



## **Rozszerzony Skonsolidowany Raport Grupy Kapitałowej Rainbow Tours za I kwartał 2023 roku**

[sporządzony zgodnie z MSSF]

Łódź, dnia 26 maja 2023 roku



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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 at 31/03/2023 [not audited]	As at 31/03/2022 [not audited]	As at 31/03/2023 [not audited]	As at 31/03/2022 [not audited]
Fixed assets	305 099	271 449	65 255	58 345
Current assets	464 424	332 012	99 331	71 362
<b>Total assets</b>	<b>769 523</b>	<b>603 461</b>	<b>164 586</b>	<b>129 707</b>
<b>equity</b>	<b>169 989</b>	<b>143 143</b>	<b>36 357</b>	<b>30 767</b>
Issued share capital	1 455	1 455	311	313
Equity attributable to shareholders of the parent company	129 101	103 499	27 612	22 246
Long-term liabilities	106 454	112 861	22 767	24 258
Short-term liabilities	493 080	347 457	105 460	74 682
<b>Book value per share</b>	<b>11.68</b>	<b>9.84</b>	<b>2.50</b>	<b>2.11</b>

STATEMENT OF COMPREHENSIVE INCOME	PLN'000	PLN'000	EUR'000	EUR'000
	from 01/01/2023 to 31/03/2023 [not audited]	from 01/01/2022 to 31/03/2022 [not audited]	from 01/01/2023 to 31/03/2023 [not audited]	from 01/01/2022 to 31/03/2022 [not audited]
Continuing operations, sales revenue	556 033	315 762	118 292	67 947
Profit /loss on operations	24 269	(7 847)	5 163	(1 689)
Pre-tax profit (loss)	23 016	(8 646)	4 897	(1 860)
<b>Net profit (loss)</b>	<b>18 764</b>	<b>(7 841)</b>	<b>3 992</b>	<b>(1 687)</b>
Net profit (loss) attributable to shareholders of the parent company	19 820	(6 374)	4 216	(1 372)
Net profit (loss) per ordinary share attributable to shareholders of the parent company (denominated in PLN /EUR per share)				
- basic	1,29	(0,54)	0,27	(0,12)
- diluted	1,29	(0,54)	0,27	(0,12)
<b>Total comprehensive income</b>	<b>16 086</b>	<b>(6 190)</b>	<b>3 422</b>	<b>(1 332)</b>
Total comprehensive income attributable to:				
- shareholders of the parent company	17 142	(4 723)	3 647	(1 016)

CASHFLOW STATEMENT	PLN'000	PLN'000	EUR'000	EUR'000
	in	from 01/01/2022 to 31/03/2022 [not audited]	from 01/01/2023 to 31/03/2023 [not audited]	from 01/01/2022 to 31/03/2022 [not audited]
Net cash flow from operations	(30 336)	(37 566)	(6 454)	(8 084)
Net cash from investing activities	(16 388)	4 036	(3 486)	868
Net cash from financing activities	(28 377)	30 922	(6 037)	6 654
<b>Increase (decrease) in net cash and cash equivalents</b>	<b>(75 101)</b>	<b>(2 608)</b>	<b>(15 977)</b>	<b>(561)</b>

## 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 31/03/2023 [not audited]	As at 31/03/2022 [not audited]	As at 31/03/2023 [not audited]	As at 31/03/2022 [not audited]
Fixed assets	185 373	145 093	39 648	31 186
Current assets	476 809	353 296	101 980	75 937
<b>Total assets</b>	<b>662 182</b>	<b>498 389</b>	<b>141 628</b>	<b>107 123</b>
<b>equity</b>	<b>128 578</b>	<b>115 587</b>	<b>27 500</b>	<b>24 844</b>
Issued share capital	1 455	1 455	311	313
Long -term liabilities	53 471	51 396	11 436	11 047
Short-term liabilities	480 133	331 406	102 691	71 232
<b>Book value per share</b>	<b>8.84</b>	<b>7.94</b>	<b>1.89</b>	<b>1.71</b>

STATEMENT OF COMPREHENSIVE INCOME	PLN'000	PLN'000	EUR'000	EUR'000
	from 01/01/2023 to 31/03/2023 [not audited]	from 01/01/2022 to 31/03/2022 [not audited]	from 01/01/2023 to 31/03/2023 [not audited]	from 01/01/2022 to 31/03/2022 [not audited]
Continuing operations, sales revenue	554 837	315 816	118 038	67 958
Profit /loss on operations	28 350	(3 572)	6 031	(769)
Pre-tax profit (loss)	28 543	(4 238)	6 072	(912)
<b>Net profit (loss)</b>	<b>23 144</b>	<b>(3 433)</b>	<b>4 924</b>	<b>(739)</b>
Net profit (loss) per ordinary share (denominated in PLN /EUR per share)				
- basic	1.59	(0.24)	0.34	(0.05)
- diluted	1.59	(0.24)	0.34	(0.05)
<b>Total comprehensive income</b>	<b>21 051</b>	<b>(3 178)</b>	<b>4 478</b>	<b>(684)</b>

CASHFLOW STATEMENT	PLN'000	PLN'000	EUR'000	EUR'000
	from 01/01/2023 to 31/03/2023 [not audited]	from 01/01/2022 to 31/03/2022 [not audited]	from 01/01/2023 to 31/03/2023 [not audited]	from 01/01/2022 to 31/03/2022 [not audited]
Net cash flow from operations	(44 986)	(37 785)	(9 570)	(8 131)
Net cash from investing activities	119	(498)	25	(107)
Net cash from financing activities	(28 377)	35 470	(6 037)	7 633
<b>Increase (decrease) in net cash and cash equivalents</b>	<b>(73 244)</b>	<b>(2 813)</b>	<b>(15 582)</b>	<b>(605)</b>

To calculate individual items of the selected financial data (accordingly: single and consolidated) 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 31.03.2023 (4.6755) and as at 31.03.2022 (4.6525)
- 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 01.01.2023 to 31.03.2023 (4.7005) and for the period from 01.01.2022 to 31.03.2022 (4.6472).

## II. ABRIDGED QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS OF RAINBOW TOURS GROUP

### 1. THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	As at 31/03/2023 [not audited]	As at 31/12/2022 [not audited]	As at 31/03/2022 [not audited]
		PLN'000	PLN'000	PLN'000
<b>Fixed assets</b>				
Tangible fixed assets	8	252 785	243 594	233 643
Investment property		196	196	196
Goodwill		4 541	4 541	4 541
other intangible assets		4 750	4 691	3 907
Deferred tax assets		21 549	12 210	7 384
Other receivables	9	21 278	22 237	21 778
<b>Total fixed assets</b>		<b>305 099</b>	<b>287 469</b>	<b>271 449</b>
<b>Current assets</b>				
Stocks		363	181	219
Trade and other receivables	9	40 297	52 302	34 400
Advance payments	9	311 912	177 374	178 584
Other financial assets	10	-	159	360
Current tax assets		5 104	6 075	5 410
Other assets	11	39 434	60 015	31 712
Cash and cash equivalents	12	67 314	142 415	81 327
<b>Total current assets</b>		<b>464 424</b>	<b>438 521</b>	<b>332 012</b>
<b>Total assets</b>		<b>769 523</b>	<b>725 990</b>	<b>603 461</b>

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

LIABILITIES	Note	As at 31/03/2023 [not audited]	As at 31/12/2022 [not audited]	As at 31/03/2022 [not audited]
		PLN'000	PLN'000	PLN'000
<b>EQUITY AND LIABILITIES</b>				
<b>equity</b>				
Issued share capital		1 455	1 455	1 455
Share premium		36 558	36 558	36 558
Reserve		(5 387)	(3 294)	292
Translation of foreign operations		8 093	8 678	4 352
Retained earnings		88 382	68 562	60 842
Equity attributable to shareholders of the parent company		129 101	111 959	103 499
Equity attributable to non-controlling interests		40 888	41 944	39 644
<b>Total equity</b>		<b>169 989</b>	<b>153 903</b>	<b>143 143</b>
<b>Long-term liabilities</b>				
Long -term bank loans and credits	13	77 802	102 023	77 470
Pension liability	15	286	286	145
Long term provisions		701	516	35
deferred tax liability		6	1 150	-
Other liabilities	16	27 659	29 545	35 211
<b>Total long-term liabilities</b>		<b>106 454</b>	<b>133 520</b>	<b>112 861</b>
<b>Short-term liabilities</b>				
Trade payables and other liabilities	14	72 353	93 382	74 482
Short-term loans, bank loans and credits and lease liabilities	13	36 369	40 164	69 830
Other financial liabilities		6 650	4 067	-
Current tax liabilities		28 237	14 165	8 312
short -term provisions	15	75 557	46 262	46 035
Deferred income	16	266 371	232 984	141 255
Other liabilities	16	7 543	7 543	7 543
<b>Total short-term liabilities</b>		<b>493 080</b>	<b>438 567</b>	<b>347 457</b>
<b>Total liabilities</b>		<b>599 534</b>	<b>572 087</b>	<b>460 318</b>
<b>Total equity and liabilities</b>		<b>769 523</b>	<b>725 990</b>	<b>603 461</b>

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



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

	Nota	from 01/01/2023 to 31/03/2023 [not audited]	from 01/01/2022 to 31/03/2022 [not audited]
		PLN'000	PLN'000
<b>continuing operations</b>			
Sales revenue	17	556 033	315 762
Cost of sales	18	(468 059)	(285 733)
<b>Gross profit (loss) on sales</b>		<b>87 974</b>	<b>30 029</b>
Selling cost	18	(49 497)	(27 923)
Overheads	18	(13 765)	(9 625)
Other operating proceeds	19	440	20
Other operating costs	19	(883)	(348)
<b>Operating profit (loss)</b>		<b>24 269</b>	<b>(7 847)</b>
Financial revenue	20	1 253	337
Financial costs	20	(2 506)	(1 136)
<b>Pre-tax profit (loss)</b>		<b>23 016</b>	<b>(8 646)</b>
Income tax	21	(4 252)	805
<b>Net profit (loss) from continuing operations</b>		<b>18 764</b>	<b>(7 841)</b>
<b>Discontinued operations</b>			
Net profit (loss) from discontinued operations	22	-	-
<b>NET PROFIT (LOSS)</b>		<b>18 764</b>	<b>(7 841)</b>
<b>Items, which could be later carried to statement of comprehensive income</b>			
Translations of foreign operations		(585)	1 396
Effective part of profit and losses linked to hedging instrument in cash flow hedge		(2 093)	255
<b>total other net comprehensive income</b>		<b>(2 678)</b>	<b>1 651</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>16 086</b>	<b>(6 190)</b>
Net profit attributable to:			
shareholders of the parent company		19 820	(6 374)
non-controlling interests		(1 056)	(1 467)
Total comprehensive income attributable to:			
shareholders of the parent company		17 142	(4 723)
non-controlling interests		(1 056)	(1 467)

	Nota	from 01/01/2023 to 31/03/2023 [not audited]	from 01/01/2022 to 31/03/2022 [not audited]
		PLN	PLN
<b>number of shares (in thousands)</b>		14 552	14 552
<b>Number of shares – diluted (in thousands)</b>		14 552	14 552
<b>Profit (loss) per share (in PLN per share)</b>			
on continuing and discontinuing operations			
Basic		1.29	(0.54)
Diluted		1.29	(0.54)
On continuing operations			
Basic		1.29	(0.54)
Diluted		1.29	(0.54)

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
<b>For the period from 01/01/2022 to 31/03/2022 [not audited]</b>								
<b>As at 01/01/2022</b>	1 455	36 558	37	2 956	67 215	108 221	41 111	149 332
Net profit for the financial year	-	-	-	-	(6 373)	(6 373)	(1 467)	(7 840)
(Net) other comprehensive income for the financial year	-	-	255	1 396	-	1 651	-	1 651
<b>Total comprehensive income</b>	-	-	255	1 396	(6 373)	(4 722)	(1 467)	(6 189)
<b>As at 31/03/2022</b>	1 455	36 558	292	4 352	60 842	103 499	39 644	143 143
<b>For the period from 01/01/2022 to 31/12/2022 [not audited]</b>								
<b>As at 01/01/2022</b>	1 455	36 558	37	2 956	67 215	108 221	41 111	149 332
Net result for the financial year	-	-	-	-	21 497	21 497	833	22 330
(Net) other comprehensive income for the financial year	-	-	(3 331)	5 722	-	2 391	-	2 391
<b>Total comprehensive income</b>	-	-	-	5 722	21 497	23 888	833	24 721
Dividend payment	-	-	-	-	(21 828)	(21 828)	-	(21 828)
Other	-	-	-	-	1 678	1 678	-	1 678
<b>As at 31/12/2022</b>	1 455	36 558	(3 294)	8 678	68 562	111 959	41 944	153 903
<b>For the period from 01/01/2023 to 31/03/2023 [not audited]</b>								
<b>As at 01/01/2023</b>	1 455	36 558	(3 294)	8 678	68 562	111 959	41 944	153 903
Net result for the financial year	-	-	-	-	19 820	19 820	(1 056)	18 764
(Net) other comprehensive income for the financial year	-	-	(2 093)	(585)	-	(2 678)	-	(2 678)
<b>Total comprehensive income</b>	-	-	(2 093)	(585)	-	17 142	(1 056)	16 086
<b>As at 31/03/2023</b>	1 455	36 558	(5 387)	8 093	88 382	129 101	40 888	169 989

#### 4. THE CONSOLIDATED CASH FLOW STATEMENT

Description	Note	from 01/01/2023 to 31/03/2023 [not audited]	from 01/01/2022 to 31/03/2022 [not audited]
		PLN'000	PLN'000
<b>I. Pre-tax profit (loss)</b>		<b>23 016</b>	<b>(8 646)</b>
<b>II. total adjustments</b>		<b>53 450</b>	<b>(28 705)</b>
Amortization and depreciation		6 314	6 556
Foreign exchange gains (losses)		-	-
interest and profit sharing (dividend)		1 870	-
profit (loss) from investing activities		(1 119)	1 766
Movement in provisions		27 777	39 090
movement in stocks		(182)	(98)
Movements in receivables and prepaid expenses		(114 483)	(56 181)
Movements in short-term liabilities and prepayment expenses except for loans, credits and financial lease		31 025	(19 743)
Other adjustments		(4 554)	(95)
<b>Net cash from operations</b>		<b>(30 336)</b>	<b>(37 351)</b>
Income tax paid		-	(215)
<b>Net cash flows from operations</b>		<b>(30 336)</b>	<b>(37 566)</b>
Interest received		1 119	112
Dividends received from entities consolidated under equity method		-	-
Proceeds from sale of financial assets held for sale		-	4 119
Proceeds from sale of fixed assets		-	-
<b>Proceeds from sale of short-term securities / Purchase of short-term securities</b>		-	-
Proceeds from sale of short-term securities		-	-
Purchase of short-term securities		-	-
<b>Taking / Repayment of bank loans and credits</b>		-	-
Repayment of loans and credits		(933)	-
Lending		-	-
<b>Proceeds from sale of a subsidiary/ Purchase of a subsidiary</b>		-	-
Proceeds from sale of a subsidiary		-	-
Purchase of a subsidiary		-	-
<b>Other Borrowing / Repayment</b>		-	-
Other borrowing		-	8
Other repayment		-	-
expenditure on purchase of fixed assets		16 574	203
<b>Net cash from investing activities</b>		<b>(16 388)</b>	<b>4 036</b>

Description	Note	from 01/01/2023 to 31/03/2023 [not audited]	from 01/01/2022 to 31/03/2022 [not audited]
		PLN'000	PLN'000
Proceeds from issue / sale of own shares		-	(4 548)
<b>Borrowing / Repayment of loans / credits</b>		<b>(26 507)</b>	<b>35 776</b>
Borrowing - loans and credits		-	38 865
Repayment of loans and credits		(26 507)	3 089
<b>Other borrowing / repayment</b>		<b>1 870</b>	-
other borrowing – proceeds from lease		-	-
Other repayment		-	-
repayment of finance lease liabilities		-	-
Dividend paid out		-	-
Interest paid		1 870	306
<b>Net cash from financing activities</b>		<b>(28 377)</b>	<b>30 922</b>
<b>Increase/ (decrease) in net cash and equivalents</b>		<b>(75 101)</b>	<b>(2 608)</b>
<b>Balance sheet movement in cash</b>		<b>(75 101)</b>	<b>(2 608)</b>
Movement in cash from exchange gains/losses		-	-
the opening balance of cash and cash equivalents		142 415	83 935
The closing balance of cash and cash equivalents		67 314	81 327

## 5. NOTES TO INTERIM ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

### Note 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.

#### **Stock Exchange Quotation**

Rainbow Tours Company Limited by Shares 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: PLRNBWT00031.

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

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

As at the date of approval of this report (26.05.2023) The parent company's WSE industry segment is as follows: "Hotels and restaurants". Shares of the company have following indices: WIG, WIG-Poland, sWIG80, sWIG80TR, sWIG80dvr, WIG140.

#### **Information about composition of the Management Board and the Supervisory Board**

##### **The Management Board of the Company:**

As at 31.03.2023 the Management Board of the company is 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 (I quarter of 2023) and after the balance sheet date (31.03.2023), up to the date of approval of this report for publication (26.05.2023), there were no changes in the make-up of Management Board of the Parent Company.

The current, fourth five-year term of the Management Board ends on 25.08.2025, and the mandates expire at the latest on the day of the general meeting of the company regarding approval of the financial statements for the last full financial year of being a member of the Management Board, mandates of the members of the Management Board expire also due to death, resignation or dismissal of a member of the Management Board.

##### **The Supervisory Board of the Company:**

As at 31.03.2023 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.,
- Monika Kulesza - 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 (1<sup>st</sup> quarter of 2023) as well as after the balance sheet date (31.03.2023), up to the date of approval of this report for publication (26.05.2023), there were no changes in the makeup 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.

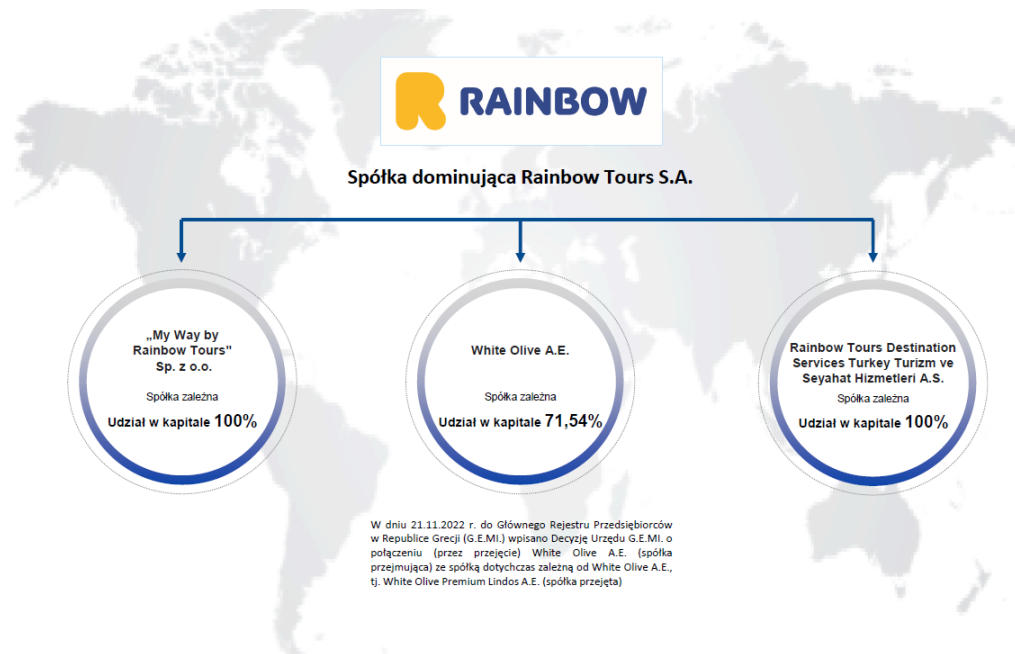
## Note 2. Description of the Capital Group with entities subject to consolidation

The chart below presents structure of Rainbow Tours Group as at 31.03.2023. 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 (31.03.2023), 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]
- Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S. [Anonim Sirketi - company limited by shares operating under Greek law].

