(53 408)	-
- from customer	988 406	11 111	-	6 466	1 157	-	-	1 007 140
Continuing operations, cost of sales	(876 780)	(32 080)	-	(19 580)	(1 767)	-	52 697	(877 510)
- within the Group	(47 985)	(4 484)	-	(228)	-	-	52 697	-
- from customers	(828 795)	(27 596)	-	(19 352)	(1 767)	-	-	(877 510)
Gross profit (loss) on sales	116 093	7 640	-	6 373	235	-	(711)	129 630
Continuing operations, selling costs	(84 626)	(2 949)	-	(2 266)	(34)	-	-	(89 875)
- within the Group	-	-	-	-	-	-	-	-
- from customers	(84 626)	(2 949)	-	(2 266)	(34)	-	-	(89 875)
Continuing operations. Overheads	(18 385)	(693)	-	(3 477)	(836)	-	736	(22 655)
- within the Group	(40)	-	-	(696)	-	-	736	-
- from customers	(18 345)	(693)	-	(2 781)	(836)	-	-	(22 655)
Continuing operations. other operating revenue	23 180	13	-	2 525	307	-	(25)	26 000
- within the Group	-	-	-	25	-	-	(25)	-
- from customers	23 180	13	-	2 500	307	-	-	26 000
Continuing operations other operating costs	(891)	(6)	-	(64)	(2)	-	-	(963)
- within the Group	-	-	-	-	-	-	-	-
- from customers	(891)	(6)	-	(64)	(2)	-	-	(963)
Profit (loss) on operations	35 371	4 005	-	3 091	(330)	-	-	42 137

Nota 26. Information on transactions with related parties

All sale transactions were typical and routine and result from basic operations of the entities.

Sale transactions among companies of Rainbow Tours Group in the period from 01.01.2022 to 30.09.2022 and the comparative period from 01.01.2021 to 30.09.2021 are presented in the table below.

	Sale of services		Purchase of services	
	The period of 9 months ended on 30/09/2022	The period of 9 months ended on 30/09/2021	The period of 9 months ended on 30/09/2022	The period of 9 months ended on 30/09/2021
	[not audited]	[not audited]	[not audited]	[not audited]
	PLN'000	PLN'000	PLN'000	PLN'000
White Olive A.E.	26 139	19 276	1 020	916
White Olive Premium Lindos A.E.	711	236	-	-
„My Way by Rainbow Tours” Sp. z o. o.	172	159	-	-
Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S.	20 085	17 294	4 305	2 018
„Rainbow Tours Spółka Akcyjna - branch in Athens	12 024	11 315	1 067	2 474
Rainbow Tours Spółka Akcyjna – branch in Spain	8 422	-	1 402	-
Rainbow Tours S.A.	6 961	5 153	66 720	48 025
Total	74 514	53 433	74 514	53 433

Table. Trade receivables/ payables presented in the statement of financial position of Rainbow Tours S.A. with the companies of the Group.

The following amounts are presented at the closing balance	Amounts due from related parties		Amounts payable to the related parties	
	As at 30/09/2022	As at 31/12/2021	As at 30/09/2022	As at 31/12/2021
	[not audited]	[audited]	[not audited]	[audited]
	PLN'000	PLN'000	PLN'000	PLN'000
White Olive A.E.	19 221	17 820	16 280	17 820
White Olive Premium Lindos A.E.	907	28	18 963	28
„My Way by Rainbow Tours” Sp. z o. o.	-	10	-	10
Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S.	364	2 174	-	2 174
„Rainbow Tours Spółka Akcyjna - branch in Athens	8 616	2 370	311	2 370
Rainbow Tours Spółka Akcyjna – branch in Spain	1 993	-	-	-
Rainbow Tours S.A.	15 399	24 561	10 946	24 561
Total	46 500	46 963	46 500	46 963

Lending to the related parties

	As at 30/09/2022	As at 31/12/2021
	PLN'000	PLN'000
Lending to the subsidiary	300	300

Except for the specified transactions, there were no other significant transactions with entities personally related in that period.

Nota 27. Events after the date for which the quarterly abridged consolidated financial statements were prepared, not covered by these statements, and which could have significant effect on future financial results of the Issuer.

Decisions of the General Meeting Rainbow Tours S.A. concerning dividend payment and actual pay out of the dividend for shareholders of the Company.

Pursuant to the resolution No 4 of the Extraordinary General Meeting of the Company, which took place on 12.10.2022 (the content of all resolutions adopted by the Extraordinary General Meeting with information about voting results was published in the current report ESPI No 30/2022 of 12.10.2022) – The General Meeting of the Company acting pursuant to art. 347 and art. 348 of the Code of Commercial Companies after learning the opinion of the Supervisory Board with the Assessment of the Management Board on proposal of dividend payment and distribution of funds left in the Company as “retained earnings” among shareholders (which constitute i.e. category of supplementary capital created from previous years’ profits, which could be allocated for dividend payment for shareholders of the Company according to relevant provisions of 348 § 1 of the Code of Commercial Companies), including those created from distribution of net profit of the Company for the financial year 2019 and 2020, decided

- From the part of funds left in the Company as “retained earnings” (which constitute category of “supplementary capital created from previous years’ profits, which may be allocated for dividend payment for shareholders of the Company according to relevant provisions of 348 § 1 of the Code of Commercial Companies), to create supplementary capital for dividend payment for shareholders of the Company and allocated for reserve capital in the total amount of PLN 21,828,000.00 and,
- Allocate for sharing, among shareholders, the respective amount of PLN 21,828,000.00 (which comes in whole from the reserve capital) and pay dividend in the total amount of 21,828,000.00 that is in the amount of PLN 1.50 per share to shareholders,

That is the General Meeting decided to pay dividend from funds from: (1) part of the net profit of the Company for the financial year 2019 (net profit in the total amount of PLN 26,117,645.17) in the amount of PLN 14,552,000.00 that is PLN 1.00 per share, (2) from the part of net profit of the Company for the financial year 2021 (net profit in the total amount of PLN 19,092,313.67) in the amount of PLN 7,276,000.00, that is in the amount of PLN 0.50 per share.

Pursuant to the above mentioned Resolution No 4 of the Extraordinary General Meeting of the Company, which took place on 12.10.2022, the General Meeting established that (-) number of shares covered by dividend is 14,552,000 from the total number of shares amounting to 14,552,000 (-) the date, according to which the list of shareholders entitled to dividend is prepared (so called dividend record date, that is the date of establishing rights to dividend) will be 21 of October 2022 (-) the dividend payment date will be 31 October 2022.

The right to dividend and dividend payment was established on the proposed dates, and the number of shares covered by dividend came to 14,552,000.

Additional information on dividend payment for shareholders of the Company was presented in Note 23 to these consolidated financial statements for three quarters of 2022.

Decisions of the General Meeting of Rainbow Tours S.A. concerning changes in the Articles of Association and registration in the register of business of National Court Register of changes in the Articles of Association

On 03.11.2022 the Management Board of the Company was informed by electronic system of the Ministry of Justice (the website of Court Registers) about the registration and entry of amendments to the register of businesses of the National Court Register (KRS No of the Company 0000178650) on 03.11.2022; the amendments were introduced in Articles of Association made pursuant to the resolution No 5 of the Extraordinary General Meeting of the company of 12.10.2022 (the content of resolutions adopted at the Ordinary General Meeting on 12.10.2022 was published in the current report ESPI No 30/2022 of 12.10.2022).

The registered amendments of the Articles of Association were linked to introduction of provisions in the Articles of Association concerning the possibility of payment of potential advances in respect of dividend payment to shareholders of the company and the amendments were introduced in the following sections of the Articles of Association.

(1) the content of introduced § 14 of the Articles of Association - after section 2 – another new section marked as section 3:

“3. Decision to use the supplementary capital and/or reserve capital is adopted by the General Meeting. Also, the Management Board is authorized to use the reserve capital allocated by the General Meeting for dividend payment, including for payment of advances in respect of dividend in case provided for § 28 section 6 of this Articles of Association”

(2) the content of introduced § 22 of the Articles of Association – after letter o), where at the end full stop was replaced with the comma – another new letter marked as letter p):

“p) agreeing to pay advance in respect of dividend at the end of the financial year to the shareholders in the case provided for in § 28 section 6 of this Articles of Association.”

(3) the content of introduced § 28 of the Articles of Association - after section 5 - another new section marked as “section 6”:

“6. The Management Board of the Company is authorized to pay advance in respect of the expected dividend to the shareholders at the end of the financial year, if the Company has funds sufficient for payment. The payment of advance complies with the provisions of law and requires the permission of the Supervisory Board.”

Application to introduce AB series shares to trade at the Warsaw Exchange Rate as a consequence of assimilation of shares in the National Depository for Securities

On 03.11.2022 the Management Board of the Company filed to WSE (with the delivery date: 04.11.2022) a request to trade 900,000 AB series ordinary bearer shares on the parallel market of Warsaw Stock Exchange as a result of assimilation of shares in the National Depository for Securities. At the same time, on 03.11.2022, together with filing the respective request to WSE the Management Board of the Company, filed to National Depository for Securities (with the delivery date: 04.11.2022) relevant request to assimilate securities (together with the required attachments, including registration letter) presenting respective ordinary bearer shares (marked in the National Depository for Securities with the ISIN code: PLRNBWT00056) as securities subject to assimilation under the ISIN code of securities PLRNBWT00031 (currently the number of shares covered by the code is 9,827,000 - these are shares traded at the parallel market on the Warsaw Stock Exchange).

According to the content of the requests filed to WSE and the National Depository for Securities the proposed date of the assimilation is also the proposed date of introduction of 900,000 shares of AB series to trade at the regulated market at WSE under the ISIN code: PLRNBWT00031- total of 10,727,000 shares of the company from the number 14,552,000 of issued shares will be listed.

AB series shares traded at the parallel market at WSE were covered in total, that is in the total number of 900,000 of AB series with declarations of putting a blockade – after listing shares at the parallel market, on the Warsaw Stock Exchange, and making obligation to cover the respective shares with so called lock-up obligation that is an obligation, of not selling the respective blocks of shares under any legal title (neither paid for or free) for 12 months from the date of listing shares at the Warsaw Stock Exchange,

In the opinion of the Management Board of the Company, between the balance sheet date and the date of approval of this report for publication, there were no other, except for the above mentioned, significant events, which were not included in the financial statements that could have substantially affect future financial performance of the Issuer or the Group.

III. THE ABRIDGED INTERIM SINGLE FINANCIAL STATEMENTS OF RAINBOW TOURS S.A.

1. SINGLE STATEMENT OF THE FINANCIAL POSITIONS

ASSETS	Note	As at 30/09/2022 [not audited] PLN'000	As at 31/12/2021 [audited] PLN'000
Fixed assets			
Tangible fixed assets	3	35 301	44 824
Investment Property		196	196
Other intangible assets		3 377	4 033
Investment in subsidiaries	4	71 792	71 792
Deferred tax assets	9	36 430	7 443
Other receivables	5	20 839	20 402
Total fixed assets		167 935	148 690
Current assets			
Stocks		-	-
Trade and other receivables	5	339 386	164 006
Other financial assets	6	764	346
Current tax assets		2 320	3 156
Other assets	7	41 046	48 900
Cash and cash equivalents	8	237 465	82 941
Total current assets		620 981	299 349
Total assets		788 916	448 039

The notes are an integral part of these consolidated financial statements.

EQUITY AND LIABILITIES	Note	As at 30/09/2022 [not audited] PLN'000	As at 31/12/2021 [audited] PLN'000
EQUITY AND LIABILITIES			
equity			
Issued capital		1 455	1 455
Share premium		36 558	36 558
Reserves		375	37
capital from merger of entities		(7 565)	(7 565)
Retained profits		113 889	88 280
Total equity		144 712	118 765
Long-term liabilities			
Long-term borrowings and lease liabilities	10	39 258	18 775
Pension liabilities	12	145	145
Deferred tax liabilities		-	-
Other liabilities	11	31 431	37 088
Total long-term liabilities		70 834	56 008
Short-term liabilities			
Trade and other payables	11	96 001	89 648
Short-term borrowings and lease liabilities	10	38 379	20 494
Current tax liabilities		40 625	3 357
Short-term provisions	12	255 690	6 874
deferred income	13	135 132	145 978
Other liabilities	11	7 543	6 915
Total short-term liabilities		573 370	273 266
Total liabilities		644 204	329 274
Total equity and liabilities		788 916	448 039

The notes are an integral part of these consolidated financial statements.

2. SINGLE STATEMENT OF PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

	Note	from 01/01/2022 to 30/09/2022 [not audited]	from 01/07/2022 to 30/09/2022 [not audited]	from 01/01/2021 to 30/09/2021 [not audited]	from 01/07/2021 to 30/09/2021 [not audited]
		PLN'000	PLN'000	PLN'000	PLN'000
Continuing operations					
Sales revenue	14	1 896 867	1 087 448	994 578	677 272
Cost of sales	15	(1 706 671)	(969 642)	(878 272)	(593 848)
Gross profit/loss on sales		190 196	117 806	116 306	83 424
selling cost	15	(128 930)	(64 212)	(84 660)	(49 457)
Overheads	15	(30 323)	(11 649)	(19 203)	(8 195)
Other operating revenue	16	2 877	2 608	23 487	20 991
Other operating costs	16	(2 336)	(503)	(893)	(287)
profit /loss on operations		31 484	44 050	35 037	46 476
financial revenue	17	3 844	3 594	12	2
Financial costs	17	(3 712)	(1 908)	(1 695)	(533)
profit on sales of shares in subsidiaries		-	-	-	-
Pre-tax profit (loss)		31 616	45 736	33 354	45 945
Income tax	18	(6 007)	(8 690)	(2 799)	(5 191)
net profit (loss) on continuing operations		25 609	37 046	30 555	40 754
Discontinuing operations					
Net profit (loss) on discontinuing operations		-	-	-	-
NET PROFIT (LOSS)		25 609	37 046	30 555	40 754
Other total net comprehensive income					
items, which will not be carried forward to the statement of comprehensive income in later periods					
Cash flow hedges		338	375	957	237
Total other net comprehensive income		338	375	957	237
TOTAL COMPREHENSIVE INCOME		25 947	37 421	31 512	40 991

The Extended Consolidated Report of Rainbow Tours Group for III quarters of 2022
(Data in PLN thousand, unless provided otherwise)

	Note	from	from	from 01/01/2021	from 01/07/2021
		01/01/2022	01/07/2022	to 30/09/2021	to 30/09/2021
		to 30/09/2022	to 30/09/2022	[not audited]	[not audited]
		[not audited]	[not audited]		
		PLN'000	PLN'000	PLN'000	PLN'000
number of shares (in thousands)		14 552	14 552	14 552	14 552
Number of shares – diluted (in thousands)		14 552	14 552	14 552	14 552
Profit (loss) per shares (PLN/grosz per share)					
On continuing and discontinuing operations					
ordinary		1.76	3.00	2.10	3.00
Diluted		1.76	3.00	2.10	3.00
On continuing activity					
ordinary		1.76	3.00	2.10	3.00
Diluted		1.76	3.00	2.10	3.00

The notes are an integral part of these consolidated financial statements.

3. SINGLE STATEMENT OF CHANGES IN EQUITY

	Issued capital	Share premium	Reserve capital - hedge accounting	Retained profit	Capital from business combinations	Total
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
For the period from 01/01/2021 to 30/09/2021 [not audited]						
As at 01/01/2021	1 455	36 558	365	69 188	(7 565)	100 001
Net profit for the financial year	-	-	-	30 555	-	30 555
Pricing of hedging instruments	-	-	957	-	-	957
Total comprehensive income	-	-	957	30 555	-	31 512
As at 30/09/2021	1 455	36 558	1 322	99 743	(7 565)	131 513
For the period from 01/01/2021 to 31/12/2021 [audited]						
As at 01/01/2021	1 455	36 558	365	69 188	(7 565)	100 001
Net profit for the financial year	-	-	-	19 092	-	19 092
Pricing of hedging instruments	-	-	(328)	-	-	(328)
Total comprehensive income	-	-	(328)	19 092	-	18 764
As at 31/12/2021	1 455	36 558	37	88 280	(7 565)	118 765
For the period from 01/01/2022 to 30/09/2022 [not audited]						
As at 01/01/2022	1 455	36 558	37	88 280	(7 565)	118 765
Net profit for the financial year	-	-	-	25 609	-	25 609
Pricing of hedging instruments	-	-	338	-	-	338
Total comprehensive income	-	-	338	25 609	-	25 947
As at 30/09/2022	1 455	36 558	375	113 889	(7 565)	144 712

4. SINGLE CASH FLOW STATEMENT

	Note	from 01/01/2022 to 30/09/2022 [not audited] PLN'000	From 01/01/2021 to 30/09/2021 [not audited] PLN'000
<i>cash flows from operations</i>			
Profit for the financial year		25 609	30 555
Adjustments:			
cost of income tax recognized in profit or loss		6 007	2 799
revenue from investment recognized in profit or loss		(132)	1 683
profit on sale of tangible fixed assets		(285)	(48)
amortization and depreciation of fixed assets		12 320	8 730
Net foreign exchange gains/ losses		-	-
Other *		(2 202)	(21 683)
		41 317	22 036
Movement in working capital			
Increase / decrease in balance of trade and other receivables		(182 384)	(64 980)
Increase / decrease in receivables from construction contracts		-	-
Increase/ decrease in stocks		-	14
Increase / decrease in other assets		(21 133)	(22 190)
Increase / decrease in remaining tax assets		836	5 474
Increase (decrease) in balance of trade and other payables		6 353	45 358
Increase / decrease in payables from construction contracts		-	-
Increase / (decrease) in provisions		248 816	173 510
Increase / (decrease) in deferred income		(10 846)	14 778
Increase / decrease in current tax liabilities		37 268	6 609
Cash earned on operations		120 227	180 609
Income tax paid		-	-
net cash flows from operations		120 227	180 609
<i>cash flow from investing activities</i>			
Payments arising on acquisition of financial assets		-	(4 548)
Interest received		2 330	12
Proceeds due to repayment of loans by unrelated parties		-	-
Payments for tangible fixed assets		(736)	(355)
proceeds from sale of tangible fixed assets		285	53
net cash (spent)/ earned on investing activities		1 879	(4 838)
<i>Cash flow from financial activities</i>			
proceeds from sale of own shares		-	-
other proceeds		-	-
proceeds from loans		46 912	12 058
repayment of loans and lease liabilities		(8 544)	(76 573)
Interest paid		(5 950)	(1 695)
Dividends paid to shareholders		-	-
net cash used for financing activities		32 418	(66 210)
Increase / Decrease in net cash and cash equivalents		154 524	109 561
cash and cash equivalents at the opening balance		82 941	28 178
Effect of changes in exchange rates on balance of cash in foreign currencies		-	-
cash and cash equivalents, closing balance		237 465	137 739

5. NOTES TO INTERIM ABRIDGED SINGLE FINANCIAL STATEMENTS

Nota 1. Applied accounting rules and methods.

These abridged interim single financial statements were drafted according to IAS34 "Interim Financial Reporting" and also according to requirements of the Minister of Finance of 29.03.2018 on current and periodic information provided by issuers of securities and conditions of recognizing as equivalent information required by provisions of law of a non-member state (Journal of Laws of 2018, item 757). Because of application of IAS and under § 66 section 6 in connection with § 62 section 1 and section 2 of the regulation of the Minister of Finance mentioned in the previous sentence, these abridged interim single financial statements cover the data for the following periods

- In case of the statement of the financial position – the data as at 30.09.2022 and the comparative data as at 31.12.2021,
- In case of the statement of comprehensive income and the cash flow statements – data for III quarter of 2022, that is for the period from 01.07.2022 to 30.09.2022 and the data accruing for the period from 01.01.2022 to 30.09.2021 and the comparative data for III quarter of 2021, that is for the period from 01.07.2021 to 30.09.2021 and the data accruing from 01.01.2021 to 30.09.2021.
- In case of the statement of changes in equity – the data accruing for the current financial year, that is for the period of nine months ended on 30.09.2022 and the comparative data for the period of nine months ended on 30.09.2021. The company decided to publish additionally the data for the period of twelve months ended on 31.12.2021.

All financial data are presented in thousands of Polish zloty, unless stated otherwise.

The abridged interim single financial statements do not provide all information, which is disclosed in the annual single financial statements drafted according to IFRS. These single financial statements should be read jointly with the annual single financial statements of the Company for 2021, which were published in the single periodic annual report R/2021 on 29.04.2022.

In these interim abridged single financial statement significant judgements of the Management Board in respect of accounting policies used by the Company and main sources of estimating uncertainty were similar as presented in the single financial statements for 2021 in Part IV "Accounting policies of the Company", point 4.4 "the Important estimates and assumptions", which were published in the single periodic annual report R/2021 on 29.04.2022.

