RAPORT OKRESOWY

Skonsolidowane sprawozdanie finansowe Grupy Kapitałowej Rainbow Tours za rok obrotowy zakończony 31.12.2024 r.

[sporządzone zgodnie z MSSF]

Łódź, dnia 17 kwietnia 2025 r.

This document is a foreign-language version of the original Consolidated Financial Statement of the Rainbow Tours Capital Group issued in the Polish version (published via the dedicated ESPI system provided by the Polish Financial Supervision Authority for public companies and companies listed on the Warsaw Stock Exchange) and only the original version is binding. This document is an unofficial version and has been prepared for informational purposes and may only be used for internal purposes. In case of any discrepancies between the Polish and English versions, the Polish version will prevail.

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1. SELECTED FINANCIAL DATA

STATEMENT OF FINANCAL POSITION	PLN'000 As of 31/12/2024	PLN'000 As of 31/12/2023	EUR'000 As of 31/12/2024	EUR'000 As of 31/12/2023
Non-current assets	512 506	341 052	119 941	78 439
Current assets	786 737	642 377	184 118	147 741
Total assets	**1 299 243**	**983 429**	**304 059**	**226 180**
Equity capital	**451 212**	**249 776**	**105 596**	**57 446**
Issued share capital	1 455	1 455	341	335
Equity attributable to shareholders	407 271	206 909	95 313	47 587
Long-term liabilities	97 554	74 835	22 830	17 211
Short-term liabilities	750 477	658 818	175 632	151 522
Book value per share	31,01	17,16	7,26	3,95

STATEMENT OF COMPREHENSIVE INCOME	PLN'000 From 01/01/2024 to 31/12/2024	PLN'000 From 01/01/2023 to 31/12/2023	EUR'000 From 01/01/2024 to 31/12/2024	EUR'000 from 01/01/2023 to 31/12/2023
Continued operations sales revenues	4 068 063	3 293 392	945 138	727 275
Profit (loss) from operating activities	353 675	215 014	82 170	47 481
Profit (loss) before tax	353 573	215 454	82 146	47 578
Net profit (loss)	**283 053**	**173 763**	**65 762**	**38 372**
Net profit (loss) attributable to shareholders of the parent company	281 979	172 840	65 513	38 168
Net profit (loss) per ordinary share (expressed in PLN / EUR per share)				
- basic	19,45	11,94	4,52	2,64
- diluted	19,45	11,94	4,52	2,64
Total comprehensive income	**299 998**	**146 774**	**69 699**	**32 412**
Total comprehensive income attributable to:				
- shareholders of the parent company j	298 924	145 851	69 449	32 208

CASH FLOW STATEMENT	PLN'000 From 01/01/2024 To 31/12/2024	PLN'000 From 01/01/2023 To 31/12/2023	EUR'000 From 01/01/2024 To 31/12/2024	EUR'000 From 01/01/2023 To 31/12/2023
Net cash flow from operating activities	259 500	256 104	60 290	56 555
Net cash from investing activities	(78 953)	(18 740)	(18 343)	(4 138)
Net cash from financing activities	(168 928)	(104 151)	(39 247)	(23 000)
Net increase (decrease) in cash and cash equivalents	**11 619**	**133 213**	**2 700**	**29 417**

The following exchange rates were used to convert individual items within the selected financial data:

- for the valuation of items in the statement of financial position:
  - the average euro exchange rate applicable on the last day of the period, set by the National Bank of Poland as at 31 December 2024 (exchange rate 4.2730) and as at 29 December 2023 (exchange rate 4.3480);
  - the average Czech koruna exchange rate applicable on the last day of the period, set by the National Bank of Poland as at 31 December 2024 (exchange rate 0.1699) and as at 29 December 2023 (exchange rate 0.1759);
  - the average Turkish lira exchange rate applicable on the last day of the period, set by the National Bank of Poland on 31 December 2024 (exchange rate 0.1161) and on 29 December 2023 (exchange rate 0.1337);
- for the valuation of items in the statement of comprehensive income and the cash flows: statement
  - the euro exchange rate being the arithmetic mean of the average exchange rates set by the National Bank of Poland, applicable on the last day of each completed month of the financial period: for the period from 01.01.2024 to 31.12.2024 (exchange rate 4.3042) and for the period from 01.01.2023 to 31.12.2023 (exchange rate 4.5284).
  - the Czech koruna exchange rate being the arithmetic mean of the average exchange rates set by the National Bank of Poland, applicable on the last day of each completed month of the financial period: for the period from 01.01.2024 to 31.12.2024 (exchange rate 0.1712) and for the period from 1 January 2023 to 31 December 2023 (exchange rate 0.1889).

- Turkish lira exchange rate being the arithmetic average of the average exchange rates set by the National Bank of Poland, applicable on the last day of each completed month of the financial period: for the period from 01/01/2024 to 31/12/2024 (exchange rate 0.1207) and for the period from 01/01/2023 to 31/12/2023 (exchange rate 0.1791)

2. ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

2.1. Consolidated statement of financial position - assets

ASSETS	Note	as of 31/12/2024	as of 31/12/2023
		PLN'000	PLN'000
Non-current assets			
Material fixed assets	6.1.	383 102	236 426
Investment Properties	6.2.	-	196
Goodwill	6.3.	4 541	4 541
Other intangible assets	6.4.	4 611	4 338
Deferred tax assets	6.5.	7 890	22 972
Other receivables	6.6.	112 362	72 579
Total non-current assets		**512 506**	**341 052**
Current assets			
Inventories	6.7.	242	189
Trade and other receivables	6.6.	68 201	55 985
Prepayments	6.6.	256 553	235 646
Other financial assets	6.8.	6 286	2 022
Current tax assets	6.9.	8 277	5 746
Other assets	6.10.	159 548	67 162
Cash and cash equivalents	6.11.	287 630	275 627
Total current assets		**786 737**	**642 377**
Total assets		**1 299 243**	**983 429**

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

2.2. Consolidated statement of financial position – equity and liabilities

EQUITY AND LIABILITIES	**Note**	**As of 31/12/2024**	**As of 31/12/2023**
		PLN'000	**PLN'000**
EQUITY AND LIABILITIES			
Equity capital			
share capital	6.12.	1 455	1 455
share premium	6.12.	36 558	36 558
Reserves	6.13.	6 292	(17 492)
Currency translation adjustments		(9 752)	(4 113)
Retained earnings	6.14.	421 176	231 101
Appropriations of net profit during the financial year		(48 458)	(40 600)
		407 271	206 909
Equity attributable to shareholders of the parent company		407 271	206 909
Non-controlling interest		43 941	42 867
Total equity		**451 212**	**249 776**
Long-term liabilities			
Long-term loans and bank loans	6.15,6.19.,6.20.	66 104	50 485
Pension benefit liabilities	6.18.	1 001	697
Long-term provisions		15 015	1 170
Deferred tax liabilities	6.16.	978	485
Other liabilities	6.21.	14 456	21 998
Total long-term liabilities		**97 554**	**74 835**
Short-term liabilities			
Trade and other liabilities	6.17.	152 943	130 391
Short-term loans, bank loans and lease liabilities	6.15.,6.19.,6.20.	27 093	18 601
Other financial liabilities		-	21 595
Current tax liabilities	6.9.	67 377	58 284
including income tax		*58 344*	*49 974*
Short-term provisions	6.18.	44 445	72 346
Deferred income	6.21.	451 076	349 957
Other liabilities	6.21.	7 543	7 644
Total short-term liabilities		**750 477**	**658 818**
Total liabilities		**848 031**	**733 653**
Total equity and liabilities		**1 299 243**	**983 429**

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

2.3. Consolidated statement of profit or loss and other comprehensive income

	Note	12-month period ended 31/12/2024	12-month period ended 31/12/2023
		PLN'000	PLN'000
Continued activity			
Sales revenue	7.1.	4 068 063	3 293 392
Cost of sales	7.2.	(3 320 551)	(2 745 963)
Gross profit (loss) on sales		**747 512**	**547 429**
Selling costs	7.2.	(287 064)	(255 616)
Administrative expense	7.2.	(96 703)	(76 821)
Other operating income	7.3.	2 951	10 903
Other operating costs	7.3.	(13 021)	(10 881)
operating profit (loss)		**353 675**	**215 014**
Financial income	7.4.	15 646	16 231
Financial costs	7.4.	(15 748)	(15 791)
Profit (loss) before tax		**353 573**	**215 454**
Income tax	7.5.	(70 520)	(41 691)
Net profit (loss) from continuing operations		**283 053**	**173 763**
Discontinued activity			
Net profit (loss) from discontinued operations		-	-
NET PROFIT (LOSS)		**283 053**	**173 763**
Items that may be reclassified to the statement of comprehensive income in later periods			
Foreign currency translation differences		(5 639)	(12 791)
Hedge accounting		22 584	(14 198)
Total other comprehensive income		**16 945**	**(26 989)**
TOTAL COMPREHENSIVE INCOME		**299 998**	**146 774**
Ner profit attributable to			
Shareholders of the parent company		281 979	172 840
Non-controlling interests		1 074	923
		283 053	**173 763**
Total comprehensive income attributable to:			
Shareholders of the parent company		298 924	145 851
Non-controlling interests		1 074	923
		299 998	**146 774**

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

2.4. Consolidated statement of changes in equity

	Share capital	Share premium	Reserve capital - hedge accounting	Foreign currency translation reserve	Retained earnings	Attributable to shareholders of the parent company	Attributable to non-controlling interest	Total
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
For the period from 01/01/2023 to 31/12/2023								
As of 01/01/2023	**1 455**	**36 558**	**(3 294)**	**8 678**	**68 562**	**111 959**	**41 944**	**153 903**
Net profit for the financial year	-	-	-	-	172 840	172 840	923	173 763
Other comprehensive income for the financial year (net)	-	-	(14 198)	(12 791)	-	(26 989)	-	(26 989)
Total comprehensive income	**-**	**-**	**(14 198)**	**(12 791)**	**172 840**	**145 851**	**923**	**146 774**
Payment of dividends	-	-	-	-	(47 875)	(47 875)	-	(47 875)
Other	-	-	-	-	(3 026)	(3 026)	-	(3 026)
As of 31/12/2023	**1 455**	**36 558**	**(17 492)**	**(4 113)**	**190 501**	**206 909**	**42 867**	**249 776**
For the period from 01/01/2024 to 31/12/2024								
As of 01/01/2024	**1 455**	**36 558**	**(17 492)**	**(4 113)**	**190 501**	**206 909**	**42 867**	**249 776**
Net profit for the financial year	-	-	-	-	281 979	281 979	1 074	283 053
Other comprehensive income for the financial year (net)	-	-	22 584	(5 639)	-	16 945	-	16 945
Total comprehensive income	**-**	**-**	**22 584**	**(5 639)**	**281 979**	**298 924**	**1 074**	**299 998**
Payment of dividends	-	-	-	-	(99 390)	(99 390)	-	(99 390)
Other	-	-	1 200	-	(372)	828	-	828
As of 31/12/2024	**1 455**	**36 558**	**6 292**	**(9 752)**	**372 718**	**407 271**	**43 941**	**451 212**

2.5. Consolidated cash flow statement

	The period of 12 months ended 31/12/2024	The period of 12 months ended 31/12/2023
	PLN'000	PLN'000
I. pre-tax profit or loss	**353 573**	**215 454**
II. total adjustments	**(86 582)**	**47 721**
Amortization and depreciation	22 454	21 877
Foreign exchange gains (losses)	(1 199)	(1 448)
Interest and profit sharing (dividends)	2 380	15 624
Profit (loss) from investing activities	(5 469)	(14 793)
Change in provisions	(26 760)	26 541
Change in inventories	(45)	(8)
Change in receivables and prepayments	(153 018)	(133 633)
Change in short-term liabilities and advances received, excluding loans, borrowings, and finance lease liability	87 291	128 549
Other adjustments	(12 216)	5 012
Net cash from operating activities	**266 991**	**263 175**
Income tax paid	(7 491)	(7 071)
Net cash flows from operating activities	**259 500**	**256 104**
Interest received	18 763	14 067
Proceeds from disposal of non-current assets	276	56
Bank loans / borrowings received/ repayment of borrowings	-	-
repayment of borrowings	-	-
Loans granted	-	-
Dividends received from equity-accounted investees	3 111	-
Capital expenditures	(48 972)	(32 863)
Acquisition of subsidiary	(52 131)	**-**
Net cash from investing activities	**(78 953)**	**(18 740)**
Bank loans / borrowings received	3 545	12 354
Repayment of bank loans / borrowings	(24 568)	(82 076)
Other borrowings / loans received	-	-
Dividends paid	(128 494)	(18 772)
Repayment of finance lease liabilities	(3 709)	-
Interest paid	(15 702)	(15 657)
Net cash from financing activities	**(168 928)**	**(104 151)**
Net increase /(decrease) in cash and cash equivalents	**11 619**	**133 213**
Balance sheet change in cash	**11 619**	**133 213**
Effect of exchange rate changes on cash and cash equivalents	**384**	**-**
Cash and cash equivalents at the beginning of the period	**275 627**	**142 415**
Cash and cash equivalents at the end of the period	**287 630**	**275 627**

3. BASIS FOR PREPARING SEPARATE FINANCIAL STATEMENTS

3.1. Declaration of conformity

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union. These standards, which include International Accounting Standards (IAS) and interpretations from the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC), were those published and effective as of December 31, 2024, and were in force at the date of these financial statements. The Group has applied all applicable IASs and IFRSs based on their effective dates. The entity's management approved and signed these consolidated financial statements for issue on April 17, 2025."

3.2. General information about the financial statements

These consolidated. financial statements are presented in Polish zloty ("PLN", "zł") and all values, unless otherwise indicated, are given in thousands of zloty. Polish zloty is the functional and reporting currency of the Company. These consolidated. financial statements are presented in Polish zloty ("PLN" or "zł"), with all values given in thousands of zloty unless stated otherwise. Polish zloty is the functional and reporting currency of the Company.

The scope of these consolidated financial statements has been determined and aligns with the requirements of the Regulation of the Minister of Finance dated March 29, 2018, concerning current and periodic information provided by securities issuers and the conditions for recognizing equivalent information required by non-Member State laws (Journal of Laws of 2018, item 757). These consolidated financial statements include data for the financial year 2024 (the 12-month period ending December 31, 2024) and, for the balance sheet (statement of financial position), data as at the end of the financial year (December 31, 2024). They also present comparable data for the financial year 2023 (the 12-month period ending December 31, 2023) and, for the balance sheet (statement of financial position), as at the end of the financial year 2023 (December 31, 2023).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value.

Please note that some financial data in these consolidated financial statements has been rounded. Consequently, in some tables, the sum of amounts in a column or row may not precisely match the stated total.

Throughout these financial statements, the term "(consolidated) income statement" should be interpreted as the "consolidated statement of comprehensive income." Similarly, the term "balance sheet" should be understood as the "consolidated statement of financial position." The terms "(consolidated) cash flow statement" and "(consolidated) statement of cash flows" are used interchangeably.

3.3. Data comparability

These consolidated financial statements have been prepared using consistent accounting policies for both the current and comparative periods.

"In these financial statements, no changes have been made to the presentation of assets and liabilities, and the Group has not restated comparative data as of December 31, 2023, and for the financial year ended December 31, 202."

3.4. Continuation of Operations

These consolidated financial statements for the 2024 financial year have been prepared on the going concern basis, assuming that the Company and the Rainbow Tours Capital Group companies will continue operating in the foreseeable future. Therefore, no adjustments have been made to the valuation or classification of assets and liabilities that would be necessary if the going concern assumption were not valid. As of the date these financial statements were approved for publication (April 17, 2025), there are no known circumstances that would cast doubt on the ability of the Rainbow Tours Capital Group companies, including the Parent Company, to continue as a going concern.

3.5. Impact of the Political and Economic Situation Arising from the Conflicts in Ukraine and Gaza on the Company's Operations

Considering the potential risk factors associated with the global political and economic situation, particularly the Russian Federation's military aggression in Ukraine starting on February 24, 2022, and the subsequent armed conflict, as well as the Israeli-Palestinian conflict in the Gaza Strip that began in October 2023, the Company's Management Board wishes to highlight the potential, although currently deemed probably insignificant or minor, impact of these risks (both individually and combined) on the Company's and Group companies' liquidity, asset position, and profitability. This includes potential effects on: (-) Potentially prolonged or medium-term unfavourable fuel prices: (However, in the short to medium term, the Company incorporates clauses in charter agreements using average fuel prices from previous periods and applies calculation buffers based on a higher-than-market fuel exchange rate.), (-) Potential, even short-term, destabilization and increased volatility in currency exchange rates: This particularly includes the weakening of the Polish zloty (PLN) against key settlement currencies like the US dollar (USD) and the euro (EUR). This could potentially lead to lower profitability on sold trips and business activities, consequently reducing net cash flows and increasing the need for external financing, as well as potentially causing negative changes in financing terms or limitations in bank financing."

The travel products offered by the Company in Russia and Ukraine before the armed conflict were minimal (primarily sightseeing tours) and represented a small portion of the Company's core sales. Following the start of Russia's military aggression in Ukraine on February 24, 2022, the Company cancelled or suspended all tourist programs in Russia planned for 2022 and subsequent years. Additionally, the Company stopped offering air travel involving Russian airlines Aeroflot and Rossiya, and ceased offering stays in hotels located in Russia or in hotels of chains with capital ties to Russia in other countries.

The situation in Ukraine has not affected the Rainbow flight program. All planned flights operated as scheduled in 2024 and are continuing without changes. Charter planes do not have fixed routes and do not fly over Ukraine or Russia. 1 Similarly, events planned using scheduled airlines such as Emirates, Lufthansa, KLM, Air France, Fly Dubai, or Turkish Airlines are also operating on routes that avoid Ukrainian and Russian airspace."

Furthermore, on October 7, 2023, prior to the current reporting period, the Hamas terrorist group, controlling the Gaza Strip in the Middle East, launched an armed invasion of Israel, including rocket attacks targeting central Israel. This led to widespread unrest and armed clashes across many regions of Israel. In the following days, the situation escalated into a broader Israeli-Palestinian armed conflict.

Immediately upon receiving reports of the Hamas attack, the Company's Management Board prioritized customer safety and initiated the evacuation of Rainbow tourists from Israel to Poland. With most airlines suspending flights to and from Israel shortly after the conflict began, the evacuation was urgently organized by land through Egypt and Jordan, followed by charter and scheduled flights from alternative destinations where Rainbow customers were transported. Notably, separate transfers, including Polish tourists, were also facilitated by direct flights from Israel using Polish military C-130 Hercules aircraft and a government Boeing 737 "Piłsudski" provided by the Polish Government.

All Rainbow customers were informed of the Polish Ministry of Foreign Affairs' recommendations to follow the instructions of local authorities for their safety. The first group of tourists returned to Poland on October 9, 2023.

During 2023, the Company incurred additional costs due to this situation, including expenses for providing assistance, transfers, and the evacuation of clients (temporarily to other hotels), the cost of empty seats on planes and unused bookings in paid hotels and for sightseeing tours, and the need to refund advance payments for cancelled trips to Israel. Due to the necessary cancellation of planned tourist activities in Israel, the Company refunded these advance payments to clients using its own funds. The Company did not seek reimbursement from the Insurance Guarantee Fund (Tourist Aid Fund) for the expenses related to these refunds for trips to Israel cancelled due to the military operations in Israel and the Gaza Strip.

The Company offered affected client's alternative trips to safer Middle Eastern locations (Jordan, Egypt) and other destinations, including culturally similar ones (e.g., Morocco).

In the opinion of the Company's Management Board, the magnitude of the incurred costs and lost revenues in relation to the total seasonal revenue and the scale of the Rainbow Capital Group's operations did not have, and does not have, a significant impact on the financial results or ongoing operations of the Company and the Rainbow Tours Capital Group in 2023. The Management Board believes that the scale of the Company's operations allows for the absorption of these recorded losses without a material impact on the results of the Company and the Capital Group."

On January 15, 2025, following the conclusion of mediation efforts between Israel and Hamas (involving the United States, Egypt, and Qatar), an agreement for a ceasefire in the Gaza Strip conflict was announced. This agreement took effect on January 19, 2025, and was structured in stages, including a cessation of fighting, a phased withdrawal of Israeli troops from the Gaza Strip, reciprocal hostage releases, a complete withdrawal of Israeli forces from the Gaza Strip at a later stage, and the planned commencement of the Gaza Strip's reconstruction under the supervision of Egypt, Qatar, and the UN.

However, after a two-month truce, on the night of March 17 to March 18, 2025, Israel resumed airstrikes on Hamas positions in the Gaza Strip. Israel stated that these airstrikes were a series of attacks on terrorist targets, a consequence of Hamas's "repeated refusal to release the hostages," and that Israel's objective remained the release of all hostages.

Immediately following the renewed outbreak of the Israeli-Palestinian conflict, the Company decided to cancel all tourist activities to Israel, including sightseeing tours. The Company is continuously monitoring the political situation in Israel and intends to resume offering group tourist trips to Israel once the political and social situation stabilizes and it becomes safe to implement the program on the ground. As of the date of approval of this report for publication, the Company has suspended its offerings of tourist activities in Israel until the end of August 2025.

Due to the ongoing political and economic situations related to the armed conflict in Ukraine (resulting from the Russian Federation's military aggression) and the Israeli-Palestinian armed conflict in the Gaza Strip and the wider Middle East, no corrections or adjustments have been made to the data presented in this report for 2024 or the comparable period of 2023.

4. CAPITAL GROUP'S ACCOUNTING POLICIES

The principal accounting policies used in the preparation of these consolidated financial statements are outlined below. These policies have been consistently applied across all periods presented.

Recognition of economic transactions:

Economic transactions are recognized in the accounting records when they occur and are reported in the financial period to which they relate (accrual basis).

Materiality Principle:

Information, whether financial or non-financial, is considered material if its omission or misstatement (in the accounting records or the notes to the financial statements) could reasonably be expected to influence the economic decisions of users relying on these financial statements

4.1. Consolidation

Consolidation aims at the presentation of assets, financial standing, and performance of the entities within the Capital Group as if it were a single entity. The Rainbow Tours Group comprises the parent company and its subsidiaries. A parent company is a business entity that has one or more subsidiaries.

A subsidiary is a business entity that is controlled by the parent company. Control is assumed when the parent company directly or indirectly – through its subsidiaries – holds more than half of the voting rights in a subsidiary. A parent company also has control when it holds half or less of the voting rights of the subsidiary if it:

- has power over the entity in which the investment was made,
- due to its involvement in the invested entity, is exposed to variable financial returns or has rights to variable financial returns, and
- has the ability to use its power over the entity in which the investment was made to affect its financial returns.

Subsidiaries of Rainbow Tours S.A. that are parent companies to their own subsidiaries do not prepare consolidated financial statements if they meet the following conditions:

1. minority interest holders in these parent companies were informed of this fact and did not object,
2. debt and equity securities issued by the parent companies are not publicly traded on an official securities market.

The list of entities covered by the consolidated financial statement and the list of entities excluded from consolidation is prepared using qualitative criteria, supplemented by quantitative criteria. The application of these criteria to the relationships between the Group entities forms the basis for determining whether a given entity is immaterial for the proper presentation of the Capital Group as a whole, and consequently, whether it can be excluded from consolidation.

An entity of the Capital Group cannot be considered immaterial if it:

1. provides goods and services consistent with the core business of the parent company or other entities of the Capital Group, and the absence of this entity could adversely affect the economic standing of the entire Group,
2. is a source of long-term capital or funding used for sustaining the parent company's core business,
3. exposes the parent company to a notable risk resulting from the possession of this entity or the holding of assets used for deriving the majority of benefits from its operations, conducts activities on behalf of the parent company consistent with its economic needs—from which the parent company derives benefits—or holds treasury shares of the parent company.

The consolidated financial statements are the financial statements of the capital group prepared as if they were the financial statements of a single business entity. The consolidated financial statements are prepared by parent companies. The consolidated financial statements of the Capital Group comprise:

1. the consolidated statement of financial position,
2. the consolidated statement of comprehensive income,
3. the consolidated cash flow statement,
4. the consolidated statement of changes in equity,
5. additional notes.

The consolidated financial statements should present transactions conducted between the companies within the Rainbow Tours Capital Group and external entities. This objective can be achieved by:

1. identifying accounts in each company where transactions with other Group entities are recorded,
2. reconciling balances and turnovers among each of the consolidated companies,
3. excluding transactions concerning: a) the acquisition value of shares (stock) by the parent company in subsidiaries (elimination from the parent company's financial statements), b) the portion of the subsidiaries' equity corresponding to the parent company's ownership interest in those entities (elimination from the subsidiaries' financial statements), c) mutual receivables and payables and other similar settlements of the consolidated entities, d) revenues and costs from intercompany transactions among consolidated entities, e) profits and losses arising from intercompany transactions among consolidated entities, included in the values of assets subject to consolidation.

Goodwill of subsidiaries presented in the consolidated financial statements is the positive difference representing future economic benefits derived from assets that cannot be individually identified or separately recognized. Goodwill of subsidiaries is presented as a separate line item within the assets of the consolidated statement of financial position. Goodwill of subsidiaries is not amortized; however, it is reduced by any impairment losses.

Goodwill of subsidiaries is tested for impairment at the end of each financial year. Goodwill is also tested on other balance sheet dates if circumstances indicate the necessity of such testing.

Any negative difference between the value at the purchase price of an interest in a subsidiary's net assets and its fair value determined on the acquisition date is recognized in the financial result of the period in which the interest was acquired.

The financial statements of the companies within the Rainbow Tours Capital Group, for which functional currencies differ from the presentation currency, are translated into the presentation currency as follows:

1. Assets and liabilities are recognized at the closing exchange rate effective as at the balance sheet date.
2. Income and costs in the statement of comprehensive income are recognized at the average exchange rate, which is the arithmetic mean of the closing rates effective on the last days of the month within the given reporting period.
3. All resulting exchange differences are recognized as a separate component of equity.

4.2. Valuation of assets and liabilities of the Capital Group

4.2.1. Goodwill

Goodwill of subsidiaries in the consolidated financial statements is the positive difference between the acquisition cost of the interest in the subsidiary's net assets and its fair value determined on the acquisition date. Goodwill of subsidiaries is presented as a separate line item within the assets of the consolidated statement of financial position. Goodwill of subsidiaries is not amortized; however, it is reduced by any impairment losses. An impairment test is performed on the goodwill of subsidiaries at the end of each financial year. An impairment test is also carried out on other balance sheet dates if circumstances indicate the necessity of conducting the test.
Any negative difference between the acquisition cost of the interest in the subsidiary's net assets and its fair value determined on the acquisition date is recognized in the financial result of the period in which the interest was acquired.

4.2.2. Intangible assets

The Group recognizes an intangible asset in its accounting records if it is probable that future economic benefits attributable to the asset will flow to the entity, and the cost of the asset can be reliably measured. For purchased intangible assets, recognition occurs at the time of acquisition. The entity only acquires intangible assets it expects to provide future economic benefits. Any subsequent loss of the asset's ability to generate economic benefits is reflected through impairment testing.

The Company's Management Board assesses whether an intangible asset has a finite or indefinite useful life. Specifically, intangible assets for which the period over which they are expected to generate economic benefits cannot be reliably determined at the time they are available for use are considered to have an indefinite useful life. Intangible assets with indefinite useful lives are not amortized. At each reporting date, the Group performs:

- reviewing these assets for any indication of impairment;
- reassessing whether the indefinite useful life assumption remains appropriate

The useful life of intangible assets used under an agreement is equal to the duration of the agreement or shorter if the Group intends to use the intangible assets covered by that agreement for less than its full term. If the agreement can be extended, the useful life includes renewal periods only if it's probable that the extension option will be exercised. The Group amortizes intangible assets using the straight-line method. Amortization begins in the month following the month in which the asset is available for use. The Group ceases amortization in the month in which the intangible asset is reclassified as a non-current asset held for sale in accordance with IFRS 5, or when it is derecognized (disposed of or sold).

Amortization periods for individual categories of intangible assets: Software: 5 years

The Group's companies do not conduct research and development activities.

Costs of developing websites are recognized as expenses in the current period – as cost of services sold

4.2.3. Property, plant, and equipment.

The Group recognizes property, plant, and equipment in its financial statements when it is probable that future economic benefits associated with these assets will flow to the entity, and their cost can be reliably measured.

Purchased or internally generated property, plant, and equipment are initially recorded in the financial statements at their cost at the time of acquisition or production. The Group only acquires items of property, plant, and equipment from which it expects to generate future economic benefits. Any subsequent loss of an asset's ability to generate economic benefits is reflected through impairment testing.

Subsequent costs are capitalized (added to the carrying amount of the asset or recognized as a separate item of property, plant, and equipment) only when it is probable that the expenditure will generate future economic benefits for the Company and the cost can be reliably measured. All other repair and maintenance costs are expensed in the statement of comprehensive income in the period they are incurred.

When a component of an item of property, plant and equipment is replaced, the cost of the replaced component is recognized in the carrying amount of that asset. Concurrently, the carrying amount of the replaced component is derecognized from the statement of financial position, regardless of whether it was depreciated separately. The net value of the removed component is recognized in the statement of profit or loss.

Property, plant, and equipment are depreciated over their estimated useful lives. The depreciable amount is the difference between the asset's cost and its residual value (the estimated amount the Group would receive from selling the asset at the end of its useful life). The Management Board or the purchasing department determines both the useful life and the residual value upon receipt of the purchase invoice for a given asset, before it is recorded in the accounting records. If the determined residual value is immaterial in relation to the asset's cost (no more than 10% of the acquisition cost), it is assumed to be zero. For assets with a useful life exceeding one year and an immaterial individual acquisition cost relative to the total value of property, plant, and equipment within a specific category, a one-time depreciation expense is recognized in the month the asset is recorded.

At the time of acquisition, the purchasing department assesses whether an item of property, plant, and equipment comprises components with different useful lives and whether the value of these components is significant relative to the total asset value. If such significant components with different useful lives are identified, they are recorded separately in the fixed asset register and depreciated over their individual useful lives. The cost allocated to these separate components is determined by the purchasing department as a percentage of the total asset cost

The Group applies the cost model for the subsequent measurement of property, plant, and equipment. Under the cost model, assets are initially recognized at cost and subsequently depreciated over their useful lives to their residual values.

Depreciation Periods for Individual Categories of Property, Plant, and Equipment.

- Buildings – 40 years
- Devices - computer hardware - 3 - 4 years
- Means of transport – 3 - 5 years
- Other Property, Plant, and Equipment – 5 - 8 years

The depreciable amount of an item of property, plant, and equipment is systematically allocated over its useful life. The asset's useful life and residual value are reviewed at least annually.

Depreciation commences in the month following the month the asset is available for its intended use and ceases when the asset is derecognized (e.g., upon disposal or retirement) or when it carrying amount equals its residual value. The cost of self-constructed assets includes the direct costs of construction, as well as any indirect costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, 1 including the depreciation of assets used in the construction process

Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of that asset, net of any income earned on the temporary investment of those borrowings. This capitalization is done in accordance with IAS 23 "Borrowing Costs." Property, plant, and equipment are subject to impairment testing whenever there is an indication that their carrying amount may not be recoverable."

4.2.4. Non-current assets held for sale

The Group classifies a non-current asset (including property, plant, and equipment) as held for sale if it carrying amount will be recovered principally through a sale transaction rather than through continuing use. This change in classification is decided by the Management Board through a binding resolution. For an asset to be classified as held for sale, it must be available for immediate sale in its present condition. The sale is expected to be completed within one year from the date of classification.

Non-current assets held for sale are measured at the lower of:

1) their carrying amount
2) their fair value less costs to sell

These assets are not depreciated. The fair value of assets held for sale is determined by reference to transaction prices for similar or identical assets. Information for this assessment is gathered by the managers responsible for the assets and is based on:

1) Their professional judgment regarding price trends for comparable assets.
2) Information obtained from brokers or agents the Company intends to engage for the sale.
3) Purchase offers received

The fair value determined as described above is reduced by the estimated costs necessary to complete the sale, specifically including:

1) Estimated commissions payable to intermediaries
2) Estimated costs of any necessary repairs to prepare the asset for sale. Estimated taxes and other statutory or legal fees directly attributable to the sale transaction that the Company is legally obligated to pay or has agreed to pay under the sale agreement.
3) any dismantling or transport fees for assets not yet incurred to the buyer.

For property, plant, and equipment used under a lease, tenancy, or other similar agreement, the classification of these assets within the financial statements of either the lessor or the lessee is determined in accordance with the principles outlined in the section "Accounting for Leases

4.2.5. Financial assets measured at amortized cost – loans and receivables.

Financial assets measured at amortized cost include those held within a business model whose objective is to hold these assets to collect contractual cash flows, and whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI test).

Loans granted are recognized in the financial statements on the date the transfer of funds to the borrower becomes due according to the loan agreement. They are derecognized (removed from the statement of financial position) when the contractual rights to the cash flows from the loan expire, or when the loan is transferred in a transaction that transfers substantially all the risks and rewards of ownership.

Upon initial recognition, these assets are measured at the fair value of the cash disbursed, plus any transaction costs directly attributable to the origination of the loan. Subsequently, at each reporting date, these assets are measured at amortized cost using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Impairment losses are recognized based on expected credit losses, as follows:

- Lifetime expected credit losses: These are recognized if the credit risk on the financial instrument has increased significantly since initial recognition.
- over the next 12 months, if the credit risk associated with the instrument has not increased significantly since the initial recognition of the instrument
- 12-month expected credit losses: These are recognized if the credit risk on the financial instrument has not increased significantly since initial recognition

4.2.6. Financial instruments – financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial instruments acquired or incurred primarily for the purpose of selling or repurchasing them in the near term (typically within 12 months of acquisition) to profit from short-term fluctuations in their market prices. These assets are recognized in the statement of financial position on the trade date and are derecognized when the contractual rights to their cash flows expire or when the asset is transferred in a transaction that transfers substantially all the risks and rewards of ownership.

Both at initial recognition and at each reporting date, financial assets classified as FVTPL are measured at fair value, and any transaction costs directly attributable to the acquisition are expensed in profit or loss. Changes in the fair value of these instruments are also recognized in the statement of comprehensive income of the Group.

This category also includes instruments that do not meet the criteria for measurement at amortized cost.

4.2.7. Derivatives

Derivative instruments are classified as financial assets at fair value through profit or loss, except when they constitute cash flow hedges.

Adopted accounting policy regarding determining the fair value of financial instruments

The Group considers the publicly available market price on an active public stock exchange to be the best reflection of the fair value of assets or liabilities. An active market means that transactions are conducted with sufficient regularity that the price established therein does not need to be adjusted due to changing economic conditions, and in quantities that ensure:

a) Not be the result of off-market agreements or collusion between parties.
b) Allow the Company to sell financial instruments held without significantly affecting the market price.

If the market does not meet the criteria for an active market, the entity, when valuing financial instruments, will reflect changes that have occurred in the economic environment (in terms of the issuer's credit rating, changes in market rates of return, changes in the issuer's underlying risk, etc.) and will thus adjust the price that was last established in the market.

If the instrument is not quoted on a stock exchange, the entity:

a) For equity instruments, if fair value cannot be reliably measured, they are measured at cost less any accumulated impairment losses. An impairment loss is recognized in profit or loss if there is objective evidence of impairment.
b) Prices from recent transactions in similar financial instruments outside an active market are considered, adjusted for any changes in economic conditions or specific factors relevant to the instrument since the transaction date, if such information is available
c) If quoted prices in an active market are not available and recent transactions are not indicative of fair value, the Company uses generally accepted valuation techniques that market participants would use in pricing the instrument in an arm's length transaction. For debt instruments, this typically involves discounting expected future cash flows using a market-related rate of return for instruments with similar terms and risk characteristics. Any value determined using a valuation technique is assessed for impairment if there are indicators of impairment.

Valuation of available-for-sale instruments using the effective rate of return. For available-for-sale instruments, their fair value is determined using methods consistent with the above principles. For short-term debt instruments with an original maturity of 12 months or less, a linear accrual of discount or premium is considered a reasonable approximation of the effective interest method unless the difference is material.

Recognition and valuation of derivatives

Derivative instruments are recorded in the accounts when the Companies in the Group become a party to a binding agreement. The Company uses derivative instruments to reduce the risk related to changes in exchange rates. At the balance sheet date, derivative instruments are measured at fair value. Derivative instruments with a fair value greater than zero are financial assets, while instruments with a negative fair value are financial liabilities.

Profit or loss from hedging derivatives is recognized in the revaluation reserve in equity, and in the statement of cash flows, it is presented as cash flows from operating activities."

Recognition and valuation of embedded derivatives

At the balance sheet date, the entity assesses whether its contracts contain provisions that are, in substance, embedded derivatives, if the nature of these instruments differs from the nature of the host contract.

Embedded derivatives are contractual terms within an agreement that cause some or all of the cash flows obtained from the contract to change in a manner similar to what stand-alone derivatives would cause. They constitute what are known as parts of host contracts.