RAINBOW TOURS GROUP AS AT 31.12.2022					
Business name	Registered office	object	Competent court/ the body keeping the register	Share capital/ share of 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	71.54% / 71.54%	Direct subsidiary
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



As at 31.03.2023 the Issuer was a parent company to the companies (the subsidiaries), presented below:

- “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 the company limited by shares operating under Turkish law].

#### Description of the subsidiaries forming Rainbow Tours Group and consolidated as at 31.03.2023

##### 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. In October and November 2022 merger (through acquisition) of White Olive A. E (the acquiring company) with previous subsidiary of White Olive A. E, that is White Olive Premium Lindos A.E. (the acquired company) took place within the Group, on 21.11.2022, the decision of Main Register of Entrepreneurs in Greece (G.E.M.I) about the merger was registered in the G.E.M.I. Moreover, in November and December 2022 share capital of White Olive A.E, was increased. Detailed description of changes in organization of the Group was presented in Note 5.4 to these financial statements

White Olive A.E. carries out hotel activities and after the merger with White Olive Premium Lindos A.E. (previously the subsidiary, the acquired company) is the owner of 4 hotel properties (two hotels on the Greek Island Zakynthos, one on Crete and one on Rhodes) and it additionally leases (on long-term lease) a hotel in Greece on Zakynthos. The hotel chain of White Olive A.E., which is managed directly by White Olive A.E. owns the following hotels:



- “White Olive Premium 518s” –four-star hotel situated on the Greek island Zakynthos in Laganas; the hotel is owned and managed by White Olive A.E.; the hotel “White Olive Premium Laganas” offers 137 spacious and modern furnished four-star hotel rooms in six 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 modern 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 modern 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 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.

The details describing changes in organization of the Group were presented in Note 3 to these financial statements

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

As a result of the incorporation process of the subsidiary of Rainbow Tours, which started in February 2020 and was realized 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 is (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). The Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri Anonim Sirketi started its operations from Summer 2021 season.

### **Note 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 31.03.2023), as well as after the balance sheet date, up to the date of signing these financial statements (26.05.2023), no changes occurred in Rainbow Tours Group.

### **Note 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 interim abridged consolidated financial statements were prepared according to IAS 34 “Interim Financial Reporting” taking into consideration the regulation of the Minister of Finance of 29.03.2018 on current and periodic information provided by issuers of securities and conditions of regarding as equivalent the information required by non-members states (Journal of Laws of 2018 item 757). Due to application of IAS and pursuant to § 66 section 6 of the regulation of the Minister of Finance these abridged interim consolidated financial statements covers the following periods:

- in case of statement of financial position – the data as at 31.03.2023 and the comparative data as at 31.12.2022, the Parent Company decided about publication of additional comparative data as at 31.03.2022,
- in case of the statement of comprehensive income and cash flow statement – data for I quarter of 2023, that is three months ended on 31.03.2023 and the comparative data for I quarter of 2022 that is for the period of three months ended on 31.03.2022.
- in case of the statement of changes in equity – the data accruing for the financial year that is for three months ended on 31.03.2023 and the comparative data for three months ended on 31.03.2022. The Parent Company decided to additionally publish comparative data for the previous financial year 2022 that is for the period of twelve months ended on 31.12.2022.

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 2022, which was published in the consolidated periodic annual report RS/2022 on 28.04.2023.

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.

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 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.

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 26.05.2023.

## **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 approval of these financial statements 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 "the Accounting policy of the Group" in Note 4.5 "Significant Estimates and Assumptions" in the consolidated annual financial statements of Rainbow Tours Group for the financial year 2022, which was published in the consolidated periodic annual report RS/2022 on 28.04.2023.

## **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 2022, which was published in the consolidated periodic annual report RS/2022 on 28.04.2023.

### **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.

### **Amendments in standards and interpretations.**

Accounting principles (policy) and calculations methods applied to draft these interim consolidated financial statements are the same as those applied in annual consolidated financial statements of Rainbow Tours S.A. and Rainbow Tours Group for the financial year 2022, except for those which apply to new standards and interpretations effective for the first time for the periods starting or effective after 01.01.2023, and which were adopted in annual financial statements of Rainbow Tours S.A. and Rainbow Tours Group for the financial year 2023.

The amendments of the standards and interpretations of IFRS, which took effect from 01.01.2023 did not have significant effect on these financial statements and were described in the annual consolidated financial statements of Rainbow Tours Group for the financial year 2022, which was published in the consolidated periodic annual report RS/2022 on 28.04.2023.

### **New standards and interpretations effective in future periods.**

In these financial statements the company did not decide to apply early standards or interpretation before their effective date

Standards and interpretations issued by the International Accounting Standards Board or International Financial Reporting Interpretation Committee, which did not become effective as at the balance sheet date, were described in the consolidated annual financial statements of Rainbow Tours Group for the financial year 2022, which was published in the consolidated periodic annual report RS/2022 on 28.04.2023.

### **Note 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 2022, which was published in the consolidated periodic report RS/2022 on 28.04.2023. 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.

### **Note 6. Explanations regarding seasonality or cyclical events in operations of the Issuer in the presented period.**

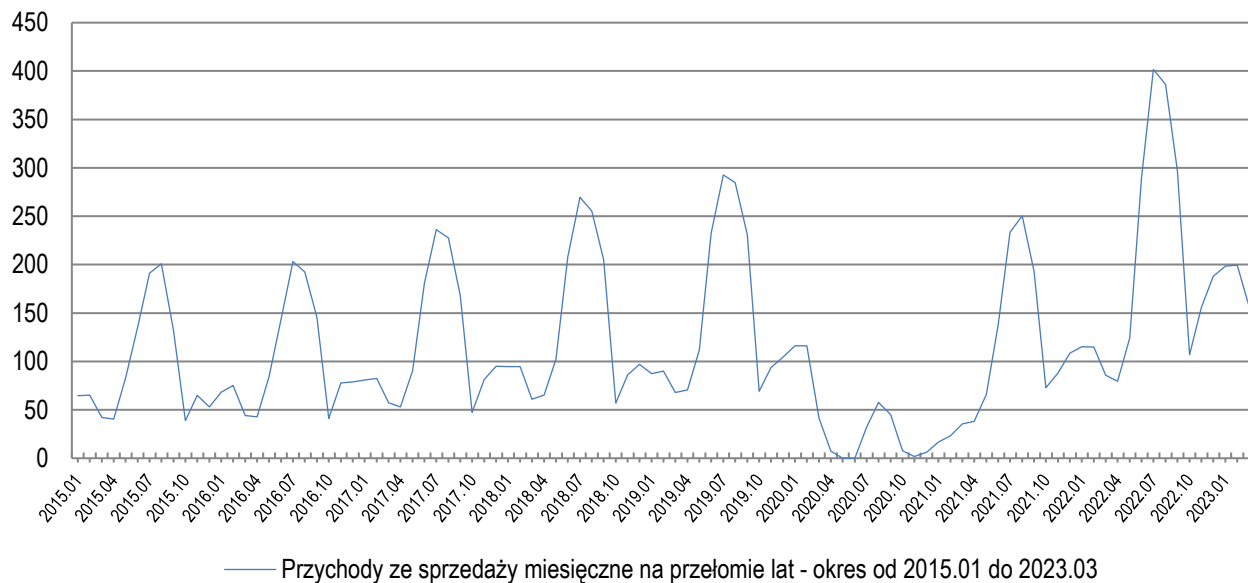
The operations of the Group due to their type are seasonal - the highest revenue is earned in the summer season in III quarter, and the lowest in IV quarter.

The charts below present: amount of revenue from sales of package travel in the period from January 2015 to March 2023 (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 2015 – 2023.

The presented amounts refer only to the Parent Company. The Group resigned from comparing consolidated data due to different dates of taking control over subsidiaries and due to close cooperation of all entities and subsequent exclusions of mutual transactions.

Table. –Monthly sales revenue from 2015.01 to 2023.03

Month on month sales revenue in the period from 2015.01 to 2023.03



Comparison –of sales revenue on month-on-month basis from 2015 – 2023

Seasonality - month on month sales revenue [in PLN million] - years 2015 - 2023

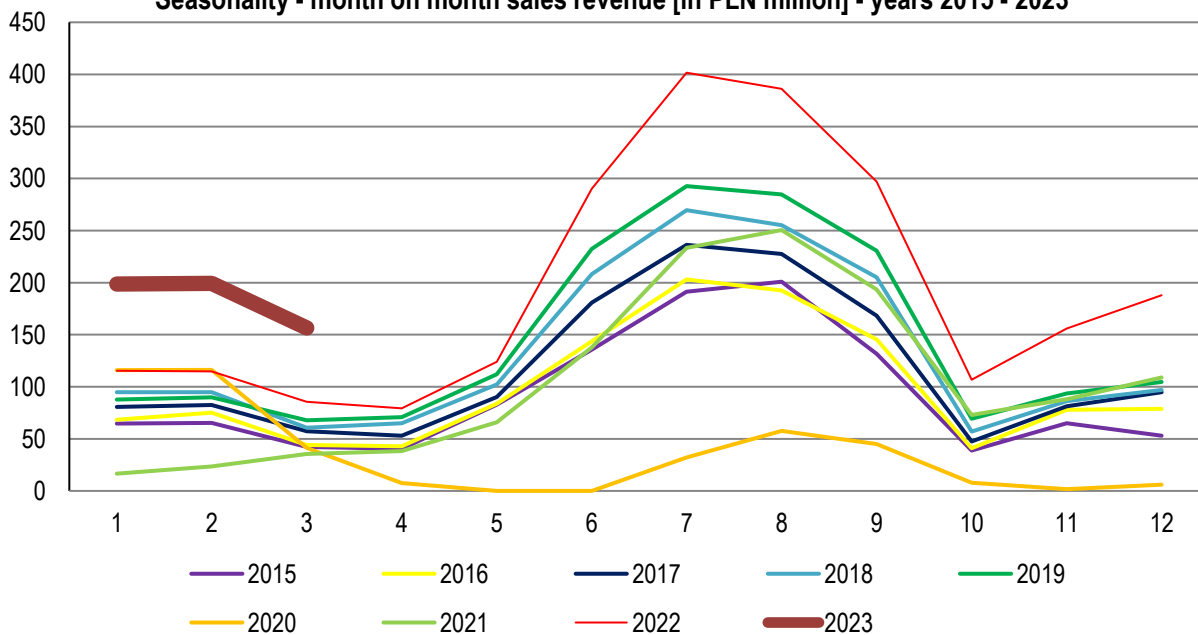
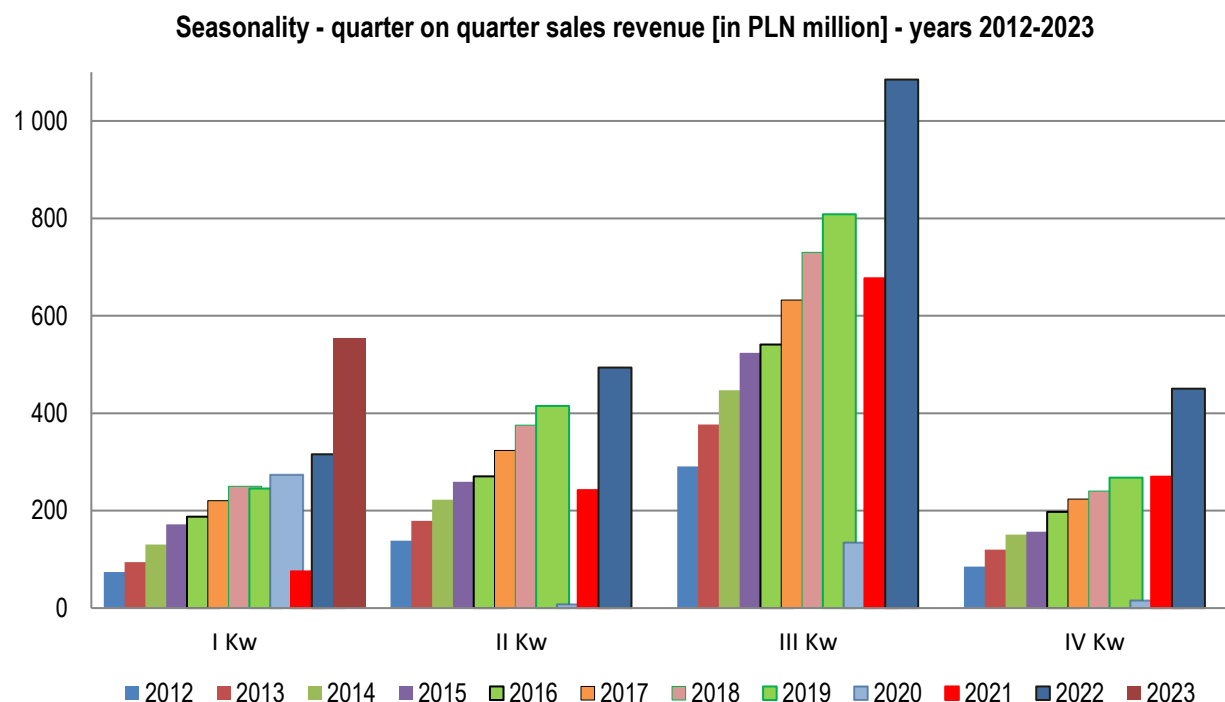


Table. – comparison of quarter-on-quarter sales revenue from 2012 – 2023



#### Note 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 I quarter of 2023, in the period of three months ended on 31.03.2023 and also in the period after the balance sheet date (31.03.2023) up to the date of signing this report (26.05.2023), neither the Parent Company in the Group nor other of the companies of Rainbow Tours issued, bought back or repaid non-equity or equity securities.

#### Note 8. Tangible fixed assets

	As at 31/03/2022 [not audited]	As at 31/12/2022 [not audited]	As at 31/03/2022 [not audited]
	PLN'000	PLN'000	PLN'000
Own land	31 205	24 277	24 087
Buildings	152 333	148 777	145 698
Right of use assets	44 902	48 712	45 584
Plant and Machinery	1 584	1 358	1 276
Motor vehicles	1 165	1 318	2 305
Equipment	14 079	14 199	13 935
Capital expenditure	7 517	4 953	757
	<u>252 785</u>	<u>243 594</u>	<u>233 643</u>

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 of September 2022 (at the same time security for claims under the insurance guarantee GT 500/2021 of 10 of September 2021, the insurance guarantee GT 359/2020 of 8 of September 2020 amended with the attachment No 1 of 11 of August 2021) pursuant to the contract of 14 of September 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 with the value of PLN 13,518,000, 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.

There were no fixed assets held for sale

As at 31.12.2022 the Parent Company updated calculation of lease liabilities resulting from renegotiations of contracts with lessors in exchange for discounts in leases and in consideration of lease payments schedule and new interest rates. The difference between the amount of liability and the amount resulting from the modified contracts has accordingly increased the amount of right of use assets and the amount of lease liabilities.

## Note 9. Receivables and other receivables

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]]
	PLN'000	PLN'000	PLN'000
Trade receivables	33 504	27 907	25 932
Allowance for doubtful debts	(4 331)	(4 331)	(3 843)
	<b>29 173</b>	<b>23 576</b>	<b>22 089</b>
<i>Deferred sales proceeds:</i>			
Other receivables	7 604	10 017	6 995
Other receivables – deposits	21 278	22 237	21 778
Cash and cash equivalents	3 520	18 709	5 316
	<b>61 575</b>	<b>74 539</b>	<b>56 178</b>
Fixed assets	21 278	22 237	21 778
Current assets	40 297	52 302	34 400
<b>Total</b>	<b>61 575</b>	<b>74 539</b>	<b>56 178</b>

### Advance payments

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]]
	PLN'000	PLN'000	PLN'000
Advance payments - advances paid - hotels	302 829	163 980	172 619
Allowance for doubtful accounts	(5 838)	(5 838)	(2 946)
Other receivables - advances paid - air transportation	14 921	19 232	8 911
	<b>311 912</b>	<b>177 374</b>	<b>178 584</b>

### Advance payments – write-offs

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]]
	PLN'000	PLN'000	PLN'000
Opening balance	(5 838)	(2 946)	(2 946)
Allowance to reduce account receivables	-	(2 892)	-
Amounts written off as uncollectible	-	-	-
Amounts recovered during a year	-	-	-
Reversal of allowance to reduce account receivables	-	-	-
Unwind of discount	-	-	-
Closing balance	(5 838)	(5 838)	(2 946)

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 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.

#### Note 10. Other financial assets

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]]
	PLN'000	PLN'000	PLN'000
<b>Derivatives designated and effective as hedging instruments carried at fair value through profit of loss</b>			
Currency forward contracts	-	-	360
	-	-	<b>360</b>
<b>Assets valued at amortised costs – lending</b>			
Loans to related parties	-	-	-
Loans to other parties	-	159	-
	-	<b>159</b>	-
<b>Total</b>	-	<b>159</b>	<b>360</b>
Current assets	-	159	360
Fixed assets	-	-	-
	-	<b>159</b>	<b>360</b>

#### Note 11. Other assets

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]]
	PLN'000	PLN'000	PLN'000
Prepaid expenses:			
Costs of package travel off season	27 733	50 483	27 277
Costs of catalogues off season	1 224	-	364
Commission off season **	1 626	2 665	1 059
insurance off season	2 253	3 156	917

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]
	PLN'000	PLN'000	PLN'000
other off season	5 038	2 067	200
Other - commission of Tourism Assistance Fund	1 560	1 644	1 895
	<b>39 434</b>	<b>60 015</b>	<b>31 712</b>
Current assets	39 434	60 015	31 712
Fixed assets	-	-	-
	<b>39 434</b>	<b>60 015</b>	<b>31 712</b>

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

## Note 12. Cash and cash equivalents

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]
	PLN'000	PLN'000	PLN'000
Cash in hand and at bank	67 314	142 415	81 327
	<b>67 314</b>	<b>142 415</b>	<b>81 327</b>

## Note 13. Credits, bank loans and lease liabilities.

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]
	PLN'000	PLN'000	PLN'000
<b>Hedged – at amortised cost</b>			
Overdrafts	18 374	20 380	38 551
Revolving credits	5 738	26 851	10 000
Bank loans – investments	49 354	50 426	57 680
Loans from governmental entities	-	-	-
Other aid loans	452	469	1 984
Transfer of receivables	-	-	-
Financial lease liabilities	514	574	621
Right of use liabilities	39 739	43 487	38 464
	<b>114 171</b>	<b>142 187</b>	<b>147 300</b>
Short-term liabilities	36 369	40 164	69 830
Long-term liabilities	77 802	102 023	77 470
	<b>114 171</b>	<b>142 187</b>	<b>147 300</b>

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 31.03.2023 the Parent Company used a bank loan in the amount of PLN 24,112. As at 31.03.2023 the subsidiary White Olive A.E had liabilities from investment loan in the amount of EUR 10,653 thousand, which is equivalent of PLN 49,806 thousand. The amount of the loan was presented at amortized cost that is reduced by financing costs in the total amount of EUR 97 thousand (PLN 455 thousand). The costs will be settled over the period of repayment of the loan.



