



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

[sporządzony zgodnie z MSSF]

Łódź, dnia 29 września 2023 roku



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the extended consolidated report of Rainbow Tours Group for I half-year of 2023 covers:

(1) the selected financial data (also translated to euro), with basic items of the abridged consolidated financial statement for I half-year of 2023 and the abridged single financial statement for I half-year of 2023 of Rainbow Tours Group and the previous financial year (2022), and in case of the balance sheet (statement of financial position) as at the end of half-year of the current financial year (30.06.2023) and the previous financial year (31.12.2022);

(2) the abridged consolidated financial statement for half-year of the current financial year (2023) and the previous financial year (2022), and in case of the balance sheet (statement of financial position) – as at the end of the half-year of the financial year (30.06.2023) and at the end of the previous financial year (31.12.2022) with comparative data drafted according to International Financial Reporting Standards in the version approved by the European Union;

(3) notes to the abridged consolidated financial statements and other information in the scope provided for in the regulation of the Minister of Finance of 29.03.2018 on current and periodic information provided by the issuers of securities and conditions of recognizing as equivalent information required by provisions of non-member (Journal of Laws of 2018, item. 757), referred to as "the Regulation on current and periodic information"

(4) the abridged single financial statements for half-year of the current year (2023) and the previous financial year (2022), and in case of the balance sheet (statement of financial situation) – as at the end of the half-year of the current financial year (30.06.2023) and the previous financial year (31.12.2022, drafted according to International Financial Reporting Standards in the version approved by the European Union;

(5) notes to the abridged single financial statements

(6) half-year report of the Management Board on operation of Rainbow Tours Group and Rainbow Tours Company limited by shares and the rules of drafting the half-year abridged consolidated and single financial statements.

(7) declaration of the Management Board, required by § 68 section 1 point 4) and § 69 section 1 point 4) of the Regulation on current and periodic information

(8) the report of the auditor on review of the abridged consolidated financial statements for half-year of 2023

(9) the report of the auditor on review of the abridged single financial statements for half-year for 2023

The Issuer, pursuant to § 62 section 3 of the Regulation on current and periodic information, as a parent company in Rainbow Tours Group does not publish a separate single half-year report and it is included in the consolidated half-year report with the report of the Auditor on the review of the respective report and abridged notes. Pursuant to § 62 section 6 of the Regulation on current and periodic information, the report of the Management Board and respectively the statement of the Management Board the documents were produced in one single document.

## 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 30/06/2023 [not audited]	As at 31/12/2022 [audited]	As at 30/06/2023 [not audited]	As at 31/12/2022 [audited]
Fixed assets	316 269	287 469	71 067	61 295
Current assets	867 530	438 521	194 937	93 503
<b>Total assets</b>	<b>1 183 799</b>	<b>725 990</b>	<b>266 004</b>	<b>154 798</b>
<b>equity</b>	<b>184 706</b>	<b>153 903</b>	<b>41 504</b>	<b>32 816</b>
Issued share capital	1 455	1 455	327	310
Equity attributable to shareholders of the parent company	144 394	111 959	32 446	23 872
Long-term liabilities	97 649	133 520	21 942	28 470
Short-term liabilities	901 444	438 567	202 558	93 513
<b>Book value per share</b>	<b>12.69</b>	<b>10.58</b>	<b>2.85</b>	<b>2.26</b>

STATEMENT OF COMPREHENSIVE INCOME	PLN'000	PLN'000	EUR'000	EUR'000
	from 01/01/2023 to 30/06/2023 [not audited]	from 01/01/2022 to 30/06/2022 [not audited]	from 01/01/2023 to 30/06/2023 [not audited]	from 01/01/2022 to 30/06/2022 [not audited]
Continuing operations, sales revenue	1 265 086	820 484	274 244	176 726
Profit /loss on operations	67 508	(13 072)	14 634	(2 816)
Pre-tax profit (loss)	66 481	(15 570)	14 412	(3 354)
<b>Net profit (loss)</b>	<b>52 900</b>	<b>(12 887)</b>	<b>11 468</b>	<b>(2 776)</b>
Net profit (loss) attributable to shareholders of the parent company	55 602	(11 688)	12 053	(2 517)
Net profit (loss) per ordinary share attributable to shareholders of the parent company (denominated in PLN /EUR per share)				
- basic	3,64	(0,89)	0,79	(0,19)
- diluted	3,64	(0,89)	0,79	(0,19)
<b>Total comprehensive income</b>	<b>38 079</b>	<b>(11 074)</b>	<b>8 101</b>	<b>(2 385)</b>
Total comprehensive income attributable to:				
- shareholders of the parent company	40 781	(9 875)	8 676	(2 127)

CASHFLOW STATEMENT	PLN'000	PLN'000	EUR'000	EUR'000
	from 01/01/2023 to 30/06/2023 [not audited]	from 01/01/2022 to 30/06/2022 [not audited]	from 01/01/2023 to 30/06/2023 [not audited]	from 01/01/2022 to 30/06/2022 [not audited]
Net cash flow from operations	233 663	89 536	50 653	19 285
Net cash from investing activities	(20 861)	(396)	(4 522)	(85)
Net cash from financing activities	(60 737)	37 469	(13 166)	8 071
<b>Increase (decrease) in net cash and cash equivalents</b>	<b>152 065</b>	<b>126 609</b>	<b>32 965</b>	<b>27 271</b>

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

STATEMENT OF FINANCIAL POSITION	PLN'000	PLN'000	EUR'000	EUR'000
	As at 30/06/2023 [not audited]	As at 31/12/2022 [audited]	As at 30/06/2023 [not audited]	As at 31/12/2022 [audited]
Fixed assets	207 052	179 979	46 525	38 376
Current assets	860 233	432 402	193 298	92 199
<b>Total assets</b>	<b>1 067 285</b>	<b>612 381</b>	<b>239 823</b>	<b>130 575</b>
<b>equity</b>	<b>150 689</b>	<b>107 527</b>	<b>33 860</b>	<b>22 927</b>
Issued share capital	1 455	1 455	327	310
Long -term liabilities	45 618	79 417	10 251	16 934
Short-term liabilities	870 978	425 437	195 712	90 713
<b>Book value per share</b>	<b>10.36</b>	<b>7.39</b>	<b>2</b>	<b>1.58</b>

STATEMENT OF COMPREHENSIVE INCOME	PLN'000	PLN'000	EUR'000	EUR'000
	from 01/01/2023 to 30/06/2023 [not audited]	from 01/01/2022 to 30/06/2022 [not audited]	from 01/01/2023 to 30/06/2023 [not audited]	from 01/01/2022 to 30/06/2022 [not audited]
Continuing operations, sales revenue	1 243 976	809 419	269 667	174 342
Profit /loss on operations	68 166	(12 566)	14 777	(2 707)
Pre-tax profit (loss)	69 461	(14 120)	15 058	(3 041)
<b>Net profit (loss)</b>	<b>55 927</b>	<b>(11 437)</b>	<b>12 124</b>	<b>(2 463)</b>
Net profit (loss) per ordinary share (denominated in PLN /EUR per share)	-	-	-	-
- basic	3.84	(0.79)	0.83	(0.17)
- diluted	3.84	(0.79)	0.83	(0.17)
<b>Total comprehensive income</b>	<b>50 437</b>	<b>(11 474)</b>	<b>10 934</b>	<b>(2 471)</b>

CASHFLOW STATEMENT	PLN'000	PLN'000	EUR'000	EUR'000
	from 01/01/2023 to 30/06/2023 [not audited]	from 01/01/2022 to 30/06/2022 [not audited]	from 01/01/2023 to 30/06/2023 [not audited]	from 01/01/2022 to 30/06/2022 [not audited]
Net cash flow from operations	205 433	80 415	44 533	17 321
Net cash from investing activities	(2 962)	299	(642)	64
Net cash from financing activities	(57 355)	41 351	(12 433)	8 907
<b>Increase (decrease) in net cash and cash equivalents</b>	<b>145 116</b>	<b>122 065</b>	<b>31 458</b>	<b>26 292</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 30.06.2023 (4.4503) and as at 30.12.2022 (4.6899)
- 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 30.06.2023 (4.6130) and for the period from 01.01.2022 to 30.06.2022 (4.6427).

## II. ABRIDGED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS OF RAINBOW TOURS GROUP

### 1. THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	As at 30/06/2023 [not audited]	As at 31/12/2022 [audited]
		PLN'000	PLN'000
<b>Fixed assets</b>			
Tangible fixed assets	8	247 449	243 594
Investment property		196	196
Goodwill		4 541	4 541
other intangible assets		4 558	4 691
Deferred tax assets	13	39 917	12 210
Other receivables	9	19 608	22 237
<b>Total fixed assets</b>		<b>316 269</b>	<b>287 469</b>
<b>Current assets</b>			
Stocks		798	181
Trade and other receivables	9	88 233	52 302
Advance payments	9	432 717	177 374
Other financial assets	10	192	159
Current tax assets		1 692	6 075
Other assets	11	49 418	60 015
Cash and cash equivalents	12	294 480	142 415
<b>Total current assets</b>		<b>867 530</b>	<b>438 521</b>
<b>Total assets</b>		<b>1 183 799</b>	<b>725 990</b>

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

EQUITY AND LIABILITIES	Note	As at 30/06/2023 [not audited]	As at 31/12/2022 [audited]
		PLN'000	PLN'000
<b>EQUITY AND LIABILITIES</b>			
<b>equity</b>			
Issued share capital		1 455	1 455
Share premium		36 558	36 558
Reserve		(8 784)	(3 294)
Translation of foreign operations		(653)	8 678
Retained earnings		115 818	68 562
		<u>144 394</u>	<u>111 959</u>
Equity attributable to shareholders of the parent company		144 394	111 959
Equity attributable to non-controlling interests		40 312	41 944
<b>Total equity</b>		<b>184 706</b>	<b>153 903</b>
<b>Long-term liabilities</b>			
Long-term loans, bank loans and credits and lease liabilities,	14	69 321	102 023
Pension liability	16	286	286
Long term provisions		1 135	516
deferred tax liability		1 137	1 150
Other liabilities	17	25 770	29 545
<b>Total long-term liabilities</b>		<b>97 649</b>	<b>133 520</b>
<b>Short-term liabilities</b>			
Trade payables and other liabilities	15	169 469	93 382
Short-term loans, bank loans and credits and lease liabilities	14	16 175	40 164
Other financial liabilities		10 845	4 067
Current tax liabilities		54 985	14 165
short -term provisions <i>including income tax</i>		-	8 412.
Deferred income	16	133 068	46 262
Other liabilities	17	509 258	232 984
<b>Total short-term liabilities</b>	17	7 644	7 543
<b>Short-term liabilities</b>		<b>901 444</b>	<b>438 567</b>
<b>Total liabilities</b>		<b>999 093</b>	<b>572 087</b>
<b>Total equity and liabilities</b>		<b>1 183 799</b>	<b>725 990</b>

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



## 2. THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	from 01/01/2023 to 30/06/2023 [not audited] PLN'000	from 01/01/2022 to 30/06/2022 [not audited] PLN'000
<b>continuing operations</b>			
Sales revenue	18	1 265 086	820 484
Cost of sales	19	(1 055 361)	(743 679)
<b>Gross profit (loss) on sales</b>		<b>209 725</b>	<b>76 805</b>
Selling cost	19	(107 972)	(66 746)
Overheads	19	(32 439)	(21 457)
Other operating proceeds	20	1 396	382
Other operating costs	20	(3 202)	(2 056)
<b>Operating profit (loss)</b>		<b>67 508</b>	<b>(13 072)</b>
Financial revenue	21	3 752	250
Financial costs	21	(4 779)	(2 748)
<b>Pre-tax profit (loss)</b>		<b>66 481</b>	<b>(15 570)</b>
Income tax	22	(13 581)	2 683
<b>Net profit (loss) from continuing operations</b>		<b>52 900</b>	<b>(12 887)</b>
<b>Discontinued operations</b>			
Net profit (loss) from discontinued operations	23	-	-
<b>NET PROFIT (LOSS)</b>		<b>52 900</b>	<b>(12 887)</b>
<b>Items, which could be later carried to statement of comprehensive income</b>			
Translations of foreign operations		(9 331)	1 850
Effective part of profit and losses linked to hedging instrument in cash flow hedge		(5 490)	(37)
<b>total other net comprehensive income</b>		<b>(14 821)</b>	<b>1 813</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>38 079</b>	<b>(11 074)</b>
Net profit attributable to:			
shareholders of the parent company		55 602	(11 688)
non-controlling interests		(1 632)	(1 199)
<b>NET PROFIT (LOSS)</b>		<b>53 970</b>	<b>(12 887)</b>

	Note	from 01/01/2023 to 30/06/2023 [not audited] PLN'000	from 01/01/2022 to 30/06/2022 [not audited] PLN'000
Total comprehensive income attributable to:			
shareholders of the parent company		40 781	(9 875)
non-controlling interests		(1 632)	(1 199)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>39 149</b>	<b>(11 074)</b>
<b>Number of shares (in thousands)</b>		14 552	14 552
<b>Number of shares – diluted (in thousand)</b>		14 552	14 552
<b>Profit (loss) per share (in PLN per share))</b>			
on continuing and discontinuing operations			
Basic		3.64	(0.89)
Diluted		3.64	(0.89)
On continuing operations			
Basic		3.64	(0.89)
Diluted		3.64	(0.89)

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 30/06/2022 [not audited]</b>								
<b>As at 01/01/2022</b>	<b>1 455</b>	<b>36 558</b>	<b>37</b>	<b>2 956</b>	<b>67 215</b>	<b>108 221</b>	<b>41 111</b>	<b>149 332</b>
Net profit for the financial year	-	-	-	-	(11 688)	(11 688)	(1 199)	(12 887)
(Net) other comprehensive income for the financial year	-	-	(37)	1 850	-	1 813	-	1 813
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(37)</b>	<b>1 850</b>	<b>(11 688)</b>	<b>(9 875)</b>	<b>(1 199)</b>	<b>(11 074)</b>
other	-	-	-	-	1	1	-	1
<b>As at 30/06/2022</b>	<b>1 455</b>	<b>36 558</b>	<b>-</b>	<b>4 806</b>	<b>55 528</b>	<b>98 347</b>	<b>39 912</b>	<b>138 259</b>
<b>For the period from 01/01/2022 to 31/12/2022 [audited]</b>								
<b>As at 01/01/2022</b>	<b>1 455</b>	<b>36 558</b>	<b>37</b>	<b>2 956</b>	<b>67 215</b>	<b>108 221</b>	<b>41 111</b>	<b>149 332</b>
Net profit 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>	<b>-</b>	<b>-</b>	<b>(3 331)</b>	<b>5 722</b>	<b>21 497</b>	<b>23 888</b>	<b>833</b>	<b>24 721</b>
Dividend payment	-	-	-	-	(21 828)	(21 828)	-	(21 828)
Other	-	-	-	-	1 678	1 678	-	1 678
<b>As at 31/12/2022</b>	<b>1 455</b>	<b>36 558</b>	<b>(3 294)</b>	<b>8 678</b>	<b>68 562</b>	<b>111 959</b>	<b>41 944</b>	<b>153 903</b>
<b>For the period from 01/01/2023 to 30/06/2023 [not audited]</b>								
<b>As at 01/01/2023</b>	<b>1 455</b>	<b>36 558</b>	<b>(3 294)</b>	<b>8 678</b>	<b>68 562</b>	<b>111 959</b>	<b>41 944</b>	<b>153 903</b>
Net profit for the financial year	-	-	-	-	54 532	54 532	(1 632)	52 900
(Net) other comprehensive income for the financial year	-	-	(5 490)	(9 331)	-	(14 821)	-	(14 821)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(5 490)</b>	<b>(9 331)</b>	<b>54 532</b>	<b>39 711</b>	<b>(1 632)</b>	<b>38 079</b>
Dividend payment	-	-	-	-	(7 276)	(7 276)	-	(7 276)
<b>As at 30/06/2023</b>	<b>1 455</b>	<b>36 558</b>	<b>(8 784)</b>	<b>(653)</b>	<b>115 818</b>	<b>144 394</b>	<b>40 312</b>	<b>184 706</b>

#### 4. THE CONSOLIDATED CASH FLOW STATEMENT

description	From 01/01/2023 to 30/06/2023 [not audited]	From 01/01/2022 to 30/06/2022 [not audited]
	PLN'000	PLN'000
<b>I. Pre-tax profit (loss)</b>	<b>66 481</b>	<b>(15 570)</b>
<b>II. total adjustments</b>	<b>171 583</b>	<b>105 106</b>
Amortization and depreciation	12 696	13 222
Foreign exchange gains (losses)	-	(306)
interest and profit sharing (dividend)	3 330	778
profit (loss) from investing activities	(3 681)	1 505
Movement in provisions	80 139	82 552
movement in stocks	(617)	(732)
Movements in receivables and prepaid expenses	(317 065)	(180 814)
Movements in short-term liabilities and prepayment expenses except for loans, credits and financial lease	412 468	188 054
Other adjustments	(15 687)	847
<b>Net cash from operations</b>	<b>238 064</b>	<b>89 536</b>
Income tax paid	(4 401)	-
<b>Net cash flows from operations</b>	<b>233 663</b>	<b>89 536</b>
Interest received	2 694	250
Dividends received from entities consolidated under equity method	-	-
Proceeds from sale of financial assets held for sale	-	-
Proceeds from sale of fixed assets	-	49
<b>Proceeds from sale of short-term securities / Purchase of short-term securities</b>	<b>-</b>	<b>-</b>
Proceeds from sale of short-term securities	-	-
Purchase of short-term securities	-	-
<b>Borrowing / Repayment of bank loans and credits</b>	<b>-</b>	<b>-</b>
Repayment of loans and credits	-	-
Lending	-	-
<b>Proceeds from sale of a subsidiary/ Purchase of a subsidiary</b>	<b>-</b>	<b>-</b>
Proceeds from sale of a subsidiary	-	-
Purchase of a subsidiary	-	-
<b>Other Borrowing / Repayment</b>	<b>-</b>	<b>-</b>
Other borrowing	-	-
Other repayment	-	-
expenditure on purchase of fixed assets	(23 555)	(695)
<b>Net cash from investing activities</b>	<b>(20 861)</b>	<b>(396)</b>
Proceeds from taking up shares by FEZ FIZ AN PFR	-	-
<b>Borrowing / Repayment of loans / credits</b>	<b>(53 885)</b>	<b>39 041</b>
Borrowing - loans and credits	141	48 034
Repayment of loans and credits	(54 026)	8 993
<b>Other borrowing / repayment</b>	<b>(6 852)</b>	<b>(1 572)</b>
other borrowing – proceeds from lease	-	-

description	From 01/01/2023 to 30/06/2023 [not audited]	From 01/01/2022 to 30/06/2022 [not audited]
	PLN'000	PLN'000
Other repayment	(2 118)	-
repayment of finance lease liabilities	-	-
Dividend paid out	-	-
Interest paid	(4 734)	(1 572)
<b>Net cash from financing activities</b>	<b>(60 737)</b>	<b>37 469</b>
<b>Increase/ (decrease) in net cash and equivalents</b>	<b>152 065</b>	<b>126 609</b>
<b>Balance sheet movement in cash</b>	<b>152 065</b>	<b>126 609</b>
Movement in cash from exchange gains/losses	-	-
the opening balance of cash and cash equivalents	142 415	81 175
The closing balance of cash and cash equivalents	294 480	207 784

## 5. NOTES TO HALF-YEAR 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 as at 30.06.2023**

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

As at the balance sheet date (30.06.2023) the Management Board of the Parent 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

Within the period covered by these interim abridged consolidated financial statements (I half-year of 2023) and after the balance sheet date (30.06.2023) and up to the date of approval of this report for publication (29.09.2023) there were following changes in the composition of the Management Board of the Parent Company:

On 28.06.2023 Mr Grzegorz Baszczyński – who was previously the President of the Management Board of the company submitted his written resignation as of 30.06.2023 from being a member of the Management Board and being a President of the Management Board of the Company- and that according to the content of his written resignation – was dictated by his intention to be a member of the Supervisory Board of the, Company. Additionally, pursuant to art. 387 § 3 and in connection with § 1 of the Polish Code of Commercial Companies and Partnerships is no longer a member of the management board of subsidiaries, that is his function in the companies: White Olive A.E. and "My Way by Rainbow Tours" Sp. z o.o

Among others, as a consequence of the above, and also in order to promote development and ensure diversity in the Supervisory Board of the Company, including gender diversity, during Ordinary General Meeting of the Company, which took place on

28.06.2023 the General Meeting, pursuant to respective resolutions, introduced changes in the composition of the Supervisory Board, accordingly by dismissing, as of 30.06.2023, two previous members of the Supervisory Board and appointing, as of 01.07.2023, two new members of the Supervisory Board for the seven three-year joint term of office (including Mr Grzegorz Baszczyński, previously the President of the Management Board of the Company).

During the meeting held on 05.07.2023 the Supervisory Board of the Company due to the fact that Mr Grzegorz Baszczyński does not longer perform his role in the Management Board due to expiry of his mandate according to his resignation, made on 28.06.2023, with the end of 30.06.2023 he does not perform his function in the Management Board and is not the President of the Management Board in the current fourth five-year joint term of office, - decided, as of 01.07.2023, to establish that

- 1) The number of people in the Management Board for the current fourth five-year joint term of office is three.
- 2) The roles of the people in the Management Board for the current, fourth five-year, joint term of office of the Management Board are as follows:
  - Mr Maciej Szczechura starting from 01.07.2023 is the President of the Management Board of the Company (previously Mr Maciej Szczechura was a member of the Management Board of the Company),
  - Mr Piotr Burwicz starting from 01.07.2023 is a Vice- Chairman of the Management Board (previously Mr Piotr Burwicz was a member of the Management Board of the Company),
  - Mr Jakub Puchałka is still, also as of 01.07.2023 is a member of the Management Board of the Company.

Except for the above facts, in the period covered by these interim abridged consolidated financial statements (I half-year of 2023) as well as after the balance sheet date (30.06.2023) up to the date of approval of this report for publication (29.09.2023) there were no other changes in the composition of the Management Board of the Company.

As at the date of approval of this report for publication (29.09.2023) the composition of the Management Board was as follows:

- Maciej Szczechura – the President of the Management Board,
- Piotr Burwicz – Vice- Chairman of the Management Board,
- Jakub Puchałka – the member of the Management Board.

The current fourth five-year joint term of office of the Management Board of the Company expires on 25.08.2025, and the mandates expires at the latest with the date of the last general meeting approving 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 as well as in case of death, resignation or dismissal of a member from the Management Board.

