



TRADING UPDATE

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

The Company issues a trading update for the period ended 30 September 2021.

Trading environment

The Group has remained in a strong trading position despite business interruptions due to COVID-19 induced lockdowns. The Group continued to navigate the current realities as thrust upon our operating environment by the COVID-19 pandemic. A dogged focus on costs as complemented by speed in exploiting emerging revenue opportunities enabled the Company to register strong performance in the quarter. The Group managed to access foreign currency through the auction system thereby easing the burden on some of its foreign currency requirements.

Performance review

The Group experienced increased volumes during the quarter under review compared to the same quarter in 2020.

Hotels

Occupancies for the hotels division closed at 24%, a percentage point improvement from prior year occupancies of 23%. The tightened level 4 lockdown restrictions in July and August affected the business operations during the third quarter. During this period, restrictions on intercity travel and gatherings affected the business, particularly conferencing activities. This is in contrast to the second quarter which experienced better business volumes due to the near-to-normal trading conditions under level 2 lockdowns.

Gateway Stream

The Gateway Stream division has continued to act as a critical anchor to the business during the COVID-19 period. Gateway Stream's various channels have experienced increased volumes during the third quarter compared to all other quarters during the year, with its business volumes growing 55% above the comparative quarter in 2020. Notable performance was recorded under Gateway Stream rooms (hotel rooms not owned by RTG) which sold rooms equivalent of 30% of the total RTG hotel rooms sold during the third quarter of 2021. Other channels such as groceries, music and hardware have continued to record significantly increased volumes.

Heritage Expeditions Africa

Heritage Expeditions Africa's performance during the period was largely affected by the lockdowns. The performance of the business mirrored the hotel business. The Group will continue to capacitate the business to take advantage of the increasing domestic tourism.

Impact and Management of COVID-19

The COVID-19 pandemic continued to have an impact on the Group's performance for the period ended 30 September 2021. The Group continues to review its financing, capital investment and working capital models as part of its business continuity plans. We believe that with just one and half months to year-end 2021, the Group's performance is now predictable, and we can forecast till the end of the year. We are confident that the impact of the Covid-pandemic and the concomitant lockdown during the remaining part of the year will not have a material negative impact on the Group's financial performance for the year ending 31 December 2021. At present, the financial status of the Group remains healthy, and the impact of COVID-19 has not created any issues from a solvency or liquidity perspective.

Outlook

The Group remains optimistic about the prospects of the tourism industry in the short to medium term. The stability in the operating environment is a positive development that will translate into increased activities. The performance post the relaxation of the lockdown measures has positioned the Group onto a recovery trajectory. International airlines such as British Airways have resumed flights into Victoria Falls with Qatar Airways coming into Harare for the first time. These developments should see growth in activity in Victoria Falls destination.

The Gateway Stream will continue to drive revenue growth going forward. The Group expects to see the full activation of all the twelve Gateway Stream revenue channels.

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Tapiwa Mari
Company Secretary
15 November 2021