As at 31.12.2022 the Parent Company used bank credits (overdraft and revolving credit) in the total amount of PLN 47,231 thousand. As at 31.12.2022 the subsidiary White Olive A.E. had liabilities from investment loan in the amount of EUR 10,842 thousand, which is equivalent of PLN 50,846 thousand. The amount of the loan was presented at amortized cost, that is reduced by financing costs in the total amount of EUR 107 thousand (PLN 501 thousand). The costs will be settled over the period of repayment of the loan.

As at 31.03.2022 the Parent Company used bank credits in the amount of PLN 48,551 thousand. As at 31.03.2022 the subsidiary White Olive A.E. had liabilities from investment loan in the amount of EUR 12,543 thousand, which is equivalent of PLN 58,360 thousand. The amount of the loan was presented at amortized cost that is reduced by financing costs in the total amount of EUR 146.0 thousand (PLN 679.1 thousand). The costs will be settled over the period of repayment of the loan.

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

#### Lease liabilities

from 01/01/2023 to 31/03/2023	Land and buildings	Machinery, equipment and motor vehicles	total
	PLN'000	PLN'000	PLN'000
<b>As at 01/01/2023</b>	<b>43 487</b>	<b>574</b>	<b>44 061</b>
Increase	-	-	-
Cost of interest	-	(9)	(9)
Modification of lease terms	-	-	-
variable lease payments adjustments	-	-	-
Lease payments	(3 748)	(51)	(3 799)
Exchange differences	-	-	-
<b>As at 31/03/2023</b>	<b>39 739</b>	<b>514</b>	<b>40 253</b>

from 01/01/2022 to 31/12/2022	Land and buildings	Machinery, equipment and motor vehicles	total
	PLN'000	PLN'000	PLN'000
<b>As at 01/01/2022</b>	<b>41 443</b>	<b>614</b>	<b>42 057</b>
Increase	1 054	569	1 623
Cost of interest	(2 829)	(28)	(2 857)
Modification of lease terms	-	-	-
variable lease payments adjustments	14 009	9	14 018
Lease payments	(10 419)	(590)	(11 009)
Exchange differences	229	-	229
<b>As at 31/12/2022</b>	<b>43 487</b>	<b>574</b>	<b>44 061</b>

from 01/01/2022 to 31/03/2022	Land and buildings	Machinery, equipment and motor vehicles	total
	PLN'000	PLN'000	PLN'000
<b>As at 01/01/2022</b>	<b>41 443</b>	<b>614</b>	<b>42 057</b>
Increase	126	188	314
Cost of interest	-	(5)	(5)
Modification of lease terms	-	-	-
variable lease payments adjustments	-	6	6
Lease payments	(3 105)	(182)	(3 287)
Exchange differences	-	-	-
<b>As at 31/03/2022</b>	<b>38 464</b>	<b>621</b>	<b>39 085</b>

## Note 14. Trade and other payables

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]
	PLN'000	PLN'000	PLN'000
Trade payables	58 109	73 217	68 453
Payroll liabilities	5 644	4 551	3 205
Other liabilities – accounts receivables and payables from purchase of shares	2 600	2 600	2 600
Other liabilities – recorded after the balance sheet date	-	-	-
Other liabilities – remaining	6 000	13 014	224
<b>Total</b>	<b>72 353</b>	<b>93 382</b>	<b>74 482</b>

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

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]
	PLN'000	PLN'000	PLN'000
Employee benefits (i)	680	680	1 058
Employee benefits (ii)	286	286	145
Costs of complaints i	2 792	739	162
Other provisions – estimated costs of flight and hotel costs	72 786	45 359	44 850
	<b>76 544</b>	<b>47 064</b>	<b>46 215</b>
Short-term provisions	75 557	46 262	46 035
Long-term provisions	987	802	180
	<b>76 544</b>	<b>47 064</b>	<b>46 215</b>

(i) Provision for employee benefits covers annual holiday leaves, accrued holiday entitlements and employee claims in respect of remuneration. Decrease in the amount of the provision is a consequence of payments of employee benefit within the current year.

(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

## Note 16. Deferred income and other liabilities

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]
	PLN'000	PLN'000	PLN'000
advances paid by customers	266 371	232 984	141 255
liabilities towards customer taken over by Insurance Guarantee Fund	35 202	37 088	42 745
Liabilities towards customers	-	-	-
Other liabilities	-	-	9
	<b>301 573</b>	<b>270 072</b>	<b>184 009</b>
Short-term	273 914	240 527	148 798
Long-term	27 659	29 545	35 211
	<b>301 573</b>	<b>270 072</b>	<b>184 009</b>

## Note 17. Revenue from sales of services, materials and goods

	Period of 3 months ended on 31/03/2023 [not audited]	Period of 3 months ended on [not audited]
	PLN' 000	PLN' 000
revenue from sales of package holidays	554 949	314 668

	Period of 3 months ended on 31/03/2023 [not audited]	Period of 3 months ended on [not audited]
	PLN' 000	PLN' 000
Other revenue	1 084	1 094
	<u>556 033</u>	<u>315 762</u>

#### Note 18.Costs by type

	Period of 3 months ended on 31/03/2023 [not audited]	Period of 3 months ended on 31/03/2022 [not audited]
	PLN'000	PLN'000
Amortization and depreciation	6 314	6 556
Consumption of raw and other materials	1 022	661
Outsourcing	489 112	287 895
costs of employee benefits	24 389	15 178
Taxes and charges	1 045	456
other costs	9 439	12 535
Value of goods and materials sold	-	-
Other – remaining operating costs	-	-
<b>Total</b>	<u>531 321</u>	<u>323 281</u>

#### Note 19.other operating revenue/ operating costs

Other operating revenue	Period of 3 months ended on 31/03/2023 [not audited]	Period of 3 months ended on 31/03/2022 [not audited]
	PLN'000	PLN'000
<b>profits on sale of assets</b>		
profits on sale of fixed assets	-	-
Profits on sale of investment property	-	-
	<u>-</u>	<u>-</u>
<b>Reversal of impairment losses</b>		
Intangible assets	-	-
Tangible fixed assets	-	-
financial assets	-	-
trade receivables	-	-
Other	-	-
	<u>-</u>	<u>-</u>
<b>Other operating revenue:</b>		
Profits from measurement of investment property	-	-
subsidies	79	-
Other	361	20
	<u>440</u>	<u>20</u>

Other operating costs	Period of 3 months ended on 31/03/2023 [not audited]	Period of 3 months ended on 31/03/2022 [not audited]
	PLN'000	PLN'000
<b>Loss on sale of assets</b>		
Loss on sale of fixed assets	-	-

Other operating costs	Period of 3 months ended on 31/03/2023	Period of 3 months ended on 31/03/2022
	[not audited]	[not audited]
	PLN'000	PLN'000
loss on sale of investment property	-	-
	-	-
<b>Recognized impairment</b>		
Goodwill	-	-
Intangible assets	-	-
Tangible fixed assets	-	-
Financial assets	-	-
Trade receivables	-	-
Other	-	-
	-	-
<b>Other operating costs</b>		
loss on measurement of investment property	-	-
Cost of liquidation of fixed assets and current assets	-	-
Other – complaints	389	164
Other	494	184
	<b>883</b>	<b>348</b>

## Note 20. Revenue/ financial costs

	Period of 3 months ended on 31/03/2023	Period of 3 months ended on 31/03/2022
	[not audited]	[not audited]
	PLN'000	PLN'000
Lease proceeds		
Conditional revenue from finance lease	-	-
Revenue from operating lease	-	-
- on investment property	-	-
- conditional revenue from operating lease	-	-
	-	-
<b>Revenue from interests</b>		
Bank deposits	1 119	112
Other loans and receivables	-	-
	-	-
<b>Total</b>	<b>1 119</b>	<b>112</b>

## financial revenue analysed per category of assets

	Period of 3 months ended on 31/03/2023	Period of 3 months ended on 31/03/2022
	[not audited]	[not audited]
	PLN'000	PLN'000
<b>Interest revenue</b>		
loans and receivables (covering cash in hand and bank deposits)	134	225
Investments held to maturity	-	-
interest revenue from financial assets, which were not set for measurement at WSE.	-	-
financial revenue from non-financial assets	-	-

	Period of 3 months ended on 31/03/2023	Period of 3 months ended on 31/03/2022
	[not audited]	[not audited]
	PLN'000	PLN'000
<b>Total</b>	<b>1 253</b>	<b>337</b>
<b>Interest costs</b>		
	Period of 3 months ended on 31/03/2023	Period of 3 months ended on 31/03/2022
	[not audited]	[not audited]
	PLN'000	PLN'000
interest on bank loans, credits and overdrafts (except from those received from related parties)	718	204
interest on bank loans, credits and overdrafts obtained from related parties	-	-
interest on financial lease liabilities	9	5
Other interest costs	50	419
<b>Total Interest costs on financial liabilities measured at WSE</b>	<b>777</b>	<b>628</b>
less amounts recognized in costs of assets eligible for capitalization	-	-
	<b>777</b>	<b>628</b>
<b>Other financial costs</b>		
other financial costs – costs of guarantees	1 729	508
	<b>2 506</b>	<b>1 136</b>

## Note 21. Income tax

income tax	Period of 3 months ended on 31/03/2023	Period of 3 months ended on 31/03/2022
	[not audited]	[not audited]
	PLN'000	PLN'000
Gross profit (loss)	23 016	(8 646)
Permanent differences increasing the tax base	2 726	-
temporary differences in the tax base	38 035	-
<b>Tax base</b>	<b>63 777</b>	<b>(8 646)</b>
Tax rate	19,0%	19,0%
Tax losses offset with an asset	-	-
Current tax	(13 168)	-
Deferred tax	8 916	805
<b>Income tax recognized in the account</b>	<b>(4 252)</b>	<b>805</b>
<b>Effective tax rate</b>	<b>18.5%</b>	<b>0.0%</b>

## Note 22. Discontinuing operations

In the reporting period of I quarter of 2023 and after the balance sheet date (31.03.2023) up to the date of approval of this report for publication (26.05.2023), as well as in 2022, no subsidiary was sold within Rainbow Tours Group.

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

In the reporting period of I quarter of 2023 and after the balance sheet date (31.03.2023) up to the date of approval of this report for publication (26.05.2023), as well as in 2022, no dividend was paid or declared.

Due to completion of the process aimed to sum up financial data for the purpose of drafting annual financial statements for 12 months ended on 31.12.2022 (that is single financial statements of the Parent Company for the financial year 2022 and the consolidated financial statements of Rainbow Tours Group for the financial year 2022) and due to completion of the audit, performed by the audit company BDO Spółka z ograniczoną odpowiedzialnością Sp. k., of annual financial statement for the financial year 2022, the Supervisory Board, on 28.04.2023, give a positive opinion to the recommendation of the Management Board of the Company of 28.04.2023 on allocation of the net profit for the financial year 2022 in the total amount of PLN 13,920,583.32 (thirteen million nine hundred twenty thousand five hundred eighty-three Polish zloty 32/100 grosz) as follows:

- The amount of PLN 7,276,000.00 (seven million two hundred and seventy-six thousand zloty) allocates for dividend payment in the amount of PLN 0.50 (fifty grosz) per share,
- The remaining amount of PLN 6,644,583.32 (six million six hundred forty-two thousand five hundred- and eighty-three-zloty 32/100 grosz) leave in the Company as retained profits and allocate them to supplementary capital.

The final decision on allocation of the profit of the Company for the financial year 2022 will be made by the Ordinary General Meeting of the Company.

The information in this respect was published by the Company in the current report ESPI No 10/2023 of 28.04.2023.

Moreover, in the period following the balance sheet date (31.03.2023) and after the reporting period of I quarter of 2023 the Management Board of the Company, pursuant to the respective resolution of the Management Board of the Company of 22.05.2023, decided to start, in the Company, the process of preparation of payment and actual payment of advances for the dividend due at the end of 2023, which was calculated based on net profit recognized in the financial statements for the period of three months ended on 31 March 2023 (for the period of I quarter of 2023) - to Shareholders of the Company.

Details in this respect were provided by the Management Board of the Company in the current report of the Company No 15/2023 on 22.05.2023.

The Management Board of the company took the decision taking into consideration the following fact:

- With regard sum up of the financial data of the Company for the purpose of drafting the extended consolidated periodic report of Rainbow Tours Group for 1 quarter of 2023, before the end of the process of preparing the respective periodic report, the selected initial single financial data of the Company for I quarter of 2023 show i.e. the information provided in the current report No 11/2023 of 15.05.2023, that is rise in sales revenue earned for I quarter of 2023 in the amount of 554,837 thousand (that is dynamics of 75.7% against the data for the comparative period of 2022, when the sales revenue came to PLN 315,816 thousand) and net profit for I quarter in the amount of PLN 23,058 thousand (that is growth dynamics of 771.7% against the data for the comparative period of I quarter of 2022, when the company made a net loss in the amount of PLN -3.433 thousand, net),
- the financial statements of the Company for the previous financial year 2022 show single net profit in the amount of PLN 13,921 thousand, and when it comes to the next Ordinary General Meeting of the Company, which is scheduled for June 2023, there are plans to adopt a resolution to approve the single financial statements (which show profit) for the financial year 2022.

and also taking into consideration:

- good present and future outlook of economic situation of the Company as at the date of making the decision and good perspectives on performance on the Company, including sales and advance sales of touristic services provided by the Company (the Company informs about growth and increased demand for and volume of advance sales of the offer from operations on daily basis i.e. in cyclical current reports on volume of advance sales of package holidays: the current report 39/2022 of 07.12.2022, the current report No 2/2023 of 21.02.2023, the current report No Nr 8/2023 of 19.04.2023, the current report No 13/2023 of 19.05.2023 and the current report No 14/2023 of 19.05.2023), and that in the opinion of the Management Board will have effect on growing profitability in the Company in the financial year 2023, and the Company has funds necessary to pay advances for dividend due at the end of the financial year 2023.

Advances for Shareholders of the Company, due to dividend, will be paid pursuant to authorization arising from § 28 section 6 of the Articles of Association of the Company, based on which, and subject to, requirements and dispositions provided for in the provision of art 349 of the Code of Commercial Companies and Partnerships:

- 1) According to disposition of art. 349 § 2 sentence one of the Code of Commercial Companies and Partnerships the single financial statements for the previous financial year – 2022 showing profit require approval by the General Meeting of the Company.

- 2) According to disposition of 349 § 1 Code of Commercial Companies and Partnerships and § 22 letter p) in connection with w § 28 section 6 of the Articles of Association the payment of advances due to dividend – for shareholders, require permission of the Supervisory Board.
- 3) According to art. 349 § 2 second two of the Code of Commercial Companies and Partnerships /quote/ “the advances may constitute, at the utmost, half of the profit earned from the end of the previous financial year - presented in financial statements, audited by a statutory auditor, increased by reserves created from profit, which can be used by a management board to pay out advances and reduced by uncovered losses and own shares” and thus, the Management Board will immediately request the Supervisory Board, pursuant to § 22 letter d) of the Articles of Association, to appoint a statutory auditor (an audit company) to audit the financial statements for the period of three months ended on 31.03.2023 (I quarter of 2023), according to which the Company plans to determine net profit, which is the base for payment of advances (to Shareholders of the Company) for dividend due at the end of the financial year 2023.

Final conditions of payment of advances for dividend to shareholders of the Company will be determined in a respective resolution of the Management Board, which will be adopted by the Management Board immediately after approval of the single financial statements for the previous financial year 2022 by the General Meeting of the Company. The Management Board will – with regard to the respective resolution on payment of advances for dividend due at the end of 2023 – calculate the amount to be paid and also the date, as at which persons with right to advance are determined, as well as the date of starting advance payments. The scheduled payment of advances will be announced by the Management Board at least four weeks before the start of payment, and the date to determine persons with rights to be paid advances should fall within seven dates before the start of the payments.

The Management Board:

- Immediately following adoption of the resolution, will request the Supervisory Board to appoint a statutory auditor (the audit company) to audit financial statements for the period of three months ended on 31.03.2023 (I quarter of 2023), based on which the company plans to calculate net profit to be the basis for payments of advances for dividend due at the end of the financial year 2023 to shareholders of the Company.

The Supervisory Board pursuant to provisions of resolution No 3/05/2023 of 22.05.2023 appointed the audit company to perform a voluntary audit with regard to the single financial statements of Rainbow Tours Spółka Akcyjna for the period of three months ended on 31.03.2023 for the purpose of payment of advances for dividend due at the end of 2023 to shareholders of the Company, and decided entrust the voluntary audit, that is the audit, which is not statutory within the meaning of provisions of the act of 11.05.2017 on statutory auditors, audit companies and public oversight (that is Journal of Laws of 2022, item 1302 as amended) to the audit company BDO Spółka z ograniczoną odpowiedzialnością Spółka komandytowa with registered office in Warsaw, entered on the list of audit companies kept by the Polish Financial Supervision Authority under No 3355;

- Immediately after approval of the single financial statements for the previous financial year 2022 by the General Meeting of the Company, the Management Board will prepare and adopt a respective resolution on payment of advances for dividend due at the end of 2023 by the Company.

## **Note 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.**

From the end of the last financial year until approval of these report for publication (26.05.2023) none of the Companies of Rainbow Tours Group, including the Parent Company, made any insurance guarantee contracts for a tour operator and an entrepreneur facilitating acquisition of related services with Towarzystwo Ubezpieczeń Europa S.A. with registered office in Wrocław, subject to the fact that on 19.05.2023 the Parent Company (the Obligor) signed with the contractor, that is Towarzystwo Ubezpieczeń Europa S.A. (“the Guarantor”), the annex No1 to the insurance guarantee contract No GT 518/2022 of 14.09.2022 (“the Guarantee Contract” No GT 518/2022, about which the Company informed in the current report No 27/2022 of 15.09.2022); the annex was signed with regard to activities carried out by the Company as a tour operator and an entrepreneur facilitating acquisition of related services, which benefits the Governor of the Łódzkie Voivodeship (“the Beneficiary”) and each travelling person, who during the Guarantee period, concluded a contract with the Obligor, and pursuant to which rules of granting insurance guarantee (“the Guarantee”) by the Guarantor were defined, according to relevant provisions of the act of 24.11.2017 on package holidays and package tours and related tourism services, that is in connection with the obligation to ensure it to travelling persons in case of insolvency.

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 performance 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 tour operator's or the 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 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.