Specifically, instances where the entity will assess for the existence of embedded derivatives within concluded contracts include, but are not limited to, situations were

a) The purchase or sale price stipulated in the contract fluctuates based on changes in currency exchange rates, interest rates, or the prices of other financial instruments, and this method of price determination is not typical for this type of transaction within the prevailing economic environment.

b) The buyer or seller has embedded options within the contract that affect the settlement currency or the final price.

Any derivatives identified in this manner are treated as held-for-trading instruments and are measured at fair value. Changes in this fair value are recognized in the entity's profit or loss. Fair value is determined based on the fair value of similar financial instruments for which a market price is available, or based on a valuation model generally accepted for the specific type of derivative. Such a model will be determined based on the identification and classification of the embedded derivative.

4.2.8. Inventories

The Group holds inventories that are solely for resale in its ordinary course of business. Other materials purchased by the Company include office supplies, administrative materials, and utilities, which are intended for direct consumption in its current operations.

Goods are recorded in warehouse inventory at their acquisition cost. The outflow of goods is recognized at the point of sale. Materials, due to their exclusive purpose for direct and current consumption, are expensed at their purchase price to the costs of the period. This approach does not distort the entity's asset position or financial result. The outflow of goods is recognized at the point of sale using the FIFO method.

4.2.9. Accounts receivable

Trade receivables arising from the sale of goods and services are recognized in the statement of financial position on the date the sale occurs, consistent with the Company's revenue recognition policy. Trade receivables are initially recorded at their nominal value. The Company continuously monitors the recoverability of its receivables. These receivables are part of the Company's normal operating cycle and are therefore classified as short-term receivables. Advances paid to contractors for hotel reservations, under signed cooperation agreements, are also included within receivables.

The Company applies the simplified approach under IFRS 9 for impairment of trade receivables, which involves estimating lifetime expected credit losses based on historical credit loss experience. These estimates are periodically reviewed and adjusted.

<u>Receivables with a financing component</u>

For trade receivables arising from the sale of goods or services where the payment terms extend beyond one year, indicating the presence of a significant financing component, the receivable is initially recognized at its nominal amount, discounted to present value using a discount rate that reflects the prevailing market interest rates for similar credit risk at the time of the sale:

1) embedded in the contract, if the price for the rendered services or goods in the delivery was set at a level different than it would have been had payment for the delivery occurred immediately; or
2) resulting from an assessment of the customer's creditworthiness and corresponding to the interest rate of a loan that the entity would be willing to grant to that customer, if the embedded return rate in the contract does not exist or does not reflect market conditions

The difference between the nominal amounts received from customers and the cash selling price of the goods or services is recognized as interest revenue over the period of the financing.

<u>Adopted accounting policy:</u>

At each reporting date, receivables are valued at their outstanding amount, which is the nominal value plus any default interest accrued up to that date. In accordance with the prudence principle, this value is presented net of any impairment allowances that reduce the carrying amount to the estimated recoverable amount. Receivables denominated in foreign currencies are translated into Polish złoty (PLN) at the average exchange rate quoted by the National Bank of Poland (NBP) on the reporting date. However, advances are an exception and are translated at the historical exchange rate prevailing at the date of the advance payment; the reporting date exchange rate is not applied to these.

4.2.10. Cash and cash equivalents

The Company considers cash on hand and demand deposits to be cash. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Specifically, in addition to cash on hand and in bank accounts, the Company includes the following as cash equivalents:

- Bills of exchange and checks received.
- Treasury bills and other money market instruments with original maturities not exceeding 3 months, if an active market exists for them.

Monetary assets are valued during the financial year at their nominal value, with cash in foreign currencies on the day of the transaction being converted at the following exchange rates: purchase or sale of currencies used by the bank whose services the Company uses – in the case of sale or purchase of currencies and payment of receivables and liabilities, average rate set by the National Bank of Poland for a given currency on that day – in the case of other transactions. Monetary assets are valued at the due date on the balance sheet date, while those expressed in foreign currencies are valued at the average rate set for a given currency by the National Bank of Poland on that day.

4.2.11. Accrued expenses

The Company recognizes prepaid expenses for expenditures related to future reporting periods. These primarily include the costs of organizing future events, commission expenses incurred for sales in the subsequent financial year, insurance premiums, and subscriptions covering future periods.

Prepaid expenses are systematically recognized as expenses in the profit or loss based on the passage of time or the consumption of the related economic benefits. The method and timing of recognition are determined by the nature of the underlying cost, while adhering to the prudence principle.

4.2.12. Other/ remaining assets

Other / remaining assets include expense items relating to future reporting periods.

Assets classified as Other/ Remaining Assets must meet the following criteria:

- They arise from past events, represent expenses incurred for the Company's operating activities, and their amount can be reliably measured.
- they are expected to generate future economic benefits for the Company

The recognition of these Other/ Remaining Assets as expenses occurs based on the passage of time or the consumption of the related economic benefits. The method and timing of expense recognition are determined by the nature of the underlying cost, while adhering to the prudence principle.

4.1.1. Equity

Equity capital is presented at its nominal value, categorized by type and in accordance with the requirements of Polish legal regulations and the Company's Articles of Association.

Share capital in the financial statements is shown at the amount stated in the Articles of Association and registered with the National Court Register (KRS). It represents the nominal value of shares issued in exchange for payments received or contributions made. Any excess of the proceeds from share issuance over the nominal value, or the excess of the fair value of contributed assets over the nominal value of shares issued, is recognized within reserve capital. Any unpaid amounts on issued shares are presented as a deduction from equity on the liabilities side of the statement of financial position

Reserve capital is primarily created from the share premium arising from the issuance of the Company's shares above their nominal value.

Reserve capital in the financial statements also includes items such as gains or losses on hedging derivative instruments accounted for under hedge accounting.

The Company's own shares repurchased are presented as a deduction from equity at their acquisition cost.

In the case of a business combination under common control, the capital arising from the merger is the sum of: 1) the difference between the share capital of the acquired subsidiaries and the carrying amount of the Company's investment in those subsidiaries immediately before the merger, and 2) the aggregate of the other equity components (supplementary capital, other reserves, and retained earnings) of the acquired subsidiaries as reported immediately before the merger date.

Retained earnings primarily comprise the Company's accumulated undistributed profits."

Policies and procedures for capital management

The Company's approach to capital management encompasses all funds available to the entity that are utilized to support its operational goals. This includes both equities, representing funds invested by shareholders, and external capital, which the Company employs to maintain financial liquidity and operational continuity.

The Company's primary objective in managing capital is to ensure its ability to continue as a going concern while maximizing returns to shareholders. Financing for current and future operations, including investments and acquisitions, is primarily sourced from the financial market through credit agreements. The Company also retains the option to repurchase its own shares as a means of financing potential investment projects. The Company's capital structure comprises debt (including loans and net of cash and cash equivalents) and equity (including issued share capital, reserves, and retained earnings).

No external legal requirements are imposed on the Issuer, except that in accordance with Article 396 §1 of the Commercial Companies Code, to which the entity is subject, a reserve capital must be created to cover losses, to which at least 8% of the profit for a given financial year is transferred, until this capital reaches at least one third of the share capital. This part of the reserve capital (retained earnings) is not allocated for distribution to shareholders.

To address temporary funding needs, the Company may also access funds from other entities within its Capital Group that have surplus cash.

The Company is subject to external legal requirements, notably Article 396 §1 of the Polish Code of Commercial Companies and Partnerships This article mandates the creation of a reserve capital to cover potential losses. At least 8% of the annual profit must be transferred to this reserve capital until it reaches at least one-third of the Company's share capital. This portion of the reserve capital, which effectively forms part of retained earnings, is not available for distribution to shareholders

4.2.13. Liabilities

Liabilities include obligations, arising from past events, to perform services of a reliably determined value that will involve the use of existing or future assets of the entity.

Adopted accounting policy

A liability is classified as current if it meets one of the following criteria:

a) it is expected to be settled in the entity's normal operating cycle;
b) is held primarily for the purpose of trading;
c) it is due to be settled within twelve months after the reporting period;
d) the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as long-term liabilities. Trade payables are classified as financial liabilities measured at amortized cost.

Liabilities under Finance Lease Agreements

The value of the liability under a finance lease agreement at the commencement date is equal to the discounted value of all lease payments, using the discount rate implicit in the lease agreement. In subsequent periods, the value of the liability is reduced by the principal portion of each payment, determined by subtracting the finance cost (calculated by multiplying the liability value at the end of the previous period by the discount rate implicit in the lease agreement) from the total lease payment.

4.2.14. Provisions for liabilities

The Company recognizes provisions when it has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are recognized and classified based on the nature of the underlying obligation into the following categories:

- Provisions for liabilities, including those related to onerous contracts, warranties and guarantees granted, and the expected costs of legal proceedings
- Restructuring provisions

The Company does not recognize provisions for future operating losses.

Provisions for Onerous Contracts

In the event that a contract is identified where the unavoidable costs of fulfilling the contractual obligations exceed the expected economic benefits from that contract, the entity recognizes a loss that will be incurred on the contract in the period in which the excess costs are identified.

For the loss identified above, the entity establishes a provision in the amount of:

- The full expected loss if revenue recognized to date exceeds costs incurred to date.
- The difference between the total expected loss and the excess of costs incurred to date over revenue recognized to date if costs incurred to date exceed revenue recognized to date.

Other provisions

Other reserves are included in statements of financial position, if there is an obligation to make a future payment at the balance sheet date, the date or amount of which is not currently known. In particular, the entity estimates provisions for:

Other provisions are recognized in the statement of financial position when the Company has a present obligation (legal or constructive) at the reporting date, the timing or amount of which is uncertain. Specifically, the Company estimates provisions for:

- Unfavourable outcomes of legal proceedings where the entity is the defendant (if the related liabilities are not included in other categories) and an unfavourable outcome is probable. The amount of the provision is estimated by the entity's Management Board based on the opinion of legal counsel involved in the case.
- Costs of unbilled commissions related to services sold within the financial year, which are expected to be invoiced to the entity by the tour operator at the beginning of the following year.

4.2.15. Employee benefits

Short-term employee benefits

At each reporting date, the Company estimates the cost of employee benefits arising from unused paid leave that has accumulated at that date. This additional cost is recognized as a short-term provision, measured at the amount of remuneration expected to be paid for the leave days accumulated in the current and prior periods, including any associated payroll taxes. The value of these obligations is updated on an ongoing basis. Liabilities for unused paid leave outstanding at the reporting date are not discounted.

Post-employment benefits

Provisions for retirement benefits, the obligation to pay which results from applicable legal regulations, are created in the amount estimated by the actuary using the individual method (taking into account the materiality criterion).

Under the defined contribution plan, the Company is required to make contributions to publicly managed retirement insurance plans. Once these contributions are paid, the Company has no further obligation for the employees' retirement benefits. The contributions are recognized as employee benefit expense in the period when they are due.

Provisions for retirement benefits, where the obligation to pay arises from applicable Polish legal regulations, are recognized at the present value of the future benefit obligations. This value is estimated by a qualified actuary using the individual projected unit credit method, taking into account the materiality of the amounts involved.

Employment termination benefits

An entity recognizes a provision if it has a clear obligation to terminate the employment of current employees without the possibility of withdrawal or payment of termination benefits. The entity discounts benefits if they mature more than one year after the balance sheet date.

The Company recognizes a provision if it has a demonstrable commitment to terminate the employment of current employees without a realistic possibility of withdrawing from the termination plan. The Company discounts these termination benefits if the payment is due more than one year after the reporting date.

4.2.16. Deferred tax

Accounting policy

Income tax encompasses the actual tax liability for a given reporting period, determined in accordance with the applicable provisions of the corporate income tax law, as well as the change in the deferred tax asset or deferred tax liability. Due to temporary differences between the carrying amounts of assets and liabilities in the accounting records and their tax bases, as well as tax losses that can be utilized in the future, the Company, as a taxpayer, creates a deferred tax liability and recognizes a deferred tax asset.

The tax base of an asset is the amount that will reduce the taxable income when economic benefits are obtained from it, either directly or indirectly. If obtaining economic benefits from certain assets does not reduce the taxable income, then the tax base of the assets is their carrying amount.

The tax base of a liability is it carrying amount less the amounts that will reduce taxable income in the future.

Deferred tax assets are recognized for amounts expected to be deductible from income tax in the future, arising from negative temporary differences that will lead to a decrease in taxable income in the future, as well as for deductible tax losses, determined with consideration for the prudence principle. A deferred tax liability is recognized for the amount of income tax expected to be payable in the future, arising from positive temporary differences, i.e., differences that will lead to an increase in taxable income in the future.

The amount of the deferred tax liability and deferred tax asset is determined by applying the income tax rates applicable in the year the tax obligation arises. Depending on the net amount of the tax (liability or asset), it is presented in the statement of financial position as a deferred tax liability or a deferred tax asset.

4.2.17. Contingent liabilities and assets

Contingent liabilities are:

1. is a probable obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the entity's control.
2. A provision is a present obligation resulting from a past event that is not recognized because:
   a) it is not probable that an outflow of economic benefits will be required to settle the obligation; or
   b) the amount of the obligation cannot be estimated reliably

Contingent assets are probable assets arising from past events, the existence of which will be confirmed by the occurrence or non-occurrence of one or more future events beyond the Company's control.

Contingent assets are probable assets arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the entity's control

4.2.18. Liabilities

Range:

Other liabilities encompass various obligations, including probable liabilities arising in the current reporting period, specifically related to:

- Services received from the entity's contractors, where the amount of the obligation can be reliably estimated.
- The obligation to provide future benefits related to current operations to unidentified beneficiaries, provided the amount can be estimated reliably, even if the exact date the obligation arose is unknown. This includes items such as warranty repairs and guarantees for long-term use products sold

Other liabilities also include items related to revenue, such as:

- The equivalent of funds received or receivable from customers for services to be rendered in future reporting periods.
- Cash received to finance the acquisition or production of property, plant, and equipment
- including assets under construction and development work, where such amounts do not increase equity capital according to other regulations.

Adopted accounting policy:

Other liabilities are recognized for costs when

- The amount or settlement date is uncertain
- Their occurrence is probable or highly probable, they arise from past events, and there is a present obligation requiring the use of the entity's existing or future economic resources.
- A reliable estimate can be made of the obligation's amount.

In the financial statements. Other liabilities are presented separately as current and non-current. Short-term liabilities include all obligations expected to be settled within the entity's normal operating cycle and other provisions due within twelve months from the reporting period. All remaining liabilities are classified as non-current.

4.2.19. Assets and liabilities denominated in foreign currency

The entity's functional and presentation currency is the Polish złoty (PLN). The principle for determining the appropriate exchange rate for different categories of assets and liabilities at the reporting date. Monetary assets and liabilities are translated into Polish złoty using the closing exchange rate prevailing at the reporting date. This principle specifically applies to items such as receivables, payables, loans granted, loans and borrowings received, and cash. Non-monetary items measured at fair value are translated into Polish złoty using the average exchange rate in effect at the date the fair value was determined. If the fair value is determined at the reporting date, the exchange rate applicable to that currency at the reporting date is used for translation

Non-monetary items measured at fair value are translated into Polish złoty (PLN) using the average exchange rate prevailing at the date when the fair value was determined. If the fair value is determined at the reporting date, the exchange rate applicable to that currency at the reporting date is used for translation. If the fair value of a non-monetary item is not determined at the reporting date, its PLN value is determined using the exchange rate in effect on the date its fair value was last established, provided the difference is material to the financial statements. This approach is particularly relevant for assets held for sale.

Other non-monetary items (those measured at historical cost or modified historical cost) are translated at the exchange rate in effect on the date of the initial transaction.

Practical simplification for the closing rate: For practical purposes, the entity uses the average exchange rate announced by the National Bank of Poland as the closing exchange rate. The principle for determining the appropriate exchange rate for various asset and liability balances during the year, and the accounting for resulting exchange rate differences, is as follows:

Translation of transactions and balances during the year: Transactions and balances denominated in foreign currencies are translated into the functional currency (PLN) at the exchange rate applicable at the date of the transaction. Exchange rate gains and losses arising from the settlement of these transactions and from the translation of monetary assets and liabilities at the reporting date are recognized in the statement of comprehensive income, unless specific criteria for deferral are met under other accounting standards.

1) They are not deferred in equity when they qualify as cash flow hedges and hedges of net investment in foreign operations.
2) They do not apply to exchange differences on financing costs directly attributable to the construction of qualifying assets during the construction period, up to the amount of the interest cost adjustment

Exchange rate gains and losses arising from transactions related to obtaining external financing (borrowings, loans, lease liabilities, and cash and cash equivalents) are included in finance costs. Exchange rate differences related to non-monetary items classified as financial assets available for sale are recognized in other comprehensive income and accumulated in the fair value reserve within equity. Exchange rate differences related to the financing of self-constructed property, plant, and equipment, up to the amount of the interest cost adjustment less any related revenue, are capitalized as part of the asset's cost. Exchange rate differences related to other operating transactions (realization and year-end valuation of trade receivables and payables) are included in the respective revenue or expense items to which the transactions relate.

4.2.20. Permanent impairment of assets

The entity assesses its asset impairment by analysing the ability of the entire company, as its single cash-generating unit, to generate cash flows. Smaller cash-generating units are not identified separately,

The entity identifies potential indicators of permanent impairment of assets through:

1) Sales point managers are responsible for providing the accounting department and the financial director with information about external factors indicating possible asset impairment, including:
   a) A significant decline in the market appeal of the travel agency brand.
   b) Changes in the market, economic, and legal environment directly impacting the ability to sell travel services.
2) The accounting department is responsible for informing the financial director of significant variances (over 20% compared to the prior year) in current operating costs.
3) The Management Board is responsible for analysing impairment indicators resulting from changes in interest rates and significant fluctuations in exchange rates.

If the value in use, calculated as described below, is lower than the carrying amount of the assets, a permanent impairment loss is recognized.

The Management Board prepares comprehensive income statements based on available information and uses these to forecast future cash flows. These cash flow forecasts include expenses (including necessary capital expenditures) related to the asset's use over the forecast period, as well as expected proceeds from the disposal of the asset and any associated disposal costs. The Financial Director, in consultation with the Management Board, determines the discount rate, which corresponds to the weighted average cost of capital. This discount rate is pre-tax and reflects the current market assessment of the time value of money and the specific risks associated with the asset. The value of cash flows is derived from the entity's financial plans for the subsequent years, and for periods beyond the plan, it is extrapolated based on the values projected over the economic useful life of the unit's main components. This extrapolation adheres to the principle of prudence, assuming that variable revenues and costs in later years will follow a trend observed by the entity in the prior 3 years, or another trend as determined by the Management Board

Principles for recognizing and reversing permanent impairment in accounting records

If the recoverable amount of an asset (or cash-generating unit) is lower than it carrying amount, the entity recognizes an impairment loss, reducing the carrying amount to the recoverable amount. This impairment loss is recognized as an expense in the period it is incurred and is presented in the statement of comprehensive income for that period.

To allocate an impairment loss for a cash-generating unit (which, in this case, is the entire Company), the loss is assigned to the individual assets within that unit on a pro rata basis, based on the carrying amount of each asset, unless goodwill is recognized in the statement of financial position. If goodwill exists, the impairment loss is first applied to reduce the carrying amount of goodwill to zero, and any remaining impairment loss is then allocated proportionally to the other assets in the cash-generating unit. The carrying amount of an individual asset, after the allocation of an impairment loss, cannot be reduced below the highest of:

1) Its fair value less costs to sell (if determinable),
2) Its value in use (if determinable), and
3) zero.

Based on the information obtained, the Company's Management Board may determine that the indicators of permanent asset impairment no longer exist. In such cases, a previously recognized impairment loss is reversed following a recalculation of the asset's value in use. The reversal of an impairment loss is recognized as income in the statement of comprehensive income.

The amount of the reversal is allocated proportionally to each asset within the cash-generating unit (excluding goodwill), ensuring that the carrying amount of no individual asset is increased above the lower of its recoverable amount and the carrying amount (net of accumulated depreciation) that would have been determined had the impairment loss not been recognized initially.

4.2.21. Discontinued activity

An entity classifies a component of an economic entity as a discontinued operation when that component has been sold or is classified as held for sale and:

a) Represents a separate major line of business or geographical area of operations;
b) Is part of a single, coordinated plan to dispose of a separate major line of business or geographical area of operations; or
c) Is a subsidiary acquired exclusively with a view to resale.

The decision to present such an identified component as discontinued operations is made by the entity's Management Board.

4.2.22. Lease

The Company is a lessee in agreements for retail and office premises, vehicles, and other equipment.

In accordance with IFRS 16, the Company applies a single lessee accounting model for all leases, with the exception of short-term leases and leases of low-value assets.

The lease liability is initially measured at the present value of the lease payments payable to the lessor over the lease term, discounted using the interest rate implicit in the lease. If this rate is not readily determinable (which is often the case), the Company's (or the Group's) incremental borrowing rate at the lease commencement date is used. Variable lease payments are included in the measurement of the lease liability only if they depend on an index or a rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain constant throughout the lease term. Other variable lease payments are recognized as an expense in the period to which they relate.

At initial recognition, the carrying amount of the lease liability also includes:

- amounts expected to be paid under the guaranteed residual value;
- The exercise price of a purchase option granted to the Company (or the Group) if it is reasonably certain that the option will be exercised;
- Any penalties for early termination of the lease if the lease term reflects the exercise of a termination option.

Right-of-use (ROU) assets are initially measured at the amount of the lease liability, net of any lease incentives received, plus:

- Lease payments made at or before the lease commencement date;
- Any initial direct costs incurred; and
- The amount of any provision recognized for the obligation to dismantle, remove, or restore the underlying asset as required by the lease contract (decommissioning of the leased asset).

After initial measurement, the lease liability increases as a result of the accrual of fixed interest on the unpaid balance and decreases as a result of lease payments. Right-of-use assets are depreciated on a straight-line basis over the remaining lease

After initial measurement, the lease liability increases to reflect interest accrued on the outstanding balance and decreases as lease payments are made. ROU assets are depreciated on a straight-line basis over the shorter of the remaining lease term.

When the Company revises its estimate of the lease term for any lease (for example, due to a reassessment of the likelihood of exercising an extension or termination option), the carrying amount of the lease liability is adjusted to reflect the revised lease payments discounted at the same rate used at lease commencement. A corresponding adjustment is made to the carrying amount of the ROU asset, and this adjusted amount is amortized over the remaining (revised) lease term.

Similarly, the carrying amount of the lease liability is remeasured when the index- or rate-dependent variable component of future lease payments changes. A corresponding adjustment is made to the carrying amount of the ROU asset, and the adjusted amount is amortized over the remaining lease term.

When the Company renegotiates the terms of a lease agreement with a lessor, the subsequent accounting depends on the nature of the modification:

- If the renegotiation results in a separate lease of one or more additional underlying assets for consideration that is commensurate with the stand-alone price of the additional right of use, the modification is accounted for as a separate lease in accordance with the policy outlined above.
- In all other cases where the renegotiation expands the scope of the lease (whether by extending the lease term or by adding one or more underlying assets), the lease liability is remeasured using the discount rate effective at the date of the modification, and a corresponding adjustment is made to the right-of-use asset.
- If the renegotiation results in a reduction in the scope of the lease, both the carrying amount of the lease liability and

the carrying amount of the right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease, and the difference is recognized in profit or loss. The lease liability is then further adjusted to ensure it carrying amount reflects the renegotiated payments over the renegotiated lease term, discounted using the discount rate effective at the date of the modification. A corresponding adjustment is made to the right-of-use asset.

For agreements that both grant the Company the right to use a specific asset and require the lessor to provide services, the Company has elected to recognize only the rental payments under the agreement as a lease component. The remaining fees under the agreement are treated as service expenses.

The Company has the right to terminate its premises lease agreements, with the most common contract periods being 5 or 10 years. Additionally, the Company has entered into long-term transportation vehicle lease contracts, which typically contain only provisions for monthly instalments.

Generally, the lessee has the right to terminate the transportation vehicle lease agreements with 30 days' notice. The lease agreements do not contain any restrictive covenants, such as those relating to dividends, additional debt, or additional leasing arrangements.

The Company implemented IFRS 16 using the modified retrospective approach.

Rainbow Tours SA applied the following permissible practical expedients regarding leases previously classified as operating leases under IAS 17:

- The Company elected to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Company applied the short-term lease exemption to leases with a remaining lease term of 12 months or less from the date of initial application, recognizing the associated lease payments as an expense.

Upon the initial application of IFRS 16, the Company recognized right-of-use assets at an amount equal to the lease liabilities. Subsequently, the value of the right-of-use assets was adjusted by the value of any outstanding lease incentives the Company had on its balance sheet as at January 1, 2018, and the value of any initial direct costs recognized as at January 1, 2018. The weighted average discount rate applied for the measurement of lease liabilities as at December 31, 2023, was 6.00%. The weighted average discount rate applied for the measurement of lease liabilities as at December 31, 2024, was 6.85%In applying IFRS 16, the Company's Management Board exercised the following significant judgments and made the following key estimates:

- Lease term for contracts with extension options: The Company's Management Board determines the lease term as the non-cancellable period of the lease, including periods covered by an extension option if it is reasonably certain that the option will be exercised, and periods covered by a termination option if it is reasonably certain that the option will not be exercised.
- The Company's Management Board has the option to extend the lease term of certain assets under some lease agreements. The Company applies judgment in assessing whether there is reasonable certainty that an extension option will be exercised. This assessment considers all relevant facts and circumstances that create an economic incentive to exercise the extension option or an economic disincentive not to exercise it. Subsequent to the commencement date, the Company's management reassesses the lease term if a significant event or a change in circumstances within the Company's control occurs that affects its ability to exercise (or not exercise) the extension option (e.g., a change in business strategy).
- The Company's Management Board has included extension periods for certain agreements, such as retail space leases, due to the reasonable certainty that these options will be exercised. Extension options for vehicle leases have not been included in the lease term because the Company's policy for leasing these assets anticipates a maximum useful life of no more than five years, and therefore the Company does not expect to exercise the extension options.
- Lease term for open-ended leases. The Company has entered into lease agreements for an indefinite period. In determining the lease term for these agreements, the Company considers the period for which the lease is enforceable. A lease is no longer enforceable when both the lessee and the lessor have the right to terminate the agreement without requiring the consent of the other party and without incurring significant penalties.

4.2.23. Hedge accounting

In the course of its operations, the Company hedges against financial risk arising from fluctuations in currency exchange rates by entering into currency forward contracts and zero-cost option strategies (option structures).

For accounting purposes, hedge accounting involves offsetting changes in the fair value of the hedged items with changes in the fair value of the derivative instruments designated as hedging instruments.

The types of hedging instruments include: fair value hedges and cash flow hedges.

A non-derivative financial asset or a non-derivative financial liability may be designated as a hedging instrument only for hedging currency risk. Hedging instruments are designated as hedging future cash flows. Derivative instruments hedging cash flows (Cash Flow Hedges).

A cash flow hedge derivative is an instrument that: Is used to hedge the variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability, or a highly probable forecast transaction, and

Will affect reported profit or loss.

- Is used to hedge the variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability, or a highly probable forecast transaction,
- Will affect reported profit or loss.

Gains and losses resulting from changes in the fair value of a cash flow hedge are recognized in other comprehensive income (OCI) to the extent that the hedging instrument is effective in offsetting changes in the hedged item's cash flows. Any ineffective portion is recognized in profit or loss. Gains or losses accumulated in OCI are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

Hedge effectiveness is the extent to which changes in the cash flows of the hedged item that are attributable to the hedged risk are offset by changes in the cash flows of the hedging instrument.

If a hedged forecast transaction or future liability results in the recognition of a non-financial asset or liability, the gains or losses previously recognized in OCI are reclassified from equity and included in the initial cost or other carrying amount of the asset or liability when it is recognized.

In accordance with the Company's hedging policy, the designated hedging instruments may not cover more than 80% of the currency flows arising from the portfolio of contracts denominated in a given currency.

At the inception of a hedging relationship, the Company formally documents the relationship between the hedging instruments and the hedged items, as well as the objective and strategy for undertaking the hedge. The Company also documents its assessment, both at the hedge's inception and on an ongoing basis, of whether the hedging instruments are effective and are expected to remain highly effective in offsetting changes in the cash flows of the hedging instruments and the hedged items in the future.

Discontinuation of hedge accounting.

A derivative ceases to be designated as a hedging instrument when the derivative expires, is sold, terminated, or exercised, or when the Company revokes the designation of the hedging relationship. For cash flow hedges, any gains or losses recognized in other comprehensive income (OCI) during the period the hedge was effective remain in equity until the hedged item affects profit or loss.

If a hedge of a forecast transaction or a future liability ceases to meet the criteria for hedge accounting because the hedged item no longer meets the definition of a forecast transaction or a future liability, or because it is no longer probable that the forecast transaction will occur, the net gain or loss previously recognized in OCI is immediately reclassified to profit or loss.

4.3. Principles for determining the financial result

4.3.1. Revenues from sales of products, goods and materials

The principles for revenue recognition are consistent with IFRS 15, "Revenue from Contracts with Customers," which employs a five-step revenue recognition model:

Identification of the Contract with the Customer:

A contract with a customer is deemed to exist when all of the following criteria are met: the parties to the contract have reached an agreement and are committed to perform their respective obligations; the Company can identify each party's rights regarding the goods or services to be transferred; the Company can identify the payment terms for the goods or services to be transferred; the contract has commercial substance; and it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services to be transferred to the customer.

Identification of the Performance Obligations in the Contract:

At the inception of a contract, the Company assesses the goods or services promised in the contract with a customer and identifies as a performance obligation each promise to transfer to the customer either: a distinct good or service (or a bundle of distinct goods or services); or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Determination of the Transaction Price:

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, certain sales taxes). The consideration specified in the contract with the customer may be a fixed amount.

4. Allocation of the Transaction Price to the Performance Obligations in the Contract:

The Company allocates the transaction price to each performance obligation (or to each distinct good or service) in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer.

<u>Range</u>

Revenue is recognized when the service is received by the customer at the commencement of the travel event, or when goods are transferred to the customer. For the Company, revenue from the sale of services primarily includes revenue from:

1) Travel services,
2) Intermediation services, and
3) Other services.

<u>Adopted accounting policy</u>

For the organization of travel events, revenue from service sales is recognized in the month the event commences. Due to the short duration of these events, the entity applies a practical expedient, considering the revenue date to be the commencement date of the service, even for events that begin at the end of one financial year and conclude at the beginning of the next.

The number of prepayments received for services is presented as liabilities in the statement of financial position – specifically as liabilities arising from advance payments received for services to be rendered in future periods.

Regarding revenue from services provided as an intermediary in the sale of events, airline and coach tickets, and insurance, the actual commission earned from the sale of these services is determined at the time of settlement with the carrier or tour operator for the services sold.

The Company recognizes revenue at the reporting date for services provided at the reporting date cut-off. For contractual services fulfilled over time, the Company recognizes revenue gradually as the contract is performed. In cases where the Company will perform contractual services spanning reporting periods, it performs materiality assessments regarding the recognition of revenue in proportion to the fulfilled portion of the contractual obligation (service performance) and the impact of any distortion on the financial statements. If the distortion's impact is deemed material, the allocation of revenue will be based on the degree of service performance, proportional to the number of days representing the duration of the travel event assigned to the respective reporting period, determined by the following algorithm:

Revenue eligible for a given reporting period concerning a given tourist event in PLN = (total price of the tourist event in PLN / length of the tourist event in days) * number of days of the tourist event for a given reporting period.

<u>Range</u>

Revenue is recognized when the service is received by the customer at the commencement of the travel event, or when goods are transferred to the customer. For the Company, revenue from the sale of services primarily includes revenue from:

4) Travel services,
5) Intermediation services, and
6) Other services.

<u>Adopted accounting policy</u>

For the organization of travel events, revenue from service sales is recognized in the month the event commences. Due to the short duration of these events, the entity applies a practical expedient, considering the revenue date to be the commencement date of the service, even for events that begin at the end of one financial year and conclude at the beginning of the next.

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The Company recognizes revenue at the reporting date for services provided at the reporting date cut-off. For contractual services fulfilled over time, the Company recognizes revenue gradually as the contract is performed. In cases where the Company will perform contractual services spanning reporting periods, it performs materiality assessments regarding the recognition of revenue in proportion to the fulfilled portion of the contractual obligation (service performance) and the impact of any distortion on the financial statements. If the distortion's impact is deemed material, the allocation of revenue will be based on the degree of service performance, proportional to the number of days representing the duration of the travel event assigned to the respective reporting period, determined by the following algorithm:

Revenue eligible for a given reporting period concerning a given tourist event in PLN = (total price of the tourist event in PLN / length of the tourist event in days) * number of days of the tourist event for a given reporting period.

4.3.2. Costs of core business

Costs of core business are recognized in profit or loss in accordance with the accrual principle, matching revenues and expenses (revenues and the expenses related to the same transaction are recognized concurrently). Core business costs include probable decreases in economic benefits during the reporting period, arising from the Company's ordinary activities, that can be reliably measured. These decreases are in the form of a reduction in the value of assets or an increase in the value of liabilities and provisions, leading to a decrease in equity or an increase in its deficit, other than through the withdrawal of funds by shareholders.

Production costs that are directly attributable to the revenue generated by the entity affect the entity's profit or loss for the reporting period in which the related revenue is recognized.

Production costs that can only be indirectly attributed to revenue or other economic benefits achieved by the entity affect the entity's profit or loss in the period to which they relate, ensuring their matching with the corresponding revenue or other economic benefits

4.3.3. Other operating income and expenses

Other operating income and expenses encompass costs and income that are indirectly related to the entity's core operating activities

Other operating income and expenses include, in particular, items related to:

- The disposal of property, plant, and equipment (PP&E), assets under construction, and intangible assets.
- The derecognition of receivables and payables that are statute-barred, written off, or deemed uncollectible, with the exception of public law receivables and payables that are not recognized as expenses.
- The creation and reversal of provisions, except for those related to financial activities.
- Asset write-downs and reversals of write-downs, except for those charged to the cost of goods sold, selling expenses, or finance costs.
- Compensations, penalties, and fines.
- The transfer or receipt of assets free of charge, including donations, and including funds received for purposes other than the acquisition or production of PP&E, assets under construction, or intangible assets.

4.3.4. Financial income and costs

Financial income and expenses include costs and income related to the financial activities of the entity.

Financial income and costs specifically include income and expenses related to:

- Interest income on funds held.
- Interest income on loans and receivables granted.
- Interest expense on borrowings, loans, and leases received.
- Exchange differences on loans and borrowings.
- Gains or losses on the disposal of financial assets and investments.
- Gains or losses on the remeasurement of financial assets and investments.
- Income from profit sharing in other entities.
- Interest accrued, paid, and received.
- Realized and unrealized foreign exchange gains and losses not related to the entity's operating activities.
- Other items related to financial activity

Financial income and expenses are recognized in the financial statements in accordance with the principles of prudence and accrual accounting.

4.3.5. Income tax and deferred tax

Income tax includes the actual tax liability for a given reporting period, determined in accordance with current corporate income tax laws, as well as the change in the status of a deferred tax asset or a deferred tax liability (deferred tax provision). Due to temporary differences between the carrying amounts of assets and liabilities in the accounting books and their tax bases, and any tax losses that can be deducted in the future, the Group, as the taxpayer, creates a deferred tax liability and recognizes a deferred tax asset.

The tax base of an asset is the amount that reduces taxable income when economic benefits are obtained from it, either directly or indirectly. If obtaining economic benefits from certain assets does not reduce taxable income, then the tax base of the assets is their carrying amount.

The tax base of a liability is it carrying amount reduced by amounts that will decrease taxable income in the future.

Deferred tax assets are recognized for the amount expected to be deductible from income tax in the future, due to negative temporary differences that will result in a future reduction of taxable income, and for deductible tax losses, determined with consideration for the prudence principle. A deferred tax liability is created for the amount of income tax expected to be payable in the future, due to positive temporary differences—that is, differences that will result in an increase in taxable income in the future.

The amount of the deferred tax liability and deferred tax asset is determined using the income tax rates applicable in the year the tax obligation arises. Depending on the net balance of the tax (liability or asset), it is presented in the statement of financial position as a deferred tax liability or a deferred tax asset.

4.3.6. Dividend payment

Dividend payments to shareholders are recognized as a liability in the Group's financial statements in the period when they are approved by the General Meeting of the Parent Company.

4.4. Reporting by business segment

The primary segment reporting format adopted by the Group is based on business segments, which are distinguished according to sources of revenue and the functional structure of the entity:

- Sale of tourist events,
- Hotel segment,
- Other.

A supplementary format is the geographical segment structure, where the division is based on the location of assets.

Starting from the data for 2021, the Capital Group changed the presentation of segments compared to the data for 2020 by including the “intermediation” segment in the “sale of tourist events” segment. This reclassification resulted from analyses of the parent company’s operations, which conducts homogeneous activities in this area.