The financial statements were prepared in accordance with historic cost principle, except for financial instruments, which were measured at fair value.

Some financial data presented in these financial statements were rounded. Consequently, some of the totals presented in the in tables: in a given column or line may vary slightly from the total value for a given column or line.

Whenever these financial statements mention "(single) profit and loss account" it is to be understood as "the single statement of comprehensive income". Whenever the financial statements mention "the balance sheet" it means "the single statement of financial position". The financial statements also interchangeably use the terms "(the single) cash flow account" and "(the single) cash flow statement".

The abridged single financial statements are not subject to approval by the approving body under art. 53 of the accounting act of 29.09.1994. These abridged interim single financial statements are signed by the head of the entity, that is by the Management Board of Rainbow Tours and in the event such person is named, the person which is entrusted with keeping the accounts. These abridged interim single financial statements were approved for publication and signed on 18.11.2022.

Continuation of operations

These abridged interim single financial statements for the financial year were drafted assuming that the Company and Rainbow Tours Group continue their business operations in the foreseeable future and does not provide any adjustments with respect to methods of valuation and classification of assets and liabilities, which could be deemed essential, if the Company was not able to continue operations in the foreseeable future. As at the date of approval of these financial statements (there are no circumstances indicating a threat to continuation of operations by the Company and the subsidiaries of Rainbow Tours Group).

Nota 2. Information on changes in accounting rules (policies) and material changes in estimates, including adjustments of provision, deferred tax assets and liabilities, impairment of assets.

In preparation of the report the Company applied the accounting policy drafted pursuant to the provisions of the International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board as well as International Financial Reporting Interpretation Committee, in the form approved and published in EU.

In this report the Company applied the same accounting rules and calculations methods as in the last report of the Company. The rules adopted in drafting of these abridged interim single financial statements and significant and accounting principles were presented in note 4 to the interim abridged consolidated financial statements, covered by the content of this interim report. The detailed description of the accounting rules adopted by the Company and used in preparation of these interim single financial statements was presented in the last single annual financial statements of the Company for the financial year 2021, which were published in the consolidated annual periodic report R/2021 on 29.04.2022.

Adjustment of previously published financial statements.

In the period covered by these interim abridged single financial statements the Parent Company did not adjust previously published financial statements.

Nota 3. Tangible fixed assets

	As at 30/09/2022 [not audited]			As at 31/12/2021 [audited]		
	TOTAL	Own	Used under lease contracts	TOTAL	Own	Used under lease contracts
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Own land	489	489	-	489	489	-
Right of use assets	26 022	-	26 022	28 655	-	28 655
Buildings	5 535	5 535	-	12 231	12 231	-
Plant and Machinery	1 192	1 192	-	1 219	1 164	55
Motor vehicles	1 253	238	1 015	1 212	83	1 129
Equipment	810	810	-	1 018	1 018	-
Fixed assets under construction / Advances for fixed assets	-	-	-	-	-	-
Total	35 301	8 264	27 037	44 824	14 985	29 839

The claims of Towarzystwo Ubezpieczeń Europa S.A. (Insurance Company Europa S.A) with its offices in Wrocław concerning reimbursement of amounts paid for the benefit of Marshall of Łódzkie Province linked to operations of tour operators or entrepreneurs facilitating acquisition of related tourism services, arising out of the Guarantee No GT 518/2022 of 15.09.2022 (at the same time security for claims under insurance guarantee GT 500/2021 of 10.09.2021, the insurance guarantee GT 359/2020 of 08.09.2020 amended with the attachment No 1 of 11.08.2021) pursuant to the contract of 14.09.2022 to grant insurance guarantee for tour operators or entrepreneurs facilitating acquisition of related tourism services – are secured by notarised blanket mortgage established on the first free place of the fixed assets of the Company, that is property situated at 270 Piotrkowska street, recorded in the land and mortgage register No: LD1M/00264242/0, LD1M/00264245/1, LD1M/00264246/8, LD1M/00264247/5, LD1M/00264248/2, LD1M/00264253/0, LD1M/00264254/7, LD1M/00264255/4, LD1M/00264257/8, LD1M/00264259/2, LD1M/00264263/3, LD1M/00264264/0, LD1M/00264266/4, LD1M/00187747/6, LD1M/00172644/6, LD1M/00273816/1, LD1M/00273817/8, LD1M/00273818/5, LD1M/00273819/2, LD1M/00273820/2, LD1M/00273822/6, LD1M/00273823/3, LD1M/00273824/0, LD1M/00273825/7, LD1M/00273826/4, LD1M/00273827/1, LD1M/00273843/9, LD1M/00273844/6, LD1M/00273847/7, LD1M/00273846/0, LD1M/00273845/3, LD1M/00272177/2, LD1M/00272179/6, LD1M/00272180/6, LD1M/00272181/3, LD1M/00272182/0, LD1M/00272183/7, LD1M/00272184/4, LD1M/00272185/1, LD1M/00272186/8, LD1M/00272187/5, LD1M/00272188/2, maintained for the District Court for Łódź- Śródmieście in Lodz, XVI Division of Land Register for the amount of PLN 13,518,000 (thirteen million five hundred and eighteen thousand Polish zloty), which is 120% of the value of the property presented in the appraisal reports. The value of the property at purchase price is PLN 4,506,907.10.

The company established mortgage on the property situated in Laganas, Zakynthos, Greece (the property of the Greek companies) for securing claims of Bank Gospodarstwa Domowego with its registered office in Warsaw, to repay investment loan taken by

Rainbow Hotels A.E. and White Olive A.E and Rainbow Tours S.A. The value of the blanket mortgage of Rainbow Hotels A.E. is EUR 3,150 thousand and the value of the property mortgage of White Olive A.E. is EUR 13,900.

Fixed assets held for sale did not occur.

Nota 4. Investments in subsidiaries.

Name of the subsidiary	As at 30/09/2022			As at 31/12/2021		
	Cost	Impairment	Net amount	Cost	Impairment	Net amount
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
White Olive A.E.	71 567	-	71 567	71 567	-	71 567
"My Way by Rainbow Tours" Sp. z o. o.	200	-	200	200	-	200
Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S.	25	-	25	25	-	25
Total investment in subsidiaries	71 792	-	71 792	71 792	-	71 792

Interest in other entities is valued at the purchase price, including any impairment losses.

The Management Board of the Company tests shares in White Olive A.E. for impairment. The shares were tested with income-based valuation method based on detailed financial forecasts for another 10 years and then for residual period without assumed increased in the residual period. WACC was used as a discounted rate – weighted average cost of capital – at the level of 7.9% (in 2021: 7.9%). WACC was set using many components based on market conditions and the judgment of the expert appointed by the Management Board. The rate may change depending on fluctuation of financial markets, inflation and many other parameters, which have direct impact on the value of measurement. With WACC the test showed that there are no conditions for recognition of impairment.

In the opinion of the Management Board no rational parameters of assumed models are possible, both when it comes to financial forecasts and the discounting factor, which would indicate necessity for recognition of impairment losses for shares in other entities.

Nota 5. Receivables

	As at 30/09/2022 [not audited]	As at 31/12/2021 [audited]
	PLN'000	PLN'000
Trade receivables	68 815	24 518
Allowance for doubtful accounts	(3 843)	(3 843)
Net trade receivables	64 972	20 675
The remaining receivables		
Other receivables	10 318	4 254
Other receivables – deposits and bank deposits	35 208	18 856
Other receivables – advances paid - hotels	223 544	130 561
Allowance for other doubtful accounts– advances paid - hotels	(4 103)	(2 946)
Other receivables – advances paid - air transport	19 937	10 477
cash and cash equivalents – settlements	10 349	2 531
	295 253	163 733
Fixed assets	20 839	164 006
Current assets	339 386	20 402
Total	360 225	184 408

Tour operator activities dominate the structure of sales revenue. Services are sold in two channels (own distribution channel - retails stores and call centre, and through network of agents). In case of services sold by stores, customers have to pay for a package tour immediately. The receivables arise only in case of sales through agents, which have specified deadlines for payment for

package tours. Additionally, the parent company sells package travel as part of its intermediary activities [sales of plane tickets, sales of blocks of seats in planes] and other services, which support tourism services.

Before it starts cooperation with a new agent the Company uses the external assessment system to assess credit worthiness of an agent and uses it as a base to set credit limit for the agent. Limits and scores of the agent are verified twice a year. Receivables are secured also by blank promissory notes with promissory note contract, guarantees provided by a bank, and a system of deposits.

	As at 30/09/2022 [not audited]	As at 31/12/2021 [audited]
	PLN'000	PLN'000
gross trade receivables *	68 815	24 518
Undue	12 283	2 092
<i>Overdue</i>		
To 30 days	32 064	8 944
31-90 days	16 144	3 101
91-120 days	2 486	3 538
Over 120 days	5 838	6 843
Total	68 815	24 518

* The age analysis excludes advances because they don't have maturity date. In the opinion of the Management Board the items are fully recoverable and there is no need to recognize allowance for bad debt.

Table. Movement in allowance for bad debt.

Trade receivables	The period of 9 months ended on 30/09/2022 [not audited]	The period of 12 months 31/12/2021 [audited]
	PLN'000	PLN'000
Opening balance	3 843	3 843
Allowance for bad debt	-	-
Allowance for other bad debt – advances paid – hotels –	-	-
Amounts recovered during the year	-	-
Reversal of allowance for doubtful accounts	-	-
Unwind of discount	-	-
Closing balance	3 843	3 843

Receivables – hotel advances	The period of 9 months ended on 30/09/2022 [audited]	The period of 12 months 31/12/2021 [not audited]
	PLN'000	PLN'000
Opening balance	2 946	7 946
Allowance for bad debt	1 157	-
Amounts written off as bad debt –	-	-
Amounts recovered during the year	-	-
Reversal of allowance for doubtful accounts	-	(5 000)
Unwind of discount	-	-
Closing balance	4 103	2 946

Nota 6. Other financial assets

	As at 31/09/2022 [not audited]	As at 31/12/2021 [audited]
	PLN'000	PLN'000
Derivatives designated and effective as hedges recognised in fair value.		
Exchange forward contracts	464	46
	464	46
Lending recognised at amortised cost		
Lending to related parties	300	300
Lending to other parties	-	-
	300	300
Total	764	346
Current assets	764	346
Fixed assets	-	-
	764	346

* The company granted a short-term loan on terms comparable to commercial bank loans to a subsidiary.

Nota 7. Other assets

	As at 31/09/2022 [not audited]	As at 31/12/2021 [audited]
	PLN'000	PLN'000
Prepaid expenses		
Costs of package travel off season *	34 192	44 464
Costs of catalogues off season	369	46
Commission off season **	465	961
Insurance off season	4 293	1 479
Other off season TFP commission	1 727	1 950
	41 046	48 900
Current assets	41 046	48 900
Fixed assets	-	-
	41 046	48 900

* Costs of package travel in the next season refer to accounted for charges, which are not yet paid for, but will be paid according to the schedule of package travel.

** costs of commission are presented in the period, when the services have not been yet provided - according to schedule of package travel.

Nota 8. Cash and cash equivalents

	As at 30/09/2022 [not audited]	As at 31/12/2021 [audited]
	PLN'000	PLN'000
Cash in hand and cash at bank	237 465	82 941
	237 465	82 941

Nota 9. deferred tax assets/ reserve

Deferred tax	The period of nine months ended on 30/09/2022 [not audited]	The period of 12 months ended on 31/12/2021 [audited]
	PLN'000	PLN'000
deferred tax assets	36 524	8 408
Asset for deferred tax – settled through equity	214	(950)
Asset for deferred tax – settled through profit and loss	-	(6)
Asset for deferred tax – settled through capital	(308)	(9)
Balance of the deferred tax	36 430	7 443

Assets for deferred tax	As at 01/01/2022	Movement (+ /-) Recognized in capitals	Movement (+ /-) recognized in profit or loss for the current period	As at 30/09/2022
	PLN'000	PLN'000	PLN'000	PLN'000
Provision for employee benefits	228	-	-	228
Recognition of other provisions	1 106	-	34 358	35 464
Measurement/ impairment of assets	581	-	-	581
Measurement of derivatives	-	214	-	214
Unrealised foreign exchange losses	133	-	40	173
Other	5 410	-	(5 332)	78
Total	7 458	214	29 066	36 738

* Assets on loss as at 30.09.2022 derecognized

Deferred tax reserve	As at 01/01/2022	Movement (+ /-) Recognized in capitals	Movement (+ /-) recognized in profit or loss for the current period	As at 30/09/2022
	PLN'000	PLN'000	PLN'000	PLN'000
Measurement of derivatives	68	234	-	302
Measurement of assets	6	-	-	6
Unrealised foreign exchange losses - basic	-	-	-	-
Unrealised foreign exchange losses – shares	-	-	-	-
Unrealised foreign exchange losses – measurement of advances from previous years.	-	-	-	-
Other	-	-	-	-
Total	74	234	-	308

Assets for deferred tax	As at 01/01/2021	Movement (+ /-) Recognized in capitals	Movement (+ /-) recognized in profit or loss for the current period	As at 30/09/2021
	PLN'000	PLN'000	PLN'000	PLN'000
Provision for employee benefits	213	-	-	213
Recognition of other provisions	125	-	-	125
Measurement/ impairment of assets	549	-	-	549
Measurement of derivatives	-	-	-	-
Unrealised foreign exchange losses	18	-	-	18
Other	7 015	(950)	-	6 065

Assets for deferred tax	As at 01/01/2021	Movement (+ /-) Recognized in capitals	Movement (+ /-) recognized in profit or loss for the current period	As at 30/09/2021
	PLN'000	PLN'000	PLN'000	PLN'000
Total	7 920	(950)	-	6 970

* Including assets for loss as at 31.12.2020 – 6,180 thousand

Assets for deferred tax	As at 01/01/2021	Movement (+ /-) Recognized in capitals	Movement (+ /-) recognized in profit or loss for the current period	As at 30/09/2021
	PLN'000	PLN'000	PLN'000	PLN'000
Measurement of derivatives	86	224	-	310
Measurement of assets	-	-	-	-
Unrealised foreign exchange losses - basic	24	-	-	24
Unrealised foreign exchange losses – shares	-	-	-	-
Unrealised foreign exchange losses – measurement of advances from previous years.	-	-	-	-
Other	-	-	-	-
Total	110	224	-	334

Nota 10. Bank loans, bank credits and lease liabilities

	As at 30/09/2022 [not audited]	As at 31/12/2021 [audited]
	PLN'000	PLN'000
Hedged – according to amortised cost		
overdrafts	26 202	10 000
Bank credits	30 710	-
Loans from other entities of PFR - Polish Development Fund	-	-
Transfer of receivables	-	-
Financial lease liabilities	578	614
Right of use liabilities	20 147	28 655
	77 637	39 269
short-term liabilities	38 379	20 494
long-term liabilities	39 258	18 775
	77 637	39 269

The Company uses means of transport under finance lease contracts. The average lease contract term is 3 years. The entity can purchase leased equipment for its nominal value as at the end of contract. Company's liabilities arising on contracts are hedged with lessors' rights to assets covered by the contract.

As at 30.09.2022 the company used bank credits (the overdraft and the revolving credit) in the total amount of PLN 56,912 thousand. As at 31.12.2021 the Company used revolving credit for the total amount of PLN 10,000 thousand.

The detailed information on bank credits and credit agreements are provided in point 10 Part VI of these financial statements titled "Information of the Management Board on operations of Rainbow Tours Group and Rainbow Tours Joint Stock Company" and also in Note 26 and Note 46 to the single annual financial statements of the Company for the financial year 2021, which were also published in the single annual report R/21 on 29.04.2022.

As at 30.09.2022 the Issuer revalued rental liabilities resulting from renegotiation of contracts with lessors concerning renewal on contracts in exchange for reductions in rents taking into account schedule of lease payments and new interest rates. The difference between the calculated amount of the liability and the amount of modified contracts increased respectively value of rights of use asset and value of lease liabilities.

The period from 01/01/2022 to 30/09/2022	Land and buildings	Machinery, equipment and vehicles	Total
	PLN'000	PLN'000	PLN'000
As at 01/01/2022	28 655	614	29 269
Increases	472	453	925
Cost of interest	-	(10)	(10)
modification of lease conditions	-	-	-
Adjustment in respect of variable lease payments	-	8	8
lease payments	(8 980)	(487)	(9 467)
exchange differences	-	-	-
As at 30/09/2022	20 147	578	20 725

The period from 01/01/2021 to 31/12/2021	Land and buildings	Machinery, equipment and vehicles	Total
	PLN'000	PLN'000	PLN'000
As at 01/01/2021	22 355	877	23 232
Increases	14 463	294	14 757
Cost of interest	(169)	(24)	(193)
modification of lease conditions	-	-	-
Adjustment in respect of variable lease payments	-	22	22
lease payments	(7 994)	(555)	(8 549)
exchange differences	-	-	-
As at 31/12/2021	28 655	614	29 269

Nota 11. Trade payables and other payables

	As at 30/09/2022 [not audited]	As at 31/12/2021 [audited]
	PLN'000	PLN'000
Trade payables	80 691	75 700
Payroll liabilities	4 780	3 347
Other liabilities – accounts receivables and payables from purchase of shares	2 600	2 600
Other liabilities – recorded after the balance sheet date	-	-
Other liabilities – remaining	7 930	8 001
Total	96 001	89 648

Other liabilities

	As at 30/09/2022 [not audited]	As at 31/12/2021 [audited]
	PLN'000	PLN'000
Liabilities towards customer taken over by UFG (Insurance Guarantee Fund)	38 974	44 003
Liabilities towards customers	-	-
Total	38 974	44 003
short-term liabilities	7 543	6 915
long-term liabilities	31 431	37 088
	38 974	44 003

As a part of liquidity assistance of the government of Poland concerning prevention, counteracting and combating COVID-19 and crisis situations triggered by it, the government introduced i.e. soft loans to repay amounts paid by customers of tour operators, who resigned from package holidays due to crisis situation linked to SARS-CoV-2 pandemic; the loans granted from a special fund, which collects financial resources for tourists and tour operators for cancelled holiday packages (Touristic Reimbursement Fund operating with Insurance Guarantee Fund, which repays amounts for the cancelled package travel to customers, with 7.5% participation of tourism companies and based on applications of a tour operator and a customer).

The company due to its entitlement filed relevant applications to Tourism Guarantee Fund for repayment some of the amounts in respect of reimbursement of advance payments to customers, which because of SARS-CoV-2 pandemic withdrew from the package holiday contracts or the contracts were terminated by a tour operator. Payments made by Tourism Guarantee Fund on behalf of the Company constitute financing in the form of a loan granted by Tourism Guarantee Fund, the loan will have to be repaid in 72 equal instalments starting from December 2021 (the change of the original term to start repayment – previously from April 2021 according to the act of 24.06.2021 concerning the amendment of the act on specific solutions related to prevention, counteracting and combating COVID-19, other infectious diseases and resulting crisis and some other acts – Journal of Laws of 2021, item 1192); and the first instalment is payable to 31.12.2021, the subsequent instalments, except for the first instalment have to be repaid up to 21 day of each months, starting from January 2022 r.

Because the Company used the respective aid instrument it had resulting liabilities to Touristic Reimbursement Fund at Insurance Guarantee Fund (the liability toward costumers, which was taken over by the Fund): as at 30.06.2022 in the amount of 38,974 thousand and as at 31.12.2021, in the amount of 44,003 thousand).

Nota 12. Provisions and other liabilities

	As a 30/09/2022 [not audited]	As a 31/12/2021 [audited]
	PLN'000	PLN'000
Employee benefits (i)	1 058	1 058
Employee benefits (ii)	145	145
Other provisions	56	56
Other provisions – estimated costs of airplanes and hotels (iii)	242 141	4 000
other provisions – estimated costs of marketing	-	-
other provisions – estimated costs - other	12 435	1 760
	<u>255 835</u>	<u>7 019</u>
Short-term provisions	255 690	6 874
Long-term provisions	145	145
	<u>255 835</u>	<u>7 019</u>

(i) Provisions for employee benefits cover holiday leaves, accruing entitlements to holiday leaves and employees' claims with respect to remuneration. Increase in value of the provision results from accruing employee benefits is estimated as at the balance sheet date.

(ii) Provision for employee benefits covers retirement pays, if any, which the parent company will be obliged to pay out in case of retirement of employees.

(iii) provisions for costs of airplanes and hotels estimated based on comparative analysis of budget costs with relevant documents. Confirmed budget costs should be considered as costs incurred in the period.

Nota 13. Deferred income

	As at 30/09/2022 [not audited]	As at 31/12/2021 [audited]
	PLN'000	PLN'000
Advances paid by customers *	135 132	145 978
	<u>135 132</u>	<u>145 978</u>
short-term	135 132	145 978
long-term	-	-
	<u>135 132</u>	<u>145 978</u>

* Advances received from customer for future package holidays services, which will be provided in the future.