Pursuant to the annex No 1 to the guarantee contract No GT 518/2022 the upper limit of Guarantor's liability under the Guarantee was increased ("the amount of Guarantee) from the previous amount of PLN 150,000,000 (the equivalent of EUR 32,687,572.18 calculated using the average euro exchange rate announced by the National Bank of Poland for the first in the year of issuance of the guarantee, that is on 03.01.2022 in the amount of PLN 4.5889) to the amount of PLN 200,000,000 (the equivalent of EUR 43,583,429.58), that is by PLN 50,000,000 (the equivalent of EUR 10,895,857.40).

The Guarantee Amount was increased due to substantial rise in actual revenue earned by the Company with respect to previously assumed amounts and in order to guarantee fulfilment of requirements and dispositions regarding minimum guarantee amount according to provisions of the Regulation of the Minister of Development and Finance of 27.12.2017 on minimum bank guarantee amount and insurance amount required for activities carried out by tour operators and entrepreneurs facilitating acquisition of related services.

The Guarantee increased to PLN 200,000,000 (the equivalent of EUR 43,583,429.58) secures repayment of claims arising on events specified above (letter a, b and c) under package holiday contracts and contracts regarding related services made by the Obligor with travellers in the reporting period from 17.09.2022 to 16.09.2023, even if the services were not provided during that period, whereas package holiday contracts and contracts regarding related services made in the period from 17.09.2022 to 31.05.2023 are covered by the Guarantee to the amount of PLN 150,000,000 (the equivalent of EUR 32,687,572), and that means that the increased amount of the Guarantee is applicable for package holiday contracts and contracts regarding related services, which were made in the period from 01.06.2023 to 16.09.2023.

The security for claims of the Guarantor the security of the Guarantor's claims to reimburse amounts paid under the Guarantee for the beneficiary is as follows (these are previous types of securities):

- a) deposit in the bank account of Towarzystwo Ubezpieczeń Europa S.A.;
- 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 (increase of the mortgage due to update of prices and rise in price of the property),
- c) Blank promissory note with no protest clause with promissory note agreement (change in the content of promissory note agreement and increased of the amount, which can be written on the promissory note).

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

Currently effective insurance guarantee for Rainbow Tours as a tour operator and an entrepreneur facilitating acquisition of related tourism services, which benefits the Governor of Łódzkie Voivodeship, arise from the guarantee contract No GT 518/2022 -made by the Parent Company with Towarzystwo Ubezpieczeń Europa Spółka Akcyjna with registered office in Wroclaw on 15.09.2022 (considering the annex to the contract as of 19.05.2023) and the value of the Guarantee granted by the Guarantor to the Beneficiary amounts to PLN 200,000,000.00, which is equivalent of EUR 43,583,429.58, calculated using the average euro exchange rate announced by the National Bank of Poland for the first time in the year of issuance of the guarantee, that is on 03.01.2022 (EUR 1 = PLN 4.5889).



Details about the guarantee contract No GT 518/2022 of 15.09.2022 were presented in the Note 9.1.1 to the consolidated annual financial statements of Rainbow Tours Group for 2022, which was published in the consolidated periodic report RS/2022 on 28.04.2023, taking into consideration the annex No 1 to the guarantee contract signed by the Company, pursuant to which the guarantee amount was increased.

## 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. value of transaction limits (in PLN thousand)

Bank	Type	Limit amount	Valid to
		PLN'000	
Santander Bank Polska S.A.	transaction limit	25 000	2023-10-31
Polska Kasa Opieki Bank Polski S.A.	transaction limit	41 520	2023-12-14
Millennium Bank Polska S.A.	transaction limit	20 000	2024-04-21

As at 31.03.2023 the Company had forward contracts for purchase of USD and EUR for PLN.

Table: information on open positions with closing date after 31.03.2023 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	46 750	207 932
EUR	-	-

As at 31.03.2022 the Company had forward contracts for purchase of USD and EUR for PLN.

Table: information on open positions with closing date after 31.03.2022 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	2 000	8 009
EUR	-	-

As at the date of approval of this report for publication (26.05.2023) the Company had forward contracts for purchase of USD and EUR for PLN executed after 01.04.2023.

Currency	Amount contracted in the currency	Amount in PLN as at the date of the contract performance
USD	75 850	331 863
EUR	29 800	137 849

Table: changes in valuation of the portfolio in the individual reporting periods (without effect of the deferred tax)

description	01.01.2023-31.03.2023	01.01.2022-31.12.2022	01.01.2022-31.03.2022
	PLN'000	PLN'000	PLN'000
Revaluation reserve opening balance	(4 067)	46	46
Created on purpose	-	-	-
Other increases (valuation of currency hedge transactions)	(6 650)	(4 067)	360
Used on purpose o	-	-	-
Reclassified to profit or loss – recognition in cost of sales	4 067	(46)	(46)
Reserve closing balance	(6 650)	(4 067)	360

## 24.3 Bank guarantees issued by banks for the benefit of Rainbow Tours S.A.' contractors

The Parent company regarding its guarantee lines orders issuance of bank guarantees for contractors cooperating with Rainbow Tours S.A.

Table: guarantees issued as at 31.03.2023. The amounts of guarantees issued in currencies were translated using the average exchange rate set by NBP as at 31.03.2023.

The issuing bank	The amount of issued guarantees PLN'000
Bank Millennium S.A.	45 580
Santander Bank Polska S.A.	-
<b>Total</b>	<b>45 580</b>

Table: guarantees issued as at 31.12.2022. The amounts of guarantees issued in currencies were translated using the average exchange rate set by NBP as at 30.12.2022.

The issuing bank	The amount of issued guarantees PLN'000
Bank Millennium S.A.	45 356
Santander Bank Polska S.A.	-
<b>Total</b>	<b>45 356</b>

Table: guarantees issued as at 31.03.2022. The amounts of guarantees issued in currencies were translated using the average exchange rate set by NBP as at 31.03.2022.

The issuing bank	The amount of issued guarantees PLN'000
Bank Millennium S.A.	5 321
Santander Bank Polska S.A.	1 463
<b>Total</b>	<b>7 295</b>

In case of contingent items (presented in the annual single and consolidated financial statements) no substantial changes occurred.

## Note 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.

Starting from the annual report for the financial year 2021 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, and 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
- Which can be directly attributed to a specific segment or assigned to it based on rationale.

Segment assets do not cover income tax assets or assets used in general operations of the entity. The liabilities of the segment are liabilities classified to 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 three months ended on 31.03.2023.

segments of operations of Rainbow Tours Group for the period 01/01/2023-31/03/2023	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		
<b>continuing operations, sales revenue</b>	<b>553 857</b>	<b>3 759</b>	-	-	<b>1 220</b>	<b>2</b>	<b>(2 805)</b>	<b>556 033</b>
- within the Group	443	2 224	-	-	138	-	(2 805)	-
- from customer	553 414	1 535	-	-	1 082	2	-	556 033
<b>Continuing operations, cost of sales</b>	<b>(463 873)</b>	<b>(3 201)</b>	-	<b>(2 571)</b>	<b>(1 081)</b>	<b>--</b>	<b>2 667</b>	<b>(468 059)</b>
- within the Group	(2 224)	(443)	-	-	-	-	2 667	-
- from customers	(461 649)	(2 758)	-	(2 571)	(1 081)	-	-	(468 059)
<b>Gross profit/loss on sales</b>	<b>89 984</b>	<b>558</b>	-	<b>(2 571)</b>	<b>139</b>	<b>2</b>	<b>(138)</b>	<b>87 974</b>
<b>Continuing operations, selling costs</b>	<b>(48 670)</b>	<b>(113)</b>	-	<b>(702)</b>	<b>(12)</b>	-	-	<b>(49 497)</b>
- within the Group	-	-	-	-	-	-	-	-
- from customers	(48 670)	(113)	-	(702)	(12)	-	-	(49 497)
<b>Continuing operations. Overheads</b>	<b>(12 012)</b>	<b>(417)</b>	-	<b>(1 100)</b>	<b>(467)</b>	-	<b>231</b>	<b>(13 765)</b>
- within the Group	-	-	-	-	(138)	(93)	231	-
- from customers	(12 012)	(417)	-	(1 100)	(329)	93	-	(13 765)
<b>Continuing operations. other operating revenue</b>	<b>212</b>	<b>156</b>	-	<b>163</b>	<b>2</b>	-	<b>(93)</b>	<b>440</b>
- within the Group	-	-	-	-	32	61	(93)	-
- from customers	212	156	-	163	(30)	(61)	-	440
<b>Continuing operations other operating costs</b>	<b>(855)</b>	<b>(14)</b>	-	<b>(13)</b>	<b>(1)</b>	-	-	<b>(883)</b>
- within the Group	-	-	-	-	-	-	-	-
- from customers	(855)	(14)	-	(13)	(1)	-	-	(883)
<b>Profit (loss) on operations</b>	<b>28 659</b>	<b>170</b>	-	<b>(4 223)</b>	<b>(339)</b>	<b>2</b>	-	<b>24 269</b>

Table: Revenue and results for segments of operations of Rainbow Tours Group for the period of twelve months ended on 31.12.2022

segments of operations of Rainbow Tours Group for the period 01/01/2022-31/12/2022	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		
<b>continuing operations, sales revenue</b>	<b>2 347 482</b>	<b>78 367</b>	-	<b>47 080</b>	<b>5 252</b>	<b>2</b>	<b>(84 877)</b>	<b>2 393 306</b>
- within the Group	10 578	49 564	-	23 698	998	39	(84 877)	-
- from customer	2 336 904	28 803	-	23 382	4 254	(37)	-	2 393 306
<b>Continuing operations, cost of sales</b>	<b>(2 121 201)</b>	<b>(63 035)</b>	-	<b>(33 292)</b>	<b>(4 775)</b>	-	<b>83 840</b>	<b>(2 138 463)</b>
- within the Group	(73 262)	(10 578)	-	-	-	-	83 840	-
- from customers	(2 047 939)	(52 457)	-	(33 292)	(4 775)	-	-	(2 138 463)
<b>Gross profit (loss) on sales</b>	<b>226 281</b>	<b>15 332</b>	-	<b>13 788</b>	<b>477</b>	<b>2</b>	<b>(1 037)</b>	<b>254 843</b>

The Extended Consolidated Report of Rainbow Tours Group for I quarter of 2023  
(Data in PLN thousand, unless specified otherwise)

segments of operations of Rainbow Tours Group for the period 01/01/2022-31/12/2022	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		
<b>Continuing operations, selling costs</b>	(163 563)	(4 551)	-	(4 221)	(59)	-	-	(172 394)
- within the Group	-	-	-	-	-	-	-	-
- from customers	(163 563)	(4 551)	-	(4 221)	(59)	-	-	(172 394)
<b>Continuing operations. Overheads</b>	(40 744)	(2 735)	-	(5 180)	(1 239)	-	1 374	(48 524)
- within the Group	-	(209)	-	(611)	(554)	-	1 374	-
- from customers	(40 744)	(2 526)	-	(4 569)	(685)	-	-	(48 524)
<b>Continuing operations. other operating revenue</b>	3 866	299	-	2 156	23	-	(337)	6 007
- within the Group	-	-	-	-	-	337	(337)	-
- from customers	3 866	299	-	2 156	23	(337)	-	6 007
<b>Continuing operations other operating costs</b>	(5 123)	(1 550)	-	(423)	(8)	-	-	(7 104)
- within the Group	-	-	-	-	-	-	-	-
- from customers	(5 123)	(1 550)	-	(423)	(8)	-	-	(7 104)
<b>Profit (loss) on operations</b>	<b>20 717</b>	<b>6 795</b>	<b>-</b>	<b>6 120</b>	<b>(806)</b>	<b>2</b>	<b>-</b>	<b>32 828</b>

Table: Revenue and results for segments of operations of Rainbow Tours Group for the period of three months ended on 31.03.2022.

segments of operations of Rainbow Tours Group for the period 01/01/2022-31/03/2022	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		
<b>continuing operations, sales revenue</b>	314 798	1 296	-	233	1 136	-	(1 701)	315 762
- within the Group	236	1200	-	-	30	235	(1 701)	-
- from customer	314 562	96	-	233	1 106	(235)	-	315 762
<b>Continuing operations, cost of sales</b>	(282 767)	(1 065)	-	(2 546)	(1 024)	-	1 669	(285 733)
- within the Group	(1 200)	(236)	(233)	-	-	-	1 669	-
- from customers	(281 567)	(829)	233	(2 546)	(1 024)	-	-	(285 733)
<b>Gross profit (loss) on sales</b>	<b>32 031</b>	<b>231</b>	<b>-</b>	<b>(2 313)</b>	<b>112</b>	<b>-</b>	<b>(32)</b>	<b>30 029</b>
<b>Continuing operations, selling costs</b>	(26 948)	(74)	-	(885)	(16)	-	-	(27 923)
- within the Group	-	-	-	-	-	-	-	-
- from customers	(26 948)	(74)	-	(885)	(16)	-	-	(27 923)
<b>Continuing operations. Overheads</b>	(8 211)	(309)	-	(896)	(298)	-	89	(9 625)
- within the Group	(55)	(32)	-	(2)	-	-	89	-
- from customers	(8 156)	(277)	-	(894)	(298)	-	-	(9 625)
<b>Continuing operations. other operating revenue</b>	13	7	-	57	-	-	(57)	20
- within the Group	-	-	-	-	-	57	(57)	-
- from customers	13	7	-	57	-	(57)	-	20
<b>Continuing operations other operating costs</b>	(250)	(1)	-	(96)	(1)	-	-	(348)
- within the Group	-	-	-	-	-	-	-	-

segments of operations of Rainbow Tours Group for the period 01/01/2022-31/03/2022	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		
- from customers	(250)	(1)	-	(96)	(1)	-	-	(348)
<b>Profit (loss) on operations</b>	<b>(3 365)</b>	<b>(146)</b>	<b>-</b>	<b>(4 133)</b>	<b>(203)</b>	<b>-</b>	<b>-</b>	<b>(7 847)</b>

## Note 26. Information on transactions with related parties

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

Table: Sale transactions among companies of Rainbow Tours Group in the period from 01.01.2023 to 31.03.2023 and the comparative period from 01.01.2022 to 31.03.2022 are presented in the table below.

	Sale of services		Purchase of services	
	The period of 12 months ended on 31/03/2023	The period of 12 months ended on 31/03/2022	The period of 12 months ended on 31/03/2023	The period of 12 months ended on 31/03/2022
	PLN'000	PLN'000	PLN'000	PLN'000
White Olive A.E. *)	84	54	9	234
White Olive Premium Lindos A.E. *)	-	236	-	1
"My Way by Rainbow Tours" Sp. z o. o.	138	30	-	-
Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S.	1 352	1 168	279	224
"Rainbow Tours Spółka Akcyjna – branch in Torremolinos" – branch in Spain	783	-	151	-
"Rainbow Tours Spółka Akcyjna - branch in Athens" – Branch in Greece	98	34	65	44
Rainbow Tours S.A.	443	236	2 394	1 255
<b>Total</b>	<b>2 898</b>	<b>1 758</b>	<b>2 898</b>	<b>1 758</b>

\*) In October and November 2022) - the merger (through acquisition) of White Olive A. E (the acquiring company) with previous subsidiary of White Olive A. E., that is White Olive Premium Lindos A.E. (the acquired company) took place within the Group, on 21.11.2022 the decision of the Main Register of Entrepreneurs in Greece (G.E.MI) about the merger was registered in G.E.MI.

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

The following amounts are presented at the closing balance	Amounts due from related parties			Amounts payable to the related parties		
	As at 31/03/2023	As at 31/12/2022	As at 31/03/2022	As at 31/03/2023	As at 31/12/2022	As at 31/03/2022
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
White Olive A.E. *)	423	359	18 105	22 230	5 248	27 265
White Olive Premium Lindos A.E. *)	-	-	282	-	-	17 969
"My Way by Rainbow Tours" Sp. z o. o.	29	60	13	-	-	-
Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S.	-	-	58	4 504	2 025	-
"Rainbow Tours Spółka Akcyjna – branch in Torremolinos" – branch in Spain	1 201	746	-	-	-	-
"Rainbow Tours Spółka Akcyjna - branch in Athens" – branch in Greece	3 519	4 066	1 110	423	359	171
Rainbow Tours S.A.	26 685	7 234	27 010	4 700	4 833	1 173
<b>Total</b>	<b>31 857</b>	<b>12 465</b>	<b>46 578</b>	<b>31 857</b>	<b>12 465</b>	<b>46 578</b>

\*) In October and November 2022), the merger (through acquisition) of White Olive A. E (the acquiring company) with previous subsidiary of White Olive A. E., that is White Olive Premium Lindos A.E. (the acquired company) took place within the Group, on 21.11.2022, the decision of the Main Register of Entrepreneurs in Greece (G.E.MI) about the merger was registered in G.E.MI.

Lending to the related parties

	As at 31/03/2023	As at 31/12/2022	As at 31/03/2022
	PLN'000	PLN'000	PLN'000
Lending to the subsidiary	300	300	300

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

**Note 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.**

Recommendation of the Management Board with the opinion of the Supervisory Board on distribution of net profit of the Company for 2022.

Due to completion of the process aimed to sum up financial data for the purpose of drafting annual financial statements for 12 months ended on 31.12.2022 (that is single financial statement of the Parent Company for the financial year 2022 and the consolidated financial statements of Rainbow Tours Group for the financial year 2022) and due to completion of the audit, performed by the audit company BDO Spółka z ograniczoną odpowiedzialnością Sp. k., of annual financial statement for the financial year 2022, the Supervisory Board, on 28.04.2023, give a positive opinion on the recommendation of the Management Board of the Company of 28.04.2023 on allocation of the net profit for the financial year 2022 in the total amount of PLN 13.920.583,32 (thirteen million nine hundred twenty thousand five hundred eighty- three Polish zloty 32/100 grosz) as follows:

- The amount of PLN 7,276,000.00 (seven million two hundred and seventy-six thousand zloty) allocates for dividend payment in the amount of PLN 0.50 (fifty grosz) per share,
- The remaining amount of PLN 6,644,583.32 (six million six hundred forty-two thousand five hundred- and eighty-three-zloty 32/100 grosz) leaves in the Company as retained profits and allocates them to supplementary capital.

The final decision on allocation of the profit of the Company for the financial year 2022 will be made by the Ordinary General Meeting of the Company.

Details in this respect were provided in Note 23 of the consolidated interim financial statements of Rainbow Tours Group for I quarter of 2023, above and also in the current report of the Company No 10/2023 of 28.04.2023.

Increase of the guarantee insurance amount for the Parent Company as a tour operator and an entrepreneur facilitating acquisition of related tourism services, signing of the annex to the guarantee contract.