Moreover, due to the development and increasing revenue from hotel operations (conducted by the subsidiaries White Olive A.E. and White Olive Premium Lindos A.E.), the Group introduced an additional segment— “hotel operations” (hotel segment)—starting from the 2021 data.

During October–November 2022, the Group carried out a merger process (by acquisition) in which White Olive A.E. (the acquiring company) merged with its subsidiary, White Olive Premium Lindos A.E. (the acquired company). On November 21, 2022, the General Commercial Registry (G.E.MI.) of the Hellenic Republic registered the decision of the G.E.MI. Authority concerning the said merger.

On November 13, 2024, the subsidiary White Olive A.E., as part of an initiated investment process, entered into a sale agreement under which it acquired from the sole shareholder of the Greek company "Ellas Star Resorts Symmetoches" Monoprosopi Anonymi Etaireia, which held legal title (a lease agreement with an option to acquire the leased asset upon the expiration of the agreement) to a hotel property previously known as "Labranda Marine Aquapark", located near Tigaki, on the island of Kos, Republic of Greece, a block of shares in Hellas Star Resorts A.E., representing a total of 100% of the share capital and 100% of the voting rights at the General Meeting of the said company. On December 19, 2024, the commercial register of the Republic of Greece, G.E.MI., recorded, among other things, the change of the company's name from "Ellas Star Resorts Symmetoches" Monoprosopi Anonymi Etaireia to the new name: "White Olive Kos" Monoprosopi Anonymi Etaireia.

The detailed description of changes in the organization of the Rainbow Tours Capital Group is presented in Note 5.4. to these consolidated financial statements.

Segment revenue includes revenue generated from sales to external customers or from inter-segment transactions, as reported in the statement of comprehensive income, that is directly attributable to the segment, and the portion of revenue that can be reasonably allocated to the segment

Segment expenses include the costs of the segment's operating activities that are directly attributable to the segment, together with a portion of other costs that can be reasonably allocated to that segment.

Segment expenses specifically include:

- Cost of sales,
- Selling costs.

Segment result is the difference between segment revenue and segment expenses. It represents operating profit before considering head office expenses, interest income or expense, income taxes, and investment gains or losses.

The Company's assets and liabilities are managed on a collective basis and are not allocated to specific operating segments (business segments or geographical segments).

4.5. Important estimates and assumptions

4.5.1. Professional judgment

If a particular transaction is not addressed by any specific accounting standard or interpretation, the Company's Management Board uses its judgment to develop and apply accounting policies that ensure the financial statements provide relevant and reliable information, and that they:

- Present the Company's assets, financial position, business results, and cash flows fairly, clearly, and reliably., reflect the economic substance of the transaction.
- Are objective.
- Are prepared in accordance with the principle of prudence.
- Are complete in all material respects.

The significant judgments made as at December 31, 2024, relate to contingent liabilities (Note 6.20, Note 6.21, Note 9.2, and Note 9.3), the assessment of the recoverability of advances paid to hotels for future services (Note 6.6), and the estimated impact on financial liquidity (Note 3.5).

4.5.2. Uncertainty of estimates

The preparation of the financial statements requires the Management Board to make estimates, as many of the amounts included in the financial statements cannot be determined with precision. The Management Board reviews the estimates adopted based on changes in the factors considered when making them, new information, or past experience. Consequently, the estimates made as at December 31, 2024, may be subject to revision in future periods.

The key estimates are described in the following notes:

Note		Type of information disclosed
Group Accounting Policies – 4.2. "Financial Instruments - Financial Assets Measured at Fair Value Through Profit or Loss" **(4.2.6.), Group Accounting Policies – 4.2. "**Impairment of Assets" **(4.2.21.) 6.3. "**Goodwill" **6.8.** "Other Financial Assets"	Impairment of financial instruments and individual items of property, plant, and equipment and intangible assets (including goodwill)	Key assumptions adopted for determining recoverable amount: indicators of impairment, models, discount rates, growth rate.
Group Accounting Policies – 4.2. "Deferred Tax" **(4.2.17.) Group Accounting Policies – 4.3.** "Income Tax and Deferred Tax" **(4.3.5.) 6.5. "**Deferred Income Tax Assets" **6.9.** "Current Tax Assets and	Income Tax	Assumptions adopted for recognizing deferred tax assets.

Note		Type of information disclosed
Liabilities" **6.16.** "Deferred Tax Liability"		
Group Accounting Policies – 4.2. "Receivables" **(4.2.9.) 6.6.** "Receivables"	Trade and other receivables	Impairment allowance for credit risk and related impairment of receivables.
Group Accounting Policies – 4.2. "Financial Instruments – Financial Assets Measured at Fair Value Through Profit or Loss" **(4.2.6.)**	Impairment of financial instruments other than trade and other receivables	Impairment allowance for credit risk and related impairment of receivables.
6.18. "Provisions, including for employee benefits and holiday pay**"**	Provisions	Assessment of the probability of outflow of economic benefits
6.18. "Provisions, including for employee benefits and holiday pay""	Employee benefits	Discount rates, inflation, wage growth, expected average period of employment, turnover.
Group Accounting Policies – 4.2. "Intangible Assets" **(4.2.2.) Group Accounting Policies – 4.2. "**Property, Plant and Equipment**" (4.2.3.**	Useful economic life of property, plant, and equipment and intangible assets.	The useful economic life and depreciation method of assets are reviewed at least at the end of each financial year.
Group Accounting Policies – 4.2 „Lease" (4.2.23.)	Applied discount rate	Rate adopted for calculation 6.85%

Estimates and judgments are subject to are subject to ongoing assessment. These are based on historical experience and other relevant factors, including expectations about future events that are considered reasonable under the prevailing circumstances.

4.6. New Accounting Standards and IFRIC Interpretations

4.6.1. The effect of adoption of new accounting standards and changes in accounting policy

The accounting policies applied in the preparation of these separate financial statements for the year ended December 31, 2024, are consistent with those used in the preparation of the annual separate financial statements for the year ended December 31, 2023, except for the changes disclosed below. The same accounting policies have been applied consistently to both the current and comparative periods presented.

4.6.2. Changes resulting from amendments to IFRS effective at the reporting date

Effective from the beginning of the 2024 financial year, the Company has applied the following new or amended standards and interpretations issued by the International Accounting Standards Board (IASB) or the IFRS Interpretations Committee:

- Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules (Global Minimum Tax), issued on May 23, 2023.

These amendments provide companies with a temporary optional exemption from recognizing and disclosing deferred tax assets and liabilities arising from the OECD's international tax reform (Pillar Two). While the exemption can be applied immediately, disclosure requirements were already effective for annual periods beginning on or after January 1, 2023.

The Company has applied the exemption from January 1, 2024, and had already adopted the required disclosures in its 2023 financial statements. At the date of these financial statements, it is not yet possible to reliably estimate the potential impact of applying the new standard.

- Amendment to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current.

The amendment to IAS 1 was initially issued on January 23, 2020, subsequently revised in July 2020, and ultimately endorsed on October 31, 2022. This amendment is effective for annual periods beginning on or after January 1, 2024.

The amendment clarifies the criteria for classifying a liability as current. This may lead to changes in the presentation of liabilities and their reclassification between current and non-current.

The Company has applied the amended standard from January 1, 2024. In the opinion of the Company's Management Board, as of the date of these financial statements, the application of the new standard has had no material impact on the Company's financial statements.

- Amendment to IFRS 16 Leases: Lease Liability in a Sale and Leaseback Transaction, issued on September 22, 2022

These amendments require a seller-lessee to determine the "lease payments" or "market terms lease payments" in a sale and leaseback transaction such that the seller-lessee does not recognize any portion of a gain or loss that pertains to the right of use retained.

The Company has applied these amended requirements from January 1, 2024. In the opinion of the Company's Management Board, as of the date of these financial statements, the application of this new standard has had no impact on the Company's financial statements.

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Financing Arrangements, issued on May 25, 2023.

The changes aim to increase transparency regarding supplier financing arrangements and their impact on a company's liabilities, cash flows, and liquidity risk exposure. These amendments supplement existing IFRS requirements, mandating entities to disclose additional information related to such arrangements, including their impact on liquidity risk. The changes apply to annual periods beginning on or after January 1, 2024.

The Group adopted the amendment to the standard as of January 1, 2024, following the entry into force of the Commission Regulation (EU) approving the amendments for use in EU countries. The Regulation was published on May 16, 2024, and became effective, with an impact on reporting periods beginning on or after January 1, 2024, on the twentieth day following its publication. The Parent Company's Management Board does not foresee a significant impact of the amended standard on the disclosures presented or to be presented after applying the amended standard in this interim financial report.

The aforementioned changes to existing standards did not have a significant impact on the Group's financial statements for the 2024 financial year. These changes did not affect amounts reported in prior periods, and no significant impact is expected on the current or future periods.

4.6.3. Changes in Accounting Policies Implemented at the Group's Discretion

The Group did not make any restatements of comparative information as at December 31, 2023, and for the year ended December 31, 2024.

4.6.4. Non-binding standards (new standards and interpretations)

The following standards and interpretations have been issued by the International Accounting Standards Board (IASB) or the IFRS Interpretations Committee but were not yet effective as of the balance sheet date:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, issued on August 15, 2023.

These amendments will require entities to apply a consistent methodology when assessing whether one currency is exchangeable into another. In situations where exchangeability is lacking, the amendments provide guidance on determining the applicable exchange rate and the necessary disclosures. These amendments are effective for annual periods beginning on or after January 1, 2025.

The Company will apply these amended requirements no earlier than January 1, 2025. In the opinion of the Company's Management Board, as of the date of these financial statements, the application of this new standard is not expected to have a material impact on the Company's financial statements.

- IFRS 18 Presentation and Disclosures in Financial Statements, issued on April 9, 2024.

The new standard will replace IAS 1 and will apply for the first time to annual periods beginning on or after January 1, 2027. The new standard is a result of the so-called Basic Financial Statements Project and aims to improve the way entities report information in their financial statements.

The main changes in the new standard compared to the previous requirements of IAS 1 include:

1) Introduction of categories and defined subtotals/line items in the statement of profit or loss (and other comprehensive income) intended to provide more relevant information and a more comparable structure across entities. Specifically, income and expense items will be required to be classified into one of the following statements of profit or loss

categories: Operating activities, Investing activities, Financing activities, Income taxes, and Discontinued operations. Entities will also be required to present the following subtotals: operating profit or loss, profit or loss before interest and income taxes (EBIT), and profit or loss.

2) Introduction of requirements to improve aggregation and disaggregation, designed to provide additional material information and prevent the obscuring of material information. In particular, IFRS 18 provides guidance on whether information should be presented in the primary financial statements (intended to provide a useful structured summary) or in the notes. Entities will be required to identify assets, liabilities, equity, income, and expenses arising from individual transactions or other events and classify them into groups based on shared characteristics, resulting in the inclusion of grouped items with at least one common characteristic in the primary financial statements. These groups will then be disaggregated based on further dissimilar characteristics, resulting in the separate disclosure of material items in the notes. Immaterial items with dissimilar characteristics may need to be aggregated to avoid obscuring material information. Entities should use appropriate descriptive headings or, where this is not feasible, provide information in the notes about the composition of such aggregated items.

3) The new standard introduces enhanced guidance on the analysis of operating expenses, requiring entities to determine whether to present an analysis based on their nature or their function/location in a manner that provides the most useful structured summary of operating expenses, considering several factors.

4) Introduction of Management Performance Measures (MPMs) disclosures in the notes to the financial statements, aimed at providing transparency and discipline in the use of such measures and consolidating related disclosures in one place. Specifically: MPMs are defined as subtotals of revenues and expenses Are used in information publicly provided to users of financial statements outside the financial statements., supplement IFRS totals or subtotals, and Communicate management's view of a specific aspect of the entity's financial performance. Required disclosures for MPMs include:: a description of why the MPM represents management's view of performance; a description of how the MPM was calculated; A reconciliation of the MPM to the most directly comparable subtotal or total presented under IFRSA statement that the MPM represents management's view of a particular aspect of the entity's financial performance, The separate impact of tax and non-controlling interests for each difference between the MPM and the most directly comparable IFRS subtotal or total. If the calculation method for an MPM changes, an explanation of the reasons for and the effects of the change.

In addition to the aforementioned changes, IFRS 18 introduces amendments to IAS 7: requiring the use of operating profit as the single starting point for the indirect method of presenting cash flows from operating activities; and eliminating the presentation choices for interest and dividends paid and received. The objective of these changes is to enhance the comparability of cash flow statements across entities.

The Company will apply this new standard no earlier than January 1, 2027. As of the date of these financial statements, it is not possible to reliably estimate the full impact of applying the new standard.

- IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 "Subsidiaries without Public Accountability: Disclosures" is a new standard that permits eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements in their financial statements. Application of IFRS 19 is optional for qualifying subsidiaries, and the standard specifies the disclosures required for those that elect to apply it. This new standard is effective for reporting periods beginning on or after January 1, 2027, with early application permitted. The standard was issued on May 9, 2024; however, the European Union has not yet commenced the formal endorsement process for its application within the EU.

The Company is not eligible to apply IFRS 19 because it is an entity subject to public oversight requirements.

- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Classification and Measurement of Financial Instruments,1 issued on May 30, 202

These amendments clarify the principles for classifying financial assets by considering environmental, social, and governance (ESG) factors and similar characteristics related to an asset. The amendments also address the settlement of liabilities through electronic payment systems, clarifying the date on which a financial asset or financial liability is derecognized from the statement of financial position. These amendments are effective for annual periods beginning on or after January 1, 2026.

The Company will apply these amended requirements no earlier than January 1, 2026. As of the date of these financial statements (May 9, 2025), it is not possible to reliably estimate the impact of applying this new standard.

- Annual Improvements to IFRS Accounting Standards 2023-2025 Cycle, issued on July 18, 2024, resulting in amendments to various standards.

On 18/07/2024, as a result of a review of IFRS, minor amendments were made to the following standards:

On July 18, 2024, as a result of the Annual Improvements to IFRS Accounting Standards 2023-2025 Cycle, minor amendments were made to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards: Clarification regarding the application of hedge accounting.
- IFRS 7 Financial Instruments: Disclosures: Amendments concerning the gain or loss on derecognition of financial instruments, the disclosure of the deferred difference between fair value and the transaction price, and the introduction and disclosure of information on credit risk.
- IFRS 9 Financial Instruments: Amendments relating to the derecognition of lease liabilities and clarification of the definition of "transaction price" with reference to IFRS 15 Revenue from Contracts with Customers.
- IFRS 10 Consolidated Financial Statements: Clarification of the definition of a "de facto agent."
- IAS 7 Statement of Cash Flows: Clarification regarding the "acquisition cost or production cost method."

These amendments are primarily applicable to annual periods beginning on or after January 1, 2026, with early application permitted.

The Company will apply these amended standards no earlier than January 1, 2026. As of the date of these financial statements (May 9, 2025), it is not possible to reliably estimate the full impact of applying these new requirements.

The IFRS Accounting Standards endorsed by the European Union do not differ significantly from those issued by the International Accounting Standards Board (IASB), with the exception of the following standards, interpretations, and amendments, which, as of the date of approval of these financial statements for publication, had not yet been endorsed for use in EU countries:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: *Lack of Currency Convertibility* published on 15/08/2023,
- IFRS 18 Presentation and Disclosures in Financial Statements published on 09/04/2024,
- IFRS 19 Subsidiaries not subject to public oversight requirements (“without Public Accountability”): Disclosures published on 09.05.2024, however, in this case the EU has not yet started the formal endorsement process of this standard,
- Amendments to IFRS 9 and IFRS 7 Changes to the classification and measurement of financial instruments published on 30/05/2024,
- Annual Improvements to IFRS Accounting Standards 2023-2025 Cycle, issued on July 18, 2024, resulting in amendments to various standards.
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Contracts for Nature Dependent Electricity, issued on December 18, 2024. These amendments aim to facilitate the reporting of the financial effects of nature dependent electricity contracts, often structured as power purchase agreements (PPAs). The amendments clarify the application of the "own-use" requirements, permit hedge accounting if these contracts are used as hedging instruments, and introduce new disclosure requirements to enable investors to understand the impact of these contracts on a company's financial results and cash flows. These amendments are effective for annual periods beginning on or after January 1, 2026.
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, issued on August 15, 2023.
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, issued on August 15, 2023.
- IFRS 18 Presentation and Disclosures in Financial Statements, issued on April 9, 2024.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures, issued on May 9, 2024. The European Union has not yet commenced the formal endorsement process for this standard.
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Classification and Measurement of Financial Instruments, issued on May 30, 2024.

In the opinion of the Company's Management Board, these planned changes are not expected to have a material impact on the Company's future financial statements.

5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 5.1. Company Information

Company name: Rainbow Tours Spółka akcyjna

Company's registered office: 90-361 Łódź, ul. Piotrkowska 270, Poland

Tax Identification Number: 7251868136

REGON {business registration) **number:** 473190014

KRS (national court register) **number:** 0000178650

Rainbow Tours Spółka Akcyjna is registered in Poland with the National Court Register (KRS) maintained by the District Court for Łódź-Śródmieście in Łódź, XX Commercial Division of the National Court Register, under KRS number 0000178650 (registration date: November 4, 2003).

Principal Business Activity and Warsaw Stock Exchange (WSE) Classification:

According to the National Court Register, the Company's principal business activity is that of tour operators (Polish Classification of Activities "PKD 2007": 7912.Z).

According to the Warsaw Stock Exchange classification, the Company belongs to the sector: 600 [Trade and Services] / 630 [Recreation and Leisure] / 632 [Travel Agencies]; industry sector: "Hotels and Restaurants"

Duration:

The duration of the Company is indefinite.

Stock exchange listing:

Rainbow Tours Spółka Akcyjna is listed in the continuous trading system on the parallel market of the Warsaw Stock Exchange (WSE) under the abbreviated name "Rainbow Tours" and the ticker symbol "RBW".

The International Securities Identification Number (ISIN) code for the Company's 10,727,000 shares traded on the Warsaw Stock Exchange is PLRNBWT00031. The ISIN code for the remaining 3,825,000 dematerialized shares of the Company not traded on the Warsaw Stock Exchange (registered preference shares of series A and series C1) is PLRNBWT00049.

The Legal Entity Identifier (LEI) code of the Company is 25940062QUG3WEUEGE88.

As of the date of approval of this report for publication (April 17, 2025), the Company belongs to the WSE industry sector: "Hotels and Restaurants." The Company's shares are included in the following indices:

WIG140, mWIG40, mWIG40TR, mWIG40dvp, WIGdivplus, WIG30, WIG30TR, WIG, WIG-Poland, GPWB-CENTR, CEEplus.

Note 5.2. Management Board and Supervisory Board composition

Information regarding the composition of the Management Board and Supervisory Board of the Parent Company as at 31 December 2024 and as at the date of approval of these financial statements for publication, i.e. 17 April 2025:

Management Board of the Parent Company

During the first half of the 2024 reporting period, specifically from January 1, 2024, to June 30, 2024, inclusive, the composition of the Management Board of the Parent Company was as follows:

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

As of the balance sheet date (December 31, 2024) and the date of approval of this report for publication (April 17, 2025), the composition of the Management Board of the Parent Company was as follows:

- Maciej Szczechura - President of the Management Board,
- Piotr Burwicz - Vice President of the Management Board,
- Jakub Puchałka - Vice President of the Management Board,
- Aleksandra Piwko-Susik - Member of the Management Board.

The following changes occurred in the composition of the Management Board of the Parent Company during the reporting period covered by these financial statements (the financial year 2024):

By virtue of the resolutions of the Company's Supervisory Board dated June 7, 2024, the following decisions were made, among others:

1) Pursuant to the provisions of Resolution No. 1/06/2024 dated June 7, 2024 – the Supervisory Board of the Parent Company, acting on the basis and within the scope of the provisions of § 16 section 5 of the Company's Articles of Association, in connection with the intention to appoint a new member to the Management Board of the Parent Company, effective July 1, 2024, resolved, effective July 1, 2024, to increase the number of individuals comprising the Management Board of the Parent Company from the current three persons to a new number of four persons, and thereby resolved to determine that, effective July 1, 2024, the number of individuals comprising the Management Board of Rainbow Tours Spółka Akcyjna of the current, fourth, joint, five-year term of office shall be four persons;

2) Pursuant to the provisions of Resolution No. 2/06/2024 dated June 7, 2024 – the Supervisory Board of the Parent Company, acting on the basis and within the scope of the provisions of § 16 section 1 and section 2 of the Company's Articles of Association, in accordance with the provisions of Article 368 § 4 sentence one of the Commercial Companies Code and in connection with the determination, by virtue of the provisions of a separate resolution of the Supervisory Board of the Company dated June 7, 2024, of the number of individuals comprising the Management Board of the current, fourth, joint, five-year term of office of the Management Board to be four persons, resolved, effective July 1, 2024, to appoint Ms. Aleksandra Piwko-Susik to the composition of the Management Board of the Parent Company of the current, fourth, joint, five-year term of office of the Management Board and to entrust her with the performance of the function of Member of the Management Board of the Parent Company; Ms. Aleksandra Piwko-Susik, appointed to the composition of the Management Board of the Company and to perform the function of Member of the Management Board of the Company, has consented to this appointment;

3) Pursuant to the provisions of Resolution No. 3/06/2024 dated June 7, 2024 – the Supervisory Board of the Parent Company, acting on the basis and within the scope of the provisions of § 16 section 5 of the Company's Articles of Association, resolved, effective July 1, 2024, to entrust Mr. Jakub Puchałka, who has hitherto held the function of Member of the Management Board of the Parent Company, with the function of Vice-President of the Management Board of the Company, and in connection therewith, the functions of the individuals comprising the four-person Management Board of Rainbow Tours Spółka Akcyjna of the current, fourth, joint, five-year term of office of the Management Board are as follows: Mr. Maciej Szczechura continued to hold the position of President of the Management Board throughout the year (since July 1, 2023, as per Supervisory Board Resolution No. 6/07/2023 dated July 5, 2023).
   - Mr. Piotr Burwicz continued to hold the position of Vice-President of the Management Board throughout the year (since July 1, 2023, as per Supervisory Board Resolution No. 6/07/2023 dated July 5, 2023).
   - Mr. Jakub Puchałka's role changed to Vice-President of the Management Board, effective July 1, 2024 (as per Supervisory Board Resolution No. 3/06/2024 dated June 7, 2024).
   - Ms. Aleksandra Piwko-Susik was appointed as a Member of the Management Board, effective July 1, 2024 (as per Supervisory Board Resolution No. 2/06/2024 dated June 7, 2024)

Apart from the changes detailed above, no other changes occurred in the composition of the Company's Management Board during the reporting period (the financial year ended December 31, 2024) and up to the date of approval of these financial statements for publication (April 17, 2025).

The current, fourth, joint, five-year term of office of the Management Board of the Parent Company expires on August 25, 2025. The mandates of the Management Board members expire no later than the date of the Annual General Meeting approving the financial statements for the last full financial year of their service. Mandates also cease upon death, resignation, or dismissal of a Management Board member.

In accordance with the amendment to Article 369 § 1 of the Commercial Companies Code (based on the Act of February 9, 2022, effective from October 13, 2022, and applicable to mandates and terms of office existing on that date), the duration of the current, fourth term of office of the Management Board is calculated in full financial years (five full financial years for Rainbow Tours S.A.). Therefore, the current five-year, joint term of office of the Management Board is valid from August 25, 2020, to August 25, 2025, and the mandate of a Management Board member serving this term will expire on the date of the Company's Annual General Meeting approving the financial statements for the financial year 2025, which is expected to be in 2026.

Supervisory Board of the Company:

As of the balance sheet date (December 31, 2024) and the date of approval of this report for publication (April 17, 2025), the composition of the Company's Supervisory Board was as follows:

- Paweł Walczak - Chairman of the Supervisory Board,
- Grzegorz Baszczyński - Member of the Supervisory Board,
- Tomasz Czapla - Member of the Supervisory Board,

- Monika Kulesza - Member of the Supervisory Board,
- Monika Ostruszka - Member of the Supervisory Board,
- Joanna Stępień-Andrzejewska - Member of the Supervisory Board,
- Remigiusz Talarek - Member of the Supervisory Board.

No changes occurred in the composition of the Supervisory Board of the Parent Company during the reporting period (the financial year ended December 31, 2024) and up to the date of approval of this report for publication (April 17, 2025).

The current, seventh, joint, three-year term of office of the Supervisory Board of the Parent Company expires on June 30, 2025. The mandates of the Supervisory Board members expire no later than the date of the Annual General Meeting approving the Company's financial statements for the last full financial year of their service. Mandates also cease upon death, resignation, or dismissal of a Supervisory Board member.

In accordance with the amendment to Article 369 § 1 of the Commercial Companies Code (applied accordingly to the Supervisory Board under Article 386 § 2 of the Code, based on the Act of February 9, 2022, effective from October 13, 2022, and applicable to mandates and terms of office existing on that date), the duration of the current, seventh term of office of the Supervisory Board is calculated in full financial years (three full financial years for Rainbow Tours S.A.). Therefore, the current three-year, joint term of office of the Supervisory Board is valid from June 30, 2022, to June 30, 2025, and the mandate of a Supervisory Board member serving this term will expire on the date of the Company's Annual General Meeting approving the financial statements for the financial year 2025, which is expected to be in 2026.

Note 5.3. Description of the organization of the issuer's capital group, indicating the entities subject to consolidation

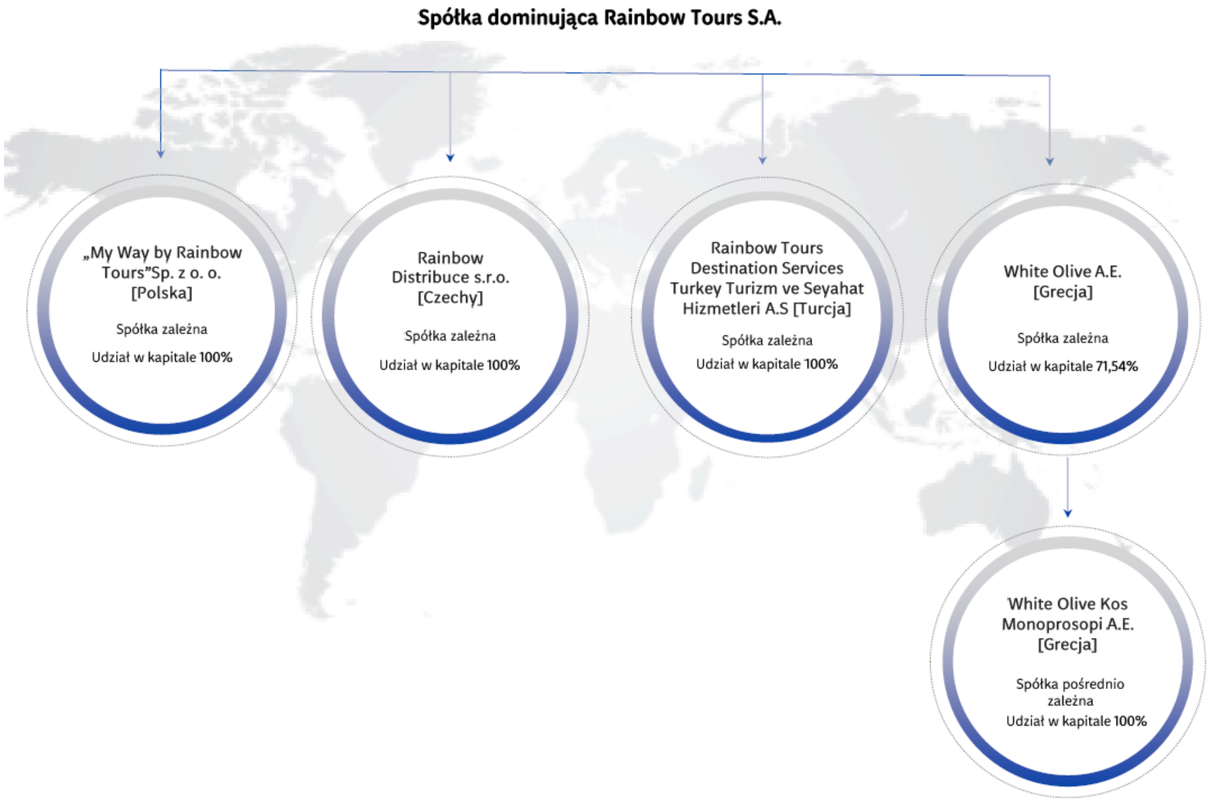
Below is the structure of the Rainbow Tours Capital Group as of December 31, 2024, and December 31, 2023, including the parent company and its subsidiaries (collectively referred to as the "Rainbow Tours Capital Group", the "Capital Group", or the "Group"), along with the percentage share of the parent company in the share capital of each subsidiary

As of the balance sheet date (December 31, 2024), the Issuer was the parent entity of the following companies (subsidiaries), which have been included in the consolidated financial statements:

- My Way by Rainbow Tours" Sp. z o. o.;
- White Olive AE [Anonymi Etaireia - a joint-stock company incorporated under Greek law];
  - White Olive Kos Monoprosopi AE [Anonymi Etaireia - a joint-stock company incorporated under Greek law] (formerly Ellas Star Resorts Symmetoches Monoprosopi AE) – an indirect subsidiary of the Issuer; a direct subsidiary of White Olive AE;
- Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri AS [Anonim Sirketi - a joint-stock company incorporated under Turkish law];
- Rainbow distribuce s.r.o [Společnost s ručením omezeným – a limited liability company incorporated under Czech law.

RAINBOW TOURS CAPITAL GROUP AS OF 31.12.2024.					
Name/business name	**Headquarters**	**Core business activity**	**Competent Court / registry authority**	**Share in capital/votes**	**Comments**
"My Way by Rainbow Tours" Sp. z o.o.	Poland, Lodz	Organizing and conducting training for tour leaders, leisure activities organisers and holiday representatives as part of the "Rainbow Academy" project	District Court for Łódź-Śródmieście in Łódź, 20th Division of the National Court Register – KRS number 0000261006	100% / 100%	Directly dependent
White Olive A.E.	Greece, Athens	Hotel business	GEMI (Commercial Register) – No. 137576424000	71.54% / 71.54%	Directly dependent
White Olive Kos Monoprosopi A.E.	Greece, Athens	Hotel business	GEMI (Commercial Register) – No. 007970101000	100% / 100%	Indirectly dependent
Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S.	Turkey, Alanya	Activities of tour operators	Trade Register (Ticaret Sicilinin): 25046; Central Registration System (MERSIS): 0734199873400001	100% / 100%	directly dependent
Rainbow distribuce s.r.o.	Czech Republic, Prague	Activities of tour operators	Commercial Register (Prague Municipal Court): 19868839	100% / 100%	dependent

RAINBOW



As of the balance sheet date (December 31, 2023), the Issuer was the parent entity of the following companies (subsidiaries), presented below:

- "My Way by Rainbow Tours" Sp. z o. o.;
- White Olive AE [Anonymi Etaireia - Spółka akcyjna incorporated under Greek law]
- Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri AS [Anonymous Sirketi - Spółka akcyjna incorporated under Turkish law],
- Rainbow Distribuce s.r.o [Společnost s ručením omezeným – a limited liability company incorporated under Czech law

RAINBOW TOURS CAPITAL GROUP
AS OF 31.12.2023

Name/business name	Headquarters	Core business activity	Competent Court / registry authority	Share in capital/votes	Comments
"My Way by Rainbow Tours" Sp. z o.o.	Poland, Lodz	Organizing and conducting training for tour leaders, leisure activities organisers and holiday representatives as part of the "Rainbow Academy" project	District Court for Łódź-Śródmieście in Łódź, 20th Division of the National Court Register – KRS number 0000261006	100% / 100%	Directly dependent
White Olive A.E.	Greece, Athens	Hotel business	GEMI (Commercial Register) – No. 137576424000	71.54% / 71.54%	Directly dependent
Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S.	Turkey, Alanya	Activities of tour operators	Trade Register (Ticaret Sicilinin): 25046; Central Registration System (MERSIS): 0734199873400001	100% / 100%	Directly dependent
Rainbow Distribuce s.r.o.	Czech Republic, Prague	Activities of tour operators	Commercial Register (Prague Municipal Court): 19868839	100% / 100%	Directly dependent

Below is a description of the subsidiaries that were part of the Rainbow Tours Capital Group and were included in the consolidation as of December 31, 2024:

(1) Rainbow Tours Spółka Akcyjna –Parent Company

The Issuer's (Rainbow Tours S.A.) activity, as the parent company within the Rainbow Tours Capital Group, primarily focuses on the organization and sale of its own tourist services, as well as acting as an intermediary in the sale of third-party tourist services, bus tickets, and airline tickets. The Issuer's role is to ensure external financing for the Capital Group entities and its development.

(2) My Way by Rainbow Tours" Sp. z o.o. (formerly: Portal Turystyczny Sp. z o.o.) – directly owned subsidiary

The activities of "My Way by Rainbow Tours" Sp. z o.o. are focused on organizing and conducting training for tour leaders, animators, and resort representatives as part of the "Akademia Rainbow" project (website: http://akademiarainbow.pl).

(3) Olive A.E. [Anonymi Etaireia - Greek Public Limited Company] – directly owned subsidiary

Rainbow Tours S.A. established the Greek public limited company White Olive A.E. in January 2016. Since then, this subsidiary has been successfully developing its own hotel business under the "White Olive" brand. It currently operates five hotel properties: two on the Greek island of Zakynthos, one on Crete, one on Rhodes, and one on Kos. Since the decision to expand into this additional business segment (i.e., hotel operations within owned or leased hotels), the Group has made a series of investments and capital restructuring related to this hotel business.

From October to November 2022, the Group completed a merger (by acquisition) of White Olive A.E. (the acquiring company) with its then-subsidiary, White Olive Premium Lindos A.E. (the acquired company and former owner of one of the Group's hotels). On November 21, 2022, the G.E.MI. Office Decision regarding this merger was registered in the General Business Register of the Hellenic Republic (G.E.MI.). Additionally, in November-December 2022, White Olive A.E. underwent a share capital increase.

In the first quarter of 2023, White Olive A.E. made investments in Greece by acquiring land properties on the island of Rhodes. The subsidiary purchased three plots of land totalling 11,000 m2. These plots are located immediately adjacent to the "White Olive Premium Lindos" hotel. This acquisition was intended for the planned expansion of the existing hotel by an additional 77 rooms without the need to expand supporting infrastructure, such as common areas and kitchen facilities, creating synergy for the currently operating hotel.

In 2023, based on a termination agreement dated October 4, 2023, for a sublease agreement (original sublease dated April 22, 2021, a continuation of an agreement from April 11, 2018), White Olive A.E. ceased offering hotel services at the hotel previously known as "White Olive Premium Cameo." This four-star hotel is located in Agios Sostis on the Greek island of Zakynthos. The decision to stop operations in the subleased hotel and terminate the agreement was made due to the emerging necessity for significant, capital-intensive investments in the hotel's infrastructure, which is owned by a third party (the lessor), to maintain the high standard of services offered there.

At the end of 2023, construction work began and was successfully completed in 2024 on the expansion of the "White Olive Premium Laganas" hotel on the Greek island of Zakynthos. This involved the addition of a new hotel wing offering 55 new rooms, leveraging synergy by increasing the number of rooms offered by the hotel while utilizing existing restaurant and pool facilities. In 2024, work was also completed on the expansion of the "White Olive Elite Rethymno" hotel on Crete, with the new section offering 34 additional rooms.

In November 2024, White Olive A.E., as part of an initiated investment process, entered into a sale agreement. Pursuant to this agreement, White Olive A.E. acquired from the sole shareholder of the Greek company "Ellas Star Resorts Symmetoches" Monoprosopi A.E., based in Athens, Republic of Greece (hereinafter referred to as "Hellas Star Resorts A.E.", previously part of the FTI Group tourist holding) – which held legal title (a lease agreement with an option to acquire the leased asset at the end of the agreement term) to the hotel property previously known as "Labranda Marine Aquapark", located near Tigaki, on the island of Kos, Republic of Greece – a block of shares in Hellas Star Resorts A.E., representing 100% of its share capital and 100% of votes at the General Meeting of the said company. As a result of this investment, the portfolio of "White Olive" owned hotels expanded by an additional hotel, which now operates under the name "White Olive Marine Aquapark". This complex is a low-rise hotel situated directly on the coastline on a large plot of land near the tourist town of Tigaki (approximately 5 km from the centre), on the island of Kos (northern coast of the island), Republic of Greece. The "White Olive Marine Aquapark" hotel offers 338 rooms at a four-star standard. The hotel property also features a water park. Due to the bankruptcy process of the FTI Group tourist holding (which previously managed this hotel property), the "Labranda Marine Aquapark" hotel operated only for part of the "Summer 2024" tourist season. Its full launch as part of the "White Olive" owned hotel chain (after, among other things, adapting the hotel for its resumption of operations after a period of temporary suspension and "rebranding" for operation as a "White Olive" brand hotel) has been planned and is being implemented starting from the "Summer 2025" tourist season (sales of offers for this hotel within the "White Olive" network commenced in November 2024). On December 19, 2024, the commercial register of the Republic of Greece, G.E.MI., recorded, among other changes, the change of the company's name from "Ellas Star Resorts Symmetoches" Monoprosopi Anonymi Etaireia to the new name: "White Olive Kos" Monoprosopi Anonymi Etaireia.

