



REVIEWED ABRIDGED CONSOLIDATED GROUP FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

SHORT FORM FINANCIAL ANNOUNCEMENT ISSUED IN TERMS OF
PRACTICE NOTE 13 OF THE ZIMBABWE STOCK EXCHANGE

This short form financial announcement is the responsibility of the Board of Directors which is issued in terms of the Zimbabwe Stock Exchange (ZSE) practice note 13. Its only a summary of information contained in the full announcement and does not contain full or complete details. Any investment decision by Investors and /or shareholders should be based on consideration of the full announcement published on the Zimbabwe Stock Exchange data portal www.zse.co.zw and the Company's website www.rtgafrika.com

A copy of the abridged consolidated financial statements for the year ended 31 December 2023 is upon request, available for inspection at no charge at the registered offices of Rainbow Tourism Group at the office of the Company.

Financial performance

	INFLATION ADJUSTED		% CHANGE	HISTORICAL COST		% CHANGE
	31.12.23	31.12.22		31.12.23	31.12.22	
	ZWL 000	ZWL 000		ZWL 000	ZWL 000	
Revenues	266,327,860	117,704,733	126%	172,388,381	17,283,888	897%
EBITDA	36,873,001	9,495,521	288%	4,218,166	750,520	462%
Profit after tax	27,880,431	4,506,027	519%	8,731,070	225,107	3779%
Cash generated from operations	61,236,078	18,715,396	227%	33,974,641	1,980,153	1616%
Net outflow from investing activities	(36,120,664)	(7,124,031)	407%	(19,297,958)	(816,237)	2264%
Net assets	211,318,726	105,607,766	100%	189,331,470	18,837,238	905%
Total Assets	329,426,566	157,451,718	109%	304,931,935	29,841,883	922%
Basic earnings per share	1,133.56	183.21	519%	354.99	9.15	3780%
Diluted earnings per share	1,133.56	183.21	519%	354.99	9.15	3780%
Basic headline earning per share	1,133.56	183.21	519%	354.99	9.15	3780%
Diluted headline earning per share	1,133.56	183.21	519%	354.99	9.15	3780%

Dividend

At the meeting held on 25 March 2024, the Board resolved to declare the second and final dividend for the year ended 31 December 2023. The dividend is payable to all ordinary shareholders registered in the books of the company. The dividend declared is a blend of Zimbabwe Dollars (ZWS) and United State Dollars (USD). The Zimbabwe Dollars amount is now payable in the new currency Zimbabwe Gold (ZiG). The second and final dividend amounts are US\$260,000.00 (US\$0.000104 per share) and ZiG1,761,331.57 (ZiG0,00071 per share). A separate dividend announcement will be made regarding the payment of the dividend.

Independent Auditors opinion

The abridged audited financial results should be read in conjunction with the complete set of audited consolidated financial statements of Rainbow Tourism Group Limited and its subsidiary for the year ended 31 December 2023 which have been audited by BDO Zimbabwe Chartered Accountants in accordance with International Standards on Auditing. The audit report carries an unmodified opinion and we have included a key audit matter on the valuation of property and equipment. The auditor's report on the consolidated financial statements, which forms the basis of these abridged financial results, is available for inspection at the Group's registered office. The Engagement Partner responsible for the audit is Mr. Martin Makaya (PAAB 0407).



Douglas Hoto
Chairman

25 April 2024

Directors: D.Hoto (Chairman), T. Madziwanyika (CEO), A. Bvumbe, K. Chibota, L. Mabhanga, C. Malaba, D. Mavhembu, N. Mtukwa (FD), G. Taputaira

