

# Rozszerzony Skonsolidowany Raport Grupy Kapitałowej Rainbow Tours za III kwartał 2023 roku oraz narastająco za trzy kwartały 2023 roku

[sporządzony zgodnie z MSSF]

Łódź, dnia 17 listopada 2023 roku



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## I. SELECTED FINANCIAL DATA

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

STATEMENT OF FINANCIAL POSITION	PLN'000	PLN'000	EUR'000	EUR'000
	As at 30/09/2023 [not audited]	As at 31/12/2022 [audited]	As at 30/09/2023 [not audited]	As at 31/12/2022 [audited]
Non-current assets	371 564	287 469	80 154	61 295
Current assets	724 284	438 521	156 244	93 503
<b>Total assets</b>	<b>1 095 848</b>	<b>725 990</b>	<b>236 398</b>	<b>154 798</b>
<b>equity</b>	<b>305 048</b>	<b>153 903</b>	<b>65 806</b>	<b>32 816</b>
Issued share capital	1 455	1 455	314	310
Equity attributable to shareholders of the parent company	260 610	111 959	56 219	23 872
Long-term liabilities	92 904	133 520	20 041	28 470
Short-term liabilities	697 896	438 567	150 551	93 513
<b>Book value per share</b>	<b>20.96</b>	<b>10.58</b>	<b>4.52</b>	<b>2.26</b>

STATEMENT OF COMPREHENSIVE INCOME	PLN'000	PLN'000	EUR'000	EUR'000
	from 01/01/2023 to 30/09/2023 [not audited]	from 01/01/2022 to 30/09/2022 [not audited]	from 01/01/2023 to 30/09/2023 [not audited]	from 01/01/2022 to 30/09/2022 [not audited]
Continuing operations, sales revenue	2 699 128	1 933 539	585 113	412 444
Profit /loss on operations	210 123	50 109	45 550	10 689
Pre-tax profit (loss)	206 704	48 880	44 809	10 427
<b>Net profit (loss)</b>	<b>168 928</b>	<b>42 873</b>	<b>36 620</b>	<b>9 145</b>
Net profit (loss) attributable to shareholders of the parent company	<b>166 434</b>	<b>38 751</b>	<b>36 079</b>	<b>8 266</b>
Net profit (loss) per ordinary share attributable to shareholders of the parent company (denominated in PLN /EUR per share)				
- basic	11,61	2,95	2,52	0,63
- diluted	11,61	2,95	2,52	0,63
<b>Total comprehensive income</b>	<b>172 922</b>	<b>49 561</b>	<b>37 486</b>	<b>10 572</b>
Total comprehensive income attributable to:				
- shareholders of the parent company	<b>170 428</b>	<b>45 439</b>	<b>36 945</b>	<b>9 693</b>

CASHFLOW STATEMENT	PLN'000	PLN'000	EUR'000	EUR'000
	from 01/01/2023 to 30/09/2023 [not audited]	from 01/01/2022 to 30/09/2022 [not audited]	from 01/01/2023 to 30/09/2023 [not audited]	from 01/01/2022 to 30/09/2022 [not audited]
Net cash flow from operations	351 495	138 358	76 197	29 513
Net cash from investing activities	(20 384)	1 199	(4 419)	256
Net cash from financing activities	(90 975)	22 360	(19 721)	4 770
<b>Increase (decrease) in net cash and cash equivalents</b>	<b>240 136</b>	<b>161 917</b>	<b>52 056</b>	<b>34 539</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 30/09/2023 [not audited]	As at 31/12/2022 [audited]	As at 30/09/2023 [not audited]	As at 31/12/2022 [audited]
Non-current assets	254 032	179 979	54 800	38 376
Current assets	694 900	432 402	149 905	92 199
<b>Total assets</b>	<b>948 932</b>	<b>612 381</b>	<b>204 705</b>	<b>130 575</b>
<b>equity</b>	<b>239 702</b>	<b>107 527</b>	<b>51 709</b>	<b>22 927</b>
Issued share capital	1 455	1 455	314	310
Long-term liabilities	46 596	79 417	10 052	16 934
Short-term liabilities	662 634	425 437	142 945	90 713
<b>Book value per share PLN/EUR</b>	<b>16.47</b>	<b>7.39</b>	<b>4.00</b>	<b>1.58</b>

STATEMENT OF COMPREHENSIVE INCOME	PLN'000	PLN'000	EUR'000	EUR'000
	from 01/01/2023 to 30/09/2023 [not audited]	from 01/01/2022 to 30/09/2022 [not audited]	from 01/01/2023 to 30/09/2023 [not audited]	from 01/01/2022 to 30/09/2022 [not audited]
Continuing operations, sales revenue	2 637 645	1 896 867	576 245	404 622
Profit /loss on operations	183 589	31 484	40 109	6 716
Pre-tax profit (loss)	182 612	31 616	39 895	6 744
<b>Net profit (loss)</b>	<b>147 109</b>	<b>25 609</b>	<b>32 139</b>	<b>5 463</b>
Net profit (loss) per ordinary share (denominated in PLN /EUR per share)				
- basic	10,11	1,76	2,21	0,38
- diluted	10,11	1,76	2,21	0,38
<b>Total comprehensive income</b>	<b>153 950</b>	<b>25 947</b>	<b>33 633</b>	<b>5 535</b>

CASHFLOW STATEMENT	PLN'000	PLN'000	EUR'000	EUR'000
	from 01/01/2023 to 30/09/2023 [not audited]	from 01/01/2022 to 30/09/2022 [not audited]	from 01/01/2023 to 30/09/2023 [not audited]	from 01/01/2022 to 30/09/2022 [not audited]
Net cash flow from operations	316 410	120 227	69 126	25 646
Net cash from investing activities	(1 729)	1 879	-378	401
Net cash from financing activities	(83 564)	32 418	-18 256	6 915
<b>Increase (decrease) in net cash and cash equivalents</b>	<b>231 117</b>	<b>154 524</b>	<b>50 492</b>	<b>32 962</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 29.09.2023 (4.6356) 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 30.09.2023 (4.5773) and for the period from 01.01.2022 to 30.09.2022 (4.6880)

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

### 1. THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Nota	Stan na 30/09/2023 [not audited]	Stan na 31/12/2022 [audited]
		PLN'000	PLN'000
<b>Non-current assets</b>			
Tangible fixed assets	8	255 076	243 594
Investment property		196	196
Goodwill		4 541	4 541
other intangible assets		4 304	4 691
Deferred tax assets		36 602	12 210
Other receivables	9	70 845	22 237
<b>Total non-current assets</b>		<b>371 564</b>	<b>287 469</b>
<b>Current assets</b>			
Stocks		582	181
Trade and other receivables	9	72 666	52 302
Advance payments	9	225 815	177 374
Other financial assets	10	4 379	159
Current tax assets		2 900	6 075
Other assets	11	35 392	60 015
Cash and cash equivalents	12	382 550	142 415
<b>Total current assets</b>		<b>724 284</b>	<b>438 521</b>
<b>Total assets</b>		<b>1 095 848</b>	<b>725 990</b>

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

EQUITY AND LIABILITIES	Note	As at 30/09/2023 [not audited]	As at 31/12/2022 [not 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		3 547	(3 294)
Translation of foreign operations		5 831	8 678
Retained earnings		224 715	68 562
write-offs from net profit during the financial year		(11 496)	-
Equity attributable to shareholders of the parent company		260 610	111 959
Equity attributable to non-controlling interests		44 438	41 944
<b>Total equity</b>		<b>305 048</b>	<b>153 903</b>
<b>Long-term liabilities</b>			
Long-term loans, bank loans and credits and lease liabilities,	<b>13</b>	65 079	102 023
Pension liability	<b>15</b>	697	286
Long term provisions		1 181	516
deferred tax liability		2 063	1 150
Other liabilities		23 884	29 545
<b>Total long-term liabilities</b>		<b>92 904</b>	<b>133 520</b>
<b>Short-term liabilities</b>			
Trade payables and other liabilities	<b>14</b>	183 034	93 382
Short-term loans, bank loans and credits and lease liabilities	<b>13</b>	23 520	40 164
Other financial liabilities			4 067
Current tax liabilities		84 119	14 165
<i>Including income tax</i>		67 537	8 412
Short-term provisions	<b>15</b>	181 523	46 262
Deferred income	<b>16</b>	218 048	232 984
Other liabilities		7 652	7 543
<b>Total short-term liabilities</b>		<b>697 896</b>	<b>438 567</b>
<b>Total liabilities</b>		<b>790 800</b>	<b>572 087</b>
<b>Total equity and liabilities</b>		<b>1 095 848</b>	<b>725 990</b>

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



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

	Note	from 01/01/2023 to 30/09/2023 [not audited]	from 01/07/2023 to 30/09/2023 [not audited]	from 01/01/2023 to 30/09/2023 [not audited]	from 01/07/2023 to 30/09/2023 [not audited]
		PLN'000	PLN'000	PLN'000	PLN'000
<b>continuing operations</b>					
Sales revenue	17	2 699 128	1 434 042	1 933 539	1 113 055
Cost of sales	18	(2 222 813)	(1 167 452)	(1 716 545)	(972 866)
<b>Gross profit (loss) on sales</b>		<b>476 315</b>	<b>266 590</b>	<b>216 994</b>	<b>140 189</b>
Selling cost	18	(207 774)	(99 802)	(133 272)	(66 526)
Overheads	18	(56 487)	(24 048)	(34 792)	(13 335)
Other operating proceeds	19	1 886	490	4 708	4 326
Other operating costs	19	(3 817)	(615)	(3 529)	(2 630)
<b>Operating profit (loss)</b>		<b>210 123</b>	<b>142 615</b>	<b>50 109</b>	<b>62 024</b>
Financial revenue	20	10 871	7 119	3 829	3 579
Financial costs	20	(14 290)	(9 511)	(5 058)	(2 310)
<b>Pre-tax profit (loss)</b>		<b>206 704</b>	<b>140 223</b>	<b>48 880</b>	<b>63 293</b>
Income tax	21	(37 776)	(24 195)	(6 007)	(8 470)
<b>Net profit (loss) from continuing operations</b>		<b>168 928</b>	<b>116 028</b>	<b>42 873</b>	<b>54 823</b>
<b>Discontinued operations</b>					
Net profit (loss) from discontinued operations	22	-	-	-	-
<b>NET PROFIT (LOSS)</b>		<b>168 928</b>	<b>116 028</b>	<b>42 873</b>	<b>54 823</b>
<b>Items, which could be later carried to statement of comprehensive income</b>					
Translations of foreign operations		(2 847)	6 484	6 350	4 500
Effective part of profit and losses linked to hedging instrument in cash flow hedge		6 841	12 331	338	375
<b>total other net comprehensive income</b>		<b>3 994</b>	<b>18 815</b>	<b>6 688</b>	<b>4 875</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>172 922</b>	<b>134 843</b>	<b>49 561</b>	<b>59 698</b>
Net profit attributable to:					
shareholders of the parent company		166 434	110 832	38 751	49 502
non-controlling interests		2 494	4 126	4 122	5 321
		<b>168 928</b>	<b>114 958</b>	<b>42 873</b>	<b>54 823</b>
Total comprehensive income attributable to:					
shareholders of the parent company		170 428	129 647	45 439	54 377
non-controlling interests		2 494	4 126	4 122	5 321

The extended consolidated report of Rainbow Tours Group for III quarter of 2023  
(data in PLN thousand, unless provided otherwise)

Note	from 01/01/2022 to 30/09/2022 [not audited] PLN	from 01/07/2022 to 30/09/2022 [not audited] PLN	from 01/01/2021 to 30/09/2021 [not audited] PLN	from 01/07/2021 to 30/09/2021 [not audited] PLN
<b>Number of shares (in thousands)</b>	14 552	14 552	14 552	14 552
<b>Number of shares – diluted (in thousand)</b>	14 552	14 552	14 552	14 552
<b>Profit (loss) per share (in PLN per share))</b>				
on continuing and discontinuing operations				
Basic	<u>11.61</u>	<u>7.97</u>	<u>2.95</u>	<u>3.77</u>
Diluted	<u>11.61</u>	<u>7.97</u>	<u>2.95</u>	<u>3.77</u>
On continuing operations				
Basic	<u>11.61</u>	<u>7.97</u>	<u>2.95</u>	<u>3.77</u>
Diluted	<u>11.61</u>	<u>7.97</u>	<u>2.95</u>	<u>3.77</u>

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

### 3. THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued share capital	Share premium	Reserve – hedge accounting	Currency translation from foreign operations	Retained profits	Attributable to shareholders of the parent company	Attributable to non-controlling interests	Total
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
<b>For the period from 01/01/2022 to 30/09/2022 [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	-	-	-	-	38 751	38 751	4 122	42 873
(Net) other comprehensive income for the financial year	-	-	338	6 350	-	6 688	-	6 688
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>338</b>	<b>6 350</b>	<b>38 751</b>	<b>45 439</b>	<b>4 122</b>	<b>49 561</b>
other	-	-	-	-	1	1	-	1
<b>As at 30/09/2022</b>	<b>1 455</b>	<b>36 558</b>	<b>375</b>	<b>9 306</b>	<b>105 967</b>	<b>153 661</b>	<b>45 233</b>	<b>198 894</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 30/09/2023 [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	-	-	-	-	166 434	166 434	2 494	168 928
(Net) other comprehensive income for the financial year	-	-	6 841	(2 847)	-	3 994	-	3 994
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>6 841</b>	<b>(2 847)</b>	<b>166 434</b>	<b>170 428</b>	<b>2 494</b>	<b>172 922</b>
Other	-	-	-	-	(21 777)	(21 777)	-	(21 777)
<b>As at 30/09/2023</b>	<b>1 455</b>	<b>36 558</b>	<b>3 547</b>	<b>5 831</b>	<b>213 219</b>	<b>260 610</b>	<b>44 438</b>	<b>305 048</b>

#### 4. THE CONSOLIDATED CASH FLOW STATEMENT

description	Note	from 01/01/2023	from 01/01/2022
		to 30/09/2023 [not audited]	to 30/09/2022 [not audited]
		PLN'000	PLN'000
<b>I. Pre-tax profit (loss)</b>		<b>206 704</b>	<b>48 880</b>
<b>II. total adjustments</b>		<b>149 780</b>	<b>89 478</b>
Amortization and depreciation		16 484	19 985
Foreign exchange gains (losses)		(890)	27
interest and profit sharing (dividend)		11 802	5
profit (loss) from investing activities		(9 937)	(417)
Movement in provisions		128 657	248 816
movement in stocks		(401)	(317)
Movements in receivables and prepaid expenses		(133 935)	(256 474)
Movements in short-term liabilities and prepayment expenses except for loans, credits and financial lease		164 474	79 984
Other adjustments		(26 474)	(2 131)
<b>Net cash from operations</b>		<b>356 484</b>	<b>138 358</b>
Income tax paid		(4 989)	-
<b>Net cash flows from operations</b>		<b>351 495</b>	<b>138 358</b>
Interest received		5 364	2 330
Dividends received from entities consolidated under equity method		-	-
Proceeds from sale of financial assets held for sale		-	-
Proceeds from sale of non-current assets		56	285
<b>Proceeds from sale of short-term securities / Purchase of short-term securities</b>		-	-
Proceeds from sale of short-term securities		-	-
Purchase of short-term securities		-	-
<b>Borrowing / Repayment of bank loans and credits</b>		-	-
Repayment of loans and credits		-	-
Lending		-	-
<b>Proceeds from sale of a subsidiary/ Purchase of a subsidiary</b>		-	-
Proceeds from sale of a subsidiary		-	-
Purchase of a subsidiary		-	-
<b>Other Borrowing / Repayment</b>		-	-
Other borrowing		-	-
Other repayment		-	-
expenditure on purchase of non-current assets		25 804	1 416
<b>Net cash from investing activities</b>		<b>(20 384)</b>	<b>1 199</b>
Proceeds from taking up shares by FEZ FIZ AN PFR		-	-
<b>Borrowing / Repayment of loans / credits</b>		<b>(53 909)</b>	<b>29 589</b>
Borrowing - loans and credits		116	46 912
Repayment of loans and credits		(54 025)	(17 323)
<b>Borrowing / Repayment other</b>		-	-
Borrowing other – lease proceeds		-	-
Repayment other		(7 527)	-
repayment of finance lease liabilities		-	-

The extended consolidated report of Rainbow Tours Group for III quarter of 2023  
(data in PLN thousand, unless provided otherwise)

description	Note	from 01/01/2023	from 01/01/2022
		to 30/09/2023 [not audited]	to 30/09/2022 [not audited]
		PLN'000	PLN'000
Dividend paid out		(18 772)	-
Interest paid		(10 767)	7 229
<b>Net cash from financing activities</b>		<b>(90 975)</b>	<b>22 360</b>
<b>Increase/ (decrease) in net cash and equivalents</b>		<b>240 136</b>	<b>161 917</b>
<b>Balance sheet movement in cash</b>		<b>240 136</b>	<b>161 917</b>
Movement in cash from exchange gains/losses		(1)	-
the opening balance of cash and cash equivalents		142 415	83 935
The closing balance of cash and cash equivalents		382 550	245 852

## 5. NOTES TO THE INTERIM ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

### Note 1. Details of the parent company

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

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

**NIP No (National Tax Identification Number):** 7251868136

**REGON No (National Business Registry Number):** 473190014

**KRS No (National Court Registry No):** 0000178650

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

#### **Core business, industry sector in WSE:**

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

#### **Duration:**

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

#### **Stock Exchange Quotation**

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

ISIN code for Companies shares traded in the Warsaw Stock Exchange: PLRNBWT00031.

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

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

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

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

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

As at the balance sheet date (30.09.2023) and as at the date of approval of this report (17.11.2023) for publication the Management Board of the Parent Company was as follows:

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

Within the period covered by these interim abridged consolidated financial statements (in the period of three quarters of 2023) and after the balance sheet date (30.09.2023) and up to the date of approval of this report for publication (17.11.2023) 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 of 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 because of his resignation on 28.06.2023, as of 30.06.2023 he neither performs his function in the Management Board nor is 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 persons 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 Puchalka is still, also as of 01.07.2023 was, 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 (the period of three quarters of 2023) as well as after the balance sheet date (30.09.2023) up to the date of approval of this report for publication (17.11.2023) there were no other changes in the composition of the Management Board of the Company.

The current fourth five-year joint term of office of the Management Board of the Company expires on 25.08.2025, and the mandates expire 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 members of the Management Board expire also 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 – the 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 that 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 (30.09.2023) and as the date of approval of this report for publication (17.11.2023) the Supervisory Board of the Parent Company comprised 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.

In the period covered by these interim abridged consolidated financial statements (the period of three quarters of 2023) and also after the balance sheet date ((30.09.2023) up to the date of approval of this report for publication (17.11.2023) 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 the Resolution No 22 and the 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 that is 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, to 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, the 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 consistent and systematic changes (starting from 2016) in the composition of the Management Board, and also changes connected with transfers of long-term members of the management board of the company to the supervisory board of the Company (in 2021, 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 a resolution in this respect); these changes are natural generational changes in the management board of Rainbow Tours S.A. The persons newly appointed to the management board are people who undergone natural career path in the Company and worked in Rainbow Tours in senior managerial roles, 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 additionally, are highly educated, have extensive professional experience in different professional roles, and that creates the opportunity to benefit from their talents and develop them in Rainbow Tours (Mr Piotr Burwicz, Mr Maciej Szczechura and Mr Jakub Puchałka).