White Olive A.E.'s operational plans involve developing the hotel segment based on **owned hotels**, rather than those leased under long-term agreements. Owning its hotel base not only provides broader opportunities for product creation and management but also allows for achieving a larger and more stable financial result. The development of the hotel network is expected to generate a higher sales margin for the Group.

As of the approval date of this report for publication (April 17, 2025), the "White Olive" hotel chain directly managed by White Olive A.E. (and by its subsidiary White Olive Kos M.A.E.) includes the following hotels:

- "White Olive Premium Laganas" – A four-star hotel located in Laganas on the Greek island of Zakynthos. This hotel is owned and managed by White Olive A.E. Until 2023, "White Olive Premium Laganas" offered 137 spacious and modernly furnished four-star rooms of six different types. At the end of 2023 and into early 2024, an expansion of this hotel property began and was completed, involving the addition of a new hotel wing. This resulted in new rooms being available from the "Summer 2024" season. While 54 new rooms were added, 3 existing rooms had to be removed due to the reconstruction, leading to a net increase of 51 rooms. As of the "Summer 2024" season, the "White Olive Premium Laganas" hotel now offers a total of 188 rooms.
- "White Olive Elite Laganas" – A newly built five-star hotel complex (opened in July 2019) located in Laganas on the Greek island of Zakynthos. This hotel is owned and managed by White Olive A.E. "White Olive Elite Laganas" is a modern hotel with 196 spacious and excellently equipped five-star rooms of three different types.
- "White Olive Elite Rethymno" – A five-star hotel located in Sfakaki on the island of Crete, near the city of Rethymno. This hotel is owned and managed by White Olive A.E. (from October 2019 to June 2021, the hotel was managed by White Olive A.E. under a long-term lease). After a thorough renovation of both rooms and common areas during the winter of 2020/2021, "White Olive Elite Rethymno" offered 70 comfortably and modernly furnished five-star rooms in its five-story main building during the "Summer 2023" tourist season. The hotel offered rooms of four different types, many with sea views, including rooms with direct access to the hotel pool. At the end of 2023 and into early 2024, an expansion of this hotel property began and was completed (adding a new wing, redeveloping the pool area, and adding new common areas). This resulted in new rooms being available from the "Summer 2024" season, with 34 new rooms being added, bringing the total number of rooms at "White Olive Elite Rethymno" to 104.
- "White Olive Premium Lindos" (formerly "Pefkos Garden") – A four-star hotel owned and managed by White Olive A.E., located in Pefkos on the Greek island of Rhodes. The "White Olive Premium Lindos" hotel offers 97 spacious and modern four-star rooms. The hotel underwent a thorough renovation of both rooms and common areas in winter 2019/2020. At the end of 2023, preparatory work began for the planned expansion of this hotel property (acquisition of additional land plots for the expansion; preparations for documentation and obtaining relevant permits related to the expansion). Construction is planned to begin after the "Summer 2024" season, with new rooms expected to be available from the "Summer 2025" season (a planned 77 new rooms will bring the total number of rooms at "White Olive Premium Lindos" to 174).
- "White Olive Marine Aquapark" (formerly "Labranda Marine Aquapark") – A four-star hotel managed by a subsidiary of White Olive A.E. (namely, White Olive Kos M.A.E.), located directly on the coastline on a vast area near the tourist town of Tigaki (approximately 5 km from the centre), on the Greek island of Kos (northern coast of the island). The "White Olive Marine Aquapark" hotel offers 338 rooms, including double rooms with an extra bed option and four-person family rooms. The hotel, situated directly on the beach, also features a water park with numerous slides, swimming pools (including options for children only and adults only), and a wave pool, as well as excellent infrastructure for children (playground, mini club, water attractions). The full launch of the hotel as part of the "White Olive" owned hotel chain (after, among other things, adapting the hotel for its resumption of operations after a period of temporary suspension and "rebranding" for operation as a "White Olive" brand hotel) is planned and being implemented starting from the "Summer 2025" tourist season (sales for this hotel within the "White Olive" network already began in November 2024).

The total number of rooms available in the aforementioned five hotels, starting from the "Summer 2025" season, including the new rooms added as part of the "White Olive Premium Lindos" expansion, will be 1,000 rooms.

(4) **White Olive Kos Monoprosopi A.E. [Anonymi Etaireia - Greek Public Limited Company] (previously: "Ellas Star Resorts Symmetoches" Monoprosopi A.E.) – Indirectly owned subsidiary**

On November 13, 2024, as part of an initiated investment process, the subsidiary White Olive A.E. entered into a sale agreement. Pursuant to this agreement, it acquired from the sole shareholder of the Greek company "Ellas Star Resorts Symmetoches Monoprosopi Anonymi Etaireia," based in Athens, Republic of Greece (previously part of the FTI Group tourist holding), a block of shares in Hellas Star Resorts A.E., representing 100% of its share capital and 100% of votes at the General Meeting of the said company. This indirectly owned subsidiary, Hellas Star Resorts A.E., is an operating company that holds legal title (a lease agreement with an option to acquire the leased asset at the end of the agreement term) to the hotel property previously known as "Labranda Marine Aquapark," located near Tigaki, on the island of Kos, Republic of Greece. The launch of this hotel within the "White Olive" owned hotel chain (after, among other things, adapting the hotel for its resumption of operations following a period of temporary suspension and "rebranding" to operate as a "White Olive" brand hotel) has been planned and is being implemented starting from the "Summer 2025" tourist season (sales of offers for this hotel within the "White Olive" network already commenced in November 2024). On December 19, 2024, the commercial register of the Republic of Greece, G.E.MI., recorded, among other changes, the change of the company's name from "Ellas Star Resorts Symmetoches" Monoprosopi Anonymi Etaireia to the new name: "White Olive Kos" Monoprosopi Anonymi Etaireia.

(5) **Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S. [Anonim Sirketi - Turkish Public Limited Company] – Directly Owned Subsidiary**

As a result of the process initiated in February 2020 and carried out in subsequent months to establish and appoint a subsidiary of Rainbow Tours S.A. in the Republic of Turkey, on August 26, 2020, the Issuer's subsidiary, the Turkish public limited company under the name (trade name): Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri Anonim Sirketi, was registered by the Alanya Chamber of Commerce and Industry (Alanya Ticaret Ve Sanayi Odasi) in the relevant commercial register. This company was assigned the Chamber Register number (Oda Sicilinin): 24876, Commercial Register number (Ticaret Sicilinin): 25046, and Central Registration System number (MERSIS): 0734199873400001. The registered office of this subsidiary is located in Alanya (Antalya), Republic of Turkey. This subsidiary is a public limited company established under the relevant laws of the Republic of Turkey. The sole shareholder, holding 100% of the share capital and 100% of the votes at the General Meeting of this subsidiary, is Rainbow Tours S.A.

The establishment of this subsidiary aimed to develop the Rainbow Tours Capital Group's business in the field of tour operator activities, as well as to improve the Group's internal organizational structure and contribute to achieving operational cost savings and increasing the Capital Group's operational efficiency. This aligns with the Issuer's vertical integration strategy, under which Rainbow Tours S.A. intends to significantly optimize the costs of tour package execution by discontinuing the use of external suppliers, and also to increase the profitability of additional services sold to Rainbow Tours S.A. clients (coach tours and optional excursions). In a subsequent stage, this subsidiary will be ready to offer tourist products to other market entities (tour operators) as well. The subsidiary Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri Anonim Sirketi commenced its operational activities from the "Summer 2021" season.

(6) **Rainbow distribuce s.r.o. [Společnost s ručením omezeným - Czech Limited Liability Company] – Directly Owned Subsidiary**

In the fourth quarter of the 2023 financial year, a new subsidiary of the Issuer was established in the Czech Republic: Rainbow distribuce s.r.o., a Czech limited liability company. This subsidiary (Rainbow distribuce s.r.o.) was incorporated and registered on October 30, 2023, in the commercial register maintained by the Municipal Court in Prague (File No.: C 393007), receiving identification number: 198 68 839. The registered office of this subsidiary is located in Prague, Czech Republic.

Rainbow distribuce s.r.o. was formed under the relevant laws of the Czech Republic and operates as a limited liability company (Společnost s ručením omezeným). The sole shareholder, holding 100% of the share capital and 100% of the votes at the general meeting of this subsidiary, is Rainbow Tours S.A. Rainbow distribuce s.r.o. acts as the representative of Rainbow Tours S.A. in the Czech Republic and will not conduct independent tour operating activities. It is a distribution company tasked with selling travel packages with departures from Prague, Brno, and Polish airports to Czech clients within the country. Specifically, the scope of Rainbow distribuce s.r.o. activities include managing the network of sales agents (e.g., searching for agents, concluding agreements, ongoing contact with the agent network, training, and more), organizing the resources necessary to conduct Rainbow's sales in the Czech Republic (e.g., managing the Czech website, necessary translations, online marketing, promotion of Rainbow's offer in the media). In the future, Rainbow distribuce s.r.o. also has the potential to focus on establishing its own sales network (leasing premises for its own branches and managing them, organizing employment).

Information regarding the changes in the organization of the Issuer's Capital Group can be found in Note 5.4. to this financial statement

Note 5.4. Description of changes in the organization of the capital group

During the reporting period covered by this report (i.e., the 2024 financial year), the Rainbow Tours Capital Group underwent an organizational change through the acquisition by the Issuer's subsidiary, White Olive A.E., of a block of shares in "Ellas Star Resorts Symmetoches" Monoprosopi Anonymi Etaireia, based in Athens, Republic of Greece (hereinafter referred to as "Hellas Star Resorts A.E.", previously part of the FTI Group tourist holding).

On November 13, 2024, the subsidiary White Olive A.E., as part of an initiated investment process, entered into a sale agreement under which it acquired from the sole shareholder of the Greek company "Ellas Star Resorts Symmetoches" Monoprosopi Anonymi Etaireia, which held legal title (a lease agreement with an option to acquire the leased asset upon the expiration of the agreement) to a hotel property previously known as "Labranda Marine Aquapark", located near Tigaki, on the island of Kos, Republic of Greece, a block of shares in Hellas Star Resorts A.E., representing a total of 100% of the share capital and 100% of the voting rights at the General Meeting of the said company. On December 19, 2024, the commercial register of the Republic of Greece, G.E.MI., recorded, among other things, the change of the company's name from "Ellas Star Resorts Symmetoches" Monoprosopi Anonymi Etaireia to the new name: "White Olive Kos" Monoprosopi Anonymi Etaireia.

The financing of the purchase of the block of shares in Hellas Star Resorts A.E. (now: White Olive Kos M.A.E.), which holds legal title to the hotel property, as well as the coverage of other expenses related to the implementation of the investment (additional expenses related to the investment include, among others, the obligation to cover disclosed liabilities of Hellas Star Resort A.E., public and legal fees related to the share purchase transaction, financial involvement related to the adaptation of the hotel property for the resumption of hotel operations after a period of temporary suspension, financing the ongoing operations of Hellas Star Resort A.E.) was planned from White Olive A.E.'s own funds. For this purpose, a decision was made to increase White Olive A.E.'s equity through an increase in its share capital. In connection with this, the Issuer's Management Board, pursuant to a resolution of the Company's Management Board dated November 13, 2024, declared and resolved – as the governing body of the parent entity and shareholder of the subsidiary White Olive A.E. – to initiate and implement the process of increasing White Olive A.E.'s equity by EUR 18,500,000 (eighteen million five hundred thousand euros), through an increase in the share capital of White Olive A.E. Consequently, the Issuer's Management Board resolved that Rainbow Tours Spółka Akcyjna would subscribe for shares in the subsidiary White Olive A.E. based in Athens and expressed its consent to, and declared, the increase of White Olive A.E.'s equity by the stated amount of EUR 18,500,000 (eighteen million five hundred thousand euros). As of the date of approval of this report for publication (April 17, 2025), the process of increasing the share capital of White Olive S.A. has not been completed. The parameters and detailed conditions for the implementation of the share capital increase process for White Olive A.E. will be agreed upon and specified in detail in cooperation with the Foreign Expansion Fund Closed-End Investment Fund of Non-Public Assets, managed by PFR Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna with its registered office in Warsaw, which is part of the Polish Development Fund Group (hereinafter referred to as the "Fund"). The Issuer holds 71.54% of the share capital and voting rights at the general meeting of White Olive A.E., while the remaining 28.46% of the share capital and voting rights at the general meeting of White Olive A.E. are held by the Fund.

As of the date the subsidiary White Olive A.E. entered into the aforementioned sale agreement, the hotel property operating under the previous name "Labranda Marine Aquapark" was a low-rise hotel complex, located directly on the coastline on a vast area near the tourist town of Tigaki (approximately 5 km from the centre), on the island of Kos (northern coast of the island), Republic of Greece. The hotel offers 338 rooms at a four-star standard. The hotel property also features a water park. Due to the bankruptcy process of the FTI Group tourist holding (which previously managed this hotel property), the "Labranda Marine Aquapark" hotel operated only during part of the "Summer 2024" tourist season.

Following the acquisition of the aforementioned block of shares in Hellas Star Resort A.E. (now: White Olive Kos M.A.E.), which holds legal title to the hotel property previously operating under the name "Labranda Marine Aquapark", adaptation work on the hotel began to resume its operation after a period of temporary suspension, as well as work related to its "rebranding" (the hotel will begin operating as a "White Olive" brand hotel, under the name "White Olive Marine Aquapark"). Adaptation work on the "White Olive Marine Aquapark" hotel (previously operating as "Labranda Marine Aquapark") began in November 2024. The hotel's operations are planned to commence from the "Summer 2025" tourist season. In the "Summer 2025" tourist season, the hotel will operate on an All-Inclusive basis and at a four-star standard (Premium standard), and will cater to both Polish and international clients.

During the reporting period of the 2024 financial year, as well as after the balance sheet date, up to the date of approval of this report for publication (April 17, 2025), no other changes in the organization of the Rainbow Tours Capital Group took place.

Note 5.5. Revenues and results by business segment

The Company's primary reporting segment structure is based on business segments, with geographical segments serving as a supplementary breakdown. The geographical segmentation is determined by the location of assets. The parent company operates in a single geographical region, which is Poland, while the operating subsidiaries operate in other geographical regions outside of Poland.

The Company has identified the following business segments:

- Sale of Tour Packages
- Sale of Hotel Services
- Other

Segment revenues are revenues earned from sales to external customers or from transactions with other segments, recognized in the statement of profit or loss and directly attributable to a given segment, as well as a portion of revenues that can be allocated to a given segment based on reasonable assumptions.

Segment costs are the operating costs of the segment that can be attributed to it, along with a portion of other costs that can be allocated to that segment based on reasonable assumptions.

Segment costs particularly include:

- Cost of Goods Sold
- Selling Costs
- Administrative Costs

Segment result is the difference between segment revenues and segment costs. It reflects the operating profit, taking into account head office costs. Segment assets are assets classified as operating assets:

- Used by the segment in its operating activities,
- Directly attributable to a given segment or allocable to it based on reasonable assumptions.

Segment assets do not include assets arising from income tax or assets used in the general operations of the entity. Segment liabilities are liabilities classified as operating liabilities that are directly attributable to a given segment or allocable to it based on reasonable assumptions

Table: Revenues by Business Segment for the 12-month period ended December 31, 2024:

business segments of the Rainbow Tours Capital Group for the period 01/01/2024 -31/12/2024	tour operator activity		hotel segment		other activities		consolidation adjustments	TOTAL
	Poland	Abroad	Poland	Abroad	Poland	Abroad		
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Continuing operations - sales revenues	**3 994 460**	**158 941**	**-**	**53 920**	**6 363**	**-**	**(145 621)**	**4 068 063**
- *Intra-group*	20 812	102 602	-	21 966	241	-	(145 621)	-
- From external customers	3 973 648	56 339	-	31 954	6 122	-		4 068 063
Continuing operations - cost of sales	**(3 296 068)**	**(131 054)**	**-**	**(33 300)**	**(5 203)**	**-**	**145 074**	**(3 320 551)**
- *Intra-group*	(124 568)	(20 506)	-	-	-	-	145 074	-
- From external customers	(3 171 500)	(110 548)	-	(33 300)	(5 203)	-		(3 320 551)
Gross profit (loss) on sales	**698 392**	**27 887**	**-**	**20 620**	**1 160**	**-**	**(547)**	**747 512**
Continuing operations - selling costs	**(272 776)**	**(7 057)**	**-**	**(7 122)**	**(109)**	**-**	**-**	**(287 064)**
- *Intra-group*	-	-	-	-	-	-	-	-
- From external customers	(272 776)	(7 057)	-	(7 122)	(109)	-	-	(287 064)
Continuing operations - general and administrative expenses	**(84 791)**	**(4 384)**	**-**	**(5 999)**	**(2 444)**	**-**	**915**	**(96 703)**
- *Intra-group*	(376)	(539)	-	-	-	-	915	-
- From external customers	(84 415)	(3 845)	-	(5 999)	(2 444)	-	-	(96 703)
Continuing operations - other operating income	**1 784**	**1 151**	**-**	**374**	**10**	**-**	**(368)**	**2 951**
- *Intra-group*	-	-	-	-	-	368	(368)	-
- From external customers	1 784	1 151	-	374	10	(368)	-	2 951
Continuing operations - other operating expenses	**(11 243)**	**(1 595)**	**-**	**(176)**	**(7)**	**-**	**-**	**(13 021)**
- *Intra-group*	-	-	-	-	-	-	-	-
- From external customers	(11 243)	(1 595)	-	(176)	(7)	-	-	(13 021)
Profit (loss) from operating activities	**331 366**	**16 002**	**-**	**7 697**	**(1 390)**	**-**	**-**	**353 675**

Table: Revenues by Business Segment for the 12-month period ended December 31, 2023

business segments of the Rainbow Tours Capital Group for the period 01/01/2023 -31/12/2023	tour operator activity		hotel segment		other activities		consolidation adjustments	TOTAL
	Poland	Abroad	Poland	Abroad	Poland	Abroad		
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Continuing operations - sales revenues	**3 226 092**	**118 997**	**-**	**51 275**	**5 355**	**-**	**(108 327)**	**3 293 392**
- *Intra-group*	*16 458*	*67 881*	-	*23 435*	*553*	-	*(108 327)*	-
- From external customers	*3 209 634*	*51 116*	-	*27 840*	*4 802*	-	-	*3 293 392*

business segments of the Rainbow Tours Capital Group for the period 01/01/2023 -31/12/2023	tour operator activity		hotel segment		other activities		consolidation adjustments	TOTAL
	Poland	Abroad	Poland	Abroad	Poland	Abroad		
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Continuing operations - cost of sales	**(2 713 208)**	**(98 917)**	**-**	**(36 302)**	**(4 601)**	**-**	**107 065**	**(2 745 963)**
- Intra-group	*(91 296)*	*(15 769)*	-	-	-	-	*107 065*	-
- From external customers	*(2 621 912)*	*(83 148)*	-	*(36 302)*	*(4 601)*	-	-	*(2 745 963)*
Gross profit (loss) on sales	**512 884**	**20 080**	**-**	**14 973**	**754**	**-**	**(1 262)**	**547 429**
Continuing operations - selling costs	**(244 757)**	**(5 383)**		**(5 427)**	**(69)**	**-**	**20**	**(255 616)**
- Intra-group	-	-		(20)	-	-	*20*	-
- From external customers	*(244 757)*	*(5 383)*		*(5 407)*	*(69)*	-	-	*(255 616)*
Continuing operations - general and administrative expenses	**(66 196)**	**(3 912)**		**(6 188)**	**(2 082)**	**-**	**1 557**	**(76 821)**
- Intra-group	(686)	(49)		(822)	-	-	*1 557*	-
- From external customers	*(65 510)*	*(3 863)*		*(5 366)*	*(2 082)*	-	-	*(76 821)*
Continuing operations - other operating income	**1 138**	**914**		**9 158**	**8**	**-**	**(315)**	**10 903**
- Intra-group	-	-		*315*	-	-	*(315)*	**-**
- From external customers	*1 138*	*914*		*8 843*	*8*	-	-	**10 903**
Continuing operations - other operating expenses	**(3 956)**	**(125)**		**(6 790)**	**(10)**	**-**	**-**	**(10 881)**
- Intra-group	-	-		-	-	-	-	**-**
- From external customers	*(3 956)*	*(125)*		*(6 790)*	*(10)*	-	-	(10 881)
Profit (loss) from operating activities	**199 113**	**11 574**	**-**	**5 726**	**(1 399)**	**-**	**-**	**215 014**

Note 5.6. Revenues generated seasonally, cyclically or sporadically

Due to the nature of its operations, the Company's activities are subject to seasonality, with peak revenue generation occurring during the summer months, specifically in the third quarter of the calendar year, and the lowest revenue typically recorded in the fourth quarter.

The following table presents the value of revenue from the sale of tourist services generated by the parent company (Rainbow Tours Spółka Akcyjna) within the Rainbow Tours Capital Group for the period from January 2015 to January 2025: The values presented in the table above pertain solely to the parent company and do not include revenue generated by other entities within the Rainbow Tours Capital Group.

Table. – Monthly sales revenues from 2015.01 to 2025.01

Table. – Comparison of sales revenues on a monthly basis at the turn of 2015 – 2024

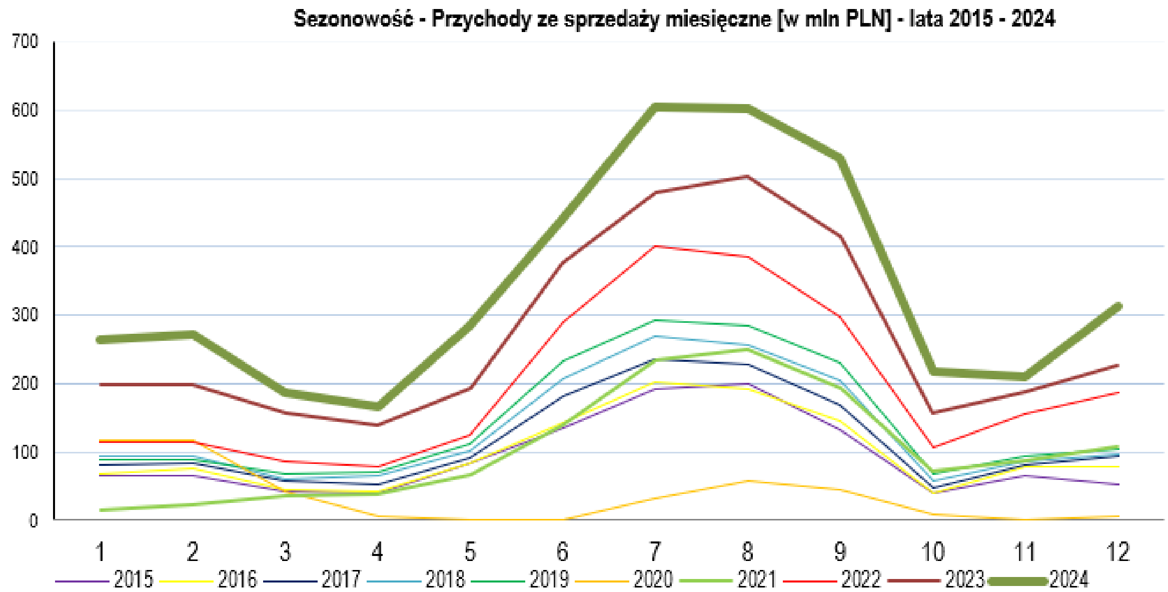
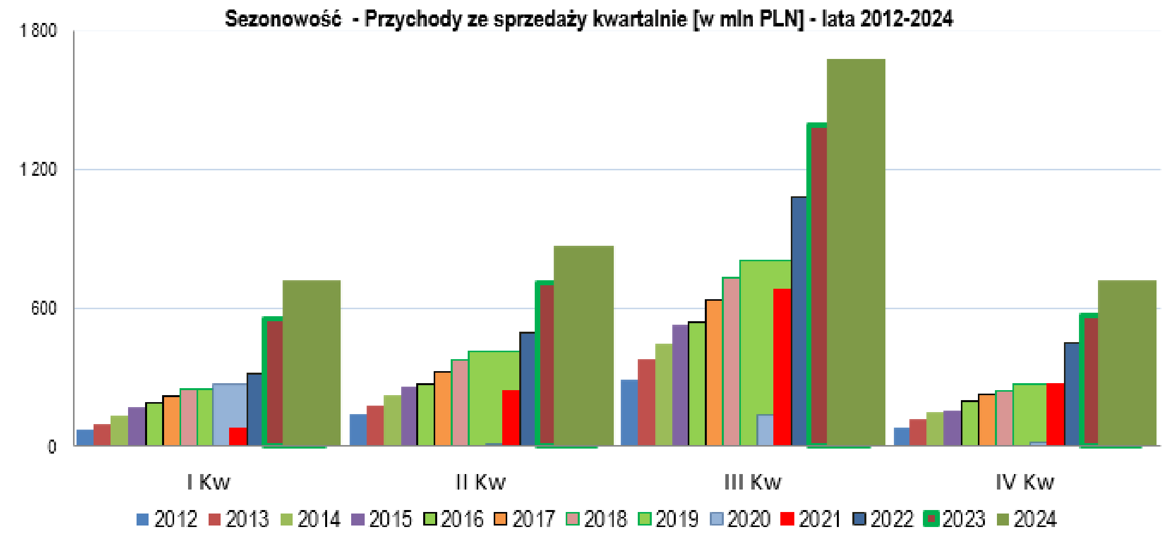


Table. – Comparison of sales revenues on a quarterly basis at the turn of 2012 – 2024



6. NOTES TO THE STATEMENT OF FINANCIAL POSITION

Note 6.1. Property, plant and equipment

	As of 31/12/2024			As of 31/12/2023		
	TOTAL	Owned	Used under lease agreement	TOTAL	Owned	Used under lease agreement
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Owned Land	**33 790**	33 790	-	**33 163**	33 163	-
Buildings	**205 040**	205 040	-	**142 745**	142 745	-
Right-of-Use Assets	**123 251**	-	123 251	**33 528**	-	33 528
Machinery and Equipment	**2 670**	2 670	-	**2 632**	2 632	-
Vehicles	**3 195**	2 533	662	**1 357**	365	992
Fixtures and Fittings	**14 162**	14 162	-	**17 907**	17 907	-
Capital Expenditures on Property, Plant, and Equipment*	**994**	994	-	**5 094**	5 094	-
	383 102	**259 189**	**123 913**	**236 426**	**201 906**	**34 520**

Security for the claims of Towarzystwo Ubezpieczeń Europa Spółka Akcyjna, with its registered office in Wrocław, for the reimbursement of amounts paid to the Marshal of the Łódź Voivodeship for the Company's benefit, in connection with the activities performed by tour operators or entrepreneurs facilitating the purchase of related tourist services, under insurance guarantee No. GT 574/2024 dated September 2, 2024 (which simultaneously also secures claims under insurance guarantee No. GT 543/2023 dated August 30, 2023, including an annex), pursuant to the agreement dated September 2, 2024, regarding the granting of an insurance guarantee for tour operators or entrepreneurs facilitating the purchase of related tourist services, comprises, among other things, a notarially established joint mortgage on the first available ranking on the non-current assets of Rainbow Tours Spółka Akcyjna, specifically the real estate located at ul. Piotrkowska 270 in Łódź, entered into the Land and Mortgage Register under number: 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, LD1M/00134200/4, conducted by the District Court for Łódź-Śródmieście in Łódź, XVI

Land and Mortgage Register Division, with a valuation of seventeen million eight hundred forty-eight thousand Polish złoty (PLN 17,848,000).

To secure the claims of Bank Gospodarstwa Krajowego in Warsaw for the repayment of an investment loan taken out by White Olive A.E. (formerly Rainbow Hotels A.E. and White Olive A.E.) and Rainbow Tours S.A., mortgages were established on properties located in Laganas, Zakynthos Island, Greece, belonging to the Greek company. The value of the mortgage security on White Olive A.E.'s properties amounts to EUR 17,050 thousand in the form of a joint mortgage.

There were no assets held for sale.

As of December 31, 2024, the parent company updated its calculations of lease liabilities resulting from renegotiated agreements with lessors. These renegotiations involved extending the agreements in exchange for rent reductions, taking into account the lease instalment repayment schedule and new interest rates. The difference between the calculated liability amount and the amount from the modified agreements increased the value of the right-of-use asset and the value of lease liabilities accordingly.

	owned land PLN'000	buildings PLN'000	machinery and equipment at cost PLN'000	vehicles PLN'000	equipment PLN'000	right-of-use assets PLN'000	property, plant and equipment under construction PLN'000	TOTAL PLN'000
Gross Value								
Balance as at 01/01/2023	**24 277**	**171 625**	**3 816**	**3 494**	**23 675**	**97 622**	**4 953**	**329 462**
Additions	13 509	6 956	1 839	728	3 871	19 203	5 580	51 686
Disposals	-	-	-	(125)	-	-	-	(125)
Impact of exchange rate differences	(4 619)	(11 940)	-	(149)	(1 765)	-	(534)	(19 007)
Other	-	(307)	93	4	2 942	(42 070)	(4 905)	(44 243)
Balance as at 31/12/2023 and 01/01/2024	**33 167**	**166 334**	**5 748**	**3 952**	**28 723**	**74 755**	**5 094**	**317 773**
Additions	-	48 984	841	3 096	2 965	13 129	213	69 228
Disposals	-	-	-	(159)	-	-	-	(159)
Impact of exchange rate differences	(573)	(3 094)	(11)	(240)	(483)	(627)	(96)	(5 124)
Acquisition through business combination	1 197	16 187	1 592	266	12 497	103 008	-	134 746
increase (decrease) from revaluation	-	-	-	-	-	-	(1 127)	(1 127)
Other	-	6 045	(13)	-	(4 829)	(6 032)	(3 090)	(7 919)
Balance as at 31/12/2024	**33 791**	**234 456**	**8 157**	**6 915**	**38 873**	**184 233**	**994**	**507 418**

	owned land PLN'000	buildings PLN'000	machinery and equipment at cost PLN'000	vehicles PLN'000	equipment PLN'000	right-of-use assets PLN'000	property, plant and equipment under construction PLN'000	TOTAL PLN'000
Accumulated Amortization and Impairment								
Balance as at 01/01/2023	**-**	**(22 848)**	**(2 458)**	**(2 176)**	**(9 476)**	**(48 910)**	**-**	**(85 868)**
Elimination due to disposal of assets	-	-	-	-	124	-	-	124
Amortization expense	(1)	(5 101)	(659)	(573)	(2 286)	(9 735)	-	(18 355)
Impact of exchange rate differences	-	4 360	1	32	946	-	-	5 339
Other	(3)	-	-	-	-	17 418	-	17 415
Balance as at 31/12/2023 and 01/01/2024	**(4)**	**(23 589)**	**(3 116)**	**(2 593)**	**(10 816)**	**(41 227)**	**-**	**(81 345)**
Elimination due to disposal of assets	-	-	-	-	-	-	-	-
Amortization expense	-	(6 155)	(995)	(991)	(2 618)	(10 432)	-	(21 191)
Impact of exchange rate differences	-	(316)	10	(27)	280	68	-	647

	owned land	buildings	machinery and equipment at cost	vehicles	equipment	right-of-use assets	property, plant and equipment under construction	TOTAL
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Other	3	13	(1 386)	(109)	(11 557)	(9 391)	-	(22 427)
Balance as at 31/12/2024	**(1)**	**(29 415)**	**(5 487)**	**(3 720)**	**(24 711)**	**(60 982)**	**-**	**(124 316)**

Right of use assets

	Land and Buildings	Machinery, Equipment, Vehicles	Total
	PLN'000	PLN'000	PLN'000
As at 01/01/2023	**48 712**	**907**	**49 619**
Additions	5 622	319	5 941
Amortization	(9 735)	(234)	(9 969)
Lease modification	-	-	-
Adjustment for variable lease payments	-	-	-
Other*	(11 071)	-	(11 071)
Exchange rate differences	-	-	-
As at 31/12/2023	**33 528**	**992**	**34 520**

* The "Other" item includes a decrease in the liability resulting from the purchase of a non-current asset that was previously leased.

	Land and Buildings	Machinery, Equipment, Vehicles	Total
	PLN'000	PLN'000	PLN'000
As at 01/01/2024	**33 528**	**992**	**34 520**
Additions	13 129	484	13 613
Amortization	(10 432)	(443)	(10 875)
Lease modification	-	-	-
Adjustment for variable lease payments	(6 032)	-	(6 032)
Other*	99 219	(371)	98 848
Exchange rate differences	-	-	-
As at **31/12/2024**	**129 412**	**662**	**130 074**

The "Other" item includes a decrease in the liability resulting from the purchase of a non-current asset that was previously leased

Note 6.2. Investment property

	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
Fair value of completed investment properties	-	196

	The period ended 31/12/2024	The period ended 31/12/2023
	PLN'000	PLN'000
Balance at the beginning of the reporting period	196	196
Decreases	(196)	-
Balance at the end of the reporting period	**-**	**196**

Note 6.3. Goodwill

	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
At cost	4 541	4 541
Accumulated impairment	-	-
	4 541	**4 541**

	The period ended 31/12/2024	The period ended 31/12/2023
	PLN'000	PLN'000
At Cost		
Balance at the beginning of the reporting period	**4 541**	**4 541**
Goodwill identified in the acquisition process	**-**	**-**
Balance at the end of the reporting period	**4 541**	**4 541**
Accumulated Impairment Losses		
Balance at the beginning of the reporting period	**-**	**-**
Impairment losses recognized during the year	-	-
Derecognized after combination of subsidiaries	-	-
Classified as assets held for sale	-	-
Impact of exchange rate differences	-	-
Balance at the end of the reporting period	**-**	**-**

Goodwill arose from the acquisition of shares in Rainbow Hotels A.E., merged with White Olive A.E

The Management Board of the parent company conducted an impairment test for its investment in White Olive A.E. The test was performed using the income approach, based on detailed financial forecasts for the next 10 years, followed by a residual period with no assumed growth. The discount rate used was WACC (Weighted Average Cost of Capital) at 10.6% (compared to 9.6% in 2023). The WACC was determined using multiple components based on market indicators and the judgment of an expert appointed by the Management Board. This rate may change depending on financial market volatility, inflation, and various other parameters, which directly impacts the valuation. With the WACC determined in this manner, the test indicated no basis for recognizing impairment allowances.

Note 6.4. Other intangible assets

Carrying Amounts	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
Licenses	4 611	4 338
	4 611	**4 338**

	Capitalized development work	Patents	Trademarks	Licenses	TOTAL
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Gross Value					
Balance as at 01/01/2023	**-**	**-**	**-**	**11 875**	**11 875**
Increases from separate acquisitions	-	-	-	1 076	1 076
Impact of exchange rate differences	-	-	-	(72)	(72)
Other	-	-	-	-	-
Balance as at 31/12/2023 i na 01/01/2024	**-**	**-**	**-**	**12 879**	**12 879**
Increases from separate acquisitions	-	-	-	1 294	1 294
Impact of exchange rate differences	-	-	-	(9)	(9)
Other	-	-	-	248	248
Balance as at 31/12/2024	**-**	**-**	**-**	**14 412**	**14 412**

	Capitalized development work	Patents	Trademarks	Licenses	TOTAL
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Accumulated Amortization and Impairment					
Balance as at 01/01/2023	**-**	**-**	**-**	**(7 184)**	**(7 184)**
Amortization expense	-	-	-	(1 407)	(1 407)
Impact of exchange rate differences	-	-	-	50	50
Other	-	-	-	-	-
Balance as at 31/12/2023 and as at 01/01/2024	**-**	**-**	**-**	**(8 541)**	**(8 541)**
Amortization expense	-	-	-	(1 263)	(1 263)
Impact of exchange rate differences	-	-	-	3	3
Other	-	-	-	-	-
Balance as at 31/12/2024	**-**	**-**	**-**	**(9 801)**	**(9 801)**

Note 6.5. Deferred Tax Assets

Deferred Tax Assets	**Balance as at 01/01/2024**	**Change (+ /-) recognized in equity**	**Change (+ /-) recognized in current period profit**	**Balance as at 31/12/2024**
	PLN'000	**PLN'000**	**PLN'000**	**PLN'000**
Employee benefit provisions	638	-	(145)	493
Creation of other provisions	16 020	-	(10 217)	5 803
Valuation/impairment allowances for assets	2 492	-	1 032	3 524
Valuation of derivative instruments	4 103	(5 297)	-	(1 194)
Other right-of-use assets	5 612	-	(5 948)	(336)
Unrealized negative exchange rate differences – primary	(670)	-	270	(400)
Unrealized negative exchange rate differences – shares	-	-	-	-
Total	**28 195**	**(5 297)**	**(15 008)**	**7 890**

* As of the balance sheet date, December 31, 2024, the deferred tax assets were offset against the estimated deferred tax liabilities.