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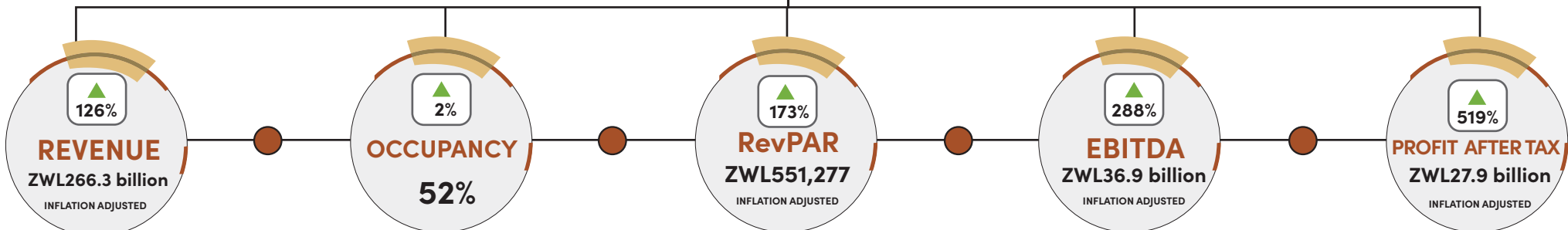


RAINBOW TOURISM GROUP LIMITED

AUDITED ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

PERFORMANCE HIGHLIGHTS



CHAIRMAN'S STATEMENT

1. INTRODUCTION

The Group achieved strong results in the financial year ended 2023, marked by 126% revenue growth. This was driven by conferencing business across the city hotels during the second half of the year. Travel demand remains robust, with Revenue Per Available Room (RevPAR) showing a year-on-year improvement surpassing the pre-Covid pandemic period. The overall occupancy for the year reached 52%, a 2% increase from the 51% reported in 2022. The Group's flagship, the Rainbow Towers Hotel and Conference Centre hosted several large events in 2023 such as the Harmonised National Elections and the International Conference on Aids and STIs in Africa (ICASA).

The operating environment over the past years has cast a shadow on both consumer expenditure and the entire supply chain. The Group remained committed to strengthening the brand and expanding its market presence despite the challenging operating environment.

2. OPERATING ENVIRONMENT

The operating landscape has been persistently challenged by inflation, power cuts and shortage of foreign currency. Our ability to adapt swiftly to these conditions has been pivotal. We have remained agile, continuously refining our business model and leveraging technology to boost operational efficiency and deepen our engagement with customers.

The outlook remains positive. We draw encouragement from the Government of Zimbabwe's focus on infrastructural development, which is fundamental in fostering tourism and enhancing inter-city travel.

3. PERFORMANCE REVIEW

The Group achieved total revenues for the year ended 31 December 2023 of ZWL266.3 billion, a 126% growth on revenue generated in the prior comparative period of ZWL117.7 billion. This performance comprises of:

- rooms revenue growth of 281% to ZWL106.4 billion (2022: ZWL27.9 billion),
- food and beverage revenue growth of 81% to ZWL139.2 billion (2022: ZWL 76.9 billion) and,

- other revenues income growth of 61% to ZWL20.7 billion (2022: ZWL12.9 billion).

During the period under review, the Group witnessed substantial increase in foreign currency business. The increase was driven by regional and international business which together grew by 129%. Resort hotels experienced a notable performance improvement, with occupancy increasing by 44% to 52% in 2023 from 36% in 2022. City hotels, despite recording increased revenues, posted lower occupancy, primarily due to the reduced amount of business activity during the first half of the year.

The Group maintained its gross profit margin at 72% over the past two years which is within the industry benchmarks. The gross margins were achieved despite a year-on-year inflation rate of 314% as of 31 December 2023. The gross margins were sustained through rigorous cost reduction initiatives aimed at mitigating the effects of escalating market prices and unstable foreign currency exchange rates.

During the year under review, the Group achieved an Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) of ZWL36.9 billion, marking a 288% increase from the ZWL9.5 billion recorded in 2022. This growth in EBITDA was primarily fueled by cost-saving initiatives and an increase in revenues.

The Group's financial position remains strong, with the current ratio improving to 1.19 from 1.01 in 2022. This improvement is attributable to prudent cash flow management, reflecting the Group's commitment to maintaining a strong financial footing.

4. SUSTAINABILITY AND CORPORATE SOCIAL INVESTMENT

I am delighted to share our continued commitment to responsible business practices. RTG, as a major player in the hospitality industry, recognizes that it has a responsibility to protect the environment and contribute positively to the communities it serves.