Considering the above mentioned 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", which is developed with many successes from the start of the Company (that is from 2003), but also earlier at the stage of organization and operations of predecessors of Rainbow Tours S.A., and to this end he made a transfer from the management board to the supervisory board and concentrated - on behalf of all shareholders of Rainbow Tours S.A. - on high level expert supervision 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 fundamental 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 (the period of three quarters of 2023) as well as after the balance sheet date (30.09.2023) up to the date of approval of this report for publication (17.11.2023) there were no other changes in composition of the Supervisory Board of the Parent Company.

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 – the 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, that 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.



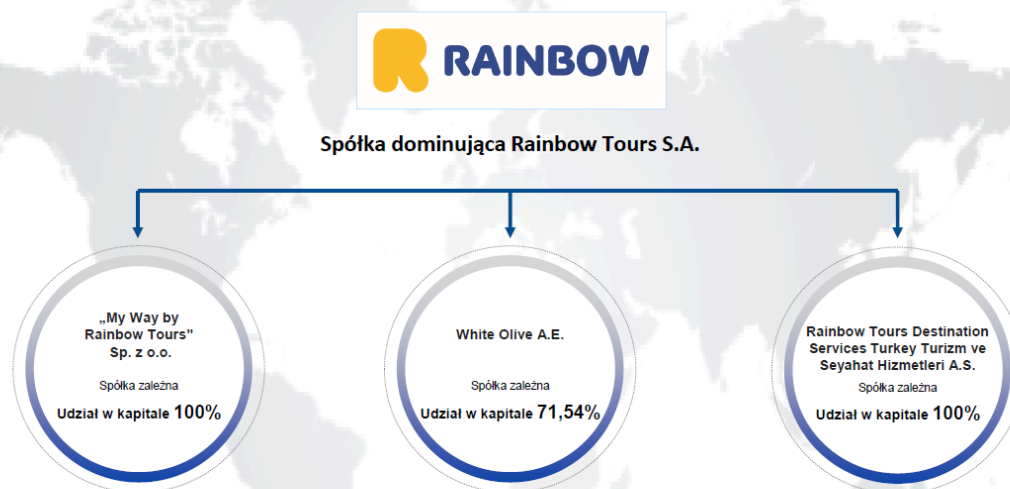
## Note 2. Description of the Capital Group with entities subject to consolidation

The table below presents structure of Rainbow Tours Group as at the balance sheet date (30.09.2023), 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 (30.09.2023), 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 Turkish law].

RAINBOW TOURS GROUP AS AT 30.09.2023					
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



W dniu 21.11.2022 r. do Głównego Rejestru Przedsiębiorców w Republice Grecji (G.E.M.I.) wpisano Decyzję Urzędu G.E.M.I. o połączeniu (przez przejęcie) White Olive A.E. (spółka przejmująca) ze spółką dotychczas zależną od White Olive A.E., tj. White Olive Premium Lindos A.E. (spółka przejęta)

As at 30.09.2022 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].

In the period of October and November 2022 there was a merger (through acquisition) in the Group: White Olive A.E. (the acquiring company) acquired its previous subsidiary, that is White Olive Premium Lindos A.E. (the acquired company). On 21.11.2022 the decision of the G.E.M.I. office was recorded in the Main Register of Entrepreneurs in the Republic of Greece. Moreover, in the period of November and October 2022 the share capital of White Olive A.E. was increased.

Description of the subsidiaries forming Rainbow Tours Group and consolidated as at 30.09.2023:

### **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**

Rainbow Tours S.A. formed the respective company limited by shares operating under Greek law in January 2016. In the period of October and November 2022 the merger (through acquisition) took place in the Group White Olive A.E. (the acquiring company) acquired its previous subsidiary that is White Olive Premium Lindos A.E. (the acquired company). On 21.11.2022 the decision of the G.E.M.I. office was recorded in the Main Register of Entrepreneurs in the Republic of Greece. Moreover, in the period November and October 2022 the share capital of White Olive A.E. was increased.

White Olive A.E. provides hotel services and after the merger with White Olive Premium Lindos A.E. (previously – its subsidiary; the acquired company) is the owner of four hotel properties (two properties are situated on the Greek Island – Zakynthos, one property on the island of Crete, and one property on Rhodes). In the period after the reporting period, pursuant to the respective contract of 04.10.2023 concerning termination of sub-lease contract (the sub-lease contract of 22.04.202, continuation of the sublease contract of 11.04.2018), the subsidiary of the Issuer, that is White Olive A.E., stopped provision of its hotel services in the hotel then operating under the name: “White Olive Premium Cameo” - a four-star hotel situated in the town of Agios Sostis on the Greek island Zakynthos. The decision to stop provisions of hotel services in the sub-leased hotel and termination of the sub-lease contract was made because significant investments engaging substantial amounts of funds were necessary to improve hotel infrastructure of the respective hotel, which is the property of a third party (the lessor). White Olive A. E’s plans of further operations include expansion of operations in hotels - owned by the Company, not leased property. Ownership of hotel property not only provides possibility to create and manage a product, but also enables to get financial results that are higher and more stable. The expansion of the hotel chain allows the Group to earn higher margin. In I quarter of 2023 White Olive A.E. made an investment in Greece – it purchased plots of land on Rhodes. The subsidiary White Olive A.E. acquired three plots of land with the total area of 11 thousand m2. The plots are located in the direct neighbourhood of White Olive Premium Lindos hotel. The respective purchase will enable to expand the hotel by some 75-82 rooms without extension of the associated infrastructure - communal areas and kitchen facilities.

As at the date of approval of this report for publication (17.11.2023) “White Olive” hotel chain run directly by White Olive A.E. consists of 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 run by the entity; the hotel “White Olive Premium Laganas” offers 137 spacious and modernly furnished four-star hotel rooms in six types,
- “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 run by the entity, “White Olive Elite Laganas” hotel is a modern establishment 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 the entity (from October 2019 to June 2021 the hotel was run by White Olive A.E. under a long-term lease);” after a 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-floor 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 of the subsidiary of Rainbow Tours, which started in February 2020, and was carried out in 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 expand business operations of Rainbow Tours Group in the sector 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 consistent with the Issuer’s strategy of vertical integration, which in the intention of Rainbow Tours provides for (with the same time resignation from external suppliers) substantial optimisation of costs of provision of package holiday services, as well as increase 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 months ended on 30.09.2023), as well as after the balance sheet date, up to the date of signing these financial statements (17.11.2023), no changes occurred in Rainbow Tours Group.

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

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

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

- in case of the statement of the financial position – data as at 30.09.2023 and the comparative data as at 31.12.2022
- in case of the statement of comprehensive income – data for III quarter of 2023 that is for the period from 01.07.2023 to 30.09.2023 and the data accruing for the period from 01.01.2023 to 30.09.2023 and the comparative data for II quarter of 2022, that is for the period from 01.07.2022 to 30.09.2022 and the data accruing for the period from 01.01.2022 to 30.09.2022
- in case of the statement of changes in equity - data accruing for the current financial year that is for the period of nine months ended on 30.09.2023 and the comparative data for the period of nine months ended on 30.09.2022; The issuer decided to publish additional data for the period of 12 months ended on 31.12.2022.

The abridged interim consolidated financial statements do not cover all information that is disclosed in the annual consolidated financial statements drafted according to IFRS. These consolidated financial statements should be read jointly with the consolidated annual financial statements of Rainbow Tours Group for the financial year 2022, which was published in the consolidated periodic annual report RS/2022 on 28.04.2023.

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

Financial statements of individual entities of the Group are presented in the currency of the basic economic environment, where the entities are operating ("in functional currency"). The consolidated financial statements are drafted in Polish zloty (PLN), which is the presentation and functional currency of the parent company. All financial data are presented in thousands of Polish zloty, unless provided otherwise. Some financial data presented in these financial statements were rounded. Consequently, some of the totals presented in the in tables: in a given column or line may vary slightly from the total value for a given column or line.

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

These abridged interim consolidated financial statements are not subject to approval by the approving body under art. 53 of the Accounting Act of 29.09.1994.

These abridged interim consolidated financial statements are signed by the head of the unit, that is the Management Board of Rainbow Tours S.A. and if a person is appointed to keep the accounts, then that person. These abridged interim consolidated financial statements were approved for publication and signed on 17.11.2023 r.

## **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 2021, which was published in the consolidated periodic annual report RS/2021 on 29.04.2022.

## **4.4 Important accounting rules**

These consolidated financial statements apply accounting policy, which was drafted according to International Financial Reporting Standards (IFRS) and interpretations issued by International Accounting Standards Board (IASB) as well as International Financial Reporting Interpretations Committee (IFRIC) in the form approved and published by EU. Detailed description of the accounting rules adopted by the Group was presented in part IV "Accounting rules (policy) of the Group" in the consolidated annual financial statements of Rainbow Tours Group for the financial year 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 same rules applied to the current and the comparative period:

## **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 30.09.2023 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:

### **Changes resulting from amendments in IFRS**

From the start of the financial year 2023 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 asses 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.

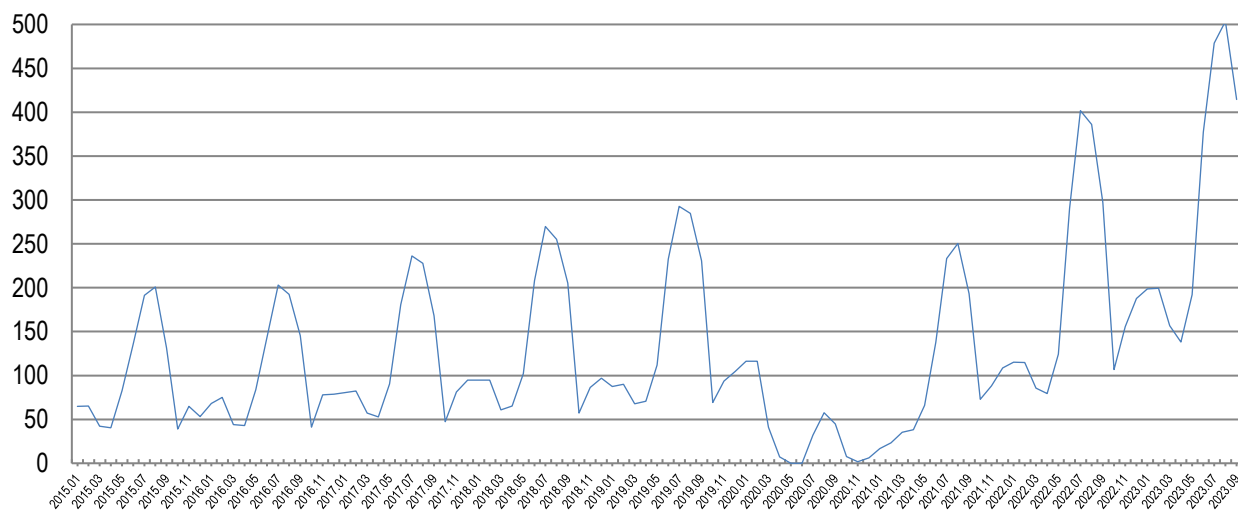
The charts below present: amount of revenue from sales of package travel in the period from January 2015 to March 2023 (on the month-on-month basis over the years and in individual months of the year for different financial/ calendar years.) and also the value of revenue from sales of package travel on quarter-on-quarter basis in years 2012 – 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.

The charts presented below show the impact of COVID-19 pandemic on operations of the Parent Company, which during lockdowns and because of the effects of SARS-CoV-2 pandemic did not earn sales revenue in II quarter of 2020 and recorded lower level of sales revenue for individual quarters of 2020 and 2021. The presented amounts refer exclusively 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 with all entities and subsequent exclusion of mutual transactions.

### Chart. –Monthly sales revenue from 2015.01 to 2023.09

#### month on month sales revenue - the period from 2015.01 to 2023.09



— Przychody ze sprzedaży miesięczne na przełomie lat - okres od 2015.01 do 2023.09

Chart – Comparison of sales revenue on month-on-month basis from 2015 – 2023 (to September 2023)

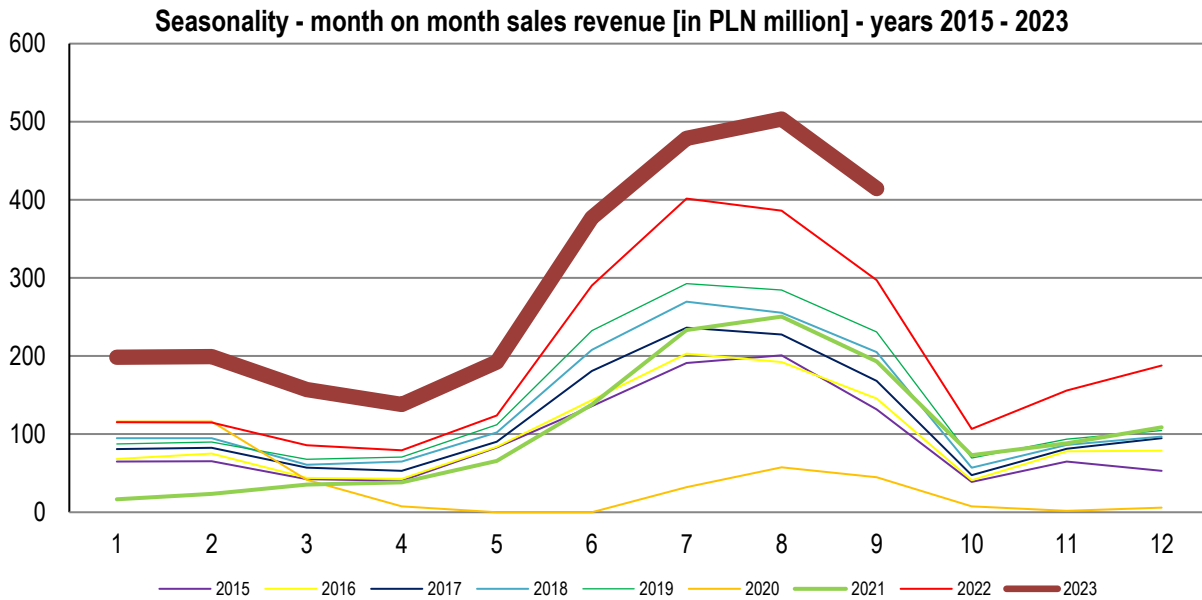
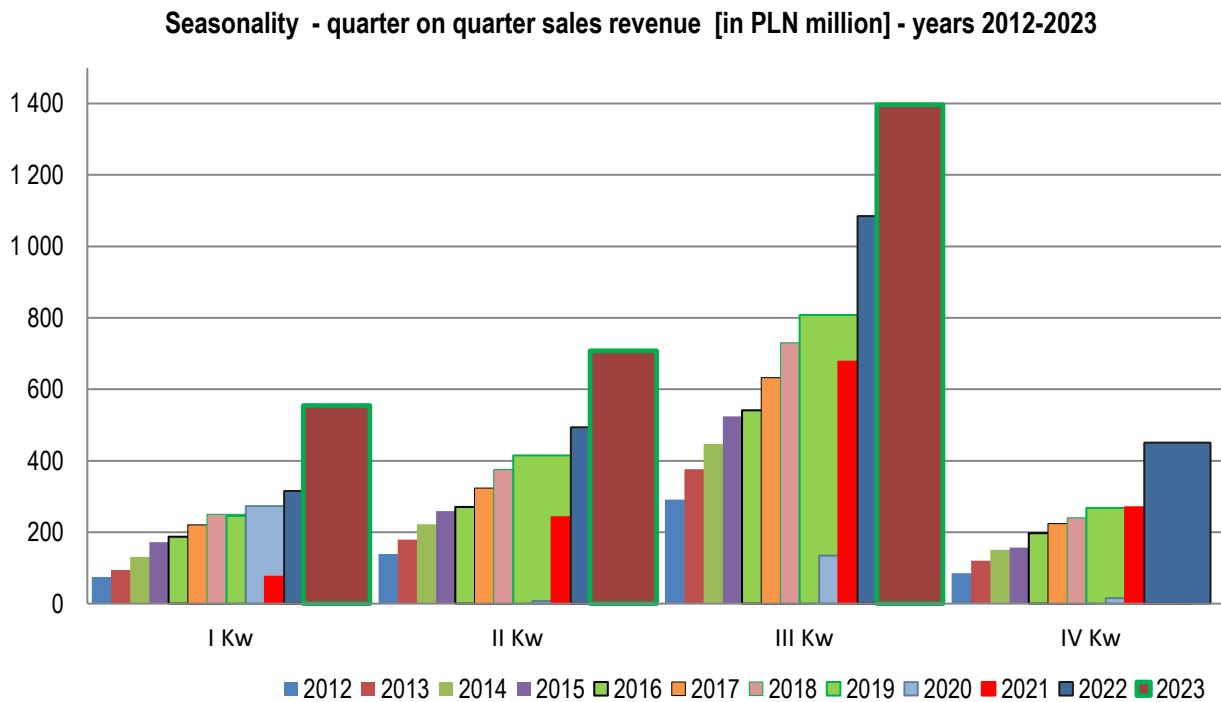


Chart. – comparison of quarter-on-quarter sales revenue from 2012 – 2023





## 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 III quarter of 2023 and also accruing in the period of three quarters of 2023 (that is from 01.01.2023 to 30.09.2023) and also in the period after the balance sheet date (that is after 30.09.2023) up to the date of signing this report (17.11.2023), neither the Parent Company in the Group nor other of the companies of Rainbow Tours issued, bought back or repaid non-equity or equity securities.

## Note 8. Tangible fixed assets

	As at 30/09/2023 [not audited]			As at 31/12/2022 [not audited]		
	TOTAL	Own	Leased	TOTAL	Own	Leased
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Own land	30 974	30 974	-	24 277	24 277	-
Buildings	155 115	155 115	-	148 777	148 777	-
Right of use assets	44 222	-	44 222	48 712	-	48 712
Plant and Machinery	2 744	2 744	-	1 358	1 358	-
Motor vehicles	1 434	442	992	1 318	411	907
Equipment	15 314	15 314	-	14 199	14 199	-
Capital expenditure	5 273	5 273	-	4 953	4 953	-
	<b>255 076</b>	<b>209 862</b>	<b>45 214</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 non-current 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 non-current assets held for sale.

## Note 9. Receivables and other receivables

	As at 30/09/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
Trade receivables	60 513	27 907
Allowance for doubtful debts	(4 903)	(4 331)
	<b>55 610</b>	<b>23 576</b>

*Deferred sales proceeds:*

	As at 30/09/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
Other receivables	13 315	10 017
Other receivables – deposits	70 845	22 237
Cash and cash equivalents	3 741	18 709
	<b>143 511</b>	<b>50 963</b>
Non-current assets	70 845	22 237
Current assets	72 666	52 302
<b>Total</b>	<b>143 511</b>	<b>74 539</b>

Increase in receivables as at 30.09.2023 against 31.12.2022 is a typical occurrence related to seasonality of operations of the Issuer.