Due to the amendment (pursuant to the act of 09.02.2022 of the amendment of the act – Polish Code of Commercial Companies and Partnerships and some other acts – Journal of Laws of 12.04.2022, item 807) the content of provision of art. 369 § 1 of the Polish Code of Commercial Companies and Partnerships (applied to the Supervisory Board respectively pursuant to art 386 § 2 of the Polish Code of Companies and Partnerships) which came into force and is effective as of 13.10.2022 (which also applied to mandates and term of office of members of the bodies, which were valid on the effective date of the above mentioned act of 09.02.2022, that is on 13.10.2022), the period of the current fourth term of office is calculated in full financial years (in case of Rainbow Tours with respect to full five financial years) and thus the current, five year joint term of office of the Management Board will be effective from 25.08.2020 to 25.08.2025, and a mandate of a member of the Management Board of the current four term of office will expire with the date of general meeting of the Company to approve the financial statements for the financial year of 2025, that is in 2026.

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

As at the balance sheet date (30.06.2023) the Supervisory Board of the Parent Company 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 consolidated financial statements (I half-year of 2023) and also after the balance sheet date (30.06.2023) up to the date of approval of this report for publication (29.09.2023) there were following changes in the composition of the Management Board of the Parent Company.

Pursuant to provisions of the below mentioned resolution of the Ordinary General Meeting (OGM) of the Company, which took place after 28.06.2023, the General Meeting decided as follows:

(1) pursuant to Resolution No 22 and Resolution No 23 of OGM of the Company 28.06.2023 – General Meeting of the Company decided, as of 30.06.2023, to dismiss:

- Mr Paweł Niewiadomski (pursuant to the resolution No 22 of the OGM of the Company of 28.06.2023) and
- Mr Paweł Pietras (pursuant to the resolution No 23 of the OGM of the Company of 28.06.2023)

From the Supervisory Board from the current seventh joint three-year term of office of the Supervisory Board;

(2) pursuant to the resolution No 24 and the Resolution No 25 of the OGM of 28.06.2023 r. – the General Meeting of the Company decided, starting from 01.07.2023 appoint:

- Mr Grzegorz Baszczyński (pursuant to the resolution No 24 of OGM of the Company of 28.06.2023) and
- Ms Monika Ostruszka (pursuant to the resolution No 25 of OGM of the Company of 28.06.2023)

To the Supervisory Board and its current seventh joint three-year term of office.

The respective changes in the governing bodies of the Parent Company (the resignation of Mr Grzegorz Baszczyński, a long-term president of the Management Board of the Company and one of the majority shareholders of the Company, from his role in the Management Board and the changes in the composition of the Supervisory Board) contribute to, taking places as of 2016, consistent and systematic changes in the composition of the Management Board, and also changes connected with transfer of long-term members of the management board of the company to the supervisory board of the Company (in 2021, starting as of 01.07.2021 the previous Vice -chairmen of the Management Board of the Company: Mr Tomasz Czapla and Mr Remigiusz Talarek were appointed to the Supervisory Board of the Company; in 2023 the same intention was declared by Mr Grzegorz Baszczyński, the previous President of the Management Board of the Company, and the General Meeting adopted respective resolution); these changes are natural generational changes in the management board of Rainbow Tours S.A. The persons newly appointed to the management board include people who followed natural career path in the Company and worked in Rainbow Tours in important managerial positions, which consequently led to their appointment to the Management Board (here: Mr Piotr Burwicz, Maciej Szczechura and Jakub Puchałka). These are people, who started their careers in the Company, and what is more, are characterised by high level of education and extensive professional experience in different professional fields, and that provides the opportunity to use and develop their talents in Rainbow Tours (Mr Piotr Burwicz, Mr Maciej Szczechura and Mr Jakub Puchałka).

Taking into account the above natural processes of changes in the Company, Mr Grzegorz Baszczyński, who for many years is (through his subsidiary Flyoo Sp. o.o.) a substantial shareholder of Rainbow Tours S.A. - proposed to change the nature of his involvement in "Rainbow project" developed with many successes from the start of the Company (that is from 2003), but also earlier at the stage of organization and functioning of predecessors of Rainbow Tours S.A., and that occurred by his transfer from the management board to the supervisory board and concentration - on behalf of all shareholders of Rainbow Tours S.A. - on high level expert controlling of operations of the Company. Mr Grzegorz Baszczyński perform his controlling function, as a member of the Supervisory Board, also in the Strategy and Business Development Committee, which is a part of the structure of the Supervisory Board since July 2021. The basic role of the Committee is to give advice and opinion on strategies of operations and development of the Company as well as monitoring and verification of works of the Management Board of the Company regarding accomplishment of strategic objectives and plans of business operations as well as financial plans.

Except for the above-mentioned fact in the period covered by these interim abridged consolidated financial statements (I half-year of 2023) as well as after the balance sheet date (30.06.2023) up to the date of approval of this report for publication (29.09.2023) there were no other changes in composition of the Supervisory Board of the Parent Company.

As at the date of approval of this report for publication (29.09.2023) the composition of the Supervisory Board of the Parent Company was as follows:

- Paweł Walczak – the chairman of the Supervisory Board
- Grzegorz Baszczyński – the member of the Supervisory Board
- Tomasz Czapla - the member of the Supervisory Board,
- Monika Kulesza - the member of the Supervisory Board,
- Monika Ostruszka - the member of the Supervisory Board,
- Joanna Stępień-Andrzejewska - the member of the Supervisory Board,
- Remigiusz Talarek - the member of the Supervisory Board.

The current seventh three-year term of office of the Supervisory Board ends on 30.06.2025 and the mandates expire at the latest with the date of the general meeting approving financial statements of the Company for the last financial year of being a member



of the Supervisory Board. Mandates of members of the Supervisory Board expire also due to death, resignation or dismissal of the member of the Supervisory Board.

Due to the amendment (pursuant to the act of 09.02.2022 of the amendment of the act – Polish Code of Commercial Companies and Partnerships and some other acts – Journal of Laws of 12.04.2022, item 807) the content of provision of art. 369 § 1 of the Polish Code of Commercial Companies and Partnerships (applied to the Supervisory Board respectively pursuant to art. 386 § 2 of the Polish Code of Companies and Partnerships) which came into force and is effective as of 13.10.2022 (which also applies to mandates and term of office of members of the bodies, which were valid on the effective date of the above mentioned act of 09.02.2022 that is on 13.10.2022), the period of the current seventh term of office of the Supervisory Board is calculated in full financial years (in case of Rainbow Tours with respect to full three financial years) and thus the current, three-year joint term of office of the Supervisory Board will be effective from 30.06.2022 to 30.06.2025, and a mandate of a member of the Supervisory Board of the current seventh term of office will expire with the date of general meeting of the Company to approve the financial statements for the financial year of 2025, that is in 2026.

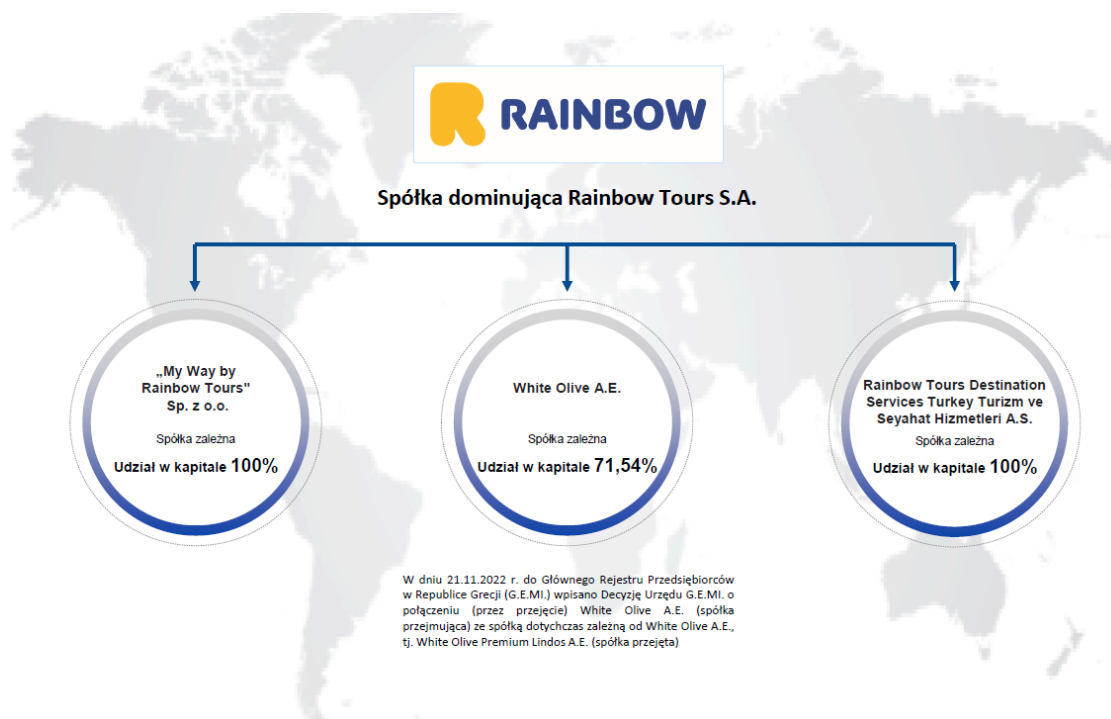
## Note 2. Description of the Capital Group with entities subject to consolidation

The table below presents structure of Rainbow Tours Group as at 30.06.2023. 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 (30.06.2023), 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].

GRUPA KAPITAŁOWA RAINBOW TOURS NA DZIEŃ 30.06.2023 R.					
Business name	Registered office	Subject of operations	The competent court/ the body keeping the Register	Capital share/ 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 30.06.2022 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 30.06.2023

##### **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://akademiainbow.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 Laganas” – a four-star hotel situated on Zakynthos in Laganas; the hotel is property of White Olive A.E. and is managed by it; the hotel “White Olive Premium Laganas” offers 137 spacious and modernly 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 modernly furnished four-star hotel rooms in four types, situated in two buildings
- “White Olive Elite Laganas” – a newly build four-star hotel complex (opened in June 2019) situated on Zakynthos in Laganas the hotel is property of White Olive A.E. and is managed by it; the hotel “White Olive Elite Laganas” is a modern hotel with 196 spacious and modernly furnished five-star hotel rooms in three 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 administered by White Olive A.E. under 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 75 comfortable and modernly decorated five-star rooms (for 186 people) situated in five-storey main building (hotel offers rooms in 4 different types, large pool of rooms with the sea view, including rooms with direct entry to the swimming pool area).
- White Olive 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
- Details about the scope of changes in organization of Issuer’s Group are provided 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 six months ended on 30.06.2023), as well as after the balance sheet date, up to the date of signing these financial statements, no changes occurred in Rainbow Tours Group.

#### **Note 4. Information on rules adopted to prepare the interim abridged consolidated financial statements.**

In the reporting period covered by the interim abridged consolidated financial statements (that is in six months ended on 30.06.2023) and after the balance sheet date to the date of approval of this report for publication there were no changes in Rainbow Tours Group.

##### **4.1 base of preparation and the format of the financial statements**

These abridged interim consolidated financial statements were prepared according to IAS 34 “Interim Financial Reporting” 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). These half-year abridged consolidated financial statements cover I half-year of 2023 (that is for period of 6 months ended on 30.06.2023) and in case of the balance sheet (statement of financial position) data as at the end of the first half-year of the current financial year (that is as at 30.06.2023) as well as comparative data: for half-year of 2022 (that is for the period of 6 months ended on 30.06.2022), and in case of the balance sheet (statement of the financial position) – as at the end of the previous financial year (that is as at 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 of 29.09.1994.

These abridged interim consolidated financial statements are signed by the head of the unit, that is the Management Board of Rainbow Tours S.A. and if a person is appointed to keep the accounts, then that person. These abridged interim consolidated financial statements were approved for publication and signed on 29.09.2023.

## **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 issued by the Company 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.

## The effect of application of new accounting standards and changes in the accounting policy.

The accounting rules (policy) are effective for drafting of these financial statements for the period of six months ended on 30.06.2023 are consistent with those applied to drafting of the annual consolidated financial statements for the financial year ended on 31.12.2022 except for the changes described below:

The same rules applied to the current and the comparative period:

## Changes resulting from amendments in IFRS

From the start of the financial year the following new or amended standards and interpretations, issued by the International Accounting Standards Board (IASB) or International Financial Reporting Interpretations Committee (IFRIC), are effective

- IFRS 17 *Insurance contracts*

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

- Amendments to IAS 1 – *Disclosure of accounting policies* IAS 8 - *Definition of accounting estimates*

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

- Amendment to IAS 12 *Income tax: deferred tax referring to assets and liabilities arising as a consequence of single transaction*

Amendment to IAS 12 was published on 07.05.2021 and is effective for annual periods starting on 01.01.2023 or later. The amendments clarify that the exemption regarding initial recognition of deferred tax is not does not apply to transactions, in which at initial recognition give rise to taxable and deductible temporary differences, and the entities are required to recognize deferred tax on such transactions, and thus clarify doubts whether the exemption applies to transactions such as lease liabilities and decommissioning obligations.

- Amendment to IAS 17 *Insurance Contracts. First application of IFRS 17 and IFRS 9 – comparative information*

Amendment to IFRS 17 was published on 09.12.2021 and is effective for annual periods starting from 01.01.2023 or later. The amendment includes temporary option concerning comparative information on financial assets presented at initial application of IFRS 17. The Amendment is aimed to help entities to avoid temporary accounting mismatch between financial assets and liabilities arising on insurance contracts.

## Amendments introduced individually by the Group

The Group did not adjusted presentation of comparative data as at 31. December 2022 and for the period of 6 months ended on 30 June 2023.

## Standards, which are not effective (new standards and applications)

In these financial statements, the Group decided about early application of published standards or interpretations before their effective date.

The following standards and interpretations were issued by the International Accounting Standards Board or International Financial Reporting Interpretations Committee, but were not effective as at the balance sheet date:

- Amendments to IAS 1 Presentation of financial statements: *Classification as long-term and short-term liabilities*

Amendment to IAS 1 was published on 23.01.2020, and then modified in July 2020 and finally adopted on 31.10.2022. The amendment is effective for annual periods starting from 01.01.2024 or later.

The amendment defines anew criteria, which should be met to consider the liability as short-term. The amendment can affect presentation of liabilities and their reclassification between short-term and long-term liabilities.

The Group will apply the amended standard not earlier than from 01.01.2024. As at the date of drafting these financial statements it is not possible to reliably assess the effect of application of the new standard.

- Amendment to IFRS 16: *Lease. Lease liabilities in sale transactions and leaseback published on 22.09.2022 r.*

The amendments require the seller-lessor to set "lease payments" or "verified lease payment" in such manner that the seller-lessor did not recognize any profit or loss, which refers to right of use maintained by the seller-lessor.

The group applies the amendment in the standard from 01.01.2024. As at the date of drafting of these financial statements it is not possible to reliably assess the effect of application of the new standard.

- Amendment to IAS 12 – Income Tax. *International Tax Reform, Pillar Two Model Rules- global minimum tax) published on 23.05.2023.*

Amendments allow companies to be temporary exempted from settlement of deferred taxes resulting from international tax reform of Organisation for Economic Co-operation and Development (OECD). Companies can apply the exemption immediately but the requirements regarding disclosure of information are required for annual periods starting from 01.01.2023 or later.

The Group will apply the standard consistently with the date of its first application adopted by EU. As at the date of drafting of these financial statements it is not possible to reliably assess the effect of application of the new standard.

- Amendments to IAS 7 Cash flow statement and IFRS 7 Financial instruments: *disclosure of supplier finance arrangements on 25.05.2023.*

The amendments are intended to increase transparency regarding supplier finance arrangements and their effect on application of the company, cash flows, and exposure to liquidity risk. The amendments are effective for annual periods starting after 01.01.2024 or later.

The Group will apply the standard consistently with the date of its first application adopted by EU. As at the date of drafting of these financial statements it is not possible to reliably assess the effect of application of the new standard.

- Amendments to IAS 21: the effects of changes in foreign exchange rates: *lack of exchangeability published on 15.08.2023*

The amendments will require the entities to have consistent approach to the assessment whether a currency can be exchanged to other currency, and when it's not possible to set the exchange rate, which should be applied and disclose information, which should be presented. The amendments are effective for annual periods starting from 01.01.2025 or later. As at the date of drafting these financial statements the standard does not affect the financial statements.

IFRS in the form approved by EU do not substantially differ from regulations adopted by International Accounting Standards Board (IASB) except for the below standards, interpretations and amendments to the standards, which as at the date of approval of these financial statements for publication are not yet adopted by EU states.

- Amendment to IAS 1 Presentation of financial statements. Classification of liabilities as current and non-current published on 23.01.2020 with subsequent amendments.
- Amendments to IFRS 16: Lease: Lease liabilities in sale transactions and leaseback published on 22.09.2022
- Amendments to IAS 12 Income Tax: *International tax reform – Pillar II model rules (global minimum tax) published on 23.05.2023 r.,*
- Amendments to IAS 7 Cash flow statements and IFRS 7 financial instruments: Supplier finance arrangements published on 25.05.2023
- Amendments to IAS 21 Effects of changes of exchange rates: Lack of exchangeability published on 15 August 2023.

The amendments planned will not affect future financial statements.

### 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 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.

Chart. –Monthly sales revenue from 2015.01 to 2023.07



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

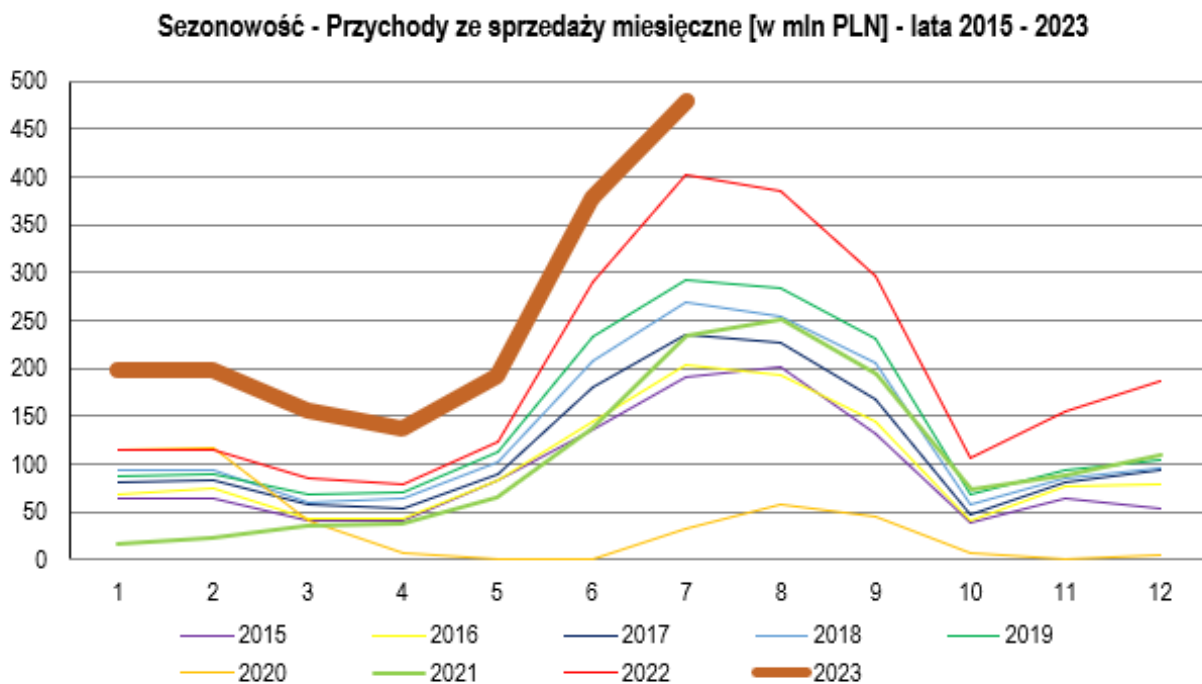
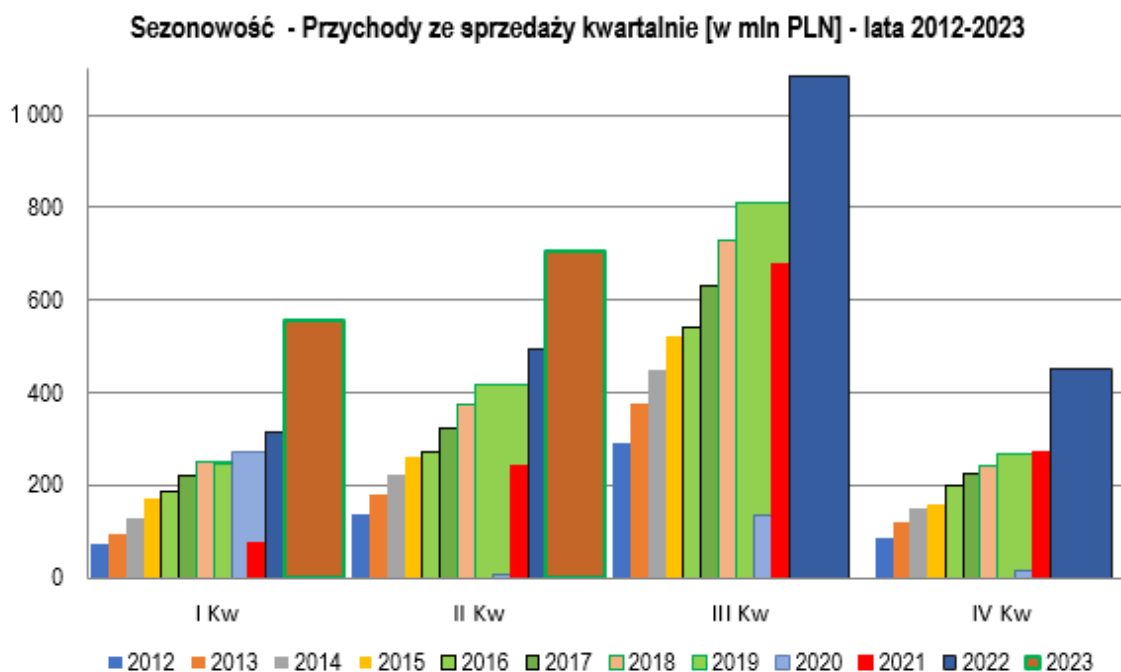


Chart. – comparison of quarter-on-quarter sales revenue from 2012 – 2023





## 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 half-year of 2023 and also in the period after the balance sheet date up to the date of signing this report, 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 30/06/2023 [not audited]			As at 31/12/2022 [audited]		
	TOTAL	Own	Leased	TOTAL	Own	Leased
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Own land	29 756	29 756	-	24 277	24 277	-
Buildings	144 618	144 618	-	148 777	148 777	-
Right of use assets	43 970	-	43 970	48 712	-	48 712
Plant and Machinery	2 314	2 314	-	1 358	1 358	-
Motor vehicles	1 586	512	1 074	1 318	411	907
Equipment	15 054	15 054	-	14 199	14 199	-
Capital expenditure	10 151	10 151	-	4 953	4 953	-
	<b>247 449</b>	<b>202 405</b>	<b>45 044</b>	<b>243 594</b>	<b>193 975</b>	<b>49 619</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 543/2023 of 30.08.2023 (at the same time security for claims under the insurance guarantee GT 500/2021 of 10.09.2021 (with the amendment) and the insurance guarantee GT 518/2022 of 14.09.2022 (with amendments) pursuant to the contract of 30.08.2023 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 blanket mortgage on property of White Olive A.E. is EUR 13,900.