Nota 14. Sales revenue

	The period of 9 months ended on 30/09/2022 [not audited]	The period of 9 months ended on 30/09/2021 [audited]
	PLN' 000	PLN' 000
Revenue from sales of package travel	1 894 239	992 873
Other revenue	2 628	1 705
	<u>1 896 867</u>	<u>994 578</u>

Nota 15. Costs by type

	The period of 9 months ended on 30/09/2022 [not audited]	The period of 9 months ended on 30/09/2021 [not audited]
	PLN'000	PLN'000
Amortization and depreciation	(12 320)	(8 730)
Including in respect of right of use	(8 980)	(5 719)
Consumption of raw and other materials	(2 773)	(1 130)
Outsourcing	(1 731 452)	(898 799)
costs of employee benefits	(56 340)	(36 812)
Taxes and charges	(1 165)	(639)
Other costs	(61 874)	(36 025)
Value of goods and materials sold	-	-
other – other operating costs	-	-
	<u>(1 865 924)</u>	<u>(982 135)</u>

Nota 16. Other operating revenue/ operating costs

Other operating revenue	The period of 9 months ended on 30/09/2022 [not audited]	The period of 9 months ended on 30/09/2021 [not audited]
	PLN'000	PLN'000
profits on sale of assets		
profits on sale of fixed assets	285	48
Profits on sale of investment property	-	-
	<u>285</u>	<u>48</u>
Derecognized impairment loss:		
Intangible assets	-	-
Tangible fixed assets	-	-
Financial assets	-	-
Trade receivables	-	-
Other	-	-
	<u>-</u>	<u>-</u>
Other operating revenue		
Profit on measurement of investment property	-	-
Waiving off of the loan from PFR (the Polish Development Fund)	2 202	18 600
Subsidies	224	4 767
Other	166	72
	<u>2 877</u>	<u>23 487</u>

Other operating costs	The period of 9 months ended on 30/09/2022 [not audited]	The period of 9 months ended on 30/09/2021 [not audited]
	PLN'000	PLN'000
Loss on sale of assets		
loss on sale of fixed assets	-	-
loss on sale of investment property	-	-
	-	-
Recognized impairment		
Goodwill	-	-
Intangible assets	-	-
Tangible fixed assets	-	-
Financial assets	-	-
Trade receivables	-	-
Other	(1 157)	-
	-	-
Other operating costs		
loss on measurement of investment property	-	-
cost of liquidation of fixed assets and current assets	-	-
Other – complaints	(610)	(656)
Other	(569)	(237)
	(2 336)	(893)

Nota 17.Revenue/financial costs

	The period of 9 months ended on 30/09/2022 [not audited]	The period of 9 months ended on 30/09/2021 [not audited]
	PLN'000	PLN'000
Lease revenue:		
contingent revenue from finance lease	-	-
revenue from operating lease		
On investment property	-	-
Contingent revenue from operating lease *	-	-
	-	-
Interest revenue		
Bank deposits	3 844	12
Other loans and receivables	-	-
	3 844	12
Total	3 844	12

Financial revenue analysed by categories of assets:

Interest revenue	The period of 9 months ended on 30/09/2022 [not audited]	The period of 9 months ended on 30/09/2021 [not audited]
	PLN'000	PLN'000
Assets valued at amortised cost (cash on hand, bank deposits and lending)	3 844	12
Investments held to maturity	-	-
Interest revenue from financial assets, which are not intended for measurement at WSE	3 844	12

financial revenue from non-financial assets	-	-
Total	3 844	12

Interest cost:	The period of 9 months ended on 30/09/2022 [not audited]	The period of 9 months ended on 30/09/2021 [not audited]]
	PLN'000	PLN'000
Interest on credits and overdrafts (except for those obtained from related parties)	(1 086)	(642)
Interest on credits and overdrafts obtained from related parties.	-	-
Interest on financial lease liabilities	(18)	(19)
Other interest costs	(12)	(198)
Total interest costs on financial liabilities measured on WSE.	(1 116)	(859)
Less amounts recognized in costs of assets eligible for capitalization	-	-
	(1 116)	(859)
Other financial costs		
other financial costs - costs of guarantees	(1 987)	(558)
Other – other discount	(609)	(278)
	(3 712)	(1 695)

Nota 18. Income tax

Income tax	The period of 9 months ended on 30/09/2022 [not audited]]	The period of 9 months ended on 30/09/2021 [not audited]]
	PLN'000	PLN'000
Gross profit (loss)	31 616	33 354
Permanent differences increasing the tax base	(1 792)	(16 929)
Temporary differences in the tax base	79 539	34 840
Tax base	112 948	51 265
Tax at the rate of	19,00%	19,00%
Tax losses offset with an asset	-	-
Current tax	30 731	9 769
Deferred tax	(36 738)	(6 970)
Income tax recognised in the account	(6 007)	2 799
effective tax rate	19.0%	19.1%

IV. INFORMATION OF THE MANAGEMENT BOARD ON OPERATIONS OF RAINBOW TOURS GROUP AND RAINBOW TOURS JOINT STOCK COMPANY.

The issuer pursuant to § 62 section 6 of the Regulation of the Minister of Finance of 29 of March 2018 on current and period information transferred by issuers of securities and conditions of recognizing as equivalent information required by provisions of law of non-member state (Journal of Laws of 2018, item 757) drafts Management Board's reports on operations of Rainbow Tours Spółka Akcyjna and Rainbow Tours Group as one document covered by this point IV "Information of the Management Board on operations of Rainbow Tours Group and Rainbow Tours Spółka Akcyjna".

1. Brief description of significant achievements or failures of Rainbow Tours Group and the Issuer in the period covered by the report with the list of the most important events for them.

Tour operator activities are concentrated mainly in the Parent Company, and operations of the companies of Rainbow Tours Group are significant, although they are only auxiliary and supporting to operations of the Parent Company. Rainbow Tours as a Parent Company is responsible for preparing strategy of operations of the Group and monitoring of its implementation, as well as obtaining borrowings for subsidiaries.

The description of operations currently pursued by the subsidiaries in Rainbow Tours Group.

- "My Way by Rainbow Tours" Sp. z o.o.,
- White Olive A.E. (joint stock company operating under Greek law),
- White Olive Premium Lindos A.E. (joint stock company operating under Greek law),
- Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S. (joint stock company operating under Turkish law)

was presented in Note 2 "Description of the organization of the Issuer's Group with consolidated entities" to the interim consolidated financial statements of Rainbow Tours Group for III quarters of 2022, above.

All above mentioned subsidiaries are consolidated and are covered by the consolidated financial statements of the Rainbow Tours Group for III quarter of 2022 and accruing for three quarters of 2022.

Activities of tour operators, hotel operations

Rainbow Tours Group, mainly through operations of the Parent Company of the Group, that is through operations of Rainbow Tours S.A., concentrates primarily on organization and sale of own tourism services. It also sells flight, coach and ferry tickets. Extraordinarily profitable package tours, exotic holidays and exotic package tours play a vital role in its offer. The gradually expanded segment of operations covers hotel services in own hotels or hotels leased on long-term lease by Greek subsidiaries: White Olive A.E. and White Olive Premium Lindos A.E. The joint stock companies operating under Greek law White Olive A.E. and White Olive Premium Lindos A.E. are owners of hotel properties or they lease hotel properties on long term and provide hotel services for Rainbow Tours and other tour operators. White Olive A.E. pursues hotel operations and is an owner of two hotel properties and additionally a lessor of the hotel property in Greece on Zakynthos Island, additionally, White Olive is an owner of the hotel property in Greece on Crete. White Olive Premium Lindos A.E. is an owner of a hotel property in Pefkos on the Greek island Rhodes. The plans of operations of the Group cover further expansion of the segment of own hotels. Investment in development of own hotel base does not only create possibility to create and manage the product but also allows to obtain higher and stable financial results. Development of the hotel chain will enable to earn higher margin on sales by the Group.

The Parent Company in Rainbow Tours S.A. operates on the Polish tourism market for 30 years and in the form of the public company since 2003. In the ranking of tour operators published for 2021 („Ranking 2022. Touroperatorzy. Jeszcze nie pełne odbicie, ale na pewno duży skok w górę. Potwierdzone dane za rok 2021"; Wiadomości Turystyczne, wyd. specjalne, lipiec 2022, 2022 Ranking, Tour operators. Not a full rebound yet but surely a big leap up. Confirmed data for 2021. Tourism News, special edition, July 2022) the Parent company is ranked third among the biggest tour operators in Poland (in respect of value of sales revenue) that is after Itaka and TUI Poland Sp. z o.o. Pursuant to the data published with regard to value of tour operators turnover (in case of TUI Poland Sp. z o.o for the financial year 2020/2021) revenue for those periods of the four tour operators in Poland (apart from those previously mentioned also Coral Travel Poland Sp. z o.o., - the entity organizing package holidays mainly to Turkey, in 2021 with record ceilings of customers in this destination) came respectively to: Itaka = PLN 2,144 million TUI Poland = PLN 1,908.6 million, Rainbow Tours = PLN 1,268.6 million, Coral Travel = PLN 976.5 million. Other travel agents (ranked fifth and sixth) had revenue at the level of Exim Tours = PLN 333.7 million Grecos Holiday = PLN 323.1 million.

Portfolio of products of the Parent Company covers package holiday to more than 100 countries with flights to over 150 destinations. In 2019 the offer of the Parent Company was purchased by 491 thousand customers. Due to SARS-CoV-2 pandemic in 2020, which was the year affected by unprecedented crisis i.e. in tourism industry accompanied by bans on travel, travel and other restrictions which were compulsory all over the world and in localizations of holiday destinations covered by the offer of the Company (which in practice did not operate in the period from half of March to June 2020) the number of customers of the Parent Company came to just 100 thousand, that is around 20% of customer for package holidays in 2019 (491 thousand of customers). In 2021 the market conditions were less restrictive than in 2020 (due to SARS-CoV-2 pandemic) and the company managed to restore its base of customer, which purchased offer of Rainbow Tours in that year – that was jointly 335,2 thousand customers in 2021. According to the data, editing team of Tourism News provided in the ranking of tour operators for 2021 (in case of TUI Poland data for the financial year 2020/2021) the other entities provided services in 2021 (at different levels of profitability) respectively: TUI Poland = 634 thousand of customers, Itaka = 616 thousand of customers, Coral Travel = 368.4 thousand of customers

The Group is financially stable (activities of tour operators are concentrated in the Parent Company) due to substantial variations in destinations and 50% share of sales through own distribution channels.

In the reporting period covered by these financial statements (three quarters of 2022), especially in the Summer 2022 season, the Parent Company recorded significant rises in bookings and sales revenue, also in reference for the record year 2019 (and the whole package holiday industry). This tendency has been continued also in reference to start of Winter 2022/2023 season. According to the last current report of the Company concerning advance sale of package holiday (current report ESPI No 36/2022 of 07.11.2022) the number of package holiday services purchased in the Winter 2022/2023 season (the holiday package services provided in months: November 2022 to March 2023) from the start of advance sales to 31.10.2022 (bookings as at 31.10.2022) came to 64,720 people covered by bookings, which means (-) rise in level of advance sales of Winter 2022/2023 season (purchased up to 31.10.2022) up by 27.0% compared with the level of advance sales for Winter 2019/2020 season for the bookings as at 31.10.2019 (here: 2019 was the record year according to the Company with respect to growth and economic situation of tour operators industry), when for the Winter 2019/2020 season (as at 31.10.2019) the company recorded 50,967 people with bookings. The value of offer for Winter 2022/2023 season is recognized in sales revenue of the Company according to accounting policies, that is from November 2022 to March 2023.

According to the last current report published by the Company concerning sales revenue (the current report ESPI 33/2022 of 27.10.2022 single total sales revenue of the Parent Company for September 2022 came to PLN 297.1 million, what compared with the reference periods means: (-) in comparison to the same period (a month) of 2019, (here: the period of normal operations of the company in up to that time – 2019 - historically record year in respect of revenue), in which total sales revenue of the Company came to PLN 230.7 million means a rise in sales by 28.8% for the reported period (-) in comparison with the same period (month) of 2021 (here: the period of operations of the Company in the economic situation influenced by the effects of SARS-CoV-2 pandemic) in which total sales revenue of the Company came to PLN 193.3 million, what means for the reported period a rise in sales by 53.7%; single sales revenue of the Parent Company in the accruing calculation for the period from 1 January to 20 September 2022 came to PLN 1,894.3, what in comparison to the reference periods means (-) in comparison with the same period of 2019 (that is from 1 January to 30 September 2019), in which in the accruing calculation total sales revenue of the Company came to PLN 1,468.5 million, which means rise in sales by 29.0% in the reported period, (-) in comparison to the same period of 2021 (that is from 1 January to 30 September 2021) in which in the accruing calculation total sales revenue of the Company came to 994.6 million, which is rise in sales by 90.5 % for the reported period.

In periods preceding the reporting period, that is referring to the financial years 2020 and 2021, the most significant and basic factor (in this case – external), which had substantial effect on development of the business of the Issuer and on the whole on operations of Rainbow Tours Group, was SARS-CoV-2 pandemic and its consequences directly and indirectly affecting tourism industry, and including in respect of global economy impacted by negative effects of the pandemic, limitations and restrictions introduced to prevent infections and COVID-19. In 2021 one can observe gradual coming to terms with the pandemic and its gradual quenching following occurrence of other waves of the pandemic.

The operations of the Group, including operations of Rainbow Tours S.A. may be affected in the future by the factors described in point 11 “Factors, which in the opinion of the issuer will have effect on its performance in the perspective of at least another quarter. Perspectives of development and basic risk of operations” in this part IV “Information of the Management Board on operations of Rainbow Tours Group in III quarter and three quarters of 2022.

The Management Board of the company in the previous periods considered the following (external) factors as the most important in the future with the potential effects on operations of the Group and the Company i.e. risk factors linked to COVID-19 pandemic (potential rises in number of SARS-CoV-2 infections) as well as with the political and economic situation in the world (falls in economic indexes, rise in fuel prices, unfavourable exchange rates, inflation crisis) i.e., due to military aggression of Russian Federation in the territory of Ukraine and inflicted armed conflict. Fears as to potential spread of SARS-CoV-2 (potential rise in number of COVID-19 infections in autumn and winter period) and armed conflict in the Ukraine and significant effect of these factors

on foreign holiday plans of the Polish people as of now didn't have negative confirmation in reality. Development of the pandemic and political situation in following months allows for moderately optimistic assessment of the effect of those factors on operations of the Company and the Group. Possible loss of trust of Polish people to travelling due to worse atmosphere because of the armed conflict and war in the territory of Ukraine was recorded in the first period, directly after the start of the military aggression. In the following weeks levels of sales and advance sales recorded by the Group were gradually restored to the expected levels of so-called normal conditions of operations in tourism industry. Relatively low number of infections and COVID-19 pandemic did not lead to fall in number of bookings and value of advance sales of package holiday services provided by the Company in future seasons and thus it didn't have significant effect on tour operator activities.

The above factors can of course potentially have effect on development of tourism industry in the future (potential suppression of the rising tendency after the pandemic), especially potential occurrence of stagnation in Poland and in the world due to worse economic situation linked to rising inflation, rise in interest rates and significant, from the point of view of tour operators industry, high prices of crude oil (and in consequence aviation fuel, which has direct effect on cost of airplane tickets). The mentioned external factors have significant effect on rising costs of organization of package holidays, and thus the final price offered to customers. The respective negative factors may have effect of postponing decision to go on holiday by potential customers and in some extreme cases can lead to resignation from holiday excursions. However, as at the date of approval of this report for publication (18.11.2022), results of advance sales for following touristic seasons (that is Winter 2022/2023 season and the start of Summer 2023 season) and the amounts of presently earned sales revenue allow us to plan sales activities in the Company for following touristic seasons with moderate optimism.

General Strategy of Rainbow Tours for 2023 and following years, similarly as in 2022 and previous years (despite inhibition of rising economic trend since 2020 in local as well as global scale, due to the pandemic caused by spread of SARS-CoV-2), assumes consistent building of strong and recognizable Rainbow brand on the mass market and strong Capital Group, which operations will cover all aspects of tourism market. The mission of Rainbow Tours Group is joint and constant learning about holiday dream of customers and fulfilling those dreams in 100 %. The main objective of the Group is to create the best tour operator in Poland, which reputation will be recognized by all Polish people. The name Rainbow Tours is to be synonymous with quality, reliability and experience of staff. Additionally, it should be associated with 100 % satisfaction from holidays and learning the true colours of visited places.

Main instruments of implementing the strategy are still the same and are continuously improved, and these are as follows:

- Diverse offer of holiday packages aimed predominantly at mass customers, it is supplemented with new destinations depending on current trends, at the same time the company develops the segment of business travel and incentive travel,
- own multichannel of sales system, where, apart from own offices, sales through call centre are becoming increasingly important, rising share of own channel in sales structure allows to relatively lower their costs and retain full control over their quality and form.
- development of new technologies, including own reservation system.
- Development of a hotel chain in Greece, including owing to funds provided under the agreement signed in February 2019 with Fundusz Ekspansji Zagranicznej FIZ AN (which is a part of Polish Development Fund Group) and the loan from BGK bank; development of the hotel chain will allow to earn higher margin. Currently, the chain of hotels operating under White Olive brand, including one under long-term lease, comprise five hotels, three hotels on the Greek Island Zakynthos (two four-star hotels and one five-star hotel), the five-star hotel is situated in Sfakaki on Crete and four-star hotel is situated in the town of Pefkos on Rhodes.
- optimisation of employment and costs, i.e., by concentration of operations in the parent company, while the hotel operations are carried out in subsidiaries: White Olive A.E. and White Olive Premium Lindos A.E.,
- consolidation of charter market, in order to sell tickets with profit to smaller tour operators.
- filling seats in charter planes, because their sales determine largely profitability of the whole package holiday.
- effective currency policy impacting financing of development.
- Because of pandemic experience caused by spread of SARS-CoV-2: continuation of activities aimed to adjust the model, scope and nature of services provided:
 - acceleration (compared with usual dates used in the periods before the pandemic, that is in 2019 and previous years) of sales of future offers in advance, e.g., Winter 2022/2023 offer was already on sale in March 2022, the sale of Summer 2023 offer is offered as of 17.08.2022 r.; the offers are sold with a package of discounts.

- extension of tour operator offers to include holidays in the unique programme “Discover Poland anew” (with full service typical for package holidays abroad, including i.e. transport, services of holiday representative, access to kids clubs, the possibility to change reservation free of charge to package holiday abroad within 3 days before the start of the service), 200 selected hotel to choose from, from cheaper hotels with extended infrastructure to five star hotels and luxury resorts, the offer includes package holidays in 9 regions of the country: Beskid Sądecki, Beskid Śląski, Karkonosze, Masuria, Vistula Spit , Augustów Lake District, Middle Pomerania, Eastern Pomerania and Western Pomerania
- continuous extension of the summer season offer (starting from Summer 2021 season) by so called exotic destinations (Dominican Republic, Mexico, Bali, Zanzibar, Kenya, Mauritius – with direct flight in Dreamliner; from 2022 additionally from the airport in Gdańsk), which in the previous sales model were offered mainly in so called winter seasons, the holidays in exotic destinations also offer additional programs, tours, light exotic - combined with sightseeing, which is aimed at making holidays more attractive and diverse.
- starting from Summer 2022 season introduction to the offer portfolio – under “Rainbow Elite” brand - more than 200 carefully selected hotels satisfying special needs of customers, who seek luxury holidays and are interested in above average quality of holidays; the offer covers luxury holidays in the most popular destinations, including 80 only in Greece, almost 40 in Turkey and 17 in Spain as well as in Egypt, Italy, Croatia or Portugal, other destinations include Mexico, Dominican Republic, Arab Emirates; the hotels on offer are in the best hotel chains: Jumeirah, Mandarin Oriental, Kempinski, Rixos Hotels, Wyndham Hotels, Four Seasons or Greccotel. There are also many luxury hotels in well-known hotel chains e.g., Iberostar Selection, Bahia Principe Luxury or Sofitel Luxury. Rainbow Elite offers both small and boutique hotels e.g., on Santorini, or Mykonos, as well bigger resort hotel with more family character with perfect all inclusive, e.g., in Turkey.