Table. Receivables and movements in allowance for bad debt

	The period of 9 months ended on 30/09/2023 [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 for bad debt	(572)	(488)
Amounts written off as uncollectible	-	-
Amounts recovered during a year	-	-
Reversal of allowance for bad debt	-	-
Reversal 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 - retails stores and call centre, and through network of agents). In case of services sold by stores, customers have to pay for a package tour immediately. The receivables arise only in case of sales through agents, which have specified deadlines for payment for package tours. Additionally, the parent company sells package travel as part of its intermediary activities [sales of plane tickets, sales of blocks of seats in planes] and other services, which support tourism services.

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

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

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

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

Ad. 1)

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

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

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

Ad. 2)

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

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

Ad. 3)

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

	09/2023	12/2022	09/2022
	PLN'000	PLN'000	PLN'000
Hotel deposits	210 887	163 351	219 441
Total assets	960 428	612 381	788 916
Sales revenue – annualised from July to balance sheet date.	3 092 866	2 352 088	2 166 584
total deposits to assets	21.96%	26.67%	27.82%
deposits to revenue in the period	6.82%	6.94%	10.13%

When the Company transfers funds it the respective amounts are secured – as promissory note declarations, in particular cases, the company establishes mortgages on hotel properties. The number of write-offs as at 2022, came to PLN 5 839 thousand, and as at September 223 it came to PLN 5 838 thousand.

### Advance payments

	Stan na 30/09/2023	Stan na 31/12/2022
	[not audited]	[audited]
	PLN'000	PLN'000
Advance payments – advances paid - hotels	208 156	163 980
allowance for non-performing receivables	(5 838)	(5 838)
Other receivables – advances paid – air transportation	23 497	19 232
	<b>225 815</b>	<b>177 374</b>

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

	As at 30/09/2023	As at 31/12/2022
	[not audited]	[audited]
	PLN'000	PLN'000
Opening balance	(5 838)	(2 946)
allowance for bad debt	-	(2 892)
amounts written off as uncollectible	-	-
amounts recovered within a year	-	-
reversal of allowance for bad debt	-	-

Discount reversal	-	-
closing balance	(5 838)	(5 838)

## Note 10. Other financial assets

	As at 30/09/2023 [not audited] PLN'000	As at 31/12/2022 [audited] PLN'000
<b>Derivatives designated and effective as hedging instruments carried at fair value through profit of loss</b>		
Currency forward contracts	4 379	-
	<b>4 379</b>	<b>-</b>
<b>Assets valued at amortised costs – lending</b>		
Lending to related parties	-	-
Lending to other parties	-	159
<b>Total</b>	<b>-</b>	<b>159</b>
Current assets	4 379	159
Non-current assets	-	-
	<b>4 379</b>	<b>159</b>

## Note 11. Other assets

	As at 30/09/2023 [not audited] PLN'000	As at 31/12/2022 [audited] PLN'000
<b>Prepaid expenses:</b>		
Costs of package travel off season	23 111	50 483
Commission off season **	2 373	2 665
insurance off season	981	3 156
other off season	7 534	2 067
Other - commission of Tourism Assistance Fund	1 393	1 644
	<b>35 392</b>	<b>60 015</b>
Current assets	35 392	60 015
Non-current assets	-	-
	<b>35 392</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 30/09/2023 [not audited] PLN'000	The period ended on 31/12/2022 [audited] PLN'000
Cash in hand and at bank	382 550	142 415
	<b>382 550</b>	<b>142 415</b>

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

	As at 30/09/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
<b>Hedged – at amortised cost</b>		
Overdrafts	1 758	20 380
Revolving credits	-	26 851
Bank loans – investments	42 885	50 426
Loans from governmental entities	-	-
Other aid loans from governmental entities	409	469
Transfer of receivables	-	-
Finance lease liabilities	643	574
Right of use liabilities	42 904	43 487
	<b>88 599</b>	<b>142 187</b>
Short-term liabilities	23 520	40 164
Long-term liabilities	65 079	102 023
	<b>88 599</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 30.09.2023 the Parent Company used a bank loan in the amount of PLN 1,561 thousand. As at 30.09.2023 the subsidiary White Olive A.E had liabilities from investment loan in the amount of EUR 9,329 thousand, which is equivalent of PLN 42,245 thousand. The amount of the loan was presented at amortized cost that is reduced by financing costs in the total amount of EUR 77 thousand (PLN 359 thousand). The costs will be settled over the period of repayment of the loan.

As at 30.09.2022 the subsidiary White Olive A. had investment loan in the amount of EUR 11,213 thousand, which is equivalent of PLN 54,639 thousand the amount of the loan was presented at amortised cost that is less financing cost in the total amount of EUR 122,9 thousand (PLN 599 thousand).

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

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

The period from 01/01/2023 to 30/09/2023	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	10 513	321	10 834
Cost of interest	(1 182)	(31)	(1 213)
Modification of lease terms	-	-	-
variable lease payments adjustments	-	-	-
Lease payments	(9 914)	(221)	(10 135)
Exchange differences	-	-	-
<b>As at 30/09/2023</b>	<b>42 904</b>	<b>643</b>	<b>43 547</b>

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

As at 30/09/2023	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	2 962	8 303	11 759	12 522	8 001

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 14. Trade and other payables

	As at 30/09/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
Trade payables	169 774	73 217
Payroll liabilities	10 677	4 551
Other liabilities – accounts receivables and payables from purchase of shares	2 583	2 600
Other liabilities – recorded after the balance sheet date	-	-
Other liabilities – remaining	-	13 014
<b>Total</b>	<b>183 034</b>	<b>93 382</b>

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

	As at 30/09/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
Employee benefits (i)	2 659	680
Employee benefits (ii)	697	286
Costs of complaints	956	739
Other provisions – estimated costs of flight and hotel costs (iii)	150 285	45 359
Other provisions - for costs of commission	11 454	-
Other provisions - other estimated costs	17 350	-
	<b>183 401</b>	<b>47 064</b>
Short-term provisions	181 523	46 262
Long-term provisions	1 878	802
	<b>183 401</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 16. Deferred income and other liabilities

	As at 30/09/2023 [not audited] PLN'000	As at 31/12/2022 [audited] PLN'000
advances paid by customers	-	-
liabilities towards customer taken over by Insurance Guarantee Fund	31 427	37 088
Liabilities to customers	-	-
Other liabilities	109	-
<b>Total</b>	<b>31 536</b>	<b>37 088</b>
Short-term liabilities	7 652	7 543
Long-term liabilities	23 884	29 545
	<b>31 536</b>	<b>37 088</b>

The soft loans 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 31.12.2022 in the amount of PLN 37,088 thousand and as at 30.09.2023 in the amount of PLN 31,427.

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

	Period of 9 months ended on 30/09/2023 [not audited] PLN' 000	Period of 9 months ended on 30/09/2022 [not audited] PLN' 000
revenue from sales of package holidays	2 696 697	1 931 056
Other revenue	2 431	2 483
	<b>2 699 128</b>	<b>1 933 539</b>

The Management Board of the Parent Company verified assessment and judgements considered in recognition of revenue. Because of the respective analysis the Group still recognizes sales revenue at the moment of fulfilling the obligation to provide services (in the practice the service is provided over time). The Group recognizes the end of the package holiday service as that moment, but not because of immateriality of the recognition of revenue at the turn of reporting periods (package holidays, which began in one period and ended in another). The Group applies simplifications and recognizes sales revenue at the first date of the package holiday service. In case of charter services (seats in airplanes) the date of recognition of the revenue is the date of provision of the service by a carrier.

## Note 18.Costs by type

	Period of 9 months ended on 30/09/2023	Period of 9 months ended on 30/09/2022
	[not audited]	[not audited]
	PLN'000	PLN'000
Amortization and depreciation	(16 484)	(19 985)
Consumption of raw and other materials	(13 700)	(11 737)
Outsourcing	(2 288 950)	(1 718 202)
costs of employee benefits	(107 916)	(68 602)
Taxes and charges	(5 998)	(3 270)
other costs	(54 026)	(62 813)
Value of goods and materials sold	-	-
Other – remaining operating costs	-	-
<b>Total</b>	<b>(2 487 074)</b>	<b>(1 884 609)</b>

## Note 19.other operating revenue/ operating costs

Other operating revenue	Period of 9 months ended on 30/09/2023	Period of 9 months ended on 30/09/2022
	[not audited]	[not audited]
	PLN'000	PLN'000
<b>profits on sale of assets</b>		
profits on sale of non-current assets	56	285
Profits on sale of investment property	-	-
	<u>56</u>	<u>285</u>
<b>Reversal of impairment losses</b>		
Intangible assets	-	-
Tangible fixed assets	-	-
financial assets	-	-
trade receivables	-	-
Other	-	-
	<u>-</u>	<u>-</u>
<b>Other operating revenue:</b>		
Profits from measurement of investment property	-	-
subsidiaries	-	2 426
Other	1 830	1 997
	<u>1 886</u>	<u>4 708</u>

Other operating revenue	Period of 9 months ended on 30/09/2023	Period of 9 months ended on 30/09/2022
	[not audited]	[not audited]
	PLN'000	PLN'000
<b>profits on sale of assets</b>		
profits on sale of non-current assets	-	-
Profits on sale of investment property	-	-
	<u>-</u>	<u>-</u>
<b>Reversal of impairment losses:</b>		
goodwill	-	-
Intangible assets	-	-
Tangible fixed assets	-	-
financial assets	-	-



Other operating revenue	Period of 9 months ended on 30/09/2023	Period of 9 months ended on 30/09/2022
	[not audited]	[not audited]
	PLN'000	PLN'000
trade receivables	(572)	(1 157)
Other	-	-
	<u>(572)</u>	<u>(1 157)</u>
<b>Other operating revenue:</b>		
Gains from valuation of investment property	-	-
cost of liquidation of non-current assets and current assets	-	-
Other – complaints	(1 791)	(610)
Other	(1 454)	(1 762)
	<u>(3 817)</u>	<u>(3 529)</u>

## Note 20. Revenue/ financial costs

	Period of 9 months ended on 30/09/2023	Period of 9 months ended on 30/09/2022
	[not audited]	[not audited]
	PLN'000	PLN'000
Lease proceeds		
Conditional revenue from finance lease	-	-
Revenue from operating lease	-	-
- from investment property	-	-
Contingent revenue from operating lease*	-	-
	<u>-</u>	<u>-</u>
<b>Revenue from interests</b>		
Bank deposits	9 881	3 829
Other loans and receivables	-	-
	<u>9 881</u>	<u>3 829</u>
<b>Total financial revenue</b>	<u>990</u>	<u>-</u>
<b>Total</b>	<u>10 871</u>	<u>3 829</u>

Table. financial revenue analysed per category of assets

	Period of 9 months ended on 30/09/2023	Period of 9 months ended on 30/09/2022
	[not audited]	[not audited]
	PLN'000	PLN'000
<b>Interest revenue</b>		
loans and receivables (including cash in hand and bank deposits)	9 881	3 829
Investments held to maturity	406	-
interest revenue from financial assets, which were not set for measurement at WSE.	10 287	-
financial revenue from non-financial assets	-	-
Other financial revenue	584	-
<b>Total</b>	<u>10 871</u>	<u>3 829</u>

Interest costs	Period of 9 months ended on 30/09/2023	Period of 9 months ended on 30/09/2022
	[not audited]]	[not audited]]
	PLN'000	PLN'000
interest on bank loans, credits and overdrafts (except from those received from related parties)	(897)	(2 285)
interest on bank loans, credits and overdrafts obtained from related parties	-	-
interest on financial lease liabilities	(177)	(18)
Other interest costs	(20)	(12)
<b>Total Interest costs on financial liabilities measured at WSE</b>	<b>(1 054)</b>	<b>(2 315)</b>
less amounts recognized in costs of assets eligible for capitalization	-	-
	<b>(1 054)</b>	<b>(2 315)</b>
<b>Other financial costs:</b>		
Other financial costs – costs of guarantees	(8 360)	(1 987)
Other discount	(4 836)	(756)
	<b>(14 290)</b>	<b>(5 058)</b>

## Note 21. Income tax

Income tax	Period of 9 months ended on 30/09/2023	Period of 9 months ended on 30/09/2022
	[not audited]]	[not audited]]
	PLN'000	PLN'000
Gross profit (loss)	206 704	48 880
Permanent differences increasing the tax base	1 485	(1 792)
temporary differences in the tax base	147 676	79 539
<b>Tax base</b>	<b>355 865</b>	<b>126 627</b>
Tax rate	19%	19%
Tax losses offset with an asset	-	-
Current tax	69 527	30 731
Deferred tax	(31 751)	(36 738)
<b>Income tax recognized in the account</b>	<b>37 776</b>	<b>(6 007)</b>
<b>Effective tax rate</b>	<b>18,3%</b>	<b>12,3%</b>

## Note 22. Discontinuing operations

In the reporting period (three quarters of 2023) and after the balance sheet date (30.09.2023) up to the date of approval of this report for publication (17.11.2023), as well as in 2022, no subsidiary was sold within Rainbow Tours Group.

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

In the reporting period (three quarters of 2023) and after the balance sheet date (30.09.2023) up to the date of approval of this report for publication (17.11.2023) the Parent Company paid dividend from net profit for 2022, and paid advance in respect of dividend expected for 2023. Moreover, the Management Board of the Parent Company took the decision to start preparation of dividend payment and the respective payment of the second advance in respect of dividend expected from on net profit for 2023 to shareholders of the Company.

In the period covered by the financial statements (three quarters of 2023), up to the date of approval of this report for publication (17.11.2023) the Parent Company paid dividend in respect of dividend expected for 2023.

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

Pursuant to provisions of the 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 the request 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) allocated 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 it 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 eligible for dividend is determined (date of establishing the right to dividend) was 05.07.2023.

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

### **First advance for the expected dividend payment on net profit for the financial year 2023**

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 dividend as well as the payment itself. The payment refers to advance 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

- Taking into consideration 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, the selected initial financial data for I quarter of 2023 shows (they were presented in the current report 11/2023 of 15.05.2023) show 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 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 of

- favourable outlook, as at date of making the decision, of the present and future economic situation of the Company and results of its operations, including, i.e., with respect to sales and advance sales of touristic services of the Company (the Company informs about respective rises, increased demand and amounts of advance sales of the offer 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 in respect of dividend expected at the end of the financial year 2023.

In the reporting period (three quarters of 2023) the Parent Company paid advance dividend to shareholders of the Parent Company. 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 in the 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 took the decision to pay the advance, the Company does not have reserve capitals created from profit, which could be used to pay advance 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), which is 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 financial statements, which are the base for advance dividend, were drafted as at 31.03.2023.

Persons eligible for dividend were established as at 17.08.2023 within the period of 7 days before starting payments), and the payment date 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 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 in respect of dividend expected at the end of the financial year 2023 from the 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.

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

In the period after the reporting period (three quarters of 2023) the Management Board of the Company, pursuant to provisions of the relevant resolution of the Management Board of the Company of 03.10.2023, decided to start the process of payment of second advance dividend as well as the payment itself. The payment refers to advance 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 nine months ended on 30 September 2023 (for the period of three quarters of 2023).

Details in this respect were published by the Management Board of the Company in the Current Report No 41/2023 on 03.10.2023.

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

- currently good economic situation of the Company and good results on operations, i.e. with respect to sales of package holiday services provided by the Company (the Company informed about respective rise in amounts of sales revenue on ongoing basis i.e. in its cyclical current reports: No 4/2023, No 5/2023, Nr 9/2023, No 16/2023, No 18/2023, No 29/2023, No 38/2023, No 40/2023) and advance sales of tourism services provide by the Company (the Company informed about the respective rise and increased demand and amounts of advance sales of offer on ongoing basis i.e. in cyclical current reports: No 39/2022, No 2/2023, No 8/2023, No 13/2023, No 14/2023, No 25/2023, No 37/2023), and that in the opinion of the Management Board of the Company that resulted in rising profitability of operations of the Company for the financial year 2023, and that is also confirmed by financial performance of the Company for I half-year of 2023 and single net profit in the amount PLN 55,927 thousand presented in "the Extended consolidated periodic report for I half-year of 2023 (published on 29.09.2023), and the Company holds funds sufficient to pay advance in respect of dividend expected as at the end of the financial year 2023.
- the fact that the financial statements for the previous financial year 2022 show single net profit in the amount of PLN 13,920,583.32, what was confirmed and approved pursuant to provisions of the resolution No 6 concerning approvals of the single financial statement of the Company for the financial year 2022 and the resolution No 9 concerning allocation of net profit of the Company for the financial year 2022 that were adopted during the General Meeting of the Company on 28.06.2023.

and also considering the fact that

- Pursuant to relevant decision of the Management Board of the Company [the resolution of the Management Board No 1/05/2023 of 22.05.2023 and the resolution of the Management Board No 1/07/2023 of 13.07.2023] and of the Supervisory Board of the Company [the resolution of the Supervisory Board No 3/05/2023 of 23.05.2023 and the resolution of the Supervisory Board No 14/07/2023 of 14.07.2023] on 24.08.2023 the Company through Polish National Depository for Securities paid to shareholders of the Company first advance in the amount of PLN 11,496,080 regarding the dividend expected as at the end of the financial year 2023 on the net profit of the Company earned from the end of the previous financial year to 31<sup>st</sup> of March 2023.

The payment of the advance dividend to shareholders of the Company will be made pursuant to authorization resulting from § 28 section 6 of the Articles of Association of the Company and based on and subject to requirements and instructions provided for in provisions of art 349 of the Polish Code of Commercial Companies and Partnerships, whereas:

- 1) According to instruction resulting from art. 349 § 2 first sentence of the Polish Code of Commercial Companies and Partnerships, the approved single financial statements for the previous financial year 2022 shows profit,
- 2) According to instruction resulting from art. 349 § 1 the Polish Code of Commercial Companies and Partnerships and § 22 letter p) in connection with § 28 section 6 of the Articles of Association payment of advance dividend to shareholders of the Company requires the permission of the Supervisory Board.
- 3) According to art. 349 § 2 second sentence of the Polish Code of Commercial Companies and Partnerships /quote. / *“the advance can constitute, at most, half of the profit earned from the end of the previous financial year presented in financial statements audited by an expert auditor plus reserve capitals created from profit, which can be disposed of by the Management Board to pay advance, and less amounts of loss not covered and own shares.”* And thus, the Management Board decided, without delay, to appoint an expert auditor (an audit company), pursuant to § 22 letter d), to audit financial statements for the period of nine months ended on 30.09.2023 (three quarters of 2023) based on which the net profit - the base for payment of dividend expected at the end of financial year 2023, will be assessed.

Final conditions of payment of the advance dividend to shareholders of the Company will be determined in the relevant resolution of the Management Board of the Company, which will be adopted by the Management Board as soon as the company receives a report on the audit of the financial statements of the Company for nine months ended on 30.09.2023 (three quarters of 2023) from the expert auditor (the audit company). The report will be the base to determine the amount of net profit used to determine the amount of second advance in respect of dividend expected as at the end of the financial year 2023. The Management Board, in its respective resolution concerning payment of second advance in respect of dividend expected at the end of the financial year 2023 will, in particular, establish (confirm) the date as at which financial statements used as a base to pay advance dividend, are drafted, the amount of the payment and the date to determine persons eligible for advance payments and the start date of advance payment. The Management Board will announce the scheduled payment of advances at least four weeks before the start of payment, and the date to determine persons eligible for advance payment must be within 7 days before start of the payments.