There were no fixed assets held for sale.

## Note 9. Receivables and other receivables

	As at 30/06/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
Trade receivables	74 465	27 907
Allowance for doubtful debts	(4 903)	(4 331)

	As at 30/06/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
	69 562	23 576
<i>Deferred sales proceeds:</i>		
Other receivables	2 244	10 017
Other receivables – deposits	19 608	22 237
Cash and cash equivalents	16 427	18 709
	19 608	22 237
Fixed assets	19 608	22 237
Current assets	88 233	52 302
<b>Total</b>	<b>107 841</b>	<b>74 539</b>

Increase in receivables as at 30.06.2023 against 31.12.2022 is a typical occurrence related to seasonality of operations of the Issuer.

Table. allowance to reduce account receivables and movements in account to reduce account receivables.

	The period ended on 30/06/2023 [not audited]]	The period ended on 31/12/2022 [audited]
	PLN'000	PLN'000
<b>Opening balance</b>	<b>(4 331)</b>	<b>(3 843)</b>
Allowance to reduce account receivables	(572)	(488)
Amounts written off as uncollectible	-	-
Amounts recovered during a year	-	-
Reversal of allowance to reduce account receivables	-	-
Unwind of discount	-	-
<b>Closing balance</b>	<b>(4 903)</b>	<b>(4 331)</b>

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

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

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

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

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

Ad. 1)

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

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

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

Ad. 2)

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

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

Ad. 3)

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

	06/2023	12/2022	06/2022
	PLN'000	PLN'000	PLN'000
Hotel deposits	435 832	163 351	228 754
Total assets	1 067 285	612 381	729 199
Sales revenue – annualised from July to balance sheet date.	2 786 645	2 352 088	1 756 408
total deposits to assets	40.84%	26.67%	31.37%
deposits to revenue in the period	15.64%	6.94%	13.02%

**Advance payments**

	As at 30/06/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
Advance payments – advances paid - hotels	419 675	163 980
allowance for non-performing receivables	(5 838)	(5 838)
Other receivables – advances paid – aviation transportation	18 880	19 232
	<b>432 717</b>	<b>177 374</b>

**Advance payments – hotel advances and aviation transportation – write-offs**

	As at 30/06/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
Opening balance	(5 838)	(2 946)
allowance to reduce accounts receivable	-	(2 892)
amounts written off as uncollectible	-	-

	As at 30/06/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
amounts recovered within a year	-	-
reversal of allowance to reduce accounts receivable	-	-
Unwind of discount	-	-
closing balance	(5 838)	(5 838)

## Note 10. Other financial assets

	As at 30/06/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
<b>Derivatives designated and effective as hedging instruments carried at fair value through profit of loss</b>	-	-
Currency forward contracts	-	-
<b>Assets valued at amortised costs – lending</b>	-	-
Lending to related parties	-	-
Lending to other parties	192	159
<b>Total</b>	<b>192</b>	<b>159</b>
Current assets	192	159
Fixed assets	-	-
	<b>192</b>	<b>159</b>

## Note 11. Other assets

	As at 30/06/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
Prepaid expenses:	-	-
Costs of package travel off season	31 920	50 483
Commission off season **	5 145	2 665
insurance off season	2 274	3 156
other off season	8 602	2 067
Other - commission of Tourism Assistance Fund	1 477	1 644
	<b>49 418</b>	<b>60 015</b>
Current assets	49 418	60 015
Fixed assets	-	-
	<b>49 418</b>	<b>60 015</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

	The period ended on 30/06/2023	The period ended on 31/12/2022
	[not audited]	[audited]
	PLN'000	PLN'000
Cash in hand and at bank	294 480	142 415
	<b>294 480</b>	<b>142 415</b>

## Note 13. Deferred tax assets / deferred tax liabilities

Deferred tax assets	As at 01/01/2023	Movement (+ /-) recognised in capitals	Movement (+ /-) recognised in profit/loss for the current period	As at 30/06/2023
	PLN'000	PLN'000	PLN'000	PLN'000
provision for employee benefits	286	-	0	286
creation of other provisions	8516	-	18669	27 185
measurement/ impairment of assets	2492	-	571	3 063
measurement of derivatives	773	1286	-	2 059
Other assets	-	-	-	-
Unrealized exchange losses – basic	-	-	315	315
Other	286	-	6 813	7 099
<b>Total</b>	<b>12 353</b>	<b>1 286</b>	<b>26 368</b>	<b>40 007</b>

Deferred tax assets	As at 01/01/2022	Movement (+ /-) recognised in capitals	Movement (+ /-) recognised in profit/loss for the current period	As at 30/06/2022
	PLN'000	PLN'000	PLN'000	PLN'000
provision for employee benefits	228	-	-	228
creation of other provisions	1 106	-	15 877	16 983
measurement/ impairment of assets	581	-	-	581
measurement of derivatives	9	(9)	-	-
Other assets	6 475	-	(6 397)	78
Unrealized exchange losses – basic	(6)	-	(145)	(151)
Other	(950)	950	173	173
<b>Total</b>	<b>7 443</b>	<b>941</b>	<b>9 508</b>	<b>17 892</b>

Deferred tax liabilities	As at 01/01/2022	Movement (+ /-) recognised in capitals	Movement (+ /-) recognised in profit/loss for the current period	As at 30/06/2023
	PLN'000	PLN'000	PLN'000	PLN'000
Measurement of assets	-	-	-	-
Measurement of derivatives	-	-	-	-
Unrealized exchange losses – basic	141-	-	(51)	90
Unrealized exchange losses - shares	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>141</b>	<b>-</b>	<b>(51)</b>	<b>90</b>

Deferred tax liabilities	As at 01/01/2022	Movement (+ /-) recognised in capitals	Movement (+ /-) recognised in profit/loss for the current period	As at 30/06/2022
	PLN'000	PLN'000	PLN'000	PLN'000
Measurement of assets	-	-	-	-
Measurement of derivatives	9	(9)	-	-
Unrealized exchange losses – basic	6	-	145	151
Unrealized exchange losses - shares	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>15</b>	<b>(9)</b>	<b>145</b>	<b>151</b>

The amount of estimated deferred tax liabilities was offset with deferred tax assets.

#### Note 14. Credits, bank loans and lease liabilities

	As at 30/06/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
<b>Hedged – at amortised cost</b>		
Overdrafts	2	20 380
Revolving credits	-	26 851
Bank loans – investments	45 982	50 426
Loans from governmental entities	-	-
Other aid loans from governmental entities	416	469
Transfer of receivables	-	-
Financial lease liabilities	694	574
Right of use liabilities	38 402	43 487
	<b>85 496</b>	<b>142 187</b>
Short-term liabilities	16 175	40 164
Long-term liabilities	69 321	102 023
	<b>85 496</b>	<b>142 187</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 30.06.2023 the Parent Company used a bank loan in the amount of PLN 2 thousand. As at 30.06.2023 the subsidiary White Olive A.E had liabilities from investment loan in the amount of EUR 10 369 thousand, which is equivalent of PLN 46 144 thousand. The amount of the loan was presented at amortized cost that is reduced by financing costs in the total amount of EUR 86 thousand (PLN 384 thousand). The costs will be settled over the period of repayment of the loan.

As at 30.06.2022 the Parent Company used bank credits in the total amount of PLN 55,220 thousand. As at 30.06.2022 the subsidiary White Olive A.E. had liabilities from investment loan in the amount of EUR 12 260 thousand, which is equivalent of PLN 56 756 thousand. The amount of the loan was presented at amortized cost, that is reduced by financing costs in the total amount of EUR 134.3 thousand (PLN 628.6 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.

from 01/01/2023 to 30/06/2023	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	2 050	321	2 371
Cost of interest	(1 070)	(19)	(1 089)
Modification of lease terms	-	-	-
variable lease payments adjustments	-	-	-
Lease payments	(6 065)	(182)	(6 247)
Exchange differences	-	-	-
<b>As at 30/06/2023</b>	<b>38 402</b>	<b>694</b>	<b>39 096</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>Na 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>

As at 30/06/2023	from 3 months	from 3 to 12 months	from 1 year to 2 years	from 2 to 5 years	Above 5 years
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Lease liabilities	3 054	7 550	8 767	11 597	8 128

As at 31/12/2022	from 3 months	from 3 to 12 months	from 1 year to 2 years	from 2 to 5 years	Above 5 years
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Lease liabilities	2 424	8 424	8 976	17 435	6 802

## Note 15. Trade and other payables

	As at 30/06/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
Trade payables	151 504	73 217
Payroll liabilities	8 106	4 551
Other liabilities – accounts receivables and payables from purchase of shares	2 583	2 600
Other liabilities – recorded after the balance sheet date	7 276	-
Other liabilities – remaining	-	13 014
<b>Total</b>	<b>169 469</b>	<b>93 382</b>

## Note 16. Provisions, including provisions for employee benefits and accrued holiday leave provision

	As at 30/06/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
Employee benefits (i)	680	680
Employee benefits (ii)	286	286
Costs of complaints	656	739
Other provisions – estimated costs of flight and hotel costs (iii)	122 091	45 359
Other provisions - for costs of commission	10 345	-
<b>Other provisions - other estimated costs</b>	<b>431</b>	<b>-</b>
	<b>134 489</b>	<b>47 064</b>
Short-term provisions	133 068	46 262
Long-term provisions	1 421	802
	<b>134 489</b>	<b>47 064</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 (iii) provisions for costs of flights and hotels estimated based on comparative analysis of budget costs with document held. Confirmed budgeting costs should be considered as costs incurred in the period.

## Note 17. Deferred income and other liabilities

	As at 30/06/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
advances paid by customers	-	-
liabilities towards customer taken over by Insurance Guarantee Fund	33 313	37 088
Liabilities towards customers	-	-
Other liabilities	101	-
<b>Total</b>	<b>33 414</b>	<b>37 088</b>
Short-term liabilities	7 644	7 543
Long-term liabilities	25 770	29 545
	<b>33 414</b>	<b>37 088</b>

## Note 18. Revenue from sales of services, materials and goods

	Period of 6 months ended on 30/06/2023 [not audited]	Period of 6 months ended on 30/06/2022 [not audited]
	PLN'000	PLN'000
revenue from sales of package holidays	1 263 669	818 854
Other revenue	1 417	1 630
	<b>1 265 086</b>	<b>820 484</b>



## Note 19.Costs by type

	Period of 6 months ended on 30/06/2023 [not audited]	Period of 6 months ended on 30/06/2022 [not audited]
	PLN'000	PLN'000
Amortization and depreciation	(12 696)	(13 222)
Consumption of raw and other materials	(6 273)	(4 944)
Outsourcing	(1 091 560)	(743 855)
costs of employee benefits	(57 368)	(38 466)
Taxes and charges	(2 595)	(1 305)
other costs	(25 280)	(30 090)
Value of goods and materials sold	-	-
Other – remaining operating costs	-	-
<b>Total</b>	<b>(1 195 772)</b>	<b>(831 882)</b>

## Note 20.other operating revenue/ operating costs

Other operating revenue	The period of 6 months ended on 30/06/2023 [not audited]	The period of 6 months ended on 30/06/2022 [not audited]
	PLN'000	PLN'000
<b>profits on sale of assets</b>		
profits on sale of fixed assets	-	49
Profits on sale of investment property	-	-
	-	49
<b>Reversal of impairment losses</b>		
Intangible assets	-	-
Tangible fixed assets	-	-
financial assets	-	-
trade receivables	-	-
Other	-	-
	-	-
<b>Other operating revenue:</b>		
Profits from measurement of investment property	-	-
subsidies	-	91
Other	1 396	242
	<b>1 396</b>	<b>382</b>

Other operating costs	The period of 6 months ended on 30/06/2023 [not audited]	The period of 6 months ended on 30/06/2022 [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	-	-

Other operating costs	The period of 6 months ended on 30/06/2023 [not audited]	The period of 6 months ended on 30/06/2022 [not audited]
	PLN'000	PLN'000
Tangible fixed assets	-	-
Financial assets	-	-
Trade receivables	(572)	-
Other	-	(1 157)
	<u>(572)</u>	<u>(1 157)</u>
<b>Other operating costs</b>		
loss on measurement of investment property	-	-
Cost of liquidation of fixed assets and current assets	-	-
Other – complaints	(1 261)	(463)
Other	(1 369)	(436)
	<u>(3 202)</u>	<u>(2 056)</u>

## Note 21. Revenue/ financial costs

	The period of 6 months ended on 30/06/2023 [not audited]	The period of 6 months ended on 30/06/2022 [not audited]
	PLN'000	PLN'000
Lease proceeds		
Conditional revenue from finance lease	-	-
Revenue from operating lease	-	-
- on investment property	-	-
	<u>-</u>	<u>-</u>
<b>Revenue from interests</b>		
Bank deposits	3 752	250
Other loans and receivables	-	-
	<u>3 752</u>	<u>250</u>
<b>Total</b>	<u>3 752</u>	<u>250</u>

financial revenue analysed per category of assets

	The period of 6 months ended on 30/06/2023 [not audited]	The period of 6 months ended on 30/06/2022 [not audited]
	PLN'000	PLN'000
<b>Interest revenue</b>		
loans and receivables (including cash in hand and bank deposits)	3 752	250
Investments held to maturity	-	-
interest revenue from financial assets, which were not set for measurement at WSE.	-	-
	<u>-</u>	<u>-</u>
financial revenue from non-financial assets	-	-
<b>Total</b>	<u>3 752</u>	<u>250</u>

Interest costs	The period of 6 months ended on	The period of 6 months ended on
	30/06/2023	30/06/2022
	[not audited]	[not audited]
	PLN'000	PLN'000
interest on bank loans, credits and overdrafts (except from those received from related parties)	(890)	(1 216)
interest on bank loans, credits and overdrafts obtained from related parties	-	-
interest on financial lease liabilities	(117)	(10)
Other discount	-	-
Other interest costs	20	(8)
<b>Total interest costs on financial liabilities measured at WSE</b>	<b>(987)</b>	<b>(1 234)</b>
less amounts recognized in costs of assets eligible for capitalization	-	-
	(987)	(1 234)
<b>Other financial costs</b>		
Other financial costs – costs of basic guarantee	(1 727)	(945)
Costs of guarantee – other	(2 065)	(569)
	<b>(4 779)</b>	<b>(2 748)</b>

## Note 22. Income tax

Income tax	The period of 6 months ended on	The period of 6 months ended on
	30/06/2023 [not audited]	30/06/2022 [not audited]]
	PLN'000	PLN'000
Gross profit (loss)	66 481	(15 570)
Permanent differences increasing the tax base	642	1 792
temporary differences in the tax base	139 110	79 539
	-	-
<b>Tax base</b>	<b>206 233</b>	<b>65 761</b>
	-	-
Tax rate	19.00%	19.00%
Tax losses offset with an asset	-	-
	-	-
Current tax	39 954	12 770
Deferred tax	(26 373)	(15 453)
<b>Income tax recognized in the account</b>	<b>13 581</b>	<b>(2 683)</b>
<b>Effective tax rate</b>	<b>-20.40%</b>	<b>17.20%</b>

## Note 23. Discontinuing operations

In the reporting period of I half-year of 2023 and after the balance sheet date (30.06.2023) up to the date of approval of this report for publication, as well as in 2022, no subsidiary was sold within Rainbow Tours Group.

#### **Note 24. Information on dividend paid out (or declared) per share, jointly per one share, both for ordinary shares and preferred shares.**

In the period covered by the financial statements that is in first half-year of 2023 the Parent Company did not pay dividend. In the period after the balance sheet date (30.06.2023) up to the date of approval of this report for publication the Parent Company paid dividend from profit for 2022 and paid advance for dividend for 2023.

##### **Dividend on net profit for the financial year 2022**

Pursuant to provisions of resolution No 9 of the Ordinary General Meeting of the Parent Company of 28.06.2023 the General Meeting acting pursuant to art. 395 § 2 point 2) of the Polish Code of Commercial Companies and Partnerships and § 27 section 2 letter b) of the Articles of Association after considering the opinion of the Supervisory Board providing assessment of application of the Management Board concerning manner of distribution of net profit of the Company stated in the single financial statements of the Company for the financial year 2022 (the report drafted according to International Financial Reporting Standards and related interpretations, published in the form of regulations of the European Commission) in the total amount of PLN 13,920,583.32 (thirteen million nine hundred and twenty thousand five hundred eighty-three Polish zloty and two grosz) allocating it in the following manner:

- 1) in part, that is in the amount of PLN 7,276,000.00 (seven million two hundred and seventy-six thousand zloty), that is in the amount of PLN 0.50 (fifty grosz) per share for dividend payment to shareholders
- 2) In the remaining part, that is in the 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

Number of shares covered by the dividend came to 14,552,000 (fourteen million five hundred and fifty-two thousand) shares from the total number of shares of 14,552,000 (fourteen million five hundred and fifty-two thousand).

The record date (that is the date at which the list of shareholders with the right to dividend is determined (date of establishing right to dividend) was 05.07.2023.

The dividend was paid to shareholders of the Company on the dividend payment date that is on 12.07.2023.

##### **Advance for dividend payment from profit for the financial year 2023.**

In the reporting period of I half-year of 2023 the Management Board of the Company pursuant to provisions of relevant resolution of the Management Board of the Company of 22.05.2023 decided to start the process of preparing payment of advance for dividend as well as the payment itself. The payment refers to advance for dividend as at the end of the financial year 2023, calculated based on the net profit of the Company provided in the financial statements for the period of three months ended on 31 March 2023 (for the period of I quarter of 2023).

Details in this respect were published by the Management Board of the Company in the Current Report No 15/2023 on 22.05.2023.

The Management Board took the respective decision taking into account the fact that

- Due to the process of summing up financial data of the company for the purpose of drafting the extended consolidated interim report of Rainbow Tours for I quarter of 2023 before completion of the process of drafting the respective interim report selected initial financial data for I quarter of 2023 shows (what was presented in the current report 11/2023 of 15.05.2023) rise in value of sales revenue earned for I quarter of 2023 in the amount of PLN 554,837 thousand (which is growth dynamics of 75.7% against the data for the comparative period of I quarter 2022, when sales revenue came to PLN 315,816 thousand) and show net profit for I quarter of 2023 in the amount of PLN 23,058 thousand (and that is growth dynamics of 771.7% against the data for the comparative period of I quarter 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 shows single net profit in the amount of PLN 13,921 thousand, and during the next Ordinary General Meeting of the Company, which is to be held in June 2023 the plans are to adopt a relevant resolution on approval of this single report for 2022 showing profit.

and also considering the fact that

- favourable outlook, as at decision taking date, of the present and future economic situation of the Company and results of its operations, including, among others, with respect to sales and advance sales of touristic services of the Company (about respective rises and increased demand and amounts of advance sales of the offer, the Company informs on ongoing basis i.e. in cyclical current reports concerning amounts of advance sales of package holidays: the current report No 39/2022 of 07.12.2022, the current report No Nr 2/2023 of 21.02.2023, the current report No 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

of the Company will have impact on rising profitability in the Company for the financial year 2023, and the company has enough funds to pay the advance for dividend expected at the end of the financial year 2023.

In the period after the balance sheet date (30.06.2023) the Parent Company paid to shareholders of the Parent Company advance for the expected dividend. The advance was paid pursuant to authorization resulting from § 28 section 6 of the Articles of Association, pursuant to and subject to requirements and instructions provided for by provision of art. 349 of the Polish Code of Commercial Companies and Partnerships.

Total amount of advance expected at the end of the financial year 2023 to be paid to shareholders, that is calculated based on the net profit of the Company stated in the financial statements for the period of three months ended on 31.03.2023, pursuant to art. 349 § 2 second sentence of the Polish Code of Commercial Companies and Partnerships and due to the fact that as at the date, on which the Management Board takes the decision to pay the advance, the Company does not have reserve capitals created from profit, which could be used to pay advance for dividend and also there are no unpaid losses or own shares, which should be deducted from the amount of the advance, the advance was calculated in the amount of PLN 11,496,080.00 (eleven million four hundred and ninety-six thousand eighty Polish zloty) that is in the amount of PLN 0.79 (seventy-nine grosz) per share.

The advance covers all shares of the company in the total number of 14,552,000 (fourteen million five hundred and fifty-two thousand) shares.

The date as at which the financial statements, which is the base for advance for the expected dividend, was drafted was 31.03.2023.

The date, as at which persons with the rights to obtain dividend were determined, was 17.08.2023 (within the period of 7 days before starting payments).

According to instruction resulting from art. 349 § 1 of the Polish Code of Commercial Companies and Partnerships and § 28 section 6 second sentence of the Article of Association of the Company the payment of advance for the dividend required permission of the Supervisory Board of the Company and the said permission was granted by the Supervisory Board pursuant to provisions of the resolution of the Supervisory Board No 14/07/2023 of 14.07.2023; concerning permission granted by the Supervisory Board to pay the advance for dividend expected at the end of the financial year 2023 from net profit of the Company earned from the end of the previous financial years to 31 March 2023 – to shareholders by the Management Board of the Company.

## **Note 25. Information on movement in conditional liabilities or conditional assets, which took place from the last financial year.**

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

#### The Guarantee Contract No GT 518/2022

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

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

The Guarantee covered by the Guarantee Contract No 518/2022 secures payment of claims arising from occurrence of events specified in point 1 letter a), b) and c) above, which result from contracts to provide tourism services and contracts for related tourism services entered into by Rainbow Tours with customers from 17.09.2022 to 16.09.2023, even if the contracts were not performed in that period.