The company launched an afforestation and re-forestation program under the theme "A tree for every room" where a total of 6,000 trees were planted at ten schools in Kadoma. This was in partnership with the Forestry Commission of Zimbabwe. This initiative goes beyond off-setting direct carbon footprint; as it builds a culture of environmental mindfulness, provides protection of infrastructure through the creation of wind breaks, actively restores natural habitats, supports biodiversity and empowers communities. The program will be rolled out in schools and communities in all the regions where RTG operates.

I am pleased to report that the 300kva solar plant at Kadoma Hotel and Conference Centre has reduced the overall hydro generated electricity consumption by an average of 40%. This marks a significant milestone towards greening the hotel and is also proof of concept for future similar projects.

RTG hosted the annual environmental reporter of the year awards to promote the coverage of climate change and human impact on the environment to create awareness and behavioural change. A total of ten journalists received awards for various story categories and media channels. RTG has been hosting these awards for the past 24 years.

5. DIVIDEND

At the meeting held on 25 March 2024, the Board resolved to declare the second and final dividend for the year ended 31 December 2023. The dividend is payable to all ordinary shareholders registered in the books of the Company. The dividend declared is a blend of Zimbabwe Dollars (ZWL) and United State Dollars (USD). The Zimbabwe Dollars amount is now payable in the new currency Zimbabwe Gold (ZiG). The second and final dividend amounts are US\$260,000.00 (US\$0.000104 per share) and ZiG1,761,331.57 (ZiG0.00071 per share). A separate dividend announcement will be made regarding the payment of the dividend.

6. OUTLOOK

Forecasts for 2024 indicate a robust revenue performance driven by the recovery of regional and international business. Domestic business has proved to be consistent post-Covid 19 pandemic and is anticipated to grow driven by the national infrastructure development projects being rolled out by the Government of Zimbabwe. The Group can reap significant benefits from the growth of leisure tourism in the Victoria Falls market and from national conferencing activities. Volumes are projected to improve for city hotels accommodation and conferencing activities.

The Company will explore collaborations with partners to unlock shareholder value, leveraging strategic alliances and innovative partnerships to drive sustainable growth and enhance its competitive position in the market.

7. ACKNOWLEDGEMENTS

On behalf of the Board, I would like to thank all RTG customers and business partners for their invaluable support. I also extend my gratitude to my fellow members of the Board of Directors and members of staff for their dedication, professionalism, and determination to succeed.

Together, we will continue to innovate and seize the opportunities available to us to create sustainable value for all stakeholders.