Deferred Tax Assets	**Balance as at 01/01/2023**	**Change (+ /-) recognized in equity**	**Change (+ /-) recognized in current period profit**	**Balance as at 31/12/2023**
	PLN'000	**PLN'000**	**PLN'000**	**PLN'000**
Employee benefit provisions	286	-	352	638
Creation of other provisions	8 516	-	7 504	16 020
Valuation/impairment allowances for assets	2 492	-	-	2 492
Valuation of derivative instruments	772	3 331	-	4 103
Other right-of-use assets	-	-	5 612	5 612
Unrealized negative exchange rate differences – primary	(142)	-	(528)	(670)
Unrealized negative exchange rate differences – shares	286	-	(286)	-
Total	**12 210**	**3 331**	**12 654**	**28 195**

* As of the balance sheet date, December 31, 2023, the deferred tax assets were offset against the estimated deferred tax liabilities

Note 6.6. Receivables

Receivables are presented in the table below:

	As at 31/12/2024	**As at 31/12/2023**
	PLN'000	**PLN'000**
Trade and other receivables	53 680	39 268

	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
Impairment allowance for receivables	(4 774)	(4 903)
	48 906	**34 365**
Deferred sales revenue:		
Other receivables	14 899	14 716
Other receivables - security deposits and guarantees	112 362	72 579
Cash and cash equivalents settlements	4 396	6 904
	180 563	**128 564**
Non-current assets	112 362	72 579
Current assets	68 201	55 985
Total	**180 563**	**128 564**

This table presents the status of trade receivables and the change in impairment allowances.

	The period ended on 31/12/2024	The period ended on 31/12/2023
	PLN'000	PLN'000
Balance at the beginning of the reporting period	**4 903**	**4 331**
Impairment losses on receivables	171	572
Amounts written off as uncollectible	(300)	-
Amounts recovered during the year	-	-
Reversal of impairment allowances	-	-
Reversal of discount	-	-
Balance at the end of the reporting period	**4 774**	**4 903**

Ageing analysis of overdue receivables not subject to impairment allowance. An impairment allowance for doubtful receivables is recognized for individual trade receivables that have lost value (and relate to counterparties that have been declared bankrupt). The recognized impairment allowances represent the difference between the carrying amount of such trade receivables and the current value of expected cash inflows from liquidation. The entity holds no collateral for these amounts.

For other overdue receivables, no need for impairment allowance creation has been identified.

	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
Within Term	6 105	9 322
30-90 days	32 396	8 357
Over 90 days	10 405	16 686
Total	**48 906**	**10 304**
Average age of receivables (days)	83	96

Prepayments

	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
Prepayments - advances paid - hotels	248 436	220 521
Allowance for doubtful accounts	(13 947)	(5 838)
Other receivables - advances paid - air transport	22 064	20 963
	256 553	**235 646**

Prepayments - impairment allowances

	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
Balance at the beginning of the reporting period	(5 838)	(5 838)
Impairment losses on receivables	(8 109)	-
Amounts written off as uncollectible	-	-
Amounts recovered during the year	-	-
Reversal of impairment allowances	-	-
Reversal of discount	-	-
Balance at the end of the reporting period	(13 947)	(5 838)

Tour operating activities are the dominant source of revenue from sales. Services are sold through two channels: direct sales (offices and call centres) and agency sales (through a network of agents). In the direct sales channel, customers are required to make immediate payment for their travel packages. Receivables primarily arise in the agency channel, which has a specified timeframe for remitting funds for sold packages. Additionally, the Parent Company sells travel packages through its intermediary activities (sale of airline tickets, seats/blocks on planes) and other services supporting tourism.

Before commencing cooperation with a new agent, the entity utilizes an external credit assessment system to evaluate the agent's creditworthiness. Based on this assessment, credit limits are assigned to the agent. These limits and the agent's scoring are verified semi-annually. Receivables are also secured by "in blanco" promissory notes accompanied by promissory note declarations, bank guarantees, and a security deposit system.

Prepayments have been excluded from the aging analysis due to the fact that they do not have a maturity date. In the Management Board's opinion, the items presented in the balance sheet (i.e., net principal receivable less impairment allowance) are fully recoverable, and there is no need to create impairment allowances for them, with the exception of specific receivables already subject to impairment.

In accordance with the classification of receivables division outlined in the accounting policy, the Management Board conducts a periodic analysis to estimate impairment allowances for receivables, categorized as follows:

1. Receivables from individual customers (acquired through direct or agency channels)
2. Receivables from institutional customers
3. Advances paid to entities providing tourism services

Ad. 1) Individual Customer Receivables: According to the general terms and conditions for participation in travel packages, individual customers are required to make a prepayment of 30% and pay the remaining 70% 30 days before the start of the travel package. Receivables from this source are not subject to credit risk. If a client cancels their participation in a package, the funds paid are proportionally refunded, depending on the cancellation date. Should such a situation occur, the Parent Company reintroduces the travel package into its sales offering.

Regarding the sale of packages through the agency channel, receivables from this source are secured by deposits, bank guarantees, promissory note declarations, and declarations of voluntary submission to enforcement. In the Parent Company Management Board's assessment, in relation to IFRS 9, the risk of impairment for such receivables is marginal. In historical periods, the Parent Company did not create allowances for these types of receivables.

Ad. 2) Institutional Customer Receivables: Receivables from this category primarily arise from the sale of blocks (seats) on charter aircraft. These types of agreements are entered into with institutional clients whose financial standing is analysed before signing contracts. The payment due date for these receivables is set at 7 days before departure. These types of receivables are secured by deposits and bank guarantees, for amounts estimated to be the value of 1 week's flights. These receivables are subject to very strict control. Failure to make payments for sold aircraft blocks by their due date triggers the right to activate the collateral in the form of deposits and bank guarantees. These types of receivables primarily arise during the high season, i.e., in the second and third quarters of the calendar year

Future Outlook for Block Sales and Management of Prepayments

The Group observes a decreasing ability to sell blocks (of seats) on aircraft in the coming years. This limitation stems from the development of the tourism market in Poland. Aircraft capacity is being allocated to increase the volume of the Group's own organized travel packages. In 2023 and the comparable period, the Company did not create impairment allowances for this type of receivable.

Ad. 3) Prepayments to Tourism Service Providers: The Parent Company makes prepayments/deposits to reserve attractive hotel locations. These amounts, in each subsequent period (prior to the COVID-19 pandemic), increased in correlation with the Company's growth in operations. In the periods presented, the indicator values have been distorted. The amounts transferred represent a receivable to be settled within a period not exceeding 3 years as part of hotel services rendered.

	2024	2023
	PLN'000	PLN'000
Balance of hotel deposits	239 333	220 180
Total assets	1 166 855	899 882
Sales revenue	4 021 761	3 251 788
Hotel deposits to total assets ratio	20.51%	24.47%
Hotel deposits to revenue for the period ratio	5.95%	6.77%

When transferring funds, the Company holds security for these receivables in the form of promissory note declarations, and in specific cases, establishes mortgages on hotel properties. During 2023, no additional impairment allowances were created. The balance of the impairment allowance at the end of 2023 was PLN 5,838 thousand. In 2024, the Parent Company created impairment allowances related to advances for future hotel services in the amount of PLN 8,109 thousand. The balance of impairment allowances at the end of 2024 amounted to PLN 13,947 thousand.

Note 6.7. Inventories

	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
Food supplies	242	189
	242	**189**

Note 6.8. Other Financial Assets

	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
Derivative instruments designated and used as hedging instruments, measured at fair value through profit or loss		
Foreign currency forward contracts	6 286	-
	6 286	-
Assets measured at amortized cost – loans granted		
Loans granted to related parties	-	-
Loans granted to other entities	-	2 022
	-	2 022
Total	**6 286**	**2 022**
Current assets	6 286	2 022
Non-current assets	-	-
	6 286	**2 022**

Note 6.9. Current tax assets and liabilities

	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
Current tax assets		
CIT refund due	68	-
Other VAT, social security (ZUS) refunds due	8 209	5 746
	8 277	**5 746**
Current tax liabilities		
Income tax payable	58 518	49 974

	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
Other - social security contributions, personal income tax (PIT)	8 859	8 310
	67 377	**58 284**

Note 6.10. Othe assets

	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
Prepayments and Accrued Income:		
Costs of tours outside the period*	142 825	59 366
Catalogue costs outside the period	-	-
Commissions outside the period**	7 781	4 468
Insurance outside the period	970	471
Other outside the period	6 997	1 547
Other - TFP commission	975	1 310
	159 548	**67 162**
Current Assets	159 548	67 162
Non-current Assets	-	-
	159 548	**67 162**

* Costs of future period events refer to expenses that have been accounted for but for which the service has not yet been rendered; performance will occur in line with the delivery of tourism services.

** Commission costs are allocated to the period they relate to because the service has not yet been performed, in accordance with the delivery of tourism services.

Note 6.11. Cash and cash equivalents

	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
Cash on hand and bank balances	287 630	275 627
	287 630	**275 627**

Note 6.12. Issued share capital

	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
Share capital	1 455	1 455
Share premium	36 558	36 558
	38 013	38 013
The share capital consists of:		
Registered preference shares (in '000 pcs)	3 825	3 825
Ordinary bearer shares (in '000 pcs)	10 727	10 727
	14 552	**14 552**

* As at 31/12/2023 and 31/12/2024, the share capital was fully paid and comprised: 3,825,000 preference shares with voting rights at the General Meeting and 10,727,000 ordinary shares.

Preference shares fully paid-up

	Number of shares	Share capital	Share premium
	Pcs	PLN'000	PLN'000
Balance as at January 1, 2023	3 825 000	382	-
Increases/decreases - transfer to ordinary shares	-	-	-
Balance as at December 31, 2023 and January 1, 2024r.	3 825 000	382	-
Increases/decreases - transfer to ordinary shares	-	-	-
Balance as at December 31, 2024	3 825 000	382	-

Fully paid-up preference shares, with a nominal value of PLN 0.10, grant double voting rights at the Company's General Meeting and are entitled to dividends.

Ordinary shares fully paid-up

	Number of shares	Share capital	Share premium
	unit	PLN'000	PLN'000
Balance as at January 1 2023	10 727 000	1 073	32 384
Increase/ decrease – transfer from preferred shares	-	-	-
Balance as at December 31, 2023 and January 1, 2024r.	10 727 000	1 073	32 384
Increases/decreases - transfer to ordinary shares	-	-	-
Balance as at December 31, 2024	10 727 000	1 073	32 384

Table: Information on shares comprising the company's share capital as at the reporting date (December 31, 2024) and as at December 31, 2023

Share Series	Type of Share	number of shares [units]	total nominal value of issue [PLN]	Method of Capital Coverage	registration date	right to dividend
Series A shares	Registered preference shares (x 2 voting rights)	3 605 000	360 500	Cash	2003-11-04	Yes
Series AA shares	Bearer ordinary shares	495 000	49 500	Cash	2020-09-30	Yes
Series AB shares	Bearer ordinary shares	900 000	90 000	Cash	2022-09-01	Yes
Series B shares	Bearer ordinary shares	2 000 000	200 000	Cash	2005-01-20	Yes
series C1 shares	Registered preference shares (x 2 voting rights))	220 000	22 000	In-kind Contribution	2007-01-29	Yes
series C2 shares	Bearer ordinary shares	1 000 000	100 000	In-kind Contribution	2007-01-29	Yes
series C3 shares	Bearer ordinary shares	200 000	20 000	In-kind Contribution	2017-09-12	Yes
series C4 shares	Bearer ordinary shares	120 000	12 000	In-kind Contribution	2017-09-12	Yes
series C5 shares	Bearer ordinary shares	900 000	90 000	In-kind Contribution	2018-12-12	Yes
series C6 shares	Bearer ordinary shares	560 000	56 000	In-kind Contribution	2020-09-30	Yes
Series D shares	Bearer ordinary shares	52 000	5 200	Cash	2007-11-12	Yes
Series E shares	Bearer ordinary shares	2 000 000	200 000	Cash	2009-03-02	Yes
Series F shares	Bearer ordinary shares	2 500 000	250 000	Cash	2011-01-14	Yes
	Total number of shares [units]:	**14 552 000**				
	Total share capital [PLN]:		**1 455 200**			
	Nominal value per share [PLN]:			**0.10**		

In the period subsequent to the reporting date and up to the date of approval of this report for publication (April 17, 2025), the Management Board of the Company, acting upon applications submitted by the Company's shareholders on March 26, 2025, resolved to convert a total of 2,465,000 (two million four hundred sixty-five thousand) registered preference shares with voting rights into ordinary bearer shares. The submission of these conversion requests was previously disclosed by the Company in Current Report No. 6/2025, dated March 26, 2025, specifically based on:

– a request from Flyoo Spółka z ograniczoną odpowiedzialnością, with its registered office in Łódź (a subsidiary of Mr. Grzegorz Baszczyński, a Member of the Supervisory Board of the Company), for the conversion of 855,000 series A registered preference shares of the Company into bearer share

- Aironi shareholder request Quattro Fundacja Rodzinna with its registered office in Stobnica, Ręczno commune (a subsidiary of Mr. Tomasz Czapla - Member of the Supervisory Board of the Company) for the conversion of 700,000 series A registered preference shares of the Company into bearer shares;
- a request from Elephant Rock Fundacja Rodzinna, with its registered office in Łódź (a subsidiary of Mr. Remigiusz Talarek, a Member of the Supervisory Board of the Company), for the conversion of 700,000 series A registered preference shares of the Company into bearer shares;
- a request from Mr. Sławomir Wysmyk (the shareholder) for the conversion of 210,000 series C1 registered preference shares of the Company into bearer shares.

pursuant to Article 334 § 2 of the Polish Code of Commercial Companies and Partnerships, resolved – by virtue of the provisions of the resolution of the Management Board of the Company dated March 27, 2025 – to convert a total of 2,465,000 registered preference shares into ordinary bearer shares on March 27, 2025, specifically:

1) to convert a total of 2,255,000 series A registered preference shares ("Series A Shares") of the Company, with a nominal value of PLN 0.10 each, into ordinary bearer shares. These converted shares are part of the total of 3,605,000 series A registered preference shares of the Company (dematerialized shares registered in the depository maintained by the National Depository for Securities, covered together with 220,000 series C1 registered preference shares marked with the ISIN code: PLRNBWT00049 and the FISN code: RAINBOW/FXD REDEXT PFDSH SER-A C1), including: - 855,000 series A registered preference shares, with numbers ranging from A-1350001 to A-2205000, owned by the shareholder Flyoo Spółka z ograniczoną odpowiedzialnością; 700,000 series A registered preference shares, with numbers ranging from A-2675001 to A-3375000, owned by the shareholder Aironi Quattro Fundacja Rodzinna; - 700,000 series A registered preference shares, with numbers ranging from A-3825001 to A-4525000, owned by the shareholder Elephant Capital Fundacja Rodzinna

   and

2) to convert a total of 210,000 series C1 preferred registered shares ("Series C1 Shares") of the Company, with a nominal value of PLN 0.10 each, into ordinary bearer shares. These converted shares are part of the total of 220,000 series C1 preferred registered shares of the Company (dematerialized shares registered in the depository maintained by the National Depository for Securities, covered by a total of 3,605,000 series A preferred registered shares marked with the ISIN code: PLRNBWT00049 and the FISN code: RAINBOW/FXD REDEXT PFDSH SER-A C1), including 210,000 series C1 preferred registered shares, with numbers ranging from C-1790001 to C-2000000, owned by the shareholder Mr. Sławomir Wysmyk.

As a result of the aforementioned share conversions, the exchanged shares, specifically 2,255,000 series A shares and 210,000 series C1 shares, lost their preferential voting rights (the privilege of one share carrying two votes at the Company's General Meeting). Consequently, this privilege expired in accordance with the provision set forth in Article 352, second sentence of the Commercial Companies Code.

Following these conversions, the current structure of the share capital with respect to shares designated as Series A shares is as follows:

- 1,350,000 series A registered preference shares, each with a nominal value of PLN 0.10 and carrying the preferential voting right of one share having two votes at the General Meeting of the Company. These shares have a total nominal value of PLN 135,000 and are designated with numbers ranging from A-0000001 to A-1350000.
- 2,255,000 ordinary bearer shares of series A, each with a nominal value of PLN 0.10, resulting in a total nominal value of PLN 225,500. These shares were created as a result of the conversion of preference shares

Following the aforementioned conversion, the current structure of the share capital with respect to Series C1 shares is as follow

- 10,000 series C1 registered preference shares, each with a nominal value of PLN 0.10 and carrying the preferential voting right of one share having two votes at the General Meeting of the Company. These shares have a total nominal value of PLN 1,000 and are designated with numbers ranging from C-1780001 to C-1790000.
- 210,000 ordinary bearer shares of series C1, each with a nominal value of PLN 0.10, resulting in a total nominal value of PLN 21,000. These shares were created as a result of the conversion of preference shares.

Prior to the aforementioned share conversion, the Issuer's share capital amounted to one million four hundred fifty-five thousand two hundred Polish złoty (PLN 1,455,200), comprising fourteen million five hundred fifty-two thousand (14,552,000) shares. The total number of votes at the General Meeting of the Company at that time was eighteen million three hundred seventy-seven thousand (18,377,000)

Following the share conversion, the amount of the Issuer's share capital and the total number of shares issued remain unchanged, amounting to one million four hundred fifty-five thousand two hundred Polish złoty (PLN 1,455,200) and fourteen million five hundred fifty-two thousand (14,552,000) shares, respectively. However, the total number of votes at the General Meeting of the Company has decreased to fifteen million nine hundred twelve thousand (15,912,000) votes.

Table. Share capital structure as of the report approval date (17/04/2025)

Share Series	type of shares	Number of Shares [units]	total nominal value of issue [PLN]	Method of Capital Coverage	registration date	right to dividend
Series A shares	Registered preference shares (x 2 voting rights)	1 350 000	135 000	Cash	2003-11-04	Yes
Series A shares	Bearer ordinary shares	2 255 000	225 500	Cash	2003-11-04	Yes
Series AA shares	Bearer ordinary shares	495 000	49 500	Cash	2020-09-30	Yes
Series AB shares	Bearer ordinary shares	900 000	90 000	Cash	2022-09-01	Yes
Series B shares	Bearer ordinary shares	2 000 000	200 000	Cash	2005-01-20	Yes
series C1 shares	Registered preference shares (x 2 voting rights)	10 000	1 000	In-kind Contribution	2007-01-29	Yes
series C1 shares *	Bearer ordinary shares	210 000	21 000	In-kind Contribution	2007-01-29	Yes
series C2 shares	Bearer ordinary shares	1 000 000	100 000	In-kind Contribution	2007-01-29	Yes
series C3 shares	Bearer ordinary shares	200 000	20 000	In-kind Contribution	2017-09-12	Yes
series C4 shares	Bearer ordinary shares	120 000	12 000	In-kind Contribution	2017-09-12	Yes
series C5 shares	Bearer ordinary shares	900 000	90 000	In-kind Contribution	2018-12-12	Yes
series C6 shares	Bearer ordinary shares	560 000	56 000	In-kind Contribution	2020-09-30	Yes
Series D shares	Bearer ordinary shares	52 000	5 200	Cash	2007-11-12	Yes
Series E shares	Bearer ordinary shares	2 000 000	200 000	Cash	2009-03-02	Yes
Series F shares	Bearer ordinary shares	2 500 000	250 000	Cash	2011-01-14	Yes
	Total number of shares [units]:	**14 552 000**				
	Total share capital [PLN]:		**1 455 200**			
	Nominal value per share [PLN]:			**0.10**		

* Acting upon the requests submitted by the Company's Shareholders (Flyoo Spółka z ograniczoną odpowiedzialnością, Aironi Quattro Fundacja Rodzinna, Elephant Capital Fundacja Rodzinna, and Mr. Sławomir Wysmyk) on March 26, 2025, the Management Board of the Company, by virtue of its resolution dated March 27, 2025, resolved to convert a total of 2,465,000 registered preference shares into ordinary bearer shares on March 27, 2025, specifically: (1) To convert 2,255,000 series A registered preference shares of the Company, each with a nominal value of PLN 0.10, out of the total of 3,605,000 series A registered preference shares issued by the Company, into ordinary bearer shares. (2) To convert 210,000 series C1 registered preference shares of the Company, each with a nominal value of PLN 0.10, out of the total of 220,000 series C1 registered preference shares issued by the Company, into ordinary bearer shares.

As of the date of approval of this report for publication (April 17, 2025), series AA, AB, B, C2-C6, D, E, and F shares, totalling 10,727,000 (representing 73.72% of the Company's share capital) and carrying 10,727,000 votes at the General Meeting of the Company (representing 58.37% of the total number of votes), are traded on the regulated market of the Warsaw Stock Exchange.

The table lists shareholders who directly held significant blocks of shares in the Company as of April 17, 2025, representing at least 5% of the total number of votes at the General Meeting of the Company.

Shareholder	Number of shares held [units]	Number of votes at GM from held shares [units]	Share in company's share capital [%]	Share in total votes at company's GM [%]
Slawomir Wysmyk	1 680 000	3 030 000	11.54%	19.04%
Nationale-Nederlanden PTE SA (through managed funds)	1 943 886	1 943 886	13.36%	12.22%
including:				
National Dutch Pension Funds	*1 770 456*	*1 770 456*	*12.17%*	*11.13%*
Generali PTE SA (through managed funds)	1 092 223	1 092 223	7.51%	6.86%
Flyoo Sp. z o. o.	855 000	855 000	5.88%	5.37%
OTHER SHAREHOLDERS	8 980 891	8 990 891	≈61.7159%	≈56.5038%
TOTAL:	**14 552 000**	**15 912 000**	**100.00%**	**100.00%**

The table lists shareholders who directly held significant blocks of shares in the Company as of December 31, 2024, representing at least 5% of the total number of votes at the General Meeting of the Company

Shareholder		Number of shares held [units]	Number of votes at GM from held shares [units]	Share in company's share capital [%]	share in total votes at company's GM [%]
Sławomir Wysmyk	Directly	1 680 000	3 030 000	11.54%	19.04%
Nationale-Nederlanden PTE SA (through managed funds)	Indirectly (through managed funds)	1 943 886	1 943 886	13.36%	12.22%
Including:					
Nationale-Nederlanden OFE		*1 770 456*	*1 770 456*	*12.17%*	*11.13%*
Generali PTE S.A. (by managed funds)	Indirectly (through managed funds)	1 092 223	1 092 223	7.51%	6.86%
Grzegorz Baszczyński	Indirectly, through a subsidiary: Flyoo Sp. z o. o	855 000	855 000	5.88%	5.37%
OTHER SHAREHOLDERS		8 980 891	8 990 891	≈61.7159%	≈56.5038%
	TOTAL:	**14 552 000**	**15 912 000**	**100,00%**	**100.00%**

The table lists shareholders who directly held significant blocks of shares in the Company as of December 31, 2024, representing at least 5% of the total number of votes at the General Meeting of the Company.

Shareholder	Number of shares held [units]	Number of votes at GM from held shares [units]	Share in company's share capital [%]	Share in total votes at company's GM [%]
Sławomir Wysmyk	1 680 000	3 240 000	11.54%	17.63%
Nationale-Nederlanden PTE S.A. (through managed funds)	1 962 942	1 962 942	13.49%	10.68%
Flyoo Sp. z o.o.	855 000	1 710 000	5.88%	9.31%
Aironi Quattro Fundacja Rodzinna	700 000	1 400 000	4.81%	7.62%
Elephant Rock Fundacja Rodzinna	700 000	1 400 000	4.81%	7.62%
Generali PTE S.A. (by managed funds))	1 092 223	1 092 223	7.51%	5.94%
OTHER SHAREHOLDERS	7 561 835	7 571 835	≈51.9642%	≈41.2028%
TOTAL:	**14 552 000**	**18 377 000**	**100.00%**	**100.00%**

The table lists shareholders who directly and indirectly held significant blocks of shares in the Company as of December 31, 2024, representing at least 5% of the total number of votes at the General Meeting of the Company

Shareholder		Number of Shares Held [units]	Number of Votes at GM from Held Shares [units]	Share in Company's Share Capital [%]	Share in Total Votes at Company's GM [%]
Slawomir Wysmyk	Directly	1 680 000	3 240 000	11.54%	17.63%
Nationale-Nederlanden PTE SA (by managed funds)	Indirectly (through managed funds)	1 962 942	1 962 942	13.49%	10.68%
Grzegorz Baszczyński	Indirectly, through a subsidiary: Flyoo Sp. z o. o.	855 000	1 710 000	5.88%	9.31%
Remigiusz Talarek	Directly	1 050	1 050	≈0.0072%	≈0.0057%
	Indirectly, through a subsidiary: Elephant Rock Fundacja Rodzinna	700 000	1 400 000	4.81%	7.62%
	Total – Directly and indirectly	**701 050**	**1 401 050**	**≈4.82%**	**≈7.62%**
Thomas Czapla	Indirectly, through a subsidiary: Aironi Quattro Fundacja Rodzinna	700 000	1 400 000	4.81%	7.62%
Generali PTE S.A. (by managed funds)	Indirectly (through managed funds)	1 092 223	1 092 223	7.51%	5.94%
OTHER SHAREHOLDERS		7 560 785	7 570 785	≈51.9570%	≈41.1971%

Shareholder	Number of Shares Held [units]	Number of Votes at GM from Held Shares [units]	Share in Company's Share Capital [%]	Share in Total Votes at Company's GM [%]
TOTAL:	**14 552 000**	**18 377 000**	**100,00%**	**100.00%**

The table lists shareholders who directly held significant blocks of shares in the Company as of December 31, 2023, representing at least 5% of the total number of votes at the General Meeting of the Company

Shareholder	Number of shares held [units]	Number of votes at GM from held shares [units]	Share in company's share capital [%]	Share in total votes at company's GM [%]
Sławomir 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 Rock Fundacja Rodzinna	1 090 500	1 790 500	7.49%	9.74%
TCZ Holding Sp. z o.o.	1 035 000	1 735 000	7.11%	9.44%
Nationale-Nederlanden PTE SA (by managed funds)	1 718 000	1 718 000	11.81%	9.35%
Generali PTE S.A. (by managed funds))	1 008 459	1 008 459	6.93%	5.49%
Esaliens TFI S.A.	939 342	939 342	6.46%	5.11%
OTHER SHAREHOLDERS	5 612 353	5 622 353	≈38.56%	≈30.59%
TOTAL	**14.552.000**	**18.377.000**	**100.00%**	**100.00%**

The table lists shareholders who directly and indirectly held significant blocks of shares in the Company as of December 31, 2023, representing at least 5% of the total number of votes at the General Meeting of the Company

Shareholder		Number of shares held [units]	Number of votes at GM from held shares [units]	Share in company's share capital [%]	Share in total votes at company's gm [%]
Sławomir Wysmyk	Directly	1 868 346	3 428 346	12.84%	18.66%
Grzegorz Baszczyński	Indirectly, through a subsidiary: Flyoo Sp. z o. o.	1 280 000	2 135 000	8.80%	11.62%
Remigiusz Talarek	Directly	1 050	1 050	≈0.0072%	≈0.0057%
	Indirectly, through a subsidiary: Elephant Rock Fundacja Rodzinna	1 090 500	1 790 500	7.49%	9.74%
	Indirectly, through a subsidiary: Elephant Capital Sp. z o. o.	54 500	54 500	0.37%	0.30%
	Total – Directly and indirectly	**1 146 050**	**1 846 050**	**≈7.88%**	**10.05%**
Tomasz Czapla	Indirectly, through a subsidiary: TCZ Holding Sp. z o. o.	1 035 000	1 735 000	7.11%	9.44%
Nationale-Nederlanden PTE SA (by managed funds)	Indirectly (through managed funds)	1 718 000	1 718 000	11.81%	9.35%
Generali PTE S.A. (by managed funds)	Indirectly (through managed funds)	1 008 459	1 008 459	6.93%	5.49%
Esaliens TFI SA (by managed funds)	Indirectly (through managed funds)	939 342	939 342	6.46%	5.11%
OTHER SHAREHOLDERS		5 556 803	5 566 803	≈38.19%	≈30.29%
	TOTAL:	**14 552 000**	**18 377 000**	**100.00%**	**100.00%**

The information presented above in this Note regarding the holdings of the Company's shares by shareholders holding at least 5% of the total voting rights at the General Meeting has been compiled primarily based on disclosures received from shareholders fulfilling their obligations as stipulated for public companies under relevant legal frameworks. These include the provisions of the Act of July 29, 2005, on public offering and conditions for introducing financial instruments to an organized trading system and on public companies (specifically Articles 69 and 69a), as well as the provisions of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (Market Abuse Regulation - MAR, Article 19).

Furthermore, information concerning the status of the Company's shareholdings is derived from publicly accessible data on the portfolio composition and asset structure of investment funds and pension funds. This includes information on the number of shares represented at the General Meeting of the Company, which is available periodically (including data from the financial statements of investment funds and pension funds). It is important to note that this publicly available data may be subject to change subsequent to the publication date of the most recent information.

Note 6.13. Reserve capital

	As of 31/12/2024	As of 31/12/2023
	PLN'000	PLN'000
Hedge accounting	6 292	(17 492)
	6 292	**(17 492)**

Reserve capital for hedging

	12-month period ended 31/12/2024	12-month period ended 31/12/2023
	PLN'000	PLN'000
Balance at the beginning of the reporting period	(17 492)	(3 294)
Gain/(loss) recognized from changes in fair value of cash flow hedging instruments:		
Foreign currency forward and option contracts	21 595	4 067
Income tax relating to gains and losses recognized in other comprehensive income	(4 103)	(773)
Foreign currency forward and option contracts	6 286	(21 595)
income tax relating to reclassifications to profit or loss	(1 194)	4 103
Other – revaluation of subsidiary's assets	1 200	
Balance at the end of the reporting period	**6 292**	**(17 492)**

Note 6.14. Retained earnings and dividend

	As of 31/12/2024	As of 31/12/2023
	PLN'000	PLN'000
Retained earnings	421 176	231 101

	12-month period ended 31/12/2024	12-month period ended 31/12/2023
	PLN'000	PLN'000
Balance at the beginning of the reporting period	**190 501**	**68 562**
Net profit attributable to owners of the Parent Company	281 980	172 840
Difference from sale of shares in a company		-
Dividend paid	(50 932)	
Interim dividend payment	(48 458)	(47 875)
Other	(2 847)	(3 026)
Balance at the end of the reporting period	**372 718**	**190 501**

Note 6.15. Loans, bank borrowings, and lease liabilities

	As of 31/12/2024	As of 31/12/2023
	PLN'000	PLN'000
Secured - at amortized cost		
Overdrafts	-	1
Revolving credit facilities	-	-
Bank loans – investment	31 229	38 819
Loans from government entities	-	-
Other aid/support loans	-	377

	As of 31/12/2024	As of 31/12/2023
	PLN'000	PLN'000
Transfer of receivables	-	-
Financial Lease Liabilities	424	379
Right-of-use liabilities	61 544	29 510
	93 197	**69 086**
Short-term liabilities	27 093	18 601
Long-term liabilities	66 104	50 485
	93 197	**69 086**

The Company utilizes transportation assets under financial lease arrangements, with an average contract duration of approximately three years. At the end of the lease term, the Company has the option to purchase these leased assets for their nominal value. The lessors' rights to the assets covered by the lease agreements serve as security for the Company's obligations under these agreements.

Lease liabilities recognized under IFRS 16 (for property lease agreements falling within the scope of this standard) have been included in the comparative data.

Lease Liabilities

	Land and buildings	Machinery, equipment, vehicles	Total
	PLN'000	PLN'000	PLN'000
As at January 1, 2024	**29 510**	**379**	**29 889**
Additions	13 104	489	13 593
Interest expense	1 395	(40)	1 355
Lease modification	32 676	-	32 676
Adjustment for variable lease payments	-	-	-
Lease payments	(15 314)	(404)	(15 718)
Exchange differences	173	-	173
As at December 31, 2024	**61 544**	**424**	**61 968**

	Land and buildings	Machinery, equipment, vehicles	Total
	PLN'000	PLN'000	PLN'000
As at January 1, 2023	**43 487**	**574**	**44 061**
Additions	9 228	321	9 549
Interest expense	(1 371)	(40)	(1 411)
Lease modification	(11 878)	-	(11 878)
Adjustment for variable lease payments	-	-	-
Lease payments	(11 719)	(476)	(12 195)
Exchange differences	1 763	-	1 763
As at December 31 2023	**29 510**	**379**	**29 889**

As at 31/12/2024	up to 3 months	3 to 12 months	1 to 2 years	2 to 5 years	over 5 years
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Lease Liabilities	2 745	15 604	14 622	28 431	566

As at 31/12/2023	up to 3 months	3 to 12 months	1 to 2 years	2 to 5 years	over 5 years
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Lease Liabilities	2 632	7 608	8 110	10 634	905

Note 6.16. Deferred tax liabilities

Deferred tax liabilities	As at 01/01/2024	Change (+ /-) recognized in equity	Change (+ /-) recognized in current period profit or loss	As at 31/12/2024
	PLN'000	PLN'000	PLN'000	PLN'000
Valuation of assets	-	-	-	-
Valuation of derivative instruments	-	-	-	-
Unrealized negative exchange differences - primary	485	-	(485)	-
Unrealized negative exchange differences - shares	-	-	-	-
Other Lease Liabilities (Right-of-Use Assets - Real Estate)	5 612	-	9 403	15 015
Total	**6 097**	**-**	**8 918**	**15 015**

the deferred tax liabilities were offset against the estimated deferred tax assets

Deferred tax liabilities	As at 01/01/2023	Change (+ /-) recognized in equity	Change (+ /-) recognized in current period profit or loss	As at 31/12/2023
	PLN'000	PLN'000	PLN'000	PLN'000
Valuation of assets	-	-	-	-
Valuation of derivative instruments	-	-	-	-
Unrealized negative exchange differences - primary	142	-	343	485
Unrealized negative exchange differences - shares	-	-	-	-
Other Lease Liabilities (Right-of-Use Assets - Real Estate)	-	-	5 612	5 612
Total	**142**	**-**	**5 955**	**6 097**

the deferred tax liabilities were offset against the estimated deferred tax assets

Note 6.17. Trade and other payable

	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
Trade and services payables	117 932	74 810
Payables for remuneration	7 816	6 204
Other payables - settlements for acquisition of shares and stock	2 400	2 583
Other liabilities - documented after the balance sheet date	-	-
Liability for interim dividend payment	-	29 104
Other payables - remaining	24 795	17 690
Total	**152 943**	**130 391**

Note 6.18. Provisions, including employee benefits and accrued leave

	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
Employee benefits (i)	1 906	2 659
Employee benefits (ii)	1 001	697
Warranty / Claims costs	1 956	1 256
Other provisions – estimated aircraft and hotel costs	36 097	64 064
Other provisions – commission costs	3 537	3 446
Other provisions – unbilled costs	1 927	2 091
	46 424	**74 213**

	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
Shorty-term provisions	44 445	72 346
Long-term. provisions	1 979	1 867
	46 424	**74 213**

. (i) Employee benefits provision covers annual leave, accrued leave entitlements, and employee claims for wages. The decrease in the provision's value is due to employee benefit payments made during the current year.

(ii). Employee benefits provision covers potential retirement severance payments that the Parent Company will be obliged to pay when employees retire.

	Employee benefits (i)	Employee benefits (ii)	Warranty / Claims costs	Other provisions costs
	PLN'000	PLN'000	PLN'000	PLN'000
Balance as at January 1, 2024	**2 659**	**932**	**1 256**	**69 366**
Recognition of additional provisions	(753)	69	700	(27 805)
Balance as at December 31, 2024	**1 906**	**1 001**	**1 956**	**41 561**

The valuation of provisions for potential retirement severance payments as at December 31, 2024, was estimated by an actuarial firm. The calculation methodology applied is consistent with International Accounting Standards (IAS 19). This is the Projected Unit Credit Method, also known as the "accrued benefits method in terms of service." The essence of this method is to view increasing years of service as leading to an increase in the employer's obligation to pay non-wage benefits in the future. In light of the above definition, the value of future obligations is calculated as a portion of future benefits estimated by taking into account the projected salary that forms the basis for their calculation. To determine the discount rate, the market yield of 10-year treasury bonds, amounting to 5.1%, was used. The long-term annual wage growth rate was nominally adopted at 4.50% (realistically 4.5% in 2024, 4.1% in 2025, and 4.5% in 2026 and subsequent years, meaning actual growth, not exceeding inflation).
As at December 31, 2024, the estimated probabilities of leaving employment were determined based on an analysis of data from previous years (considering, among other factors, age, gender, and length of service) and based on information regarding the Polish labour market. After consultation with Company representatives, the probabilities of employee resignation were adopted as per the table below:

Employees	Gender	Age					
		20	30	40	50	60	65
Fixed term employment	Female	12.0%	12.0%	8.8%	4.4%	0.0%	0.0%
	Male	12.0%	12.0%	9.2%	5.5%	1.8%	0.0%
Indefinite term employment	Female	12.0%	12.0%	8.8%	4.4%	0.0%	0.0%
	Male	12.0%	12.0%	9.2%	5.5%	1.8%	0.0%

	Employee benefits (i)	Employee benefits (ii)	Warranty / Claims costs	Other provisions costs
	PLN'000	PLN'000	PLN'000	PLN'000
Balance as at January 1, 2023	**680**	**286**	**739**	**45 359**
Recognition of additional provisions	1 979	646	517	24 007
Balance as at December 31, 2023	**2 659**	**932**	**1 256**	**69 366**

Note 6.19. Credit lines available as of December 31, 2024

The credit amount according to the agreement means the available credit limit.