DESCRIPTION OF BASIC ECONOMIC AND FINANCIAL DATA

In first six months of 2022 – after record rise in sales revenue and in number of bookings of holiday packages for Summer 2022 season in January until the last ten days of February 2022 – short term (that is 1-2 weeks) effect on sales and rise and dynamics of sales had the start of military aggression by Russian Federation in the territory of Ukraine (which started on 24.02. 2022) which led to negative consumer moods i.e. in package holiday industries. Despite this unfavourable factor when the consumers and potential customers grow accustomed to the military conflict in the closest neighbourhood of Poland, after temporary suppression of sales following directly after the start of war in the Ukraine, in the following months, in I and II quarter of 2022 the Company gradually returned to rising sales and bookings of package holidays offered by the Company Summer 2022 sales as well as Winter 2022/2023 sales.

Because of the above facts and the growing dynamics of sales, which is part of the above tendencies (after short-term suppression at the turn of February and March 2022), single sales revenue of Rainbow Tours in the period of three quarters of 2022 came to PLN 1,896,867 thousand and compared with the period of three quarters of 2021 (the period of economic situation affected by COVID-19 pandemic, during the phase of restoring levels of sales after periods of strict lockdown), which means rise in sales by around 90.7% (sales revenue for the period of three quarters of 2021 came to PLN 994,578) whereas in comparison with the period of three quarters of 2019 (the period of normal operations of the company in the record high revenue – 2019) also means rise in sales by 29.2% (sales revenue for three quarters of 2019 came to PLN 1,468,452 thousand).

Table. Specification of revenue of the Parent Company for the period of three quarters of 2022 and the comparative period of three quarters of 2021.

structure of revenue of the Company	2022	2021	Change	%
	January – September	January – September		
	PLN'000	PLN'000	PLN'000	
1	2	3	4=2-3	5=4/3
revenue from sales of package holiday	1 894 239	992 873	901 366	90,80%
Sales revenue – other	2 628	1 705	923	54,10%
Total revenue	1 896 867	994 578	902 289	90,7%

Table: Specification of revenue of the Parent Company for three quarters of 2022 and the comparative period of 3 quarters of 2019.

structure of revenue of the Company	2022		2021		Change	%
	January – September		January – September			
1	2	3	4=2-3	5=4/3		
	PLN'000	PLN'000	PLN'000			
revenue from sales of package holiday	1 894 239	1 467 597	426 642	29.10%		
other - sales revenue	2 628	855	1 773	207.40%		
Total revenue	1 896 867	1 468 452	428 415	29.2%		

Table. revenue of the Parent Company from sales of package travel in individual sales channels.

Description	2022		2021		Dynamics	Dynamics
	January – September	Structure	January – September	Structure		
	PLN'000		PLN'000		PLN'000	%
Sales through agents	697 399	36.80%	380 509	38.30%	316 890	83.28%
Sales through retail offices and Call Centre	946 073	49.90%	496 691	50.00%	449 382	90.48%
Other	250 767	13.30%	115 673	11.70%	135 094	116.79%
Total	1 894 239	100.0%	992 873	100.00%	901 366	90.8%

Cost of sales of sold package travel in the reporting period of three quarters of 2022 came to PLN 1,706,671, up by 94.3% compared to similar category of costs for the period of three quarters of 2019 (PLN 1,267,847 thousand).

Higher dynamics of rising cost of sales was predominantly affected by rising exchange rates from March 2022 and the rising prices of aviation fuel as a consequence of the armed conflict between Russia and Ukraine. Gross profit on sales (margin on sales) earned in the period of 3 quarters of 2022 came to PLN 190,196 thousand and growth dynamics came to a 63.5%. In the comparative period of 3 quarters of 2021 gross profit on sales (margin on sales) came to PLN 116.306 thousand.

Administrative costs of the Company in the reporting period of three quarters of 2022 came to PLN 159,253 thousand, up by PLN 55,390 thousand from this category of costs incurred in three quarters of 2021 (PLN 103,863 thousand), which means growth dynamics of 53.3%.

Table. Specification of administration costs of the Parent Company.

Administration costs	2022		2021		Change	%
	January – September		January – September			
1	2	3	4=2-3	5=4/3		
	PLN'000	PLN'000	PLN'000			
Selling costs	128 930	84 660	44 270	52.3%		
Overheads	30 323	19 203	11 120	57.9%		
Total cost of operations	159 253	103 863	55 390	53.3%		

The Parent Company classifies commission paid to agents cooperating with the Issuer, marketing costs and cost of own distribution channels (traditional offices and call centre) in selling costs. Selling costs in the reporting period of three quarter of 2022 came in total to PLN 128,930 thousand - up by PLN 44,270 thousand than the amount incurred in the period of three quarters of 2021 (PLN 84,660 thousand).

Due to the waive off of 75% of the original amount of the loan granted by the Polish Development Fund under Financial Shield of the Polish Development Fund for Large Companies ver. 2.0 soft loan in the amount of PLN 2,936.3 thousand (the amount of waive off - PLN 2,202.2 thousand), the Parent Company increased the other operating revenue. The Company in the period of three quarters of 2022 earned profit on operations, described as the operating margin (EBIT), which came to PLN 31,484 thousand, whereas in the comparative period of three quarters of 2021 the amount of operating margin came to PLN 35,03. Gross margin after three quarters of 2022 came to 10.03% (in the period of three quarters of 2021 the ratio was at 11.69%).

Due to i.e. holiday peak touristic season (July- August), which is characteristic for the tourism industry in Poland and Europe, the Parent Company in the period of three quarters of 2022 earned single net profit in the amount of PLN 25,609 thousand, whereas in the comparative period of three quarters of 2021 single net profit came to PLN 30,555. In the period of three quarters of 2020 (the period of I and II second wave of COVID-19 pandemic, peaks of infections and severe restrictions) the Parent Company made a single net loss in the amount of PLN (-) 8,267 thousand and in the period of three quarters of 2019 it earned net profit in the amount of PLN 44,002 thousand.

Return on sales for the Parent Company, which is the ratio of net profit/loss to sales revenue in the period in question came to 1.35%, while in the period of three quarters of 2021 it came to 3.07%. EBITDA for single data for the period of three quarters of 2022 came to PLN 43,804 thousand and was slightly higher than in the same period of three quarters of 2021, when single EBITDA came to PLN 43,767 thousand. It should be noted that in the period of three months of 2021 borrowing costs reduced net profit/loss of the Company.

The single statement of financial position as at 30.09.2022 in "Liabilities and equity", in the item "Deferred income" the amount of PLN 135,132 thousand refers to down payments for advances sales (down payments received for holiday package services provided in the future). As at 30.09.2021 the amount came to PLN 91,503 thousand. Cash and liquid funds as at the end of September 2021 the item came to PLN 137,739 thousand.

Due to the fact that the amount of consolidated sales revenue is greatly influenced by the sales in the Parent Company of the Group (that is Rainbow Tours S.A.), the amount of revenue of Rainbow Tours was characterize by similar tendencies as the level of single revenues.

The consolidated sales revenue of the Group in the period of three quarters of 2022 came to PLN 1,933,539 thousand and compared to the period of three quarters of 2021 (the period of operations of the Group, including the Parent Company in the economic situation affected by COVID-19 pandemic, at the stage of restoring levels of sales following strict lockdown) means rise in sales by around 92.00% (the consolidated sales revenue for the period of three quarters of 2021 came to PLN 1,007,140 whereas compared with the period of three quarters of 2019 (the period of normal operations of the Group with historically record high revenue in 2019) also means rise in sales, that is a about 30.80 % (the consolidates sales revenue for three quarters of 2019 came to PLN 1,478,420) The relative rise in value of revenue in the period of three quarters of 2022 is also affected by the rise of net price of the package holiday (caused by rise in aviation fuel price, rise in settlement exchange rates of the Company that is USD and EUR).

It should also be mentioned that because of the seasonality in operations of hotels "hotel companies" (White Olive A.E., White Olive Premium Lindos A.E.) in the model plan start operations and start to earn revenue at the end of April of the calendar year. In 2021 the government of Greece provided sanitary report, which enable to operate hotels at the beginning of May 2021 and that allowed us to start operations from the half of the month in 2021. In 2022 the tourism season in hotel companies started according to standard and model schedule (in 2022 hotel season for hotels operating under own brand: White Olive started from May 2022).

Table. specification of revenue of the Group for three quarters of 2022 and for the comparative period for three quarters of 2021.

Structure of revenue of the Group	2022		2021		Change	%
	January – September	January – September	January – September	January – September		
	PLN'000	PLN'000	PLN'000	PLN'000		
1	2	3	4=3-2	5=4/3		
Revenue from sales of package travel	1 912 364	999 517	912 847	91.3%		
Revenue from sales of hotel services	19 631	6 466	13 165	203.6%		
Sales revenue – other	1 544	1 157	387	33.4%		
Total revenue	1 933 539	1 007 140	926 399	92.0%		

Table. Specification of revenue of the Group for three quarters of 2022 and the comparative period for three quarters of 2019

Structure of revenue of the Group	2022		2021		Change	%
	January – September	January – September	January – September	January – September		
	PLN'000	PLN'000	PLN'000	PLN'000		
1	2	3	4=3-2	5=4/3		
Revenue from sales of package travel	1 912 364	1 467 597	444 767	30.3%		

Structure of revenue of the Group	2022		2021		Change	%
	January – September		January – September			
	PLN'000		PLN'000			
1	2	3	4=3-2	5=4/3		
Revenue from sales of hotel services	19 631	9 770	9 861	100.9%		
Sales revenue – other	1 544	1 053	491	46.6%		
Total revenue	1 933 539	1 478 420	455 119	30.8%		

Gross profit on sales, defined as gross profit margin in the period of three quarters of 2022 came to PLN 216,994 thousand, while in the comparative period of three quarters of 2021 the amount of margin earned came to PLN 129,630 thousand. In the period of three months of 2019, the gross profit margin PLN 209,042 thousand. Gross margin on sales for the period in question of three quarters of 2022 came to 11.2% (after three quarters of 2021 it was 12.9, after three quarters of 2020 it was 15.1 %, and after three quarters of 2019 it was the ratio came to 14.1%).

Table. Specification of the administration of the Group.

Administration costs of the Group	2022		2021		Change	%
	January – September		January – September			
	PLN'000		PLN'000			
1	2	3	4=2-3	5=4/3		
Selling costs	- 133 272	- 89 875	- 43 397	48.3%		
Overheads	- 34 792	- 22 655	- 12 137	53.6%		
Total	- 168 064	- 112 530	- 55 534	49.4%		

Net margin for the Group, which is the relation of net performance to sales revenue in the period in question – that is three quarters of 2022 came to (-) 2.2%, it was 3.3%.

Cost of amortization in the period of three quarters of 2022 came to PLN 19,985 thousand and in the comparative period of three quarters of 2021 the amount of amortization costs came to PLN 13,923. EBIDTA for the period in question of three quarters of 2022 came to PLN 70,094 thousand and in the comparative period of three quarters of 2021 PLN 56,060 thousand.

The above facts affected the amount of the consolidated result of Rainbow Tours Group for three quarters of 2022; in the period in question after three quarters of 2022, the consolidated net result came to PLN 42,873 thousand of profit, which is a rise in relation to the consolidated net result for three quarters of 2021, which closed with the amount of PLN 36,367.

Due to the capital share of FIZAN (the Fund manager by PFR Towarzystwo Funduszy Inwestycyjnych S.A., which is a part of the Polish Development Fund Group) in the Greek subsidiary White Olive A.E., net profit for shareholders of the parent company in the period in question came to PLN 38,751 thousand, whereas the profit for shareholders of the company for the same period of 2021 came to PLN 34,657 thousand, which is around 11.8%.

As at 30.09.2022 the amount of revolving credits (without investment loan) came to the amount of PLN 56,912 thousand, while cash amounted to PLN 245.852 as at the balance sheet date 30.09.2022. Considering total financial engagement, that is subsidy loans granted by agencies of the Polish and Greek governments as well as right of use liabilities and lease liabilities, total financial debt as at 30.09.2022 came to PLN 144,410 thousand. As at the last day of September 2022 the amount of cash held by the Group came to PLN 245,852 thousand, and is substantially higher than at the end of September of 2021 (PLN 142.665 thousand).

My Way by Rainbow Tours

The operations of "My Way by Rainbow Tours" Sp. z o.o. are supplementary to basic activities of the tour operator. The company concentrate on organizing and providing training for travel couriers, leisure time animators, and holiday representatives under the Rainbow Academy project [website: <http://akademiarainbow.pl/>]. "My Way by Rainbow Tours" Sp z o.o. earned single net profit in the amount of PLN 15 thousand in the period in question of three quarters of 2022. For the period of three quarters of 2021 the subsidiary made earned single net profit in the amount of PLN 4 thousand.

Hotel operations. White Olive A.E. and White Olive Premium Lindos A.E.

The Group pursues the plan of expanding own and leased (managed) chains of hotels [it started in 2015] by the companies of Rainbow Tours Group and that is the main area of operations of the Company apart from tour operator activities pursued by the Parent Company.

Owing to implementation of the policy of expanding tourism services in hotels owned by companies of Rainbow Tours Group or leased on long-term lease the Parent Company intends to control the service of customers from the stage of organization (preparation of a product) to the moment of purchase of package travel (own network of sales, call centre and website) until accommodating of a customer in holiday destinations. Investment in expansion of own chain of White Olive hotels is an element of the strategy of Rainbow Tours Group for the years to come. Own hotel base offers broader opportunity to create and manage the product and it also helps to earn higher and stable financial result. The expansion of own hotel chain will allow to earn higher margin on sales.

In 2018 the Group signed with Bank Gospodarstwa Krajowego the investment loan contract in the amount of EUR 15,500 thousand and at the same implements previous strategy of investing in hotel segments.

In 2019 the Parent Company (as a Partner) with its subsidiary forming Rainbow Tours Group, that is a joint stock company operating under Greek law under business name White Olive A.E. with registered office in Athens, Greece "White Olive A.E." entered with Fundusz Ekspansji Zagranicznej A Closed-End Fund ("the Fund"), which is entered into register of investment funds maintained by Regional Court in Warsaw VII Civil and Registry Division under No RFI 1162 and managed by PFR Towarzystwo Funduszy Inwestycyjnych (PFR an Investment Fund Company) a joint stock company with its registered office in Warsaw, which is a part of Polish Development Fund Group, an investment contract ("the Contract" or "the Investment Contract") to invest in participation of the Fund, jointly with the Company (as a Partner) in White Olive A.E. to finance growth of operations in respect of provision of tourism services in hotels owned by White Olive A.E. or managed by the respective entity on a long term lease. In 2021 the said investment and expansion plans regarding hotel operations were implemented. On 30.03.2021 the parties to the investment loan contract started to finalize investment and in consequence of subscribing shares in the increased share capital of White Olive A.E. the share of share capital of White Olive A.E., which belongs to the Fund and the Issuer, is follows (i) the Fund holds shares of White Olive A.E., which is 34.02% of the share in total number of votes at the General Meeting of Shareholders of White Olive A.E. (ii) the issuer (Rainbow Tours S.A.) holds shares of White Olive A.E., which constitute 65.98% of the share in total number of votes in the General Meeting of Shareholders of White Olive A.E. The funds obtained by White Olive A.E., due to the increase in the share capital, were used for financing the purchase and general upgrading of the hotel previously leased on the long-term and managed by White Olive A.E., the hotel operates under the name "White Olive Elite Rethymno" and situated in Sfakaki on Crete in the neighbourhood of the town Rethymno.

Currently, the chain of own hotels operating under the brand White Olive on the long-term lease has 5 hotels, including: three hotels situated on the Greek island Zakynthos (two four-star hotels and one five-star hotel), the five-star hotel situated in Sfakaki on Crete and a four-star hotel situated in Pefkos in the Greek island Rhodes. The current list of hotels operating under White Olive brand (including own hotels and the hotel managed on long-term lease) was provided in the note 2 "Description of the organization of the Issuer's Group with indication of consolidated entities" to these abridged consolidated financial statements of Rainbow Tours Group for III quarter of 2022 and accruing got three quarters, above.

The subsidiary White Olive A.E for the period of three quarters of 2022 earned net profit in the amount of PLN 11,821 thousand (for the period of three quarters of 2021 the subsidiary White Olive A.E earned operating profit in the amount equivalent to PLN 3,788 thousand and earned net profit in the amount equivalent to PLN 2,462 thousand).

The indirect subsidiary of Issuer, that is White Olive Premium Lindos A.E. (the operator of White Olive Premium Lindos) for the reporting period of three quarters of 2022 made a net loss in the amount of PLN (-)443 thousand. Financial result (operating loss and net loss) of White Olive Premium Lindos A.E for the period of three quarters of 2021 came to the equivalent of PLN (-)697 thousand.

Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri Anonim Sirketi

The respective subsidiary was formally registered at the end of III quarters of 2020, and it started business for the first time in the Summer 2021 season. The formation of the respective company was intended to develop operations of Rainbow Tours Group in respect of operations of tour operators as well as improving internal organizational structure of the Group and contributing to save on operating costs and increasing efficiency of operations of the Group. Through operations of Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S. the Parent Company implements, with the same time resignation form services external suppliers, the policy of optimisation of holiday package costs, as well as increasing profitability of additional services sold to customers of Rainbow Tours (package tours and optional excursions) at the subsequent stage the respective subsidiary will be ready to offer touristic products also to other entities on the tourism market (tour operators).

In the period of three quarters of 2022 the subsidiary Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S. recorded sales at the level of 31,863 thousand, and earned net profit in the amount of PLN 2,132 thousand. In the comparative period of three quarters of 2021 the respective subsidiary recorded sales at the level equivalent to 22,191 thousand and earned net profit in the amount equivalent to PLN 2,201 thousand, and the net profit came to PLN 2,244 thousand.

Tour operator activities – foreign branches (Greek, Spain)

In order to expand business of Rainbow Tours Group in respect of tour operators as well as to improve internal organizational structure and to contribute obtain savings on operating costs and improve efficiency of operations of the Group, the Parent Company consistently acts to delegate to and carry out some activities of tour operators in organizational entities formed for this purpose (branches formed in Greece and Spain), which operate in key and important destinations for the Group. These operations are a part of the strategy of vertical integration of the Issuer, according to which Rainbow Tours S.A. intends - with the same time resignation from services of external suppliers, substantially optimize costs of package holidays as well as to increase profitability of additional services sold to customers of Rainbow Tours S.A. (package tours and optional excursions) in following stages of offering touristic products also to other market entities (tour operators).

“Foreign branch of Rainbow Tours S.A. in the territory of Greece operating as Rainbow Tours Spółka Akcyjna – branch in Athens”.

Pursuant to respective resolution of the Management Board of the Company of 21.05.2019 the Management Board took the decision to form a company in the territory of Greece, that is separated and organizationally independent part of business operations carried out by the Company outside the registered office of the Company, which operates under the business name and designation “Rainbow Tours Spółka Akcyjna – branch in Athens”. The branch constitutes “a facility” within the meaning of provisions of the Agreement between the government of the Republic of Poland and Republic of Greece on avoiding double taxation in respect of income and property” drafted on 20.11.1987 (Journal of Laws of 23.12.1991 No 120, item 524) with the Declaration of the Government of Poland of 23 October of 1991 on exchange of ratification documents of the agreement between the Government of the People’s Republic of Poland and the Government of the Republic of Greece on avoiding double taxation in respect of taxes on income and property, drafted in Athens on 20 of November 1987.” (Journal of Laws of 23.12.1991 No 120, item 525), that is a permanent facility, through which the Company carries out its operations in the territory of Greece. The branch in Greece was registered in the Polish register of businesses of the National Court Register pursuant to the decision of the Registration Court of 08.08.2019, however, the operations of the branch started from the Summer 2020 season. The registered office of “Rainbow Tours Spółka Akcyjna – branch in Athens” is situated in Athens, Greece.

In the period of three quarters of 2022 the Branch in Greece (that is “Rainbow Tours Spółka Akcyjna – branch in Athens) recorded sales at the level equivalent to PLN 21,852 thousand and earned operating profit in the amount equivalent to PLN 3,019 thousand and net profit came to the equivalent of PLN 3,014 thousand. In the comparative period of three quarters of 2021 the branch in Greece recorded sales at the level equivalent to PLN 17,529 thousand and earned operating profit in the amount equivalent to PLN 1,804 thousand and the net profit amount to equivalent of PLN 1.799.