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

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

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

- a) money deposit in the amount of PLN 18,986,000 set in the bank account of Towarzystwo Ubezpieczeń Europa S.A. and the deposit include: (i) deposit in the amount of PLN 18,550,000 set pursuant to the deposit contracts of 10.09.2021 and which at the same time is the security for the Guarantee No GT 518/2022 and the Guarantee No GT 500/2021 (securing repayment of claims arising on occurrence of events provided for in the package holiday contracts and contracts for related tourism services, made by the Obligor with customers in the period from 17.09.2021 up to 16.09.2022) and (ii) interest in the amount of PLN 435,915.86 due in respect of bank deposits in the period from 20.10.2020 to 20.10.2022 and set pursuant to deposit contracts of 10.09.2021 and of 08.09.2020.
- b) notarised blanket mortgage established on the first free place in the fixed assets of Rainbow Tours, that is the property in Lodz, at 270 Piotrkowska, entered to the Land and Mortgage Register with numbers: LD1M/00264242/0, LD1M/00264245/1, LD1M/00264246/8, LD1M/00264247/5, LD1M/00264248/2, LD1M/00264253/0, LD1M/00264254/7, LD1M/00264255/4, LD1M/00264257/8, LD1M/00264259/2, LD1M/00264263/3, LD1M/00264264/0, LD1M/00264266/4, LD1M/00187747/6, LD1M/00172644/6, LD1M/00273816/1, LD1M/00273817/8, LD1M/00273818/5, LD1M/00273819/2, LD1M/00273820/2, LD1M/00273822/6, LD1M/00273823/3, LD1M/00273824/0, LD1M/00273825/7, LD1M/00273826/4, LD1M/00273827/1, LD1M/00273843/9, LD1M/00273844/6, LD1M/00273847/7, LD1M/00273846/0, LD1M/00273845/3, LD1M/00272177/2, LD1M/00272179/6, LD1M/00272180/6, LD1M/00272181/3, LD1M/00272182/0, LD1M/00272183/7, LD1M/00272184/4, LD1M/00272185/1, LD1M/00272186/8, LD1M/00272187/5, LD1M/00272188/2 kept by the District Court for Łódź Śródmieście in Łódź XVI Division of Land and Mortgage Register with the value of PLN 17,484,000.00 (which is 120% of the property value presented in the appraisal reports made by Andrzej Zarychta of 19.10.2021), the mortgage is at the same time security for insurance guarantee No GT 359/2020 of 08.09.2020 amended with the annex No 1 of 11.08.2021 and the insurance guarantee No GT 500/2021 of 10.09.2021 amended with the annex No 1 of 23.06.2022.
- c) Blank promissory note with no protest clause with promissory note agreement.
- d) Bank guarantee/ bank guarantees (issued before the date of granting the Guarantee No GT 528/2022, where the Guarantee Contract provided for that the security may be replaced in whole or partly by a security in the form of additional money deposit

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

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

Amendment No 1 to the Guarantee Contract No 518/2022

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 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

- 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 amendment 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 compared with previously assumed amounts and in order to guarantee fulfilment of requirements and instructions 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 Wrocław 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).

#### Amendment No 2 to the Guarantee Contract No 518/2022

On 14.07.2023 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.

Pursuant to the amendment No 2 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 200,000,000 (the equivalent of EUR 43,583,429.58 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 250,000,000 (the equivalent of EUR 54,479,286.97), that is by PLN 50,000,000 (the equivalent of EUR 10,895,857.40).

The Guarantee sum was increased due to substantial rise in real revenue earned by the Company against previously assumed amounts and in order to guarantee that are requirements and instructions concerning minimum amount of the guarantee sum are met, according to provisions of the Regulation of the Minister of Development and Finances of 27.12.2017 on minimum amount of the Guarantee amount required in connection of the operations of tour operators and entrepreneurs facilitating acquisition of tourism related services.

The Guarantee increased to PLN 250,000,000 (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 (1) 17.09.2022 to 31.05.2023 are covered by the Guarantee to the amount of PLN 150,000,000 (the equivalent of EUR 32,687,572,18) (2) from 01.06.2023. to 14.07.2023 are covered by the Guarantee to the amount of PLN 200,000,000 (the equivalent of the amount of EUR 43,583,429.58) whereas (3) from 15.07.2023 to 16.09.2023 are covered by the guarantee to the amount of PLN 250,000,000 (the equivalent of EUR 54,479,286.97)

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:

- a) deposit in the bank account of Towarzystwo Ubezpieczeń Europa S.A (due to signing the amendment No 2 to the Guarantee agreement No GT 518/2022)
- 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) bank guarantees
- d) 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).

#### The Guarantee contract No GT 543/2023

On 30.08.2023 the parent company upon signing relevant documents including contract to grant guarantee, obtained from Towarzystwo Ubezpieczeń Europa Company Limited by Shares with its registered office in Wroclaw ("the Guarantor"), the insurance guarantee issued by Towarzystwo Ubezpieczeń for tour operators or entrepreneurs facilitating acquisition of related tourism services, which benefits the Marshall of the Łódzkie Voivodeship and each customer, who in the period of the validity of the Guaranteed entered into contract with Obligor ("the Beneficiary) and which was issued by the Guarantor under the number GT 543/2023 ("the Guarantee No 543/2023 or "the Guarantee")

The Guarantee is effective from 17.09.2023 to 16.09.2024, and the amount of the issued and granted guarantee to the company ("the Guarantee sum) was set in the amount of PLN 250,000,000, which is equivalent of EUR 53,437,072.50 calculated using the average euro exchange rate published by the National Bank of Poland for the first time in the year, in which the Company was issued, that is on 02.01.2023 (1 euro = PLN 4.6784).



The new guarantee GT 543/2023 secures payment of claims arising on events under the package holiday contracts and contracts concerning related tourism services made by the Obligor with customers in the period of guarantee and that is according to the act of 24.11.2017 on package holidays and related tourism services in connection with the obligation to ensure I to customers 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.

The Guarantee obliges the Guarantor to pay amounts of the Guarantee sum upon obtaining written instruction of payment from the guarantee's Beneficiary under the condition of fulfilling all obligations provided for in the Guarantee. Each payment under the Guarantee will reduce Guarantor's liability respectively by the amount of payments made, until the Guarantee Sum is exhausted. If the Guarantor exercises the guarantee (and every respective future amendment to it) for the Beneficiary of the Guarantee, the Obligor will reimburse the Guarantor the amount paid under the Guarantee within 7 days of the receipt of the request for payment with all incurred Guarantor's costs due to exercise of the Guarantee, and in case of delayed payment - additionally with statutory interest. The Obligor will reimburse the Guarantor the amount paid to the Beneficiary under the Guarantee (and every respective future amendment to it), irrespective of any objections about validity of the payment made upon instruction of the beneficiary regarding grounds for demanding payment of Obligor's debt under the Guarantee, which it could make or actually made. The guarantor is entitled to account the funds collected from the Obligor under this contract for repayment of amounts payable to Guarantor from the Obligor, arising from this contract in the following sequence (1) contractual interest, (2) costs, (3) the principal.

The security for claims of the Guarantor to repay amounts under the Guarantee for the Beneficiary include following security:

- 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 with numbers: LD1M/00264242/0, LD1M/00264245/1, LD1M/00264246/8, LD1M/00264247/5, LD1M/00264248/2, LD1M/00264253/0, LD1M/00264254/7, LD1M/00264255/4, LD1M/00264257/8, LD1M/00264259/2, LD1M/00264263/3, LD1M/00264264/0, LD1M/00264266/4, LD1M/00187747/6, LD1M/00172644/6, LD1M/00273816/1, LD1M/00273817/8, LD1M/00273818/5, LD1M/00273819/2, LD1M/00273820/2, LD1M/00273822/6, LD1M/00273823/3, LD1M/00273824/0, LD1M/00273825/7, LD1M/00273826/4, LD1M/00273827/1, LD1M/00273843/9, LD1M/00273844/6, LD1M/00273847/7, LD1M/00273846/0, LD1M/00273845/3, LD1M/00272177/2, LD1M/00272179/6, LD1M/00272180/6, LD1M/00272181/3, LD1M/00272182/0, LD1M/00272183/7, LD1M/00272184/4, LD1M/00272185/1, LD1M/00272186/8, LD1M/00272187/5, LD1M/00272188/2, kept by the District Court for Łódź Śródmieście in Łódź XVI Division of Land and Mortgage Register, the respective mortgage is at the same time security for the insurance guarantee No 500/2021 of 10.09.2021 (with amendment) and the insurance guarantee No GT 518/2022 of 14.09.2022 (with amendments)
- c) Blank promissory note with no protest clause with promissory note agreement
- d) Bank guarantees issued respectively before the date of granting the Guarantee for securing insurance guarantees issued for preceding periods (the security may be replaced in total or in part by a security in the form of money deposit.)

Total amount of commission due for the Guarantor from the Obligor from issuance of the Guarantee was set in the market value of PLN 5,500,000.

## 25.2 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 30.06.2023 the Company had forward contracts for purchase of USD and EUR for PLN.

Table: information on open positions with closing date after 30.06.2023 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	57 650	247 305
EUR	34 150	153 804

As at 30.06.2022 the Company had forward contracts for purchase of USD and EUR for PLN.

Table: information on open positions with closing date after 30.06.2022 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	6 200	29 105
EUR	-	-

As at 18.09.2023 the Parent Company had forward contracts for purchase of USD and EUR for PLN executed to 30.06.2023.

Currency	Amount contracted in the currency	Amount in PLN as at the date of the contract performance
USD	86 250	366 268
EUR	40 750	183 297

Table. Information on open SWAP Commodity contract with closing date after 30.06.2023 r.

Currency	Amount contracted in tons	Amount in USD at the date of the contract performance
SWAP Commodity	5 500	4 411

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

Description	01/01/2023-30/06/2023	01/01/2022-31/12/2022	01/01/2022-30/06/2022
	PLN'000	PLN'000	PLN'000
Revaluation reserve opening balance	(4 067)	46	46
Created on purpose	-	-	-
Other increases (valuation of currency hedge transactions)	(10 845)	(4 067)	360
Used on purpose	-	-	-
Reclassified to profit or loss – recognition in cost of sales	4 067	(46)	(406)
Revaluation reserve closing balance	(10 845)	(4 067)	-

## Note 26. 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 30.06.2023 (first half-year of 2023)

segments of operations of Rainbow Tours Group for the period 01/01/2023- 30/06/2023	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>1 242 675</b>	<b>37 079</b>	-	<b>14 597</b>	<b>1 693</b>	<b>2</b>	<b>(30 960)</b>	<b>1 265 086</b>
- within the Group	5 137	19 972	-	5 573	278	-	(30 960)	-
- from customers	1 237 538	17 107	-	9 024	1 415	2	-	1 265 086
<b>Continuing operations, cost of sales</b>	<b>(1 039 527)</b>	<b>(30 728)</b>	-	<b>(14 241)</b>	<b>(1 531)</b>	-	<b>30 666</b>	<b>(1 055 361)</b>
- within the Group	(5 113)	(19 972)	-	(5 581)	-	-	30 666	-
- from customers	(1 034 414)	(10 756)	-	(8 660)	(1 531)	-	-	(1 055 361)
<b>Gross profit/loss on sales</b>	<b>203 148</b>	<b>6 351</b>	-	<b>356</b>	<b>162</b>	<b>2</b>	<b>(294)</b>	<b>209 725</b>
<b>Continuing operations, selling costs</b>	<b>(104 323)</b>	<b>(1 692)</b>	-	<b>(1 987)</b>	<b>(19)</b>	-	<b>49</b>	<b>(107 972)</b>
- within the Group	-	-	-	(49)	-	-	49	-
- from customers	(104 323)	(1 692)	-	(1 938)	(19)	-	-	(107 972)
<b>Continuing operations. Overheads</b>	<b>(28 115)</b>	<b>(1 153)</b>	-	<b>(2 705)</b>	<b>(878)</b>	-	<b>412</b>	<b>(32 439)</b>
- within the Group	-	(24)	-	(110)	(278)	-	412	-
- from customers	(28 115)	(1 129)	-	(2 595)	(600)	-	-	(32 439)
<b>Continuing operations. other operating revenue</b>	<b>493</b>	<b>237</b>	-	<b>830</b>	<b>3</b>	-	<b>(167)</b>	<b>1 396</b>
- within the Group	-	-	-	167	-	-	(167)	-
- from customers	493	237	-	663	3	-	-	1 396
<b>Continuing operations other operating costs</b>	<b>(2 370)</b>	<b>(46)</b>	-	<b>(778)</b>	<b>(8)</b>	-	-	<b>(3 202)</b>
- within the Group	-	-	-	-	-	-	-	-
- from customers	(2 370)	(46)	-	(778)	(8)	-	-	(3 202)
<b>Profit (loss) on operations</b>	<b>68 833</b>	<b>3 697</b>	-	<b>(4 284)</b>	<b>(740)</b>	<b>2</b>	-	<b>67 508</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	Poland	Abroad	Poland		
	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>
<b>Continuing operations, selling costs</b>	<b>(163 563)</b>	<b>(4 551)</b>	-	<b>(4 221)</b>	<b>(59)</b>	-	-	<b>(172 394)</b>
- within the Group	-	-	-	-	-	-	-	-
- from customers	(163 563)	(4 551)	-	(4 221)	(59)	-	-	(172 394)
<b>Continuing operations. Overheads</b>	<b>(40 744)</b>	<b>(2 735)</b>	-	<b>(5 180)</b>	<b>(1 239)</b>	-	<b>1 374</b>	<b>(48 524)</b>
- 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>	<b>3 866</b>	<b>299</b>	-	<b>2 156</b>	<b>23</b>	-	<b>(337)</b>	<b>6 007</b>
- within the Group	-	-	-	-	-	337	(337)	-
- from customers	3 866	299	-	2 156	23	(337)	-	6 007
<b>Continuing operations other operating costs</b>	<b>(5 123)</b>	<b>(1 550)</b>	-	<b>(423)</b>	<b>(8)</b>	-	-	<b>(7 104)</b>
- 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>6 120</b>	<b>(806)</b>	<b>2</b>	-	<b>32 828</b>

Table: Revenue and results for segments of operations of Rainbow Tours Group for the period of six months ended on 30.06.2022 (I half-year of 2022)

segments of operations of Rainbow Tours Group for the period 01/01/2022-30/06/2022	Activities of tour operators		Hotel segment		Other operations		Consolidation adjustments	TOTAL
	Poland	Abroad	Poland	Poland	Abroad	Poland		
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000		
<b>continuing operations, sales revenue</b>	<b>807 573</b>	<b>20 630</b>	-	<b>13 843</b>	<b>2 010</b>	<b>2</b>	<b>(23 574)</b>	<b>820 484</b>
- within the Group	2 151	13 362	-	7 681	380	-	(23 574)	-
- from customer	805 422	7 268	-	6 162	1 630	2	-	820 484
<b>Continuing operations, cost of sales</b>	<b>(735 348)</b>	<b>(16 670)</b>	-	<b>(12 992)</b>	<b>(1 863)</b>	-	<b>23</b>	<b>(743 679)</b>
- within the Group	(20 579)	(2 615)	-	-	-	-	23	-
- from customers	(714 769)	(14 055)	-	(12 992)	(1 863)	-	194	(743 679)
<b>Gross profit/loss on sales</b>	<b>72 225</b>	<b>3 960</b>	-	<b>851</b>	<b>147</b>	<b>2</b>	<b>(380)</b>	<b>76 805</b>
<b>Continuing operations, selling costs</b>	<b>(64 692)</b>	<b>(476)</b>	-	<b>(1 552)</b>	<b>(26)</b>	-	-	<b>(66 746)</b>
- within the Group	-	-	-	-	-	-	-	-
- from customers	(64 692)	(476)	-	(1 552)	(26)	-	-	(66 746)
<b>Continuing operations. Overheads</b>	<b>(18 025)</b>	<b>(854)</b>	-	<b>(2 465)</b>	<b>(661)</b>	-	<b>548</b>	<b>(21 457)</b>
- within the Group	-	(315)	-	(82)	(65)	(86)	548	-
- from customers	(18 025)	(539)	-	(2 383)	(596)	86	-	(21 457)

segments of operations of Rainbow Tours Group for the period 01/01/2022-30/06/2022	Activities of tour operators		Hotel segment		Other operations		Consolidation adjustments	TOTAL
	Poland	Abroad	Poland	Poland	Abroad	Poland		
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000		
<b>Continuing operations. other operating revenue</b>	267	77	-	204	2	-	(168)	382
- within the Group	-	-	-	-	-	168	(168)	-
- from customers	267	77	-	204	2	(168)	-	382
<b>Continuing operations other operating costs</b>	(1 827)	(135)	-	(88)	(6)	-	-	(2 056)
- within the Group	-	-	-	-	-	-	-	-
- from customers	(1 827)	(135)	-	(88)	(6)	-	-	(2 056)
<b>Profit (loss) on operations</b>	<b>(12 052)</b>	<b>2 572</b>	<b>-</b>	<b>(3 050)</b>	<b>(544)</b>	<b>2</b>	<b>-</b>	<b>(13 072)</b>

## Note 27. Categories of financial instruments

Categories of financial instruments	As at 30/06/2023	As at 31/12/2022
	PLN'000	PLN'000
<b>Financial assets</b>	<b>364 234</b>	<b>166 150</b>
<i>financial assets measured at amortised cost</i>	-	-
cash and other monetary assets	294 480	142 415
trade receivables	69 562	23 576
lending	192	159
<i>financial assets valued at fair value through profit or loss</i>	-	-
Derivates in hedging relations	-	-
<b>financial liabilities</b>	<b>247 845</b>	<b>215 404</b>
<i>financial liabilities measured at amortised cost</i>	-	-
Borrowings	46 400	98 126
lease and right of use liabilities	39 096	44 061
Amortised cost – trade payables	151 504	73 217
Derivates in hedging relations	10 845	4 067

Fair value of assets and liabilities, which are valued on ongoing basis at fair value

	As at 30/06/2023	As at 31/12/2022
	PLN'000	PLN'000
<b>Financial assets</b>		
Currency derivatives		Level 2
<b>Financial liabilities</b>	<b>10 845</b>	4 067
<b>Currency derivatives</b>	<b>10 845</b>	4 067

measurement techniques and basic input data for measurement of fair value

Level 2	Currency derivatives currency forwards and options	Fair value for symmetric currency forwards was set based on model of forward valuation, which applies NBP (National Bank of Poland) from the date of valuation and forward interest rates for individual currencies
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Both in the reporting period, as well as in the comparative period, there was no shift of financial instruments between level 1 and 2 in the parent company. In the reporting period, as well as in the comparative period, there was no shift to level 3 of instruments qualified to level 1 and 2 in the parent company.

Table. Fair value of financial assets and liabilities, which are not measured at fair value daily (but disclosure of fair values is required).

Fair value of financial assets and liabilities, which are not measured at fair value daily – held by the Group as at 30.06.2023 and 31.12.2022 was not materially different from the value presented in the financial statements for individual years for the following reasons:

- the discount effect, if any, for short-term instruments is not material (trade receivables and payables, lending, borrowings, cash, other liabilities),
- instruments refer to transactions made on arm's length basis (for receivables and liabilities bearing interest rates, loans and credits with interest rate calculated on arm's length basis).

## Note 28. 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 30.06.2023 and the comparative period from 01.01.2022 to 30.06.2022 are presented in the table below.

	Sale of services			
	The period of 6 months ended on 30/06/2023	The period of 6 months ended on 30/06/2022	The period of 6 months ended on 30/06/2023	The period of 6 months ended on 30/06/2022
	PLN'000	PLN'000	PLN'000	PLN'000
White Olive A.E. *)	5 740	7 365	-	786
White Olive Premium Lindos A.E. *)	-	470	-	7
"My Way by Rainbow Tours" Sp. z o. o.	278	65	-	-
Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S.	9 972	9 104	2 199	1 563
"Rainbow Tours Spółka Akcyjna – branch in Torremolinos" – branch in Spain	6 927	2 108	1 564	330
"Rainbow Tours Spółka Akcyjna - branch in Athens" –Branch in Greece	3 073	2 164	1 472	326
Rainbow Tours S.A.	5 137	2 466	25 892	20 730
<b>Total</b>	<b>31 127</b>	<b>23 742</b>	<b>31 127</b>	<b>23 742</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.

The following amounts are presented at the closing balance	Amounts due from related parties			Amounts payable to the related parties		
	As at 30/06/2023	As at 31/12/2022	As at 30/06/2022	As at 30/06/2023	As at 31/12/2022	As at 30/06/2022
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
White Olive A.E. *)	479	359	18 377	20 293	5 248	23 644
White Olive Premium Lindos A.E. *)	-	-	578	-	-	18 204
"My Way by Rainbow Tours" Sp. z o. o.	-	60	14	35	-	-
Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S.	-	-	613	2 396	2 025	-
"Rainbow Tours Spółka Akcyjna – branch in Torremolinos" – branch in Spain	1 909	746	324	-	-	-
"Rainbow Tours Spółka Akcyjna - branch in Athens" – branch in Greece	1 297	4 066	1 449	479	359	217
Rainbow Tours S.A.	22 667	7 234	23 092	3 149	4 833	2 382
<b>Total</b>	<b>26 352</b>	<b>12 465</b>	<b>44 447</b>	<b>26 352</b>	<b>12 465</b>	<b>44 447</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. Lending to the related parties

	As at 30/06/2023	As at 31/12/2022
	PLN'000	PLN'000
Lending to the subsidiary	300	300

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

**Note 29. 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.**

Decision of the Management Board of the Company to pay, to shareholders of the Company, advance for dividend expected at the end of the financial year 2023 and the permission of the Supervisory Board to pay the advance for the dividend expected at the end of the financial year 2023 by the Management Board to the shareholders of the Company.

The Management Board, acting pursuant to provisions of § 28 section 6 of the Articles of Association of the Company and pursuant as well as subject to requirements and instructions provided for by provision of art. 349 of the Polish Code of Commercial Companies and Partnerships, pursuant to provisions of the resolution of the Management Board No 1/07/23 of 13.07.2023 decided about payment, to the Shareholders of the Company, of advance for dividend expected at the end of the financial year 2023, set based on net profit of the Company stated in the financial statements for the period of three months ended on 31.03.2023 (for I quarter of 2023).

In the reporting period of I half-year of 2023 the Management Board of the Company pursuant to provisions of relevant resolution of the Management Board of the Company of 22.05.2023 decided to start the process of preparation for payment of advance for dividend as well as the payment itself. The payment refers to advance for dividend as at the end of the financial year 2023, calculated based on the net profit of the Company provided in the financial statements for the period of three months ended on 31 March 2023 (for the period of I quarter of 2023).