On 19.05.2023 the Parent Company (the Obligor) signed with the contractor, that is Towarzystwo Ubezpieczeń Europa S.A. ("the Guarantor") the annex No1 to the insurance guarantee contract No GT 518/2022 of 14.09.2022 (the Guarantee Contract No GT 518/2022, about which the Company informed in the current report No 27/2022 of 15.09.2022), the annex was signed in relation to activities carried out by the Company as a tour operator and an entrepreneur facilitating acquisition of related services, which benefits the Governor of the Łódzkie Voivodeship ("the Beneficiary") and each travelling person, who during the Guarantee period concluded with contract with the Obligor and, pursuant to which rules of granting insurance guarantee ("the Guarantee") by the Guarantor were defined, according to relevant provisions of the act of 24.11.2017 on package holidays and package tours and related tourism services, that is in connection with the obligation to ensure it to travelling persons 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 tour operator's or the 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 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

Pursuant to the annex No 1 to the guarantee contract No GT 518/2022 the upper limit of Guarantor's liability under the Guarantee was increased ("the amount of Guarantee) from the previous amount of PLN 150,000,000 (the equivalent of EUR 32,687,572.18 calculated using the average euro exchange rate announced by the National Bank of Poland for the first in the year of issuance of the guarantee, that is on 03.01.2022 in the amount of PLN 4.5889) to the amount of PLN 200,000,000 (the equivalent of EUR 43,583,429.58), that is by PLN 50,000,000 (the equivalent of EUR 10,895,857.40).

The Guarantee Amount was increased due to substantial rise in actual revenue earned by the Company with respect to previously assumed amounts and in order to guarantee fulfilment of requirements and dispositions regarding the minimum guarantee amount according to provisions of the Regulation of the Minister of Development and Finance of 27.12.2017 on a minimum bank guarantee amount and insurance amount required for activities carried out by tour operators and entrepreneurs facilitating acquisition of related services.

The Guarantee, increased to PLN 200,000,000 (the equivalent of EUR 43,583,429.58), secures repayment of claims arising on events specified above (letter a, b and c) under package holiday contracts and contracts regarding related services made by the Obligor with travellers in the reporting period from 17.09.2022 to 16.09.2023, even if the services were not provided during that period, whereas package holiday contracts and contracts regarding related services made in the period from 17.09.2022 to 31.05.2023 are covered by the Guarantee to the amount of PLN 150,000,000 (the equivalent of EUR 32,687,572), and that means that the increased amount of the Guarantee is applicable for package holiday contracts and contracts regarding related services, which were made in the period from 01.06.2023 to 16.09.2023.

The security for claims of the Guarantor the security of the Guarantor's claims to reimburse amounts paid under the Guarantee for the beneficiary is as follows (these are previous types of securities):

- a) deposit in the bank account of Towarzystwo Ubezpieczeń Europa S.A.;
- 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 (increase of the mortgage due to update of prices and rise in price of the property),
- c) Blank promissory note with no protest clause with promissory note agreement (change in the content of promissory note agreement and increased of the amount, which can be written on the promissory note).

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

Details in this respect were presented in the current report No 12/2023 of 19.05.2023.

#### Adoption, by the Management Board, of the decision to start to prepare and pay out advances for dividend to shareholders of the Company

The Management Board, pursuant to respective resolution of the Management Board of 22.05.2023, decided to start to prepare and pay out advances for dividend due at the end of 2023 to the shareholders, the amount of advances is calculated based on net profit presented in the financial statements for the period of three months ended on 31 March 2023 (for the period of I quarter of 2023).

The advances for dividend will be paid to shareholders based on authorization arising from § 28 section 6 of the Articles of Association, pursuant to and subject requirements and dispositions provided for in art. 349 of the Code of Commercial Companies and Partnerships.

Final conditions of payment of advances for dividend to shareholders of the Company will be determined in a respective resolution of the Management Board, which will be adopted by the Management Board immediately after approval of the single financial statements for the previous financial year 2022 by the General Meeting of the Company. The Management Board will – with regard to the respective resolution on payment of advances for dividend due at the end of 2023 – calculate the amount to be paid and also the date, as at which persons with right to advances are determined and date of starting advance payments. The scheduled payment of advances will be announced by the Management Board at least four weeks before the start of payment, and the date used to determine persons with rights to be paid advances should fall within seven dates before the start of the payments.

The Management Board of the Company will inform about adoption of the respective resolution in a relevant current report as confidential information within the meaning of MAR.

The Management Board, immediately, following adoption of the resolution, requested the Supervisory Board to appoint a statutory auditor (the audit company) to audit financial statements for the period of three months ended on 31.03.2023 (I quarter of 2023),

based on which the company plans to calculate net profit to be the basis for payments of advances for dividend due at the end of the financial year 2023 to shareholders of the Company.

The Supervisory Board, pursuant to provisions of resolution No 3/05/2023 of 22.05.2023, appointed the audit company to perform a voluntary audit with regard to the single financial statements of Rainbow Tours Spółka Akcyjna for the period of three months ended on 31.03.2023 - for the purpose of payment of advances for dividend due at the end of 2023 to shareholders of the Company, and decided entrust the voluntary audit, that is the audit, which is not statutory within the meaning of provisions of the act of 11.05.2017 on statutory auditors, audit companies and public oversight (that is Journal of Laws of 2022, item 1302 as amended), to the audit company BDO Spółka z ograniczoną odpowiedzialnością Spółka komandytowa with registered office in Warsaw, entered on the list of audit companies kept by the Polish Financial Supervision Authority under No 3355;

Immediately after approval of the single financial statements for the previous financial year 2022 by the General Meeting of the Company, the Management Board will prepare and adopt a respective resolution on payment of advances for dividend due at the end of 2023 by the Company.

Details in this respect are presented in Note 23 to the consolidated interim financial statements of Rainbow Tours Group for I quarter of 2023 above, and also in the current report No 15/2023 of 22.05.2023.

In the opinion of the Management Board in the period from the balance sheet date to the publication of this report there were no other events except for those presented in the financial statements.



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

#### 1. SINGLE STATEMENT OF THE FINANCIAL POSITIONS

ASSETS	Note	As at 31/03/2023 [not audited]]	As at 31/12/2022 [audited]]	As at 31/03/2022 [not audited]]
		PLN'000	PLN'000	PLN'000
<b>Fixed assets</b>				
Tangible fixed assets	3	43 707	46 635	41 675
Investment Property		196	196	196
Other intangible assets		4 513	4 453	3 643
Investment in subsidiaries		95 369	95 369	71 792
Deferred tax assets	8	20 470	12 210	7 384
Other receivables	4	21 118	21 116	20 403
<b>Total fixed assets</b>		<b>185 373</b>	<b>179 979</b>	<b>145 093</b>
<b>Current assets</b>				
Stocks		-	-	-
Trade and other receivables	4	37 944	51 375	32 990
Advance payments	4	338 597	182 583	205 594
Other financial assets	5	300	300	660
Current tax assets		4 275	5 655	4 719
Other assets	6	34 396	57 948	29 205
Cash and cash equivalents	7	61 297	134 541	80 128
<b>Total current assets</b>		<b>476 809</b>	<b>432 402</b>	<b>353 296</b>
<b>Total assets</b>		<b>662 182</b>	<b>612 381</b>	<b>498 389</b>

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

EQUITY AND LIABILITIES	Note	As at 31/03/2023 [not audited] PLN'000	As at 31/12/2022 [audited] PLN'000	As at 31/03/2022 [not audited] PLN'000
<b>EQUITY AND LIABILITIES</b>				
<b>equity</b>				
Issued capital		1 455	1 455	1 455
Share premium		36 558	36 558	36 558
Reserves		(5 387)	(3 294)	292
capital from merger of entities		(7 565)	(7 565)	(7 565)
Retained profits		103 517	80 373	84 847
<b>Total equity</b>		<b>128 578</b>	<b>107 527</b>	<b>115 587</b>
<b>Long-term liabilities</b>				
Long-term borrowings and lease liabilities	9	25 526	49 586	16 049
Pension liabilities		286	286	145
Deferred tax liabilities		-	-	-
Other liabilities	12	27 659	29 545	35 202
<b>Total long-term liabilities</b>		<b>53 471</b>	<b>79 417</b>	<b>51 396</b>
<b>Short-term liabilities</b>				
Trade and other payables	10	71 808	93 103	74 055
Short-term borrowings and lease liabilities	9	27 381	29 828	58 996
Other financial liabilities		6 650	4 067	-
Current tax liabilities		26 566	11 990	3 593
Short-term provisions	11	73 814	46 037	45 964
deferred income	12	266 371	232 869	141 255
Other liabilities	12	7 543	7 543	7 543
<b>Short-term liabilities</b>		<b>480 133</b>	<b>425 437</b>	<b>331 406</b>
<b>Total liabilities</b>		<b>533 604</b>	<b>504 854</b>	<b>382 802</b>
<b>Total equity and liabilities</b>		<b>662 182</b>	<b>612 381</b>	<b>498 389</b>

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

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

	Note	from 01/01/2023 to 31/03/2023 [not audited]	from 01/01/2022 to 31/03/2022 [not audited]]
		PLN'000	PLN'000
<b>Continuing operations</b>			
Sales revenue	13	554 837	315 816
Cost of sales	14	(464 692)	(283 683)
<b>Gross profit/loss on sales</b>		<b>90 145</b>	<b>32 133</b>
selling cost	14	(48 682)	(26 964)
Overheads	14	(12 471)	(8 503)
Other operating revenue	15	214	13
Other operating costs	15	(856)	(251)
<b>profit /loss on operations</b>		<b>28 350</b>	<b>(3 572)</b>
financial revenue	16	2 063	112
Financial costs	16	(1 870)	(778)
profit on sales of shares in subsidiaries		-	-
<b>Pre-tax profit (loss)</b>		<b>28 543</b>	<b>(4 238)</b>
Income tax	17	(5 399)	805
<b>net profit (loss) on continuing operations</b>		<b>23 144</b>	<b>(3 433)</b>
<b>Discontinuing operations</b>			
Net profit (loss) on discontinuing operations		-	-
<b>NET PROFIT (LOSS)</b>		<b>23 144</b>	<b>(3 433)</b>
<b>Other total net comprehensive income</b>			
<b>items, which won't be presented later periods in the statement of comprehensive income</b>		-	-
effects of revaluation of fixed assets		-	-
Revaluation of pension liabilities		-	-
<b>Items, which might be later carried to the statement of comprehensive income:</b>		-	-
Cash flow hedges		(2 093)	255
<b>Total other net comprehensive income</b>		<b>(2 093)</b>	<b>255</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>21 051</b>	<b>(3 178)</b>

	Note	from 01/01/2023 to 31/03/2023 [not audited]	from 01/01/2022 to 31/03/2022 [not audited]]
		PLN'000	PLN'000
number of shares (in thousands)		14 552	14 552
Number of shares – diluted (in thousands)		14 552	14 552
<b>Profit (loss) per shares (PLN/grosz per share)</b>			
On continuing and discontinuing operations			
ordinary		1.59	(0.24)
Diluted		1.59	(0.24)
On continuing activity			
ordinary		1.59	(0.24)
Diluted		1.59	(0.24)

The notes are an integral part of these single 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
<b>For the period from 01/01/2022 to 31/03/2022</b>						
<b>As at 01/01/2022</b>	1 455	36 558	37	88 280	(7 565)	118 765
Net profit for the financial year	-	-	-	(3 433)	-	(3 433)
Pricing of hedging instruments	-	-	255	-	-	255
<b>Total comprehensive income</b>	-	-	255	(3 433)	-	(3 178)
<b>As at 31/03/2022</b>	1 455	36 558	292	84 847	(7 565)	115 587
<b>For the period from 01/01/2022 to 31/12/2022</b>						
<b>As at 01/01/2022</b>	1 455	36 558	37	88 280	(7 565)	118 765
Net profit for the financial year	-	-	-	13 921	-	13 921
Pricing of hedging instruments	-	-	(3 331)	-	-	(3 331)
<b>Total comprehensive income</b>	-	-	(3 331)	13 921	-	10 590
Dividend payment	-	-	-	(21 828)	-	(21 828)
<b>As at 31/12/2022</b>	1 455	36 558	(3 294)	80 373	(7 565)	107 527
<b>For the period from 01/01/2023 to 31/03/2023</b>						
<b>As at 01/01/2023</b>	1 455	36 558	(3 294)	80 373	(7 565)	107 527
Net profit for the financial year	-	-	-	23 144	-	23 144
Pricing of hedging instruments	-	-	(2 093)	-	-	(2 093)
<b>Total comprehensive income</b>	-	-	(2 093)	23 144	-	21 051
<b>As at 31/03/2023</b>	1 455	36 558	(5 387)	103 517	(7 565)	128 578

#### 4. SINGLE CASH FLOW STATEMENT

	Note	from 01/01/2023 to 31/03/2023 [not audited]	from 01/01/2022 to 31/03/2022 [not audited]]
		PLN'000	PLN'000
<b><i>cash flows from operations</i></b>			
<b>Profit for the financial year</b>		<b>23 144</b>	<b>(3 433)</b>
<b>Adjustments:</b>			
cost of income tax recognized in profit or loss		5 399	(805)
revenue from investment recognized in profit or loss		1 870	666
profit on sale of tangible fixed assets		-	-
amortization and depreciation of fixed assets		4 400	4 037
Net foreign exchange gains/ losses		-	-
Other *		(4 497)	-
		<b>28 253</b>	<b>465</b>
<b>Movement in working capital:</b>			
Increase / decrease in balance of trade and other receivables		(142 585)	(74 579)
Increase / decrease in receivables from construction contracts		-	-
Increase/ decrease in stocks		-	-
Increase / decrease in other assets		15 292	19 754
Increase / decrease in other tax assets		1 380	(1 563)
Increase (decrease) in balance of trade and other payables		(23 181)	(16 465)
Increase / decrease in receivables from construction contracts		-	-
Increase / (decrease) in provisions		27 777	39 090
Increase / (decrease) in deferred income		33 502	(4 723)
Increase / decrease in current tax liabilities		14 576	236
<b>Cash earned on operations</b>		<b>(44 986)</b>	<b>(37 785)</b>
Income tax paid		-	-
<b>Net cash from operations</b>		<b>(44 986)</b>	<b>(37 785)</b>
<b><i>cash flow from investing activities</i></b>			
Payments arising on acquisition of financial assets		-	(429)
Interest received		1 119	112
Proceeds due to repayment of loans by unrelated parties		-	-
Dividend received		944	-
Payments for tangible fixed assets		(1 944)	(181)
proceeds from sale of tangible fixed assets		-	-

	Note	from 01/01/2023 to 31/03/2023 [not audited]	from 01/01/2022 to 31/03/2022 [not audited]]
		PLN'000	PLN'000
<b>net cash (spent)/ earned on investing activities</b>		<b>119</b>	<b>(498)</b>
<b><i>cash flows from financing activities</i></b>			
proceeds from sale of own shares		-	-
other proceeds		-	-
proceeds from loans		-	38 865
repayment of loans		(26 507)	(3 089)
Interest paid		(1 870)	(306)
Dividends paid to shareholders		-	-
<b>net cash used for financing activities</b>		<b>(28 377)</b>	<b>35 470</b>
Increase / Decrease in net cash and cash equivalents		(73 244)	(2 813)
cash and cash equivalents at the opening balance		134 541	82 941
Effect of changes in exchange rates on balance of cash in foreign currencies		-	-
<b>cash and cash equivalents, closing balance</b>		<b>61 297</b>	<b>80 128</b>

## 5. NOTES TO INTERIM ABRIDGED SINGLE FINANCIAL STATEMENTS

### Note 1. Applied accounting rules and methods.

These abridged interim single financial statements were drafted according to IAS 34 "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 date as at 31.03.2023 and the comparative data as 31.12.2022 the Company additionally decided to publish comparative data as at 31.03.2022,
- In case of the statement of comprehensive income and the cash flow statements – data for I quarter of 2023, that is for the period of three months ended on 31.03.2023 and the comparative data for I quarter of 2022, that is for the period of three months ended on 31.03.2022,
- In case of the statement of changes in equity – the data for 1 quarter of 2023, that is for the period of three months ended on 31.03.2023 and the comparative data for the period of three months ended on 31.03.2022. The company decided about publication of comparative data for the previous financial year 2022 that is the period of 12 months ended on 31.12.2022.

Rules adopted in drafting of the abridged interim single financial statements were presented in Note 4 to the interim abridged consolidated financial statements covered by this periodic report QSr 1/2023.

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".

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.

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 2022, which were published in the single periodic annual report R/2022 on 28.04.2023.

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 26.05.2023

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

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).

### Note 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 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 2022, which were published in the consolidated annual periodic report R/2022 on 28.04.2023.



### Note 3. Tangible fixed assets

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]
	PLN'000	PLN'000	PLN'000
Own land	489	489	489
Right of use assets	33 944	37 305	32 076
Buildings	5 375	5 399	5 655
Plant and Machinery	1 563	1 358	1 276
Motor vehicles	1 083	1 227	1 261
Equipment	1 032	845	918
Fixed assets under construction / Advances for fixed assets	221	12	-
	<b>43 707</b>	<b>46 635</b>	<b>41 675</b>

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 of September 2022 (at the same time security for claims under the insurance guarantee GT 500/2021 of 10 of September 2021, the insurance guarantee GT 359/2020 of 8 of September 2020 amended with the attachment No 1 of 11 of August 2021) pursuant to the contract of 14 of September 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 with the value of PLN 13,518,000, 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.

There were no fixed assets held for sale.

### Note 4. Receivables

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]
	PLN'000	PLN'000	PLN'000
Trade receivables	35 598	25 083	24 602
Allowance for bad debt	(4 331)	(4 331)	(3 843)
<b>Net trade receivables</b>	<b>31 267</b>	<b>20 752</b>	<b>20 759</b>
The remaining receivables			
Other receivables	3 157	11 914	6 915
Other receivables – deposits and bank deposits	21 118	21 116	20 403
cash and cash equivalents – settlements	3 520	18 709	5 316
	<b>27 795</b>	<b>51 739</b>	<b>32 634</b>

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]
	PLN'000	PLN'000	PLN'000
Fixed assets	21 118	21 116	20 403
Current assets	37 944	51 375	32 990
<b>Total</b>	<b>59 062</b>	<b>72 491</b>	<b>53 393</b>

### Advance payments

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]
	PLN'000	PLN'000	PLN'000
advances - advances paid – hotels	329 514	169 189	199 629
Allowance for doubtful accounts	(5 838)	(5 838)	(2 946)
Other receivables -advances paid – air transportation	14 921	19 232	8 911
	<b>338 597</b>	<b>182 583</b>	<b>205 594</b>

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 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 table below presents receivables and movement in allowance for bad debt.

	The period of 3 months ended on 31/03/2023 [not audited]	The period of 3 months ended on 31/12/2022 [audited]	The period of 3 months ended on 31/03/2022 [not audited]
	PLN'000	PLN'000	PLN'000
<b>Opening balance</b>	<b>4 331</b>	<b>3 843</b>	<b>3 843</b>
Allowance for bad debt	-	488	-
Allowance for other bad debt – advances paid – hotels –	-	-	-
Amounts recovered during the year	-	-	-
Reversal of allowance for bad debt	-	-	-
Unwind of discount	-	-	-
<b>Closing balance</b>	<b>4 331</b>	<b>4 331</b>	<b>3 843</b>

### Note 5. Other financial assets

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]
	PLN'000	PLN'000	PLN'000
<b>Derivatives designated and effective as hedges recognised in fair value.</b>			
Exchange forward contracts	-	-	360
	-	-	<b>360</b>
<b>Lending recognised at amortised cost</b>			
Lending to related parties	300	300	300
Lending to other parties	-	-	-
	<b>300</b>	<b>300</b>	<b>300</b>
<b>Total</b>	<b>300</b>	<b>300</b>	<b>660</b>

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]
	PLN'000	PLN'000	PLN'000
Current assets	300	300	660
Fixed assets	-	-	-
	<u>300</u>	<u>300</u>	<u>660</u>

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

## Note 6. Other assets

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]
	PLN'000	PLN'000	PLN'000
<b>Prepaid expenses</b>			
Costs of package travel off season *	27 733	50 483	24 970
Costs of catalogues off season	1 224	-	364
Commission off season **	1 626	2 665	1 059
Insurance off season	2 253	3 156	917
Other off season TFP commission	1 560	1 644	1 895
	<u>34 396</u>	<u>57 948</u>	<u>29 205</u>
Current assets	34 396	57 948	29 205
Fixed assets	-	-	-
	<u>34 396</u>	<u>57 948</u>	<u>29 205</u>

\* 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.