Foreign Branch of Rainbow Tours S.A. in the territory of Kingdom of Spain operating as “Rainbow Tours Spółka Akcyjna – Branch in Torremolinos” (“Rainbow Tours Spolka Akcyjna – Sucursal en Torremolinos”)

Pursuant to respective resolution of the Management Board of 17.01.2020 the decision was taken to form the branch in the territory of the Kingdom of Spain, that is separated and organizationally independent part of business operations carried out by the Company outside the registered office of the Company, which operates under business name and designation of “Rainbow Tours Spółka Akcyjna – Branch in Torremolinos”. The branch constitute facility within the meaning of relevant provisions of “the Agreement between People’s Republic of Poland and the government of Spain on avoiding double taxation in respect of income tax on income and property”, which was signed on 5.11.1979 (Journal of Laws of 18.06.1982 No 17 item 127) with the “Declaration of the Government of 10 May 1982 on exchange of ratification documents of the Agreement between the Government of the People’s Republic of Poland and the Government of Spain on avoiding double taxation in respect of taxes on income and property signed in Madrid on 15 November 1979.” (Journal of Laws of 18.06.1982 No 17, item 128), that is permanent facility through which the Company carries out its operations in the territory of the Kingdom of Spain. The branch in Spain was registered in the Polish register of businesses of the National Court Register pursuant to the decision of the Registration Court of 11.05.2020, and – according to provisions applicable in Spain – was registered in the territory of the Kingdom of Spain on 27.09.2021. The registered office of “Rainbow Tours Spółka Akcyjna – branch in Torremolinos” (“Rainbow Tours Spolka Akcyjna – Sucursal en Torremolinos”) is situated in Spain in Torremolinos (Malaga). The branch in Spain started operations from Summer 2022 season.

In the period of three quarter of 2022 the branch in Spain (that is “Rainbow Tours Spółka Akcyjna – Branch Torremolinos) recorded sales at the level equivalent to the amount of PLN 10,648 thousand and earned net operating profit in the amount equivalent to PLN 710 thousand, and net profit came to the equivalent of PLN 725 thousand.

ALTERNATIVE MEASUREMENT OF PERFORMANCE – SELECTED FINANCIAL RATIOS

When making (in respect of information of the Management Board of the Parent Company on operations of Rainbow Tours and Rainbow Tours Group) assessment and description - for reported financial data, of the situation and financial performance of the Parent Company and the Group, the Management Board also reflects on so called Alternative Performance Measures; "APM", which are not usually reported in financial reporting according to IFRS, or which elements are not directly available in standard reports and /or notes. These are measurements calculated on the base of information from financial reports drafted in accordance with IFRS.

AMP are consistent with the manner, in which the Management Board measures and assess results of the Group and the Company in internal management accounting and are helpful for presenting a financial situation and operations, and also it makes it easy to analyse and assess results of the Group, both for internal needs as well as those in external contacts with financial analytics, potential investors, shareholders and institutions (which finance operations of Rainbow Tours Group). The respective ratios supplement financial data, provide - for users of reports, additional information on financial situation and performance of Rainbow Tours Group and the Parent Company.

The Management Board analyses the performance of the Company and the Group using key efficiency ratios such as EBIT, EBIT margin and EBITDA. However, it should be taken into consideration that these are not ratios defined under IFRS and do not constitute standardized measures, and that is why the manner, in which they are calculated, might differ among different entities on the market. According to the guidelines published by ESMA in respect of Alternative Performance Measures (ESMA/2014/2015) the list below presents definitions of alternative performance measurements used by Rainbow Tours Group and agreement in respect of the data presented in financial statements drafted according to International Financial Reporting Standards.

Measure: EBIT

Definition: The Company defines EBIT as "profit/(loss) on operations"

Measure	Single data		Consolidated data	
	from 01/01/2022 to 30/09/2022	from 01/01/2021 to 30/09/2021	from 01/01/2022 to 30/09/2022	from 01/01/2021 to 30/09/2021
	PLN'000	PLN'000	PLN'000	PLN'000
EBIT = profit / (loss) on operations	31 484	35 037	50 109	42 137

Measure: Gross Margin

Definition: Gross margin defined as a ratio of gross sales profit/loss to sales revenue. The ratio is a percentage:

Measure	Single data		Consolidated data	
	from 01/01/2022 to 30/09/2022	from 01/01/2021 to 30/09/2021	from 01/01/2022 to 30/09/2022	from 01/01/2021 to 30/09/2021
	PLN'000	PLN'000	PLN'000	PLN'000
Sales revenue	1 896 867	994 578	1 933 539	1 007 140
Gross profit/loss on sales	190 196	116 306	216 994	129 630
Gross margin	10.03%	11.69%	11.22%	12.87%

Measure: EBITDA

Definition – it is the main measure of operating margin used by the Management board and reflects the profit on operations before amortization and impairment of fixed assets.

Measure	Single data		Consolidated data	
	from 01/01/2022 to 30/09/2022	from 01/01/2021 to 30/09/2021	from 01/01/2022 to 30/09/2022	from 01/01/2021 to 30/09/2021
	PLN'000	PLN'000	PLN'000	PLN'000
[A] Profit (loss) on operations	31 484	35 037	50 109	42 137
[B] Amortization (in plus)	12 320	8 730	19 985	13 923

Measure	Single data		Consolidated data	
	from 01/01/2022 to 30/09/2022	from 01/01/2021 to 30/09/2021	from 01/01/2022 to 30/09/2022	from 01/01/2021 to 30/09/2021
	PLN'000	PLN'000	PLN'000	PLN'000
EBITDA = [A] + [B]	43 804	43 767	70 094	56 060

Measure: financial debt

Definition: it is a measure of the level of debt used by the Management Board in respect of the financial sector (banks, leasing companies). The manner of calculating of the financial debt is not defined in IFRS, the methodology adopted by the Group is presented below:

Measure	Single data		Consolidated data	
	from 01/01/2022 to 30/09/2022	from 01/01/2021 to 30/09/2021	from 01/01/2022 to 30/09/2022	from 01/01/2021 to 30/09/2021
	PLN'000	PLN'000	PLN'000	PLN'000
[A] Overdrafts	26 202	2 536	26 202	2 536
[B] Revolving credits	30 710	10 000	30 710	10 000
[C] bank investment loans	-	-	54 040	63 019
[D] Liquidity loans	-	6 200	496	8 176
[E] financial lease liabilities	578	572	578	572
Financial debt = [A] + [B] + [C] + [D]	57 490	19 308	112 026	84 303

Measure: Net financial debt

Definition: it is the measure of the level of debt used by the Management Board. The manner of calculating the net financial debt is not defined in IFRS; the methodology adopted by the Group is presented below.

Measure	Single data		Consolidated data	
	from 01/01/2022 to 30/09/2022	from 01/01/2021 to 30/09/2021	from 01/01/2022 to 30/09/2022	from 01/01/2021 to 30/09/2021
	PLN'000	PLN'000	PLN'000	PLN'000
[A] Financial debt	57 490	19 308	112 026	84 303
[B] cash and cash equivalents	237 465	137 739	245 852	142 665
Net financial debt = [B] - [A]	179 975	118 431	133 826	58 362

Measure: Total Debt

Definition: it is the measure of the level of debt used by the Management Board. The manner of calculating the total debt is not defined in IFRS; the methodology adopted by the Group is presented below:

Measure	Single data		Consolidated data	
	from 01/01/2022 to 30/09/2022	from 01/01/2021 to 30/09/2021	from 01/01/2022 to 30/09/2022	from 01/01/2021 to 30/09/2021
	PLN'000	PLN'000	PLN'000	PLN'000
[A] financial debt	57 490	19 308	112 026	84 303
[B] right of use liabilities	20 147	28 187	32 384	40 507
Total debt = [A] + [B]	77 637	47 495	144 410	124 810

Measure: Net Total Debt

Definition: it is the measure of the level of debt used by the Management Board. The manner of calculating net total debt is not defined in IFRS; the methodology adopted by the Group is presented below.

Measure	Single data		Consolidated data	
	from 01/01/2022 to 30/09/2022	from 01/01/2021 to 30/09/2021	from 01/01/2022 to 30/09/2022	from 01/01/2021 to 30/09/2021
	PLN'000	PLN'000	PLN'000	PLN'000
[A] total debt	77 637	47 495	144 410	124 810
[B] cash and cash equivalents	237 465	137 739	245 852	142 665
Total Debt = [B] - [A]	159 828	90 244	101 442	17 855

Measure: Net Margin

Definition: it is the measure of the level of efficiency of operations used by the Management Board. The manner of calculating the measure is not defined in IFRS; the methodology adopted by the Group is presented below:

Indicator	Single data		Consolidated data	
	from 01/01/2022 to 30/09/2022	from 01/01/2021 to 30/09/2021	from 01/01/2022 to 30/09/2022	from 01/01/2021 to 30/09/2021
	PLN'000	PLN'000	PLN'000	PLN'000
[A] Sales revenue	1 896 867	994 578	1 933 539	1 007 140
[B] Net profit (loss)	25 609	30 555	42 873	36 367
Net margin = [B] / [A]	1.35%	3.07%	2.22%	3.61%

2. Unusual factors and events, which have effect on the abridged financial statements

In the reporting period of three quarters of 2022 an unusual event took place (and still takes place) which has moderate and or potential consequences for operations of the parent company – military aggression of Russian Federation in the territory of Ukraine starting from 24.02.2022 and inflicted armed conflict and the potential effect of risk related to political and economic situation in the world due to armed conflict refers to:

- persistent long-term and medium-term unfavourable level of prices on the fuel market) in short-term and medium-term perspective the Parent Company introduces provisions to use average prices from earlier periods for charter contracts and uses calculation buffers, which use fuel prices higher than the market prices at a given moment.)
- destabilization and rise of exchange rates, in particular linked to weakening of Polish zloty (PLN) against settlement currencies: American dollar (USD) and euro (EUR).

which can potentially lead to reduced levels of margin of package holidays sold and of business operations and thus, to reduction of the amount of net cash flows and increased demand for borrowings, negative changes in terms of financing or limitation in bank financing.

The experience of the Company from the reporting period of three months of 2022 concerning sales in July and August in the peak of Summer 2022 season - based on the date in respect of achieving high levels of sales by the Company in the summer season, which is the most important in the calendar year (that is Summer 2022 season), where only in the period directly after the military aggression of Russian in Ukraine (the period of 2-3 weeks after 24.02.2022) the drop in the number of bookings of package holidays was noticeable – and that allows the Management Board to make an assessment (current as at the date of approval of this report for publication) that the consumers (and potential customers of the Group, including of the Parent Company) grew accustomed to the conflict in the Ukraine, and that the conflict in Ukraine eventually did not have direct effect on consumer choices of potential customers of the Parent Company and the operations of Rainbow Tours Group. This tendency was confirmed by increase in bookings reported by the Parent Company (both for Summer 2022 season and Winter 2022/2023 season) and rising revenue compared to similar previous periods (both for Summer 2022 as well as Winter 2022/2023 seasons) and rising revenue compared to similar previous periods (see: current reports of the Parent Company: No 8/2022 of 25.04.2022, No 9/2022 of 05.05.2022, No 11/2022 of 27.05.2022 No 13/2022 of 06.06.2022, No 16/2022 of 27.06.2022, No 20/2022 of 05.07.2022, No 21/2022 of 27.07.2022, No 22/2022 of 05.08.2022, No 23/2022 of 26.08.2022, No 29/2022 of 27.09.2022, No 33/2022 of 27.10.2022, No 36/2022 of 07.11.2022).

Negative indirect effect of the military conflict in the territory of Ukraine on operations of the Group, which is seen in global economic decline and local economic indexes, rise in fuel prices, unfavourable exchange rates (what in the end could, to some extent, have and had effect on the performance of the Parent Company in the reported period of three quarters of 2022 and potentially – especially in case of escalation of warfare – could have effect at later time) was balanced by substantially increased consumer

demand for package holidays (especially in the area of luxury tours and hotels), which were also offered at higher prices taking into account rises in price of aviation fuel and exchange rates (costs incurred by tour operators in this respect enforced higher prices of package holidays) and inflation factor.

Except for the above mentioned factors, there were no other significant unusual events – in the opinion of the Management Board of the Parent Company – which could have significant effect on the interim financial statements of Rainbow Tours Group and the Parent Company for three quarters of 2022, however, the Management Board of the Company thinks that macroeconomic factors could have such effects (rising inflation, rising interest rates, which can potentially give rise to economic stagnation) and, which in the reporting period could have relatively small effect, and in the future they will affect development of tourism industry, including effect on postponing decisions to go on holiday by potential customers for later.

Moreover, irrespective of the above, the operations of the Group, including operations of the Parent Company in the future can be impacted by the factors, which were described in details in point 11 “Factors, which in the opinion of the issuer will have effect on issuer’s performance in the perspective of at least another quarter. Perspectives for development and basic risk of operations” of this Part IV “Information of the Management Board on operations of Rainbow Tours Group and Rainbow Tours Spółka Akcyjna” of the extended consolidated report of Rainbow Tours Group for III quarter and three quarters of 2022.

3. Description of changes in organization of Issuer’s Group, including due to business combinations, acquiring or losing control over subsidiaries and long-term investments, as well as division, restructuring or discontinuing of operations and indication of consolidated entities.

In the reporting period of three quarters of 2022 there were no changes regarding organization of Rainbow Tours Group and the relevant information was presented in Note 3 “Description of changes in organization of the Issuer’s Group” to these abridged consolidated financial statements of Rainbow Tours Group for III quarter and three quarters of 2022.

The consolidated entities were presented in note 2 “Description of changes in organization of the Issuer’s Group with indication of consolidated entities” to these abridged consolidated financial statements of Rainbow Tours Group for III quarter and III quarters of 2022.

4. Position of the Management Board of the Company regarding potential realization of previously published forecasts of results for a given year in the light of results presented in the quarterly report.

The Issuer did not publish forecasts of results for 2022.

5. Shareholders holding directly or indirectly through subsidiaries at least 5% of the total number of votes at the general meeting of the Issuer as at the date of publication of this quarterly report with indication of number of shares held by these entities, percentage of those shares in the share capital, number of votes attached to them and percentage of the total number of votes at the general meeting, indication of changes in the ownership structure of substantial blocks of shares of the Issuer in the period from publication of the previous periodic report.

Table. Structure of the share capital and information on general number of shares of Rainbow Tours S.A. and the number of votes attached to the shares with information on shares traded on parallel market at Warsaw Stock Exchange (as the date of approval of this extended consolidated report for III quarter of 2022 that is as at 8.11.2022.

Share series	Type of shares	number of shares [piece.]	Share capital [%]	Number of votes at GM	Share in the total number of votes a GM [%]
A series share	Registered vote preference (x 2)	3 605 000	24.77%	7 210 000	39.23%
AA series shares	Ordinary bearer shares	495 000	3.40%	495 000	2.69%
AB series *	Ordinary bearer shares	900 000	6.18%	900 000	4.90%
B series shares	Ordinary bearer shares	2 000 000	13.74%	2 000 000	10.88%
C1 series shares	Registered vote preference (x 2)	220 000	1.51%	440 000	2.39%

The Extended Consolidated Report of Rainbow Tours Group for III quarters of 2022
(Data in PLN thousand, unless provided otherwise)

Share series	Type of shares	number of shares [piece.]	Share capital [%]	Number of votes at GM	Share in the total number of votes a GM [%]
C2 series shares	Ordinary bearer shares	1 000 000	6.87%	1 000 000	5.44%
C3 series shares	Ordinary bearer shares	200 000	1.37%	200 000	1.09%
C4 series shares	Ordinary bearer shares	120 000	0.82%	120 000	0.65%
C5 series shares	Ordinary bearer shares	900 000	6.18%	900 000	4.90%
C6 series shares	Ordinary bearer shares	560 000	3.85%	560 000	3.05%
D series shares	Ordinary bearer shares	52 000	0.36%	52 000	0.28%
E series shares	Ordinary bearer shares	2 000 000	13.74%	2 000 000	10.88%
F series shares	Ordinary bearer shares	2 500 000	17.18%	2 500 000	13.60%
Total		14 552 000	100.00%	18 377 000	100.00%
total dematerialized shares, which are the object of trade at WSE		9 827 000	67.53%	9 827 000	53.47%

AA, B, C2-C6, D, E and F series of shares in the total number of 9,827,000 are traded at the regulated market a Warsaw Stock Exchange.

*) pursuant to relevant applications of shareholders (Flyoo Sp. z o.o., TCZ Holding Sp. z o.o. and Elephant Capital Sp. z o.o.) the Management Board of the Company on 27.06.2022 converted 900,000 registered preferred shares of A series in the total number of 4,505,000 to ordinary bearer shares, after the conversion A series shares were marked respectively as 3,605,000 registered preferred shares of A series and as 900,000 ordinary bearer shares of series A, pursuant to the resolution No 36 of OGM of the Company of 30.06.2022 part of series A shares change their marking (900,000 ordinary bearer shares of A series were marked as ordinary bearer shares of AB series) and in this respect amendment to the Articles of Association was registered in the register of business of the National Court Register on 03.11.2022. The Management Board of the Company filed to WSE (with the delivery date on 04.11.2022) an application to list 900,000 ordinary bearer shares of AB series on the parallel market in Warsaw Stock Exchange as a consequence of assimilation of shares in the National Depository for Shares and at the same time with filing the respective application to WSE the Issuer, on 03.11.2022, filed to the National Depository for Securities (with the delivery date on 04.11.2022) relevant application to assimilate securities (together with the required attachment and the relevant Registration letter) and indicated the respective shares as ordinary bearer shares of AB series of the Company (currently marked in the National Depository for Securities with the ISIN code: PLRNBWT00056) as securities subject to assimilation under ISIN code of securities: PLRNBWT00031 (currently 9,827,000 shares is marked with the code – which are listed on the parallel market of Warsaw Stock Exchange) according to the applications filed to WSE and KDPW the proposed date for assimilation, which is at the same time the proposed date to list 900,000 shares of AB series on the parallel market on WSE (first quotations of the respective Company's shares) was set as 30.11.2022; after assimilation and listing of the respective 900,000 shares of AB series on the parallel market on WSE under ISIN code: PLRNBWT00031 total of 10,727,000 Company's shares will be listed out of the total number of 14,552,000 issued shares.

The below information about number of shares held as at the date of approval of the extended consolidated report for III quarter of 2022, that is as at 30.09.2022 - that is number of shares held by shareholders (including members of governing bodies of the Company) who hold directly or indirectly at least 5% of total number of votes at the General Meeting of the Company, was drafted in particular based on information obtained from shareholders fulfilling their obligations of shareholders of public companies pursuant to relevant provisions of law, including pursuant to provisions of the act on public offering and conditions of introducing financial instruments to organized trade system and public companies (art. 69 and art. 69a) and pursuant to provisions of the Regulation of the European Parliament and the Council (EU) No 596/2014 of 16.04.2014 on market abuse and repealing the directive 2003/6/EC of the European Parliament and the Council and the Directive of the 2003/124/WE, 2003/125/WE and 2004/72/WE (MAR art. 19). Additional information about Company's shares held are provided pursuant to publicly available date on portfolio engagement and asset structure of investment funds and pension funds, including based on information on number of shares registered in the General Meeting of the Company (the date available periodically – i.e., based on information from financial statements of investment funds and pension funds – from the date of publication of the last information the data may change).

Table. List of shareholders, holding directly as at the date of approval of this extended consolidated quarterly report for III quarter of 2022 for publication that is as at 18.11.2022 significant block of company's shares, that is blocks of shares, which represent at least 5% of the total number of votes at the General Meeting.

shareholder	Number of shares [piece]	Number of votes at GM from shares [piece]	Share in Company's capital share [%]	Total votes at GM [%]
Slawomir Wysmyk	1 868 346	3 428 346	12.84%	18.66%
Flyoo Sp. z o.o.	1 580 000	2 435 000	10.86%	13.25%
Elephant Capital Sp. z o.o.	1 645 000	2 345 000	11.30%	12.76%
TCZ Holding Sp. z o.o.	1 335 000	2 035 000	9.17%	11.07%
Nationale Nederlanden PTE S.A. (through managed funds)	1 718 000	1 718 000	11.81%	9.35%
Generali PTE S.A. (through managed funds)	1 008 459	1 008 459	6.93%	5.49%
OTHER SHAREHOLDERS	5 397 195	5 407 195	≈37.09%	29.42%
TOTAL:	14.552.000	18.377.000	100.00%	100.00%

In the period from publication of the last periodic report (that is the Extended Consolidated Report of Rainbow Tours Group for six months of 2022 – PSr 1/2022) that is from 30.09.2022, there were no changes in ownership structure of significant blocks of shares of the Issuer.

6. Total number of shares of the Issuer or rights to shares held by members of the Management Board and the Supervisory Board of the Issuer as at the date of signing of this quarterly report, with indication of changes in ownership, in the period from signing of the previous periodic report, separately for each person.

As at the date of approval of this extended consolidated quarterly report for III quarter of 2022 that is as at 18.11.2022:

- Two members of the four-member Management Board of the Parent Company (Mr Jakub Puchałka and Mr Maciej Szczechura, who are members of the Management Board) hold shares directly, and one member of the Management Board (Mr Grzegorz Baszczyński, who is the President of the Management Board) holds shares indirectly.
- One member of seven-member Supervisory Board of the Company (Mr Remigiusz Talarek, who is a member of the Supervisory Board) holds share directly and indirectly (through the subsidiary) and one member of the Supervisory Board (Mr Tomasz Czapla, who is a member of the Supervisory Board) holds shares of the Company indirectly (through the subsidiary).