The Management Board of the Company:

- Immediately after adoption of the resolution concerning start of payment preparation and the payment of second advance dividend asked the Supervisory Board to appoint an expert auditor (the audit company) to audit financial statements of the company for the period of nine months ended on 30.09.2023 (three quarters of 2023), which will be the base to determine net profit to determine the payment of second advance in respect of dividend expected as at the end of the financial year 2023 to shareholders of the Company.

The Supervisory Board, pursuant to the resolution No 1/10/2023 of 04.10.2023, appointed the audit company to carry out voluntary audit of the single financial statements of the Company for the period of nine months ended on 30.09.2023 (that is for the period of three quarters of 2023) in order to pay second advance dividend to the shareholders of the Company, and decided to entrust the voluntary audit, which is not statutory within the meaning of the provisions of the Polish on expert auditors, audit companies and public supervision of 11.05.2017, to BDO Spółka z ograniczoną odpowiedzialnością Spółka komandytowa (BDO limited liability company, limited partnership) with registered office in Warsaw - entered into the list of audit companies maintained by the Polish Agency for Audit Oversight (PANA) under the number 3355.

- Immediately after the Management Board receives, from the expert auditor, the report on audit of the financial statements of the Company for nine months ended on 30.09.2023 (three quarters of 2023) - used to determine the amount of net profit and accordingly the amount of second advance in respect of dividend expected at the end of the financial year 2023, it will draft and adopt a relevant resolution on payment of advance in respect of dividend expected by the Company at the end of the financial year 2023.

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

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

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

On 15.09.2022 the parent company obtained, from Towarzystwo Ubezpieczeń Europa Company Limited by Shares with its registered office in Wrocław (“the Guarantor”), the insurance guarantee issued by Towarzystwo Ubezpieczeń for tour operators or

entrepreneurs facilitating acquisition of related tourism services, which benefits the Marshall of the Łódzkie Voivodeship and each customer, which in the period of the validity of the Guaranteed entered into contract with Obligor ('the Beneficiary) and which was issued by the Guarantor under the number GT 518/2022 and 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 non-current 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 non-current 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 non-current 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 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, 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 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 (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 non-current 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.

## 24.2 Transactions limits for derivatives

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

Table. value of transaction limits (in PLN thousand)

Bank	Type	Limit amount	Valid to
		PLN'000	
Santander Bank Polska S.A.	transaction limit	25 000	2024-10-31
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

Table: information on open positions with closing date after 30.09.2023 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	35 100	147 353
EUR	2 300	10 684

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

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

As at 13.11.2023 the Parent Company had forward contracts for purchase of USD and EUR for PLN executed from 30.09.2023 to March 2024.

Currency	Amount contracted in the currency	Amount in PLN as at the date of the contract performance
USD	82 450	349 581
EUR	15 100	69 460

Table. Information on open SWAP Commodity contract with closing date after 30.09.2023

Currency	Amount contracted in tons	Amount in USD at the date of the contract performance
SWAP Commodity	13 000	12 088

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

Description	01/01/2023-30/09/2023	01/01/2022-31/12/2022	01/01/2022-30/09/2022
	PLN'000	PLN'000	PLN'000
Revaluation reserve opening balance	(4 058)	46	46
Created on purpose	-	-	-
Other increases (valuation of currency hedge transactions)	4 379	(4 067)	464
Used on purpose	-	-	-
Reclassified to profit or loss – recognition in cost of sales	4 058	(46)	(46)
Revaluation reserve closing balance	4 379	(4 067)	464

#### 24.3 Rainbow Tours S.A. Bank guarantees issued by banks to contractors of Rainbow Tours S.A.

The Parent Company orders to issuance of bank guarantees for contractors cooperating with Rainbow Tours S.A from its guarantee lines.

Table. Guarantees issued as at 30.09.2023. The amount of guarantees issued in foreign currencies translated at the average exchange rate set by the National bank of Poland on 29.09.2023.

The issuing bank	The amount of guarantees issued	
	PLN'000	
Bank Millennium S.A.	42 136	
Bank Gospodarstwa Krajowego.	15 000	
<b>Total</b>	<b>57 136</b>	

Table. Guarantees issued as at 31.12.2022. The amount of guarantees issued in foreign currencies translated at the average exchange rate set by the National bank of Poland on 30.12.2022.

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

Table. Guarantees issued as at 30.09.2022. The amount of guarantees issued in foreign currencies translated at the average exchange rate set by the National bank of Poland on 30.09.2022.

The issuing bank	The amount of guarantees issued	
	PLN'000	
Bank Millennium S.A.	51 289	
Santander Bank Polska S.A.	17 331	
<b>Total</b>	<b>68 620</b>	

In case of conditional items in the annual single and consolidated financial statements for 2022) no significant changes occurred,

#### Note 25.Presentation of segment of operations of the Group

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

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 nine months ended on 30.09.2023

Segment of operations of Rainbow Tours Group For the period 01/01/2023-30/09/2023	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>2 635 416</b>	<b>106 735</b>	-	<b>49 377</b>	<b>2 863</b>	-	<b>(95 263)</b>	<b>2 699 128</b>
- within the Group	14 673	56 320	-	23 838	432	-	(95 263)	-
- from customers	2 620 743	50 415	-	25 539	2 431	-	-	2 699 128
<b>Continuing operations, cost of sales</b>	<b>(2 200 205)</b>	<b>(85 376)</b>	-	<b>(29 163)</b>	<b>(2 470)</b>	-	<b>94 401</b>	<b>(2 222 813)</b>
- within the Group	(14 103)	(56 320)	-	(23 978)	-	-	94 401	-
- from customers	(2 186 102)	(29 056)	-	(5 185)	(2 470)	-	-	(2 222 813)
<b>Gross profit/loss on sales</b>	<b>435 211</b>	<b>21 359</b>	-	<b>20 214</b>	<b>393</b>	-	<b>(862)</b>	<b>476 315</b>
<b>Continuing operations, selling costs</b>	<b>(198 846)</b>	<b>(4 934)</b>	-	<b>(3 957)</b>	<b>(37)</b>	-	-	<b>(207 774)</b>
- within the Group	-	-	-	-	-	-	-	-
- from customers	(198 846)	(4 934)	-	(3 957)	(37)	-	-	(207 774)
<b>Continuing operations. Overheads</b>	<b>(49 905)</b>	<b>(2 131)</b>	-	<b>(4 338)</b>	<b>(1 247)</b>	-	<b>1 134</b>	<b>(56 487)</b>
- within the Group	(37)	(567)	-	(98)	(432)	-	1 134	-
- from customers	(49 868)	(1 564)	-	(4 240)	(815)	-	-	(56 487)
<b>Continuing operations. other operating revenue</b>	<b>992</b>	<b>267</b>	-	<b>894</b>	<b>5</b>	-	<b>(272)</b>	<b>1 886</b>
- within the Group	-	-	-	272	-	-	(272)	-
- from customers	992	267	-	622	5	-	-	1 886
<b>Continuing operations other operating costs</b>	<b>(2 983)</b>	<b>(46)</b>	-	<b>(778)</b>	<b>(10)</b>	-	-	<b>(3 817)</b>
- within the Group	-	-	-	-	-	-	-	-
- from customers	(2 983)	(46)	-	(778)	(10)	-	-	(3 817)
<b>Profit (loss) on operations</b>	<b>184 469</b>	<b>14 515</b>	-	<b>12 035</b>	<b>(896)</b>	-	-	<b>210 123</b>

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

Segment of operations of Rainbow Tours Group For the period For the period 01/01/2022-31/12/2022	Activities of tour operators		Hotel segment		Other operations		Consolidation adjustments	TOTAL
	Poland	Abroad	Poland	Abroad	Poland	Abroad		
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000		
<b>continuing operations, sales revenue</b>	<b>2 347 482</b>	<b>78 367</b>	-	<b>47 080</b>	<b>5 252</b>	<b>2</b>	<b>(84 877)</b>	<b>2 393 306</b>
- within the Group	10 578	49 564	-	23 698	998	39	(84 877)	-
- from customer	2 336 904	28 803	-	23 382	4 254	(37)	-	2 393 306
<b>Continuing operations, cost of sales</b>	<b>(2 121 201)</b>	<b>(63 035)</b>	-	<b>(33 292)</b>	<b>(4 775)</b>	-	<b>83 840</b>	<b>(2 138 463)</b>
- within the Group	(73 262)	(10 578)	-	-	-	-	83 840	-
- from customers	(2 047 939)	(52 457)	-	(33 292)	(4 775)	-	-	(2 138 463)
<b>Gross profit/loss on sales</b>	<b>226 281</b>	<b>15 332</b>	-	<b>13 788</b>	<b>477</b>	<b>2</b>	<b>(1 037)</b>	<b>254 843</b>
<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 nine months ended on 30.09.2022

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

segments of operations of Rainbow Tours Group for the period 01/01/2022-30/09/2022	Activities of tour operators		Hotel segment		Other operations		Consolidation adjustments	TOTAL
	Poland	Abroad	Poland	Abroad	Poland	Abroad		
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000		
- from customers	(29 494)	(1 529)	-	(3 209)	(560)	-	-	(34 792)
<b>Continuing operations. other operating revenue</b>	<b>2 860</b>	<b>264</b>	<b>-</b>	<b>1 810</b>	<b>17</b>	<b>-</b>	<b>(243)</b>	<b>4 708</b>
- within the Group	-	243	-	-	-	-	(243)	-
- from customers	2 860	21	-	1 810	17	-	-	4 708
<b>Continuing operations other operating costs</b>	<b>(2 325)</b>	<b>(1 102)</b>	<b>-</b>	<b>(91)</b>	<b>(11)</b>	<b>-</b>	<b>-</b>	<b>(3 529)</b>
- within the Group	-	-	-	-	-	-	-	-
- from customers	(2 325)	(1 102)	-	(91)	(11)	-	-	-3 529
<b>Profit (loss) on operations</b>	<b>32 056</b>	<b>5 956</b>	<b>-</b>	<b>12 652</b>	<b>(557)</b>	<b>2</b>	<b>-</b>	<b>50 109</b>

## Note 26. Information on transactions with related parties

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

Table: Sale transactions among companies of Rainbow Tours Group in the period from 01.01.2023 – 30.09.2023 and the comparative period from 01.01.2022 – 30.09.2022.

	Sale of services		Purchase of services	
	The period of 9 months ended on 30/09/2023 [not audited]	The period of 9 months ended on 30/09/2022 [not audited]	The period of 9 months ended on 30/09/2023 [not audited]	The period of 9 months ended on 30/09/2022 [not audited]
	PLN'000	PLN'000	PLN'000	PLN'000
White Olive A.E. *)	24 076	26 139	567	1 020
White Olive Premium Lindos A.E. *)	-	711	-	-
"My Way by Rainbow Tours" Sp. z o. o.	432	172	-	-
Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S.	24 134	20 085	5 860	4 305
"Rainbow Tours Spółka Akcyjna – branch in Athens	16 950	12 024	3 980	1 067
Rainbow Tours Spółka Akcyjna – Branch in Spain	15 270	8 422	4 440	1 402
Rainbow Tours S.A.	14 673	6 961	80 688	66 720
<b>Total</b>	<b>95 535</b>	<b>74 514</b>	<b>95 535</b>	<b>74 514</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 30/09/2023	As at 31/12/2022	As at 30/09/2022	As at 30/09/2023	As at 31/12/2022	As at 30/09/2022
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
White Olive A.E. *)	552	359	19 221	9 209	5 248	16 280
White Olive Premium Lindos A.E.')	-	-	907	-	-	18 963
"My Way by Rainbow Tours" Sp. z o. o.	-	60	-	35	-	-
Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S.	1 538	-	364	-	2 025	-
"Rainbow Tours Spółka Akcyjna – branch in Torremolinos" – branch in Spain	2 425	746	1 993	-	-	-

The following amounts are presented at the closing balance	Amounts due from related parties			Amounts payable to the related parties		
	As at 30/09/2023	As at 31/12/2022	As at 30/09/2022	As at 30/09/2023	As at 31/12/2022	As at 30/09/2022
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
"Rainbow Tours Spółka Akcyjna - branch in Athens" – branch in Greece	4 868	4 066	8 616	552	359	311
Rainbow Tours S.A.	9 166	7 234	15 399	8 753	4 833	10 946
<b>Total</b>	<b>18 549</b>	<b>12 465</b>	<b>46 500</b>	<b>18 549</b>	<b>12 465</b>	<b>46 500</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 30/09/2023	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 27. Events after the date, for which the quarterly abridged consolidated financial statements were prepared, not covered by these statements, and which could have significant effect on future financial results of the Issuer.**

Decision of the Management Board of the Company to start payment preparation of the payment of the advance in respect of dividend expected from net profit for the year 2023 to shareholders of the Company.

In the period after the reporting period (three quarters of 2023) the Management Board of the Company pursuant to provisions of the resolution of 03.10.2023 decided to start payment preparation and the payment of the second advance in respect of dividend expected at the end of the financial year 2023 determined based on net profit in the financial statements for the period of nine months ended on 30 September 2023 (for the period of three quarters of 2023).

The respective details were published in the Company's current report No 41/2023 of 03.10.2023.

The Management Board of the Company took the respective decision considering:

- favourable outlook, as at date of taking the decision, of the present and future economic situation of the Company and results of its operations, including i.e. with respect to sales and advance sales of touristic services of the Company (the Company informs about respective rises and increased demand and amounts of advance sales regarding the offer, 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 holds enough funds to pay the advance in respect of dividend expected at the end of the financial year 2023.
- the fact, that the financial statements of the Company for the previous financial year 2022 show single net profit in the amount of PLN 13,920,583.32, and that was confirmed and approved in the resolution No 6 concerning approval of the single financial statements for the financial year 2022 and the resolution No 9 on sharing of Company's net profit for the financial year 2022 adopted during Ordinary General Meeting of the Company of 28.06.2023.

Considering the fact that

- pursuant to relevant decisions of the Management Board [the resolution of the Management Board No 1/05/2023 of 22.05.2023 and the resolution of the Management Board No 1/07/2023 of 13.07.2023] and Supervisory Board of the Company [the resolution of the Supervisory Board No 3/05/2023 of 23.05.2023 and the resolution of the Supervisory Board No 14/07/2023 of 14.07.2023] the Company on 24.08.2023 through the National Depository for Securities paid to Shareholders of the Company first advance in the amount of PLN 11,496,080 in respect of the expected dividend at the end of the financial year 2023 from the net profit of the Company earned from the end of the previous financial year till 31 March 2023.

The expected advance will be paid to shareholders pursuant to authorization resulting from § 28 section 6 of the Articles of Association, pursuant to and subject to requirements and instructions provided for in art. 349 of the Polish Code of Commercial Partnerships and Companies.

- 1) according to instructions resulting from art. 349 § 2 first sentence of the Polish Code of Commercial Companies and Partnerships the approved financial statements for the previous financial year 2022 shows profit.
- 2) according to instructions resulting from art. 349 § 1 of the Polish Code of Commercial Companies and Partnerships and § 22 letter p) in connections with § 28 sections 6 of the Articles of Association the payment of the advance dividend to shareholders requires permission of the Supervisory Board.
- 3) according to instructions resulting from art. 349 § 2 second sentence of the Polish Code of Commercial Companies and Partnerships / *“the advance can constitute, at most, half of the profit earned from the end of the previous financial year presented in financial statements audited by an expert auditor plus reserve capitals created from profit, which can be disposed of by the Management Board, to pay advance, and less amounts of loss not covered and own shares.”* And thus, the Management Board decided, without delay, to appoint an expert auditor (an audit company), pursuant to § 22 letter d), to audit financial statements for the period of nine months ended on 30.09.2023 (three quarters of 2023) based on which the net profit - the base for payment of dividend expected at the end of financial year 2023, will be determined.

Final conditions of payment of the advance dividend to shareholders of the Company will be determined in a relevant resolution of the Management Board of the Company, which will be adopted by the Management Board as soon as the company receives the report on audit of the financial statements of the Company for nine months ended on 30.09.2023 (three quarters of 2023) from the expert auditor (the audit company). The report will be used to determine the amount of net profit to calculate the amount of second advance in respect of dividend expected as at the end of the financial year 2023. The Management Board, in its respective resolution concerning payment of second advance in respect of dividend expected at the end of the financial year 2023, will, in particular, establish (confirm) the date at which the financial statements, which are the base to pay advance dividend, were drafted, the amount of the payment and the date of establishing persons eligible for advance payments and the start date of advance payment, The Management Board will announce the scheduled payment of advances at least four weeks before the start of payment, and the date to determine persons eligible for advance payment must be within 7 days before the start of payments.

The Management Board of the Company:

- Immediately after adoption of the resolution about starting payment preparation and approvals the payment of second advance dividend asked the Supervisory Board to appoint an expert auditor (the audit company) to audit financial statements of the company for the period of nine months ended on 30.09.2023 (three quarters of 2023), which will be the base to determine net profit to calculate payment of second advance in respect of the dividend expected as at the end of the financial year 2023 to shareholders of the Company

The Supervisory Board pursuant to the resolution No 1/10/2023 of 04.10.2023 appointed the audit company to carry out voluntary audit of the single financial statements of the Company for the period of nine months ended on 30.09.2023 (that is for the period of three quarters of 2023) to pay second advance dividend to the shareholders of the Company, and decided to entrust the voluntary audit, which is not statutory, within the meaning of the provisions of the Polish on expert auditors, audit companies and public supervision of 11.05.2017, to BDO Spółka z ograniczoną odpowiedzialnością Spółka komandytowa (BDO limited liability company, limited partnership) with registered office in Warsaw entered into the list of audit companies maintained by the Polish Agency for Audit Oversight (PANA) under the number 3355.

- Immediately after the Company received, from the expert auditor, the report on audit of the financial statements of the Company for nine months ended on 30.09.2023 (three quarters of 2023), based on which the amount of net profit is determined to calculate the amount of second advance in respect of the dividend expected at the end of the financial year 2023, will prepare and adopt relevant resolution on payment of advance in respect of the dividend expected at the end of the financial year 2023 by the Company.

#### The impact of the armed conflict in the territory of Israel on operations of the Company and the Group.

In the period after the reporting period (three quarters of 2023) on 07.10.2023 the terrorist group Hamas controlling Gaza in the Middle East carried out military invasion in the territory of Israel. The terrorists carried out a rocket attack aimed at middle part of the Israel. There have been riots and skirmishes in many regions of Israel. In the following days the attack turned into full scale military conflict between Israel and Palestine.

Directly after the news of the spread of the Hamas attack, the Management Board of the Company decided to, taking into account safety of customers, evacuate tourists of Rainbow Tours, which were staying in the territory of Izrael to Poland. Because most of the flights to/and from Israel were suspended by airlines directly after the conflict occurred, tourists were evacuated using land



routes through Egypt and Jordan, and then charter flights and regular flights taking off from destinations outside Israel in locations, where the tourists were evacuated (Polish tourists were also transferred via direct flights from Israel on military airplanes C-130 Hercules and one government plane Boeing 737 "Piłsudski"). All Rainbow Tours customers were informed about recommendations of the Polish Ministry of Foreign Affairs to behave in line with instructions of local authorities. The first group of tourists came back to Poland on 09.10.2023.

