



# TRADING UPDATE

## FOR THE PERIOD ENDED 31 MARCH 2022

**The Company issues a trading update for the period ended 31 March 2022.**

### Trading environment

The continued strong performance recorded to date has positioned the Group to close the first quarter on a solid trading position. This was despite the continued local inflationary pressures and exchange rate volatility. The slowdown in the COVID-19 pandemic locally has aided the tourism industry to its recovery path following two years of subdued operations. The Group will continue to pursue innovative revenue generation and cost containment measures to ensure a speedy recovery from the effects of the COVID-19 pandemic.

### Performance review

The Group's inflation adjusted revenues closed the quarter at ZW\$ 1.4 billion, up from ZW\$344 million. The growth was 306% when compared to the same period in 2021. The performance recorded was the best first quarter performance since the outbreak of the COVID-19 pandemic in 2020. Occupancies for the quarter matched the pre-pandemic level of 43% in 2019.

### Hotels

Occupancies for the hotels division closed at 43%, a growth of 3.6 times from the 12% recorded in 2021. The Group also witnessed an increase in conferencing business across the city hotels. The resort hotels have shown a strong recovery during the first quarter of 2022. Improved prospects for travel internationally are expected to consolidate the recovery of the Victoria Falls market.

During the quarter under review, the Group continued to invest in the modernization of its product portfolio. The Group installed a brand new guest elevator at New Ambassador Hotel as well as a brand new service elevator at Rainbow Towers Hotel and Conference Centre. In line with its sustainability and cost reduction objectives, the Company has also rolled-out a 300 megawatt solar plant at Kadoma Hotel and Conference Centre.

### Gateway Stream

The Group's technology platform, Gateway Stream has increased its contribution to total revenues to 11% from 5% in 2021. The growth trajectory for Gateway Stream is anticipated to continue through various partnerships that have now been established.

### Heritage Expeditions Africa

Heritage Expeditions Africa has recovered significantly from the effects of the COVID-19 pandemic. To date, the tour operations subsidiary has registered an increased uptake in activities to 1,548 Pax (persons) sold to date up from 470 pax sold during the same period in 2021. Heritage Expeditions Africa is expected to continue on an upward trajectory in 2022 year in line with the expected upsurge in activities in the hotel business.

### Outlook

The Group remains optimistic about the continued recovery of the tourism sector as we approach the tail-end of COVID-19 era. The return of physical international tourism conventions and exhibition is pointing towards the return to normal of international tourism.

The Gateway Stream and Heritage Expedition will continue to drive revenue growth going forward. Through expansion of the two revenue streams, the Group aims to generate increased cashflows as well as consolidate its position as a diversified, tech-driven hospitality entity.

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**Tapiwa Mari**  
**Company Secretary**