## Note 7. Cash and cash equivalents

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]
	PLN'000	PLN'000	PLN'000
Cash in hand and cash at bank	61 297	135 541	80 128
	<u>61 297</u>	<u>135 541</u>	<u>80 128</u>

## Note 8. Deferred tax assets and liabilities

Deferred tax	The period of 3 months ended on 31/03/2023 [not audited]	The period of 3 months ended on 31/12/2022 [audited]	The period of 3 months ended on 31/03/2022 [not audited]
	PLN'000	PLN'000	PLN'000
Deferred tax assets	11 580	11 578	7 458
deferred tax asset – accounted for equity	1 263	773	-
deferred tax liabilities - accounted for profit or loss	7 707	-	-
Deferred tax liabilities – accounted for equity	-	(141)	(6)
Deferred tax assets	(80)	-	(68)
<b>Balance of deferred tax</b>	<u>20 470</u>	<u>12 210</u>	<u>7 384</u>

## Note 9. Bank loans, bank credits and lease liabilities

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]
	PLN'000	PLN'000	PLN'000
<b>Hedged – according to amortised cost</b>			
overdrafts	18 374	20 380	38 551
Bank credits	5 738	26 851	10 000
Loans from other entities of PFR - Polish Development Fund	-	-	-
Transfer of receivables	-	-	-
Financial lease liabilities	514	574	621
Right of use liabilities	28 281	31 609	25 873
	<b>52 907</b>	<b>79 414</b>	<b>75 045</b>
short -term liabilities	27 381	29 828	58 996
long-term liabilities	25 526	49 586	16 049
	<b>52 907</b>	<b>79 414</b>	<b>75 045</b>

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 from lease contracts are secured by lessors' rights to assets under the contract. Lease liabilities introduced according to IFRS 16 (the standard covers lease contracts for premises) were recognized in the comparative data.

As at 31.03.2023 the company used bank credits (the overdraft and the revolving credit) in the total amount of PLN 24,112 thousand. As at 31.12.2022 the Company used the bank credits (the overdraft and the revolving credit) in the total amount of PLN 47,231 thousand. As at 31.03.2022 the company used bank credits (the overdraft and the revolving credit) in the total amount of PLN 48,551 thousand.

The detailed information on bank credits and credit agreements are provided in point 10 Part IV 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 6.20, Note 6.21 and Note 9.2 to the single annual financial statements of the Company for the financial year 2022, which were also published in the single annual report R/22 on 28.04.2023.

## Note 10. Trade payables and other payables

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]
	PLN'000	PLN'000	PLN'000
Trade payables	57 898	73 777	64 953
Payroll liabilities	5 310	3 807	3 205
Other liabilities – accounts receivables and payables from purchase of shares	2 600	2 600	2 600
Other liabilities – recorded after the balance sheet date	-	-	-
Other liabilities – remaining	6 000	12 919	3 297
<b>Total</b>	<b>71 808</b>	<b>93 103</b>	<b>74 055</b>

## Note 11. Provisions and other liabilities

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]
	PLN'000	PLN'000	PLN'000
Employee benefits (i)	680	680	1 058
Employee benefits (ii)	286	286	145
Other provisions	356	56	56
Other provisions – estimated costs of airplanes and hotels (iii)	70 687	44 580	41 870
other provisions – estimated costs of marketing	-	-	-
other provisions – estimated costs - other	2 091	721	2 980

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]
	PLN'000	PLN'000	PLN'000
	<u>74 100</u>	<u>46 323</u>	<u>46 109</u>
Short-term provisions	73 814	46 037	45 964
Long-term provisions	286	286	145
	<u>74 100</u>	<u>46 323</u>	<u>46 109</u>

(i) Provision for employee benefits covers annual holiday leaves, accrued holiday entitlements and employee claims to remuneration. Increase in provision arise on calculated amounts of employee benefits estimated as at the balance sheet date

(ii) Provision for employee benefits covers retirement pays, if any, which the 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 documents. The proven budget costs should be considered as costs incurred in the period.

## Note 12. Deferred income

	As at 31/03/2023 [not audited]	As at 31/12/2022 [audited]	As at 31/03/2022 [not audited]
	PLN'000	PLN'000	PLN'000
Advances paid by customers	266 371	232 869	141 255
liabilities towards customers taken over by Insurance Guarantee Fund	35 202	37 088	42 745
Liabilities towards customers	-	-	-
	<u>301 573</u>	<u>269 957</u>	<u>184 000</u>
short-term	273 914	242 298	148 798
long-term	27 659	29 545	35 202
	<u>301 573</u>	<u>269 957</u>	<u>184 000</u>

## Note 13. Sales revenue

	The period of 3 months ended on 31/03/2023 [not audited]	The period of 3 months ended on 31/03/2022 [not audited]
	PLN'000	PLN'000
Revenue from sales of package travel	553 857	314 798
Other revenue	980	1 018
	<u>554 837</u>	<u>315 816</u>

## Note 14. Costs by type

	The period of 3 months ended on 31/03/2023 [not audited]	The period of 3 months ended on 31/03/2022 [not audited]
	PLN'000	PLN'000
Amortization and depreciation	4 400	4 037
Consumption of raw and other materials	962	567
Outsourcing	487 338	287 617
costs of employee benefits	23 044	14 165
Taxes and charges	913	363
Other costs	9 188	12 401
value of goods and materials sold	-	-

	The period of 3 months ended on 31/03/2023 [not audited]	The period of 3 months ended on 31/03/2022 [not audited]
	PLN'000	PLN'000
Other – other operating costs	-	-
<b>Total</b>	<b>525 845</b>	<b>319 150</b>

#### Note 15. Other operating revenue/ operating costs

Other operating revenue	The period of 3 months ended on 31/03/2023 [not audited]	The period of 3 months ended on 31/03/2022 [not audited]
	PLN'000	PLN'000
profits on sale of assets		
profits on sale of fixed assets	-	-
Profits on sale of investment property	-	-
	-	-
Derecognized impairment loss:		
Intangible assets	-	-
Tangible fixed assets	-	-
Financial assets	-	-
Trade receivables	-	-
Other	-	-
	-	-
<b>Other operating revenue</b>		
Profit on measurement of investment property	-	-
Subsidies	79	-
Other	135	13
	<b>214</b>	<b>13</b>

Other operating costs	The period of 3 months ended on 31/03/2023 [not audited]	The period of 3 months ended on 31/03/2022 [not audited]
	PLN'000	PLN'000
<b>Loss on sale of assets</b>		
loss on sale of fixed assets	-	-
loss on sale of investment property	-	-
	-	-
<b>Recognized impairment</b>		
Goodwill	-	-
Intangible assets	-	-
Tangible fixed assets	-	-
Financial assets	-	-
Trade receivables	-	-
Other	-	-
	-	-
<b>Other operating costs</b>		
loss on measurement of investment property	-	-
cost of liquidation of fixed assets and current assets	-	-
Other – complaints	389	164
Other	467	87
	<b>856</b>	<b>251</b>

## Note 16. Revenue/financial costs

	The period of 3 months ended on 31/03/2023 [not audited]	The period of 3 months ended on 31/03/2022 [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 *	-	-
	-	-
<b>Interest revenue</b>		
Bank deposits	1 119	112
Other loans and receivables	-	-
	-	-
<b>Total</b>	<b>1 119</b>	<b>112</b>

### Financial revenue analysed by categories of assets

	The period of 3 months ended on 31/03/2023 [not audited]	The period of 3 months ended on 31/03/2022 [not audited]
	PLN'000	PLN'000
<b>Interest revenue</b>		
Assets valued at amortised cost (cash on hand, bank deposits and lending)	1 119	112
Investments held to maturity	-	-
Interest revenue from financial assets, which are not intended for measurement at WSE	1 119	112
financial revenue from non-financial assets (dividend)	944	-
	-	-
<b>Total</b>	<b>2 063</b>	<b>112</b>

<b>Interest costs:</b>	The period of 3 months ended on 31/03/2023 [not audited]	The period of 3 months ended on 31/03/2022 [not audited]
	PLN'000	PLN'000
Interest on credits and overdrafts (except for those obtained from related parties)	718	204
Interest on credits and overdrafts obtained from related parties.	-	-
Interest on financial lease liabilities	9	5
Other interest costs	-	61
	-	-
<b>Total interest costs on financial liabilities measured on WSE.</b>	<b>727</b>	<b>270</b>
	-	-
Less amounts recognized in costs of assets eligible for capitalization	-	-
	727	270
<b>Other financial costs</b>		
other financial costs - costs of guarantees	814	508
Discount and other	329	-
	-	-
	<b>1 870</b>	<b>778</b>

**Note 17. Income tax**

Income tax	The period of 3 months ended on 31/03/2023 [not audited]	The period of 3 months ended on 31/03/2022 [not audited]
	PLN'000	PLN'000
Gross profit (loss)	28 543	(4 238)
Permanent differences increasing the tax base	2 726	-
Temporary differences in the tax base	38 035	-
<b>Tax base</b>	<b>69 304</b>	<b>(4 238)</b>
Tax at the rate	19%	19%
Tax losses offset with an asset	-	-
Current tax	(13 168)	-
Deferred tax	7 769	805
<b>Income tax recognised in the account</b>	<b>(5 399)</b>	<b>805</b>
<b>effective tax rate</b>	<b>18.9%</b>	<b>0%</b>



## 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 Joint Stock Company 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 Joint Stock Company".

### 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),
- Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S. (joint stock company operating under Turkish law),

was presented in Note "Description of the organization of the Group of the Issuer with presentation of consolidated entities" to these interim consolidated financial statements for I quarter of 2023, above.

All above indicated subsidiaries are subject to consolidation and were covered by the financial statements of Rainbow Tours Group for I quarter of 2023.

#### Activities of tour operators, hotel operations

Rainbow Tours Group, mainly through operations of the parent company in the Group, that is operations of Rainbow Tours S.A., focuses on organization and sales of own tourism services. The company also sells airline, coach and ferry tickets. Exceptionally profitable package tours, exotic package holidays and offers combining exotic package tours and holidays are important part of the Company' offer. Portfolio of products of the Parent Company covers tours to more than 100 countries with departures to more than 150 destinations. Diversification of destination and around 50% share of sales through own distribution channels contribute to financial stability of the Group. The gradually developing segment of operations of the Group include hotel operation in own hotels or leased on long-term lease by the Greek subsidiary White Olive A.E., which is the owner of four hotel properties (on Zakynthos, Rhodes and Crete) and additionally and lease one hotel property on a long-term lease (in Greece on Zakynthos).

The plans of operations of the Group provide for further development of operations of own hotel operations. Investment in own hotel chain "White Olive" is the element of the strategy of Rainbow Tours Group for the years to come. Own hotel base not only create opportunity to create and manage the product, but also enables to earn the Group higher sales margin. In I quarter of 2023 White Olive A.E. made other investments in Greece related to acquisition of land on Rhodes. White Olive A.E. acquired three plots of land with the total area of 11 thousand m<sup>2</sup>. The plots of land are situated in the direct neighbourhood of the Hotel White Olive Premium Lindos. The purchase will enable to extend the existing hotel by 75-82 rooms without the need to extend supporting infrastructure, that is communal areas and kitchen facilities, which will lead to synergy in operation of the existing hotel.

Rainbow Tours has been operating on Polish tourism market for around 30 years and as a company limited by shares from 2003. For many years the Parent company is ranked as one of the leaders on tour operator market, and according to the last comprehensive ranking of tour operators published for 2022 (results of the research presented by Instytut Badań Rynku Turystycznego TravelData (Institute of Tourism Market Research) during the conference organized by editors of "Rzeczpospolita" on 26.04.2023 "Meeting of Tourism Leaders – edition: Spring 2023) is ranked third, when it comes sales revenue (with single revenue amounting to PLN 2.35 billion), directly after Itaka travel agencies (revenue of the Itaka Holdings in 2022 came to PLN 3.81 billion, while the travel agency Itaka alone record turnover at the level of PLN 2.81 billion) and TUI Poland (annual turnover at the level of PLN 3.09 billion). The four biggest tour operators in Poland include Coral Travel Poland, which for 2022, earned revenue in the amount of PLN 1.85 billion. The same high third position of Rainbow Tours S.A. had in the ranking for 2021 (when it comes to revenue, net yield and equity). When it comes to level of yield on operation, the five most profitable travel agencies (tour operators) in 2022 – according to the above mentioned comprehensive ranking for 2022 – included: Itaka Holdings (without foreign

companies) PLN 73.65 million (the company Nowa Itaka alone: net profit in the amount of PLN 21.63 million), Coral Travel: PLN 29.68 million, Grecos Holiday: PLN 24.98 million, Rainbow Tours Group: PLN 22.33 million (the Company independently earned net profit for 2022 in the amount of PLN 13.92 million). According to results presented by Instytut Badań Rynku Turystycznego TravelData regarding number of customers served in 2022 top travel agencies in Poland are as follows: TUI Poland – PLN 896.8 thousand people, Itaka – 749.9 thousand people, Coral Travel – 610 thousand people, Rainbow 544.9 thousand people and Exim Tours – 544.9 thousand people and Grecos Travel – 170.9 thousand people.

## DESCRIPTION OF BASIC ECONOMIC AND FINANCIAL DATA

In the period covered by the financial years 2020 and 2021 the most significant and basic factor (in this case: external), which had substantial impact on development of the business of the Company and in total on operations of Rainbow Tours Group was SARS-CoV-2 pandemic and its influence, which directly and indirectly impacted widely understood tourism industry, and that - within the context of the global economy - was affected by negative effects of the pandemic, limitations and restrictions introduced to prevent infections and COVID-19. In 2021 we could have seen gradual getting used to the pandemic situation, and also gradual quenching of the pandemic following subsequent waves of pandemic. The last wave of SARS-CoV-2, which was relatively significant for operations of the Group, occurred at the turn of 2021 and 2022 (SARS-CoV-2 omicron variant), but consequently since the start of 2022 the impact of SARS-CoV-2 pandemic lost its importance. Starting from the third decade of February 2022, the factor, which directly and indirectly influenced operations of the parent company, was the military aggression of the Russian Federation in the territory of Ukraine that started on 24.02.2022. The beginning of military operations affected global political and economic situation in the world (falling of economic indices, rising price of fuel, unfavourable exchange rates, and inflation crisis).

The results of operations and advance sales of package holidays recorded in I quarter of 2023 for Summer 2023 season, show, however, that level of revenue and advance sales are record high.

According to the current report on advance sales of package holidays published by the Company (the current ESPI No 8/2023 of 19.04.2023) - the volume of advance sales of package holidays with regard to Company from the Summer 2023 season offer (package holiday services provided in April - October 2023), from the moment of starting advance sales to 15.04.2023 (according to bookings as at 15.04.2023), came to 223,651 people and that means rise in level of advance sales of Summer 2023 offer (services provided from 15.04.2023) by around 47.4% against the same period of 2022, that is compared with the level of advance sales for Summer 2022 season - according to bookings as at 15.04.2022 with 151.763 people for that period.

According to the current report (published by the Company) concerning sales revenue earned by the Parent Company (the current report ESPI No 9/2023 of 25.04.2023), total consolidated sales revenue of the Group (without consolidation exemptions) for March 2023 came to PLN 158.2 million, what compared to reference periods means: (-) compared with the same period (month) of 2019, when the total sales revenue for the Group (without consolidation exemption) came to PLN 68.4 million, and that means rise in sales by 131.3% for the reported period (-) compared with the same period (month) of 2022, when total sales revenue for the Group (without consolidation exemption) came to 86.2 million, and that means rise in sales by 83.5% for the reported period, consolidated accruing sales revenue (without consolidation exemption) for the period from 01.01.2023 to 31.03.2023 came to PLN 558.4 million, what compared to the above mentioned reference periods means: (-) compared with the same period of 2019 (that is from 01.01.2019 to 31.03.2019), when the total accruing sales revenue for the Group came to PLN 246.3 million, and that for the reported period means rise in sales by 126.7%, (-) compared with the same period of 2022 (that is from 01.01.2022 from 31.03.2022), when the total accruing sales revenue came to PLN 317.1 million, and that means rise in sales by 76.1% for the reported period.

As it was already presented in the annual periodic reports of the Parent Company and the Group for 2022, consumer confidence and rising sale were affected by the factors, which occurred from mid-December 2022, as follows: (-) relatively high level of willingness and motivation to travel (despite earlier bad news on economic slowdown and potential recession) i.e. in the group of targeted customers, that is people aged 40 to 60 (who are significant from the perspective of the Company) with stabilized financial and family situation, and who are not affected by high interest rates (with paid up mortgage) and not impacted by high inflation and rising costs of living (-) previous experience of potential customers of the Company regarding low availability of last minute offers and increase in their prices in Summer 2022 season (as a result of the outbreak of War in the Ukraine, exchange rates and prices of jet fuel) and the willingness to purchase first minute offers (-) full opening of Asian destinations i.e. Vietnam, Thailand and Caribbean destinations (which led to very good sales of exotic destination offered in Winter 2022/2023 season). With regard Summer 2023 season the prices of package holidays were budgeted taking into account higher (for Summer 2022 season) exchange rates (USD and EUR) and higher determined jet fuel. Because the economic forecasts and predictions did not turned out as negative as expected (with respect to Poland and global economy) and with respect to raw materials (relatively without much problems – despite initial bad predictions and assumptions – provision in raw materials and fuels), which led to lower prices of jet fuel and exchange rates than expected, the return on sales in I quarter of 2023 was at relatively high level compared to average return on sales for 2022 and key Summer 2022 season.

Thus, revenue of Rainbow Tours S.A. in the period of I quarter of 2023 rose against revenue recorded in the comparative period of I quarter 2022, and thus it should be noted that in I quarter of 2022 level of revenue – after increases after January and the last decade of February- were affected by negative consumer moods linked to military aggression in the territory of Ukraine by Russian Federation, which impacted the period of March of 2022.

The detailed presentation of sales revenue of the Company shows that revenue from sales of package holidays for I quarter 2023 against the data for I quarter 2022 by 75.9%, and in the category “other sales revenue” dropped slightly by around “-” 3.7%.