The company incurred additional costs linked to the above-described situation (cost of providing aid, transfers and evacuation of customers, also to other hotels, costs of empty seats in airplanes and hotel accommodation / package tours already paid for, refund of advances for paid for and cancelled package tours to Israel.) The Company decided to cancel all package holidays and package tours to Israel, and also those which include sightseeing of Israel until 05.01.2024 inclusive. Because it was necessary to cancel scheduled package holidays and package tours in the territory of Israel, the Company repaid advances paid by customers from its own funds. The Company did not ask the Insurance Guarantee Fund (which also provides services for Tourism Aid Fund) to pay for the expenditure - refunds to customers who already paid for package holidays and package tours in Israel, that were cancelled due to armed conflict in the territory of Israel and Gaza. The Company proposed package tours and holidays to other safe middle east destinations (Jordan, Egypt) and to other destinations, including those with the similar culture (e.g., Morocco) to those customers.

In the opinion of the Management Board of the Company, the scale of costs incurred and lost income, considering total, seasonal amount of revenue and scale of operations of Rainbow Tours Group, did not have significant effect on financial performance of the Company and Rainbow Tours Group and their operations. In the opinion of the Management Group of the Company the scale of the operations allows the Company to absorb the losses without significant impact on performance of the Company and the Group.

In the opinion of the Management Group of the Company, in the period from the balance sheet date to the date of approval of this report for publication, there were no other, except above mentioned, significant events not covered in the financial statements and that can substantially affect on future financial performance of the Issuer or the Group.

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

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

ASSETS	Note	As at 30/09/2023 [not audited]]	As at 31/12/2022 [audited]
		PLN'000	PLN'000
<b>Non-current assets</b>			
Tangible fixed assets	3	48 557	46 635
Investment Property		196	196
Other intangible assets		4 049	4 453
Investment in subsidiaries	4	95 369	95 369
Deferred tax assets	9	36 602	12 210
Other receivables	5	69 259	21 116
<b>Total non-current assets</b>		<b>254 032</b>	<b>179 979</b>
<b>Current assets</b>			
Stocks		-	-
Trade and other receivables	5	62 626	51 375
Advance payments	5	234 384	182 583
Other financial assets	6	4 679	300
Current tax assets		1 850	5 655
Other assets	7	25 703	57 948
Cash and cash equivalents	8	365 658	134 541
<b>Total current assets</b>		<b>694 900</b>	<b>432 402</b>
<b>Total assets</b>		<b>948 932</b>	<b>612 381</b>

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

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>As at 30/09/2023 [not audited]]</b>	<b>As at 31/12/2022 [audited]</b>
		<b>PLN'000</b>	<b>PLN'000</b>
<b>EQUITY AND LIABILITIES</b>			
<b>equity</b>			
Issued capital		1 455	1 455
Share premium		36 558	36 558
Reserves		3 547	(3 294)
capital from merger of entities		-	(7 565)
Retained profits		209 638	80 373
Net profit write-offs during the year		(11 496)	-
<b>Total equity</b>		<b>239 702</b>	<b>107 527</b>
<b>Long-term liabilities</b>			
Long-term borrowings and lease liabilities	<b>10</b>	22 015	49 586
Pension liabilities	<b>12</b>	697	286
Deferred tax liabilities		-	-
Other liabilities	<b>11</b>	23 884	29 545
<b>Total long-term liabilities</b>		<b>46 596</b>	<b>79 417</b>
<b>Short-term liabilities</b>			
Trade and other payables	<b>11</b>	173 566	93 103
Short-term borrowings and lease liabilities	<b>10</b>	12 495	29 828
Other financial liabilities		-	4 067
Current tax liabilities		76 699	11 990
Short-term provisions	<b>12</b>	174 283	46 037
deferred income	<b>13</b>	218 048	232 869
Other liabilities	<b>11</b>	7 543	7 543
<b>Total short-term liabilities</b>		<b>662 634</b>	<b>425 437</b>
<b>Total liabilities</b>		<b>709 230</b>	<b>504 854</b>
<b>Total equity and liabilities</b>		<b>948 932</b>	<b>612 381</b>

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

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

	Note	from 01/01/2023 to 30/09/2023 [not audited]	From 01/07/2023 to 30/09/2023 [not audited]	from 01/01/2022 to 30/09/2022 [not audited]	from 01/07/2022 to 30/09/2022 [not audited]
		PLN'000	PLN'000	PLN'000	PLN'000
<b>Continuing operations</b>					
Sales revenue	14	2 637 645	1 393 669	1 896 867	1 087 448
Cost of sales	15	(2 202 048)	(1 161 439)	(1 706 671)	(969 642)
<b>Gross profit/loss on sales</b>		<b>435 597</b>	<b>232 230</b>	<b>190 196</b>	<b>117 806</b>
selling cost	15	(198 883)	(94 541)	(128 930)	(64 212)
Overheads	15	(51 129)	(22 152)	(30 323)	(11 649)
Other operating revenue	16	997	501	2 877	2 608
Other operating costs	16	(2 993)	(615)	(2 336)	(503)
<b>profit /loss on operations</b>		<b>183 589</b>	<b>115 423</b>	<b>31 484</b>	<b>44 050</b>
financial revenue	17	10 825	6 200	3 844	3 594
Financial costs	17	(11 802)	(8 472)	(3 712)	(1 908)
profit on sales of shares in subsidiaries		-	-	-	-
<b>Pre-tax profit (loss)</b>		<b>182 612</b>	<b>113 151</b>	<b>31 616</b>	<b>45 736</b>
Income tax	18	(35 503)	(21 969)	(6 007)	(8 690)
<b>net profit (loss) on continuing operations</b>		<b>147 109</b>	<b>91 182</b>	<b>25 609</b>	<b>37 046</b>
<b>Discontinuing operations</b>					
Net profit (loss) on discontinuing operations		-	-	-	-
<b>NET PROFIT (LOSS)</b>		<b>147 109</b>	<b>91 182</b>	<b>25 609</b>	<b>37 046</b>
<b>Other total net comprehensive income</b>					
<b>Items, which might be later carried to the statement of comprehensive income</b>					
Cash flow hedges		6 841	12 331	338	375
<b>Total other net comprehensive income</b>		<b>6 841</b>	<b>12 331</b>	<b>338</b>	<b>375</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>153 950</b>	<b>103 513</b>	<b>25 947</b>	<b>37 421</b>

The extended consolidated report of Rainbow Tours Group for III quarter of 2023  
(data in PLN thousand, unless provided otherwise)

Note	from 01/01/2023 to 30/09/2023 [not audited] PLN'000	From 01/07/2023 to 30/09/2023 [not audited] PLN'000	from 01/01/2022 to 30/09/2022 [not audited] PLN'000	from 01/07/2022 to 30/09/2022 [not audited] PLN'000
Number of shares (in thousand)	14 552	14 552	14 552	14 552
Number of shares– diluted (in thousand)	14 552	14 552	14 552	14 552
<b>Profit (loss) per shares (PLN/grosz per share)</b>				
On continuing and discontinuing operations				
ordinary	10.11	6.27	1.76	3.00
Diluted	10.11	6.27	1.76	3.00
On continuing activity				
ordinary	10.11	6.27	1.76	3.00
Diluted	10.11	6.27	1.76	3.00

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	PLN'000
<b>For the period from 01/01/2022 to 30/09/2022 [not audited]</b>						
<b>As at 01/01/2022</b>	1 455	36 558	37	88 280	(7 565)	118 765
Net profit for the financial year	-	-	-	25 609	-	25 609
Pricing of hedging instruments	-	-	338	-	-	338
<b>Total comprehensive income</b>	-	-	338	25 609	-	25 947
<b>As at 30/09/2022</b>	1 455	36 558	375	113 889	(7 565)	144 712
<b>For the period from 01/01/2022 to 31/12/2022 [audited]</b>						
<b>As at 01/01/2022</b>	1 455	36 558	37	88 280	(7 565)	118 765
Net profit for the financial year	-	-	-	13 921	-	13 921
Pricing of hedging instruments	-	-	(3 331)	-	-	(3 331)
<b>Total comprehensive income</b>	-	-	(3 331)	13 921	-	10 590
Dividend payment	-	-	-	(21 828)	-	(21 828)
<b>As at 31/12/2022</b>	1 455	36 558	(3 294)	80 373	(7 565)	107 527
<b>For the period from 01/01/2023 to 30/09/2023 [not audited]</b>						
<b>As at 01/01/2023</b>	1 455	36 558	(3 294)	80 373	(7 565)	107 527
Net profit for the financial year	-	-	-	147 110	-	147 110
Pricing of hedging instruments	-	-	6 841	-	-	6 841
<b>Total comprehensive income</b>	-	-	6 841	147 110	-	153 951
Dividend payment	-	-	-	(18 771)	-	(18 771)
Retained earnings/ adjustment of previous years' costs	-	-	-	(10 570)	7 565	(3 005)
<b>As at 30/09/2023</b>	1 455	36 558	3 547	198 142	-	239 702

#### 4. SINGLE CASH FLOW STATEMENT

	Note	from 01/01/2023 to 30/09/2023 [not audited] PLN'000	from 01/01/2022 to 30/09/2022 [not audited] PLN'000
<b><i>cash flows from operations</i></b>			
<b>Profit for the financial year</b>		<b>147 109</b>	<b>25 609</b>
<b>Adjustments:</b>			
cost of income tax recognized in profit or loss		35 503	6 007
proceeds from investment recognized in profit/loss		977	(132)
profit on sale of tangible fixed assets		(56)	(285)
amortization and depreciation of non-current assets		10 637	12 320
Net foreign exchange gains/ losses		-	-
Other *		(26 581)	(2 202)
		<b>167 589</b>	<b>41 317</b>
<b>Movement in working capital:</b>			
Increase / decrease in balance of trade and other receivables		(111 195)	(182 384)
Increase/ decrease in receivables from construction contracts h		-	-
Increase/ decrease in stocks		-	-
Increase / decrease in other assets		7 853	(21 133)
Increase / decrease in other tax assets		3 805	836
Increase (decrease) in balance of trade and other payables		74 802	6 353
Increase (decrease) in liabilities from construction contracts		-	-
Increase / (decrease) in provisions		128 657	248 816
Increase / (decrease) in deferred income		(14 821)	(10 846)
Increase / decrease in current tax liabilities		64 709	37 268
<b>Cash earned on operations</b>		<b>321 399</b>	<b>120 227</b>
Income tax paid		(4 989)	-
<b>Net cash flows from operations</b>		<b>316 410</b>	<b>120 227</b>
<b><i>cash flow from investing activities</i></b>			
Payments arising on acquisition of financial assets		-	-
Interest received		5 364	2 330
Proceeds due to repayment of loans by unrelated parties		-	-
Dividend received		(8 093)	(736)
Payments for tangible fixed assets		944	-
proceeds from sale of tangible fixed assets		56	285
<b>net cash (spent)/ earned on investing activities</b>		<b>(1 729)</b>	<b>1 879</b>
<b><i>Przepływy pieniężne z działalności finansowej</i></b>			
proceeds from sale of own shares		-	-
other proceeds		-	-
proceeds from loans		-	46 912
repayment of loans and lease liabilities		(54 025)	(8 544)
Interest paid		(10 767)	(5 950)
Dividends paid to shareholders		(18 772)	-
<b>net cash used for financing activities</b>		<b>(83 564)</b>	<b>32 418</b>
Increase / Decrease in net cash and cash equivalents		231 117	154 524
cash and cash equivalents at the opening balance		134 541	82 941
Effect of changes in exchange rates on balance of cash in foreign currencies		-	-
<b>cash and cash equivalents, closing balance</b>		<b>365 658</b>	<b>237 465</b>

## 5. NOTES TO INTERIM ABRIDGED SINGLE FINANCIAL STATEMENTS

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

These abridged interim single financial statements were prepared in accordance with IAS "Interim financial reporting" and also in line with requirements of the regulation 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 non-member state (Journal of Law of 2018 item 757). Because of application of IAS and pursuant to § 66 section 6 in connection with § 62 section 1 and 2 of the above-mentioned regulation of the Minister of Finance of 29.03.2018 these abridged interim single financial statements cover data for following periods:

- In case of the statement of financial position – data as at 30.09.2023 and the comparative data as at 31.12.2022
- In case of the statement of comprehensive income – data for III quarter of 2023, that is for the period from 01.07.2023 to 30.09.2023 and the accruing data for the period from 01.01.2023 to 30.09.2023 and the comparative data for III quarter of 2022, that is for the period from 01.07.2022 to 30.09.2022 and the accruing data for the period from 01.01.2022 to 30.09.2022;
- In case of the statement of changes in equity – the data accruing for the current financial years that is for the period of nine months ended on 30.09.2023 and the comparative data for the period of nine months ended on 30.09.2022. Issuer decided to decide to publish additionally data for the period of 12 months ended 31.12.2022.

All financial data are present in thousands of Polish zloty, 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 in these interim abridged single financial statements 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 17.11.2023.

### 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

Because of amendments in IAS 12 "income tax" that took effect from 01.01.2023 the Company calculates deferred tax on transaction, which at transaction date give rise to equal taxable and deductible temporary differences.

### 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 30/09/2023 [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	488	488	-	489	489	-
Right of use assets	34 133	-	34 133	37 305	-	37 305
Buildings	8 861	8 861	-	5 399	5 399	-
Plant and Machinery	2 624	2 624	-	1 358	1 358	-
Motor vehicles	1 127	135	992	1 227	320	907
Equipment	1 294	1 294	-	845	845	-
Non-current assets under construction / Advances for non-current assets	30	30	-	12	12	-
<b>Total</b>	<b>48 557</b>	<b>13 432</b>	<b>35 125</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 non-current 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 Łódź, 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 thousand. No fixed assets held for sale were present.

#### Note 4. Investment in subsidiaries

Name of the subsidiary	As at 30/09/2023 [not audited]			As at 31/12/2022 [audited]		
	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
<b>Total investments in subsidiaries</b>	<b>95 369</b>	<b>-</b>	<b>95 369</b>	<b>95 369</b>	<b>-</b>	<b>95 369</b>

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 as at 31.12.2022. 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% (2021: 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 30/09/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
Trade receivables	50 473	25 083
Allowance for bad debt	(4 903)	(4 331)
<b>Net trade receivables</b>	<b>45 570</b>	<b>20 752</b>
The remaining receivables		
Other receivables	13 315	11 914
Other receivables – deposits and bank deposits	69 259	21 116
cash and cash equivalents – settlements	3 741	18 709
	<b>86 315</b>	<b>51 739</b>
Non-current assets	69 259	51 375
Current assets	69 259	21 116
<b>Total</b>	<b>143 381</b>	<b>72 491</b>

#### Advance payments

	As at 30/09/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
advances - advances paid – hotels	216 725	169 189
Allowance for doubtful accounts	(5 838)	(5 838)
Other receivables -advances paid – air transportation	23 497	19 232
	<b>234 384</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 start of 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 30/09/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
Gross trade receivables*	50 473	25 083
Not due	20 964	7 672
<i>Overdue</i>		
to 30 days	8 389	6 314
31-90 days	974	4 301
91-120 days	12 274	3 249
Above 120 days	7 872	3 547
<b>Total</b>	<b>50 473</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 for bad debt

Trade receivables	The period of 9 months ended on 30/09/2023 [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 for bad debt	(572)	(488)
amounts written off as bad debt	-	-
amounts recovered within a year	-	-
reversal of allowance for bad debt	-	-
Discount reversal	-	-
<b>Closing balance</b>	<b>(4 903)</b>	<b>(4 331)</b>

Advance payments–advances and air transportation	The period of 9 months ended on 30/09/2023 [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 for bad debt	--	(2 892)
amounts written off as bad debt	-	-
amounts recovered within a year	-	-
reversal of allowance for bad debt	-	-
Discount reversal	-	-
<b>Closing balance</b>	<b>(5 838)</b>	<b>(5 838)</b>

## Note 6. Other financial assets

	As at 30/09/2023 [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	4 379	-
	<b>4 379</b>	<b>-</b>
<b>lending at amortised costs</b>		
*Lending to related parties	300	300
lending to other entities	-	-
	<b>300</b>	<b>300</b>
<b>Total</b>	<b>4 679</b>	<b>300</b>
Current assets	4 679	300
Non-current assets	-	-
	<b>4 679</b>	<b>300</b>

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

## Note 7. Other assets

	As at 30/09/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
<b>Prepaid expenses</b>		
Costs of package travel off season	20 455	50 483
Commission off season **	2 373	2 665
Insurance off season	1 482	3 156
Other off season TFP commission	1 393	1 644
	<b>25 703</b>	<b>57 948</b>
Current assets	25 703	57 948
Non-current assets	-	-
	<b>25 703</b>	<b>57 948</b>

\* 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 30/09/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
Cash in hand and cash at bank	365 658	134 541
	<b>365 658</b>	<b>134 541</b>

## Note 9. Deferred tax assets and liabilities

Deferred tax	The period of 9 months ended on 30/09/2023 [not audited]	The period of 12 months ended on 31/12/2022 [audited]
	PLN'000	PLN'000
Deferred tax assets	12 210	11 578
deferred tax asset – accounted for equity	(1 604)	773
deferred tax liabilities - accounted for profit or loss	31 369	-
Deferred tax liabilities – accounted for equity	26	-
Deferred tax assets accounted for profit or loss	(5 399)	(141)
<b>Balance of deferred tax</b>	<b>36 602</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 30/09/2023
	PLN'000	PLN'000	PLN'000	PLN'000
Provisions for employee benefits	286	-	352	638
Recognition of other provisions	8 516	-	25 009	33 525
Measurement/impairment of assets	2 492	-	-	2 492
Measurement of derivatives	772	(1 604)	-	(832)
unrealized exchange gains	-	-	175	175
Right of use asset IFRS 16	-	-	6 119	6 119
Other *	286	-	-286	-
<b>Total</b>	<b>12 352</b>	<b>(1 604)</b>	<b>31 369</b>	<b>42 117</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 30/09/2023
	PLN'000	PLN'000	PLN'000	PLN'000
Measurement of derivatives	-	-	-	-
Measurement of assets	-	-	-	-
Unrealised exchange losses – basic	141	(25)	-	116
Unrealised exchange losses- interest	-	-	-	-
Unrealised exchange losses- valuation of advances from previous years	-	-	-	-
Right of use liabilities IFRS 16`	-	-	5399	5399
Other	-	-	-	-
<b>Total</b>	<b>141</b>	<b>(25)</b>	<b>5399</b>	<b>5515</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 30/09/2022
	PLN'000	PLN'000	PLN'000	PLN'000
Provisions for employee benefits	228	-	-	228
Recognition of other provisions	1 106	-	34 358	35 464
Measurement/impairment of assets	581	-	-	581
Measurement of derivatives	-	214	-	214

Deferred tax assets	As at 01/01/2022	movement (+ /-) recognised in capitals	Movement r (+ /-) recognised in profit/loss for the current period	As at 30/09/2022
	PLN'000	PLN'000	PLN'000	PLN'000
unrealized exchange gains	133	-	40	173
Other *	5 410	-	(5 332)	78
<b>Total</b>	<b>7 458</b>	<b>214</b>	<b>29 066</b>	<b>36 738</b>

\* The provision assets for loss was reversed on 30.09.2022

Deferred tax liabilities	As at 01/01/2022	movement (+ /-) recognised in capitals	Movement r (+ /-) recognised in profit/loss for the current period	As at 30/09/2022
	PLN'000	PLN'000	PLN'000	PLN'000
Measurement of derivatives	68	234	-	302
Measurement of assets	6	-	-	6
Unrealised exchange losses – basic	-	-	-	-
Unrealised exchange losses- interest	-	-	-	-
Unrealised exchange losses- measurement of advances from previous years	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>74</b>	<b>234</b>	<b>-</b>	<b>308</b>

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

	As at 30/09/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
<b>Hedged – according to amortised cost</b>		
overdrafts	1 561	20 380
Bank credits	-	26 851
Loans from other entities of PFR - Polish Development Fund	-	-
Transfer of receivables	-	-
Financial lease liabilities	643	574
Right of use liabilities	32 306	31 609
	<b>34 510</b>	<b>79 414</b>
short -term liabilities	12 495	29 828
long-term liabilities	22 015	49 586
	<b>34 510</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 30.09.2023 the company used bank credits (the overdraft and the revolving credit) in the total amount of PLN 1,561 thousand. As at 31.12.2022 the company used bank credits (the revolving credit) in the total amount of PLN 47,231 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, 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 30.09.2023 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 30/09/2023	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	10 513	321	10 834
Cost of interest	(1 035)	(31)	(1 066)
Modification of lease conditions	-	-	-
Adjustment of variable lease payments	-	-	-
Lease payments	(8 781)	(221)	(9 002)
Exchange differences	-	-	-
<b>As at 30/09/2023</b>	<b>32 306</b>	<b>643</b>	<b>32 949</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 30/09/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
Trade payables	106 965	73 777
Payroll liabilities	8 810	3 807
Other liabilities – accounts receivables and payables from purchase of shares	2 583	2 600
Other liabilities – dividend	-	-
Other liabilities – remaining	55 208	12 919
<b>Total</b>	<b>173 566</b>	<b>93 103</b>

### Other liabilities

	As at 30/09/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
liabilities to customer taken over by Insurance Guarantee Fund	31 427	37 088
Liabilities to customers	-	-
<b>Total</b>	<b>31 427</b>	<b>37 088</b>
Short-term liabilities	7 543	7 543
Long-term liabilities	23 884	29 545
	<b>31 427</b>	<b>37 088</b>

The aid programme offered by the government of Poland 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 requested Tourism Guarantee Fund to pay back 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 the tour operator. Payments made by the Tourism Guarantee Fund on behalf of the company is a form of financing – a loan granted by the Tourism Guarantee Fund, and it must be repaid in 72 equal instalments starting from December 2021 (the change of the initial payment date – as of 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 one will be repaid to 21<sup>st</sup> day of each month, starting from January 2022.