The Management Board took the respective decision taking into account the fact that

- Due to the process of summing up financial data of the company for the purpose of drafting the extended consolidated interim report of Rainbow Tours for I quarter of 2023, before completion of the process of drafting the respective interim report, selected initial financial data for 15.05.2023 show (i.e. about which fact the Company informed in the current report No 11/2023 of 15.05.2023), rise in value of sales revenue earned for I quarter of 2023 in the amount of PLN 554,837 thousand (which is growth dynamics of 75.7% against the data for the comparative period of I quarter 2022, when sales revenue came to PLN 315,816 thousand) and show net profit for I quarter of 2023 in the amount of PLN 23,058 thousand (and that is growth dynamics of 771.7% against the data for the comparative period of I quarter 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 shows single net profit in the amount of PLN 13,921 thousand, and during the next Ordinary General Meeting of the Company, which is to be held in June 2023 the plans are to adopt a relevant resolution of approval of this single report for 2022 showing profit.

and also considering the fact that

- favourable outlook, as at decision taking date, of the present and future economic situation of the Company and results of its operations, including among others with respect to sales and advance sales of touristic services of the Company (about respective rises and increased demand and amounts of advance sales regarding the offer, the Company informs on ongoing basis i.e. in cyclical current reports concerning amounts of advance sales of package holidays: the current report No 39/2022 of 07.12.2022, the current report No Nr 2/2023 of 21.02.2023, the current report No 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 of the Company will have impact on rising profitability in the Company for the financial year 2023, and the company has enough funds to pay the advance for dividend expected at the end of the financial year 2023.

In the period after the balance sheet date (30.06.2023) the Parent Company paid to shareholders of the Parent Company advance for the expected dividend. The advance was paid pursuant to authorization resulting from § 28 section 6 of the Articles of

Association, pursuant to and subject to requirements and instructions provided for by provision of art. 349 of the Polish Code of Commercial Companies and Partnerships.

Total amount of advance expected at the end of the financial year 2023 to be paid to shareholders and calculated based on the net profit of the Company stated in the financial statements for the period of three months ended on 31.03.2023, pursuant to art. 349 § 2 second sentence of the Polish Code of Commercial Companies and Partnerships and due to the fact that as at the date on which the Management Board takes the decision to pay the advance the Company does not have reserve capitals created from profit, which could be used to pay advance for dividend and also there are not paid for losses or own shares, which should be deducted from the amount of the advance - the advance was calculated in the amount of PLN 11,496,080.00 (eleven million four hundred and ninety-six thousand eighty Polish zloty) that is in the amount of PLN 0.79 (seventy-nine grosz) per share.

The advance covers all shares of the company in the total number of 14,552,000 (fourteen million five hundred and fifty-two thousand) shares.

The date as at which the financial statements, which is the base for advance for the expected dividend, was drafted was 31.03.2023.

The date, as at which persons with the right to obtain advance were determined was 17.08.2023 (within the period of 7 days before starting payments), and the date of advance payment was 24.08.2023.

According to instruction resulting from art. 349 § 1 of the Polish Code of Commercial Companies and Partnerships and § 28 section 6 second sentence of the Article of Association of the Company the payment of advance for the dividend required permission of the Supervisory Board of the Company and the said permission was granted by the Supervisory Board pursuant to provisions of the resolution of the Supervisory Board No 14/07/2023 of 14.07.2023 concerning permission granted by the Supervisory Board to pay the advance for the dividend expected at the end of the financial year 2023 from net profit of the Company earned from the end of the previous financial years to 31 March 2023 – to shareholders by the Management Board of the Company.

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 amendment No 2 to the guarantee contract.

On 14.07.2023 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 customers in case of its insolvency

Pursuant to the amendment No 2 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 200,000,000 (the equivalent of EUR 43,583,429.58 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 250,000,000 (the equivalent of EUR 54,479,286.97), that is by PLN 50,000,000 (the equivalent of EUR 10,895,857.40).

The Guarantee sum was increased due to substantial rise in real revenue earned by the Company against previously assumed amounts and in order to guarantee that are requirements and instructions concerning minimum amount of the guarantee sum are met, according to provisions of the Regulation of the Minister of Development and Finances of 27.12.2017 on minimum amount of the Guarantee amount required in connection of the operations of tour operators and entrepreneurs facilitating acquisition of tourism related services.

The Guarantee increased to PLN 250,000,000 (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 (1) 17.09.2022 to 31.05.2023 are covered by the Guarantee to the amount of PLN 150,000,000 (the equivalent of EUR 32,687,572,18) (2) from 01.06.2023. to 14.07.2023 are covered by the Guarantee to the amount of PLN 200,000,000 (the equivalent of the amount of EUR 43,583,429.58) whereas (3) from 15.07.2023 to 16.09.2023 are covered by the guarantee to the amount of PLN 250,000,000 (the equivalent of EUR 54,479,286.97).

- 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 amendment No 2 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 200,000,000 (the equivalent of EUR 43,583,429.58 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 250,000,000 (the equivalent of EUR 54,479,286.97), that is by PLN 50,000,000 (the equivalent of EUR 10,895,857.40).

The Guarantee sum was increased due to substantial rise in real revenue earned by the Company against previously assumed amounts and in order to guarantee that are requirements and instructions concerning minimum amount of the guarantee sum are met, according to provisions of the Regulation of the Minister of Development and Finances of 27.12.2017 on minimum amount of the Guarantee amount required in connection of the operations of tour operators and entrepreneurs facilitating acquisition of tourism related services

The Guarantee increased to PLN 250,000,000 (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 (1) 17.09.2022 to 31.05.2023 are covered by the Guarantee to the amount of PLN 150,000,000 (the equivalent of EUR 32.687.572,18) (2) from 01.06.2023. to 14.07.2023 are covered by the Guarantee to the amount of PLN 200,000,000 (the equivalent of the amount of EUR 43,583,429.58) whereas (3) from 15.07.2023 to 16.09.2023 are covered by the guarantee to the amount of PLN 250,000,000 (the equivalent of EUR 54,479,286.97)

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:

- a) deposit in the bank account of Towarzystwo Ubezpieczeń Europa S.A (due to signing the amendment No 2 to the Guarantee agreement No GT 518/2022 in the increased amount)
- 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) bank guarantees
- d) 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).

Signing by the Company the amendment to aircraft charter framework agreement to provide charter services by Polskie Linie Lotnicze LOT (Polish Airlines) for Rainbow Tours (Winter 223/204 season)

On 10.08.2023 the Company informed was informed about the amendment signed by the contractor, and thus signed with the contractor, that is Polskie Linie Lotnicze LOT with registered office in Warsaw (PLL LOT) on 10.08.2023 - the amendment to the framework charter agreement No HC/132/09 (respectively "Amendment and "Charter Agreement") providing programme of flights and rules of provision of charters services in the touristic season Winter 2023/2024.

The charter agreement with the Amendment refers to provision of aircraft charter services by PLL LOT for the company in the tourism season "Winter 2023/2024" using airplanes: Boeing 787-8 Dreamliner and Boeing 787-9 Dreamliner, which are necessary to carry out basic activities of the Issuer in the winter season in so called exotic destinations (Dominican Republic, Cuba, Mexico, Vietnam and Thailand).

According to the arrangements covered by the amendment concerning the touristic season "Winter 2023/2024" provisions of charter services starts on 04.11.2023 and ends at the latest on 30.03.2024

Due to the amendment to the charter agreement, as at the date of signing the amendment, value of charter services in the Winter season 2023/2024 is estimated as the total amount denominated in Polish zloty and USD (translated according to the average exchange rate of American dollar of 10.08.2023, published in the table No 154/A/NBP/2023), and it is total estimated equivalent of value of charter services in Polish zloty in the amount of PLN 226.2 million. According to the provisions of the amendment the price of the service may change in case of i.e.: changes in prices of jet fuel, airport fares etc. Settlements regarding charter services will be provided on ongoing basis and according to the schedule of individual charter flights. The issuer is able to change the number of charter flights (block hours in the flight programme) according to changes in market demand in the specified destinations, including to cancel without charges (regarding specified percentage of block hours), which may change the total value of charter services provided for the Amendment to the Aircraft Charter Agreement.

The Chartering party (the issuer) is obliged to fly within the flight programme covered by the Amendment minimum number of block hours.

Moreover, according to the Amendment the Parties have the right to withdraw from the Charter Contract in the part, in which it is impossible to perform it - by cancelling flights and changing the scope of the agreement (charter services) in case when due to circumstances concerning COVID-19, that is limitation in aviation transport or limitation in providing package holiday services in a destination will inhibit performance of mutual obligations by the parties.

The Amendment to the Charter Agreement does not provide contractual penalties, except for those related to any situation concerning cancellation by the chartering party (the issuer) breaching cancellations conditions admitted and provided for in the Amendment, concerning the date of reporting the cancellation, that is in the period shorter than set before the date of the scheduled flight.

Other provisions of the Amendment and the Charter Agreement are standard for such types of agreements.

#### Obtaining insurance guarantee by the Company as a tour operator and an entrepreneur facilitating acquisition of related tourism services

On 30.08.2023 the Company upon signing relevant documents, including contract to grant the guarantee, obtained from Towarzystwo Ubezpieczeń Europa Company Limited by Shares with its registered office in Wrocław ("the Guarantor"), the insurance guarantee issued by Towarzystwo Ubezpieczeń for tour operators or entrepreneurs facilitating acquisition of related tourism services, which benefits the Marshall of the Łódzkie Voivodeship and each customer, which in the period of the validity of the Guaranteed entered into contract with Obligor ("the Beneficiary") and which was issued by the Guarantor under the number GT 543/2023 ("the Guarantee No 543/2023 or "the Guarantee").

The Guarantee is effective from 17.09.2023 to 16.09.2024, and the amount of the issued and granted guarantee to the company ("the Guarantee sum") was set in the amount of PLN 250,000,000, which is equivalent of EUR 53,437,072.50 calculated using the average euro exchange rate published by the National Bank of Poland for the first time in the year, in which the Guarantee was issued, that is on 02.01.2023 (1 euro = PLN 4.6784).

The new guarantee GT 543/2023 secures payment of claims arising on events under the package holiday contracts and contracts concerning related tourism services made by the Obligor with customers in the period of guarantee and this according to act of 24.11.2017 on package holidays and related tourism services (Journal of Laws of 2022, item 511 as amended) in connection with the obligation to ensure repayment to customers 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.

The Guarantee obliges the Guarantor to pay amounts in the amount of the Guarantee sum, upon obtaining written payment instruction from the guarantee's Beneficiary under the condition of fulfilling all obligations provided for in the Guarantee. Each payment under the Guarantee will reduce Guarantor's liability respectively by the amount of payments made, until the Guarantee

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

The security for claims of the Guarantor to repay amounts under the Guarantee for the Beneficiary include following security:

- 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 with numbers: LD1M/00264242/0, LD1M/00264245/1, LD1M/00264246/8, LD1M/00264247/5, LD1M/00264248/2, LD1M/00264253/0, LD1M/00264254/7, LD1M/00264255/4, LD1M/00264257/8, LD1M/00264259/2, LD1M/00264263/3, LD1M/00264264/0, LD1M/00264266/4, LD1M/00187747/6, LD1M/00172644/6, LD1M/00273816/1, LD1M/00273817/8, LD1M/00273818/5, LD1M/00273819/2, LD1M/00273820/2, LD1M/00273822/6, LD1M/00273823/3, LD1M/00273824/0, LD1M/00273825/7, LD1M/00273826/4, LD1M/00273827/1, LD1M/00273843/9, LD1M/00273844/6, LD1M/00273847/7, LD1M/00273846/0, LD1M/00273845/3, LD1M/00272177/2, LD1M/00272179/6, LD1M/00272180/6, LD1M/00272181/3, LD1M/00272182/0, LD1M/00272183/7, LD1M/00272184/4, LD1M/00272185/1, LD1M/00272186/8, LD1M/00272187/5, LD1M/00272188/2, kept by the District Court for Łódź Śródmieście in Łódź XVI Division of Land and Mortgage Register, the respective mortgage is at the same time security for the insurance guarantee No 500/2021 of 10.09.2021 (with amendment) and the insurance guarantee No GT 518/2022 of 14.09.2022 (with amendments)
- c) Blank promissory note with no protest clause with promissory note agreement
- d) Bank guarantees issued respectively before the date of granting the Guarantee for securing insurance guarantees issued for preceding periods (the security may be replaced in total or in part by a security in the form of money deposit.)

Total amount of commission due for the Guarantor from the Obligor from issuance of the Guarantee was set in the market value of PLN 5,500,000

#### The effect of fires on Greek island Rhodes on operations of the Company and the Group.

In the period after the reporting period (I half-year of 2023), in the third decade of July 2023, starting from 20.07.2023 (Thursday) there were fires in south-east part of the Greek island Rhodes, the fires led to evacuation of tourists: among other customers of Rainbow Tours S.A. According to regulations of local authorities the following towns were evacuated: Lardos, Kiotari and Pefkos.

Taking into account assessment of the situation on Rhodes in those days concerning local fires and considering safety of customers the Company decided to cancel flights to six hotels situated in the affected area. Neither of the hotels, to which flights were cancelled ("Costa Lindia", "Ilyssion", "Lindos Breeze", "Labranda Kiotari Miraluna", "Lindos White Hotel & Suites" and Company's own hotel "White Olive Premium Lindos) were affected directly by the fire, but because they were situated in the vicinity of operations of firefighters the Company decided about respective cancellation. The customers stayed in hotels without any disruptions.

All customers of Rainbow, who stayed on Rhodes, close to the territory exposed to fires (mainly in the area of Kiotari and Lardos, and the hotels: "Costa Lindia", "Ilyssion", "Lindos Breeze", "Labranda Kiotari Miraluna", "Lindos White Hotel & Suites" and Company's own hotel "White Olive Premium Lindos"), who were evacuate from hotels to premises indicated by local authorities, were accommodated in the north part of Rhodes, in hotels offered by Rainbow; the Company ensured safety and care of holiday representatives to all customers. The large number of customers of the Company returned from holidays according to the schedule (on 24.07.2023) to Poland. Directly after the fires started the company organized transfers and temporary accommodation in other safe part of Rhodes, and since 24.07.2023 customers staying in temporary accommodation were transferred to other hotels.

Because the situation improved, some of hotels ("Costa Lindia", "Ilyssion", "Lindos White Hotel & Suites" and Company's own hotel "White Olive Premium Lindos") have been opened again to tourists from 25.07.2023. Due to safety concerns the company upheld cancellation of all arrivals to all hotels exposed to danger for another week, and the customers were provided with other offers of holidays.

In following days of the last week of July 2023, two other hotels: "Lindos Breeze" and "Labranda Kiotari Miraluna" have reopened again. Neither of the hotels was affected by the fire.

On 28.07.2023 the Ministry of Tourism and Greek National Tourism Organization published the following announcement and declaration *'Rhodes is back! We are happy to inform you that the state of emergency has ended on Rhodes. Life is back to normal on the whole territory of Rhodes Island, including in several affected areas. Residents of Rhodes, who have been heroic and selfless*

*in those difficult days as well as the Greek state cannot wait to offer its attention and hospitality to all foreign visitors. Ministry of Tourism and Greek National Tourism Organization". On 29.07.2023 the Greek Ministry of Climate Crisis and Population Protection cancelled state emergency on Rhodes introduced on 20.07.2023 due to forest fires.*

The Company incurred additional costs related to the above situation (the cost of ensuring aid, transfer of customers to other hotels, cost of vacant seats in airplanes and unused hotel rooms in the paid for hotels). However, in the opinion of the Management Board the scale of costs incurred, and profits lost (sale of package holidays to Rhodes on reduced margin during the days directly after the fires due to decreased demand for holidays on this island) taking into account general perspective, amount of revenue earned in the season and scale of operations of Rainbow Tours Group the costs did not have significant effect on financial results of the Company and Rainbow Tours Group and their operations. In the opinion of the Management Board the scale of operations of operations of the Company enables to absorb losses without substantial impact on results of the Company and the Group.

In the opinion of the Management Board of the Company between the balance sheet date and the publication of this report there have not been other substantial events, except for those covered by the financial statements.

### III. THE ABRIDGED HALF-YEAR SINGLE FINANCIAL STATEMENTS OF RAINBOW TOURS S.A.

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

ASSETS	Note	As at 30/06/2023 [not audited] PLN'000	As at 31/12/2022 [audited] PLN'000
<b>Fixed assets</b>			
Tangible fixed assets	3	47 634	46 635
Investment Property		196	196
Other intangible assets		4 328	4 453
Investment in subsidiaries	4	95 369	95 369
Deferred tax assets	9	39 917	12 210
Other receivables	5	19 608	21 116
<b>Total fixed assets</b>		<b>207 052</b>	<b>179 979</b>
<b>Current assets</b>			
Stocks		-	-
Trade and other receivables	5	86 785	51 375
Advance payments	5	454 712	182 583
Other financial assets	6	300	300
Current tax assets		1 260	5 655
Other assets	7	37 519	57 948
Cash and cash equivalents	8	279 657	134 541
<b>Total current assets</b>		<b>860 233</b>	<b>432 402</b>
<b>Total assets</b>		<b>1 067 285</b>	<b>612 381</b>

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

EQUITY AND LIABILITIES	Note	As at 30/06/2023 [not audited] PLN'000	As at 31/12/2022 [audited] PLN'000
<b>EQUITY AND LIABILITIES</b>			
<b>equity</b>			
Issued capital		1 455	1 455
Share premium		36 558	36 558
Reserves		(8 784)	(3 294)
capital from merger of entities		-	(7 565)
Retained profits		121 460	80 373
<b>Total equity</b>		<b>150 689</b>	<b>107 527</b>
<b>Long-term liabilities</b>			
Long-term borrowings and lease liabilities	10	19 562	49 586
Pension liabilities	12	286	286
Deferred tax liabilities		-	-
Other liabilities	11	25 770	29 545
<b>Total long-term liabilities</b>		<b>45 618</b>	<b>79 417</b>
<b>Short-term liabilities</b>			
Trade and other payables	11	157 238	93 103
Short-term borrowings and lease liabilities	10	8 995	29 828
Other financial liabilities		10 845	4 067
Current tax liabilities		50 923	11 990
Short-term provisions	12	126 176	46 037
deferred income	13	509 258	232 869
Other liabilities	11	7 543	7 543
<b>Total short-term liabilities</b>		<b>870 978</b>	<b>425 437</b>
<b>Total liabilities</b>		<b>916 596</b>	<b>504 854</b>
<b>Total equity and liabilities</b>		<b>1 067 285</b>	<b>612 381</b>

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

## 2. SINGLE STATEMENT OF OTHER COMPREHENSIVE INCOME

	Note	From 01/01/2023 to 30/06/2023 [not audited]	From 01/01/2022 To 30/06/2022 [not audited]
		PLN'000	PLN'000
<b>Continuing operations</b>			
Sales revenue	14	1 243 976	809 419
Cost of sales	15	(1 040 609)	(737 029)
<b>Gross profit/loss on sales</b>		<b>203 367</b>	<b>72 390</b>
selling cost	15	(104 342)	(64 718)
Overheads	15	(28 977)	(18 674)
Other operating revenue	16	496	269
Other operating costs	16	(2 378)	(1 833)
<b>profit /loss on operations</b>		<b>68 166</b>	<b>(12 566)</b>
financial revenue	17	4 625	250
Financial costs	17	(3 330)	(1 804)
profit on sales of shares in subsidiaries		-	-
<b>Pre-tax profit (loss)</b>		<b>69 461</b>	<b>(14 120)</b>
Income tax	18	(13 534)	2 683
<b>net profit (loss) on continuing operations</b>		<b>55 927</b>	<b>(11 437)</b>
<b>Discontinuing operations</b>			
Net profit (loss) on discontinuing operations		-	-
<b>NET PROFIT (LOSS)</b>		<b>55 927</b>	<b>(11 437)</b>
<b>Other total net comprehensive income</b>			
<b>Items, which might be later carried</b>			
<b>to the statement of comprehensive income:</b>			
Cash flow hedges		-	(37)
<b>Total other net comprehensive income</b>		<b>(5 490)</b>	<b>(37)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>50 437</b>	<b>(11 474)</b>

	Note	From 01/01/2023 to 30/06/2023 [not audited]	From 01/01/2022 To 30/06/2022 [not audited]
		PLN'000	PLN'000
<b>Profit (loss) per shares (PLN/grosz per share)</b>			
On continuing and discontinuing operations			
ordinary		3,84	(0,79)
Diluted		3,84	(0,79)
On continuing activity			
ordinary		3,84	(0,79)
Diluted		3,84	(0,79)

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 30/06/2022</b>						
As at 01/01/2022	1 455	36 558	37	88 280	(7 565)	118 765
Net profit for the financial year	-	-	-	(11 437)	-	(11 437)
Pricing of hedging instruments	-	-	(37)	-	-	(37)
<b>Total comprehensive income</b>	-	-	(37)	(11 437)	-	(11 474)
Dividend payment	-	-	-	-	-	-
Retained earnings/ adjustment of previous years' costs	-	-	-	-	-	-
<b>As at 30/06/2022</b>	<b>1 455</b>	<b>36 558</b>	<b>-</b>	<b>76 843</b>	<b>(7 565)</b>	<b>107 291</b>
<b>For the period from 01/01/2022 to 31/12/2022</b>						
As at 01/01/2022	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)
Retained earnings/ adjustment of previous years' costs	-	-	-	-	-	-
<b>As at 31/12/2022</b>	<b>1 455</b>	<b>36 558</b>	<b>(3 294)</b>	<b>80 373</b>	<b>(7 565)</b>	<b>107 527</b>
<b>For the period from to 30/06/2023</b>						
As at 01/01/2023	1 455	36 558	(3 294)	80 373	(7 565)	107 527
Net profit for the financial year	-	-	-	55 927	-	55 927
Pricing of hedging instruments	-	-	(5 490)	-	-	(5 490)
<b>Total comprehensive income</b>	-	-	(5 490)	55 927	-	50 437
Dividend payment	-	-	-	(7 276)	-	-
Retained earnings/ adjustment of previous years' costs	-	-	-	(7 565)	7 565	(7 276)
<b>As at 30/06/2023</b>	<b>1 455</b>	<b>36 558</b>	<b>(8 784)</b>	<b>121 460</b>	<b>-</b>	<b>150 689</b>

#### 4. SINGLE CASH FLOW STATEMENT

	From 01/01/2023 to 30/06/2023 [not audited] PLN'000	from 01/01/2022 to 30/06/2022 [not audited] PLN'000
<b><i>cash flows from operations</i></b>		
<b>Profit for the financial year</b>	<b>55 927</b>	<b>(11 437)</b>
<b>Adjustments:</b>		
cost of income tax recognized in profit or loss	13 534	(2 683)
Financial costs recognized in profit or loss	3 330	-
revenue from investment recognized in profit or loss	(4 625)	1 554
profit on sale of tangible fixed assets	-	(49)
amortization and depreciation of fixed assets	8 822	8 169
Net foreign exchange gains/ losses	-	-
Other *	(14 061)	-
	<b>62 927</b>	<b>(4 446)</b>
<b>Movement in working capital:</b>		
Increase / decrease in balance of trade and other receivables	(306 031)	(172 894)
Increase/ decrease in stocks	-	-
Increase / decrease in other assets	(7 278)	2 766
Increase / decrease in other tax assets	4 395	1 400
Increase (decrease) in balance of trade and other payables	60 360	(10 113)
Increase / (decrease) in provisions	80 139	82 500
Increase / (decrease) in deferred income	276 389	172 172
Increase / decrease in current tax liabilities	38 933	9 030
<b>Cash earned on operations</b>	<b>209 834</b>	<b>80 415</b>
Income tax paid	(4 401)	-
<b>Net cash flows from operations</b>	<b>205 433</b>	<b>80 415</b>
<b><i>cash flow from investing activities</i></b>		
Payments arising on acquisition of financial assets	-	-
Interest received	2 694	250
Proceeds due to repayment of loans by unrelated parties	-	-
Dividend received	944	-
Payments for tangible fixed assets	(6 600)	-
proceeds from sale of tangible fixed assets	-	49
<b>net cash (spent)/ earned on investing activities</b>	<b>(2 962)</b>	<b>299</b>
<b><i>cash flows from financing activities</i></b>		
proceeds from sale of own shares	-	-
other proceeds	-	-
proceeds from loans	-	48 034
repayment of loans	(54 025)	(5 846)
Interest paid	(3 330)	(837)

	From 01/01/2023 to 30/06/2023 [not audited]	from 01/01/2022 to 30/06/2022 [not audited]
	PLN'000	PLN'000
Dividends paid to shareholders	-	-
<b>net cash used for financing activities</b>	<b>(57 355)</b>	<b>41 351</b>
Increase / Decrease in net cash and cash equivalents	145 116	122 065
cash and cash equivalents at the opening balance	134 541	80 128
Effect of changes in exchange rates on balance of cash in foreign currencies	-	-
<b>cash and cash equivalents, closing balance</b>	<b>279 657</b>	<b>202 193</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). These half-year abridged single financial statement covers data for first half-year of 2023 (that is for the period of 6 months ended on 30.06.2023), and in case of the balance sheet (statement of financial position) - data as at the end of six months of the current financial year (that is as at 30.06.2023), as well as comparative data for six months of 2022 (that is for the period of six months ended on 30.06.2022, and in case of the balance sheet (statement of financial position) as at the end of the previous financial year (that is as at 31.12.2022). All financial data are presented in thousands of PLN, unless provided otherwise.