Table. Summary of shares of the Parent Company, which are directly and indirectly held by members of the Management Board and the Supervisory Board of the Issuer (as at the date of approval of this extended consolidated report for III quarter of 2022 that is as at 18.11.2022).

Shareholder / member of the Management Board or Supervisory Board	Number of shares	Number of votes at GM	Company's share capital [%]	Share of votes at GM
Grzegorz Baszczyński - the President of the Management Board	directly	-	-	0.00%
	Indirectly, through the subsidiary: Flyoo Sp. z o.o.	1 580 000	2 435 000	10.86%
	Total	1 580 000	2 435 000	10.86%
Remigiusz Talarek - the Member of the Supervisory Board	directly	1 050	1 050	0.0072%
	Indirectly, through the subsidiary: Elephant Capital Sp. z o.o.	1 645 000	2 345 000	11.30%
	Total	1 646 050	2 346 050	11.31%
Tomasz Czapla - the Member of the Supervisory Board	directly	-	-	0.00%
	Indirectly, through the subsidiary: TCZ Holding Sp. z o.o.	1 335 000	2 035 000	9.17%
	Total	1 335 000	2 035 000	9.17%
Maciej Szczechura - the Member of the Management Board	directly	1 647	1 647	≈0.0113%
				≈0.0090%

Shareholder / member of the Management Board or Supervisory Board	Number of shares	Number of votes at GM	Company's share capital [%]	Share of votes at GM
Jakub Puchalka directly - the Member of the Management Board	218	218	≈0.0015%	≈0.0012%

In the period from publication of the last periodic report (that is the Extended Consolidated Report of Rainbow Tours Group for six months of 2022 - PSr 1/2022) that is from 30.09.2022 there were no changes in ownership of share held by members of the Management Board and the Supervisory Board.

7. Court proceedings, arbitration proceedings, proceedings before administrative body regarding Issuers liabilities and amounts due to the Issuer or its subsidiary.

As at the date of approval of this extended consolidated quarterly report for publication for III quarter of 2022, that is as at 18.11.2022. the Company is (and has been) a party to a court proceeding, in which total amount of the disputed issue exceeds 10% of equity of the Parent Company. The proceedings are pending against the contractor of the company Verikios Grigorios & SIA E.E., to pay amounts due of the tour operator contracts entered by the Company (as part of usual business) inn respect of three hotels situated in Greece, where the base of the total amount in controversy ,exceeding 10% of the equity, constitutes additionally estimated amounts of the contractual penalties arising on obligations, which were not fulfilled by the contractor under the contracts. According to the contracts the estimated amount in controversy is EUR 5,269,560 and pursuant to the decision of the court of general jurisdiction in Greece the property of the contractor and the personal property of the natural person is to be seized in the above indicated amount of EUR 5,269,560 The enforcement proceedings have been pending.

Apart from the above mentioned fact as at the date of approval of this report for publication of this extended consolidated report for III quarters of 2022 that is as at 18.11.2022, neither the issuer nor its subsidiaries are a party to any significant proceedings pending before court, arbitration tribunal or public administration body relating to liabilities and receivables of the Issuer or its subsidiary.

8. Information on conclusion of one or more transactions with related parties by the Issuer or its subsidiary, if they were made according to conditions other than the market conditions, presented with respective amounts.

All transactions made by the Issuer or its subsidiary were typical and standard arising on basic operations of entities. In the period from 01.01.2022 to 30.09.2022 neither Rainbow Tours S.A. nor its subsidiaries made transaction with related parties on conditions other than market conditions. Information on typical and standard transactions with related parties were presented in note 26 to these interim abridged consolidated financial statements for III quarter of 2022.

9. Information on granting credit warranty or a loan or granting a guarantee by the Issuer or its subsidiary – jointly to one entity or a subsidiary of such entity, if the total value of existing warranties or guarantees is significant

Neither the Issuer nor its subsidiaries granted credit warranties, loans or guarantees.

10. information, which according to the Issuer is significant to assess staff, property, financial standing, financial performance and their changes and the information, which is significant to assess the potential of the Issuer to pay its liabilities

As at 30.09.2022 the Company cooperated with three banks. The Company had three credit limits and limits for bank guarantees in the following banks: Santander Bank Polska S.A., Bank Millennium S.A. and Bank Gospodarstwa Krajowego.

In April 2018 the subsidiaries (companies limited by shares, which operate according to Greek law: Rainbow Hotels A.E. and White Olive A.E.) signed (together with the Parent Company) the loan investment contract with Bank Gospodarstwa Krajowego. The respective information was presented by the Company in current reports ESPI No 14/2018 of 04 April 2018 and 15/2018 of 05 April 2018. The Parent Company is a solidary borrower and the loan liability is a charge to SPV (currently: White Olive A.E.).

Financing of the Parent Company

Bank Millennium S.A. – the multi-facility line

On 21 June 2016, the Parent Company signed the contract 9619/16/M/04 with global limit of PLN 22 million with Bank Millennium S.A. Under the facility the company could use PLN 1,000 thousand of working capital loan and PLN 22,000 thousand of the bank guarantee line. On 5 March 2018, the global limit of the line was increased to PLN 37,000 (from PLN 27,000) with the Annex No A2/9619/16/M/04, and at the same time the structure of credit products was changed. The line enables to use overdraft line of credit up to PLN 20,000 thousand or order issue of guarantees to the amount of PLN 37,000 thousand. On 23 July 2018 the company signed the Annex A3/9619/16/M/04, which increased the global limit to the amount of PLN 47,000. On 26 March 2019 the company signed the Annex A4/9619/16/M/04, pursuant to which the global limit was increased to the amount of 57,000 thousand till 30 June 2019, and since 1 July 2019 the limit amounted to PLN 47,000 thousand. On 4 September the company signed the Annex A5/9619/16/M/04, pursuant to which the term of the global limit, in the amount of PLN 47,000 thousand, was set till 7 October 2019. On 23 September 2019 the company signed the Annex No A6/9619/16/M/04 with Bank Millennium S.A., which renewed the term of the facility till 7 November 2020 and increased the global limit to PLN 57,000 thousand. Under the facility the company can (from the date of signing the Annex till 30 June 2020) use the overdraft line of credit to the amount of PLN 45,000, and as of 1 July until 7 November the amount of the overdraft line of credit is 35,000 thousand. The company could use the line till 7 November 2020. The interest rate was established according to market conditions based on WIBOR 1M + bank's margin.

Pursuant to the annex No A7/9619/16/M/04 of 05 November 2020 to the respective multifacility contract No 9619/16/M/04, the final date of repayment was extended until 07 December 2020. Pursuant to the annex No A8/9619/16/M/04 of 25 November 2020 to the respective multifacility contract No 9619/16/M/04, the date of final repayment was extended to 07 December 2022. Liquidity guarantees in the amount of 37,600 thousand (valid until 7 March 2023) granted by Bank Gospodarstwa Krajowego under portfolio line of guarantee contract of Liquidity Guarantee Fund PLG-FGP is a partial security for loan repayment. The guarantee secures 80% of the loan amount.

On 9 July 2020 the Parent Company made a renewable loan contract No 13890/20/400/04 in the amount of PLN 10,000 (available until 9 July 2022) with Bank Millennium S.A. Liquidity guarantee in the amount of PLN 8,000 (valid until 8 October 2022) granted by Bank Gospodarstwa Krajowego under portfolio line of guarantee contract of Liquidity Guarantee Bank PLG-FGP is a partial security for loan repayment. The guarantee secures 80% of the loan amount.

On 30.06.2022 the Company entered into revolving credit contract No 15386/22/475/04 with Bank Millennium S.A.– pursuant to which the Company obtained financing in the amount of PLN 10,000 for the period from 30.06.2022 to 29.06.2024. The security for the respective contract is:

- blank promissory note with promissory note agreement issued by the Company
- guarantee (also called “liquidity guarantee”) in the amount of PLN 8,000,000 valid 3 months longer than the credit period, that is to 29.09.2024 granted by Bank Gospodarstwa Krajowego (hereinafter BGK) under the portfolio guarantee line contract granted by Liquidity Guarantee Fund. The guarantee secures 80% of the credit amount.

As at 30.09.2022 the Company did not use overdraft, and working capital loan. The total amount of issued guarantees came to equivalent of PLN 51,289 thousand and the company was granted limit of bank guarantees amounted to the equivalent of PLN 21,931 and outside the limit PLN 29,358 thousand.

As at 30.09.2021 the Parent Company did not use overdraft line of credit and used only the working capital loan contract in the amount of PLN 10,000, and the limit of bank guarantees was used in the amount of PLN 8.251 thousand as at that date.

Bank Gospodarstwa Krajowego –multipurpose line, framework agreement to make and settle derivatives

On 31.08.2018 the Parent Company concluded with Bank Gospodarstwa Krajowego Multipurpose line of credit contract No 4618-00453. Under the respective contract Bank Gospodarstwa Krajowego granted the Company the line of credit – a multipurpose facility for the amount of PLN 30.000 thousand for the period of 36 months from the date of entering into the Multipurpose Line of Credit Contract. On 31.08.2021 the Parent Company signed the attachment No 2 to the Multipurpose Line of Credit Contract, under which Bank Gospodarstwa Krajowego extended the effective term of the line of credit in the form of multipurpose facility for the amount of 30,000 thousand for the period of subsequent 5 months with the effective term until 31.01.2022. On 31.01.2022 the Company signed the Attachment No 3 (“the Attachment”) to the Multipurpose facility, under which Bank Gospodarstwa Krajowego extended effective term of the line of credit in the form of multipurpose facility for the amount of PLN 30,000 thousand for another 12 months with the effective term until 31.01.2023.

Under the limit the company can use the following products:

- the overdraft line of credit,

– the renewable loan,

Total amount drawn on all the products cannot exceed the limit of the multipurpose line. The interest on the facility was set on arm's length basis, that is base rate - WIBOR 1M and bank margin. A registered pledge on bank accounts of the borrower, enforcement declaration, assignment of trade receivables and power of attorney to bank accounts of the borrower constitute security for the multipurpose line.

As at 30.09.2022 the Parent Company used overdraft line of credit in the amount of PLN 26,202 thousand and did not use line of bank guarantees.

As at 30.09.2021 the Parent Company did not use the overdraft and limit for bank guarantees.

Santander Bank Polska S.A.

On 10 October 2018 the Parent Company made a Multifacility contract No K00787/18 with Santander Bank Polska S.A (which was amended with the annex No 1 of 15 November 2019 and the annex No 2 of 30 June 2020) with a global limit in the amount of USD 50,000 thousand. The Company may use overdraft line of credit in the amount of PLN 20,000 or its equivalent of USD or / and EUR during the whole period of line availability and use renewable credit in the amount of PLN 30,000 from 2 January 2020 to 30 June 2020. The total repayment of date of the line of credit was set on 15 November 2002 (for the overdraft line of credit) except that according to the annex No 2 of the Multifacility line No K00787/18 of 30 June 2020 the renewable credit contract, which was originally made as one of two contracts forming the multifacility contract (that is the Multifacility Contract No K00787/18 of 10 October 10.10.2018), was replaced with the renewable contract No K00787/18b, under which the line of renewable credit in the amount of PLN of 30,000 thousand was renewed to 30 June 2022, and the security for the receivables of the bank arising from the respective contract is i.e. liquidity guarantee PLG-FGP, which constitute of 80% facility amount, that is PLN 24,000 thousand - for the period from making the Facility and the Liquidity Guarantee PLG FGP to the register of liquidity guarantees maintained by the bank till 30 September 2022.

On 30 June 2022 the Company signed with the bank the Annex No 2 to the Revolving Credit Contract No K00787/18b, pursuant to which the contract was renewed to 30 June 2024. The security for the product is the Liquidity Guarantee PLG FGP for the period up to 30 June 2024 in the amount of 80.00% of the credit amount that is PLN 24,000,000.00.

On 25 November 2020 the Parent Company signed the Annex No 4 to the Multifacility contract No K00787/18a with Santander Bank Polska S.A., which renews availability of the overdraft line of credit and foreign exchange credit line in the amount of up to PLN 20,000,000.00 till 12 November 2022. The security for the line is Liquidity Guarantee PLG FGP, which is 80.00% of the amount of the Facility, that is PLN 16,000,000.00 for the period till 11 February 2023 and the declaration on submission to enforcement and blank promissory note.

On 10 November 2022 pursuant to Annex No 5 to Overdraft and currency account No K00787/18a the parties renewed the contract to 10 of November 2024. The Security of the Contract is the Guarantee from the Crisis Guarantee Fund PLG FGK for the period to 10 November 2024, in the amount of 80% of the Credit amount that is PLN 16,000,000.00.

Also, on 10 October 2018, the Company made (with Santander Bank Polska S.A.) the Multifacility contract No K00788 with a global credit line in the amount of USD 6,500 thousand. The Company can order issuance of bank guarantees and letters of credit to the total amount of use USD 6,500 thousand (or equivalent in PLN and/ or EUR) during the whole period of the line availability - that is, from signing of the contract till 15 November 2020. On 27 August 2020 the Company signed - with Santander Bank Polska S.A., the Annex No 3 to the Multifacility contract No K00788/18, pursuant to which the line of guarantees was reduced from the amount of USD 6,500 thousand (available till 26 August 2020) to the amount of USD 3,500 thousand (available till 15 November 2020). On 25 November 2020 the Company signed - with Santander Bank Polska S.A., the Annex No 5 to the respective Multifacility line No K00788/18, pursuant to which the date of final repayment of the contract was set for 12 of October 2022.

On 10 of November 2022 pursuant to the Annex No 7 to the Multifacility contract No K00788/18 the parties renewed the contract to 10 of November 2024. The Security of the Contract is the Guarantee from the Crisis Guarantee Fund PLG FGK for the period to 10 November 2024, in the amount of 80% of the Facility that is PLN 13.108.760,00 translated to PLN at average exchange rate of the National Bank of Poland published on the working day preceding the date of drafting the contract (PLN 4.6817 of 09.11.2022).

As at 30.09.2022 the Company used the revolving credit in the amount of PLN 30,710 thousand and did not use overdraft and the limit of bank guarantees as a that date was used in the amount of PLN 17,332 thousand.

As at 30.09.2021 the Parent Company used overdraft for the amount of PLN 2,536 thousand and limit for bank guarantees as at the specified date was used in the amount of PLN 10.847.9 thousand. The revolving credit was not used.

Funding under the Financial Shield of the Polish Development Fund for Large Companies

“Financial Shield of the Polish Development Fund for Large Companies1.0”

On 10.11.2020 the Parent Company (as the lender) made with Polish Development Fund S.A., with registered office in Warsaw, (as “the Borrower”, also “PFR”), the Soft Loan Contract from the Governmental Programme “Financial Shield of the Polish Development Fund for Large Companies (“the Contract”, “the Soft Loan Contract”) made by the Company (as the Lender) with the Polish Development Fund S.A. in Warsaw (as the lender, also “PFR”) according to the application for borrowings from the Programme on 16.07.2020 (Application No 20200716/85703).

On 15.09.2021 the Company received from the Polish Development Fund the declaration (a decision) on partial release of the debt and the amount of waive off of the soft loan from the Governmental Programme “Financial Shield of Polish Development Fund for Large Companies (“Declaration of the Loan Waive Off”). Pursuant to the Declaration on Loan Waive off received by the Company on 15.09.2021: pursuant to art. 508 act of 23.04.1964 of the Civil Code (that is Journal of Laws of 2020 item 1740 as amended) PFR declared that it partially waives off loan in the amount of PLN 18,600,000.00 PLN (“Loan Waive Off”); 2) PFR declared that Waive Off of the Loan takes effect on 24.09.2021. Pursuant to the Declaration of the Company of 16.09.2021 made in relation to the relevant provision of the Loan Contract and pursuant to art. 508 of the act of 23.04.1964 the Code of Commercial Companies and Partnerships, (that is Journal of Law of 2020, item 1740 as amended), PFR declared that it waived off partially the loan in the amount of PLN 18,600,000.00 (“the Loan waive off”); 2) PFR declared that the Loan waive off is effective as of 24.09.2021. Pursuant to the declaration of the Company of 16.09.2021 r. persons, acting on behalf of the Company (as the lender) submitted the respective declaration that it accepts release of the debt on conditions specified in the Declaration of the Loan Waive Off, in particular, that it accept the Loan waive off in the amount of PLN 18,600,000.00 and the Loan Waive Off was effective as of 24.09.2021.

Due to the fact that the Company repaid the amount of the soft loan that wasn't waived off (the principal in the amount of PLN 6,200,000 with accrued interest of PLN 7.2 thousand) on 19.11.2021 the debt arising from the Loan Contract of 10.11.2020 made between PFR and the Company, thus the Loan Contract was terminated and all related debt under the Loan Contract.

“Financial Shield of the Polish Development Fund for Large Companies” 2.0

On 25.03.2022 the Parent Company (as the lender) made with Polish Development Fund S.A., with registered office in Warsaw (as the borrower, also “PFR”), the Soft Loan Contract from the Governmental Programme “Financial Shield of the Polish Development Fund for Large Companies”, so called Financial Shield for Large Companies (details of the Soft Loan Programme under the new version /edition of the governmental programme” Financial Shield of the Polish Development Fund for Large Companies” was published on 14.09.2021 (“the Contract 2.0”, “the Soft Loan Contract 2.0”) based on the application for borrowings from the Programme on 22.09.2021 (Application No 20210930/73424).

According to the Soft Loan Contract 2.0 made by the Company with PFR on 25.03.2022 basic terms of the soft loan obtained by the Company from the governmental programme “Financial Shield of Polish Development Fund for Large Companies” (“the Loan”, “the Soft Loan”) are as follows:

- (1) the amount of the Loan: PLN 2,936,321;
- (2) The loan can be used by the Company (as the borrower) only for financing of current operations of the Company, including for working capital, in particular for settlement of trade liabilities, payment of salaries for the staff of the Company (including social security contributions) and people hired under civil law contracts with individuals with ties to the company through contracts for permanent cooperation, for whom the company is the main contractor for purchase of goods and materials (including advances for purchase of goods and materials) or other costs of operations linked to manufacturing of a product or providing a service in day-to day operations of the Company, settlement of legal and public expenses including taxes.
- (3) repayment mechanism: quarterly instalments, with the final payment at the latest on 31.03.2028.
- (4) interest rate: flat rate per year and for each year of financing equal to the margin proper to each year of financing which is, according to the Regulations: a) 0.75% p.a. in the first year from the date of signing the Loan Contract b) 1.25% p.a. in the second and third year from the date of signing the Loan Contract and c) 2.25% p.a. for the fourth, fifth and sixth year from the date of signing the Loan Contract.
- (5) possibility to waive off up to 75% of the loan amount according to the conditions provided in the Loan Contract.

Soft loan 2.0 from the governmental programme “Financial Shield of the Polish Development Fund for Large Companies” is intended to cover the damage resulting from disturbance in economy linked to COVID-19 pandemic. Soft loans are an interest-bearing loans, which can be waived off, granted for the period of 6 years. Waive off as non-refundable financing is intended to cover up to 75% of the actual loss incurred by the business as a result of COVID-19 from November 2020 to April 2021. The amount of waive off

cannot exceed 75% of the granted loan. Soft Loans were intended for businesses, which suffered direct damage resulting from COVID-19 pandemic, which is understood as accumulated negative EBITDA generated in the periods, when business operations were banned, due to actions taken by the Polish government to curb spreading of COVID-19 pandemic. Actions taken by Polish authorities, limiting business operations means activities: (i) banning material part of operations (over 50% of operations) or excluding some highly important or clearly defined categories of customers (e.g. excluding certain categories of hotel guests) or (ii) limiting number of customers for specific sectors or activities to levels distinctively and significantly lower than those, which a specific case would be dictated by generally applied social distancing rules or rules concerning capacity in commercial spaces (for example in cinemas, cultural and sport activities, restaurants, exhibitions and fairs).

Soft loans could not be granted to entities, which did not take measures to limit damages caused by restrictions linked to COVID-19 pandemic, and also to those, which are responsible for the damage or did not operate with sufficient care or illegal.

Financing granted is based on fixed interest rate equal to:

- 0.75 % in the first year from the date of signing the contract,
- 1.25% in the second and third year from the date of signing the contract,
- 2.25% in the fourth, fifth, and sixth from the date of signing the contract.

In order to obtain soft loans 2.0, the businesses should make a relevant application to PFR not later than till 30 September 2021. The funds are available: until 31 March 2022 with the possibility of payment of funds to 30 June 2022 if the loan contract provides for suspension conditions. PFR allowed payment of the loan in one or several blocks, and it was irreversible loan.