Because the company took advantage of the governmental aid, it incurred liability to the Tourism Reimbursement Fund operating at the Insurance Guarantee Fund (obligations to customers taken over by the Fund) as at 30.09.2023 in the amount of PLN 31,427 thousand, as at 31.12.2022 in the amount of PLN 37.088 thousand.

## Note 12. Provisions and other liabilities

	As at 30/09/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
Employee benefits (i)	2 659	680
Employee benefits (ii)	697	286
Other provisions – complaints	956	56
Other provisions – estimated costs of airplanes and hotels (iii)	150 285	44 580
Other provisions – estimated costs of commission	11 454	-
other provisions – estimated costs - other	8 929	721
	<b>174 980</b>	<b>46 323</b>
Short-term provisions	174 283	46 037
Long-term provisions	697	286
	<b>174 980</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 30/09/2023 [not audited]	As at 31/12/2022 [audited]
	PLN'000	PLN'000
Advances paid by customers *	218 048	232 869
	<b>218 048</b>	<b>232 869</b>
short-term	218 048	232 869
long-term	-	-
	<b>218 048</b>	<b>232 869</b>

\* Advances received from customers for package holidays/ tours services, which will be provided in the future.



## Note 14. Sales revenue

	The period of 9 months ended on 30/09/2023 [not audited]	The period of nine months ended on 30/09/2022 [audited]
	PLN' 000	PLN' 000
Revenue from sales of package travel	2 635 416	1 894 239
Other revenue	2 229	2 628
	<b>2 637 645</b>	<b>1 896 867</b>

## Note 15. Costs by type

	The period of 9 months ended on 30/09/2023 [not audited]	The period of nine months ended on 30/09/2022 [not audited]
	PLN'000	PLN'000
Amortization and depreciation	(10 637)	(12 320)
Including right of use	(7 240)	(8 980)
Consumption of raw and other materials	(3 874)	(2 773)
Outsourcing	(2 289 145)	(1 731 452)
costs of employee benefits	(93 704)	(56 340)
Taxes and charges	(1 971)	(1 165)
Other costs	(52 729)	(61 874)
value of goods and materials sold	-	-
Other – other operating costs	-	-
	<b>(2 452 060)</b>	<b>(1 865 924)</b>

## Note 16. Other operating revenue/ operating costs

Other operating revenue	The period of 9 months ended on 30/09/2023 [not audited]	The period of nine months ended on 30/09/2022 [not audited]
	PLN'000	PLN'000
profits on sale of assets		
profits on sale of non-current assets	56	285
Profits on sale of investment property	-	-
	<b>56</b>	<b>285</b>
<b>Derecognized impairment loss:</b>		
Intangible assets	-	-
Tangible fixed assets	-	-
Financial assets	-	-
Trade receivables	-	-
Other	-	-
	<b>-</b>	<b>-</b>
<b>Other operating revenue</b>		
Profit on measurement of investment property	-	-
Forgiveness of the loan granted by Polish Development Fund	-	2 202
Subsidies	-	224
Other	941	166
	<b>997</b>	<b>2 877</b>

Other operating costs	The period of 9 months ended on 30/09/2023 [not audited] PLN'000	The period of nine months ended on 30/09/2022 [not audited] PLN'000
<b>Loss on sale of assets</b>		
loss on sale of non-current assets	-	-
loss on sale of investment property	-	-
	-	-
<b>Recognized impairment</b>		
Goodwill	-	-
Intangible assets	-	-
Tangible fixed assets	-	-
Financial assets	-	-
Trade receivables	-	-
Other	(572)	(1 157)
	-	-
<b>Other operating costs</b>		
loss on measurement of investment property	-	-
cost of liquidation of non-current assets and current assets	-	-
Other – complaints	(1 791)	(610)
Other	(630)	(569)
	(2 993)	(2 336)

#### Note 17. Revenue/financial costs

	The period of 9 months ended on 30/09/2023 [not audited] PLN'000	The period of nine months ended on 30/09/2022 [not audited] PLN'000
<b>Lease revenue</b>		
contingent revenue from finance lease	-	-
revenue from operating lease		
On investment property	-	-
przychody warunkowe z leasingu operacyjnego *	-	-
	-	-
<b>Interest revenue</b>		
Bank deposits	9 881	3 844
Other loans and receivables	-	-
Dividends received	944	-
	10 825	3 844
<b>Total</b>	10 825	3 844

Table. Financial revenue analysed by categories of assets

Interest revenue	The period of 9 months ended on 30/09/2023 [not audited] PLN'000	The period of nine months ended on 30/09/2022 [not audited] PLN'000
Loans and receivables (cash at hand and bank deposits)	9 881	3 844
Investments held to maturity	-	-

Interest revenue	The period of 9 months ended on 30/09/2023 [not audited]	The period of nine months ended on 30/09/2022 [not audited]
	PLN'000	PLN'000
Interest revenue from financial assets, which are not intended for measurement at WSE	-	3 844
financial revenue from non-financial assets	944	-
<b>Total</b>	<b>10 825</b>	<b>3 844</b>

Interest costs:	The period of 9 months ended on 30/09/2023 [not audited]	The period of nine months ended on 30/09/2022 [not audited]
	PLN'000	PLN'000
Interest on credits and overdrafts (except for those obtained from related parties)	(866)	(1 086)
Interest on credits and overdrafts obtained from related parties.	-	-
Interest on financial lease liabilities	(31)	(18)
Other interest costs	(20)	(12)
<b>Total interest costs on financial liabilities measured on WSE.</b>	<b>(917)</b>	<b>(1 116)</b>
Less amounts recognized in costs of assets eligible for capitalization	-	-
	(917)	(1 116)
<b>Other financial costs</b>		
other financial costs - costs of guarantees	(9 850)	(1 987)
Other – discount, other	(1 035)	(609)
	<b>11 802</b>	<b>(3 712)</b>

## Note 18. Income tax

Income tax	The period of 9 months ended on 30/09/2023 [not audited]	The period of nine months ended on 30/09/2022 [not audited]
	PLN'000	PLN'000
Gross profit (loss)	182 612	31 616
Permanent differences increasing the tax base	1 485	(1 792)
Temporary differences in the tax base	147 679	79 539
<b>Tax base</b>	<b>331 776</b>	<b>112 948</b>
Tax at the rate	19,00 5	19,00%
Tax losses offset with an asset	-	-
Current tax	67 254	30 731
Deferred tax	(31 751)	(36 738)
<b>Income tax recognised in the account</b>	<b>35 503</b>	<b>(6 007)</b>
<b>effective tax rate</b>	<b>19.4%</b>	<b>19.0%</b>

## Note 19. Operations with entities related with Rainbow Tours S.A.

The following amounts at the closing balance	Assets	Equity and Liabilities
--	--------	------------------------

	As at 30/09/2023	As at 31/12/2022	As at 30/09/2023	As at 31/12/2022
	PLN'000	PLN'000	PLN'000	PLN'000
White Olive A.E.	-	-	9 131	5 209
„Rainbow Tours Spółka Akcyjna – branch in Torremolinos” – branch in Spain	2 425	746	-	-
“Rainbow Tours Spółka Akcyjna – branch in Athens” – branch in Greece	4 790	4 027	-	-
Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S.	1 538	-	-	2 025
My Way by Rainbow Tours Sp. z o. o.	-	60	35	-
Rainbow Tours S.A.	9 166	7 234	8 753	4 833
<b>Total</b>	<b>17 919</b>	<b>12 067</b>	<b>17 919</b>	<b>12 067</b>

	Sale of services		Purchase of services	
	The period of 6 months ended on 30/09/2023	The period of 3 months ended on 31/03/2022	The period of 6 months ended on 30/09/2023	The period of 3 months ended on 31/03/2022
	PLN'000	PLN'000	PLN'000	PLN'000
White Olive A. E	23 936	26 019	533	315
“Rainbow Tours Spółka Akcyjna – branch in Torremolinos” – branch in Spain	16 950	8 422	3 980	1 402
“My Way by Rainbow Tours” Sp. z o. o.	432	172	-	-
Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S.	24 134	20 085	5 860	4 305
“Rainbow Tours Spółka Akcyjna - branch in Athens” – branch in Greece	15 236	12 022	4 300	939
Rainbow Tours S. A	14 673	6 961	80 688	66 720
<b>Total</b>	<b>95 361</b>	<b>73 681</b>	<b>95 361</b>	<b>73 681</b>

## Note 20. Explanations regarding seasonality or cyclical nature of operations of the Issuer in the presented period.

The operations of the Group due to the type of operations are seasonal – highest revenue is earned in summer and the lowest in in IV quarter of the calendar year.

The charts below present: amount of revenue from sale of tourism services in the period from January 2015 to September 2023 (month on month over years, in individual during a year, for different financial/calendar years), and also the value of revenue from sale of tourism services on the quarter-on-quarter basis in the period 2012–2023.

The charts below show the effect of COVID-19 pandemic on operations of the Parent Company, which, during lockdowns and due to the effects of SARS-CoV-2 pandemic, did not earn sales revenue in II quarter of 2022 and recorded lower sales revenue in individual quarters of 2020 and 2021. 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 exclusion of mutual transactions.

Chart. – month on month sales revenue in the period from 2015.01 to 2023.09

month on month sales revenue in the years - the period from 2015.01 to 2023.09

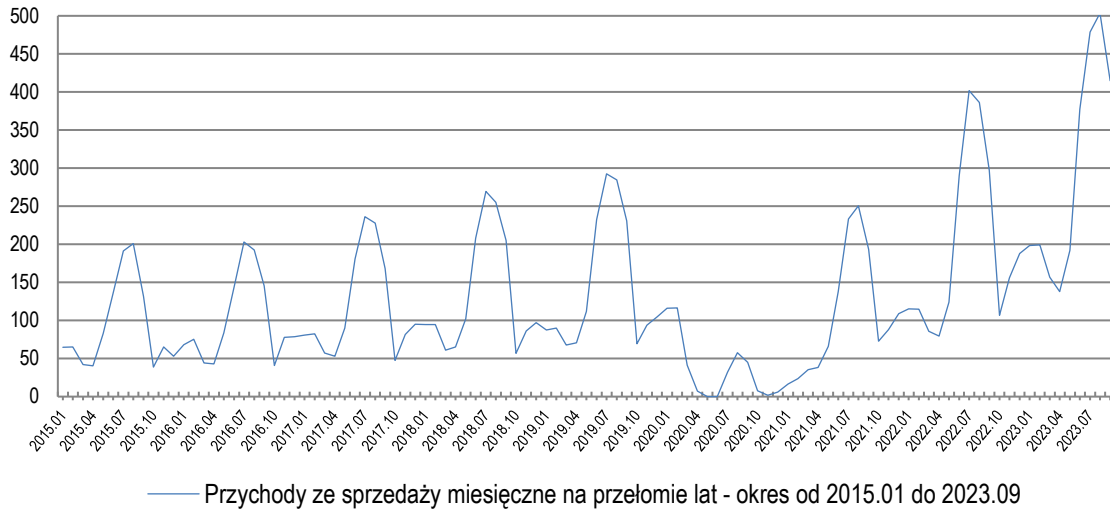


Chart. – comparison of month-on-month sales revenue from 2015 – 2023 (to September 2023)

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

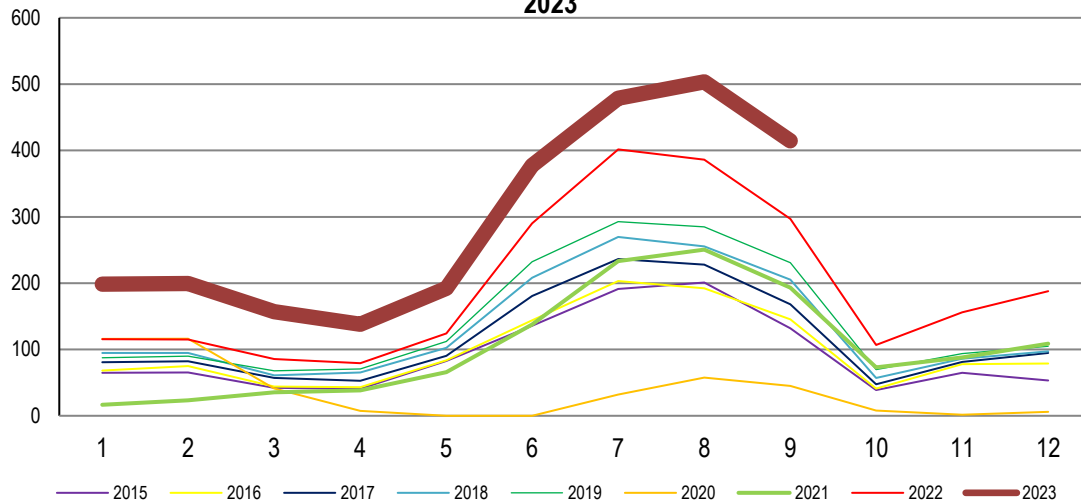
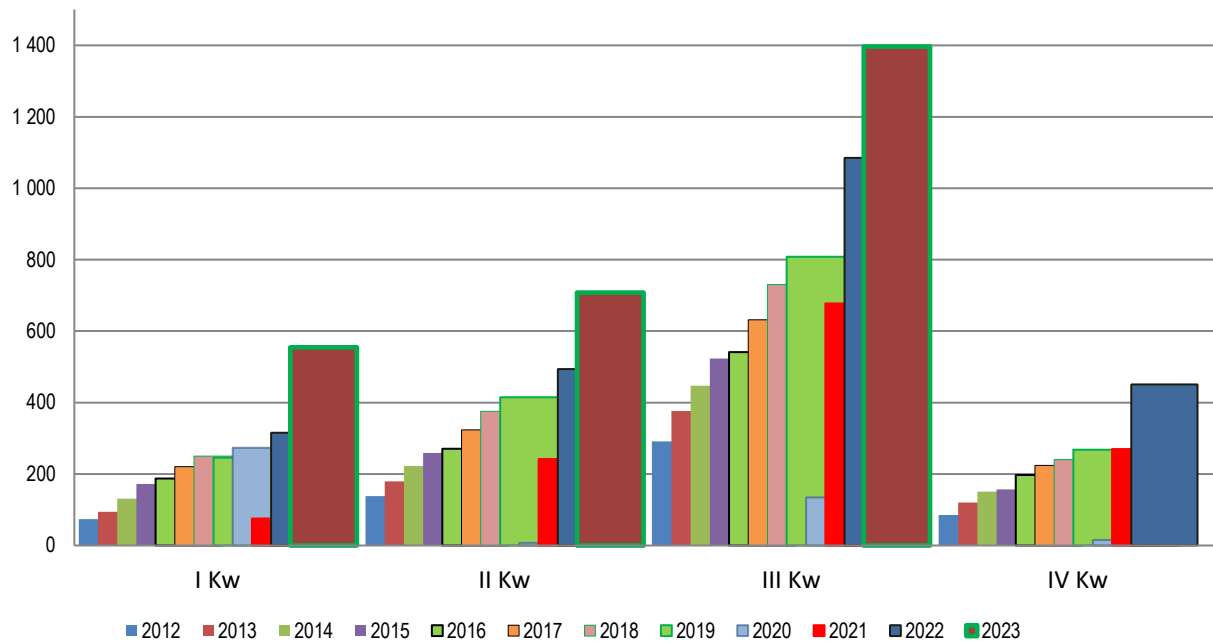


Chart. – comparison of quarter-on-quarter sales revenue from to 2012 – 2023

Seasonality - quarter on quarter sales revenue [ in PLN million] - years 2012-2023



## 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. (the company limited by shares operating under Greek law),
- Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S. (company limited by shares 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 III quarter of 2023 and accruing for three quarters of 2023, above.

All above specified subsidiaries are consolidated and are covered in the consolidated financial statement of Rainbow Tours Group for third quarter of 2023 and accruing for three quarters 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. An important part of the Company's offer covers package tours, exotic package holidays and offers combining exotic package tours and holidays which bring above the average income. Portfolio of products of the Parent Company includes tours to more than 100 countries with departures to more than 150 destinations. Substantial diversification of destinations and around 50% share of sales through own distribution channels contribute to financial stability of the Group.