Entity's name, with legal form specified	Credit product	Registered office	Loan/credit amount per agreement		Loan/credit amount remaining to be repaid			Interest terms	Repayment date	Collateral
			Original currency	Currency	Original currency		currency			
			'000		'000	PLN'000				
Bank Gospodarstwa Krajowego*	investment loan	Warsaw	15 500	EUR	7 059	30 165	EUR	market	30.08.2027	Power of attorney over accounts, mortgage on real estate, pledge on subsidiary shares
Bank Millennium S.A.	operating loan	Warsaw	10 000	PLN	-	-	PLN	market	29.06.2025	Voluntary submission to enforcement, power of attorney over accounts, blank promissory note with declaration issued by the Company
Bank Millennium S.A.	current account overdraft	Warsaw	45 000	PLN	-	-	PLN	market	07.12.2025	Voluntary submission to enforcement, power of attorney over accounts, blank promissory note with declaration issued by the Company
Bank Gospodarstwa Krajowego	current account overdraft	Warsaw	15 000	PLN	-	-	PLN, USD, EUR	market	31.01.2026	Power of attorney over accounts, voluntary submission to enforcement, assignment of trade receivables
Santander Bank Polska S.A.	current account overdraft	Warsaw	20 000	PLN	-	-	PLN, USD, EUR	market	30.06.2025	Voluntary submission to enforcement, power of attorney over accounts, blank promissory note with declaration issued by the Company
Santander Bank Polska S.A.	operating loan	Warsaw	30 000	PLN	-	-	PLN, USD, EUR	market	30.06.2025	Voluntary submission to enforcement, power of attorney over accounts, blank promissory note with declaration issued by the Company
Deniz Bank A.S.	investment loan	Istanbul	10 656	TRY	10 656	1 237	TRY	market	14.07.2025	Pledge on the financed asset
	Total					**31 402**				

* The carrying amount of the investment loan liability translated into PLN is PLN 30,165 thousand, reduced in the balance sheet by amortized cost expenses in the amount of PLN 173 thousand.
** Agreement No.: 9619/16/M/04 dated June 21, 2016. Global limit amount: PLN 45,000,000.00. Global limit validity period: December 7, 2025. Current account overdraft facility for the amount of: PLN 45,000,000.00 with a maturity date of December 7, 2025. Bank guarantee line: Line amount: PLN 25,000,000.00; Line validity period: December 7, 2025.

Note 6.20. . Credit lines held as at 31/12/2023

The credit amount according to the agreement means the available credit limit.

Entity's name, with legal form specified	Credit product	Registered office	Loan/credit amount per agreement	Loan/credit amount remaining to be repaid	Interest terms		Repayment date	Security	Entity's name, with legal form specified	Credit product
			Original currency	Currency	Original currency		Currency			
			'000		'000	PLN'000				
Bank Gospodarstwa Krajowego*	investment loan	Warsaw	15 500	EUR	10 842	38 917	EUR	market	30.08.2027	Power of attorney over accounts, mortgage on real estate, pledge on subsidiary shares
Greece	preferential loan	Ateny	112	EUR	23	99	EUR	market	30.04.2025	None
Greece	preferential loan	Ateny	169	EUR	35	150	EUR	market	30.04.2025	None
Greece	preferential loan	Ateny	144	EUR	29	127	EUR	market	29.06.2024	None
Bank Millennium S.A.	operating loan	Warsaw	10 000	PLN	-	-	PLN	market	07.12.2024	BGK liquidity guarantee for 80% of the loan amount, power of attorney over accounts, voluntary submission to enforcement, power of attorney over accounts
Bank Millennium S.A.	overdraft	Warsaw	45 000	PLN	-	-	PLN	market	07.12.2024	BGK liquidity guarantee for 80% of the loan amount, power of attorney over accounts, voluntary submission to enforcement, power of attorney over accounts
Bank Gospodarstwa Krajowego**	overdraft	Warsaw	30 000	PLN	-	1	PLN, USD, EUR	market	10.11.2024	Power of attorney over accounts, voluntary submission to enforcement
Santander Bank Polska S.A.	overdraft	Warsaw	20 000	PLN	-	-	PLN, USD, EUR	market	10.11.2024	BGK liquidity guarantee for 80% of the loan amount, assignment of receivables, power of attorney over accounts, voluntary submission to enforcement
Santander Bank Polska S.A.	revolving credit facility	Warsaw	30 000	PLN	-	-	PLN, USD, EUR	market	30.06.2024	BGK liquidity guarantee for 80% of the loan amount, assignment of receivables, power of attorney over accounts, voluntary submission to enforcement
Denzi Bank A.S.	investment loan	Istanbul	1 524	TRY	1 524	204	TRY	market	15.12.2024	Pledge on the financed asset
	total					**39 498**				

* The carrying amount of the investment loan liability, translated into PLN, is PLN 38,917 thousand, reduced in the balance sheet by amortized cost expenses in the amount of PLN 301 thousand.

**. Agreement no.: 9619/16/M/04 dated June 21, 2016. Global limit amount: PLN 60,000,000.00. Global limit validity period: December 7, 2024. Current account overdraft facility for the amount of: PLN 45,000,000.00 with a maturity date of December 7, 2024. Bank guarantee line: Line amount: PLN 25,000,000.00; Line validity period: December 7, 2024.

Note 6.21. other liabilities

	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
Customer advances received	451 076	349 957
Liabilities to customers taken over by Polish Guarantee Fund	21 999	29 541
Government grants	-	-
Other liabilities	-	101
	473 075	**379 599**
Short-term	458 619	357 601
Long-term	14 456	21 998
	473 075	**379 599**

Note 6.22. Liabilities directly associated with non-current assets held for sale

There were no liabilities directly associated with non-current assets held for sale. As of December 31, 2024, and December 31, 2023, the entity did not classify any non-current assets as held for sale.

7. NOTES TO THE COMPREHENSIVE INCOME STATEMENT

Note 7.1. Revenue from sales of services, materials, and goods

	12-month period ended 31/12/2024	12-month period ended 31/12/2023
	PLN' 000	PLN' 000
Revenue from sales of travel packages	4 061 941	3 288 590
Other revenue	6 122	4 802
	4 068 063	**3 292 392**

The Group recognizes revenue from sales when the performance obligation is satisfied (in practice, the service is rendered over time). The Group considers this moment to be the end of the travel package. However, due to the immateriality of recognizing revenue at the turn of reporting periods (packages started in one period and concluded in the next), the Group applies a simplification and recognizes revenue on the first day of the travel package's commencement. In the case of charter service sales (seats on aircraft), the revenue recognition date corresponds to the date the service is performed by the carrier.

The Group's operations do not identify variable consideration factors that materially affect the revenue recognized from such activities. Furthermore, the Group is not required to discount deferred payments. Prepayments for travel packages do not require special treatment.

Geographical Information

Revenue from external customers	revenue from external customers	
	12-month period ended 31/12/2024	12-month period ended 31/12/2023
	PLN'000	PLN'000
Poland	3 958 958	3 197 978
Lithuania	2 052	2 037
Czech Republic	16 772	12 443
Greece	45 329	41 002
Spain	22 916	16 854
Turkey	21 855	20 947
Other countries	181	2 131
	4 068 063	**3 293 392**

Note 7.2. Costs by nature

	12-month period ended 31/12/2024	12-month period ended 31/12/2023
	PLN'000	PLN'000
Depreciation	22 454	21 877
Consumption of raw materials and supplies	15 889	16 162
External services	3 403 461	2 827 016
Employee benefit costs	169 107	143 095
Taxes and fees	6 984	7 444
Other costs	86 423	62 806
Cost of goods sold and materials sold	-	-
Total	**3 704 318**	**3 078 400**
Cost of sales	3 320 551	2 745 963
Selling costs	287 064	255 616
Administrative expenses	96 703	76 821
Total	**3 704 318**	**3 078 400**

Note 7.3. Other operating income / expenses

	12-month period ended 31/12/2024	12-month period ended 31/12/2023
	PLN'000	PLN'000
Gains on disposal of assets:		
Gain on sale of property, plant and equipment	80	56
Gains on sale of investment property	-	-
	80	56
Reversal of impairment allowances:		
Intangible assets	-	-
Property, plant and equipment	-	-
Financial assets	-	-
Trade receivables	-	-
Other	-	-
	-	-
Other operating income:		
Gains from fair value measurement of investment property	-	-
Grants	-	-
Penalties and fines	-	73
Compensation	410	6 976
Remission of time-barred liabilities	-	7
Claims	327	228
Vouchers	-	527
Other	2 134	3 036
	2 951	**10 903**

	12-month period ended 31/12/2024	12-month period ended 31/12/2023
	PLN'000	PLN'000
Losses on disposal of assets:		
Loss on sale of property, plant and equipment	-	-
Loss on sale of investment property	-	-
	-	-
Impairment allowances created:		
Goodwill	-	-
Intangible assets	-	-
Property, plant and equipment	-	-
Financial assets	-	-
Trade receivables	8 109	572
Other receivables advances	-	-
	8 109	572
Other operating expenses:		
Losses from fair value measurement of investment property	-	-
Costs of liquidation of property, plant and equipment and current assets	-	-
Donations	62	38
Claims	1 981	2 546
Value of re-invoiced goods and services at purchase price	-	287
Written-off capital expenditures on property, plant and equipment	-	6 791
Other (aggregated immaterial items	2 869	934
	13 021	**10 881**

Note 7.4. Financial income / expenses

Lease income:	12-month period ended 31/12/2024	12-month period ended 31/12/2023
	PLN'000	PLN'000
Operating lease income	-	-

Interest income	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
Assets measured at amortized cost (including cash on hand and bank deposits)	15 646	14 763
Total interest income	-	-
Financial income from non-financial assets	-	1 468
Total	**15 646**	**16 231**

Interest costs:	12-month period ended 31/12/2024	12-month period ended y 31/12/2023
	PLN'000	PLN'000
Liabilities measured at amortized cost – interest on loans and current account overdrafts	572	959
Interest on finance lease liabilities	40	232
Other interest costs	2 623	24
Total interest costs	3 235	1 215
Less: amounts included in the cost of qualifying assets for capitalization		-
	3 235	1 215
Other financial costs:		
Tour operator guarantees costs	9 055	8 360
Credit product costs	1 726	4 844
Other discount charges	1 732	1 372
Other financial costs	-	-
	15 748	**15 791**

Note 7.5. Income tax

Income tax	12-month period ended 31/12/2024	12-month period ended 31/12/2023
	PLN'000	PLN'000
Profit (loss) before tax	353 573	215 454
Permanent differences increasing taxable base	(669)	14 046
Temporary differences in taxable base:	11 704	61 333
Taxable base	**364 608**	**290 833**
Tax at statutory rate	19.0%	19.00%
Current tax expense	67 504	47 664
Deferred tax expense	3 016	(5 973)
Income tax recognized in profit or loss	**70 520**	**41 691**
Effective tax rate	**19,9%**	**19,4%**

Income tax recognized in profit or loss	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
Current income tax:		
Related to the current year	67 504	47 664
Deferred income tax:		
Related to the current year	3 016	5 973
	70 520	**41 691**

Note 7.6. Discontinued operations

The Capital Group did not dispose of or liquidate any subsidiary in 2024 or in 2023.

8. EXPLANATIONS TO THE STATEMENT OF CASH FLOWS

Note 8.1. Additional explanatory note to the statement of cash flows explaining balance sheet changes in relation to amounts recognized in the statement of cash flows

	As of 31.12.2023	As of 31.12.2024	balance sheet change	exclusion of non-cash items in this area	adjustment to operating cash flows
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
(Increase) / decrease in current tax assets	5 746	8 277	2 531	10 056	12 587
Increase / (decrease) in current tax liabilities	58 284	67 377	9 093	59 349	68 442
	Current tax			69 405	
	Tax paid			(7 491)	

Note 8.2. Supplementary explanatory note to the consolidated statement of cash flows explaining balance sheet changes showing changes in financial liabilities

	As at 31.12.2023	cash flows (inflows)	cash flows (outflows)	non-cash changes: increases / decreases	non-cash changes: effect of exchange rate differences	non-cash changes: changes in fair value	as at 31.12.2024
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Loans and borrowings (	39 197	(11 173)	3 545	-	(340)	-	31 229
Lease liabilities	379	(444)	-	489	-	-	424
Lease liabilities	29 510	(16 660)	-	48 945	(251)	-	61 544
Liabilities from financing activities	**69 086**	**(28 277)**	**3 545**	**49 434**	**(591)**	**-**	**93 197**

	as at 31.12.2022	cash flows (inflows)	cash flows (outflows)	non-cash changes: increases / decreases	non-cash changes: effect of exchange rate differences	non-cash changes: changes in fair value	as at 31.12.2023
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Loans and borrowings (	98 126	12 354	(68 074)	-	(3 209)	-	39 197
Lease liabilities	574	-	(493)	334	-	(36)	379
Lease liabilities	43 487	-	(13 509)	11 800	(1 763)	(10 505)	29 510
Liabilities from financing activities	**142 187**	**12 354**	**(82 076)**	**12 134**	**(4 972)**	**(10 541)**	**69 086**

9. OTHER EXPLANATORY NOTES

Note 9.1. Contingent liabilities

9.1.1. Guarantees and sureties issued

The Parent Company has transaction limits that allow it to enter into derivative and commodity derivative transactions. The Company uses derivative instruments to hedge future currency cash flows by entering into forward transactions.

table: Value of treasury limits PLN thousand)

Bank	Type	limit amount PLN'000	valid until
Santander Bank Polska S.A.	transaction limit	40 000	2025-06-30
PKO Bank Polski S.A.	transaction limit	41 520	2025-03-11
Bank Millennium S.A.	transaction limit	40 000	2025-05-26
Alior Bank S.A.	transaction limit	40 000	2025-10-16

Table. Information on open contracts with the deadline for completion on 31.12.202 in PLN thousand and respectively (if applicable) in USD thousand and EUR thousand:

Currency	Contracted amount in currency	Amount PLN on the contract execution date
USD	71 613	285 596
EUR	49 050	213 902

Table. Information on open contracts with the deadline for completion on 31.12.2023 in PLN thousand and respectively (if applicable) in USD thousand and EUR thousand:

Currency	Contracted amount in currency	Amount PLN on the contract execution date
USD	49 500	211 179
EUR	2 400	10 988

As of March 24, 2025, the Company held the following forward contracts for the purchase of USD and EUR currencies against PLN, with execution dates ranging from December 31, 2024, to September 2025:

Currency	Contracted amount in currency	Amount PLN on the contract execution date
USD	143 356	568 262
EUR	68 650	292 631

Table. Information on Open SWAP Commodity Contracts with Maturity After December 31, 2024

Currency	Amounts contracted in tons	Amount USD on the contract execution date
SWAP Commodity	42 500	31 050

Table. Information on Open SWAP Commodity Contracts with Maturity After December 31, 2023

Currency	Amounts contracted in tons	Amount USD on the contract execution date
SWAP Commodity	16 000	14 267

Table. Changes in Valuation of the Security Portfolio for Individual Reporting Periods (Excluding the Deferred Tax Effect)

Description	01/01/2024-31/12/2024	01/01/2023-31/12/2023
	PLN'000	PLN'000
Revaluation reserve as at the beginning of the period	(21 595)	(4 067)
Created specifically	-	-
Other increases / decreases (valuation of foreign currency hedging operations)	6 286	(21 595)
Utilized specifically	-	-
Reclassification to profit or loss – recognized in cost of goods sold	21 595	4 067
Reserve capital at the end of the period	6 286	(21 595)

Bank guarantees granted by banks in favour of Rainbow Tours SA contractors

The Company uses its available bank guarantee lines to arrange guarantees for the various contractors it works with at Rainbow Tours S.A. During 2024, the Company requested the issuance of guarantees totalling PLN 16,912 thousand, all within its established limits. The following table shows the details of the guarantees that were active as of December 31, 2024. For guarantees issued in currencies other than PLN, the amounts have been converted to PLN using the average exchange rate published by the National Bank of Poland (NBP) between December 29, 2023, and December 31, 2024.

Table. Status of issued guarantees as of 31.12.2024.

Bank issuing guarantees	Number of guarantees issued
	PLN'000
Bank Millennium S.A.	46 978
Bank Gospodarstwa Krajowego	30 000
Santander Bank Polska S.A.	30 000
Total	**106 978**

Table. Status of issued guarantees as of 31.12.2023 r.

Bank issuing guarantees	Number of guarantees issued
	PLN'000
Bank Millennium S.A.	43 388
Bank Gospodarstwa Krajowego	15 000
Total	**58 388**

Insurance guarantee provided by the Europa SA Insurance Company

Guarantee Agreement No. GT 543/2023

On August 30, 2023, after signing a package of relevant documents, including a guarantee agreement, the Parent Company obtained an insurance guarantee for tour operators or businesses facilitating the acquisition of linked travel arrangements from Towarzystwo Ubezpieczeń Europa Spółka Akcyjna with its registered office in Wrocław ("Guarantor"). The beneficiary of this guarantee is the Marshal of the Łódź Voivodeship and every traveller who entered into an agreement with the Obligor during the Guarantee's validity period ("Beneficiary"). This guarantee was issued by the Guarantor under number GT 543/2023 (hereinafter referred to as the "GT 543/2023 Guarantee" or the "Guarantee").

The Guarantee was effective from September 17, 2023, to September 16, 2024. The total amount of the Guarantee provided to the Company (the "Guarantee Sum") was PLN 250,000,000, which was equivalent to EUR 53,437,072.50 based on the average euro exchange rate announced by the National Bank of Poland on January 2, 2023 (the first rate of the year of issuance), which was 1 euro = 4.6784 PLN.

Guarantee GT 543/2023 secures the repayment of claims arising from events related to contracts for participation in a tourist event and contracts for related tourist services that the Company concluded with travellers during the Guarantee's validity period. This is in accordance with the Act of November 24, 2017, on tourist events and related tourist services, specifically concerning the obligation to provide travellers with the following in the event of the Company's insolvency:

a) Covering the costs needed to continue the tourist event or to arrange travellers' return to their home country. This specifically includes transport and accommodation costs, and also reasonable expenses incurred by travellers if the Company fails to ensure the continuation or return as required.
b) Providing a refund for payments made for a tourist event or any paid service offered by someone helping with related tourist services. This applies if the event or service isn't or won't happen due to reasons caused by the Company or those acting on its behalf.
c) Refunding a portion of the payments made for a tourist event that corresponds to the part of the event that didn't or won't take place, or for each paid service offered by someone helping with related tourist services that corresponds to the part of the service that wasn't or won't be performed due to reasons caused by the Company or those acting on its behalf.

The Guarantee requires the Guarantor to pay out up to the total Guarantee Sum upon receiving a written payment request from the Beneficiary, provided all conditions outlined in the Guarantee document are met. Each payment made under the Guarantee reduces the Guarantor's liability by the amount paid, until the total Guarantee Sum is used up. If the Guarantor makes any payments to the Beneficiary based on the Guarantee (including any future amendments), the Company (Obligor) must reimburse the Guarantor for the paid amount, along with any costs the Guarantor incurred in fulfilling the Guarantee, within 7 days of receiving a payment demand from the Guarantor. Late payments will also incur statutory interest. The Company is obligated to repay the Guarantor the amount paid under the Guarantee (and any amendments), regardless of any objections it might have or raise regarding the validity of the payment made based on the Beneficiary's payment demand related to the

Company's obligation covered by the Guarantee. The Guarantor has the right to use any amounts received from the Company under this Agreement to settle the Guarantor's claims against the Company arising from this Agreement, in the following order of priority: (1) statutory interest, (2) costs, and (3) the principal amount.

The Guarantor's claims for reimbursement of amounts paid to the Beneficiary under the Guarantee are secured by the following:

a) A cash deposit held in the bank account of Europa Insurance Company SA.
b) A joint mortgage, established by a notary, in the first available position on the non-current assets of Rainbow Tours SA, specifically the real estate located at ul. Piotrkowska 270 in Łódź, as recorded in the Land and Mortgage Register under the following 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 Court Register Division Perpetual; the mortgage security in question also constitutes security for: insurance guarantee No. GT 500/2021 of 10 September 2021 (with annex) and insurance guarantee No. GT 518/2022 of 14 September 2022 (with annexes);
c) A blank promissory note, endorsed with the phrase "without protest," accompanied by a promissory note declaration.
d) Bank guarantees that were issued prior to the date of this Guarantee, serving as security for insurance guarantees issued for earlier periods. It's noted that this form of security may be replaced, either fully or partially, by providing an additional cash deposit.

The total commission payable by the Company (Obligor) to the Guarantor for issuing the Guarantee was set at a market rate of PLN 5,500,000

<u>Annex No. 1 to Guarantee Agreement No. 543/2023</u>

On June 20, 2024, the Company entered into an annex with Towarzystwo Ubezpieczeń Europa Spółka Akcyjna, the Wrocław-based insurance company (referred to as the "Guarantor"). This annex pertained to the insurance guarantee agreement No. GT 543/2023, originally dated August 30, 2023. This agreement was established due to the Company's role as a tour operator and facilitator of related tourist services, with the Marshal of the Łódź Voivodeship (the "Beneficiary") and all travellers who contracted with the Company during the Guarantee's term also being beneficiaries. The annex specified the terms for the Guarantor's provision of the insurance guarantee (the "Guarantee") in accordance with the relevant articles of the Act of November 24, 2017, on tourist events and related tourist services, specifically addressing the obligation to protect travellers in the event of the Company's insolvency by:

a) Covering the necessary expenses for either continuing the tourist event or arranging the travellers' return home. This includes, notably, the costs of transportation and accommodation, as well as reasonable expenses incurred by the travellers themselves if the Company fails to ensure this continuation or return as required.
b) Providing refunds for payments made for a tourist event or any paid service from a business assisting with related tourist services. This applies if the tourist event or service has not occurred or will not occur due to reasons attributable to the Company or those acting on its behalf.
c) Refunding a portion of the payments made for a tourist event that corresponds to the part of the event that did not or will not take place, or for each paid service from a business assisting with related tourist services that corresponds to the part of the service that was not or will not be performed due to reasons attributable to the Company or those acting on its behalf.

Under the amendment to Guarantee Agreement No. GT 543/2023, the maximum liability of the Guarantor (the "Guarantee Sum") was increased from the original PLN 250,000,000 (equivalent to EUR 53,437,072.50, based on the NBP's initial euro exchange rate for 2023 of PLN 4.6784) to PLN 380,000,000 (equivalent to EUR 81,224,350.20), representing an increase of PLN 130,000,000 (equivalent to EUR 27,787,277.70).

This increase in the Guarantee Sum was driven by the anticipated growth in the Company's actual revenues compared to previous projections and to ensure compliance with the minimum guarantee amount requirements outlined in the Regulation of the Minister of Development and Finance dated December 27, 2017, concerning bank and insurance guarantees for tour operators and facilitators of related tourist services.

The increased guarantee amount of PLN 380,000,000 (equivalent to EUR 81,224,350.20) covers the repayment of claims arising from events related to contracts for tourist events and related tourist services concluded by the Company with travellers between June 20, 2024, and September 16, 2024, even if those events are not fulfilled within that period (plus a one-year post-event claim period).

To secure the Guarantor's claims for reimbursement of any payments made under the increased Guarantee Sum, the security arrangements were modified. This involved: increasing the security provided to the Guarantor (Europa Insurance Company SA) by establishing an additional bank guarantee or by making and maintaining an additional cash deposit in the Guarantor's bank account. Additionally, the Company and the Guarantor entered into an appropriate amendment to the Bill of Exchange Declaration related to the blank promissory note issued by the Company, specifying and detailing the declaration's content in light of the increased Guarantee Sum. In connection with this increase, the Company paid an additional commission to the Guarantor.

Guarantee Agreement No. GT 574/2024

On September 2, 2024, the Company (as the "Obligor") entered into an agreement, including a guarantee agreement, with Towarzystwo Ubezpieczeń Europa Spółka Akcyjna, an insurance company based in Wrocław (the "Guarantor"). Consequently, the Guarantor issued an insurance guarantee (number GT 574/2024, also referred to as "Guarantee GT 574/2024" or the "Guarantee") for tour operators and those facilitating the purchase of related tourist services. The beneficiary of this guarantee is the Marshal of the Łódź Voivodeship, as well as every traveller who entered into an agreement with the Company during the Guarantee's validity period (the "Beneficiary").

The Guarantee is effective from September 17, 2024, to September 16, 2025. The total amount of the Guarantee provided to the Company (the "Guarantee Sum") is PLN 380,000,000, which is equivalent to EUR 87,489,063.87 based on the average euro exchange rate announced by the National Bank of Poland on January 2, 2024 (the first rate of the year of issuance), which was 1 euro = 4.3434 PLN.

Guarantee GT 574/2024 secures the repayment of claims arising from events related to contracts for participation in a tourist event and contracts for related tourist services that the Company concluded with travellers during the Guarantee's validity period. This is in accordance with the Act of November 24, 2017, on tourist events and related tourist services (i.e., Journal of Laws of 2023, item 2211), specifically concerning the obligation to provide travellers with the following in the event of the Company's insolvency:

a) Covering the expenses needed to either continue the tourist event or arrange for the travellers’ return to their home country. This specifically includes the costs of transportation and accommodation, as well as reasonable expenses incurred by the travellers if the Company fails to ensure this continuation or return as required.
b) Providing a refund for payments made for a tourist event or any paid service offered by someone assisting with related tourist services. This applies if the event or service has not occurred or will not occur due to reasons caused by the Company or those acting on its behalf.
c) Refunding a portion of the payments made for a tourist event that corresponds to the part of the event that did not or will not take place, or for each paid service offered by someone assisting with related tourist services that corresponds to the part of the service that was not or will not be performed due to reasons caused by the Company or those acting on its behalf.

the Guarantee requires the Guarantor to pay out funds, up to the total Guarantee Sum, upon receiving a written payment request from the Beneficiary, assuming all conditions specified in the Guarantee document are fulfilled. Every payment made under the Guarantee reduces the Guarantor's liability by the amount paid, until the entire Guarantee Sum is exhausted. If the Guarantor makes a payment to the Beneficiary based on the Guarantee (including any future amendments), the Company (Obligor) must reimburse the Guarantor for the amount paid, along with any related costs incurred by the Guarantor, within 7 days of receiving a payment demand. Late payments will also be subject to statutory interest. The Company is obligated to repay the Guarantor the amount paid under the Guarantee (and any amendments), irrespective of any objections it might have or raise concerning the validity of the payment made following the Beneficiary's payment instruction regarding the basis for claiming the Company's obligation covered by the Guarantee. The Guarantor has the right to use any funds received from the Company under this Agreement to settle the Guarantor's claims against the Company arising from this Agreement, in the following order of priority: (1) statutory interest, (2) costs, and (3) the principal amount.

The Guarantor's claims for reimbursement of amounts paid to the Beneficiary under the Guarantee are secured by the following:

a) Cash deposits held in the bank account of Europa Insurance Company SA.
b) A joint mortgage, established through a notary, in the first available position on the non-current assets of Rainbow Tours SA, specifically the property located at ul. Piotrkowska 270 in Łódź, as recorded in the Land and Mortgage Register under the following 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 and LD1M/00134200/4, as registered by the District Court for Łódź-Śródmieście in Łódź, XVI Land and Mortgage Register Division. Notably, this mortgage also serves as security for insurance guarantee No. GT 543/2023 dated August 30, 2024, along with its annex.

c) An assignment of rights arising from the contract or insurance policy related to the Company's real estate located at ul. Piotrkowska 270 in Łódź.
d) A blank promissory note, endorsed with the phrase "without protest," accompanied by a promissory

The total commission payable by the Company (Obligor) to the Guarantor for issuing this Guarantee was set at the prevailing market rate.

9.1.2. Disputed matters

As of December 31, 2024, and as of the date of approval of this report for publication, i.e. April 17, 2025, the Parent Company was and is a party to court proceedings in which the total value of the subject of the dispute does not exceed 10% of the Company's equity, conducted against the contractor Verikios Grigorios & SIA E.E., for payment of settlements for tour operator contracts concluded by the Company (as part of its normal business) (concerning three hotels located in Greece), the basis for considering the total value of the dispute as exceeding 10% of the Company's equity is additionally estimated and covered by the dispute the value of contractual penalties for contracts and obligations concluded and not fulfilled by the contractor. According to the concluded agreements, the estimated value of the dispute is EUR 5,269,560 and, based on the relevant provisions of the common court in the Republic of Greece, a decision was made to seize the contractor's assets and the personal assets of an individual up to the indicated amount of EUR 5,269,560. Rainbow Tours SA accepted the proposal of the defendants (i.e. the company and the shareholder and legal representative of the company - admin Verikios Grigorios) for an out-of-court settlement of the dispute (in order to avoid further enforcement costs) and a private agreement on the settlement of the dispute/debt dated October 17, 2024. A settlement agreement regarding the debt was signed between RTSA and the defendants, under which a total amount of €180,000 was agreed to be paid in instalments (the last one payable on September 30, 2027). Apart from the above, as of December 31, 2024, and as of the date of approval of this report for publication, i.e. April 17, 2025, the Parent Company is not a party to other court and arbitration proceedings in which the individual or total value of the subject of the dispute would exceed 10% of the Company's equity.

9.3.1. Tax settlements

Tax regulations in Poland, covering areas like goods and services tax (VAT), corporate income tax (CIT), and personal income tax (PIT), frequently undergo changes. This often means there's a lack of established rules or legal precedents to refer to. Furthermore, the existing tax laws can be unclear, leading to differing interpretations among government bodies and between these bodies and businesses. Tax and other financial settlements (such as customs or foreign exchange) can be audited by authorities who have the power to impose significant penalties. Any additional liabilities identified during an audit must be paid along with interest.

In Poland, tax authorities can audit tax returns for up to five years. However, during this period, companies can offset any tax receivables against their current income tax obligations.

The Company believes that the tax liabilities reported in its financial statements are accurate for all tax years that are potentially subject to audit. This assessment is based on a thorough evaluation of various factors, including the interpretation of tax law and experience gained from previous years. Nevertheless, future events and circumstances could potentially impact the assessment of the accuracy of both current and past tax liabilities.

In the Group's assessment, as of December 31, 2024, adequate provisions have been made for identified and quantifiable tax risks.

9.1.3. Contingent receivables

Before partnering with a new agent, the Company utilizes an external credit scoring system to evaluate their financial reliability. Based on this assessment, credit limits are established for the agent. These limits and the agent's credit score are reviewed twice annually. To further secure receivables, the Company also employs measures such as "blank" bills of exchange accompanied by a bill of exchange declaration, bank guarantees, and a deposit system.

Note 9.2. Information on transactions with related parties

Within the meaning of IAS 24, related parties to the Group include, in addition to companies included in the consolidation, also members of the management and supervisory staff.

9.2.1. Related entities

List of related entities included in the consolidated financial statements:

No	entity name	registered office of the entity	share in capital	share in votes at GM / EGM	date control obtained
1	"My Way by Rainbow Tours" Sp. z o.o.	Poland, Łódź	100.00%	100.00%	2006
2	White Olive A.E.	Greece, Athens	71.54%	71.54%	2016
3	White Olive Kos Monoprosopi A.E. *	Greece, Athens	100.00%	100.00%	2024
4	Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S.	Turkey, Alanya	100.00%	100.00%	2020
5	Rainbow distribuce s.r.o.	Czech Republic, Prague	100.00%	100.00%	2023

* On November 13, 2024, the subsidiary White Olive A.E., as part of an initiated investment process, entered into a sales agreement under which it acquired from the sole shareholder of a Greek company under the name: "Ellas Star Resorts Symmetoches Monoprosopi" Anonymi Etaireia with its registered office in Athens, Republic of Greece (previously part of the FTI Group tourist holding, having legal title to a hotel property under the previous name "Labranda Marine Aquapark", located near the town of Tigaki, on the island of Kos, Republic of Greece), a package of shares representing a total of 100% of the share capital and 100% of the votes at the General Meeting of the company in question; the company "Ellas Star Resorts Symmetoches Monoprosopi" Anonymi Etaireia is an indirectly dependent company of the Issuer; on December 19, 2024, the commercial register of the Republic of Greece G.E.MI. registered, among other things, a change of the name of the company in question from the previous "Ellas Star Resorts Symmetoches" Monoprosopi Anonymi Etaireia to the new one: "White Olive Kos" Monoprosopi Anonymi Etaireia.

List of personally related entities: As of the date of approval of this report for publication (April 17, 2025)

- Mr. Grzegorz Baszczyński, serving as a Member of the Company's Supervisory Board, indirectly holds, through a subsidiary as defined by Article 4, point 15 in conjunction with point 14 of the Act of July 29, 2005, on public offering, i.e., through Flyoo Sp. z o.o. with its registered office in Łódź, 855,000 shares of the Company, which entitle him to 855,000 votes at the General Meeting. This represents approximately 5.88% of the Company's share capital and approximately 5.37% of the total votes at the Company's General Meeting. Mr. Grzegorz Baszczyński does not hold any shares of the Company directly.
- Mr. Remigiusz Talarek, serving as a Member of the Company's Supervisory Board, indirectly holds, through a subsidiary as defined by Article 4, point 15 in conjunction with point 14 of the Act of July 29, 2005, on public offering, i.e., through Elephant Rock Fundacja Rodzinna with its registered office in Łódź, 700,000 shares of the Company, which entitle him to 700,000 votes at the General Meeting. This represents approximately 4.81% of the Company's share capital and approximately 4.40% of the total votes at the Company's General Meeting. Mr. Remigiusz Talarek directly holds 1,050 shares of the Company, which entitle him to 1,050 votes at the General Meeting, representing approximately 0.0072% of the Company's share capital and approximately 0.0057% of the total votes at the Company's General Meeting.

  In total, Mr. Remigiusz Talarek directly and indirectly holds 701,050 shares of the Company, entitling him to 701,050 votes at the Company's General Meeting, which represents approximately 4.82% of the Company's share capital and approximately 4.41% of the total votes at the Company's General Meeting.
- Mr. Tomasz Czapla, serving as a Member of the Company's Supervisory Board, indirectly holds, through a subsidiary as defined by Article 4, point 15 in conjunction with point 14 of the Act of July 29, 2005, on public offering, i.e., through Aironi Quattro Fundacja Rodzinna with its registered office in Stobnica, 700,000 shares of the Company, which entitle him to 700,000 votes at the General Meeting. This represents approximately 4.81% of the Company's share capital and approximately 4.40% of the total votes at the Company's General Meeting. Mr. Tomasz Czapla does not hold any shares of the Company directly.
- Mr. Maciej Szczechura, serving as the President of the Company's Management Board, directly holds 3,985 shares of the Company, which entitle him to 3,985 votes at the General Meeting. This represents approximately 0.0273845% of the Company's share capital and approximately 0.0216847% of the total votes at the Company's General Meeting. Mr. Maciej Szczechura does not hold any shares of the Company indirectly.
- Mr. Jakub Puchałka, serving as the Vice-President of the Company's Management Board, directly holds 3,818 shares of the Company, which entitle him to 3,818 votes at the General Meeting. This represents approximately 0.0262369% of the Company's share capital and approximately 0.0207759% of the total votes at the Company's General Meeting. Mr. Jakub Puchałka does not hold any shares of the Company indirectly.

9.2.2. Information on transactions with related parties

. All sales transactions were typical and routine, arising from the entities' core operations.