Table. Specification of revenue of the Parent Company in the reporting period of I quarter of 2023 against I quarter of 2022.

structure of revenue of the Company	2023	2022	Change	%
	January – March	January – March		
	PLN'000	PLN'000	PLN'000	
1	2	3	4=2-3	5=4/3
revenue from sales of package holiday	553 857	314 798	239 059	75.9%
Other revenue	980	1 018	(38)	-3.7%
<b>Total revenue</b>	<b>554 837</b>	<b>315 816</b>	<b>239 021</b>	<b>75.7%</b>

Table. Revenue of the Parent Company from sales of package travel in individual sales channels in the reporting period of I quarter of 2023 against the comparative period of I quarter of 2022.

structure of revenue of the Company	2023	2022	structure of revenue of the Company		Dynamics
	January – March	January – March	Structure	Structure	
	PLN'000		PLN'000	%	%
Sales through agents	215 098	38.80%	130 363	41.40%	65.00%
Sales through retail offices and Call Centre	288 046	52.00%	157 871	50.10%	82.46%
Other	50 713	9.20%	26 564	8.50%	90.91%
<b>Total</b>	<b>553 857</b>	<b>100.0%</b>	<b>314 798</b>	<b>100.0%</b>	<b>75.94%</b>

Cost of sales of sold package holidays in the reporting period of I quarter of 2023 came to 464,692 thousand, up by 63.8% from the similar item in the period of I quarter of 2022 (PLN 283,683 thousand). Lower dynamics of rising cost of sales against dynamics of rise in sales revenue was predominantly affected by drop in prices of jet fuel and exchange rates in I quarter of 2023 compared to budgeted exchange rates. Gross profit on sales (margin on sales) earned in I quarter of 2023 came to PLN 90,145 thousand and growth dynamics came to a 180.5% (in the period of I quarter of 2022 gross profit on sales came to just PLN 32,133 thousand). Administrative costs of the Company in the reporting period of I quarter of 2023 came to PLN 61,153 thousand, up by PLN 25,686 thousand from this category of costs incurred in I quarter of 2022 (PLN 35,467 thousand), which means growth dynamics of 72.4%.

Table. Specification of administration costs of the Parent Company in the reporting period of I quarter of 2023 against the comparative period of I quarter of 2022.

Administration costs	2023	2022	change	%
	January – March	January – March		
	PLN'000	PLN'000	PLN'000	
1	2	3	4=2-3	5=4/3
Selling costs	48 682	26 964	21 718	80.5%
Overheads	12 471	8 503	3 968	46.7%
<b>Total cost of operations</b>	<b>61 153</b>	<b>35 467</b>	<b>25 686</b>	<b>72.4%</b>

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 I quarter of 2023 came in total to PLN 48,682 thousand - up by as much as PLN 21,718 thousand than the amount incurred in the period of I quarter of 2022 (PLN 26,964 thousand). Substantial rise in costs was the result of paying commission, rental costs, which are dependent on EUR exchange rate and rising variable remuneration, which depends on the level of sales of package holidays.

In I quarter of 2023 the Company made profit on operations, which is defined as operating margin (EBIT) and came to PLN 28,350 thousand and in the comparative period of I quarter of 2022 it came to PLN (-)3,572 thousand % (in the period of 1 quarter of 2022 the ratio came to 10.17%).

After two years of pandemic in 2020-2021 and military conflict started by Russian Federation in the territory Ukraine in February 2022, we can currently see demand booming regarding purchase of tourism services. Despite highly concerning data for the Polish economy and the biggest break down in consumption and retail, we can observe substantial shift towards spending on services, including tourism services.

In the consequence of the rising interest of consumers in purchase of package holidays, in the period of I quarter of 2023 the Parent Company earned single net profit in the amount of PLN 23,144 thousand [in the same period of 2022 the Company incurred loss PLN (-)3.433 thousand].

Net yield (single), which is the relation of net result to sales revenue in the analysed period of I quarter of 2023 came to 4.17%, when in the period of I quarter of 2022 the ratio was a negative amount and came to (-)1,09%. Single EBIDTA came to PLN 32,750 thousand in the analysed period of I quarter of 2023, up against the same period of I quarter of 2022, when the single EBIDTA came to PLN 465 thousand.

Revenue of Rainbow Tours Group in I quarter of 2023 rose by 76.1%, and detailed presentation of this item (revenue of the Group) shows that the value of revenue from sales of package travel rose in the period (against the same period of 2022) by 76.4%, also in the category – sales revenue - other, which dropped by 2.0%. It should also be mentioned that because of seasonality in operations of hotels “hotel companies” (White Olive A.E.) do not earn revenue in I quarter of the calendar year and it only incur operating costs.

Table. Specification of revenue of the Group in the reporting period of I quarter of 2023 against the comparative period of I quarter of 2022.

Structure of revenue of the Group	2023	2022	Change	%
	January – March	January – March		
	PLN'000	PLN'000	PLN'000	
1	2	3	4=3-2	5=4/3
Revenue from sales of package travel	554 949	314 656	240 293	76.4%
Revenue from sales of hotel services	-	-	-	0.0%
Sales revenue – other	1 084	1 106	- 22	-2.0%
<b>Total revenue</b>	<b>556 033</b>	<b>315 762</b>	<b>240 271</b>	<b>76.1%</b>

Gross profit on sales, defined as gross profit margin in the period of I quarter of 2023 came to PLN 87,974 thousand, while in the comparative period of I quarter of 2022 the amount of margin earned came to PLN 30,029 thousand. Gross margin on sales for the period in question of I quarter of 2023 came to 15.82% (after I quarter of 2022 the ratio came to 9.51%).

Table. Specification of administration costs of the Group in the reporting period of I quarter of 2023 against the comparative period of I quarter of 2022.

Administration costs of the Group	2023	2022	Change	%
	January – March	January – March		
	PLN'000	PLN'000	PLN'000	
1	2	3	4=2-3	5=4/3
Selling costs	49 497	27 923	21 574	77.3%
Overheads	13 765	9 625	4 140	43.0%
<b>Total</b>	<b>63 262</b>	<b>37 548</b>	<b>25 714</b>	<b>68.5%</b>

Net margin for the Group, which is the relation of net performance to sales revenue in the period in question of I quarter of 2023 came to (-) 3.37%, and in the period of I quarter of 2021 the ratio came to (-) 2.48%.

I quarter of 2023 is the time of preparation for “Summer 2023 “season. The subsidiary White Olive A.E. - for the period of I quarter of 2023 - made a net loss in the amount (-) PLN 3,712 thousand [for the period of I quarter of 2022 the loss came to (-) PLN 4,313

thousand]. The result is expected and normal seasonal occurrence, when the said subsidiary incurs costs without generating yet revenue (hotel operations typically covers months from May to October of the calendar year). The basic factor, which affects the amount of the loss incurred by the subsidiary White Olive A.E. in I quarter of 2023 (lower than in the similar quarter of 2022) is linked to the amount of amortization write-off.

Cost of amortization in I quarter of 2023 came to PLN 6,314 thousand and in the comparative period of I quarter of 2022 the amount of amortization costs came to PLN 6,556. EBITDA for the period in question of I quarter of 2023 came to PLN 30,583 thousand and in the comparative period of I quarter of 2022 – (-) PLN 1,285 thousand.

The above facts affected the amount of the consolidated result of Rainbow Tours Group for I quarter of 2023 [in the period in question of I quarter of 2023 the consolidated net loss came to PLN 18,764 thousand] and against the consolidated net loss for I quarter of 2022, which closed with the amount of PLN (-)7,841 and that means record high result for the season for I quarter of the calendar years in operations of the Group over the years.

As at 31.03.2023 the amount of revolving credits (without investment loan) came to the amount of PLN 24,112 thousand, while cash amounted to PLN 67,314. Considering total financial engagement, that is soft 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 31.03.2023 came to PLN 114,171 thousand. As at the last day of I quarter 2023 the amount of cash held by the Group is slightly lower than at the end of I quarter of 2022 [it amounted to PLN 81,327 thousand], which was a consequence of payment of advances to hotel contractors for 2023 season.

### **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. made single net loss in the amount of PLN (-) 30 thousand in the period in question of I quarter of 2023 [for the comparative period of I quarter of 2022 “My Way by Rainbow Tours” Sp. z o.o. earned single net profit in the amount of (-) PLN 4 thousand.

### **Hotel business. 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.

Due 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. Investing in expansion of own chain of White Olive hotels is an element of the strategy of Rainbow Tours Group for the years come to. Own hotel base not only offers broader opportunity to create and manage the product but 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 implement its previous strategy of investing in hotel segments.

In 2019 the Parent Company 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.” 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 respective investment and development plans concerning hotels were implemented. On 30.03.2021 the parties to the investment contract started the process of completion of the investment, and as a consequence of taking up shares in the increased share capital of White Olive A.E.; the share capital of White Olive A.E., the Fund, and the issuer was as follows: (i) the Fund held shares of White Olive A.E., which constituted 34.02% of the total votes of shares at the General Meeting of White Olive A.E., (ii) the Issuer (Rainbow Tours S.A.) held 65.98% of total votes of the General Meeting of White Olive A.E.; the respective increase in the share capital was used to finance purchase and general redevelopment of previously leased hotel, by White Olive A.E., on a long-term lease, that is “White Olive Elite Rethymno” situated in the town of Sfakaki on Crete island, in the neighbourhood of the town of Rethymno.

In 2022 Rainbow Tours Group implemented following processes with respect to operations of hotels of the Group.

- 1) In October and November 2022 merger (through acquisition) of White Olive A. E. (the acquiring company) with the previous subsidiary of White Olive A. E., that is White Olive Premium Lindos A.E. (the acquired company) took place within the Group, on 21.11.2022 the decision of the Main Register of Entrepreneurs in Greece (G.E.MI) about the merger was registered in G.E.MI.
- 2) In November and December 2022 the share capital of White Olive A.E. was increased and the share of Rainbow Tours S.A. in the share capital and votes at the General Meeting of White Olive A.E. rose from previous level of 65.98% to 71.54 as part of the increase of share capital of White Olive A.E. by EUR 2,901,550, through issue of 58,031 new ordinary bearer shares with the face value of EUR 50.00 per share and with issue value amounting to EUR 86.16 per share - pursuant to the resolution of the Extraordinary General Meeting of White Olive A.E. of 25.11.2022. As a result of registration in the Main Register of Entrepreneurs in Greece (G.E.MI.) on 09.12.2022, amendment of the Articles of Association and registration, on 16.12.2022, of payments for shares, due to increase - the share capital of White Olive A.E. is valued at EUR 17,744,750 and is divided to total of 354,895 ordinary bearer shares with the face value of EUR 50.00 per share. Following the increase Rainbow Tours S.A. holds 253,897 shares of White Olive A.E., which are divided to 253,897 shares, which is 71.54% of the share capital and votes at the General Meeting, and Fundusz Ekspansji Zagranicznej Fundusz Inwestycyjny Closed-ended Fund of Non-public Assets, managed by PFR Towarzystwo Funduszy Inwestycyjnych S.A. (Polish Development Fund Group), holds the remaining 100,998 shares of the share capital of White Olive A.E. and that constitute 28.46% of share capital and votes at the General Meeting of White Olive A.E. (previous share: 34.02%).

In March 2023 the Group carried out other investments linked to development of hotel operations and acquired on Rhodes Island three plots of land intended for construction and redevelopment of White Olive Premium Lindos hotel. The acquired plots of land have total area of 11 thousand m<sup>2</sup>. The purchase will enable to extend the existing hotel by 70-80 rooms without the need to extend supporting infrastructure that is communal areas and kitchen facilities, which will lead to synergy in operation of the existing hotel.

The investment can be carried out upon receipt of formal documentation required by the law.

Currently, White Olive hotel chain, including the hotels leased on long-term lease, has 5 hotels: three hotels on the Greek Island Zakynthos (two four-star hotels and on five-star hotel), five-star hotel situated in the town of Sfakaki on Crete Island and four-star hotel situated in the town of Pefkos on Rhodes. A present list of hotels operating under the brand "White Olive" (including own hotels and the hotel managed under long-term lease) was presented in Note 2 "the Description of organization of the Issuer's Group with consolidated entities" to these abridged consolidated financial statements of Rainbow Tours Group for I quarter of 2023 above.

#### **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 - regarding reported financial data, situation and financial performance of the Parent Company and the Group, the Management Board also reflect 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.

APM is consistent with the manner, in which the Management Board measures and assess results of the Group and the Company in internal management accounting and is 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 01/01/2023 to 31/03/2023	from 01/01/2022 to 31/03/2022	from 01/01/2023 to 31/03/2023	from 01/01/2022 to 31/03/2022
	PLN'000	PLN'000	PLN'000	PLN'000
EBIT = profit / (loss) on operations	28 350	(3 572)	24 269	(7 847)

### Measure: Gross Margin

Definition: gross margin is defined as ratio of profit/loss on sales to sales revenue. The measure is expressed in per cent.

Measure	Single data		Consolidated data	
	from 01/01/2023 to 31/03/2023	from 01/01/2022 to 31/03/2022	from 01/01/2023 to 31/03/2023	from 01/01/2022 to 31/03/2022
	PLN'000	PLN'000	PLN'000	PLN'000
Sales revenue	554 837	315 816	556 033	315 762
Gross profit/loss on sales	90 145	32 133	87 974	30 029
<b>Gross Margin</b>	<b>16.25%</b>	<b>10.17%</b>	<b>15.82%</b>	<b>9.51%</b>

### 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 01/01/2023 to 31/03/2023	from 01/01/2022 to 31/03/2022	from 01/01/2023 to 31/03/2023	from 01/01/2022 to 31/03/2022
	PLN'000	PLN'000	PLN'000	PLN'000
[A] Profit (loss) on operations	28 350	(3 572)	24 269	(7 847)
[B] Amortization (in plus)	4 400	4 037	6 314	6 556
<b>EBITDA = [A] + [B]</b>	<b>32 750</b>	<b>465</b>	<b>30 583</b>	<b>(1 291)</b>

### 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 01/01/2023 to 31/03/2023	from 01/01/2022 to 31/03/2022	from 01/01/2023 to 31/03/2023	from 01/01/2022 to 31/03/2022
	PLN'000	PLN'000	PLN'000	PLN'000
[A] Overdrafts	18 374	38 551	18 374	38 551
[B] Revolving credits	5 738	10 000	5 738	10 000
[C] bank investment loans	-	-	49 354	57 680
[D] financial lease liabilities	514	621	514	621
[E] Liabilities arising on subsidy loan	-	-	452	1 984
<b>Financial Debt = [A] + [B] + [C] + [D] + [E]</b>	<b>24 626</b>	<b>49 172</b>	<b>74 432</b>	<b>108 836</b>

### 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 01/01/2023 to 31/03/2023	from 01/01/2022 to 31/03/2022	from 01/01/2023 to 31/03/2023	from 01/01/2022 to 31/03/2022
	PLN'000	PLN'000	PLN'000	PLN'000
[A] financial debt	24 626	49 172	74 432	108 836
[B] cash and cash equivalents	61 297	80 128	67 314	81 327
<b>Net financial debt = [B] - [A]</b>	<b>36 671</b>	<b>30 956</b>	<b>(7 118)</b>	<b>(27 509)</b>

### 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 01/01/2023 to 31/03/2023	from 01/01/2022 to 31/03/2022	from 01/01/2023 to 31/03/2023	from 01/01/2022 to 31/03/2022
	PLN'000	PLN'000	PLN'000	PLN'000
[A] financial debt	24 626	49 172	74 432	108 836
[B] right of use liabilities	28 281	25 873	39 739	38 464
<b>Total debt = [A] + [B]</b>	<b>52 907</b>	<b>75 045</b>	<b>114 171</b>	<b>147 300</b>

### 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 01/01/2023 to 31/03/2023	from 01/01/2022 to 31/03/2022	from 01/01/2023 to 31/03/2023	from 01/01/2022 to 31/03/2022
	PLN'000	PLN'000	PLN'000	PLN'000
[A] total debt	52 907	75 045	114 171	147 300
[B] cash and cash equivalents	61 297	80 128	67 314	81 327
<b>Total Debt = [B] - [A]</b>	<b>8 390</b>	<b>5 083</b>	<b>(46 857)</b>	<b>(65 973)</b>

### 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

Measure	Single data		Consolidated data	
	from 01/01/2023 to 31/03/2023	from 01/01/2022 to 31/03/2022	from 01/01/2023 to 31/03/2023	from 01/01/2022 to 31/03/2022
	PLN'000	PLN'000	PLN'000	PLN'000
[A] Sales revenue	554 837	315 816	556 033	315 762
[B] Net profit (loss)	23 144	(3 433)	18 764	(7 841)
<b>Net margin = [B] / [A]</b>	<b>4.17%</b>	<b>(1.09%)</b>	<b>3.37%</b>	<b>(2.48%)</b>

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

I quarter of 2023, in the opinion of the Management Board, no unusual events occurred, which could have significant effect on the interim financial statements of Rainbow Tours Group and the Parent Company, however, the Management Board sees potential impact of macroeconomic factors (rising inflation rate, rising interest rates which could lead to economic stagnation), which in the reporting period could have relatively small effect and in the future could impact development of the tour operator, including on decisions of potential customers to purchase package holidays.



**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 I quarter of 2023 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 I quarter of 2023.

The consolidated entities were presented in note 2 "Description of changes in organization of the Issuer's Group with the indication of consolidated entities" to these abridged consolidated financial statements of Rainbow Tours Group for I quarter of 2023.

**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 2023.

**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 Joins Stock Company and number of votes on shares traded in the parallel market in the Warsaw Stock Exchange (as the date of approval of this extended consolidated quarterly report for I quarter of 2023, that is as at 26.05.2023).

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 shares	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%
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%
<b>Total</b>		<b>14 552 000</b>	<b>100.00%</b>	<b>18 377 000</b>	<b>100.00%</b>

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 [%]
<b>Total dematerialised share traded at WSE</b>		<b>10 727 000</b>	<b>73.72%</b>	<b>10 727 000</b>	<b>58.37%</b>

AA, AB, B, C2-C6, D, E and F series shares in the total number of 10,727,000 are traded at regulated market on Warsaw Stock Exchange.

The data below (as at the date of approval of this consolidated quarterly report for publication that is as at 26.05.2023) - about the shares of the Company held by shareholders with at least 5% of the total votes at the General Meetings of the Company - were prepared especially based on information obtained from shareholders fulfilling their obligation imposed on shareholders of public companies pursuant to specific provisions, including pursuant to provisions of the act of 29 of July 2005 on public offering and conditions of introducing financial instruments to organized trade and about the public companies (Art. 69 and Art. 69 a) and pursuant to provisions of the Regulation of the European Parliament and the Council (EU) on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (MAR Regulation, art.19). Additional information on shares of the Company is provided publicly according to available data of portfolio engagement and structure of assets of investment funds or pension funds, including based on information about the number of shares registered at the General Meeting of the Company (data available periodically, i.e., based on information from financial statements of investment and pension funds - up to the date of publication of the latest information data may change).