The gradually expanded segment of operations of the Group covers hotel operations carried out in own hotels by the Greek subsidiary White Olive A.E., which is the owner of four hotel properties (on islands: Zakynthos, Rhodes and Crete). Pursuant to the contract of 04.10.2023 concerning termination of sub-lease contract (the sub-lease contract of 22.04.202, continuation of sublease contract of 11.04.2018), the subsidiary of the Issuer, that is White Olive A.E., stopped provision of its hotel services in the hotel at that time operating under the name: "White Olive Premium Cameo", that is a four-star hotel situated in the town of Agios Sostis on the Greek island Zakynthos. The decision to stop the provisions of hotel services in the sub-leased hotel and termination of the sub-lease contract was taken because it was necessary to make substantial investments, engaging large funds, in the hotel infrastructure in the respective hotel, which is the property of a third party (the lessor). The plans of further operations of White Olive A.E. include expansion of hotel operations in own hotels, and not those long-term leased. Own hotels not only allow the Company to create and manage the product, but also enables to earn higher more stable profit. The expansion of the hotel chain enables the Group to earn higher profit margin. In I quarter of 2023 White Olive A.E. invested in purchase of land on Rhodes in Greece. The subsidiary White Olive A.E. acquired three plots of land with the total area of 11 thousand m<sup>2</sup>. The plots are located in the direct neighbourhood of the hotel White Olive Premium Lindos hotel. The respective purchase will enable to expand the hotel area by some 75-82 rooms without extension of associated infrastructure - communal areas and kitchen facilities. That move will lead to associated 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 (in which activities of tour operators 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 (III quarter of 2023) and after the balance sheet date (30.09.2023) up to the date of approval of this report for publication (17.11.2023) the Parent Company recorded significant rises in bookings and sales revenue.

According to latest current reports on 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 the 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.
- 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 offers sold is recognized in sales revenue of the Company according to accounting rules, that is 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 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%;
- According to the current report No 45/2023 of 27.10.2023 total single sales revenue of the company for September 2023 came to PLN 414.6 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 230.7million, means for the reporting period rise in sales by 79.7%, (-) 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 297.1 million PLN, means for the reporting period rise in sales by around 39.5%; single sales revenue of the Company accumulating from 1 January to 31 September 2023 came to PLN 2,659 million, what compared with reference periods below means: (-) compared with the same period of 2019 (that is from 1 January to 30 September 2019) accumulating total sales revenue of the Company came to PLN 1,468.5 million, and that means for the reporting period rise in sales by around 40.4 %, (-) compared with the same period of 2022 (that is from 1 January to 30 September 2022), when accumulating total sales revenue of the Company came to PLN 1,894.3 million, and it means for the reporting period rise in sales by around 40.4%;

General strategy of Rainbow Tours Group for 2023 and the years to come, similarly as in 2022 and in previous years, despite inhibited economic growth trends in the local as well as global scale - due to the pandemic in 2020 and 2021, which was caused by spread of SARS-CoV-2 and in 2022 by unfavourable macroeconomic phenomena (rising inflation, rising interest rates, unfavourable exchange rates, which could lead economic stagnation) caused i.e. by the armed conflict in Ukraine, was and is dependent on consistent creation of strong and recognizable Rainbow brand and strong Rainbow Tours Group covering with its operations all aspects of tourism market. The mission of Rainbow Tours Group is to learn jointly and consistently about ever changing customers dreams regarding holidays and making them true in 100%. The main objective of the Group is to create the best tour operator in Poland, recognized for its reputation by all Polish people. The brand Rainbow Tours is to be a synonym of quality, reliability and experience of employees. Moreover, it should be associated with 100% holiday satisfaction and visitors' finding out about true colours of destinations.

The main instruments of implementation of the strategy are the same and are still the object of improvement, and they include:

- diversified offer of package tours and holidays aimed predominantly at mass customers; and it is extended by new destinations depending on current trends, at the same the company expands the segment of business trips and company retreats is expanded.
- Omnichannel own sale channel, where, apart from own retail outlets, sales via call centre and the Internet are growing in importance; rising contribution of own channel in sale structure enable to reduce costs relatively and have full control over its quality and form.
- development of new technologies, including own booking system.
- development of the hotel chain in Greece, including owing to funds provided under the agreement signed in February 2019 with Fundusz Ekspansji Zagranicznej FIZ AN (Foreign Expansion Fund FIZ AN) (which is a part of the Polish International Development Fund Group) and the loan from Bank BGK; the expansion of the chain hotel will help to earn higher margin.

- optimization of employment and costs, i.e., by concentration of operations in the Parent Company, and of hotel operations of the subsidiary White Olive A.E. (in 2022 the Company took over its subsidiary White Olive Premium Lindos A.E.).
- consolidation of charter market, in order to resell tickets with profit to smaller tour operators.
- filling seats in charter planes, because the sale of seats has decisive effect on profitability of entire package holiday/tour/
- Effective currency policy affecting financing of business expansion

## DESCRIPTION OF BASIC ECONOMIC AND FINANCIAL DATA

In the reporting period of three quarters of 2023 the results on operations and results of advance sales of package holidays/tours for "Summer 2023" and "Winter 2023/2024" show that despite incidental events such as fires in Greece, which have an impact, in reality insignificant, on operations of tour operators – on record level of sales and advance sales. In the comparative period of three months of 2022 operations of the Company were influenced to some extent by the military aggression of Russian Federation on the territory of Ukraine (it started on 24.02.2022) and that led to negative consumer moods i.e., in package holiday industry at the turn of I and II quarter of 2022. Despite this negative factor customers and potential customers grew accustomed to the existence of the military conflict in close vicinity of Poland, and after temporary slowdown in sales in the period directly after the start of the war in Ukraine in the following weeks in I and II quarter of 2022, the Company gradually has seen recurring trend of rising sales and bookings of package holidays / tours offered by the Group for "Summer 2023" season as well as "Winter 2022/2023".

Because of the tendencies of growing dynamics and levels of sales in three quarters of 2023, single revenue of Rainbow Tours from sales in the period of three quarters of 2023 came to PLN 2,637,645 thousand against the period of three quarters of 2022 (the period of recovery from SARS-CoV-2 coronavirus pandemic and restoring level of sales in up to now historically record high year 2022 - in respect of revenue, when single revenue of the Company came to PLN 1,896,867) and that means rise in sales by 39.1%, whereas - in comparison with the period of three quarters of 2019 - the period of economic reality of 2019, which was the last year before effects of SARS-CoV-2 pandemic - and that also means rise increase in sales, that is by around 79.6% (sales revenue for three quarters of 2019 came to PLN 1,468,452 thousand).

Table. Specification of revenue of the Parent Company for the period of three quarters of 2023 and the comparative period of three quarters of 2022.

structure of revenue of the Company	2023	2022	Change	%
	January – September	January – September		
	PLN'000	PLN'000	PLN'000	
1	2	3	4=2-3	5=4/3
revenue from sales of package holiday	2 635 416	1 894 239	741 177	39,1%
Sales revenue - other	2 229	2 628	(399)	-15,2%
<b>Total revenue</b>	<b>2 637 645</b>	<b>1 896 867</b>	<b>740 778</b>	<b>39,1%</b>

Table. Specification of revenue of the Parent Company for the period of three quarters of 2023 and the comparative period of three quarters of 2019

structure of revenue of the Company	2023	2019	Change	%
	January – September	January – September		
	PLN'000	PLN'000	PLN'000	
1	2	3	4=2-3	5=4/3
revenue from sales of package holiday	2 635 416	1 467 597	1 167 819	79,6%
Sales revenue - other	2 229	855	1 374	160,7%
<b>Total revenue</b>	<b>2 637 645</b>	<b>1 468 452</b>	<b>1 169 193</b>	<b>79,6%</b>

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

Description	2023		2022		Dynamics	Dynamics
	January – September	Structure	January – September	Structure		
	PLN'000		PLN'000		PLN'000	%
Sales through agents	946 709	35.90%	697 399	36.80%	249 310	35.70%
Sales through retail offices and Call Centre	1 407 631	53.40%	946 073	49.90%	461 558	48.80%
Other	281 076	10.70%	250 767	13.30%	30 309	12.10%

Description	2023		2022		Dynamics	Dynamics
	January – September	Structure	January – September	Structure		
	PLN'000		PLN'000		PLN'000	%
<b>Total</b>	<b>2 635 416</b>	<b>100.0%</b>	<b>1 894 239</b>	<b>100.0%</b>	<b>741 177</b>	<b>39.10%</b>

Cost of sales of sold package holidays in the reporting period of three quarters of 2023 came to PLN 2,202,048 thousand, up by 39.1% against the similar item in the period of three quarters of 2022 (PLN 1,706,671 thousand), and was higher by 39.1 % for the same category of costs for the period of three quarters of 2019 (PLN 1,267,847 thousand).

Higher dynamics of rising sales revenues against cost of sales was affected i.e., falling exchange rates from the beginning of 2023 against budget exchange rates. Gross profit on sales (margin on sales) earned in three quarters of 2023 came to PLN 435,597 thousand and growth dynamics came to a 129.0%. In the comparative period of three quarters of 2022 gross profit on sales (margin on sales) came to PLN 190,196 thousand.

Administrative costs of the Company in the reporting period of three quarters of 2023 came to PLN 250,012 thousand, up by PLN 90,759 thousand against this category of costs incurred within three quarters of 2022 (PLN 159,253 thousand), which means growth dynamics of 57%.

Table. Specification of administration costs of the Parent Company

Administration costs	2023		2022		Movement	%
	January – September	January – September	January – September	January – September		
	PLN'000	PLN'000	PLN'000	PLN'000		
<b>1</b>	<b>2</b>	<b>3</b>	<b>4=2-3</b>	<b>5=4/3</b>		
Selling costs	(198 883)	(128 930)	69 953	54,3%		
Overheads	(51 129)	(30 323)	20 806	68,6%		
<b>Total cost of operations</b>	<b>(250 012)</b>	<b>(159 253)</b>	<b>90 759</b>	<b>57,0%</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 period of three quarters of 2023 came in total to PLN 198,883 thousand - up by PLN 69,953 thousand than the amount incurred in the period of three quarters of 2022 (PLN 128,930 thousand).

In the period of three quarters of 2023 the Company made profit on operations, which is defined as operating margin (EBIT) and came to PLN 183,589 thousand and in the comparative period of three quarters of 2022 it came to PLN 31,484 thousand. Gross margin after three quarters of 2023 came to 16.51% (in the period of three quarters of 2022 the ratio came to 10.03%).

Due to among others, summer holiday peak season in tourism (July and August of the calendar year), which is typical for the tourism industry in Poland and Europe, the Parent Company in the period of three quarters of 2023 recorded single net profit in the amount of PLN 153,950 thousand, whereas in the comparative period of three quarters of 2022 (the period of recovery from the effects of SARS-CoV pandemic and restoring in up to now record high year 2022 in history of the Company in respect of revenue) net single profit came to PLN 25,609. In the period of three quarters of 2019 (the period of operations of the company in the economic reality of 2019, which is the last calendar year before effects of SARS-CoV-2 pandemic), the Company earned single net profit in the amount of PLN 44,002 thousand.

The rate of return, which is the relation of net result to sales revenue in the period of three quarters of 2023 came to 5.58%, when in the period of three quarters of 2022 it came to 1.35%. Single EBIDTA for the period of three quarters of 2023 came to PLN 194,226 thousand, up against the same period of three quarters of 2022, when the single EBIDTA came to PLN 43,804 thousand.

In the single statement of the financial position as at 30.09.2023 in "the equity and liabilities" in the item: "Deferred income" the amount of PLN 218,048 thousand refers to advances paid in advance sale (advance payments for package holiday services provided in the future). As at 30.09.2022 the respective item came to PLN 135,132 thousand. Cash and liquid assets as at the end of September 2023 came to PLN 237,465 thousand.

Due to the fact that the value of consolidated sales revenue is substantially affected by the value of sales carried out by the Parent Company in the Group (that is Rainbow Tours S.A.) the value of revenues of Rainbow Tours Group for the period of three quarters of 2023 was characterized by similar tendencies as single revenue.

The consolidated sales revenue of the Group in the period of three quarters of 2023 came to PLN 2,699,128 thousand and compared to period of three quarters 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 means rise in sales by around 39.60% (the consolidated sales revenue for the period of three quarters of 2022 came to PLN 1,933,539 thousand) whereas compared to the period of three quarters 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) also means rise in sales by around 82.60% (the consolidated sales revenue for three quarters of 2019 came to PLN 1,478,420 thousand). The relative rise in value of revenue in the period of three quarters of 2023 was influenced by increased amount of the unit price of a package holiday / tour (which was brought by rising price of jet fuel, rising exchange rates of settlement currencies used by the Company that is USD and EUR and substantial demand for package holidays/ tours).

It should also be stated that considering seasonality in hotel operations “the hotel company” White Olive A.E in its model form starts operations and earning revenue as of the end of April of the calendar year. The hotel season for the brand White Olive started from May 2022.

Table. Specification of revenue of the Group for three quarters of 2023 against the comparative period of three quarters of 2022

Structure of revenue of the Group	2023	2022	movement	%
	January - September	January - September		
	PLN'000	PLN'000	PLN'000	
1	2	3	4=3-2	5=4/3
Revenue from sales of package travel	2 671 158	1 912 364	758 794	39.7%
Revenue from sales of hotel services	25 539	19 631	5 908	30.1%
Sales revenue – other	2 431	1 544	887	57.4%
<b>Total revenue</b>	<b>2 699 128</b>	<b>1 933 539</b>	<b>765 589</b>	<b>39.6%</b>

Table. Specification of revenue of the Group for the period of three quarters of 2023 against the comparative period of three quarters of 2019.

Structure of revenue of the Group	2023	2019	movement	%
	January - September	January - September		
	PLN'000	PLN'000	PLN'000	
1	2	3	4=3-2	5=4/3
Revenue from sales of package travel	2 671 158	1 467 597	1 203 561	82.0%
Revenue from sales of hotel services	25 539	9 770	15 769	161.4%
Sales revenue – other	2 431	1 053	1 378	130.9%
<b>Total revenue</b>	<b>2 699 128</b>	<b>1 478 420</b>	<b>1 220 708</b>	<b>82.6%</b>

Gross profit on sales, defined as sales margin, in the period of three quarters of 2023 came to PLN 476,315 thousand, while in the comparative period of three quarters of 2022 the amount of margin earned came to PLN 216,994 thousand. In the period of three quarters of 2019 the margin came to PLN 209,042 thousand. The margin for the period in question of three quarters of 2023 came to 17.6% (after three quarters of 2022 the ratio came to 11.2%. after three quarters of 2019 it came to 14.1%).

Table. Specification of administration costs of the Group

Administration costs of the Group	2023	2022	movement	%
	January - September	January - September		
	PLN'000	PLN'000	PLN'000	
1	2	3	4=2-3	5=4/3
Selling costs	(207 774)	(133 272)	74 502	55.9%
Overheads	(56 487)	(34 792)	21 695	62.4%
<b>Total</b>	<b>(264 261)</b>	<b>(168 064)</b>	<b>96 197</b>	<b>57.2%</b>

Return on sales for the Group, which is the relation of net performance to sales revenue in the period in question of three quarters of 2023 came to 6.3%; and in the comparative period of three quarters of 2022 the ratio came to 2.2%, in the period of three quarters of 2019 to 3.3 %;

Cost of amortization in the period of three quarters of 2023 came to PLN 16,484 thousand and in the comparative period of three quarters of 2023 the amount of amortization costs came to PLN 19,985. EBIDTA for the period in question of three quarters of 2023 came to PLN 226,607 thousand and in the comparative period of three quarters of 2022 – PLN 70,094 thousand.

The above facts affected the amount of the consolidated result of Rainbow Tours Group for three quarters of 2023; in the period in question after three quarters of 2023 the consolidated net profit came to PLN 168,928 thousand, which is rise against the consolidated net result, which was net profit in the amount of PLN 42,873 thousand. Because of the capital share of Fundusz Ekspansji Zagranicznej FIZAN (Foreign Expansion Fund) (the fund run by PFR Towarzystwo Funduszy Inwestycyjnych S.A., which the part of the Polish International Fund Group) in the Greek subsidiary White Olive A.E. net profit attributable to shareholders of the Parent Company in the period in question came to PLN 166,434 thousand, whereas profit attributable to shareholders of the parent company for the same period of 2022 came to PLN 38,751 thousand, and that is a rise by 329.5%.

As at 30.09.2023 the amount of revolving credits (without investment loan) came to the amount of PLN 224 thousand, while cash amounted to PLN 1,758 thousand, and the amount of cash as at the balance sheet date 30.09.2023 came to PLN 382,550 thousand. As at 30.09.2022 the amount of credits incurred came to PLN 56,912 thousand, and the amount of cash as at 30.09.2022 came to PLN 245,852 thousand. 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 30.09.2023 came to PLN 88,599 thousand

### **My Way by Rainbow Tours**

The operations of “My Way by Rainbow Tours” Sp. z o.o. are supplementary to basic activities of the tour operator. The company concentrate on organizing and providing training for travel couriers, leisure time animators, and holiday representatives under the Rainbow Academy project [website: <http://akademiarainbow.pl/>]. “My Way by Rainbow Tours” Sp z o.o. in the period in question of three quarters of 2023 made single net loss in the amount of PLN (-)16 thousand. For the period of three quarters of 2022 the respective subsidiary earned single net profit in the amount of around PLN 15 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 more opportunities 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 sales margin.

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.

In the period after the reporting period, pursuant to a respective contract of 04.10.2023 concerning termination of sub-lease contract (the sub-lease contract of 22.04.202, continuation of sublease contract of 11.04.2018), the subsidiary of the Issuer, that is White Olive A.E. stopped provision of its hotel services in the hotel then operating under the name: "White Olive Premium Cameo", that is a four-star hotel situated in the town of Agios Sostis on the Greek island Zakynthos. The decision to stop the provisions of hotel services in the sub-leased hotel and termination of the sub-lease contract was taken because of the necessity to make significant investments, involving substantial amounts of funds, in the hotel infrastructure in the respective hotel, which is the property of a third party (the lessor). The plans of further operations of White Olive A.E. include development of operations in the hotel industry, based on own hotels, and note those long-term leased. Possession of own hotels not only provides possibility to create and manage the product, but also enables to earn higher and more stable financial result. The expansion of the hotel chain enables to earn higher margin on sales by the Group. In I quarter of 2023 White Olive A.E. made an investment in Greece that is purchase of land on Rhodes. The subsidiary White Olive A.E. acquired three plots of land with the total area of 11 thousand m<sup>2</sup>. The plots are located in the direct neighbourhood of the hotel White Olive Premium Lindos hotel. The respective purchase will enable to extend the existing hotel by some 75-82 rooms without extending associated infrastructure, that is common areas and kitchen facilities.

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 current 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 the period of three quarters of 2023 made a net profit in the amount of 8 764 thousand [for the period of three quarters of 2022 White Olive A.E. earned net profit, which is equivalent of PLN 11,821 thousand. The reduction of net profit in the period in question compared to 202 results from including soft loans forgiven that were granted during the pandemics to revenue, not including input CIT and reduction of EUR/PLN exchange rate.

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

The respective subsidiary was formally registered at the end of III quarter of 2020, and it started its operations for the first time starting from "Summer 2021" season. The formation of the respective subsidiary was intended to develop operations of Rainbow Tours Group in respect of activities of tour operators and also to improve internal organizational structure of the Group and contribute to save on operating costs and increase efficiency of operations of the Group. In operations of Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S. the Parent Company implements, with the same time resignation from services of external suppliers, policy of cost optimization with respect to package holidays, and also increases profitability of additional services to customers of Rainbow Tours Spółka Akcyjna (package tours and optional tours). In the following stage the respective subsidiary will be ready to offer touristic products also to other market players (tour operators). In the period of three quarters of 2023 the subsidiary Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S. recorded sales at the level of

PLN 49,377 thousand and earned net profit in the amount of PLN 4,912 thousand. In the comparative period of three quarters of 2022 the respective subsidiary recorded sales at the level equivalent to PLN 31,863 thousand, and earned net profit in the equivalent of PLN 2,132 thousand.