The abridged interim single financial statements do not provide all information, which is disclosed in the annual single financial statements drafted according to IFRS. These single financial statements should be read jointly with the annual single financial statements of the Company for 2022, which were published in the single periodic annual report R/2022 on 28.04.2023.

Significant opinions concerning accounting rules applied by the Company and main sources of estimating uncertainty were the same as presented in the single financial statements for 2022, Part 4 "Accounting rules(policies) of the Company". Point 4.5 "Significant estimations and assumptions", which were published in the single interim annual report R 2022 on 28.04.2023.

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

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

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

These abridged interim financial statements are not approved by the approving body pursuant to art 53 of the accounting act of 29.09.1994. The abridged single financial statement is signed by the head of the unit, that is the Management Board of Rainbow Tours S.A and if such a person was appointed – by the person in charge of keeping the accounts. These abridged interim single financial statements were approved for publication on 29.09.2023

### Continuation of operations

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

### 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 annual report of the Company. The rules applied in drafting this half-year abridged single financial statements and significant rules are presented in Note 4 to these interim abridged consolidated financial statements covered by this periodic report PSr 2023. 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

### Adjustment of previously published financial statements

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

### Note 3. Tangible fixed assets

	As at 30/06/2023 [not audited]			As at 31/12/2022 [audited]		
	TOTAL	own	Used under lease contracts	TOTAL	own	Used under lease contracts
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Own land	489	489	-	489	489	-
Right of use assets	33 403	-	33 403	37 305	-	37 305
Buildings	5 213	5 213	-	5 399	5 399	-
Plant and Machinery	2 195	2 195	-	1 358	1 358	-
Motor vehicles	1 265	191	1 074	1 227	320	907
Equipment	1 214	1 214	-	845	845	-
Fixed assets under construction / Advances for fixed assets	3 855	3 855	-	12	12	-
<b>Own land</b>	<b>47 634</b>	<b>13 157</b>	<b>34 477</b>	<b>46 635</b>	<b>8 423</b>	<b>38 212</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 543/2023 of 30.08.2023 (at the same time security for claims under the insurance guarantee GT 500/2021 of 10 of September 2021 (with amendment), the insurance guarantee GT 518/2022 of 14.09.2022 (with amendments) pursuant to the contract of 30.08.2023 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 with 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 by 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. Investment in subsidiaries

Name of the subsidiary	As at 30/06/2023			As at 31/12/2022		
	Cost	Impairment	Net value	Cost	Impairment	Net value
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
White Olive A.E.	95 144	-	95 144	95 144	-	95 144
"My Way by Rainbow Tours" Sp. z o. o.	200	-	200	200	-	200
Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S.	25	-	25	25	-	25

Name of the subsidiary	As at 30/06/2023			As at 31/12/2022		
	Cost	Impairment	Net value	Cost	Impairment	Net value
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Total investments in subsidiaries	95 369	-	95 369	95 369	-	95 369

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

The Management Board of the parent company tested White Olive on impairment using income-based approach. The test was carried out based on details of financial forecasts for 10 consecutive years and subsequently residual period without taking into account growth in the residual period. WACC - at the level of 10.1% (2022: 7.9 %) - was used as a discount rate. WACC was set by using money components based on market data and the assessment made by the expert hired by the Management Board. WACC may change depending on financial market changes, inflation and many other parameters, which has a direct effect on the value of assessment. With such WACC the test showed that there are no reasons to recognized impairment losses.

In the opinion of the Management Board of the Parent Company no rational parameters of adopted models are possible, both in case of financial forecasts as well as discounting factor, which would provide necessity to recognize impairment loss for interests in other entities.

## Note 5. Receivables

	As at 30/06/2023	As at 31/12/2022
	[not audited]	[audited]
	PLN'000	PLN'000
Trade receivables	72 982	25 083
Allowance for bad debt	(4 903)	(4 331)
<b>Net trade receivables</b>	<b>68 079</b>	<b>20 752</b>
The remaining receivables		
Other receivables	2 279	11 914
Other receivables – deposits and bank deposits	19 608	21 116
cash and cash equivalents – settlements	16 427	18 709
	<b>38 314</b>	<b>51 739</b>
Fixed assets	86 785	51 375
Current assets	19 608	21 116
<b>Total</b>	<b>106 393</b>	<b>72 491</b>

## Advance payments

	As at 30/06/2023	As at 31/12/2022
	[not audited]	[audited]
	PLN'000	PLN'000
advances - advances paid – hotels	441 671	169 189
Allowance for doubtful accounts	(5 839)	(5 838)
Other receivables -advances paid – air transportation	18 880	19 232
	<b>454 712</b>	<b>182 583</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.

	As at 30/06/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
Gross trade receivables*	72 982	25 083
Not due	30 284	7 672
<i>Overdue</i>		
to 30 days	8 549	6 314
31-90 days	14 323	4 301
91-120 days	10 294	3 249
Above 120 days	9 532	3 547
<b>Total</b>	<b>72 982</b>	<b>25 083</b>

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

Table. movement in allowance to reduce account receivables

Trade receivables	The period of six months ended on 30/06/2023 [not audited]	The period of 12 months ended on 31/12/2022 [audited]
	PLN'000	PLN'000
<b>Opening balance</b>	<b>(4 331)</b>	<b>(3 843)</b>
allowance to reduce account receivables	(572)	(488)
amounts written off as bad debt	-	-
amounts recovered within a year	-	-
reversal of allowance to reduce account receivables	-	-
unwind of discount	-	-
<b>Closing balance</b>	<b>(4 903)</b>	<b>(4 331)</b>

Advance payments—advances and air transportation	The period of six months ended on 30/06/2023 [not audited]	The period of 12 months ended on 31/12/2022 [audited]
	PLN'000	PLN'000
<b>Opening balance</b>	<b>(5 838)</b>	<b>(2 946)</b>
allowance to reduce account receivables	(1)	(2 892)
amounts written off as bad debt	-	-
amounts recovered within a year	-	-
reversal of allowance to reduce account receivables	-	-
unwind of discount	-	-
<b>Closing balance</b>	<b>(5 839)</b>	<b>(5 838)</b>

## Note 6. Other financial assets

	As at 30/06/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
<b>derivatives set and used as hedge recognized in fair value</b>	-	-
currency forwards	-	-
<b>lending at amortised costs</b>		
*Lending to related parties	300	300
lending to other entities	-	-
	<u>300</u>	<u>300</u>
<b>Total</b>	<u><b>300</b></u>	<u><b>300</b></u>
Current assets	300	300
Non-current assets	-	-
	<u>300</u>	<u>300</u>

\* The entity granted to the subsidiary a short-term loan on conditions comparable to commercial loans.

## Note 7. Other assets

	As at 30/06/2023 [not audited]	As at 31/12/2022 [not audited]
	PLN'000	PLN'000
<b>Prepaid expenses</b>		
Costs of package travel off season	28 623	50 483
Commission off season **	5 145	2 665
Insurance off season	2 274	3 156
Other off season TFP commission	1 477	1 644
	<u>37 519</u>	<u>57 948</u>
Current assets	37 519	57 948
Fixed assets	-	-
	<u>37 519</u>	<u>57 948</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 8. Cash and cash equivalents

	As at 30/06/2023 [not audited]	As at 31/12/2022 [not audited]
	PLN'000	PLN'000
Cash in hand and cash at bank	279 657	134 541
	<u>279 657</u>	<u>134 541</u>



## Note 9. Deferred tax assets and liabilities

Deferred tax	The period of 6 months ended on 30/06/2023 [not audited]	The period of 6 months ended on 31/12/2022 [not audited]
	PLN'000	PLN'000
Deferred tax assets	12 210	11 578
deferred tax asset – accounted for equity	1 288	773
deferred tax liabilities - accounted for profit or loss	26 368	-
Deferred tax liabilities – accounted for equity	-	-
Deferred tax assets accounted for profit or loss	51	(141)
<b>Balance of deferred tax</b>	<b>39 917</b>	<b>12 210</b>

Deferred tax assets	As at 01/01/2023	movement (+ /-) recognised in capitals	Movement r (+ /-) recognised in profit/loss for the current period	As at 30/06/2023
	PLN'000	PLN'000	PLN'000	PLN'000
Provisions for employee benefits	286	-	-	286
Recognition of other provisions	8 516	-	18 669	27 185
Measurement/impairment of assets	2 492	-	571	3 063
Measurement of derivatives	773	1 286	-	2 059
unrealized exchange gains	-	-	315	315
Other *	286	-	6 813	7 099
<b>Total</b>	<b>12 353</b>	<b>1 286</b>	<b>26 368</b>	<b>40 007</b>

Deferred tax assets	As at 01/01/2022	movement (+ /-) recognised in capitals	Movement r (+ /-) recognised in profit/loss for the current period	As at 30/06/2022
	Provisions for employee benefits	228	-	-
Recognition of other provisions	1 106	-	15 877	16 983
Measurement/impairment of assets	581	-	-	581
Measurement of derivatives	-	-	-	-
unrealized exchange gains	133	-	40	173
Other *	5 410	-	(5 332)	78
<b>Total</b>	<b>7 458</b>	<b>-</b>	<b>10 585</b>	<b>18 043</b>

Deferred tax liabilities	As at 01/01/2023	movement (+ /-) recognised in capitals	Movement r (+ /-) recognised in profit/loss for the current period	As at 30/06/2023
	PLN'000	PLN'000	PLN'000	PLN'000
Measurement of derivatives	-	-	-	-
Measurement of assets	-	-	-	-
Unrealised exchange losses – basic	141	-	(51)	90
Unrealised exchange losses- interest	-	-	-	-
Unrealised exchange losses- measurement of advances from previous years	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>141</b>	<b>-</b>	<b>-</b>	<b>90</b>

Deferred tax liabilities	As at 01/01/2022	movement (+ /-) recognised in capitals	Movement r (+ /-) recognised in profit/loss for the current period	As at 30/06/2022
	PLN'000	PLN'000	PLN'000	PLN'000
Measurement of derivatives	9	(9)	-	-
Measurement of assets	6	-	145	151
Unrealised exchange losses – basic	-	-	-	-
Unrealised exchange losses- interest	-	-	-	-
Unrealised exchange losses- measurement of advances from previous years	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>15</b>	<b>(9)</b>	<b>145</b>	<b>151</b>

## Note 10. Bank loans, bank credits and lease liabilities

	As at 30/06/2023 [not audited]	As at 31/12/2022 [not audited]
	PLN'000	PLN'000
<b>Hedged – according to amortised cost</b>		
overdrafts	2	20 380
Bank credits	-	26 851
Loans from other entities of PFR - Polish Development Fund	-	-
Transfer of receivables	-	-
Financial lease liabilities	694	574
Right of use liabilities	27 861	31 609
	<b>28 557</b>	<b>79 414</b>
short -term liabilities	8 995	29 828
long-term liabilities	19 562	49 586
	<b>28 557</b>	<b>79 414</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.

As at 30.06.2023 the company used bank credits (the overdraft and the revolving credit) in the total amount of PLN 2 thousand. As at 30.06.2022 the company used bank credits (the overdraft and the revolving credit) in the total amount of PLN 55,220 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.

As at 30.06.2023 the issuers recognized impairment of lease liabilities from renegotiation of contracts with lessors related to extension of periods of contracts in exchange for reduction in leases, including schedule of lease payments and new interest rates. The difference between the amount of calculated liability and the amount of modified contracts accordingly increased the value of right of use asset and the value of lease liabilities.

The period from 01/01/2023 to 30/06/2023	Land and buildings	Plant and machinery and motor vehicles	Total
	PLN'000	PLN'000	PLN'000
<b>As at 01/01/2023</b>	<b>31 609</b>	<b>574</b>	<b>32 183</b>
Increases	2 050	321	2 371
Cost of interest	(679)	(19)	(698)
Modification of lease conditions	-	-	-
Adjustment of variable lease payments	-	-	-

The period from 01/01/2023 to 30/06/2023	Land and buildings	Plant and machinery and motor vehicles	Total
	PLN'000	PLN'000	PLN'000
Lease payments	(5 119)	(182)	(5 301)
Exchange differences	-	-	-
<b>As at 30/06/2023</b>	<b>27 861</b>	<b>694</b>	<b>28 555</b>

The period from 01/01/2022 to 31/12/2022	Land and buildings	Plant and machinery and motor vehicles	Total
	PLN'000	PLN'000	PLN'000
<b>As at 01/01/2022</b>	<b>28 655</b>	<b>614</b>	<b>29 269</b>
Increases	1 054	569	1 623
Cost of interest	(2 432)	(28)	(2 460)
Modification of lease conditions	-	-	-
Adjustment of variable lease payments	14 009	9	14 018
Lease payments	(9 677)	(590)	(10 267)
Exchange differences	-	-	-
<b>As at 31/12/2022</b>	<b>31 609</b>	<b>574</b>	<b>32 183</b>

### Note 11. Trade payables and other payables

	As at 30/06/2023	As at 31/12/2022
	[not audited]	[audited]
	PLN'000	PLN'000
Trade payables	72 592	73 777
Payroll liabilities	6 501	3 807
Other liabilities – accounts receivables and payables from purchase of shares	2 583	2 600
Other liabilities – dividend	7 276	-
Other liabilities – remaining	68 286	12 919
<b>Total</b>	<b>157 238</b>	<b>93 103</b>

### Other liabilities

	As at 30/06/2023	As at 31/12/2022
	[not audited]	[audited]
	PLN'000	PLN'000
liabilities towards customer taken over by Insurance Guarantee Fund	33 313	37 088
Liabilities towards customers	-	-
<b>Total</b>	<b>33 313</b>	<b>37 088</b>
Short-term liabilities	7 543	7 543
Long-term liabilities	25 770	29 545
	<b>33 313</b>	<b>37 088</b>

The aid offered by the government of Poland concerning to prevent, counteract and combat COVID-19, other infectious diseases and crisis situations caused by them included: concessional loans to reimburse payments of customers of tour operators, who resigned from package holiday due to crisis related to SARS-CoV-2 pandemic, funding from a bespoke fund, in which funds for tourists and tour operators from calling off package holidays (Touristic Reimbursement Fund at the Insurance Guarantee Fund, which repays funds to customers for called off package holidays, with 7.5% contribution of tourist companies based on applications of tour operators and customers) were pooled.

The company, as an authorized entity, made relevant applications to Tourism Guarantee Fund to pay to customers some of the amounts for advances paid by customers, which due to SARS-CoV-2 pandemic, withdrew from a package holiday contract or the package holiday contract was terminated by a tour operator. Payments made by the Tourism Guarantee Fund on behalf of the company constitute financing in form of a loan granted by the Tourism Guarantee Fund, and the loan must be repaid in 72 equal

instalments and will start from December 2021 (the change of the first date to start payment from April 2021, according to provisions of the act of 24.06.2021 on amendment of the act on special solutions to prevent, counteract and combat COVID-19, other infectious diseases and crisis situations caused by them and some other acts – Journal of Laws of 2021, item 1192) that is the first instalment due to 31.12.2021, other instalments, except for the first instalment will be repaid to 21<sup>st</sup> day of each month, starting from January 2022.

Because the company used the respective aid, the Company incurred liability towards the Tourism Reimbursement Fund at the Insurance Guarantee Fund (obligations towards customers taken over by the Fund) as at 30.06.2023 in the amount of PLN 33 133 thousand, as at 31.12.2022 in the amount of PLN 37.088 thousand.

## Note 12. Provisions and other liabilities

	As at 30/06/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
Employee benefits (i)	680	680
Employee benefits (ii)	286	286
Other provisions – complaints	656	56
Other provisions – estimated costs of airplanes and hotels (iii)	114 064	44 580
Other provisions – estimated costs of commission	10 345	-
other provisions – estimated costs - other	431	721
	<b>126 462</b>	<b>46 323</b>
Short-term provisions	126 176	46 037
Long-term provisions	286	286
	<b>126 462</b>	<b>46 323</b>

(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 13. Deferred income

	As at 30/06/2023 [not audited]	As at 31/12/2022 [not audited]
	PLN'000	PLN'000
Advances paid by customers	509 258	232 869
	<b>509 258</b>	<b>232 869</b>
short-term	509 258	232 869
long-term	-	-
	<b>509 258</b>	<b>232 869</b>

## Note 14. Sales revenue

	The period of 6 months ended on 30/06/2023 [not audited]	The period of 6 months ended on 30/06/2022 [audited]
	PLN'000	PLN'000
Revenue from sales of package travel	1 242 675	807 573
Other revenue	1 301	1 846
	<b>1 243 976</b>	<b>809 419</b>

## Note 15.Costs by type

	The period of 6 months ended on 30/06/2023 [not audited]	The period of 6 months ended on 30/06/2022 [audited]
	PLN'000	PLN'000
Amortization and depreciation	(8 822)	(8 169)
Including right of use	(6 532)	(5 930)
Consumption of raw and other materials	(2 527)	(1 782)
Outsourcing	(1 086 686)	(747 651)
costs of employee benefits	(50 204)	(32 647)
Taxes and charges	(1 457)	(688)
Other costs	(24 232)	(29 484)
value of goods and materials sold	-	-
Other – other operating costs	-	-
	<b>(1 173 928)</b>	<b>(820 421)</b>

## Note 16.Other operating revenue/ operating costs

Other operating revenue	The period of 6 months ended on 30/06/2023 [not audited]	The period of 6 months ended on 30/06/2022 [audited]
	PLN'000	PLN'000
profits on sale of assets		
profits on sale of fixed assets	-	49
Profits on sale of investment property	-	-
	-	49
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	-	91
Other	496	129
	<b>496</b>	<b>269</b>

Other operating costs	The period of 6 months ended on 30/06/2023 [not audited]	The period of 6 months ended on 30/06/2022 [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	-	-

Other operating costs	The period of 6 months ended on 30/06/2023 [not audited]	The period of 6 months ended on 30/06/2022 [not audited]
	PLN'000	PLN'000
Tangible fixed assets	-	-
Financial assets	-	-
Trade receivables	(572)	-
Other	-	(1 157)
	<u>(572)</u>	<u>(1 157)</u>
<b>Other operating costs</b>		
loss on measurement of investment property	-	-
cost of liquidation of fixed assets and current assets	-	-
Other – complaints	(1 261)	(463)
Other	(545)	(213)
	<u>(2 378)</u>	<u>(1 833)</u>

### Note 17. Revenue/financial costs

	The period of 6 months ended on 30/06/2023 [not audited]	The period of 6 months ended on 30/06/2022 [not audited]
	PLN'000	PLN'000
<b>Lease revenue</b>		
contingent revenue from finance lease	-	-
revenue from operating lease	-	-
On investment property	-	-
	<u>-</u>	<u>-</u>
<b>Interest revenue</b>		
Bank deposits	3 681	250
Other loans and receivables	-	-
	<u>-</u>	<u>-</u>
<b>Total</b>	<u>3 681</u>	<u>250</u>

Table. Financial revenue analysed by categories of assets

	The period of 6 months ended on 30/06/2023 [not audited]	The period of 6 months ended on 30/06/2022 [not audited]
	PLN'000	PLN'000
<b>Interest revenue</b>		
Assets valued at amortised cost (cash on hand, bank deposits and lending)	3 681	250
Investments held to maturity	-	-
Proceeds from sales of financial investments	-	-
Interest revenue from financial assets, which are not intended for measurement at WSE	-	-
financial revenue from non-financial assets (dividend)	944	-
<b>Total</b>	<u>4 625</u>	<u>250</u>

Interest costs:	The period of 6 months ended on 30/06/2023 [not audited]	The period of 6 months ended on 30/06/2022 [not audited]
	PLN'000	PLN'000
Interest on credits and overdrafts (except for those obtained from related parties)	(845)	(532)
Interest on credits and overdrafts obtained from related parties.	-	-
Interest on financial lease liabilities	(19)	(10)
Other interest costs	(20)	(8)
<b>Total interest costs on financial liabilities measured on WSE.</b>	<b>(884)</b>	<b>(550)</b>
Less amounts recognized in costs of assets eligible for capitalization	-	-
	(884)	(550)
<b>Other financial costs</b>		
other financial costs - costs of guarantees	(1 727)	(945)
other	(719)	(309)
	<b>(3 330)</b>	<b>(1 804)</b>

## Note 18. Income tax

	The period of 6 months ended on 30/06/2023 [not audited]	The period of 6 months ended on 30/06/2022 [not audited]
	PLN'000	PLN'000
Gross profit (loss)	69 461	(14 120)
Permanent differences increasing the tax base	642	(1 792)
Temporary differences in the tax base	139 110	79 539
<b>Tax base</b>	<b>209 213</b>	<b>67 212</b>
		-
Tax at the rate	19.00%	19.00%
Tax losses offset with an asset	-	-
Current tax	39 954	12 770
Deferred tax	(26 420)	(15 453)
<b>Income tax recognised in the account</b>	<b>13 534</b>	<b>(2 683)</b>
<b>effective tax rate</b>	<b>19.1%</b>	<b>19.0%</b>

## Note 19. explanation to cash flow statement

The Note to the cash flow statement explaining balance sheet movement compared with amounts recognized in cash flow statements and presenting movement in financial liabilities.