Table. List of shareholders, holding directly as at the date of approval of this extended consolidated quarterly report for I quarter of 2023 for publication that is as at 26.05.2023 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%
<b>TOTAL</b>	<b>14,552,000</b>	<b>18,377,000</b>	<b>100.00%</b>	<b>100.00%</b>

Table. List of shareholders, holding directly or indirectly, as at as at the date of approval of this extended consolidated quarterly report for I quarter of 2023 for publication, that is that is as at 26.05.2023, significant block of shares of the Parent Company, 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]	Company's share capital [%]	Total votes at GM [%]
Slawomir Wysmyk	directly	1 868 346	3 428 346	12.84%	18.66%
Grzegorz Baszczyński	Indirectly, through the subsidiary: Flyoo Sp. z o.o.	1 580 000	2 435 000	10.86%	13.25%
Remigiusz Talarek	Directly	1 050	1 050	0.0072%	0.0057%
	Indirectly, through the subsidiary: Elephant Capital Sp. z o.o.	1 645 000	2 345 000	11.30%	12.76%
	<b>Total – Directly and indirectly</b>	<b>1 646 050</b>	<b>2 346 050</b>	<b>11.31%</b>	<b>12.77%</b>
Tomasz Czaplą	Indirectly, through the subsidiary: TCZ Holding Sp. z o.o.	1 335 000	2 035 000	9.17%	11.07%
Nationale-Nederlanden PTE S.A. (Through managed funds)	Indirectly (through managed funds)	1 718 000	1 718 000	11.81%	9.35%

shareholder		Number of shares [piece]	Number of votes at GM from shares [piece]	Company's share capital [%]	Total votes at GM [%]
Generali PTE S.A. (Through managed funds)	Indirectly (through managed funds)	1 008 459	1 008 459	6.93%	5.49%
OTHER SHAREHOLDERS		5 396 145	5 406 145	≈37.08%	≈29.42%
<b>TOTAL</b>		<b>14 552 000</b>	<b>18 377 000</b>	<b>100.00%</b>	<b>100.00%</b>

In the period from publication of the last periodic report (the annual periodic report: the single annual report of the Company for 2022- R/2022 and the consolidated annual report of Rainbow Tors Group for 2022– RS/2022), that is from 28.04.2023 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 I quarter of 2023 that is as at 26.05.2023:

- 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) hold 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)

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%	0.00%
	Indirectly, through the subsidiary: Flyoo Sp. z o.o.	1 580 000	2 435 000	10.86%	13.25%
	<b>Total</b>	<b>1 580 000</b>	<b>2 435 000</b>	<b>10.86%</b>	<b>13.25%</b>
Remigiusz Talarek - the Member of the Supervisory Board	directly	1 050	1 050	0.0072%	0.0057%
	Indirectly, through the subsidiary: Elephant Capital Sp. z o.o.	1 645 000	2 345 000	11.30%	12.75%
	<b>Total</b>	<b>1 646 050</b>	<b>2 346 050</b>	<b>11.31%</b>	<b>12.77%</b>
Tomasz Czapla - the Member of the Supervisory Board	directly	-	-	0.00%	0.00%
	Indirectly, through the subsidiary: TCZ Holding Sp. z o.o.	1 335 000	2 035 000	9.17%	11.07%
	<b>Total</b>	<b>1 335 000</b>	<b>2 035 000</b>	<b>9.17%</b>	<b>11.07%</b>
Maciej Szczechura - the Member of the Management Board	directly	1 647	1 647	≈0.0113%	≈0.0090%
Jakub Puchałka - the Member of the Management Board	directly	218	218	≈0.0015%	≈0.0012%

In the period from publication of the last periodic report (the annual periodic report: the single annual report of the Company for 2022 - R/2022 and the consolidated annual report of Rainbow Tors Group for 2022– RS/2022) that is from 28.04.2023 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 I quarter of 2023, that is as at 26.05.2023, 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 is pending against the contractor of the company Verikios Grigorios & SIA E.E., with the claim to pay (amounts arising out of the tour operator's contracts - in respect of three hotels situated in Greece) concluded by the parent company (as a part of its usual business). Additionally estimated value of the contractual penalties regarding non-performance of obligations arising out of the contractor's contracts constitutes a ground to recognize that the total amount in controversy exceeds 10 % of the Parent Company's equity. Taking into account contracts and based on applicable decisions of the common court situated in Greece a decision was issued to attach contractor's assets and personal property of the individual to the amount of EUR 5,269,560 (the equivalent of PLN 24,713,709.44). The enforcement proceedings has been pending.

Except for the above proceedings, as at the date of approval of this extended consolidated quarterly report for I quarter of 2023 publication, that is as at 26.05.2023, neither the Issuer, nor its subsidiaries are a party to any court or arbitration proceedings, in proceedings, concerning 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**

All transactions made by the Issuer, or its subsidiaries, were typical and standard and arose from basic operations of entities. In the period from 01.01.2023 to 31.03.2023 neither Rainbow Tours S.A., nor its subsidiaries did not make any 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 I quarter of 2023, above.

## **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. Other 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 31.03.2023 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. renew 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 guarantee 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 07.12.2022, pursuant to the annex No A10/9619/16/M/04, the total repayment date was set as 07.12.2024 and the amount of the global limit was increased, and the limit in the amount of PLN 60,000 thousand is applicable in the period from 08.12.2022 to 16.10.2024, and in the period from 17.10.2024 to 07.12.2024 the limit amounts to PLN 45,000 thousand. Under the limit the Company can use the following products:

- Overdraft in the amount in PLN:
  - a) PLN 60,000 thousand for the period from 08.12.2022 to 16.10.2024
  - b) PLN 45,000 thousand for the period from 17.10.2024 to 07.12.2024,
- guarantee line to the amount of:
  - a) PLN 40,000 thousand for the period from 08.12.2022 to 16.10.2024,
  - b) PLN 25,000 thousand for the period from 17.10.2024 to the end of duration of the global limit.

The partial security for the credit repayment is transfer of ownership (pursuant to art.102 of the Banking law) in the amount of PLN 1,000 thousand, declaration of submission to enforcement, pursuant to art. 777 § 1 point 5 of the Code of Commercial Companies and Partnerships, regarding all assets concerning obligation to pay to the bank any amounts of money due to obligations arising out of the Multifacility and guarantee contract (also called "the crisis guarantee") in the amount of PLN 48,000 thousand with duration longer by 3 months than the credit period, that is until 07.03.2025, granted by Bank Gospodarstwa Krajowego ("BGK") under portfolio guarantee contract under Crisis Guarantee Fund PLG-FGK. The guarantee secures 80 % of the credit amount. The interest rate was set on arm's length basis based on WIBOR 1M + bank's margin.

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 8,0000 (valid until 8 October 2022,) granted by Bank Gospodarstwa Krajowego under portfolio guarantee provided by Liquidity Guarantee Fund PLG-FGP, is a partial security for loan repayment. The guarantee secures 80% of the loan amount.

On 30.06.2022 the Company made a renewable loan contract with Bank Millenium S.A. No 15386/22/475/04, pursuant to which the company obtained financing in the amount of PLN 10,000 thousand with availability period from 30.06.2022 to 29.06.2024. The security for the respective contract includes:

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

As at 31.03.2023 the Company neither used revolving credit, nor overdraft, and the total amount of guarantees issued was equivalent of PLN 45,580 thousand, bank guarantees under the limit amounted to equivalent of PLN 31,222 thousand, and outside the limit to PLN 13,358 thousand.

As at 31.03.2022 the Company did not use overdraft, and it used only renewable credit in the amount of PLN 10,000 thousand, and the guarantee line was used in the amount equivalent of PLN 5,832 thousand.

### **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 a 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 date until 31.01.2022. On 31.01.2022 the Company signed the annex No 3 ("the annex") to the agreement, pursuant to which Bank Gospodarstwa Krajowego renewed the initial period of the credit line in the form of multipurpose line, in the amount of PLN 30,000 thousand, for another 12 months, with validity date to 31.01.2023. On 31.01.2023 the Company signed the annex No 4 ("the annex") to the agreement, pursuant to which Bank

Gospodarstwa Krajowego renewed the initial period of the credit line, in the form of multipurpose line in the amount of PLN 30,000 thousand, for another 12 months, with validity date to 31.01.2024.

Under the facility the company can use the following products:

- the overdraft line of credit to the amount equivalent to PLN 30,000 thousand in PLN, USD and EUR,
- bank guarantees to the amount of PLN 15,000 thousand in PLN, USD and EUR,

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 based rate - WIBOR 1M and bank margin. The security for the multipurpose line is 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.

As at 31.03.2023 the Company used overdraft line of credit in the amount of PLN 5,410 thousand and did not use the guarantee line as at 31.03.2023.

As at 31.03.2022 the Company used the overdraft in the amount of PLN 22,829 thousand and did not use guarantee line.

### **Santander Bank Polska S.A.**

On 10.10.2018 the Parent Company concluded with Santander Bank Polska S.A. Multipurpose Facility No K00787/18 (amended with the attachment No 1 of 15.11.2019 and the attachment No 2 of 30.06.2020) with the global limit for the amount of PLN 50,000 thousand. The Company can use the overdraft facility for the amount of PLN 20,000 thousand or in the equivalent in the currencies of USD or / and EUR during total term of the facility availability and can also use renewable loan for the amount of PLN 30,000 thousand from 02.01.2020 to 30.06.2020. The date of total repayment of the facility is 15.11.2020 (for the overdraft facility) subject to the fact that, pursuant to the Attachment No 2 to the Multipurpose Facility No K00787/18 of 30.06.2020, the revolving credit contract, which contract was made originally as one of two contracts in the multipurpose facility contract (that is Multipurpose Facility Contract No K00787/18 of 10.10.2018), was replaced with the revolving credit contract No K00787/18b, pursuant to which the effective term for the renewable loan for PLN 30,000 thousand was renewed to 30.06.2022 and the security for claims of the Bank arising under the respective contract is a liquidity guarantee PLG-FGP for the amount of 80% of the Facility amount, that is PLN 24,000 thousand, for period starting from the date of registering the Facility and Liquidity Guarantee PLG FGP in the register of liquidity guarantees PLG FGP kept by the Bank, until 30.09.2022. On 30 June 2022 the Company signed with the bank the annex No 2 to the revolving credit No K00787/18b, under which the facility was renewed to 30.06.2024. The security for the facility is Liquidity Guarantee PLG FGP for the period until 30.09.2024, in the amount, which is 80% of the amount of the credit, that is PLN 24,000,000.

On 25.11.2020 the Parent Company made with Santander Bank Polska S.A. the Attachment No 4 to the Multipurpose Facility No K00787/18a, which renews until 12.11.2022 availability of the overdraft facility and of the limit in the foreign currency account for the amount of PLN 20,000,000.00. The security for the facility is the Liquidity Guarantee PLG FGP for the amount of 80.00% of the amount the Facility, that is PLN 16,000,000.00 for the period from 11.02.2023 and declaration of 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 for 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. On 10 November 2022 the company signed the Annex No 5 to Overdraft and currency account No K00787/18a with Santander Bank Polska S.A., which renewed the contract to 10 of November 2024 extending availability of the overdraft and currency account with the limit of PLN 20,000,000. The Security for the agreement is the Liquidity Guarantee PLG FGP for the amount of 80.00% of the amount the Facility, that is PLN 16,000,000.00 for the period to 10.02.2024.

Also, on 10 October 2018, the Parent 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 use the global limit in the amount of USD 6,500 thousand to order issuance of bank guarantees and letters of credit for the total amount of USD 6,500 thousand (or equivalent in PLN and/ or EUR) during the whole period of the line availability - that is, originally, 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 November 2022, pursuant to the Attachment No 7 to the Multiline contract No K00788/18, the parties extended availability of the product till 10 February 2025, in the amount of 80% of the Multiline, that is PLN 13,108,760.00, translated to PLN at average exchange rate set by NBP published on the working day, preceding the date of drafting the contract (PLN 4.6817 of 09.11.2022).

As at 31.03.2023 the Company used the revolving credit in the amount equivalent of PLN 5,738 thousand, as at 31.03.2023 the Company used the overdraft in the amount of PLN 12,964 thousand, and guarantee line as at that date was not used.

As at 31.03.2022 the Company used the overdraft in the amount of PLN 15,722 thousand, and it did not used revolving credit, and guarantee line as at that date was used in the amount of PLN 1,462 thousand.

### **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 euros, 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 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 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 31.03.2023 the investment loan was used by White Olive A.E. in the amount of EUR 10,653 thousand.

As at 31.03.2022 the investment loan was used by White Olive A.E. in the amount of EUR 12,543 thousand.

#### **Additional information 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.

- Mr. Tomasz Czaplą – 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 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.
- Mrs. Monika Kulesza –who, as at the date of preparation and signing of this report, was the member of the Supervisory Board and the chairman 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 on expert auditors, and the annex II to Commission Recommendation EU 2005/162 EC and thus, she 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 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 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 he 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 on expert auditors, and the annex II do 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 within the meaning of the Act on Expert Auditors.
- Mrs. 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 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 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 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, 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 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 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.

Thus, independent members of the Audit Committee - within the meaning of the Act on Expert Auditors and considering independence criteria stipulated in 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, include:

- Mrs. Monika Kulesza, a member of the Supervisory Board, who is the Chairman of the Audit Committee



- Mr. Paweł Pietras, the member of the Supervisory Board, and who is the member of the Audit Committee.

And thus, the 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 I quarter of 2023, and also after 31.03.2023, up to the date of approval of these financial statements for publication, no changes in the Articles of Association of the Parent Company took place.

## **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 factors and socio-economic factors related to economic situation, which can have effect of consumer confidence (level of consumption (-) Macro-economic factors (e.g., level and dynamics of prices of package holidays, fluctuation of exchange rates of Polish zloty, in particular against American dollar and euro, fluctuation of prices of crude oil, growth perspectives for Polish economy, including growth dynamics of GDP, including level of inflation, (-) 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) (-) 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, increased demand for bank borrowings, negative changes in conditions of borrowing or limited bank borrowings.

The experience of the Company, from the reporting period of the year 2022 and I quarter of 2023, 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 (for Summer 2022 season, Winter 2022/2023 season and Summer 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 had, before the start of the conflict, 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 the year 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.

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

In the financial year 2020 and 2021 the most the most significant and basic factor (in this case: external factor), which had material effect on development of the business of the issuer and jointly on operations of Rainbow Tours Group was SARS-CoV-2 pandemic, and its consequences directly and indirectly influencing tourism industry in broad sense, and that due to operations of global economy adversely affected by the pandemic, restrictions and limitations intended to prevent infections and COVID-19. 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 publication of this report the Management Board thinks that since 2021 - we could have seen gradual getting used to the pandemic situation, and also gradual quenching of the pandemic after another significant wave of pandemic at the start of 2022 the impact of SARS-CoV-2 pandemic on operations of tourism industry lost its importance.

In the package holiday business still exists certain (limited and losing its meaning due 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 in 2023, 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 obligations and restrictions will not cause far reaching, as in 2020 and 2021, negative effects for operations of Rainbow Tours Group, including the Parent Company in 2023 and the following years. It has also had been reflected in more frequent and in common practice of lifting restrictions and obligations linked to COVID-19 after crossing borders of target destinations serviced by the Company. Any effect of rising number of infections in the nearest future (also with respect to business and financial results of the Group, including the Parent Company for 2023) may not have significant and decisive effect and meaning.

#### **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 Parent Company. However, currently terrorist attacks and social unrest that makes headlines have less significant impact on decisions to purchase a package holiday than it used to be a few years ago.

The Parent 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.

#### **Risk related to competition**

Changes in the tourism market, considerable development of on-line 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.

Irrespective of the above facts, the Parent Company competes on market of traditional tour operators with other entities. Consistent creation of strong and recognizable Rainbow brand and strong Rainbow Tours Group covering with its operations all aspects of tourism market (producer – tour operator in Poland, traditional distribution- the chain of own stores, the Internet- own internet portal), which would help to successfully compete with other market players. For many years the Parent company is ranked as one of the leaders on tour operator market, and is ranked, according to the ranking of tour operators published for 2021 (2022 Ranking, Tour Operators. Not full rebound yet, but certainly high leap upward. Confirmed data for 2021". Wiadomości Turystyczne (Tourism News), special edition, July 2022) and also in the ranking for 2022 presented by Instytut Badań Rynku Turystycznego TravelData (Institute of Tourism Market Research) during the conference, on 26.04.2023, organised by the editors of "Rzeczpospolita" titled "Meeting of Tourism Leaders – edition Spring 2023", at the third place regarding sales revenue following Itaka and TUI Poland. When it comes to profitability and number of customers Rainbow Tours is also in the top of tour operators, and is ranked fourth in Poland. Rainbow Tours S.A. is one of the four biggest tour operators in Poland with Itaka, TUI Poland and Coral Travel.

#### **Risk related to seasonality of sales**

The level and value 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 20 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 71.54% of share capital and votes in the General Meeting and the remaining 28.46 % 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 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 started its operations and successfully continued its operations in Summer 2022 season.

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. In 2022 Rainbow Tours Group two subsidiaries of the Issuer that is White Olive A.E. and White Olive Premium Lindos A.E. were merged (the second company was acquired by White Olive A.E.) and the relevant entry was made in the business register of Greece in November 2022.

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 subsidiary, that is White Olive A.E. (the company limited by shares operating under Greek law) is an owner 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 (after the merger with White Olive Premium Lindos A.E., previous subsidiary acquired by White Olive A.E) four hotel properties (two properties situated on the Greek island of Zakynthos, one property on Crete, and one property on Rhodes) 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.

The Group has plans for further development of own hotels. Investing in development of the chain of own "White Olive" hotels is the element of Rainbow Tours Group's strategy for the years to come. Own hotel base not only gives more opportunities to create and manage a product but also enables to generate 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 intensified. 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.

In October and November 2022 merger (through acquisition) of White Olive A. E (the acquiring company) with previous subsidiary of White Olive A. E, that is White Olive Premium Lindos A.E. (the acquired company) took place within the Group, on 21.11.2022 the decision of Main Register of Entrepreneurs in Greece (G.E.MI) about the merger was registered in the G.E.MI.

#### **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. 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 in March 2023 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 18.4% year on year (from January 2023 the inflation rate was at the level of 16.6%) and as at that day it was the highest level since December 1996. Pursuant to the data of the Main Statistical Office published on 31.03.2022 the prices and consumer goods and services in March 2023 were, however, on average higher by 16.1% than the year before, which means slower rise in prices against the data for February 2023. The current, as at the date of publication of this report, the reference rate, main interest rate of NBP, came to 6.75% (effective as at 08.09.2022, in May 2023, at the last meeting the Monetary Policy Council did not decide about resumption of the interest rate rising cycle, the Council took the decision not to increase the level of interest rates and maintained the respective 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, 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 Rainbow Tours Group. 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. The programme in question has been revived in 2022 and is currently operating.

### **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 the 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 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 holiday 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. Additionally, the Parent Company introduced policy of hedging future derivative transactions in respect of changes of jet fuel prices.

### **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 2022" prepared with "the Report of the Management Board on operations of the Company and Rainbow Tours Group in 2022" (approved for publication as a part of annual single and consolidated reports for the financial year 2022 from 28.04.2023 <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.

**The Management Board of Rainbow Tours Spółka Akcyjna, signatures of persons responsible for keeping accounts:**

**Łódź, the 26<sup>th</sup> of May 2023**

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Grzegorz Baszczyński  
the President of the  
Management Board

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Piotr Burwicz  
A member of the Management  
Board

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Jakub Puchałka  
A member of the Management  
Board

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Maciej Szczechura  
A member of the Management  
Board