#### **Activities of tour operators – foreign branches (Greece, Spain)**

In order to develop its business operation in respect of tour operators, and also to improve internal organizational structure and contribute to saving operating costs and improve efficiency of operations of the Group, the Parent Company consistently carries out its activities in respect of delegating and partially operating in tour operator sector to entities formed for this purpose (branches in Greece and Spain), which carry out respective business activities in destinations which are of key and substantial importance for the Group. These activities are consistent with strategy of vertical integration of the Issuer, as a part of which Rainbow Tours intends, and at the same time resigns from services of external suppliers, substantially optimize costs of provisions of package holiday services, and also to increase profitability of additional services sold to customers of Rainbow Tours (package tours and optional tours), in the following stages when it comes to offering touristic products, also to other market players (tour operators).

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

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

In the period of three quarters of 2023 the Branch in Greece (that is “Rainbow Tours Spółka Akcyjna – branch in Athens) recorded sales at the level equivalent to PLN 32,234 thousand and earned operating profit in the amount equivalent to PLN 5,184 thousand and net profit came to the equivalent of PLN 5,152 thousand. In the comparative period of three quarters of 2022 the branch in Greece recorded sales at the level equivalent to PLN 21,852 thousand and earned operating profit in the amount equivalent to PLN 3,019 thousand and the net profit amount to equivalent of PLN 3,014 thousand.

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

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

In the period of three quarter of 2023 the branch in Spain (that is “Rainbow Tours Spółka Akcyjna – Branch Torremolinos) recorded sales at the level equivalent to the amount of PLN 31,665 thousand and earned net operating profit in the amount equivalent to PLN 5,309 thousand, and net profit came to the equivalent of PLN 5,309 thousand. In the comparative period of three quarter of 2022 the branch in Spain (that is “Rainbow Tours Spółka Akcyjna – Branch Torremolinos) recorded sales at the level equivalent to

the amount of PLN 10,648 thousand and earned net operating profit in the amount equivalent to PLN 710 thousand, and net profit came to the equivalent of PLN 725 thousand.

## ALTERNATIVE MEASUREMENT OF PERFORMANCE – SELECTED FINANCIAL RATIOS

When making (in respect of information of the Management Board of the Parent Company on operations of Rainbow Tours and Rainbow Tours Group) assessment and description - 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 30/09/2023	from 01/01/2022 to 30/09/2022	from 01/01/2023 to 30/09/2023	from 01/01/2022 to 30/09/2022
	PLN'000	PLN'000	PLN'000	PLN'000
EBIT = profit / (loss) on operations	183 589	31 484	210 123	50 109

### 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 30/09/2023	from 01/01/2022 to 30/09/2022	from 01/01/2023 to 30/09/2023	from 01/01/2022 to 30/09/2022
	PLN'000	PLN'000	PLN'000	PLN'000
Sales revenue	2 637 645	1 896 867	2 699 128	1 933 539
Gross profit/loss on sales	435 597	190 196	476 315	216 994
<b>Gross Margin</b>	<b>16,51%</b>	<b>10,03%</b>	<b>17,65%</b>	<b>11,22%</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 non-current assets.

Measure	Single data		Consolidated data	
	from 01/01/2023 to 30/09/2023	from 01/01/2022 to 30/09/2022	from 01/01/2023 to 30/09/2023	from 01/01/2022 to 30/09/2022
	PLN'000	PLN'000	PLN'000	PLN'000
[A] Profit (loss) on operations	183 589	31 484	210 123	50 109



Measure	Single data		Consolidated data	
	from 01/01/2023 to 30/09/2023	from 01/01/2022 to 30/09/2022	from 01/01/2023 to 30/09/2023	from 01/01/2022 to 30/09/2022
	PLN'000	PLN'000	PLN'000	PLN'000
[B] Amortization (in plus)	10 637	12 320	16 484	19 985
<b>EBITDA = [A] + [B]</b>	<b>194 226</b>	<b>43 804</b>	<b>226 607</b>	<b>70 094</b>

### Measure: financial debt

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

Measure	Single data		Consolidated data	
	from 01/01/2023 to 30/09/2023	from 01/01/2022 to 30/09/2022	from 01/01/2023 to 30/09/2023	from 01/01/2022 to 30/09/2022
	PLN'000	PLN'000	PLN'000	PLN'000
[A] Overdrafts	1 561	26 202	1 758	26 202
[B] Revolving credits	-	30 710	-	30710
[C] bank investment loans	-	-	42 885	54 040
[D] financial lease liabilities	-	-	409	496
[E] Liabilities arising on subsidy loan	643	578	643	578
<b>Financial Debt = [A] + [B] + [C] + [D] + [E]</b>	<b>2 204</b>	<b>57 490</b>	<b>45 695</b>	<b>112 026</b>

### Measure: Net financial debt

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

Measure	Single data		Consolidated data	
	from 01/01/2023 to 30/09/2023	from 01/01/2022 to 30/09/2022	from 01/01/2023 to 30/09/2023	from 01/01/2022 to 30/09/2022
	PLN'000	PLN'000	PLN'000	PLN'000
[A] financial debt	2 204	57 490	45 695	112 026
[B] right of use liabilities	365 658	237 465	382 550	245 852
<b>Total debt = [A] + [B]</b>	<b>363 454</b>	<b>179 975</b>	<b>336 855</b>	<b>133 826</b>

### Measure: Net Total Debt

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

Measure	Single data		Consolidated data	
	from 01/01/2023 to 30/09/2023	from 01/01/2022 to 30/09/2022	from 01/01/2023 to 30/09/2023	from 01/01/2022 to 30/09/2022
	PLN'000	PLN'000	PLN'000	PLN'000
[A] total debt	2 204	57 490	45 695	112 026
[B] cash and cash equivalents	32 306	20 147	42 904	32 384
<b>Total Debt = [B] - [A]</b>	<b>34 510</b>	<b>77 637</b>	<b>88 599</b>	<b>144 410</b>

### Measure: Net Margin

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

Measure	Single data		Consolidated data	
	from 01/01/2023 to 30/09/2023	from 01/01/2022 to 30/09/2022	from 01/01/2023 to 30/09/2023	from 01/01/2022 to 30/09/2022
	PLN'000	PLN'000	PLN'000	PLN'000
[A] total debt	34 510	77 637	88 599	144 410
[B] cash and cash equivalents	365 658	237 465	382 550	245 852
<b>Total Debt = [B] - [A]</b>	<b>331 148</b>	<b>159 828</b>	<b>293 951</b>	<b>101 442</b>

### Measure: Net Margin

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

Measure	Single data		Consolidated data	
	from 01/01/2023 to 30/09/2023	from 01/01/2022 to 30/09/2022	from 01/01/2023 to 30/09/2023	from 01/01/2022 to 30/09/2022
	PLN'000	PLN'000	PLN'000	PLN'000
[A] Sales revenue	2 637 645	1 896 867	2 699 128	1 933 539
[B] Net profit (loss)	147 109	25 609	168 928	42 873
<b>Net margin = [B] / [A]</b>	<b>5.58%</b>	<b>1.35%</b>	<b>6.26%</b>	<b>2.22%</b>

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

In the period of three quarters 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 operations of the Parent Company could be affected by factors described in detail in point 11 "Factors, which in the opinion of the Issuer will have effect on results achieved in the time perspective of at least another quarter. "Perspectives for development and basic risk of operations" this part IV "Information of the Management Board on operations of Rainbow Tours Group for the third quarter and three quarters of 2023.

In the reporting period, 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 ("Costa Lindia", "Ilyssion", "Lindos Breeze", "Labranda Kiotari Miraluna", "Lindos White Hotel & Suites" and Company's own hotel "White Olive Premium Lindos). The customers stayed in other hotels without any disruptions. All evacuated Rainbow Tours customers, 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"), and were evacuate from the 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. A large number of customers of the Company returned from holidays according to the schedule (on 24.07.2023) to Poland. For other customers, 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.

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 providing assistance, 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.

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

In the reporting period of three quarters of 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 three quarters of 2023.

The consolidated entities were presented in note 2 "Description of organization of the Issuer's Group with the indication of consolidated entities" to the consolidated financial statements of Rainbow Tours Group for the third quarter and three quarters 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 third quarter of 2023, that is as at 17.11.2023).

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 third quarter of 2023 for publication that is as at 17.11.2023) - 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 third quarter of 2023 for publication, that is as at 17.11.2023, significant blocks 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%
Esaliens TFI S.A. (through managed funds)	939 342	939 342	6.46%	5.11%
OTHER SHAREHOLDERS	5 557 853	5 567 853	≈38.19%	≈30.30%
<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 the date of publication of the last periodic report (that is the Extended Consolidated Report of Rainbow Tours Group for I half-year of 2023 - PSr 1/2023) that is from 29.09.2023, there following changes were introduced in the ownership structure of major blocks of Issuer's shares.

- On 26.10.2023 the Company received from Esaliens Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna (Esaliens Investment Fund Society, the company limited by shares), which manages the following funds Esaliens Parasol Fundusz Inwestycyjny Otwarty (Esaliens Parasol Open-ended Investment Fund) and Esaliens Senior Fundusz Inwestycyjny Otwarty (Esaliens Senior Open-ended Investment Fund), a notification and information provided due to its information obligation resulting from art. 69 of the Public Offering Act and conditions of introducing financial instruments to organized trade and about public companies ((Polish Journal of Law of 2022, item 2554 as amended) about transaction of purchase of Company's shares carried out on 24.10.2023, which affected share in total number of votes at the General Meeting of the Company above 5% of the total number of votes in the Company) According to the respective notification:

"Before the transaction date the Funds held 892,342 shares of the Company, which was 6.13% of the share capital and which gave 892,342 votes attached to the shares, respectively 4.86% of the total number of votes at the General Meeting of the Company.

After the transaction the Funds held 939,342 shares of the Company, which was 6.45% of the share capital and gave 939,342 votes attached to the shares, and 5.11% of the total number of votes at the General Meeting of the Company.

There are no subsidiaries of the Fun holding shares of the Company and there are no persons mentioned in art. 87 section1 pkt 3 letter c of the Act.

In respect of the Fund: number of votes attached to shares, which is mentioned in art. 69 section 4 point 7) and point 8) of the Act: none.

Regarding the Fund, total number of votes and their share of total number of votes, which is mentioned in art. 69 section 4 point 9) of the Act, is respectively: 939,342 and 5.11%.”

**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 third quarter of 2023 that is as at 17.11.2023:

- 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 Czapla, who is a member of the Supervisory Board) holds shares of the Company indirectly (through the subsidiary)

Shareholder / member of the Management Board or Supervisory Board	Number of shares	Number of votes at GM	Company's share capital [%]	Share of votes at GM	
Grzegorz Baszczyński - the President of the Management Board	directly	-	0.00%	0.00%	
	Indirectly, through the subsidiary: Flyoo Sp. z o.o.	1 280 000	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	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 Czapla - 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	5 632	5 632	≈0.0389703%	≈0.030647%
Jakub Puchałka - the Member of the Management Board	directly	3 818	3 818	≈0.0262369%	≈0.0207759%

In the period from publication of the last periodic report (the Extended Consolidated Report of Rainbow Tours Group for I half-year of 2023 – PSr 1/2023) that is from 29.09.2023 there were no changes in ownership of share held by members of the Management Board and the Supervisory Board.

- on 04.10.2023 the Company received a notification made pursuant to art. 19 section 1 of MAR about purchase of shares of the Issuer by Mr. Maciej Szczechura – the President of the Management Board of Rainbow Tours S.A., that is a person with governing function in the Company (pursuant to MAR); according to the notification Mr. Maciej Szczechura – the President of the Management Board of Rainbow Tours S.A purchased on 03.10.2023 3,985 shares of the Issuer. (For the average price of PLN 36.99 per share.

Taking into account the notification, in connection with the transaction mentioned and considering number of shares of the Company held by the person, as at the date of approval of this extended consolidated report for third quarter of 2023, that is as at 17.11.2023, Mr Maciej Szczechura – the President of the Management Board holds total of 5,632 shares of the Issuer (with 5,632 votes at the General Meeting of the company) which is accordingly around 0.0389703% of the share capital and around 0.030647% votes at the General Meeting of the Company.

- on 17.10.2023 the Company received a notification made pursuant to art. 19 section 1 of MAR about purchase of shares of the issuer by Mr. Jakub Puchałka – a member of the Management Board of Rainbow Tours S.A., that is a person with

governing function in the Company (pursuant to MAR); according to the notification Mr. Jakub Puchalka – a member of the Management Board of Rainbow Tours S.A purchased on 17.10.2023 3,600 shares of the Issuer. (For the single price of PLN 38.00 per share).

Taking into account the notification, in connection with the transaction mentioned, and considering number of shares of the Company held by the person, as at the date of approval of this extended consolidated report for third quarter of 2023, that is as at 17.11.2023 Mr. Jakub Puchalka – a member of the Management Board holds total of 3,818 shares of the Issuer (with 3,818 votes at the General Meeting of the company), which is accordingly around 0.0262369% of the share capital and around 0.0207759% votes at the General Meeting of the Company.

#### **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 third quarter of 2023, that is as at 17.11.2023, 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 third quarter of 2023 publication, that is as at 17.11.2023, 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 30.09.2023 neither Rainbow Tours S.A., nor its subsidiaries did not make any transaction with related parties on conditions other than market conditions. Information on typical and standard transactions with related parties were presented in note 26 to the consolidated financial statements for third quarter of 2023, above.

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

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

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

As at 30.09.2023 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 (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 8,000 (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 30.09.2023 the Parent Company used the overdraft in the amount of PLN 1,560 thousand, and the total amount of guarantees issued came to PLN 42,136 thousand, and the guarantee line was used in the amount equivalent of PLN 27,136 thousand and outside the limit: PLN 15,000 thousand.

As at 30.09.2022 the Company neither used overdraft, nor renewable credit, and the total amount of guarantees issued came to equivalent of PLN 51,289 thousand and the bank guarantees under the line came to the equivalent of PLN 21.931 thousand, a and outside the limit in the amount of PLN 29,358 thousand,

### **Bank Gospodarstwa Krajowego –multipurpose line, framework agreement to make and settle derivative transactions**

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 30.09.2023 the Parent Company used overdraft in the amount of PLN 1 thousand and used the limit of guarantees in the amount of PLN 15,000 thousand.

As at 30.09.2023 the Parent Company used overdraft in the amount of PLN 26,202 thousand, and the Parent Company as at 30.09.2022 did not use limit of bank guarantees,

### **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 30.09.2023 the Company didn't use the revolving credit and the overdraft, and guarantee line as at that date was also not used.

As at 30.09.2022 the Company used the revolving credit in the amount of PLN 30,710 thousand, as at 30.09.2022 the Parent Company did not use overdraft, and guarantee line as at that date was used in the amount translated to PLN – 17,332 thousand.

### **Financial liabilities of subsidiaries**

#### **Bank Gospodarstwa Krajowego –, 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 30.09.2023 the investment loan was used by White Olive A.E. in the amount of EUR 9,328 thousand.

As at 30.09.2022 the investment loan was used by White Olive A.E. in the amount of EUR 11,220 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 Czaplą – who, as at the date of preparation and signing of this report, was a member of the Supervisory Board
  - does not meet at least one criterion of independence provided under § 24 of the Article of Association, corporate governance rules No 2.3. covered by “Best Practice of GPW listed Companies, 2021”, the act of 11.05.2017 on expert auditors, audit companies and public supervision (the Act on Expert Auditors) and the annex II do Commission Recommendation EU 2005/162 EC and thus it does not have the status required for an independent member of the Supervisory Board of Rainbow Tours S.A.
  - does not meet at least one of the criteria of independence stipulated by the Act on Expert Auditors 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 Paweł Walczak – who as at the date of preparation and signing of this report, was the chairman of the Supervisory Board
  - does not meet at least one criterion of independence provided under § 24 of the Article of Association, corporate governance rules No 2.3. covered by “Best Practice of GPW listed Companies, 2021”, the act of 11.05.2017 on expert

auditors, audit companies and public supervision (the Act on Expert Auditors) and the annex II do Commission Recommendation EU 2005/162 EC and thus it does not have the status required for an independent member of the Supervisory Board of Rainbow Tours S.A.

- does not meet at least one of the criteria of independence stipulated by the Act on Expert Auditors 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 three quarters of 2023, and also after the balance sheet date (30.09.2023 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 applying 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 three quarters 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 relatively high numbers of advance sales of "Summer 2023" offer – 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 in 2022 and in the period of three quarters of 2023, eventually did not have significant 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 the Summer 2022 season, Winter 2022/2023 season as well as Summer 2023 season and Winter 2023/2024 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 in February 2022, 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. There are still some restrictions in package holiday industry (the limited and losing its importance recovery form peaks of following pandemics and restricting the numbers of infected people), negative view of pandemic and post pandemic situation. However, in the opinion of the Management Board of the Company the awareness of the coronavirus pandemic and COVID-19 disease and any obligations and restrictions not related would not lead to such immense negative consequences, as in years 2020 and 2021, for operations of Rainbow Tours Group, and including operations of the Parent Company in 2023 and the consecutive years. This was also seen general lifting of restrictions and obligations related to COVID-19 when crossing borders of destinations, where Company operates. The impact of rise in infections, if any, in the nearest future (also regarding business and financial results of the Group, including the Parent Company for 2023) does not need to have significant and decisive effect and importance.

#### **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). 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, and also in respect to "Winter 2022/223 season" one can see noticeable change and rise in interest of potential customers in such destinations as: Dominican Republic, Mexico, Zanzibar, Kenya, Thailand, and starting from 2023 Philippines. This was caused, in these seasons by i.e., none or relatively mild restrictions and sanitary limitations in exotic destinations., and predominantly from changing preferences 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 and "Summer 2023" started respectively in August 2021 and August 2022, 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 following season advance sales of Summer 2024 offer started in August 2023, and the sale of package holidays for "Summer 2024" season started in half of September 2023. 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), which provides hotel services and develops business operations and 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.

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.

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

Risk linked to investment process refers to respective investments of the Group and potential negative impact on consolidated financial results of the Group, in the event the Company exceeds planned investment expenditure or incurs losses or the profits are delayed (earning higher margin on sales of the Group) due to delays in implementation of construction projects.

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 on 30.10.2023 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 6.5% year on year (in September 2023 the inflation rate was at the level of 8.2% and in August 2023 -10.1%). The effective as of 05.10.2023 the reference rate, main interest rate of NBP, came to 5.75% (during its October the meeting the Monetary Policy Council reduced interest rates of the National Bank of Poland for the second time in 2023 the reduction came to 0.25 p.p.).

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**

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

### **Currency risk**

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

### **Risk connected with rising prices of crude oil**

Rainbow Tours Group to a large degree ensures arrivals to destinations with airplanes and coaches. Greater demand for crude oil in the summer season due to greater activities of airlines or recovery of world economies from the crisis may lead to additional increase in the prices in this period. Pressure on rising prices of energy products, including crude oil can in 2022 be linked to the political and economic situation in the world due to unjustified military aggression of Russian Federation in the territory of Ukraine caused by military conflict. The rise in prices of crude oil, in particular in 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.

This "Extended Consolidated Report of Rainbow Tours Group for third quarter of 2023 and accruing for three quarters of 2023" was approved for publication on 17.11.2023.

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

**Łódź, 17th of November 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 Puchalka  
A member of the Management Board