Soft loans 2.0 from the governmental programme: "Financial Shield from Polish Development Fund for Large Companies" is granted in the estimated amount of so called "COVID damage" suffered by a business as a result of COVID-19 pandemic in the restriction period (maximally from 01.11.2020 and 30.04.2021) and it cannot exceed:

- the amount of PLN 750 million,
- double amount of annual costs of salaries in a business (including costs of employee benefits) for the year 2019,
- 25% of the total turnover in the business for 2019.

The soft loans can be used for settlements of current payments by businesses, including payment of salaries, trade liabilities, including purchase of goods and materials or coverage of operating costs used to manufacture a product or service, legal and public liabilities, other purposes related to financing of day-to-day business defined in so called "Programme Financing Documents"

The soft loans cannot be used for (i) any distribution whatsoever to owners or related parties, (ii) acquisition of shares for redemption, (iii) mergers, (iv) servicing interest, coupons, payment of commissions and fees, re-financing or early debt repayment, (v) other objectives specified by PRF in so called "Documentation of Financing from the Programme".

Pursuant to a relevant application of the Company for payment of the loan, which was filed after confirmation the Company received a confirmation that all documents and declarations (suspension terms) required under the contract were filed, the Polish Development Fund (as the lender) on 10.05.2022 made the payment to the Company (as the borrower), of the funds under the Loan Contract in the total amount of PLN 2,936,321.

At the same time according to the terms of the Governmental Programme "Financial Shield of the Polish Development Fund for Large Companies" ver. 2.0 and the Loan Agreement contracted. On 27.04.2022 the Company applied to the Polish Development Fund with a relevant request to waive off the said loan in the amount of 75% of the waive off.

On 24.08.2022 the Parent Company received from Polish Development Fund with registered office in Warsaw ("PFR") declaration (decision) about partial release of the debt and the amount of the waive off of the soft loan (the amount of the loan - PLN **2,936,321.00** and the amount of the waive off PLN **2,202,240.75**) received by the Company under the programme: Financial Shield of the Polish Development Fund for Large Companies (Declaration about Loan Waive off)– edition 2.0.

Pursuant to the Declaration about Loan Waive off 24.08.2022:

- 1) Pursuant to art. 508 of the act of 23.04.1964 Civil Code PFR declared partial waive off of the loan in the amount of PLN 2,202,240.75 (the loan waives off);
- 2) PFR declared that the Loan waive off is effective as of 31.08.2022

In connection with the relevant declaration made by the Parent Company of 25.08.2022 about acceptance of debt release the loan waive off in the amount of PLN 2,202,240.75 took effect as of 31.08.2022. On 06.09.2022 the Parent Company, based on relevant permission of the Borrower repaid the loan in whole (total principal amount to repay and the last interest payment)

Pursuant to relevant declaration of PFR of 22.09.2022, on 06.09.2022 the debt expired (the debt arising on the above-mentioned soft loan agreement granted from the Governmental Programme "Financial Shield of the Polish Development Fund for Large Companies" entered on 25.03.2022 made between PFR and the Company).

Financial liabilities of subsidiaries

Bank Gospodarstwa Krajowego –multi facility line, derivative master agreement

On 5 of April 2018 the Parent Company entered into a loan contract (a long-term loan contract extended in euro, hereinafter referred to as the "Loan") with Bank Gospodarstwa Krajowego, a Joint Stock Company with registered office in Warsaw (as the Lender) acting jointly with its subsidiaries (jointly as solidary borrowers), that is joint stock companies operating under Greek Law: White Olive A.E. with registered office in Athens (Greece) and Rainbow Hotels A.E. with registered office in Athens (Greece) (both referred to as "Project Companies") The purpose of the loan is:

- Financing investments (hereinafter referred to jointly "the Project") situated at the property owned by the subsidiaries of the Company, that is the property owned by "Project Companies", that is construction, repair and furnishing of White Olive 3 hotel, which is a part of White Olive Premium complex, as well as e (ii) investment of construction, repair and furnishing White Olive Elite hotel.
- Repayment of the debt incurred by the subsidiary Rainbow Hotels A.E. in Alpha Bank A.E. with its registered office in Athens (Greece), where the amount intended for the purpose will not exceed EUR 500,000.

According to the loan contract

- The principal of the financing of the loan amount to total of EUR 15,500,000 split into three tranches: (i) tranche I – to the amount of EUR 2,700,000 EUR, (ii) tranche II – to the amount of EUR 12,300,000, (iii) tranche III – to the amount of EUR 500,000; the loan is extended for 18 months from signing of the loan contract (that is from 05 April 2018).
- Final repayment date was specified as the date not later than 7.5 year from the end of the term of the loan, and the loan will be repaid in quarterly instalments (payment of the principal), where the first instalment will be paid at the end of the first full calendar quarter after the completion of the project, and according to the schedule prepared with the Bank. The interest on loan will be calculated on arm's length basis; based on variable reference rate EURIBOR 3M, plus bank margin set out according to market conditions.

As at 30.09.2022 the amount of the investment loan used by White Olive A.E was EUR 11,220 thousand.

As at 30.09.2021 the Parent company did not use overdraft and the limit of bank guarantees.

Additional information, which are significant to assess personnel situation of the Issuer

According to the declarations (presented on corporate investor relations website under the address <http://ir.r.pl>) made by all members of the Supervisory Board and members of the Audit Committee separated in the Supervisory Board of the Company (regarding periodic verification of the independence status of members of the Supervisory Board and the Audit Committee, which took place on the meeting of the Supervisory Board on 13.07.2021) with information on independence status of a member of the Supervisory Boards or of a member of the Audit Committee (or a member of other committees in the Supervisory Board.

- Pan Tomasz Czapla – who as at the date of preparation and signing of this report was a member of the Supervisory Board.
 - does not meet at least one criterion of independence provided under § 24 of the Article of Association, corporate governance rules No 2.3. covered by "Best Practice of GPW listed Companies, 2021", the act of 11.05.2017 on expert auditors, audit companies and public supervision (the Act on Expert Auditors) and the annex II do Commission Recommendation EU 2005/162 EC and thus it does not have the status required for an independent member of the Supervisory Board of Rainbow Tours S.A.
 - - does not meet at least one of the criteria of independence stipulated by the Act on Expert Auditors and thus it does not have the status required for independence of a member of the Audit Committee in the Supervisory Board of Rainbow Tours S.A.
- Ms Monika Kulesza – who as at the date of preparation and signing of this report was a member of the Supervisory Board and the Chairman of the Audit Committee:
 - She fulfils all independence criteria provided for in § 24 of Articles of Association, corporate governance rules No 2.3. covered by "Best Practice for GPW listed Companies 2021, the Act on expert auditors and Recommendation of EU Commission 2005/162/EC and in connection that it has status required for the independent member of the Supervisory Board / a member of the Audit Committee in the Supervisory Board of Rainbow Tours S.A. within the meaning of the Act on Expert Auditors;

- Mr Paweł Niewiadomski - who as at the date of preparation and signing of this report was the vice-chairman of the Supervisory Board:
 - does not meet at least one criterion of independence provided under § 24 of the Article of Association, corporate governance rules No 2.3. covered by “Best Practice of GPW listed Companies, 2021”, the act of 11.05.2017 on expert auditors, audit companies and public supervision (the Act on Expert Auditors) and the annex II to Commission Recommendation EU 2005/162 EC and thus, it does not have the status required for an independent member of the Supervisory Board of Rainbow Tours S.A.
 - does not meet at least one of the criteria of independence stipulated by the Act on Expert Auditors and thus, it does not have the status required for independence of the member of the Audit Committee in the Supervisory Board of Rainbow Tours S.A. within the meaning of the Act on Expert Auditors.
- Mr Paweł Pietras – who as at the date of preparation and signing of this report was a member of the Supervisory Board and a member of the Audit Committee:
 - meets all independence criteria provided under § 24 of the Article of Association, corporate governance rules No 2.3. covered by “Best Practice of GPW listed Companies, 2021”, the act of 11.05.2017 on expert auditors, audit companies and public supervision (the Act on Expert Auditors) and the annex II to Commission Recommendation EU 2005/162 EC and thus, he has the status required for the independent member of the Supervisory Board of Rainbow Tours S.A. / member of the Audit Committee in the Supervisory Board of Rainbow Tours S.A (here within the meaning of the Act on Expert Auditors)
- Ms Joanna Stępień-Andrzejewska – who as at the date of preparation and signing of this report was a member of the Supervisory Board and a member of the Audit Committee:
 - does not meet at least one criterion of independence provided under § 24 of the Article of Association, corporate governance rules No 2.3. covered by “Best Practice of GPW listed Companies, 2021”, the act of 11.05.2017 on expert auditors, audit companies and public supervision (the Act on Expert Auditors) and the annex II to Commission Recommendation EU 2005/162 EC and thus, it does not have the status required for an independent member of the Supervisory Board of Rainbow Tours S.A.
 - does not meet at least one of the criteria of independence stipulated by the Act on Expert Auditors and thus she does not have the status required for independence of a member of the Audit Committee in the Supervisory Board of Rainbow Tours S.A. within the meaning of the Act on Expert Auditors.
- Mr Remigiusz Talarek – who as at the date of preparation and signing of this report was a member of the Supervisory Board and a member of the Audit Committee:
 - does not meet at least one criterion of independence provided under § 24 of the Article of Association, corporate governance rules No 2.3. covered by “Best Practice of GPW listed Companies, 2021”, the act of 11.05.2017 on expert auditors, audit companies and public supervision (the Act on Expert Auditors) and the annex II to Commission Recommendation EU 2005/162 EC and thus he does not have the status required for an independent member of the Supervisory Board of Rainbow Tours S.A
 - does not meet at least one of the criteria of independence stipulated by the Act on Expert Auditors and thus he does not have the status required for independence of a member of the Audit Committee in the Supervisory Board of Rainbow Tours S.A. within the meaning of the Act on Expert Auditors.
- Mr Paweł Walczak – who as at the date of preparation and signing of this report was the chairman of the Supervisory Board:
 - does not meet at least one criterion of independence provided under § 24 of the Article of Association, corporate governance rules No 2.3. covered by “Best Practice of GPW listed Companies, 2021”, the act of 11.05.2017 on expert auditors, audit companies and public supervision (the Act on Expert Auditors) and the annex II to Commission Recommendation EU 2005/162 EC and thus he does not have the status required for an independent member of the Supervisory Board of Rainbow Tours S.A
 - does not meet at least one of the criteria of independence stipulated by the Act on Expert Auditors and thus he does not have the status required for independence of a member of the Audit Committee in the Supervisory Board of Rainbow Tours S.A. within the meaning of the Act on Expert Auditors.

In connection with the above the independent members of the Audit Committee within the meaning of the Act on Expert Auditors and including independence criteria provided for in provisions of art. 129 section 3 and section 4 of the Act on Expert Auditors and relevant provisions of the Regulation of the Audit Commission, as at the date of approval of this report for publication (18.11.2022) include:

Thus, independent members of the Audit Committee - within the meaning of the Act on Expert Auditors and considering independence criteria stipulated in art. 129 section 3 and 4 of the Act on Expert Auditors and relevant of the Regulations of the Audit Committee as at the date of approval of this report for publication (18.11.2022) include:

- Ms Monika Kulesza, a member of the Supervisory Board, who is the Chairman of the Audit Committee
- Mr Paweł Pietras, a member of the Supervisory Board, and who is the member of the Audit Committee,

And thus, majority of three-member Audit Committee, including its chairman, is independent of the Company as a public interest entity.

Changes in the Articles of Association of the Issuer

In the reporting period, that is in the period of three quarters of 2020 there were amendments in the Articles of Association of the Parent Company, which were introduced pursuant to and covered by resolutions with numbers: 32 to 36 of the Ordinary General Meeting of the Company, which took place on 30.06.2022 (the content of resolutions adopted during Ordinary General Meeting of the Company on 30.06.2022 and was published in the current report ESPI No 17/2022 of 30.06.2022). The adopted amendments to the Articles of Association were introduced to the following sections of the Articles of Association:

- Amendment to provisions § 10 section 1 of the Articles of Association,
- Amendment to provisions § 16 section 2 and section 4 of the Articles of Association,
- Amendment to provisions § 20 section 2 and section 3 of the Articles of Association,
- Amendments to § 21 of Articles of Association (amendment of provisions § 21 section 2 and introduction after section 2 of the new section marked as section “3”),
- Amendments to § 23 of the Articles of Association (amendment of provisions § 23 section 1 and section 7 and introduction after section 9 of the new section marked as section “9a”).

On 08.07.2022 the Issuer filed, through electric system of the Ministry of Justice “Website of Court Registers”, a relevant application for registration in register of businesses of the National Court Register of the above amendments to the Articles of Association. On 01.09.2022 the registration court (the Regional Court for Łódź-Śródmieście in Łódź, XX Economic Division of the National Court Register) made a registration and entry to the register of business to the National Court Registration (KRS No 0000178650) the respective above-mentioned amendment to the Articles of Association entered pursuant to resolutions of the Ordinary General Meeting of the Company of 30.06.2022.

Detailed information about the above amendments of the Articles of Association were presented in point 10 “Other information, which in the opinion of the issuer are significant to assess its staff, property, financial situation, financial performance and their changes and information, which is substantial to assess possibility that the issuer fulfils its obligations” Part IV. “Information of the Management Board on operations of Rainbow Tours Group and Rainbow Tours Spółka Akcyjna” of the Extended Consolidated Report of Rainbow Tours Group for I six months of 2022 [PSr/2022], published on 30.09.2022, as well as the content of the current report ESPI of the Parent Company No 24/2022 of 01.09.2022.

Moreover, in the period following the reporting period of three quarters of 2022 before the date of approval of this report for publication (18.11.2022), the Articles of Association of the Parent Company were subsequently amended pursuant to and were covered by the resolution No 5 of the Extraordinary General Meeting of the Company, which took place on 12.10.2022 (the content of resolutions adopted during Extraordinary General Meeting of the Company on 12.10.2022 was published in the current report ESPI No 30/2022 of 12.10.2022). The adopted amendments to Articles of Association were introduced in the following sections of the Articles of Association:

- 1) The content of § 14 of the Articles of Association – after section 2 - another, new section marked as “**section 3**”:

“3. Decision to use the supplementary capital and/or reserve capital is adopted by the General Meeting. Also, the Management Board is authorized to use the reserve capital allocated by the General Meeting for dividend payment, including for payment of advances in respect of dividend in case provided for § 28 section 6 of this Articles of Association”.

- 2) Content of introduced § 22 of the Articles of Association - after letter o), where at the end the full stop was replaced with comma – another new letter marked as “**letter p**”:

“p) agreeing to pay advance in respect of dividend at the end of the financial year to the shareholders in the case provided for in § 28 section 6 of this Articles of Association”.

3) Content of introduced to § 28 of the Articles of Association of the Company -after section 5 – of another, new section marked as “section. 6”:

“6. The Management Board of the Company is authorized to pay advance in respect of the expected dividend to the shareholders at the end of the financial year, if the Company has funds sufficient for payment. The payment of advance complies with the provisions of law and requires the permission of the Supervisory Board”.

. (2) the content of introduced § 22 of the Articles of Association – after letter o), where at the end full stop was replaced with the comma – another new letter marked as letter p):

On 19.10.2022 the Issuer filed, through electronic system of the Ministry of Justice “Website of Court Registers”, a relevant application for registration in register of businesses of the National Court Register of the above amendments to the Articles of Association. On 03.11.2022 the registration court (the Regional Court for Łódź-Śródmieście in Łódź, XX Economic Division of the National Court Register) made a registration and entry to the register of business to the National Court Registration (KRS No 0000178650) the respective above-mentioned amendment to the Articles of Association entered pursuant to resolutions of the Extraordinary General Meeting of the Company of 12.10.2022.

11. Factors, which in the opinion of the Issuer will have effect on performance within the perspective of at least next quarter.

The operations of the Parent Company and the companies of Rainbow Tours can be influenced by all factors directly and indirectly linked to pursuing operations with respect to organization and sale of tourism services, including:

- social and economic factors (e.g., consumer mood, which is especially important for demand for products and services satisfying non-basic needs, shaping level and dynamics of real income of households, and in particular their main factor, which is real salaries and wages, the effect of rising social benefits, sports events of major importance – the experience from previous years shows that they have a negative impact on number of package holidays etc.
- Macro-economic factors, which influence level and dynamics of changes in prices of package holidays, including fluctuation of exchange rates of Polish zloty, in particular against American dollar and euro (settlement currencies for the Company) fluctuation of prices of crude oil (aviation fuel), growth perspectives for Polish economy, including growth dynamics of GDP, level of inflation etc.
- Political factors (changes in the geopolitical situation and potential armed conflicts and terrorist attacks, in different parts of the world, which can affect travel decisions of Polish customer and their destination, in particular in the period directly after the event etc.)
- Climate factors (e.g., it is the factor that supports decision to travel abroad when the weather of Poland is not particularly good).

Because of occurrence and escalation of the pandemic in 2020 and its further persistence in 2021, basic factors, which affect growth of the business of the Issuer and operations of Rainbow Tours Group in 2020 and 2021 was SARS-CoV-2 pandemic and its effects directly and indirectly impacting tourism industry in a broad sense as well as operation of the global economy affected by negative consequences of the pandemic, limitations and restrictions intended to prevent COVID-19 infections.

In 2022 because of unjustified military aggression of the Russian Federation in the territory of Ukraine, starting from 24 of February 2021, and inflicted armed conflict, political and economic situation in the world because of the military conflict is a new potentially material risk factor, which can have possible effect on operations of the Company and the Group. The Management Board of the Company pointed to the potential effect of the above-mentioned risk factors (that is factors linked to SARS-CoV-2 pandemic and the military conflict in the territory of Ukraine) and their total or individual, potentially negative, effect on liquidity, financial situation and profitability of the Parent Company and the companies of the Group, including on: (i) unfavourable level of prices on the fuel market in the long-term or medium-term (due to wavering deliveries of fuel and energy products, also due to any political decisions about embargo imposed on deliveries of energy products from the territory of Russian Federation) (ii) destabilisation and rise in exchange rates, including in particular weakening of the Polish zloty (PLN) against settlement currencies: American dollar (USD) and euro (EUR) (iii) negative tendencies concerning local economies and world economy (i.e. rising inflation, increase in interest rates etc.) which affect macroeconomic indexes and can lead to stagnation and which can suppress growth of package travel industry and that can potentially result in lower profitability of package holidays sold and operations and that can have negative changes in conditions in respect of borrowings or reduced bank borrowings.

Other factors, which in the assessment of the Issuer may have effect on performance of the Group (except for the above-mentioned risk factors) can potentially include:

- an impact of political and social situation in countries with main destinations.
- influence of economic trend on an economic situation in Poland and its effect on consumer moods (a level of consumption).
- Competitive environment, offers of advance sales of other tour operators.

Description of basic risk factors related to operations of the Company and Rainbow Tours Group is presented below.

Risk related to the war in the territory of Ukraine

Operations of the Parent Company and the companies of Rainbow Tours Group can be indirectly affected by all kinds of situations related to political and economic situation in the world.

Due to political and economic situation in the world resulting from unjustified military aggression of Russian Federation in the territory of Ukraine and caused by the military conflict the Management Board of the Parent Company points to potential effect of that situation (its joint or individual potentially negative effect on liquidity, financial situation and profitability of the Parent Company and the companies of the Group), i.e., on: (i) long-term and medium-term unfavourable level of prices on fuel market (in the short-term and medium-term perspective the Parent Company introduces provisions of using average fuel prices from previous periods to charter contracts, and uses calculation buffers with fuel prices higher than market prices in a given moment.) (ii) destabilization and rise in exchange rates, in particular due to destabilization of the Polish zloty (PLN) against settlement currencies: American dollar (USD) and euro (EUR) what can potentially result in lower profitability of package holidays sold and on operations and thus, decrease the amount of net cash flows and increased demand for bank borrowings.

The experience of the Company from the reporting period of three months of 2022 concerning achievement of relatively high levels of sale in the summer season, which is the most important for the company (that is „Summer 2022” season) where only in the period directly after the military aggression of Russian in Ukraine (the period of 2-3 weeks after 24.02.2022) the drop in the number of bookings of package holidays was noticeable – and that allows the Management Board to make an assessment (current as at the date of approval of this report for publication) that the consumers (and potential customers of the Group, including of the Parent Company) grew accustomed to the conflict in the Ukraine, and that the conflict in Ukraine eventually did not have direct effect on consumer choices of potential customers of the Parent Company and the operations of Rainbow Tours Group. This tendency was confirmed in increase in bookings reported the Parent Company (both for Summer 2022 season and Winter 2022/2023 season) and rising revenue compared to similar previous periods

Moreover, the offer of products sold by the Parent Company in the territory of Russia and Ukraine has insignificant volume (mainly package tours) and it wasn't a material share of sales of the Company. The Parent Company cancelled/suspended all travel programmes operating in the territory of Russian Federation, which were planned for 2022 and the years to come. Moreover, the Company cancelled/ suspended offers of flights covering any connections executed by Russian airlines Aeroflot and Rossiya and cancelled/suspended offers of hotel accommodation at the territory of the Russian Federation and hotels with capital ties to Russia in other countries in the world.