	As at 31/12/2022	As at 30/06/2023	Balance sheet movement	Exclusion of items not affecting cash flows in this area	Adjustment of cash flows from operations
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
(increase) / decrease in current tax assets	5 655	1 260	(4 395)	4 553	158

	As at 31/12/2022	As at 30/06/2023	Balance sheet movement	Exclusion of items not affecting cash flows in this area	Adjustment of cash flows from operations
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
(increase) / decrease in current tax liabilities	11 990	50 923	38 933	35 401	74 334
				39 954	
				1 260	
<b>Total</b>				<b>38 694</b>	

## Note 20. categories of financial instruments

Categories of financial instruments	As at 30/06/2023	As at 31/12/2022
	PLN'000	PLN'000
<b>a) Financial assets</b>	<b>348 036</b>	<b>155 593</b>
Financial assets valued at amortised cost		
cash and other monetary assets	279 657	134 541
trade receivables	68 079	20 752
Lending	300	300
Financial assets valued at fair value through financial profit or loss	-	-
Derivative instruments in designated hedge accounting relationships	-	-
<b>b) Financial liabilities</b>	<b>111 994</b>	<b>157 258</b>
<i>Financial liabilities valued at amortised cost</i>	-	-
Derivative instruments in designated hedge accounting relationships	10 845	4 067
<i>Valued at amortised cost</i>	-	-
Trade payables	72 592	73 777
Borrowings	2	47 231
lease and right of use assets	28 555	32 183

Fair value of assets and liabilities, measured at fair value on daily basis (disclosure of fair value is required)

	As at 30/06/2023	As at 31/12/2022
	PLN'000	PLN'000
<b>Currency derivatives</b>	-	-
<b>Financial assets</b>	-	-
Currency derivatives and commodity swaps	10 845	4 067
<b>Financial liabilities</b>	<b>10 845</b>	<b>4 067</b>

Measurement techniques and basic input data assumed for measurement of fair value

Level 2	Currency derivatives – currency forwards and Commodity SWAPs	Fair value for currency forwards was calculated based on the pricing model for forward transactions, whereas the model used NBP exchange rates as at the pricing date and forward interest rates
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Both in the reporting period, as well as in the comparative period, there was no shift of financial instruments between level 1 and 2 in the company.

Fair value of financial instruments, which are not measured at fair value daily, which were held by the company as at 30.06.2023 and as at 31.12.2022 did not substantially differ from the amounts presented in financial statements for individual years for the following reasons:

- for short-term instruments any discount effect is not significant (trade receivables and payables, lending, cash, other liabilities)
- The instruments are linked to transactions made on market conditions (for receivables and liabilities bearing interest rates)



## 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 2 "Description of the organization of the Group of the Issuer with presentation of consolidated entities" to these interim consolidated financial statements for I half-year of 2023, above.

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

Financial stability of the Group (where tour operator activities are concentrated in the Parent company) is supported by large diversification of destinations and around 50% of sales through own distribution channels.

In the reporting period covered by these financial statements (I half-year od 2023) and after the balance sheet date (30.06.2023) up to the date of approval of this report for publication (29.09.2023) the Parent Company recorded significant rises in bookings and sales revenue.

According to latest current reports concerning advance sales of package holidays – published by the Company

- According to the report No 2/2023 of 21.02.2023 the amount of advance sales of package holidays recorded by the Parent Company from the offer summer 2023 (package holiday services provided from April to October 2023) from the moment advance sales started on 15 February 2023 (as at booking date 15.02.2023) came to 155,333 people and that for this period was increase in level of advance sales of the offer “Summer 2023” season (sold from 15.02.2023) by around 43.9% against the same period of 2022, that is against level of advance sales of the offer Summer 2022” season as at the booking date 15.02.2022 with 107,950 customers.
- According to the report No 8/2023 of 19.04.2023 the amount of advance sales of package holidays recorded by the Parent Company from the offer summer 2023 (package holiday services provided from April to October 2023) from the moment advance sales started to 15 April 2023 (as at booking date 15.04.2023) came to 223,651 people and that for this period was increase in level of advance sales of the offer “Summer 2023” season (sold to 15.04.2023) by around 47.4 % against the same period of 2022, that is against level of advance sales of the offer Summer 2022” season as at the booking date 15.04.2022 with 151,763 customers.
- According to the report No 13/2023 of 19.05.2023 the amount of advance sales of package holidays recorded by the Parent Company from the offer summer 2023 (package holiday services provided from April to October 2023) from the moment advance sales started to 15 May 2023 (as at booking date 15.05.2023) came to 270,170 people and that for this period was increase in level of advance sales of the offer “Summer 2023” season (sold to 15.05.2023) by around 43.4 % against the same period of 2022, that is against level of advance sales of the offer Summer 2022” season as at the booking date 15.05.2022 with 188,406 customers.
- According to the report No 14/2023 of 19.05.2023 the amount of advance sales of package holidays recorded by the Parent Company from the offer “Winter 2023/2024” (package holiday services provided from November 2023 to March 2024) from the moment advance sales started to 15 May 2023 (as at booking date 15.05.2023) came to 21,067 people and that for this period was increase in level of advance sales of the offer “Winter 2023/2024” season (sold to 15.05.2023) by around 53.6% against the same period of 2022, that is against level of advance sales of the offer Winter 2022/2023” season as at the booking date 15.05.2022 with 13,716 customers.
- According to the report No 25/2023 of 05.07.2023 the amount of advance sales of package holidays recorded by the Parent Company from the offer “Summer 2023”(package holiday services provided from April to October 2023) from the moment advance sales started to 30 June 2023 (as at booking date 30.06.2023) came to 365,531 people and that for this period was increase in level of advance sales of the offer “Summer 2023” season (sold to 30.06.2023) by around 29.2% against the same period of 2022, that is against level of advance sales of the offer “Summer 2022” season as at the booking date 30.06.2022 with 282,852 customers. In the respective period from the start of advance sales to 30 June 2023 the Company recorded rise in average price of package holiday by 16.5 against the average price of package holidays in the same period of the previous year, which translated to estimated rise in revenue by around 50.5 %.

The value of Summer 2023 offer sold is recognized in sales revenue of the Company according to accounting rules, that is in the period from April 2023 to October 2023. However, the value of Winter 2023/2024 offer soled in recognized in sales revenue of the Company according to accounting rules, that in from November 2023 to March 2024.

According to the latest current reports published by the Company concerning sales revenue:

- According to the current report No 29/2023 of 26.07.2023 total single sales revenue of the company for June 2023 came to PLN 373.3 million, what compared to the below mentioned reference periods means that: (-) compared with the same period (month) of 2019 (here: period of operations of the Company in economic reality of 2019, which was the last calendar year

before effects of SARS-CoV-2 pandemic occurred), when total sales revenue of the Company came to PLN 232.3 million, means for the reporting period rise in sales by 62.4%, (-) compared with the same period (month) of 2022 (here: the period of rebounding from the effects of SARS-CoV-2 pandemic and restoring sales in the historically record year with respect to revenue - 2022), in which total sales revenue of the Company came to PLN 290.2 million PLN, means for the reporting period rise in sales by around 30.0%; single sales revenue of the Company accumulating from 1 January to 30 June 2023 came to PLN 1,262.3 million, what compared with reference periods below means: (-) compared with the same period of 2019 (that is from 1 January to 30 June 2019) accumulating total sales revenue of the Company came to PLN 660.3 million, and that means for the reporting period rise in sales by around 91.2%, (-) compared with the same period of 2022 (that is from 1 January to 30 June 2022), when accumulating total sales revenue of the Company came to PLN 809.4 million, and it means for the reporting period rise in sales by around 56.0%;

- According to the current report No 38/2023 of 25.08.2023 total single sales revenue of the company for July 2023 came to PLN 478.6 million, what compared to the below mentioned reference periods means that: (-) compared with the same period (month) of 2019 (here: period of operations of the Company in economic reality of 2019, which was the last calendar year before effects of SARS-CoV-2 pandemic occurred), when total sales revenue of the Company came to PLN 292.7 million, means for the reporting period rise in sales by 63.5% (-) compared with the same period (month) of 2022 (here: the period of rebounding from the effects of SARS-CoV-2 pandemic and restoring sales in the historically record year with respect to revenue - 2022), in which total sales revenue of the Company came to PLN 401.6 million PLN, means for the reporting period rise in sales by around 19.2%; single sales revenue of the Company accumulating from 1 January to 31 July 2023 came to PLN 1,740.9 million, what compared with reference periods below means: (-) compared with the same period of 2019 (that is from 1 January to 31 July 2019) accumulating total sales revenue of the Company came to PLN 953.1 million, and that means for the reporting period rise in sales by around 82.7%, (-) compared with the same period of 2022 (that is from 1 January to 31 July 2022), when accumulating total sales revenue of the Company came to PLN 1,211.0 million, and it means for the reporting period rise in sales by around 43.8%;
- According to the current report No 40/2023 of 26.09.2023 total single sales revenue of the company for August 2023 came to PLN 503.5 million, what compared to the below mentioned reference periods means that: (-) compared with the same period (month) of 2019 (here: period of operations of the Company in economic reality of 2019, which was the last calendar year before effects of SARS-CoV-2 pandemic occurred), when total sales revenue of the Company came to PLN 284.7 million, means for the reporting period rise in sales by 76.9%, (-) compared with the same period (month) of 2022 (here: the period of rebounding from the effects of SARS-CoV-2 pandemic and restoring sales in the historically record year with respect to revenue - 2022), in which total sales revenue of the Company came to PLN 386.2 million PLN, means for the reporting period rise in sales by around 30.4%; single sales revenue of the Company accumulating from 1 January to 31 August 2023 came to PLN 2,244.4 million, what compared with reference periods below means: (-) compared with the same period of 2019 (that is from 1 January to 31 August 2019) accumulating total sales revenue of the Company came to PLN 1,237.7 million, and that means for the reporting period rise in sales by around 81.3%, (-) compared with the same period of 2022 (that is from 1 January to 31 August 2022), when accumulating total sales revenue of the Company came to PLN 1,597.2 million, and it means for the reporting period rise in sales by around 40.5%;

## DESCRIPTION OF BASIC ECONOMIC AND FINANCIAL DATA

In I half year 2022 a short-term (that for 1-2 weeks) effect have been noticed regarding inhibition of sales and growth as well as sales dynamics due to military aggression by Russian Federation in the territory of Ukraine (it started on 24.02.2022), which led to negative consumer moods i.e., in tourism industry. Despite occurrence of this adverse fact, actual and prospective customers adapted to existence of a military conflict in proximity of Poland and after temporary break down in sales in the period following directly after the start of the war in Ukraine in the following weeks and quarters of 2022 the company earned noticed gradual recovery and rebound to rising sales and bookings of package holidays offered by the Company for "Summer 2023" season and "Winter 2022/2023".

However, results concerning operations and advance sales of package holidays for "Summer 2023" season in I half-year of 2023 present record high level of revenue and advance sales.

As it was already stated in annual periodic report of the Parent Company and the Group for 2022, improvement of consumers mood and rising sales were impacted by the factors, which appeared starting from the second half of December 2022 such as (-) the fact that highly negative scenarios concerning availability of raw materials and energy carriers didn't realized in winter 2022/2023 (-) 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 (which are significant from the perspective of the Company) with stabilized financial and family situation, and which 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.

Among others in connection with the above factor's revenue of Rainbow Tours for I half-year 2023 rose against revenue in the comparative period of I half-year of 2022, and it should be mentioned that in I half-year 2022 levels of revenue - after rises in January to the last decade of February 2022 -were affected mainly by negative consumer moods caused by start of military aggression by the Russian Federation in the territory of Ukraine on 24.02.2022, which affected March 2022.

The detailed presentation of sales revenue of the Company shows that revenue from sales of package holidays for I half-year of 2023 against the data for I half-year of 2022 by 53.9%, and in the category "other sales revenue" dropped slightly by around "-" 29.5%.

Table. Specification of revenue of the Parent Company in the reporting period of I half-year of 2023 and the comparative period of I half-year of 2022.

structure of revenue of the Company	2023	2022	Change	%
	January – June	January – June		
	PLN'000	PLN'000	PLN'000	
1	2	3	4=2-3	5=4/3
revenue from sales of package holiday	1 242 675	807 573	435 102	53.9%
Sales revenue - other	1 301	1 846	(545)	-29.5%
<b>Total revenue</b>	<b>1 243 976</b>	<b>809 419</b>	<b>434 557</b>	<b>53.7%</b>

Table. Specification of revenue of the Parent Company for the period of I half-year of 2023 and the comparative period of I half-year of 2019.

structure of revenue of the Company	2023	2019	Change	%
	January – June	January – June		
	PLN'000	PLN'000	PLN'000	
1	2	3	4=2-3	5=4/3
revenue from sales of package holiday	1 242 675	659 837	582 838	88.3%
Sales revenue - other	1 301	564	737	130.7%
<b>Total revenue</b>	<b>1 243 976</b>	<b>660 401</b>	<b>583 575</b>	<b>88.4%</b>

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

description	2023	Structure	2022	Structure	Dynamics
	January – June		January – June		
	PLN'000		PLN'000		
Sales through agents	463 344	37.30%	313 803	38.90%	47.7%
Sales through retail offices and Call Centre	656 710	52.80%	394 632	48.90%	66.4%
Other	122 621	9.90%	99 138	12.20%	23.7%
<b>Total</b>	<b>1 242 675</b>	<b>100.0%</b>	<b>807 573</b>	<b>100.0%</b>	<b>53.9%</b>

Cost of sales of sold package holidays in the reporting period of I half-year of 2023 came to PLN 1,040,609 thousand, up by 41.2 % against the similar item in the period of I half-year of 2022 (PLN 737,029 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 half-year of 2023 compared to budgeted exchange rates. Gross profit on sales (margin on sales) earned in I half-year of 2023 came to PLN

203,367 thousand and growth dynamics came to a 180.9%. Administrative costs of the Company in the reporting period of I half-year of 2023 came to PLN 133,319 thousand, up by PLN 49,927 thousand against this category of costs incurred in I half-year of 2022 (PLN 83,392 thousand), which means growth dynamics of 59.9%.

Table. Specification of administration costs of the Parent Company

Administration costs	2023	2022	change	%
	January – June	January – June		
	PLN'000	PLN'000	PLN'000	
1	2	3	4=2-3	5=4/3
Selling costs	104 342	64 718	39 624	61.2%
Overheads	28 977	18 674	10 303	55.2%
<b>Total cost of operations</b>	<b>133 319</b>	<b>83 392</b>	<b>49 927</b>	<b>59.9%</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 half-year of 2023 came in total to PLN 104,342 thousand - up by PLN 390,624 thousand than the amount incurred in the period of I half-year of 2022 (PLN 64,718 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 half-year of 2023 the Company made profit on operations, which is defined as operating margin (EBIT) and came to PLN 68,166 thousand and in the comparative period of I half-year of 2022 it came to PLN (-)12,566 thousand. Operating margin for the period of I half-year of 2023 came to 16.35 % (in the period of 1 half-year of 2022 the ratio came to 8.94%).

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 half-year of 2023 the Parent Company earned single net profit in the amount of PLN 55,927 thousand [in the same period of 1 half-year of I half 2022 the Company incurred loss PLN (-) 11,437 thousand.

Net yield (single), which is the relation of net result to sales revenue in the analysed period of I half-year of 2023 came to 4.50 %, when in the period of I half-year of 2022 the ratio was a negative amount and came to (-)1.41%. Single EBIDTA came to PLN 76,988 thousand in the analysed period of I half-year of 2023, up against the same period of I half-year of 2022, when the single EBIDTA came to PLN (-) 4,397 thousand.

Taking into account the above data it is worth to stress that the highest levels of revenue, and thus with and subject to generating sales margin, also highest (monthly) amounts of financial net profit are earned by the Parent Company at the peak of summer touristic season, which is the period of summer holidays in Poland (July – August of the calendar year, also June and September).

The consolidated sales revenue of the Group in I half-year of 2023 came to PLN 1,265,086 thousand and in the comparative period of I half-year of 2022 (the period of recovery from effects of SARS-CoV-2 pandemic and restoring sales in historically record year for the Company with respect to revenue – 2022) and that is rise in sales by around 54.2 % (the consolidated sales revenue for I half-year of 2022 came to PLN 820,484 thousand) whereas compared with I half-year of 2019 (the period of operation of the Parent Company and the Group in the economic reality of 2019, which was the last calendar year before occurrence of effects of SARS-CoV-2 pandemic) and that also means rise in sales by around 91.1 % (the consolidated sales revenue for I half-year of 2019 came to PLN 662 078 thousand).

It should also be stated that considering seasonality in hotel operations “the hotel company” White Olive A.E in a model programme starts it operations and earning revenue from the end of April of the calendar year.

Table. Specification of revenue of the Group for I half-year of 2023 against the comparative period of I half-year of 2022.

Structure of revenue of the Group	2023	2022	Change	%
	January – June	January – June		
	PLN'000	PLN'000	PLN'000	
1	2	3	4=3-2	5=4/3
Revenue from sales of package travel	1 254 645	812 690	441 955	54.4%
Revenue from sales of hotel services	9 024	6 162	2 862	46.4%
Sales revenue – other	1 417	1 632	(215)	(13.2%)
<b>Total revenue</b>	<b>1 265 086</b>	<b>820 484</b>	<b>444 602</b>	<b>54.2%</b>

Table. Specification of revenue of the Group for I half-year of 2023 against the comparative period of I half-year of 2019.

Structure of revenue of the Group	2023	2019	Change	%
	January – June	January – June		
	PLN'000	PLN'000	PLN'000	
1	2	3	4=3-2	5=4/3
Revenue from sales of package travel	1 254 645	659 837	594 808	90.1%
Revenue from sales of hotel services	9 024	1 516	7 508	495.3%
Sales revenue – other	1 417	725	692	95.4%
<b>Total revenue</b>	<b>1 265 086</b>	<b>662 078</b>	<b>603 008</b>	<b>91.1%</b>

Gross profit on sales, defined as gross profit margin in the period of I half-year of 2023 came to PLN 209,725 thousand, while in the comparative period of I half-year of 2022 the amount of margin earned came to PLN 76,805 thousand. Gross margin on sales for the period in question of I half-year of 2023 came to 16.58 % (after I half-year of 2022 the ratio came to 9.36%).

Table. Specification of administration costs of the Group

Administration costs of the Group	2023	2022	Change	%
	January – June	January – June		
	PLN'000	PLN'000	PLN'000	
1	2	3	4=2-3	5=4/3
Selling costs	107 972	66 746	41 226	61.8%
Overheads	32 439	21 457	10 982	51.2%
<b>Total</b>	<b>140 411</b>	<b>88 203</b>	<b>52 208</b>	<b>59.2%</b>

Net margin for the Group, which is the relation of net performance to sales revenue in the period in question of I half-year of 2023 came to 4.18%, and in the comparative period of I half-year of 2022 the ratio came to (-) 1.57%.

Cost of amortization in I half-year of 2023 came to PLN 12,696 thousand and in the comparative period of I half-year of 2022 the amount of amortization costs came to PLN 13,222. EBIDTA for the period in question of I half-year of 2023 came to PLN 80 204 thousand and in the comparative period of I half-year of 2022 – PLN 150 thousand.

The above facts affected the amount of the consolidated result of Rainbow Tours Group for I half-year of 2023 [in the period in question of I half-year of 2023 the consolidated net profit came to PLN 52,900 thousand] and against the consolidated net loss for I half-year of 2022, which closed with the amount of PLN (-) 12,887 thousand.

As at 30.06.2023 the amount of revolving credits (without investment loan) came to the amount of PLN 224 thousand, while cash amounted to PLN 294,480. 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 30.06.2023 came to PLN 85,496 thousand. As at the last day of I half-year of 2023 the amount of cash held by the Group is substantially higher than at the end of I half-year of 2022 which was a consequence of payments made by customers for package holidays, which took place in July and August 2023.

## 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 (-)76 thousand in the period in question of I half-year of 2023. In the period of I half-year of 2022 "My Way by Rainbow Tours" Sp. z o.o. earned single net loss in the amount of (-) PLN 30 thousand.

## Hotel business. White Olive 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's 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 start of the respective investments is dependent on obtaining formal documentation required by the law, after which event, the subsidiary will start the investment.

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 half-year of 2023 above.

The subsidiary White Olive A.E. for I half-year of 2023 made a net loss in the amount of (-) 5 735 thousand [in I half-year 2022 White Olive A.E. earned net loss in the amount of (-) PLN 3,525 thousand]. The result is an expected occurrence, when this subsidiary incurred fixed costs and earned revenue only for the period of less than two months of operations (hotel operations generally start at the turn of April and May of the calendar year and in I half-year of a year earned revenue for the period of around two months).

#### **Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri Anonim Sirketi**

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. Through the operations of Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S the Parent Company (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). In the following stage the subsidiary will be ready to offer touristic products also to other market entities (tour operators).

In I half-year of 2023 the subsidiary Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S the company recorded sales at the level of PLN 16,604 thousand and earned net profit in the amount of PLN 2,183 thousand. In the comparative period of I half-year of 22 Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S. recorded sales at the level of PLN 12,798 thousand and earned net profit in the amount of PLN 1,027 thousand.