Table: Sales Operations for Products and Services, conducted between entities of the Rainbow Tours Capital Group in the period 01.01.2024 – 31.12.2024 and in the comparable period 01.01.2023 – 31.12.2023.

	sales of services		purchases of services	
	12-month period ended31/12/2024	12-month period ended31/12/2023	12-month period ended31/12/2024	12-month period ended31/12/2023
	PLN'000	PLN'000	PLN'000	PLN'000
White Olive A.E.	22 334	23 750	539	822
White Olive Kos Monoprosopi A.E. *	-	-	-	-
"My Way by Rainbow Tours" Sp. z o. o.	241	553	-	-
Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S.	40 535	28 718	7 872	6 687
"Rainbow Tours Spółka Akcyjna – Torremolinos Branch" – Branch in Spain	-	-	-	-
"Rainbow Tours Spółka Akcyjna - Athens Branch" – Branch in Greece	-	-	-	-
Rainbow distribuce s.r.o. **	2 392	-	-	-
Rainbow Tours S.A.	80 487	7 509	137 578	53 021
Total	**145 989**	**60 530**	**145 989**	**60 530**

*) On November 13, 2024, the subsidiary White Olive A.E., as part of an initiated investment process, entered into a sales agreement under which it acquired from the sole shareholder of a Greek company under the name: "Ellas Star Resorts Symmetoches Monoprosopi" Anonymi Etaireia with its registered office in Athens, Republic of Greece (previously part of the FTI Group tourist holding, having legal title to a hotel property under the previous name "Labranda Marine Aquapark", located near the town of Tigaki, on the island of Kos, Republic of Greece), a package of shares representing a total of 100% of the share capital and 100% of the votes at the General Meeting of the company in question. On December 19, 2024, the commercial register of the Republic of Greece G.E.MI. registered, among other things, a change of the name of the company in question from the previous "Ellas Star Resorts Symmetoches" Monoprosopi Anonymi Etaireia to the new one: "White Olive Kos" Monoprosopi Anonymi Etaireia.

**) In the fourth quarter of 2023, a new subsidiary of Rainbow Tours S.A., a limited liability company under Czech law operating under the name Rainbow distribuce s.r.o., was established in the Czech Republic. On October 30, 2023, the subsidiary Rainbow distribuce s.r.o. was established and registered in the commercial register maintained by the Municipal Court in Prague (File reference: C 393007) and received identification number: 198 68 839.

Table: Trade receivables / payables presented in the statement of financial position of Rainbow Tours S.A. with entities from the Rainbow Tours Capital Group

The following balances exist at the end of the reporting period:	Amounts due from related parties		Amounts payable to related parties	
	As of 31/12/2024	As of 31/12/2023	As of 31/12/2024	As of 31/12/2023
	PLN'000	PLN'000	PLN'000	PLN'000
White Olive A.E.	5 362	459	120 055	27 082
White Olive Kos Monoprosopi A.E. *	-	-	4 700	-
"My Way by Rainbow Tours" Sp. z o. o.	-	78	-	-
Rainbow Tours Destination Services Turkey Turizm Ve Seyahat Hizmetleri A.S.	-	-	1 533	2 476
"Rainbow Tours Spółka Akcyjna – Torremolinos Branch" – Branch in Spain	-	-	-	-
"Rainbow Tours Spółka Akcyjna - Athens Branch" – Branch in Greece	-	-	-	-
Rainbow distribuce s.r.o. **	-	-	-	-
Rainbow Tours S.A.	137 341	29 558	16 415	537
Total	**142 703**	**30 095**	**142 703**	**30 095**

*) On November 13, 2024, the subsidiary White Olive A.E., as part of an initiated investment process, entered into a sales agreement under which it acquired from the sole shareholder of a Greek company under the name: "Ellas Star Resorts Symmetoches Monoprosopi" Anonymi Etaireia with its registered office in Athens, Republic of Greece (previously part of the FTI Group tourist holding, having legal title to a hotel property under the previous name "Labranda Marine Aquapark", located near the town of Tigaki, on the island of Kos, Republic of Greece), a package of shares representing a total of 100% of the share capital and 100% of the votes at the General Meeting of the company in question. On December 19, 2024, the commercial register of the Republic of Greece G.E.MI. registered, among other things, a change of the name of the company in question from the previous "Ellas Star Resorts Symmetoches" Monoprosopi Anonymi Etaireia to the new one: "White Olive Kos" Monoprosopi Anonymi Etaireia.

**) In the fourth quarter of 2023, a new subsidiary of Rainbow Tours S.A., a limited liability company under Czech law operating under the name Rainbow distribuce s.r.o., was established in the Czech Republic. On October 30, 2023, the subsidiary Rainbow distribuce s.r.o. was established and registered in the commercial register maintained by the Municipal Court in Prague (File reference: C 393007) and received identification number: 198 68 839

Loans granted to related parties:

	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
Loans granted to a subsidiary	300	300

Aside from the aforementioned operations, there were no other significant transactions with personally related parties during the period.

Note 9.3. Business combinations, acquisitions, and divestitures.

During the reporting period covered by this financial statement (in the fourth quarter of 2024), the Rainbow Tours Group completed the acquisition of a business unit, i.e. the subsidiary White Olive A.E., as part of the commenced investment process, concluded a sales agreement on November 13, 2024, under which it acquired from the sole shareholder of the Greek company under the name: "Ellas Star Resorts Symmetoches" Monoprosopi Anonymi Etaireia with its registered office in Athens, Republic of Greece (previously part of the FTI Group tourist holding, having legal title to the hotel property under the current name "Labranda Marine Aquapark", located near Tigaki, on the island of Kos, Republic of Greece), a package of shares representing a total of 100% of the share capital and 100% of the votes at the General Meeting of the company. On December 19, 2024, the commercial register of the Republic of Greece G.E.MI. entered, inter alia, a change of the company's name from the current "Ellas Star Resorts Symmetoches" Monoprosopi Anonymi Etaireia to the new one: "White Olive Kos" Monoprosopi Anonymi Etaireia. A detailed description of the changes in the structure of the Rainbow Tours Group is included in Note 5.4 to this consolidated financial statement.

Note 9.4. Interests in joint ventures

The companies within the Rainbow Tours S.A. Capital Group do not hold any interests in joint ventures.

Note 9.5. Remuneration of Management Board and Supervisory Board Members

The remuneration of members of the managing body and the supervisory body of the Parent Company is presented below on a consolidated basis and broken down into categories as required by IAS 24 "Related Party Disclosures." Members of the Parent Company's Management Board do not receive remuneration from subsidiaries.

Value of remuneration paid to members of the Company's bodies (Management Board and Supervisory Board) in the financial year 2024

Table. Gross remuneration of Management Board members of the Company due and paid in 2024 [in PLN]

Payment title	Fixed salary under an employment contract at Rainbow Tours SA		Fixed remuneration for serving on the Management Board of Rainbow Tours SA		Variable remuneration (bonuses – awards) at Rainbow Tours SA		Total	
Person	Due	Paid	Due	Paid	Due	Paid	Due	Paid
Piotr Burwicz	244 800	244 800	-	-	4 991 994	5 071 238	5 236 794	5 316 038
Aleksandra Piwko-Susik *	183 000	181 500	-	-	2 196 794	2 219 884	2 379 794	2 401 384
Jakub Puchałka	124 800	124 800	120 000	120 000	4 991 994	5 071 238	5 236 794	5 316 038
Maciej Szczechura	271 200	271 200	-	-	6 333 294	6 416 080	6 604 494	6 687 280
Grzegorz Baszczyński **	-	-	-	-	396 662	396 662	396 662	396 662
Total	**823 800**	**822 300**	**120 000**	**120 000**	**18 910 738**	**19 175 102**	**19 854 538**	**20 117 402**

**) In 2024, Ms. Aleksandra Piwko-Susik served on the Company's Management Board starting from July 1, 2024. She was appointed as a Member of the Management Board under the provisions of Supervisory Board Resolution No. 2/06/2024 dated June 7, 2024. This appointment was made in conjunction with a separate Supervisory Board resolution on the same date, which set the size of the Company's current, fourth, joint, five-year term Management Board at four individuals. Consequently, effective July 1, 2024, Ms. Aleksandra Piwko-Susik was appointed to the Management Board for this term, holding the position of Member of the Management Board. Prior to this appointment in 2024, specifically from January 1, 2024, to June 30, 2024, Ms. Aleksandra Piwko-Susik held the position of Operations Director at Rainbow Tours SA.*

***) In 2024, Mr. Grzegorz Baszczyński did not serve on the Management Board (he held the position of President of the Management Board until June 30, 2023, and was appointed to the Supervisory Board starting from July 1, 2023). However, in 2024, he received remuneration in the form of an annual bonus for 2023. This bonus was settled and approved by the Supervisory Board based on the approved consolidated financial statements of the Rainbow Tours Capital Group for 2023 (according to the provisions of Resolution No. 7 of the Ordinary General Meeting of the Company dated June 18, 2024). He also received payment related to the settlement of the total achievement of bonus targets set for the six-month period of calendar year 2023 regarding his monthly bonus. This determination of the final total monthly bonus due to Mr. Grzegorz Baszczyński for that six-month period and the resulting underpayment settlement was approved by the Supervisory Board based on the approved separate financial statements of the Company for 2023 (according to the provisions of Resolution No. 6 of the Ordinary General Meeting of the Company dated June 18, 2024).*

Table. Gross remuneration of members of the Supervisory Board of the Company due and paid in 2024 [in PLN]

Payment title	Fixed remuneration for serving on the Supervisory Board and in committees of the Supervisory Board of Rainbow Tours SA		Fixed salary under an employment contract at Rainbow Tours SA		Total	
Person	Due	Paid	Due	Paid	Due	Paid
Grzegorz Baszczyński	746 926	740 451	-	-	746 926	740 451
Tomasz Czapla	746 926	740 451	-	-	746 926	740 451
Monika Kulesza	60 000	60 000	-	-	60 000	60 000
Monika Ostruszka	60 000	60 000	-	-	60 000	60 000
Joanna Stępień-Andrzejewska	60 000	60 000	-	-	60 000	60 000
Remigiusz Talarek	746 926	740 451	-	-	746 926	740 451
Paweł Walczak *****	72 000	72 000	180 000	180 000	252 000	252 000
Total	**2 492 778**	**2 473 354**	**180 000**	**180 000**	**2 672 778**	**2 653 354**

**) Mr. Paweł Walczak, despite being a member of the Supervisory Board, has also held a position as a lower-level employee within the Company since November 1, 2016. His role is Investor Relations Consultant, where he is responsible for providing consultation, cooperation, and support to the investor relations, financial, and accounting departments. Mr. Paweł Walczak does not meet at least one of the independence criteria outlined in: § 24 of the Company's Articles of Association, corporate governance principal no. 2.3 within the "Best Practices of GPW Listed Companies 2021," the Act of May 11, 2017, on auditors, audit firms, and public supervision, and Annex II to the EU Commission Recommendation 2005/162/EC. Consequently, he does not possess the required status of an independent member of the Supervisory Board of Rainbow Tours SA*

<u>Value of remuneration paid to members of the Company's bodies (Management Board and Supervisory Board) in the financial year 2023</u>

Table. Gross remuneration of Management Board members of the Company due and paid in 2023 [in PLN]

Payment title	Fixed salary under an employment contract at Rainbow Tours SA		Fixed remuneration for serving on the Management Board of Rainbow Tours SA		Variable remuneration (bonuses – awards) at Rainbow Tours SA		Total	
Person	Due	Paid	Due	Paid	Due	Paid	Due	Paid
Grzegorz Baszczyński *	87 216	101 752	150 000	175 000	2 690 366	2 742 009	2 927 582	3 018 761
Piotr Burwicz	244 800	245 529	-	-	3 049 539	2 863 134	3 294 339	3 108 663
Jakub Puchałka	124 800	124 800	120 000	120 000	3 049 539	2 863 134	3 294 339	3 107 934
Maciej Szczechura	249 000	245 300	-	-	3 335 640	3 106 709	3 584 640	3 352 009
Total	**705 816**	**717 381**	**270 000**	**295 000**	**12 125 084**	**11 574 986**	**13 100 900**	**12 587 367**

**) The remuneration details for Mr. Grzegorz Baszczyński presented in the aforementioned table exclusively pertain to his role as a member and President of the Management Board of the Company. He served as President of the Management Board during the period from January 1, 2023, to June 30, 2023. Subsequently, starting from July 1, 2023, Mr. Grzegorz Baszczyński was appointed to the Supervisory Board of the Company, where he served as a member from July 1, 2023, to December 31, 2023.*

Table. Gross remuneration of the members of the Supervisory Board of the Company due and paid in 2023 [in PLN]

Payment title	Fixed remuneration for serving on the Supervisory Board and in committees of the Supervisory Board of Rainbow Tours SA		Fixed salary under an employment contract at Rainbow Tours SA		Total	
Person	Due	Paid	Due	Paid	Due	Paid
Grzegorz Baszczyński *	334 615	278 846	-	-	334 615	278 846
Tomasz Czapla	631 153	620 022	-	-	631 153	620 022
Monika Kulesza	60 000	60 000	-	-	60 000	60 000
Paweł Niewiadomski **	30 000	35 000	-	-	30 000	35 000
Monika Ostruszka ***	30 000	25 000	-	-	30 000	25 000
Paweł Pietras ****	30 000	25 000	-	-	30 000	25 000
Joanna Stępień-Andrzejewska	60 000	60 000	-	-	60 000	60 000
Remigiusz Talarek	631 153	620 022	-	-	631 153	620 022
Paweł Walczak *****	72 000	72 000	180 000	180 000	252 000	252 000
Total	**1 878 921**	**1 795 890**	**180 000**	**180 000**	**2 058 921**	**1 975 890**

**) The remuneration details for Mr. Grzegorz Baszczyński presented in the aforementioned table exclusively represent the compensation he received for his membership on the Supervisory Board of the Company and for serving as a Member of the Supervisory Board and its Committees. In 2023, Mr. Baszczyński held the position of President of the Management Board from January 1, 2023, to June 30, 2023. Subsequently, starting from July 1, 2023, he was appointed to the Supervisory Board of the Company and served as a Member of the Supervisory Board from July 1, 2023, to December 31, 2023.*

***) Mr. Paweł Niewiadomski held the position of Vice-Chairman of the Supervisory Board of the Company from January 1, 2023, to June 30, 2023. Pursuant to Resolution No. 22 of the Ordinary General Meeting of the Company dated June 28, 2023, the General Meeting decided to dismiss Mr. Paweł Niewiadomski from the Supervisory Board at the end of June 30, 2023.*

****) Ms. Monika Ostruszka served as a Member of the Supervisory Board of the Company from July 1, 2023, to December 31, 2023. According to Resolution No. 25 of the Ordinary General Meeting of the Company dated June 28, 2023, the General Meeting decided to appoint Ms. Monika Ostruszka to the Supervisory Board for its seventh, joint, three-year term of office, effective July 1, 2023.*

*****) Mr. Paweł Pietras served as a Member of the Supervisory Board of the Company from January 1, 2023, to June 30, 2023. Pursuant to Resolution No. 23 of the Ordinary General Meeting of the Company dated June 28, 2023, the General Meeting decided to dismiss Mr. Paweł Pietras from the Supervisory Board at the end of June 30, 2023.*

******) Mr. Paweł Walczak, despite his position on the Supervisory Board, has held a lower-level employee status within the Company as an Investor Relations Consultant since November 1, 2016. In this role, he is responsible for consultations, cooperation, and support for the investor relations, financial, and accounting departments. Mr. Paweł Walczak does not meet at least one of the independence criteria specified in: § 24 of the Company's Articles of Association, corporate governance principal no. 2.3 of the "Best Practices of GPW Listed Companies 2021," the Act of May 11, 2017, on statutory auditors, audit firms, and public supervision, and Annex II of the EU Commission Recommendation 2005/162/EC. Therefore, he does not have the status required for an independent member of the Supervisory Board of Rainbow Tours SA.*

Note 9.6. Objectives and policies for financial risk management

9.6.1. Financial risk management policy

The Capital Group manages capital to ensure that its entities are able to continue operating while maximizing returns to shareholders. The Parent Company and subsidiaries obtain sources of financing for current and future operations, including investments and acquisitions, primarily in the financial market (signed credit agreements). The Parent Company also has the option to repurchase its own shares as a form of financing potential investment projects. The overall operating strategy of the entities has not changed since 2017. The capital structure of the entities includes debt, which consists of loans, cash and cash equivalents, and the Capital Group's equity, including issued shares, reserve funds, and retained earnings. In the event of additional needs, the Parent Company has the ability to obtain funds within the Capital Group, from companies that have available cash. No external capital requirements are imposed on the entity, except that, in accordance with Article 396 §1 of the Commercial Companies Code, to which the entity is subject, a reserve fund must be created to cover losses, to which at least 8% of the profit for a given financial year is transferred, until this fund reaches at least one-third of the share capital. This part of the reserve fund (retained earnings) is not available for distribution to shareholders.

The main areas of risk to which the Rainbow Tours Capital Group is exposed are the risk of exchange rate fluctuations and the risk of fuel price changes, resulting from volatility in the money and capital markets. The Group maintains a uniform financial risk management policy and constant monitoring of risk areas, using available strategies and mechanisms to minimize the negative effects of market volatility. The Group limits financial risk (defined as cash flow volatility), as well as risk associated with volatility in the money and capital markets, in the manner described in the following points. The risk management policy and strategy are determined and monitored by the Management Board, and current responsibilities in this area are carried out by the relevant departments of Rainbow Tours S.A. and the companies of the Rainbow Tours Capital Group.

9.6.2. Categories of financial instruments

Categories of financial instruments	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
Financial assets	**342 822**	**312 014**
Financial assets measured at amortised cost		
Cash and cash equivalents	287 630	275 627
Trade receivables	48 906	34 365
Loans granted	-	2 022
Financial assets measured at fair value through profit or loss	-	-
Derivative financial instruments in hedging relationships	6 286	-
Financial liabilities	**211 129**	**165 491**
Financial liabilities measured at amortised cost		
Loans and borrowings received	31 229	39 197

Categories of financial instruments	As at 31/12/2024	As at 31/12/2023
	PLN'000	PLN'000
Lease liabilities	61 968	29 889
Amortised cost – trade payables	117 932	74 810
Derivative financial instruments in hedging relationships	-	21 595

Fair value of financial assets and liabilities measured at fair value on an ongoing basis:

	31/12/2024	31/12/2023	
Financial assets			Level 2
Foreign currency derivative financial instruments	6 286		
Financial liabilities			
Foreign currency derivative financial instruments		21 595	

Valuation techniques and key inputs adopted for fair value measurement

Level 2	Foreign currency derivative financial instruments – currency forwards and options	The fair value for symmetrical foreign exchange forward transactions was determined using a forward valuation model. This model utilized NBP (National Bank of Poland) exchange rates from the valuation date and forward interest rates for the respective currencies.

The fair value for foreign currency forward contracts was determined based on a forward valuation model that utilized NBP (National Bank of Poland) exchange rates on the valuation date and forward interest rates for individual currencies.

Neither in the reporting period nor in the comparative period did the parent company reclassify any instruments between Level 1 and Level 2.

Neither in the reporting period nor in the comparative period did the parent company reclassify any instruments qualified for Level 1 or Level 2 to Level 3.

Fair value of financial assets and liabilities not measured at fair value on an ongoing basis (but for which fair value disclosures are required)

Carrying amount as at:	31/12/2024	31/12/2023
Financial assets / liabilities	**PLN'000**	**PLN'000**
Trade receivables	48 906	34 365
Loans granted	-	2 022
Cash and cash equivalents	287 630	275 627
Financial liabilities	**PLN'000**	**PLN'000**
Loans and borrowings	31 229	39 197
Lease liabilities	61 968	29 889
Trade and other payables	117 932	74 810

The fair value of financial instruments not measured at fair value on an ongoing basis, held by the Capital Group as of December 31, 2024, and December 31, 2023, did not differ significantly from the values presented in the financial statements for the respective years for the following reasons:

- For short-term instruments (trade receivables and payables, loans granted, loan payables, cash and cash equivalents, and other payables), any potential discounting effect is not material.
- These instruments relate to transactions entered into at market conditions (applies to interest-bearing receivables and payables, loans, and borrowings for which interest rates are determined based on market conditions).

9.6.3. Financial risk management objectives

The Finance Department, in coordination with the Capital Group's Management Board, coordinates access to domestic and international financial markets, monitoring and managing the financial risks associated with its operations. These risks include market risk (primarily foreign exchange risk), credit risk, and liquidity risk. The entities strive to minimize the impact of these risks by monitoring the current situation in the foreign exchange market and purchasing foreign currencies when exchange rates are favourable (based on analyses provided by external specialized advisory entities), analysing and monitoring counterparties (customers), obtaining external financing for current and investment needs. The Parent Company also utilizes derivative instruments to manage its financial risks.

9.6.4. Market risk

The entities' operations involve exposure to financial risk from currency rate changes and, to a lesser extent, interest rate risk. The entity's exposure to market risk and its management have not changed. The company does not use quantifiable methods to measure risk exposure (e.g., Value at Risk - VaR).

9.6.5. Foreign currency risk management

The Parent Company settles with its contractors for ordered tourist events in foreign currencies (typically in Euro or US Dollar). However, it sells these events to Polish clients in the domestic currency. Unfavourable changes in exchange rates between the period funds are received from clients and the period payments are made to foreign suppliers can lead to a reduction in profitability and earnings for the Parent Company.

A portion of the foreign currency risk exposure is mitigated at Rainbow Tours S.A. through "natural" hedging, by reselling charter seats to its counterparties in foreign currencies. The remaining exposure is hedged using foreign currency forward transactions and option corridors. The Parent Company has a foreign currency hedging policy that it applies on an ongoing basis.

Since 2019, the Parent Company has not entered into new option transactions; in that year, it only settled previously concluded contracts from earlier periods.

The Group is also exposed to foreign currency risk related to EUR exchange rate fluctuations due to the settlement of event costs. The risk of changes in EUR and USD exchange rates is partially minimized by advance payments made earlier, resulting from the prepayment system used by service providers (hoteliers, transport companies). The volume of purchases paid in EUR and USD is stable, amounting to approximately 60% for EUR and 40% for USD. The Company bears the EUR and USD exchange rate risk with respect to settlements for contracted and purchased services.

The carrying amount of the entity's financial assets (trade receivables, cash and cash equivalents) and financial liabilities (trade payables) denominated in foreign currencies as of the balance sheet date is presented as follows:

	Currency items	As at 31/12/2024	As at 31/12/2023
		PLN'000	PLN'000
a)	**Assets**	**579 873**	**364 674**
	USD in PLN	28 157	76 205
	EUR in PLN	551 716	288 469
b)	**Liabilities**	**201 683**	**137 189**
	USD in PLN	17 725	33 769
	EUR in PLN	183 958	103 420

9.6.6. Sensitivity to foreign currency risk

The Group is primarily exposed to risks associated with the USD and EUR currencies. The entity's sensitivity to a 10% increase and a 10% decrease in the PLN exchange rate against foreign currencies is presented in the table below. These parameters are used in internal foreign currency risk reports for management and reflect management's assessment of possible changes in foreign exchange rates.

This sensitivity analysis includes only unsettled monetary items denominated in foreign currencies and adjusts the year-end retranslation by a 10% change in exchange rates. This analysis covers trade receivables and payables, as well as cash in foreign currencies. At the end of 2024 and 2023, the value of USD and EUR receivables exceeded the value of payables in those currencies. Consequently, a 10% increase in the exchange rate would lead to an increase in financial result and equity, while a decrease in exchange rates would result in a decrease in financial result and equity.

		31/12/2024	31/12/2023
		PLN'000	PLN'000
a)	**impact of currency depreciation**	**(37 819)**	**(22 749)**
	USD in PLN	(1 043)	(4 244)
	EUR in PLN	(36 776)	(18 505)

		31/12/2024	31/12/2023
		PLN'000	PLN'000
b)	**Impact of currency appreciation**	**37 819**	**22 749**
	USD in PLN	1 043	4 244
	EUR in PLN	36 776	18 505

The impact on equity is equal to the impact on the profit or loss for the period. The entity's sensitivity to foreign currency risk has not changed significantly in the current period.

9.6.7. Interest rate risk management

The entity's exposure to interest rate risk is limited because credit lines are primarily utilized for overdraft facilities. All credit agreements have variable interest rates, determined based on WIBOR 1M adjusted for the bank's margin. The market situation is continuously monitored, and should interest rates rise, the Company will take actions to minimize its exposure in this area.

The entity's exposure to interest rate risk related to financial assets is discussed in detail in the section of the note dedicated to liquidity risk management. The changes in accounting standards concerning the reform of interest rate benchmarks (Phase 2) in effect as of the balance sheet date (December 31, 2024) do not impact these financial statements

9.6.8. Credit risk management

Credit risk is understood as the possibility that the Company's debtors will fail to meet their obligations, which would result in financial losses for the Companies. The Companies are primarily exposed to credit risk in three main areas related to:

- Trade receivables
- Cash and bank deposits
- Derivative instrument transactions (applicable to the Parent Company)

The Management Board of the Group is responsible for managing credit risk within the companies and ensuring compliance with the adopted policy in this regard. Receivables are monitored on an ongoing basis across all Group companies. Regarding cash management, the Parent Company invests financial surpluses exclusively in secure instruments available only from banking entities. Credit risk related to liquid funds is limited because the entity's counterparties are banks with high credit ratings assigned by international rating agencies. In the opinion of the Company's Management Board, the carrying amount of financial assets represents the maximum amount exposed to credit risk.

9.6.9. Credit risk mitigation

The entity continuously monitors credit risk and holds credit risk mitigation (or credit enhancements) related to trade receivables in the form of deposits paid by agents or legal collateral provided by agents. The carrying amount of liabilities for deposits received was PLN 1,080 thousand as of December 31, 2024, and PLN 1,080 thousand as of December 31, 2023.

9.6.10. Liquidity risk management

The Companies monitor their financial liquidity. The companies' liquidity is secured by the nature of sales - mainly through prepayments - and by obtaining working capital loans to cover liquidity gaps during periods of low inflows. The parent company has adequate limits for liquidity instruments in the form of credit lines. A significant emphasis is also placed on the recovery of current receivables of the Group companies. The Management Board has ultimate responsibility for liquidity risk management, having developed an appropriate system for managing short-, medium- and long-term financing and liquidity management requirements. Liquidity risk management within the entity takes the form of maintaining an adequate level of reserve capital, reserve credit lines, and continuous monitoring of projected and actual cash flows.

Tables of liquidity and interest rate risk

The following tables present the contractual maturity dates of non-derivative financial liabilities with agreed repayment dates, which include trade payables as of the balance sheet date.

	weighted average	weighted average effective interest rate	up to 1 month	over 1 month to 3 months	over 3 months to 6 months	over 6 months to 1 year	over 1 year	total
		%	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
31.12.2024	Non-interest-bearing	0%	113 695	956	3 281	-	-	117 932
31.12.2024	Interest-bearing	4,7%	640	783	1 784	6 016	22 006	31 229

	weighted average	weighted average effective interest rate	up to 1 month	over 1 month to 3 months	over 3 months to 6 months	over 6 months to 1 year	over 1 year	total
		%	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
31.12.2023	Non-interest-bearing	0%	74 810	-	-	-	-	74 810
31.12.2023	Interest-bearing	6%	42	903	1 230	6 410	30 612	39 197

The table below presents the forecasted maturity dates of the Group's non-derivative financial assets, with the exception of loans to subsidiaries. It has been prepared based on the undiscounted maturity amounts of financial assets, including accrued interest. Overdue trade receivables are presented in the "below 1 month" category.

	weighted average	weighted average effective interest rate	up to 1 month	over 1 month to 3 months	over 3 months to 6 months	over 6 months to 1 year	over 1 year	total
			PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
31.12.2024	Non-interest-bearing	0%	6 105	32 405	1 374	3 651	5 380	48 915
31.12.2023	Non-interest-bearing	0%	9 322	8 357	4 894	3 916	7 876	34 365

The table below provides details on unused credit lines that the Parent Company holds as tools for liquidity risk reduction.

secured loans	31/12/2024	31/12/2023
	PLN'000	PLN'000
Amount utilized	-	1
Unused amount	120 000	134 999
Total	**120 000**	**135 000**

The table below presents the interest rate sensitivity analysis for consolidated data as of December 31, 2024, along with comparable data as of December 31, 2023.

interest rate sensitivity analysis				4,7%prosi	weighted average effective interest rate			
				31 229	amount of credit liabilities as of 31.12.2024			
interest rate change (decrease) / change in interest flow / change in interest flow				estimated interest flow p.a.	interest rate change (increase) / change in interest flow			
-2%	-1,5%	-1%	-0,5%	4%	+0,5%	+1%	+1,5%	+2%
(843)	(999)	(1 155)	(1 311)	(1 467)	(1 623)	(1 780)	(1 936)	(2 092)

interest rate sensitivity analysis				6,0%	weighted average effective interest rate			
				39 197	amount of credit liabilities as of 31.12.2023			
interest rate change (decrease) / change in interest flow / change in interest flow				estimated interest flow p.a.	interest rate change (increase) / change in interest flow			
-2%	-1.5%	-1%	-0.5%	4%	+0.5%	+1%	+1.5%	+2%
(1 505)	(1 701)	(1 897)	(2 093)	(2 289)	(2 485)	(2 681)	(2 877)	(3 073)

Note 9.7. Financial liabilities

As of December 31, 2024, the Company primarily collaborated with three banks financing the Company's operations. The Company held credit limits and a limit for bank guarantees with the following banks: Santander Bank Polska S.A., Bank Millennium S.A., and Bank Gospodarstwa Krajowego.

In April 2018, the subsidiary companies (i.e., Greek public limited companies: Rainbow Hotels A.E. and White Olive A.E.), along with the Parent Company, signed an Investment Loan Agreement with Bank Gospodarstwa Krajowego. The Company provided relevant information on this matter through current reports ESPI No. 14/2018 dated 04.04.2018 and 15/2018 dated

05.04.2018. The Company is a joint borrower, and the drawn credit obligation is borne by the special purpose vehicle (White Olive A.E.).

Parent Company financing:

Bank Millennium S.A.

1. **Multi-purpose line**

On June 21, 2016, the Company entered into Agreement No. 9619/16/M/04 with Bank Millennium S.A. Pursuant to Annex No. A15/9619/16/M/04 to the multi-product line agreement No. 9619/16/M/04, signed on December 8, 2024, the bank granted a global limit of PLN 45,000 thousand for the period from December 8, 2024, to December 7, 2025. Within this limit, the Company may utilize the following products:

a) A sub-limit of PLN 45,000 thousand for an overdraft facility and/or

b) A sub-limit of PLN 25,000 thousand for bank guarantees

Partial security for the repayment of the credit is provided by the transfer of ownership of a monetary amount (pursuant to Article 102 of the Banking Law) of PLN 1,000 thousand, a declaration of voluntary submission to enforcement in favour of the bank directly from this act, under Article 777 § 1 point 5 of the Code of Civil Procedure, regarding the entire property for the obligation to pay the Bank all sums of money arising from the multi-product line agreement, and a guarantee. The interest rate was set at a market level based on WIBOR 1M + bank margin.

2. **Revolving credit facility**

On June 30, 2022, the Company entered into a Revolving Credit Agreement – NR 15386/22/475/04 with Bank Millennium S.A., under which the Company obtained financing of PLN 10,000 thousand. On June 12, 2024, pursuant to Annex No. A1/15386/22/475/04, this product is available until June 29, 2025. The revolving credit facility is secured by the Client's declaration of submission to enforcement in favour of the Bank directly from this act, under Article 777 § 1 point 5 of the Code of Civil Procedure, regarding the entire property for the obligation to pay the Bank all sums of money arising from the Agreement, as amended from time to time, up to a maximum amount of PLN 16,000 thousand. As of December 31, 2024, the Company had not utilized the aforementioned revolving credit facility or the overdraft facility, while the total amount of issued guarantees was equivalent to PLN 46,978 thousand; within the granted limit under the multi-product line, bank guarantees amounted to the equivalent of PLN 17,620 thousand, and outside the limit, PLN 29,358 thousand. As of December 31, 2023, the Company had not utilized the aforementioned revolving credit facility or the overdraft facility, while the total amount of issued guarantees was equivalent to PLN 43,388 thousand; within the granted limit under the multi-product line, bank guarantees amounted to the equivalent of PLN 14,033 thousand, and outside the limit, PLN 29,358 thousand.

Bank Gospodarstwa Krajowego – multi-purpose line, framework agreement for entering into and executing derivative transactions

On August 31, 2018, the Company entered into a Multi-Purpose Line Agreement No. 4618-00453 with Bank Gospodarstwa Krajowego. On February 27, 2024, pursuant to Annex No. 7 to the Multi-Purpose Line Agreement No. 4618-00453, the Bank increased the limit in the form of a multi-purpose line to the equivalent of PLN 50,000 thousand ("Limit Currency") for the period from the date of the Agreement to January 31, 2026, with the proviso that the credit sub-limit (overdraft facility) is a maximum of PLN 15,000 thousand, and the sub-limit for payment guarantees is a maximum of PLN 30,000 thousand, in each case, jointly up to the amount of the Limit, and a free limit of PLN 5,000 thousand remains. The total commitment under all of the above-mentioned products may not exceed the amount of the multi-purpose line limit. The parties agreed on the interest rate at a market level, i.e., based on a base rate in the form of WIBOR 1M, EURIBOR 1M, and CME Term SOFR 1M, and the bank's margin. The multi-purpose line is secured by a registered pledge on the borrower's bank accounts, a declaration of submission to enforcement, an assignment of trade receivables, and a power of attorney to the borrower's bank accounts. As of December 31, 2024, the Company did not utilize the overdraft facility, while it utilized the limit for bank guarantees in the amount of PLN 30,000 thousand. As of December 31, 2023, the Company utilized the overdraft facility in the amount equivalent to PLN 1 thousand; as of December 31, 2023, the Company utilized the limit for bank guarantees in the amount of PLN 15,000 thousand.

Santander Bank Polska S.A.

1. **Multi-line agreement**

On October 10, 2018, the Company entered into Multi-Line Agreement No. K00787/18 with Santander Bank Polska S.A. In subsequent years, the Agreement was split into the following agreements:

A. Multi-Line Agreement No. K00787/18a
B. Revolving Credit Agreement No. K00787/18b

A. Multi-line agreement No. K00787/18a

On June 28, 2024, the Company entered into Annex No. 7 to the Revolving Credit Agreement No. K00787/18a (with subsequent amendments), which decreased the credit amount from PLN 20,000,000 to PLN 30,000,000. Product availability was agreed until June 30, 2025. The Company can draw on the granted credit in PLN, USD, and EUR currencies. The credit interest rate is based on WIBOR for one-month interbank deposits for the utilized PLN credit amount, EURIBOR for one-month interbank deposits for the utilized EUR credit amount, SOFR for the utilized USD credit amount, and the bank's margin. According to Annex No. 7, the credit is secured by the Company's declaration of submission to enforcement and a blank promissory note.

B. Revolving credit agreement No. K00787/18b

On June 28, 2024, the Company entered into Annex No. 3 to the Revolving Credit Agreement No. K00787/18b (with subsequent amendments), which decreased the credit amount from PLN 30,000,000 to PLN 20,000,000. Product availability was agreed until June 30, 2025. The Company can draw on the granted credit in PLN, USD, and EUR currencies. The credit interest rate is based on WIBOR for one-month interbank deposits for the utilized PLN credit amount, EURIBOR for one-month interbank deposits for the utilized EUR credit amount, SOFR for the utilized USD credit amount, and the bank's margin. According to Annex No. 3, the credit is secured by the Company's declaration of submission to enforcement and a blank promissory note.

2. Agreement for guarantee limit

On July 9, 2024, pursuant to Annex No. 8 to the Multi-Line Agreement No. K00788/18 dated October 10, 2018, as subsequently amended, the Company and the bank shortened the availability of the line to July 10, 2024, and entered into a Guarantee Limit Agreement No. K00936/24 with a limit of PLN 30,000 thousand, available until June 30, 2025. The Agreement No. K00936/24 is secured by a declaration of submission to enforcement and a blank promissory note.

As of December 31, 2024, the Company had not utilized the overdraft or revolving credit facilities, while the guarantee limit was utilized to the amount of PLN 30,000 thousand.

As of December 31, 2023, the Company had not utilized the overdraft or revolving credit facilities and had not drawn on the bank guarantee limit.

Note 9.8. Fair value measurement

In the opinion of the Parent Company's Management Board, the carrying amounts of financial assets and liabilities – including loans granted, trade receivables, and trade payables – recognized in the consolidated financial statements approximate their fair values.

Note 9.9. Correction of errors

. No correction of errors was introduced in the presented financial statement.