Negative indirect effect of the military conflict in the territory of Ukraine on operations of the Group, which is seen in global economic decline and local economic indexes, rise in fuel prices, unfavourable exchange rates (what in the end could, to some extent, have and had effect on the performance of the Parent Company in the reported period of three quarters of 2022 and potentially – especially in case of escalation of warfare – could have effect at later time) was balanced by substantially increased consumer demand on package holidays (especially in the area of luxury tours and hotels), which were also offered at higher prices taking into account rises in price of aviation fuel and exchange rates (costs incurred by tour operators in this respect enforced higher prices of package holidays) and inflation factor.

Characteristic of internal and external factors relevant for operations of the Company and Rainbow Tours Group and description of perspectives for development in the financial year 2022, including the political and economic situation linked to the armed conflict in Ukraine were additionally presented in point 4 above “Characteristic of external and internal factors material for development of the business and perspectives for development in the next financial year” of the Report of the Management Board of Rainbow Tours S.A. on operations of the Company and Rainbow Tours Group in the financial year 2021, which was published on 29.04.2022 and in point 11 “Factors, which in the opinion of the Issuer will have effect on its performance in the perspective of at least following quarter. Perspectives of development and basic risk of running a business” in the extended consolidated period report for six months of 2022 (PSr 2022) published on 30.09.2022.

Risk related to the pandemic caused by spreading of SARS-CoV-2 coronavirus

Following growth period in the tourism industry in 2019 and optimistic scenarios for the industry in 2020 a radical change came for those scenarios for 2020. It was a result of SARS-CoV-2 pandemic. High incidence of COVID-19 triggered by SARS-CoV-2 and relatively high mortality rate has an effect on a general threat to and disorganization of economic and social life all over the world. According to a general assessment, SARS-CoV-2 pandemic will, for some time, have an effect on weakening of economic growth, and it can also result in more lasting economic and social recession SARS-CoV-2; pandemic beats directly at real economy of most of countries and results in falling production, disorganisation of supply chains, falling demand, especially for services i.e., in respect of passenger air traffic, tourism, hospitality industry and consumption of cultural goods.

As at the date of approval of this report for publication the Management Board of the Company believes that despite gradual growing accustomed with the pandemic and its progressive quenching following subsequent waves of pandemic in 2022, the effects of the pandemic will be of some importance for the tourism industry in the future. It is still important for development of package holiday sector and restoring the norm (though they are limited and lose on importance as subsequent waves of pandemic are quenched) negative perception of pandemic and post-pandemic reality. However, in the opinion of the Management Board social awareness of the coronavirus pandemic and COVID-19 disease (which according to many experts should be endemic due to higher level of herd immunity of European communities, including Poland, due to relatively high level of vaccination and acquiring immunity by having COVID-19 and related restrictions will not cause far reaching negative effects for operations of Rainbow Tours Group, including the Parent Company in 2022 and the following years.

It is also seen in even more frequent and practically general lifting of restrictions and obligations linked to COVID-19 at crossing border of touristic destinations, in which the Company is present (e.g., recently according to the directive Command and Control Centre of 08.11.2022 all COVID-19 restrictions for travellers to United Arab Emirates were lifted). Potential effect of rising wave of infections in the nearest future (also in respect of business and financial performance of the Group, including the Parent Company for 2022) that need not to have significant and decisive effect and importance.

Characteristic of internal and external factors relevant for operations of the Company and Rainbow Tours Group, including description of the situation of the Group linked to the pandemic caused by SARS-CoV-2 and perspectives for development in the financial year 2022 were additionally presented in (as at the date of preparing the information and the description) point 4 above "Characteristic of external and internal factors material for development of the business and perspectives for development in the next financial year" of the Report of the Management Board of Rainbow Tours on operations of the Company and Rainbow Tours Group in the financial year 2021, which was published on 29.04.2022 and in point 11 "Factors, which in the opinion of the issuer will have effect on its performance in the perspective of at least the following quarter. Perspectives of development and basic risk of running a business" in the extended consolidated periodic report for six months of 2022 (PSr 2022), published on 30.09.2022.

Risk related to disasters in touristic regions

Activities of the Company can be indirectly affected by all kinds of political and economic developments throughout the world. Every tragic event and disasters in tourist destinations has a direct effect on tourism market demand. Armed conflicts, terrorist attacks, social unrest, epidemics, or natural disasters e.g.: floods, earthquakes or prolonged droughts, can adversely affect performance of the Group. However, currently terrorist attacks and social unrest that makes headlines have less significant impact on decisions to purchase a package travel than it used to be a few years ago. Moreover, the Company organizes and sells package holidays to dozens of destinations all over the world, and in case of a local crisis in a single destination, the Group can operate in other destinations.

The effect of political and social situation in the world related to the war caused by military aggression in Ukraine was presented in description of "Risk linked to the war in Ukraine" above, and also in the point 4 above "Characteristic of external and internal factors material for development of the business and description of perspective of development in the next financial year." of the Report of the Management Board of Rainbow Tours on operations of the Company and Rainbow Tours Group in the financial year 2021, which was published on 29.04.2022. and point 11 "Factors, which in the opinion of the issuer will have effect on its performance in the perspective of at least the following quarter. Perspectives of development and basic risk of running a business" of the extended consolidated period report for six months of 2022 (PSr 2022), published on 30.09.2022.

Risk related to competition

Changes in the tourism market, showing considerable development of online sales, can, in longer perspective, be a threat to market share of the companies with only traditional sales networks. The Company has been, for some time, effectively pursuing activities to prevent that threat by developing modern sales channels and increasing their appeal to customers.

In 2020 the Group completed implementation of the project of the Customer Relationship Management system. The new CMR and deduplication and segmentation of the customer base enables personalized customer service, which was previously not available

at the market of tour operators. Employees of the tour operator can provide services to customers according to their preferences, i.e. destinations and departure times or purchase of additional services. Moreover, the Group introduced in 2020 application for customers intended for mobile devices, which facilitate access to information related to package holidays provided to Rainbow Tours' customers. Connection of CMR with the Customer Panel and Rainbow application will enable to create an ecosystem adjusted to expectations of customers from omnichannel services.

Irrespective of the above the Parent Company competes on the market of traditional tours operators with other business entities. Consistent building of strong and recognizable "Rainbow" brand and strong Rainbow Tours Group covers all aspects of tourism market (the producer – tour operator in Poland, traditional distribution – chain of own offices, the Internet – own portal) will allow to successfully compete with biggest tour operators on the Polish market and is ranked third in the ranking of tour operators published for 2021 (2022 Ranking. Tour operators. Not yet full rebound, but surely big leap up. Data confirmed for 2021". Tourism News special edition, July 2022) when it comes to sales revenue, directly after Itaka and TUI Poland.

Risk related to seasonality of sales

The level and number of sales of the Parent Company and the companies of Rainbow Tours Group, similarly as in case of many travel businesses, is characterized by high seasonality: periodical rise in demand for tourism products and services is in second and third quarter of the calendar year. Because of that fact financial performance in this period has a decisive impact on final result of the whole financial year (in case of the Company the same as a calendar year). However, we need to add that the Company tries to level down seasonality by introducing in winter season (IV and I quarter of the year) more and more interesting offer of exotic package holidays (i.e. based on direct charters to Mexico, Dominican Republic, Cuba, the United Arab Emirates or Kenya). Introduction of charter flights for transfers to exotic destinations contributes to change in proportion of sales between summer and winter season. Moreover, starting from package holidays provided in the Winter 2020/2021, and in particular Winter 2021/2022 one can see noticeable change and rise in interest of potential customers in such destinations as: Dominican Republic, Mexico, Zanzibar, Kenya, Thailand. This was caused, in these seasons by i.e., none or relatively mild restrictions and sanitary limitations in exotic destinations., and more over it also results from the change in preference of Polish customers when it comes to travelling and increased tendency to purchase package holidays to more luxurious destinations and/or to more distant regions of the world.

The parent company also introduced sales of offers for individual touristic seasons in a substantial advance due to extraordinary situation linked to COVID-19 pandemic. The Company started advance sales of package holiday offers for the Summer 2021 season already in May 2020, the advance sales Summer 2022 offer already started in August 2021, the sale of Exotic 2021/2022 offer started even earlier - in January 2021 (in 2022 sales of Exotic 2022/2023 started in March 2022); for the first time since the start of advance sales customers can book close warm destinations such as Egypt, Canary Islands, and Morocco. The Company introduced also unique concept of all times in Poland, namely "Discover Poland anew" programme, where all elements of the package are included in booking, and the Company takes care of Customers' holidays by offering rich programme of stay (Children's clubs, attention of a holiday representative and offer of local tours) in the most beautiful regions of Poland. Additionally, the offer covers also ability to change booking of package holiday in Poland to package holidays abroad in the specific period before the start of the package holiday.

Risk related to financial situation of subsidiaries

Rainbow Tours Group has the following subsidiaries: My Way by Rainbow Tours (previously: Portal Turystyczny Sp. z o.o.), in which the Company holds 100% of the share capital and votes at the Meeting of Shareholders; since November "My Way by Rainbow" [which focuses on organization and training for travel couriers, leisure time animators and holiday representatives under the project "Akademia Rainbow" (Rainbow Academy)] and also Greek subsidiaries: White Olive A.E. (direct subsidiary, in which Rainbow Tours S.A. as at the date of approval of this report holds 66% of share capital and votes in the General Meeting and the remaining 34 % of the share capital and votes at the General Meeting of White Olive A.E. is held by Polish International Development FUND FIZ AN – PFR Group) and White Olive Premium Lindos A.E. (indirect subsidiary, in which White Olive A.E. holds 100% of the share capital and votes at the General Meeting), the subsidiary runs a hotel business and makes hotel investments. Since the start of Summer 2021 season Rainbow Tours as a Parent Company in the Group, plans to start operations of the newly incorporated company operating under Turkish law that is Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri Anonim Sirketi with registered office in Alanya (Antalya), in Turkey.

Due to consolidation of companies of Rainbow Tours Group in 2018 (there were two separate consolidation processes of acquisition of the subsidiaries "Rainbow Tours – Biuro Podróży" Sp. z o.o., "Bee & Free" Sp. z o.o. and Rainbow Incentive & Incoming Sp. z o.o. by the Parent Company - as the acquired companies) activities in the company were concentrated and i.e. costs and employment were optimized. As a consequence of the consolidation with the structures of Rainbow Tours S.A., the activities previously carried out in the subsidiaries that is "Rainbow Tours – Biuro Podróży" (intermediary sales of promotional materials and services), "Bee & Free" (sales of seat blocks on charter planes) and Rainbow Incentive & Incoming (sales of incentive travel). Moreover, in 2018 the subsidiaries of Rainbow Tours Group, that is Greek subsidiaries were merged (i) Greek company with the

business name White Olive A.E. with registered office in Athens (Greece) – as the acquiring company and (ii) the company operating under Greek law under business name Rainbow Hotels A.E. with registered office in Athens (Greece)– as the acquired company.

The operations intended to ensure financing for development of subsidiaries operating hotels were described in the description of the risk related with the investment process carried out in the Group.

Risk related with investment in the Group

Issuer's subsidiaries that is White Olive A.E. (the Greek company) and White Olive premium are owners of hotel properties and additionally lease (on long-term lease) hotel properties and provide hotel services for Rainbow Tours and other tour operators. White Olive A.E. carries out hotel activities and owns two hotel properties and additionally leases (on long-term lease) a hotel property in Greece on Zakynthos. Moreover, White Olive A.E. leases on a long-term a hotel property in Greece on Crete. White Olive Premium Lindos A.E. is an owner of a hotel property in Pefkos on Greek island Rhodes.

The Group has plans of further development of own hotels. Investing in development of the chain of own "White Olive" hotels is an element of Rainbow Tours Group's strategy for the years to come. Own hotel base not only gives more opportunities to create and manage the product, but also enables to obtain a bigger and more stable financial result. Expansion of the hotel chain allows the Group to earn higher margin on sales carried out by the Group.

Risk related to investing refers to investments made by the Group and potential negative effect on consolidated financial performance of the Group, if the company exceeds its planned threshold of investment spending, incurs loss or delays profits (higher sales margin earned by the Group) because of delays in investment.

Due to respective investments the Parent Company ensured funds for implementation of strategic plans by (1) entering into a loan contract in 2018 for the amount of EUR 15.5 million with Bank Gospodarstwa Krajowego - for the purpose of financing construction and extension of hotel facilities – detailed description of the respective contract is provided in point 9 of this report "Information on significant contracts for operations of the Group" (2) acquiring a passive investor that is Polish International Development Fund Closed Ended Fund of Private Assets in 2019 managed PFR TFI, which is a part of Polish Development Fund; the investment contract was concluded in respect of development regarding capital share in the Fund, (jointly with Rainbow Tours, in the company White Olive A.E), in order to provide hotel services in hotels owned by White Olive A.E. or managed on long-term lease.

In 2021 activities connected with taking up shares of White Olive A.E. in the increased share capital by Polish International Development Fund FIZ AN and by the Issuer (as a Partner) were implemented. Funds obtained by White Olive A.E. in the respective increase in share capital will be used for financing of purchase and general modernisation of a hotel operating under the business name White Olive Elite Rethymno" situated in the town Sfakaki on Crete Island in the neighbourhood of the town Rethymno; currently leased under long-term leased and managed by White Olive A.E.

Risk related to macroeconomic situation in Poland

Crisis linked to military conflict in Ukraine (including economic problems of the EU countries and among them Poland) affects in the mid-term and long-term the economic situation in Poland, and the situation may have effect on worse consumer moods, including on tendency of Polish customers to go abroad. This global political and economic situation affect by the crisis has and will have in the future long-term effect on falling economic indicators, rise of fuel prices, unfavourable exchange rates.

The political and social situation in Poland may be additional risk factor, and the inflation in Poland can be of potential importance in respect of consumer choices when it comes to purchases of package holidays, which involves rising prices in economy (year on year inflation), which lead to loss of money value. Additionally, in the opinion of some economic commentator's prevention of rise in inflation is suppressed by fiscal and social policy of the government in 2022 (so called inflation shields, subsidies, tax reductions, credit holidays) and that does not contribute to reducing demand. In the opinion of some of the economic commentators the policy of rising interest rates used by the National Bank of Poland is considered highly controversial (they claim that rising of interest rates was delayed and the scale of the increases was too low). The inflation, which has been rising steadily since the beginning of 2021 (in February 2021 the inflation was at the level of 2.4%) and the most felt increases e.g. in prices of construction materials, fuel and energy led to record high inflation in subsequent periods. According to the data published on 31.10.2022 by the Main Statistical Office, concerning increases in prices of consumer goods and services in October 2022 the CPI inflation (consumer price index is the index of p change of price of consumer goods and services calculated based on weighted average price of goods and services purchased by the average household. In Poland it came to 17.9% year on year from the level of 17.2% recorded in September 2022 (the highest level for 2). The reference rate – current at the date of approval of this report for publication - that is main interest rate of the National Bank of Poland came to 6.75% (in its last meeting on 09.11.2022 Monetary Policy Council did not decide to resume the cycle of rising interest rates and kept the respective main interest rate at the level of 6.75%).

In the opinion of the Management Board, taking in account experience of achieving relatively high levels of advance sales of package holidays in the most important summer season (that is in the Summer 2023 season), the inflation rate, which leads to

increase in prices in respect of these touristic seasons will not have effect on purchases of package holidays by customers of the Company.

Risk related to changes in legal regulations

Frequent changes of legal regulations or its various interpretation by Office of Consumer Protection and Competition and tax offices are dangerous for the company as well as the companies of Rainbow Tours Group. Any changes in law, especially tax law, e.g., implementation as of 01.01.2022, that is with a short adaptation period, of substantial tax changes in so called "Polish Deal") may bring negative consequences for operation of Rainbow Tours S.A. Provisions of Polish law are changing due to implementation of EU law and may affect legal environment of business operations of the Company. Frequent changes in interpretation of tax regulations are especially dangerous. The practice of tax offices and court judgments in taxation lack consistency. Tax interpretation differing from the interpretations provided by tax offices may adversely affect the financial situation of the company, and in consequence, its financial performance. Because of its investments in Greece the company is exposed to legislative changes in this country.

Currency risk

The company pays in foreign currencies (usually Euro or American Dollar) for ordered package travels and customers in Poland pay for holidays in in Polish zloty. Unfavourable currency exchange rates between the time of inflow of customer funds to payment to foreign contractors may reduce profitability and profits earned by the Company. The company uses hedges to secure future foreign exchange transactions: options and forwards, however in 2020 the company temporarily suspended currency hedge programmes because it not possible to estimate cash flows related to basic operations what makes it impossible to estimate currency needs. Currently the programme has been revived in 2022 and it is being implemented.

Risk connected with rising prices of crude oil

Rainbow Tours Group to a large degree ensures arrivals to destinations with airplanes and coaches. Greater demand for crude oil in the summer season due to greater activities of airlines or recovery of world economies from the crisis may lead to additional increase in the prices in this period. Pressure on rising prices of energy products, including crude oil can in 2022 be linked to the political and economic situation in the world due to unjustified military aggression of Russian Federation in the territory of Ukraine caused by military conflict. The rise in prices of crude oil, in particular in long-term, may lead to rising costs of package holidays (denominated in foreign currencies). Sudden local increase in prices of crude oil may substantially lower profitability of package holidays and operations, and thus lead to reduction of the amount of net cash flows and greater demand for borrowings, negative changes in terms of borrowings or limited bank financing.

Appropriate contractual provisions enable to level down cost of package travel in case of soaring prices on the local market. The Group is exposed to fluctuations of prices only to some slight degree. The standard charter contract is formulated in such a manner that the airline, which issues invoices for current flights, uses average price of jet fuel from two months ago. There is also calculation buffer – the company typically assumes that the price of the fuel is higher than the applicable market price.

Risk related to swift rise in salaries and other burdens imposed on the employer

Because of rising salaries in the sector of enterprises and also annual increase of the minimum salary and minimum hourly rate the Management Board of the Company sees risk of growing employment costs, which could result in rise in production costs and drop in in margin on sales of products. Additionally, starting from 2019 cost of remuneration was increased by payments to Employee Capital Plans, which will constitute an additional charge in years to come.

Due to the crisis of 2020 and 2021 linked to the effects of SARS-CoV-2 the Management Board of the Parent Company took numerous actions to minimise pandemic risk, including by substantial reduction of fixed costs of operations, including staff costs, which were substantially reduced because of implementation, according to respective decisions of the Ministry of Development and the Polish Government, of relief efforts and protective measures for businesses due to the crisis (Anti-crisis Shield) - as a part of assistance and protective packages for tour operators and travel agents in Poland (as a result of actions of tourism chambers and organizations in Poland). The Parent Company, as the entity carrying out operations marked with the code 79.12.Z "Activities of tour operators", also obtained i.e. benefits to protect jobs - according to the rules specified in Art. 15gga of the act of 2 of March 2020 on special solutions to prevent, counteract and combat Covid -19, other infectious diseases and crisis situations caused by them (co-financing of salaries of employees in the amount of PLN 2,000 a month for remuneration of a single employee considering number of working hours).

Description of management of substantial types of risk linked to operations of the Company and the Group, which have effect on non-financial issues was provided in "The report on non-financial issues of Rainbow Tours Spółka Akcyjna and Rainbow Tours Group in 2021" prepared with "the Report of the Management Board on operations of the Company and Rainbow Tours Group in 2021" (approved for publication as a part of annual single and consolidated reports for the financial year 2021 from 29.04.2022 <https://ir.r.pl> in the tab CSR /Dokumenty CSR.

According to provisions of art. 49b section 10 and art. 55 section 2d of the act of 29.09.1994 of Accounting, drafting reports on non-financial data according to requirements of the act fulfils the obligation of disclosure (in the report of operations) indexes and data, which are specified in art w art. 49 section 3 point 2) of the Accounting Act that is key non-financial efficiency indexes linked to operations of the parent company and data on staff issues and natural environment.

This "Extended Consolidated Report of Rainbow Tours Group for III quarter of 2022 and accruing for three quarters of 2022" was approved for publication on 18.11.2022.

The Management Board of Rainbow Tours Joint Stock Company, signatures of persons responsible for keeping the accounts.

Łódź, 18 of November 2022

Grzegorz Baszczyński
the President of the
Management Board

Piotr Burwicz
A member of the Management
Board

Jakub Puchałka
A member of the Management
Board

Maciej Szczechura
A member of the Management
Board