#### **ALTERNATIVE MEASUREMENT OF PERFORMANCE – SELECTED FINANCIAL RATIOS**

When making (in respect of information of the Management Board of the Parent Company on operations of Rainbow Tours and Rainbow Tours Group) assessment and description - 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 30/06/2023	from 01/01/2022 to 30/06/2022	from 01/01/2023 to 30/06/2023	from 01/01/2022 to 30/06/2022
	PLN'000	PLN'000	PLN'000	PLN'000
EBIT = profit / (loss) on operations	68 166	(12 566)	67 508	(13 072)

### 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 30/06/2023	from 01/01/2022 to 30/06/2022	from 01/01/2023 to 30/06/2023	from 01/01/2022 to 30/06/2022
	PLN'000	PLN'000	PLN'000	PLN'000
Sales revenue	1 243 976	809 419	1 265 086	820 484
Gross profit/loss on sales	203 367	72 390	209 725	76 805
<b>Gross Margin</b>	<b>16.35%</b>	<b>8.94%</b>	<b>16.58%</b>	<b>9.76%</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 01/01/2022 to 30/06/2022	from 01/01/2022 to 30/06/2022	from 01/01/2023 to 30/06/2023	from 01/01/2022 to 30/06/2022
	PLN'000	PLN'000	PLN'000	PLN'000
[A] Profit (loss) on operations	68 166	(12 566)	67 508	(13 072)
[B] Amortization (in plus)	8 822	8 169	12 696	13 222
<b>EBITDA = [A] + [B]</b>	<b>76 988</b>	<b>(4 397)</b>	<b>80 204</b>	<b>150</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 01/01/2022 to 30/06/2022	from 01/01/2022 to 30/06/2022	from 01/01/2023 to 30/06/2023	from 01/01/2022 to 30/06/2022
	PLN'000	PLN'000	PLN'000	PLN'000
[A] Overdrafts	2	55 220	2	55 220
[B] Revolving credits	-	-	-	-
[C] bank investment loans	-	-	45 982	56 756
[D] financial lease liabilities	694	509	694	509
[E] Liabilities arising on subsidy loan	-	2 814	416	4 810
<b>Financial Debt = [A] + [B] + [C] + [D] + [E]</b>	<b>696</b>	<b>58 543</b>	<b>47 094</b>	<b>117 295</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 01/01/2022 to 30/06/2022	from 01/01/2022 to 30/06/2022	from 01/01/2023 to 30/06/2023	from 01/01/2022 to 30/06/2022
	PLN'000	PLN'000	PLN'000	PLN'000
[A] financial debt	696	58 543	47 094	117 295
[B] cash and cash equivalents	279 657	202 193	294 480	207 784
<b>Net financial debt = [B] - [A]</b>	<b>278 961</b>	<b>143 650</b>	<b>247 386</b>	<b>90 489</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 01/01/2022 to 30/06/2022	from 01/01/2022 to 30/06/2022	from 01/01/2023 to 30/06/2023	from 01/01/2022 to 30/06/2022
	PLN'000	PLN'000	PLN'000	PLN'000
[A] financial debt	696	58 543	47 094	117 295
[B] right of use liabilities	27 861	22 914	38 402	35 127
<b>Total debt = [A] + [B]</b>	<b>28 557</b>	<b>81 457</b>	<b>85 496</b>	<b>152 422</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 01/01/2022 to 30/06/2022	from 01/01/2022 to 30/06/2022	from 01/01/2023 to 30/06/2023	from 01/01/2022 to 30/06/2022
	od 01/01/2023	od 01/01/2022	PLN'000	PLN'000
[A] total debt	28 557	81 457	85 496	152 422
[B] cash and cash equivalents	279 657	202 193	294 480	207 784
<b>Total Debt = [B] - [A]</b>	<b>251 100</b>	<b>120 736</b>	<b>208 984</b>	<b>55 362</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 01/01/2022 to 30/06/2022	from 01/01/2022 to 30/06/2022	from 01/01/2023 to 30/06/2023	from 01/01/2022 to 30/06/2022
	PLN'000	PLN'000	PLN'000	PLN'000
[A] Sales revenue	1 243 976	809 419	1 265 086	820 484
[B] Net profit (loss)	55 927	(11 437)	52 900	(12 887)
<b>Net margin = [B] / [A]</b>	<b>4.50%</b>	<b>(1.41%)</b>	<b>4.18%</b>	<b>(1.57%)</b>

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

In the period of I half-year 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 half-year 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 the consolidated financial statements of Rainbow Tours Group for I half-year 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 the consolidated financial statements of Rainbow Tours Group for I half-year 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 half-year of 2023, that is as at 29.09.2023).

Share series	Type of shares	number of shares [piece.]	Share capital [%]	Number of votes at GM]	Total votes at 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>
<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 extended consolidated report for I half-year of 2023 for publication that is as at 29.09.2023) - 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 half-year of 2023 for publication that is as at 29.09.2023 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.	1 280 000	2 135 000	8.80%	11.62%
Elephant Capital Sp. z o.o.	1 145 000	1 845 000	7.87%	10.04%
TCZ Holding Sp. z o.o.	1 035 000	1 735 000	7.11%	9.44%
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	6 497 195	6 507 195	≈44.65%	35.41%
<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 and indirectly, as at as at the date of approval of this extended consolidated report for I half-year of 2023 for publication, that is that is as at 29.09.2023, 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.	1 280 000	2 135 000	8.80%	11.62%
Remigiusz Talarek	Directly	1 050	1 050	0.0072%	0.0057%
	Indirectly, through the subsidiary: Elephant Capital Sp. z o.o.	1 145 000	1 845 000	7.87%	10.04%
	<b>Total – Directly and indirectly</b>	<b>1 146 050</b>	<b>1 846 050</b>	<b>7.88%</b>	<b>10.05%</b>
Tomasz Czaplą	Indirectly, through the subsidiary: TCZ Holding Sp. z o.o.	1 035 000	1 735 000	7.11%	9.44%
Nationale-Nederlanden PTE S.A. (Through managed funds)	Indirectly (through managed funds)	1 718 000	1 718 000	11.81%	9.35%
Generali PTE S.A. (Through managed funds)	Indirectly (through managed funds)	1 008 459	1 008 459	6.93%	5.49%

shareholder	Number of shares [piece]	Number of votes at GM from shares [piece]	Company's share capital [%]	Total votes at GM [%]
OTHER SHAREHOLDERS	6 496 145	6 506 145	≈44.64%	≈35.40%
<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 (that is the Extended Consolidated Report of Rainbow Tours Group from I quarter of 2023 – Qsr – 1/2023) that is from 26.05.2023 there were no changes in ownership structure of significant blocks of shares of the Issuer.

- on 03.08.2023 the Company received a notification made pursuant to art. 19 section 1 of MAR (the company informed about the fact in the current report No 30/2023 of 03.08.2023 ), about sale of shares by Elephant Capital a limited liability company as a person closely linked to Mr Remigiusz Talarek – a member of the Supervisory Board of Rainbow Tours S.A., that is a person with governing function in the Company (pursuant to MAR); according to the notification Elephant Capital Sp. z o.o. (a subsidiary of Mr Remigiusz Talarek – a member of the Supervisory Board of the Company) sold on 02.08.2023 500,000 shares of the Issuer (for the single/average price of PLN 45.50 per share)

Taking into account the notification, in connection with the above transactions as at the date of approval of this extended consolidated report for I half-year of 2023 that is as at 29.09.2023, Elephant Capital Sp. z o.o. (subsidiary of Mr Remigiusz Talarek – a member of the Supervisory Board of the Company) holds directly total of 1,145,000 shares of the Issuer (with 1,845,000 votes at the General Meeting of the Company), which is respectively 7.87% of the share capital of the Company and 10.04% of votes at the General Meeting of the Company, Mr Remigiusz Talarek – a member of the Supervisory Board holds directly 1,050 shares of the Issuer (with 1,050 votes at the General Meeting of the Company), which is respectively 0.0072% of the share capital of the Company and 0.0057% of votes at the General Meeting of the Company, Mr Remigiusz Talarek holds indirectly (through Elephant Capital Sp. z o.o.) and directly total of 1,146,050 shares of the issuer (with total of 1,846,050 votes at the General Meeting of the Company), which is respectively 7.88% of the share capital of the Company and 10.05% of the votes at the General Meeting of the Company.

- On 03.08.2023, the Company received a notification made pursuant to art. 19 section 1 of MAR (the company informed about the fact in the current report No 31/2023 of 03.08.2023 ) about sale of shares by Flyoo a limited liability company as a person closely linked to Mr Grzegorz Baszczyński – a member of the Supervisory Board of Rainbow Tours S.A., that is a person with governing function in the Company (pursuant to MAR); according to the notification Flyoo Sp. z o.o. (a subsidiary of Mr Grzegorz Baszczyński – a member of the Supervisory Board of the Company) sold on 02.08.2023 300,000 shares of the Issuer (for the single/average price of PLN 45.50 per share).

Taking into account the notification, in connection with the above transactions as at the date of approval of this extended consolidated report for I half-year of 2023 that is as at 29.09.2023, Flyoo Sp. z o.o. ( subsidiary of Mr Grzegorz Baszczyński – a member of the Supervisory Board of the Company) holds directly total of 1,280,000 shares of the Issuer (with 2,135,000 votes at the General Meeting of the Company), which is respectively 8.80% of the share capital of the Company and 11.62% of votes at the General Meeting of the Company, Grzegorz Baszczyński – a member of the Supervisory Board does not hold shares of the Issuer directly.

- On 03.08.2023, the Company received a notification made pursuant to art. 19 section 1 of MAR (the company informed about the fact in the current report No 32/2023 of 03.08.2023 ) about sale of shares by TCZ Holding a limited liability company as a person closely linked to Mr Tomasz Czapla – a member of the Supervisory Board of Rainbow Tours S.A., that is a person with governing function in the Company (pursuant to MAR); according to the notification TCZ Holding Sp. z o.o. (a subsidiary of Mr Tomasz Czapla – a member of the Supervisory Board of the Company) sold on 02.08.2023 300,000 shares of the Issuer (for the single/average price of PLN 45.50 per share).

Taking into account the notification and based on separate notification provided by TCZ Holding Sp. o.o. on 03.08.2023 (pursuant to art. 69 of the act on public offering and conditions of introducing financial instruments to organized trade and about public company, about which fact the Company informed in the current report no 33/2023 of 03.08.2023) in connection with the above transactions TCZ Holding Sp. z o.o. reduced its of over 10% of total number of votes and a consequence of the reduction holds less than 10% of total number of vote, as at the date of approval of this extended consolidated report for I half-year of 2023 that is as at 29.09.2023, TCZ Holding Sp. z o.o. (subsidiary of Mr Tomasz Czapla – a member of the Supervisory Board of the Company) holds directly total of 1,035,000 shares of the Issuer ( with 1,735,000 votes at the General Meeting of the Company), which is respectively 7.11% of the share capital of the Company and 9.44% of votes at the General Meeting of the Company, Mr Tomasz Czapla – a member of the Supervisory Board does not hold shares of the Issuer directly.

**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 report for I half-year of 2023 that is as at 29.09.2023:

- Two members of the three-member Management Board of the Parent Company (Mr Maciej Szczechura, who is the President of the Management Board and Mr Jakub Puchałka, who is a member of the Management Board) hold shares directly
- 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 Czaplą, 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.	1 280 000	2 135 000	8,80%	11.62%
	<b>Total</b>	<b>1 280 000</b>	<b>2 135 000</b>	<b>8,80%</b>	<b>11.62%</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.	1 145 000	1 845 000	7,87%	10.04%
	<b>Total</b>	<b>1 146 050</b>	<b>1 846 050</b>	<b>7,88%</b>	<b>10.05%</b>
Tomasz Czaplą - the Member of the Supervisory Board	directly	-	-	0,00%	0.00%
	Indirectly, through the subsidiary: TCZ Holding Sp. z o.o.	1 035 000	1 735 000	7,11%	9.44%
	<b>Total</b>	<b>1 035 000</b>	<b>1 735 000</b>	<b>7,11%</b>	<b>9.44%</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 Extended Consolidated Report of Rainbow Tours Group for I quarter of 2023 – QSr 1/2023) that is from 26.05.2023 there were no changes in ownership of share held by members of the Management Board and the Supervisory Board.

- on 03.08.2023 the Company received a notification made pursuant to art. 19 section 1 of MAR (the company informed about the fact in the current report No 30/2023 of 03.08.2023), about sale of shares by Elephant Capital a limited liability company as a person closely linked to Mr Remigiusz Talarek – a member of the Supervisory Board of Rainbow Tours S.A., that is a person with governing function in the Company (pursuant to MAR); according to the notification Elephant Capital Sp. z o.o. (a subsidiary of Mr Remigiusz Talarek – a member of the Supervisory Board of the Company) sold on 02.08.2023 500,000 shares of the Issuer (for the single/average price of PLN 45.50 per share)

Taking into account the notification, in connection with the above transactions as at the date of approval of this extended consolidated report for I half-year of 2023 that is as at 29.09.2023, Elephant Capital Sp. z o.o. (subsidiary of Mr Remigiusz Talarek – a member of the Supervisory Board of the Company) holds directly total of 1,145,000 shares of the Issuer (with 1,845,000 votes at the General Meeting of the Company), which is respectively 7.87% of the share capital of the Company and 10.04% of votes at the General Meeting of the Company, Mr Remigiusz Talarek – a member of the Supervisory Board holds directly 1,050 shares of the Issuer (with 1,050 votes at the General Meeting of the Company), which is respectively 0.0072% of the share capital of the Company and 0.0057% of votes at the General Meeting of the Company, Mr Remigiusz Talarek holds indirectly (through Elephant Capital Sp. z o.o.) and directly total of 1,146,050 shares of the issuer (with total of 1,846,050 votes at the General Meeting of the Company), which is respectively 7.88% of the share capital of the Company and 10.05% of the votes at the General Meeting of the Company.

- On 03.08.2023, the Company received a notification made pursuant to art. 19 section 1 of MAR (the company informed about the fact in the current report No 31/2023 of 03.08.2023 ) about sale of shares by Flyoo a limited liability company as a person closely linked to Mr Grzegorz Baszczyński – a member of the Supervisory Board of Rainbow Tours S.A., that is a person with governing function in the Company (pursuant to MAR); according to the notification Flyoo Sp. z o.o. (a subsidiary of Mr Grzegorz Baszczyński – a member of the Supervisory Board of the Company) sold on 02.08.2023 300,000 shares of the Issuer (for the single/average price of PLN 45.50 per share).

Taking into account the notification, in connection with the above transactions as at the date of approval of this extended consolidated report for I half-year of 2023 that is as at 29.09.2023, Flyoo Sp. z o.o. (subsidiary of Mr Grzegorz Baszczyński – a member of the Supervisory Board of the Company) holds directly total of 1,280,000 shares of the Issuer (with 2,135,000 votes at the General Meeting of the Company), which is respectively 8.80% of the share capital of the Company and 11.62% of votes at the General Meeting of the Company, Grzegorz Baszczyński – a member of the Supervisory Board does not hold shares of the Issuer directly.

- On 03.08.2023, the Company received a notification made pursuant to art. 19 section 1 of MAR (the company informed about the fact in the current report No 32/2023 of 03.08.2023 ) about sale of shares by TCZ Holding a limited liability company as a person closely linked to Mr Tomasz Czaplą – a member of the Supervisory Board of Rainbow Tours S.A., that is a person with governing function in the Company (pursuant to MAR); according to the notification TCZ Holding Sp. z o.o. (a subsidiary of Mr Tomasz Czaplą – a member of the Supervisory Board of the Company) sold on 02.08.2023 300,000 shares of the Issuer (for the single/average price of PLN 45.50 per share).

Taking into account the notification and based on separate notification provided by TCZ Holding Sp. o.o. on 03.08.2023 (pursuant to art. 69 of the act on public offering and conditions of introducing financial instruments to organized trade and about public company, about which fact the Company informed in the current report no 33/2023 of 03.08.2023) in connection with the above transactions TCZ Holding Sp. z o.o. reduced its of over 10% of total number of votes and a consequence of the reduction holds less than 10% of total number of vote, as at the date of approval of this extended consolidated report for I half-year of 2023 that is as at 29.09.2023, TCZ Holding Sp. z o.o. ( subsidiary of Mr Tomasz Czaplą – a member of the Supervisory Board of the Company) holds directly total of 1,035,000 shares of the Issuer ( with 1,735,000 votes at the General Meeting of the Company), which is respectively 7.11% of the share capital of the Company and 9.44% of votes at the General Meeting of the Company, Mr Tomasz Czaplą – a member of the Supervisory Board does not hold shares of the Issuer directly.

## **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 report for publication for I half-year of 2023, that is as at 29.09.2023, 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 are 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 the estimated amount in dispute is EUR 5,269,560 (the equivalent of PLN calculated at exchange rate of NBP of 30.06.2023 (Tab. 125/A/NBP/2023: 4.4503 EUR/PLN – 23,451,122.87 PLN) 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 enforcement proceedings have been pending.

Except for the above proceedings, as at the date of approval of this extended consolidated quarterly report for I half-year of 2023 publication, that is as at 29.09.2023, 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 30.06.2023 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 28 to the consolidated financial statements for I half-year 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 30.06.2023 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 2020 the amount of the overdraft line of credit is 35,000 thousand. The company could use the line till 7 November 2020. The interest rate was established according to market conditions based on WIBOR 1M + bank's margin.

Pursuant to the annex No A7/9619/16/M/04 of 05 November 2020 to the respective multifacility contract No 9619/16/M/04, the final date of repayment was extended until 07 December 2020. Pursuant to the annex No A8/9619/16/M/04 of 25 November 2020 to the respective multifacility contract No 9619/16/M/04, the date of final repayment was extended to 07 December 2022. Liquidity guarantees in the amount of 37,600 thousand (valid until 7 March 2023) granted by Bank Gospodarstwa Krajowego under portfolio line of guarantee contract of Liquidity Guarantee Fund PLG-FGP is a partial security for loan repayment. The guarantee secures 80% of the loan amount. On 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 30.06.2023 the Parent Company used the overdraft inn the amount of PLN 2 thousand, and the total amount of guarantees issued came to PLN 42,247 thousand, and the guarantee line was used in the amount equivalent of PLN 27,247 thousand and outside the limit: 15,000.

As at 30.06.2022 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 19,946 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 30.06.2023 the Company used neither nor the guarantee line.

As at 30.06.2022 the Company used the overdraft in the amount of PLN 25,108 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 didn't use the revolving credit and the overdraft, and guarantee line as at that date was also not used.

As at 30.06.2022 the Company used the overdraft in the amount of PLN 20,112 thousand, and it did not used revolving credit, and guarantee line as at that date was used in the amount translated to PLN - 15,684 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 30.06.2023 the investment loan was used by White Olive A.E. in the amount of EUR 10,369 thousand.

As at 30.06.2022 the investment loan was used by White Olive A.E. in the amount of EUR 12,260 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 Grzegorz Baszczyński –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.
  - 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.
- Mr. Tomasz Czapla – who, as at the date of preparation and signing of this report, was a member of the Supervisory Board
  - does not meet at least one criterion of independence provided under § 24 of the Article of Association, corporate governance rules No 2.3. covered by “Best Practice of GPW listed Companies, 2021”, the act of 11.05.2017 on expert auditors, audit companies and public supervision (the Act on Expert Auditors) and the annex II do Commission Recommendation EU 2005/162 EC and thus it does not have the status required for an independent member of the Supervisory Board of Rainbow Tours S.A.
  - does not meet at least one of the criteria of independence stipulated by the Act on Expert Auditors of 11.05.2017 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.
- Ms Monika Ostruszka –who, as at the date of preparation and signing of this report, was the member of the Supervisory Board and the 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 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
- Ms Joanna Stępień-Andrzejewska –who, as at the date of preparation and signing of this report, was the member of the Supervisory Board and the 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 of 11.05.2017 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.
  - Mr Remigiusz Talarek – 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 of 11.05.2017 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.
  - Mr Pawel 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 of 11.05.2017 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.

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 (29.09.2023 r.), include:

- Mrs. Monika Kulesza, a member of the Supervisory Board, who is the Chairman of the Audit Committee
- Ms Monika Ostruszka, a member of the Supervisory Board, and a 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 half-year of 2023, and also after the balance sheet date (30.06.2023 r.), 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 half year 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 by 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 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.

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., to provide tourism services in hotels owned By White Olive A.E. or leased on long-term.

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. Moreover, in the period of November – December 2022 the share capital of White Olive A.E. was increased.

### **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 September 2023 by the Main Statistical Office, concerning increases in prices of consumer goods and services in August 2023 the CPI inflation (consumer price index is the index of change of price of consumer goods and services calculated based on weighted average price of goods and services purchased by the average household) came in Poland to 10.1% year on year (in July 2023 the inflation rate was at the level of 10.8%) The current, as at the date of publication of this report, the reference rate, main interest rate of NBP, came to 6.00% (effective as at 27.09.2022, in June 2023, at the meeting the Monetary Policy Council decided not to increase the level of interest rates and maintained the respective main interest rate at the level of 0.75 percentage point.

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 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 oi**

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 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.

## V. DECLARATION OF THE MANAGEMENT BOARD

Acting pursuant to § 68 section 1 point 4) and § 69 section 1 point 4) of the Regulation of current and periodic information, and also considering provisions of § 62 section 3 and section 6 of the Respective Regulation, members of the Management Board of Rainbow Tours Company limited by shares, the Parent Company in Rainbow Tours Group, that is Maciej Szczechura – the President of the Management Board, Piotr Burwicz – Vice-chairman of the Management Board and Jakub Puchałka – who is a member of the Supervisory Board declare that:

- a) According to their best knowledge the abridged consolidated financial statements for I half-year of 2023 and the comparative date as well as interim abridged single financial statements for I half-year of 2023 and the comparative data were drafted according to applicable accounting rules and that they reflect truly, reliably and clearly assets and financial situation of Rainbow Tours Group and its financial performance as well as assets, and financial situation of Rainbow Tours Company limited by shares and its financial performance.,
- b) The report of operations of Rainbow Tours Group for I half-year of 2023 and the report of operations of Rainbow Tours Company limited by shares for I half-year of 2023 (drafted as a single document pursuant to § 62 section 6 of the Regulation on current and periodic information) provides truthful picture of growth and achievements as well as situation of the Group and Rainbow Tours Company limited by shares, including the description of basic threats and risks.

These abridged consolidated financial statements for I half-year of 2023 and the comparative data and the interim abridged single financial statements for I half-year of 2023 and the comparative data were approved for publication on 29 of September 2023.

The report was approved for publication on 29 of September 2023

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

**Łódź, 29th of September 2023**

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Maciej Szczechura  
the president of the Management Board

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Piotr Burwicz  
the vice-chairman of the Management  
Board

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Jakub Puchałka  
A member of the Management Board