10. EVENTS AFTER THE REPORTING PERIOD

Change in rights of parent company securities due to conversion of part of registered preferred shares series A and series C1 into ordinary bearer shares

In the period following the reporting period, up to the date of approval of this report for publication (i.e., until April 17, 2025), the Company's Management Board, acting based on the following requests from the Company's shareholders dated March 26, 2025, for the conversion of a total of 2,465,000 (two million four hundred sixty-five thousand) registered shares preferred as to voting rights into ordinary bearer shares (of which the Company informed via current report No. 6/2025 dated March 26, 2025), specifically based on:

- The request of shareholder Flyoo Spółka z o.o. with its registered office in Łódź (a subsidiary of Mr. Grzegorz Baszczyński - Member of the Company's Supervisory Board) for the conversion of 855,000 registered preferred shares Series A of the Company into bearer shares.
- The request of shareholder Aironi Quattro Fundacja Rodzinna with its registered office in Stobnica, gm. Ręczno (an entity dependent on Mr. Tomasz Czapla - Member of the Company's Supervisory Board) for the conversion of 700,000 registered preferred shares Series A of the Company into bearer shares.
- The request of shareholder Elephant Rock Fundacja Rodzinna with its registered office in Łódź (an entity dependent on Mr. Remigiusz Talarek - Member of the Company's Supervisory Board) for the conversion of 700,000 registered preferred shares Series A of the Company into bearer shares.
- The request of Mr. Sławomir Wysmyk for the conversion of 210,000 registered preferred shares Series C1 of the Company into bearer shares.

Pursuant to Article 334 § 2 of the Commercial Companies Code, the Management Board of the Company, by virtue of a resolution dated March 27, 2025, decided to convert a total of 2,465,000 registered preferred shares into ordinary bearer shares on March 27, 2025, specifically:

3. To convert a total of 2,255,000 registered preferred shares Series A ("Series A Shares") of the Company with a nominal value of PLN 0.10 each, from the total number of 3,605,000 registered preferred shares Series A of the Company (dematerialized shares registered in the deposit maintained by the National Depository for Securities, covered jointly with 220,000 registered preferred shares Series C1 by ISIN code: PLRNBWT00049 and FISN code: RAINBOW/FXD REDEXT PFDSH SER-A C1), including: (-) 855,000 registered preferred shares Series A, numbered from A-1350001 to A-2205000, owned by the shareholder: Flyoo Spółka z o.o. (-) 700,000 registered preferred shares Series A, numbered from A-2675001 to A-3375000, owned by the shareholder: Aironi Quattro Fundacja Rodzinna. (-) 700,000 registered preferred shares Series A, numbered from A-3825001 to A-4525000, owned by the shareholder: Elephant Capital Fundacja Rodzinna.

and

4. To convert a total of 210,000 registered preferred shares Series C1 ("Series C1 Shares") of the Company with a nominal value of PLN 0.10 each, from the total number of 220,000 registered preferred shares Series C1 of the Company (dematerialized shares registered in the deposit maintained by the National Depository for Securities, covered jointly with 3,605,000 registered preferred shares Series A by ISIN code: PLRNBWT00049 and FISN code: RAINBOW/FXD REDEXT PFDSH SER-A C1), including: (-) 210,000 registered preferred shares Series C1, numbered from C-1790001 to C-2000000, owned by the shareholder: Mr. Sławomir Wysmyk.

As a result of the conversion, the aforementioned shares subject to conversion, i.e., Series A Shares totalling 2,255,000 and Series C1 Shares totalling 210,000, lost their granted preference regarding voting rights (preference in terms of granting one share two votes at the General Meeting of the Company), and thus this preference - in accordance with the provision contained in Article 352, second sentence of the Commercial Companies Code - expired.

As a result of the conversion, the current structure of the share capital regarding shares designated as Series A Shares is as follows:

- 1,350,000 registered preferred shares Series A, which are entitled to a preference regarding voting rights in such a way that one share is entitled to two votes at the General Meeting of the Company, with a nominal value of PLN 0.10 each, with a total nominal value of PLN 135,000, numbered: from A-0000001 to A-1350000,
- 2,255,000 ordinary bearer shares Series A with a nominal value of PLN 0.10 each, with a total nominal value of PLN 225,500. As a result of the conversion, the current structure of the share capital regarding shares designated as Series C1 Shares is as follows:
- 10,000 registered preferred shares Series C1, which are entitled to a preference regarding voting rights in such a way that one share is entitled to two votes at the General Meeting of the Company, with a nominal value of PLN 0.10 each, with a total nominal value of PLN 1,000, numbered: from C-1780001 to C-1790000,
- 210,000 ordinary bearer shares Series C1 with a nominal value of PLN 0.10 each, with a total nominal value of PLN 21,000.

Before the aforementioned conversion, the Issuer's share capital amounted to PLN 1,455,200 (one million four hundred fifty-five thousand two hundred zloty), consisting of 14,552,000 (fourteen million five hundred fifty-two thousand) shares, and the total number of votes at the Company's General Meeting was 18,377,000 (eighteen million three hundred seventy-seven thousand).

After the aforementioned conversion, the Issuer's share capital and the number of shares comprising it remained unchanged, amounting to PLN 1,455,200 (one million four hundred fifty-five thousand two hundred zloty), consisting of 14,552,000 (fourteen million five hundred fifty-two thousand) shares. However, the total number of votes at the Company's General Meeting changed and currently stands at 15,912,000 (fifteen million nine hundred twelve thousand) votes.

In the opinion of the Parent Company's Management Board, no other significant events, apart from the above, occurred between the balance sheet date and the date of approval of this report for publication (April 17, 2025) that were not already included in the financial statements.

11. INFORMATION ABOUT THE AUDITING FIRM – THE ENTITY AUTHORIZED TO AUDIT FINANCIAL STATEMENTS

Entity authorized to audit financial statements, conducting a review and audit of the Company's financial statements for the financial year 2023 (statutory audit and voluntary audit)

Review and statutory audit of the Company's financial statements

On June 14, 2022, the Supervisory Board of the Company, acting as the body responsible for selecting the audit firm and statutory auditor (as defined in § 1 section 1 of the "Policy for the selection of an audit firm to conduct the audit and review of financial statements in Rainbow Tours Spółka Akcyjna," hereinafter the "Policy"), made a decision regarding the audit and review of the Company's and the Capital Group's financial statements. This selection was made by the Supervisory Board Resolution No. 5/06/2022 dated June 14, 2022, in accordance with § 22 letter d) of the Company's Articles of Association and § 3 section 5 item 3) of the Regulations of the Supervisory Board, as well as considering § 10 section 2 and section 5 of the "Procedures for selecting an audit firm to audit and review the financial statements of Rainbow Tours Spółka Akcyjna" (hereinafter the "Procedure").

This decision followed the Supervisory Board's review of the "Recommendation of the Audit Committee to the Supervisory Board of Rainbow Tours Spółka Akcyjna regarding the proposal to select an audit firm to conduct an audit and review of the financial statements of the Company and the Rainbow Tours Capital Group," as part of the statutory auditor/audit firm appointment process outlined in the Policy and Procedure.

As a result, the Supervisory Board selected an audit firm to conduct the review and statutory audit of both the individual financial statements of Rainbow Tours Spółka Akcyjna and the consolidated financial statements of the Rainbow Tours Capital Group for three consecutive financial years, specifically for the periods of 2022, 2023, and 2024. This included the review and audit of the following financial statements for the financial year 2023:

a) The review of the separate financial statements of Rainbow Tours Spółka Akcyjna for the first half of 2023, covering the period from January 1, 2023, to June 30, 2023, and prepared as of June 30, 2023.
b) The review of the consolidated financial statements of the Rainbow Tours Capital Group for the first half of 2023, covering the period from January 1, 2023, to June 30, 2023, and prepared as of June 30, 2023.
c) The audit of the separate financial statements of Rainbow Tours Spółka Akcyjna for the financial year 2023, covering the period from January 1, 2023, to December 31, 2023, and prepared as of December 31, 2023.
d) The audit of the consolidated financial statements of the Rainbow Tours Capital Group for the financial year 2023, covering the period from January 1, 2023, to December 31, 2023, and prepared as of December 31, 2023.

and additionally

e) the assessment of the report on the remuneration of the Management Board and Supervisory Board of the Company for 2023.

The Supervisory Board then decided to entrust these audit activities to the following entity:

Name (Business name) of the entity:	**BDO limited liability company sp.k.** **(formerly: BDO Sp. z o. o.)**
Registered office address:	02-676 Warsaw, 12 Postępu St.
Registration details:	A company registered in the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, under KRS number: 0000729684
MR. No.:	Entity entered on the "List of audit firms" kept by the Polish Audit Oversight Agency under number 3355

The selection of BDO limited liability company sp.k. as the audit firm followed the procedure outlined in § 5 section 1 of the Company's internal guidelines. The Audit Committee of the Supervisory Board decided against a formal tender process (as per § 4 section 1), based on a positive assessment of their previous collaboration with BDO Spółka z ograniczoną odpowiedzialnością Spółka komandytowa, who had audited the Company's financial statements in prior years. This extension of the contract was contingent on adhering to the mandatory rotation rules, cooling-off periods, and contract duration limits stipulated by the Act on Statutory Auditors, Regulation (EU) No 537/2014, the Accounting Act, and the Company's relevant policy.

During their assessment of BDO Spółka z ograniczoną odpowiedzialnością Sp. k., the Supervisory Board considered various factors, including the findings and conclusions in the 2021 annual report of the Polish Audit Oversight Agency (formerly the Audit Oversight Commission), which they accessed on June 14, 2022.

Following this decision, and in compliance with Article 66 section 5 of the Accounting Act, the Supervisory Board authorized the Management Board to finalize the necessary agreements with BDO Spółka z ograniczoną odpowiedzialnością Spółka komandytowa for the review and audit of both the individual and consolidated financial statements. These agreements were signed on August 22, 2022.

Voluntary audit of the Company's financial statements

In connection with the Management Board's decision to initiate the process of paying an advance dividend to Shareholders from the Company's net profit achieved between the end of the previous financial year and March 31, 2023 (Management Board Resolution No. 1/05/23 dated May 22, 2023, and subsequent resolutions including Management Board Resolution No. 1/07/23 dated July 13, 2023, and Supervisory Board Resolution No. 14/07/2023 dated July 14, 2023), the Supervisory Board of the Company (Resolution No. 3/05/2023 dated May 23, 2023) – acting as the body responsible for selecting the audit firm and statutory auditor as per § 1 section 1 of the "Policy for the selection of an audit firm to conduct the audit and review of financial statements in Rainbow Tours Joint-Stock Company" – decided to select an audit firm for a voluntary audit of the separate financial statements of Rainbow Tours Spółka Akcyjna for the three-month period ended March 31, 2023. This voluntary audit was specifically for the purpose of paying an advance dividend to the Company's Shareholders.

The Supervisory Board entrusted this voluntary audit, which is not a statutory audit under the Act of May 11, 2017, on statutory auditors, audit firms, and public supervision, to **BDO Spółka z ograniczoną odpowiedzialnością Spółka komandytowa**, with its registered office in Warsaw (02-676 Warsaw, ul. Postępu 12), registered under KRS number 0000729684 and listed on the Polish Audit Oversight Agency's register under number 3355.

This selection was made through the procedure outlined in § 5 section 1 of the applicable "Procedure," which was applied accordingly to this voluntary audit. The Audit Committee of the Supervisory Board decided to waive the formal tender process (as per § 4 section 1), based on an analysis of the existing cooperation with BDO Spółka z ograniczoną odpowiedzialnością Spółka komandytowa, the firm already conducting the statutory audits and reviews for the Company and the Capital Group (under a separate agreement dated August 22, 2022, for the financial years 2022, 2023, and 2024). The decision was to entrust BDO with this voluntary audit of the Company's separate financial statements for the three-month period ended March 31, 2023 (i.e., the first quarter of 2023) for the advance dividend payment. The relevant agreement for these audit services was signed between the Company and BDO on June 14, 2023.

In addition, in connection with the decision made by the Management Board of the Company to initiate the processes of preparing and executing payments to the Shareholders of the **second Company advance payments towards the expected dividend at the end of the 2023 financial year from the Company's net profit achieved from the end of the previous financial year to 30/09/2023.** In addition, the Management Board of the Company decided to initiate the processes for preparing and executing the payment of **a second advance dividend to the Shareholders. This second advance would be drawn from the Company's net profit generated between the end of the previous financial year and September 30, 2023.**

(Resolution No. 1/10/23 of the Management Board of the Company dated October 3, 2023 *on the commencement of the process of preparing and implementing the payment to the Company's Shareholders of the second advance payment on account of the expected dividend from the Company's net profit for 2023* and subsequent resolutions: resolution No. 2/12/23 of the Company's Management Board dated December 13, 2023 *on the payment to the Company's Shareholders of the second advance payment towards the expected dividend at the end of the 2023 financial year from the Company's net profit achieved from the end of the previous financial year to September 30, 2023* and resolution No. 1/12/2023 of the Company's Supervisory Board dated December 14, 2023 *on the Supervisory Board's consent to the payment by the Company's Management Board to the Shareholders of the second advance payment towards the expected dividend at the end of the 2023 financial year from the Company's net profit achieved from the end of the previous financial year to September 30, 2023*) - the Supervisory Board of the Company (by virtue of the provisions of resolution No. 1/10/2023 dated October 4, 2023), as the body selecting the audit firm and a certified auditor to conduct the audits and reviews referred to in § 1 sec. 1 of the "Policy for selecting an audit firm to conduct the audit and review of financial statements in Rainbow Tours Spółka Akcyjna", i.e. a body other than the body referred to in art. 66 sec. 4 of the Act of 29 September 1994 on Accounting, which is not the body approving the entity's financial statements, acting on the basis of the provisions of § 22 letter d) of the Company's Articles of Association and § 3 sec. 5 item 3) of the Regulations of the Supervisory Board, as well as taking into account the provisions of § 10 sec. 2 and sec. 5 "Procedures for selecting an audit firm to audit and review the financial statements of Rainbow Tours Spółka Akcyjna" decided - after the Supervisory Board had reviewed the "Recommendation of the Audit Committee to the Supervisory Board of Rainbow Tours Spółka Akcyjna regarding the proposal to select an audit firm to conduct a voluntary audit of the separate financial statements of Rainbow Tours Spółka Akcyjna for the nine-month period ended on 30 September 2023". as part of the process of appointing a statutory auditor/audit firm provided for in the Policy and Procedure - select an audit firm to conduct a voluntary audit of the separate financial statements of Rainbow Tours Spółka Akcyjna for the nine-month period ended on 30 September 2023 for the purposes of paying the Company's Shareholders an advance payment on account of the dividend expected at the end of 2023 and decided to entrust the performance of this voluntary audit, i.e. not being a statutory audit within the meaning of the relevant provisions of the Act of 11 May 2017 on statutory auditors, audit firms and public supervision, to the audit firm

BDO Spółka z ograniczoną odpowiedzialnością Spółka komandytowa with its registered office in Warsaw (address: 02-676 Warsaw, ul. Postępu 12), registered in the register of entrepreneurs maintained by the District Court for the capital city of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, under KRS number: 0000729684, entered on the list of audit firms maintained by the Polish Audit Oversight Agency (PANA) under number 3355. The subject selection of the audit firm was carried out in the selection procedure provided for in § 5 sec. 1 of the Procedure, applicable accordingly to the voluntary audit, on the basis of which the Audit Committee of the Supervisory Board of the Company decided to waive the conduct and implementation of the offering procedure referred to in § 4 sec. 1 Procedures, having analysed the previous cooperation with BDO Spółka z ograniczoną odpowiedzialnością Spółka komandytowa, as the audit firm conducting the audit (including voluntary) of the financial statements in the Company for the previous periods, decided to entrust BDO with the financial audit activities of the voluntary audit in relation to the separate financial statements of the Company for the nine-month period ended on September 30, 2023 (i.e. for the period of three quarters of 2023) for the purposes of paying the Company's Shareholders the second advance payment on the expected dividend to the audit firm that performs the statutory audit and review processes of the financial statements of the Company and the Capital Group in the Company (based on a separately applicable agreement dated August 22, 2022 - for the relevant periods of the financial years 2022, 2023 and 2024). The relevant agreement for the above-mentioned audit services was signed and concluded between the Company and BDO on November 2, 2023.

Following the Management Board's decision to commence the preparation and execution of the second advance dividend payment to the Company's Shareholders from the net profit for 2023 (Resolution No. 1/10/23 dated October 3, 2023, and subsequent resolutions: No. 2/12/23 dated December 13, 2023, and Supervisory Board Resolution No. 1/12/2023 dated December 14, 2023), the Supervisory Board of the Company (pursuant to Resolution No. 1/10/2023 dated October 4, 2023), in its capacity as the body responsible for selecting the audit firm and certified auditor for audits and reviews as outlined in § 1 section 1 of the "Policy for selecting an audit firm to conduct the audit and review of financial statements in Rainbow Tours Spółka Akcyjna" (a body distinct from the one referred to in Article 66 section 4 of the Act of September 29, 1994, on Accounting, and not the body approving the entity's financial statements), acting in accordance with § 22 letter d) of the Company's Articles of Association and § 3 section 5 item 3) of the Regulations of the Supervisory Board, and considering § 10 section 2 and section 5 of the "Procedures for selecting an audit firm to audit and review the financial statements of Rainbow Tours Spółka Akcyjna," made a decision.

After reviewing the "Recommendation of the Audit Committee to the Supervisory Board of Rainbow Tours Spółka Akcyjna regarding the proposal to select an audit firm to conduct a voluntary audit of the separate financial statements of Rainbow Tours Spółka Akcyjna for the nine-month period ended on 30 September 2023," as part of the process for appointing a statutory auditor/audit firm stipulated in the Policy and Procedure, the Supervisory Board decided to select an audit firm to conduct a voluntary audit of the separate financial statements of Rainbow Tours Spółka Akcyjna for the nine-month period ended September 30, 2023. This audit was for the purpose of facilitating the payment of the second advance dividend to the Company's Shareholders from the anticipated profit for 2023.

The Supervisory Board resolved to entrust the performance of this voluntary audit, which is not a statutory audit as defined by the Act of May 11, 2017, on statutory auditors, audit firms, and public supervision, to **BDO Spółka z ograniczoną odpowiedzialnością Spółka komandytowa**, with its registered office in Warsaw (address: 02-676 Warsaw, ul. Postępu 12), registered under KRS number 0000729684 and listed on the Polish Audit Oversight Agency's register under number 3355.

The selection of this audit firm was conducted under the selection procedure detailed in § 5 section 1 of the Procedure, applied mutatis mutandis to the voluntary audit. Based on this, the Audit Committee of the Supervisory Board decided to waive the formal offering procedure outlined in § 4 section 1 of the Procedures. This decision was made after analysing the existing collaboration with BDO Spółka z ograniczoną odpowiedzialnością Spółka komandytowa, the audit firm that had been conducting audits (including voluntary ones) of the Company's financial statements in previous periods. Consequently, BDO was entrusted with the financial audit activities for the voluntary audit of the Company's separate financial statements for the nine-month period ended September 30, 2023 (i.e., the first three quarters of 2023) to facilitate the second advance dividend payment to Shareholders. This was given to the same audit firm that performs the statutory audit and review processes for the financial statements of the Company and the Capital Group (based on a separate agreement dated August 22, 2022, for the relevant periods of the financial years 2022, 2023, and 2024). The relevant agreement for these audit services was signed and concluded between the Company and BDO on November 2, 2023.

Up to the date of approval of this report for publication, BDO Spółka z ograniczoną odpowiedzialnością Sp. k. provided the Company with the following services pertaining to the 2023 financial year:

- Conducted a review of the condensed interim separate financial statements of Rainbow Tours SA for the six-month period from January 1, 2023, to June 30, 2023.
- Conducted a review of the condensed interim consolidated financial statements of the Rainbow Tours Capital Group for the six-month period from January 1, 2023, to June 30, 2023.

- Conducted a voluntary audit of the Company's separate financial statements for the three-month period ended March 31, 2023 (i.e., the first quarter of 2023) for the purpose of paying an advance dividend to the Company's Shareholders from the anticipated net profit for 2023.
- Conducted a voluntary audit of the Company's separate financial statements for the nine-month period ended September 30, 2023 (i.e., the first three quarters of 2023) for the purpose of paying the second advance dividend to the Company's Shareholders from the anticipated net profit for 2023.
- Conducted a preliminary audit of the separate financial statements for 2023.
- Carried out a statutory audit of the Company's separate financial statements for the financial year 2023, covering the period from January 1, 2023, to December 31, 2023, and prepared as of December 31, 2023.
- Carried out a statutory audit of the consolidated financial statements of the Rainbow Tours Capital Group for the financial year 2023, covering the period from January 1, 2023, to December 31, 2023, and prepared as of December 31, 2023.

Entity's remuneration for services provided for 2023:

- for the review of the separate and consolidated financial statements for the first half of 2023 – a total of PLN 115 thousand net,
- for the voluntary audit of the separate report for the three-month period ended on 31 March 2023 (Q1 2023) for the purposes of paying the Company's Shareholders an advance on the expected dividend from the net profit for 2023 – PLN 65 thousand net,
- for the voluntary audit of the separate report for the nine-month period ended 30 September 2023 (three quarters of 2023) for the purposes of paying the Company's Shareholders the second advance payment on the expected dividend from the net profit for 2023 – PLN 66 thousand net,
- for the audit of the annual separate financial statements for 2023 – PLN 128 thousand net,
- for the audit of the annual consolidated financial statements for 2023 together with an assurance service (assessment of compliance of the annual financial statements and the annual consolidated financial statements prepared in the Single European Reporting Format - ESEF/XBRL format - with the requirements of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards for the specifications of the single electronic reporting format) - PLN 62.5 thousand net.

- For the review of the separate and consolidated financial statements for the first half of 2023: PLN 115,000, net
- For the voluntary audit of the separate report for the three-month period ended March 31, 2023 (Q1 2023) for the purpose of paying an advance dividend: PLN 65,000, net
- For the voluntary audit of the separate report for the nine-month period ended September 30, 2023 (three quarters of 2023) for the purpose of paying the second advance dividend: PLN 66,000, net
- For the audit of the annual separate financial statements for 2023: PLN 128,000, net
- For the audit of the annual consolidated financial statements for 2023, including the assurance service for ESEF/XBRL format compliance: PLN 62,500, net

Total value of services for 2023 (net): PLN 436,500

In 2023, the audit firm responsible for reviewing and auditing the Company's financial statements, BDO Spółka z ograniczoną odpowiedzialnością Sp. k., did not provide any services to the Company other than those listed above. No other permissible non-audit services were provided by the audit firm during this period.

<u>Entity authorized to audit and review financial statements for the financial year 2024 (statutory and voluntary audits):</u>

<u>Review and statutory audit of the Company's financial statements</u>

On June 14, 2022, the Supervisory Board of the Company, acting as the body responsible for selecting the audit firm and statutory auditor (as defined in § 1 section 1 of the "Policy for the selection of an audit firm to conduct the audit and review of financial statements in Rainbow Tours Spółka Akcyjna," hereinafter the "Policy"), made a decision regarding the audit and review of the Company's and the Capital Group's financial statements. This selection was made by the Supervisory Board Resolution No. 5/06/2022 dated June 14, 2022, in accordance with § 22 letter d) of the Company's Articles of Association and § 3 section 5 item 3) of the Regulations of the Supervisory Board, as well as considering § 10 section 2 and section 5 of the "Procedures for selecting an audit firm to audit and review the financial statements of Rainbow Tours Spółka Akcyjna" (hereinafter the "Procedure").

This decision followed the Supervisory Board's review of the "Recommendation of the Audit Committee to the Supervisory Board of Rainbow Tours Spółka Akcyjna regarding the proposal to select an audit firm to conduct an audit and review of the financial statements of the Company and the Rainbow Tours Capital Group," as part of the statutory auditor/audit firm appointment process outlined in the Policy and Procedure.

As a result, the Supervisory Board selected an audit firm to conduct the review and statutory audit of both the individual financial statements of Rainbow Tours Spółka Akcyjna and the consolidated financial statements of the Rainbow Tours Capital Group for three consecutive financial years, specifically for the periods of 2022, 2023, and 2024. This included the review and audit of the following financial statements for the financial year 2024:

a) The review of the separate financial statements of Rainbow Tours Spółka Akcyjna for the first half of 2024, covering the period from January 1, 2024, to June 30, 2024, and prepared as of June 30, 2024.

b) The review of the consolidated financial statements of the Rainbow Tours Capital Group for the first half of 2024, covering the period from January 1, 2024, to June 30, 2024, and prepared as of June 30, 2024.

c) The audit of the separate financial statements of Rainbow Tours Spółka Akcyjna for the financial year 2024, covering the period from January 1, 2024, to December 31, 2024, and prepared as of December 31, 2024.

d) The audit of the consolidated financial statements of the Rainbow Tours Capital Group for the financial year 2024, covering the period from January 1, 2024, to December 31, 2024, and prepared as of December 31, 2024.

e) Additionally, the assessment of the report on the remuneration of the Management Board and Supervisory Board of the Company for 2024.

and decided to entrust the aforementioned audit activities to the following entity:

Name (business name) of the entity:	**BDO limited liability company sp.k.** **(formerly: BDO Sp. z o. o.)**
Registered office address:	02-676 Warsaw, 12 Postępu St.
Registration details:	A company registered in the register of entrepreneurs maintained by the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, under KRS number: 0000729684
MR. No.:	Entity entered on the "List of audit firms" kept by the Polish Audit Agency under number 3355.

The selection of BDO limited liability company sp.k. as the audit firm was made following the selection procedure outlined in § 5 section 1 of the internal regulations. Based on this, the Audit Committee of the Supervisory Board of Rainbow Tours decided to waive the tender procedure mentioned in § 4 section 1. This decision was taken after analysing the successful past cooperation with BDO Spółka z ograniczoną odpowiedzialnością Spółka komandytowa, the firm that had previously audited the Company's financial statements. The Audit Committee resolved to extend the contract with BDO, ensuring compliance with the mandatory rotation requirements for audit firms and statutory auditors, including grace periods and contract duration limits, as stipulated by the Act on Statutory Auditors, Regulation (EU) No 537/2014, the Accounting Act, and the Company's relevant Policy.

During the assessment of BDO Spółka z ograniczoną odpowiedzialnością Sp. k., the Supervisory Board considered various factors, including the findings and conclusions presented in the annual report of the Audit Oversight Commission (now the Polish Audit Oversight Agency), as referred to in Article 90 section 5 of the Act on Statutory Auditors. Specifically, they reviewed the Report of the Polish Audit Oversight Agency for 2021, which was downloaded on June 14, 2022, from the Agency's website.

In connection with this selection, and in accordance with Article 66 section 5 of the Accounting Act, the Supervisory Board of the Company authorized and instructed the Management Board (as the entity's management) to enter into the necessary agreement(s) with BDO Spółka z ograniczoną odpowiedzialnością Spółka komandytowa regarding the review and audit of the financial statements (both individual and consolidated). The agreement was subsequently concluded on August 22, 2022.

Voluntary audit of the Company's financial statements

In response to the Management Board's decision to initiate the process for paying an advance dividend to the Shareholders from the Company's net profit for 2024 (Resolution No. 1/09/24 dated September 3, 2024, and subsequent resolutions: No. 2/10/24 dated October 15, 2024, and Supervisory Board Resolution No. 2/10/2024 dated October 16, 2024), the Supervisory Board of the Company (pursuant to Resolution No. 3/09/2024 dated September 5, 2024) – acting as the body responsible for selecting the audit firm and statutory auditor as per § 1 section 1 of the "Policy for the selection of an audit firm to conduct the audit and review of financial statements in Rainbow Tours Joint-Stock Company" – decided to select an audit firm for a voluntary audit of the separate financial statements of Rainbow Tours Spółka Akcyjna for the six-month period ended June 30, 2024. This voluntary audit was specifically for the purpose of paying an advance dividend to the Company's Shareholders.

In response to the Management Board's decision to initiate the process for paying an advance dividend to the Shareholders from the Company's net profit for 2024 (Resolution No. 1/09/24 dated September 3, 2024, and subsequent resolutions: No. 2/10/24 dated October 15, 2024, and Supervisory Board Resolution No. 2/10/2024 dated October 16, 2024), the Supervisory Board of the Company (pursuant to Resolution No. 3/09/2024 dated September 5, 2024) – acting as the body responsible for selecting the audit firm and statutory auditor as per § 1 section 1 of the "Policy for the selection of an audit firm to conduct the audit and review of financial statements in Rainbow Tours Joint-Stock Company" – decided to select an audit firm for a voluntary audit of the separate financial statements of Rainbow Tours Spółka Akcyjna for the six-month period ended June 30, 2024. This voluntary audit was specifically for the purpose of paying an advance dividend to the Company's Shareholders.

The subject selection of the audit firm was carried out in accordance with the selection procedure provided for in § 5 sec. 1 of the Procedure, applicable to the voluntary audit, on the basis of which the Audit Committee of the Supervisory Board of the Company decided to waive the conduct and implementation of the offering procedure referred to in § 4 sec. 1 Procedures, having analysed the previous cooperation with BDO Spółka z ograniczoną odpowiedzialnością Spółka komandytowa, as the audit firm auditing the financial statements of the Company for the previous periods, decided to entrust BDO with the financial audit of the voluntary audit of the Company's separate financial statements for the six-month period ended on June 30, 2024 (i.e. for the first half of 2024) for the purposes of paying the Company's Shareholders an advance payment on the expected dividend to the audit firm that performs the statutory audit and review processes of the Company's and the Capital Group's financial statements in the Company (based on the currently applicable agreement of August 22, 2022 - for the relevant periods of the financial years 2022, 2023 and 2024). The relevant agreement for the above-mentioned audit services was signed and concluded between the Company and BDO on 13 September 2024.

Sustainability reporting

In light of the new requirements for sustainability reporting based on the European Sustainability Reporting Standards (ESRS), introduced by Delegated Regulation (EU) 2023/2772, and stemming from Directive (EU) 2022/2464 (the Corporate Sustainability Reporting Directive or "CSRD Directive"), as well as the amendments to the Act of September 29, 1994, on Accounting (specifically Chapter 6c, "Sustainable development reporting," Article 63p et seq.) implementing the CSRD Directive, the Company was obligated under the relevant provisions of the Act on Accounting to present and include a separate report on sustainable development for the Rainbow Tours Capital Group within the Management Board's report on the activities of the Company and the Group for the year 2024.

The Supervisory Board of the Company (pursuant to Resolution No. 4/09/2024 dated September 5, 2024), acting as a body other than the one referred to in Article 66 section 4 of the Act of September 29, 1994, on Accounting (and not the body approving the entity's financial statements), and operating under § 22 letter d) of the Company's Articles of Association and § 3 section 5 item 3) of the Regulations of the Supervisory Board, and also taking into account the provisions of the following European Union legal acts:

- Directive 2022/2464 of the European Parliament and of the Council (EU) of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting,
- Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC (as amended), which establishes rules concerning the statutory audit of annual and consolidated accounts and the assurance of annual and consolidated sustainability reporting,
- Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (as amended) ("Directive 2013/34/EU"),
- Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (as amended)

in the scope related to sustainability reporting (meaning sustainability reporting as defined in Article 2, point 18 of the above-mentioned Directive 2013/34/EU), providing for, among others, for large entities that are public interest entities, the obligation to include in the management report information necessary to understand the entity's impact on sustainability issues and information necessary to understand how sustainability issues affect the entity's development, results and situation (information clearly identifiable in the management report by placing it in a separate section of that report) and, in the scope of mandatory attestation of sustainability reporting (meaning carrying out procedures resulting in the issuance of an opinion by a statutory auditor or an audit firm in accordance with Article 34 paragraph 1, second subparagraph, letter aa and Article 34 paragraph 2 of the above-mentioned Directive 2013/34/EU, i.e. issuing an opinion on the basis of an assurance engagement providing limited assurance on the compliance of sustainability reporting with the applicable requirements), after the Supervisory Board has become familiar with: (i) the offers submitted by audit firms for the performance of financial audit activities within the scope of an assurance engagement concerning the attestation of sustainability reporting; (ii) with the "Recommendation of the Audit Committee to the Supervisory Board of Rainbow Tours Spółka Akcyjna regarding the proposal to select an audit firm to carry out financial audit activities in the scope of the assurance service regarding the assurance of the sustainability reporting of the Company / Rainbow Tours Capital Group for 2024" decided to select an audit firm to carry out financial audit activities in the scope of the assurance service regarding the assurance of the sustainability reporting of the Company / Rainbow Tours Capital Group for 2024 and decided to entrust the above financial audit activities in the scope of the assurance service regarding the assurance of the sustainability reporting of the Company / Rainbow Tours Capital Group for 2024 to the audit firm BDO Spółka z ograniczoną odpowiedzialnością Spółka komandytowa with its registered office in Warsaw ("BDO"). An appropriate agreement for the provision by BDO of an assurance service providing limited assurance on the sustainability reporting of the Capital Group, in which the Company is the parent entity, prepared in accordance with the European Sustainability Reporting Standards (hereinafter referred to as "ESRS") for 2024 was signed and concluded between the Company and BDO on November 8, 2024.

in the context of sustainability reporting (defined in Article 2, point 18 of Directive 2013/34/EU), which mandates, among other things, that large public-interest entities include information in their management report necessary to understand the entity's impact on sustainability matters and how sustainability issues affect the entity's development, performance, and position (this information must be clearly identifiable in a separate section of the management report), and in the context of the mandatory attestation of sustainability reporting (involving procedures leading to an opinion from a statutory auditor or audit firm in accordance with Article 34 paragraph 1, second subparagraph, letter aa and Article 34 paragraph 2 of Directive 2013/34/EU, specifically an opinion based on a limited assurance engagement regarding the compliance of sustainability reporting with applicable requirements), the Supervisory Board, after reviewing: (i) the offers submitted by audit firms for financial audit activities related to the assurance of sustainability reporting attestation; and (ii) the "Recommendation of the Audit Committee to the Supervisory Board of Rainbow Tours Spółka Akcyjna regarding the proposal to select an audit firm to carry out financial audit activities in the scope of the assurance service regarding the assurance of the sustainability reporting of the Company / Rainbow Tours Capital Group for 2024," decided to select an audit firm to perform financial audit activities for the assurance of the sustainability reporting of the Company / Rainbow Tours Capital Group for 2024.

The Supervisory Board resolved to entrust these financial audit activities for the limited assurance of the sustainability reporting of the Company / Rainbow Tours Capital Group for 2024 to the audit firm BDO Spółka z ograniczoną odpowiedzialnością Spółka komandytowa with its registered office in Warsaw ("BDO"). A suitable agreement for BDO to provide limited assurance services on the sustainability reporting of the Capital Group, in which the Company is the parent entity, prepared in accordance with the European Sustainability Reporting Standards (hereinafter referred to as "ESRS") for 2024, was signed and concluded between the Company and BDO on November 8, 2024.

Until the date of approval of this report for publication, BDO Spółka z ograniczoną odpowiedzialnością Sp. k. provided the Company with the following services related to the 2024 financial year:

- Reviewed the condensed interim separate financial statements of Rainbow Tours SA for the six-month period from January 1, 2024, to June 30, 2024.
- Reviewed the condensed interim consolidated financial statements of the Rainbow Tours Capital Group for the six-month period from January 1, 2024, to June 30, 2024.
- Conducted a voluntary audit of the Company's separate financial statements for the six-month period ended June 30, 2024 (i.e., the first half of 2024) for the purpose of paying an advance dividend to the Company's Shareholders from the anticipated net profit for 2024.
- Conducted a preliminary audit of the separate financial statements for 2024.
- Carried out a statutory audit of the Company's separate financial statements for the financial year 2024, covering the period from January 1, 2024, to December 31, 2024, and prepared as of December 31, 2024.
- Carried out a statutory audit of the consolidated financial statements of the Rainbow Tours Capital Group for the financial year 2024, covering the period from January 1, 2024, to December 31, 2024, and prepared as of December 31, 2024.
- Carried out a limited assurance engagement on the sustainability reporting of the Rainbow Tours Capital Group, for which the Company is the parent entity, prepared in accordance with the ESRS for the year 2024.

Entity's remuneration for services provided in 2024:

- For the review of the separate and consolidated financial statements for the first half of 2024: PLN 100,000 net

- For the voluntary audit of the separate report for the six-month period ended June 30, 2024 (H1 2024) for the purpose of paying an advance dividend: PLN 85,000 net
- For the audit of the annual separate financial statements for 2024: PLN 128,000 net
- For the audit of the annual consolidated financial statements for 2024, including the assurance service for compliance with the ESEF/XBRL format: PLN 62,500 net
- For the attestation of the sustainable development reporting of the Rainbow Tours Capital Group (ESRS): PLN 160,000 net

Total value of services for 2024 (net): PLN 535.5 thousand.

In 2024, the audit firm responsible for reviewing and auditing the Company's financial statements, BDO Spółka z ograniczoną odpowiedzialnością Sp. k., did not provide any services to the Company beyond those detailed above. Specifically, no other permissible non-audit services were rendered by the audit firm during this period.

12. APPROVAL FOR PUBLICATION

This report was approved for publication on 17 April 2025.

Management Board of Rainbow Tours Spółka Akcyjna / Persons responsible for maintaining accounting records:

Łódź, April 17, 2025

Maciej Szczechura President of the Management Board	Piotr Burwicz Vice President of the Management Board	Jakub Puchałka Vice President of the Management Board	Aleksandra Piwko-Susik Member of the Management Board