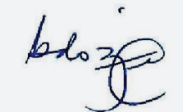
D. HOTO
CHAIRMAN
25 April 2024

AUDITED ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

Notes	INFLATION ADJUSTED			HISTORICAL COST		
	31 December 2023	31 December 2022	1 January 2022	31 December 2023	31 December 2022	1 January 2022
	ZWL	RESTATED ZWL	RESTATED ZWL	ZWL	RESTATED ZWL	RESTATED ZWL
ASSETS						
Non current assets						
Property and equipment	4	268 351 971 022	129 200 868 515	60 417 786 416	256 199 325 709	24 661 271 045
Intangible assets	5	548 723 210	830 073 648	323 281 727	548 723 210	172 932 010
Right of use assets	7	1 135 615 904	1 135 841 134	1 136 610 416	1 323 701	1 411 948
		270 036 310 136	131 166 783 297	61 877 678 559	256 749 372 620	24 835 615 003
Current assets						
Inventories	9	18 428 076 530	5 017 817 110	1 464 504 842	7 220 383 649	575 618 852
Trade and other receivables	10	19 330 853 741	18 829 231 177	10 673 407 974	19 330 853 741	3 922 756 496
Financial assets		8 581 932 697	2 625 812	2 598 917	8 581 932 697	547 044
Cash and bank balances	11	13 049 392 681	2 435 260 316	3 646 656 276	13 049 392 681	507 345 899
		59 390 255 649	26 284 934 415	15 787 168 009	48 182 562 768	5 006 268 291
		329 426 565 785	157 451 717 712	77 664 846 568	304 931 935 388	29 841 883 294
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital		276 050 556	276 050 556	276 050 556	249 550	249 550
Share premium		10 229 546 429	10 229 546 429	10 229 546 429	10 227 505	10 227 505
Revaluation reserve		181 071 386 355	91 959 937 435	52 333 596 113	185 720 754 719	19 537 568 662
Retained earnings		19 741 743 408	3 142 231 087	3 114 919 130	3600 237 810	(710 807 393)
		211 318 726 748	105 607 765 507	65 954 112 228	189 331 469 584	18 837 238 324
		2 795 259 101				
Non Current liabilities						
Lease obligation	7	8 290 561 235	4 639 249 349	2 624 013 981	8 290 561 235	966 494 865
Borrowings	12	2 312 138 626	-	-	2 312 138 626	-
Deferred tax liability	6	56 429 066 830	21 060 239 404	2 674 137 176	53 921 693 597	4 329 407 266
		67 031 766 731	25 699 488 753	5 298 151 157	64 524 393 458	5 295 902 131
		472 379 256				
Current liabilities						
Borrowings		1 156 069 313	-	29 190 861	1 156 069 313	-
Trade and other payables	13	46 242 011 101	24 201 264 055	4 655 981 565	46 242 011 101	5 303 912 019
Tax payable		1 409 843 243	443 691 890	752 189 620	1 409 843 240	92 434 895
Lease liabilities	7	791 826 654	443 091 991	250 618 040	791 826 654	92 309 359
Bank overdraft		1 476 322 035	1 056 415 516	724 603 097	1 476 322 035	220 086 566
		51 076 072 346	26 144 463 452	6 412 583 183	51 076 072 346	5 708 742 839
		1 371 803 491				
		118 107 839 037	51 843 952 205	11 710 734 340	115 600 465 807	11 004 644 970
		1 844 182 747				
Total equity and liabilities		329 426 565 785	157 451 717 712	77 664 846 568	304 931 935 388	29 841 883 294
		4 639 441 848				

INDEPENDENT AUDITORS' REPORT

The abridged audited financial results should be read in conjunction with the complete set of audited consolidated financial statements of Rainbow Tourism Group Limited and its subsidiary for the year ended 31 December 2023 which have been audited by BDO Zimbabwe Chartered Accountants in accordance with International Standards on Auditing. The audit report carries an unmodified opinion and we have included a key audit matter on the valuation of property and equipment. The auditor's report on the consolidated financial statements, which forms the basis of these abridged financial results, is available for inspection at the Group's registered office. The Engagement Partner responsible for the audit is Mr. Martin Makaya (PAAB 0407).



BDO Zimbabwe Chartered Accountants
Per: **Martin Makaya CA (Z)**
Partner
Registered Public Auditor (PAAB Certificate No: 0407)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RAINBOW TOURISM GROUP LIMITED

Opinion

We have audited the consolidated inflation adjusted financial statements of **RAINBOW TOURISM GROUP LIMITED AND ITS SUBSIDIARY ("the Group")** set out on pages 7 to 39, which comprise the consolidated inflation adjusted statement of financial position as at 31 December 2023, inflation adjusted statement of profit or loss and other comprehensive income, inflation adjusted statement of changes in equity and inflation adjusted statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated inflation adjusted financial statements present fairly, in all material aspects, the financial position of **the Group** as at 31 December 2023, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (Parts A and B), together with other ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that in our professional judgment were of most significance in our audit of financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	Audit response
<p>Valuation of property and equipment</p> <p>Property and equipment is valued at ZWL 268,351,971,022 (2022: ZWL 129,200,868,515). A valuation exercise was carried out at year end. The valuation of immovable property and equipment was performed by independent valuers and directors performed the valuation of movable assets respectively who in turn made extensive assumptions and judgements in the process.</p>	<p>The Group applied the requirements of International Financial Reporting Standard (IFRS 13) Fair Value Measurement and International Accounting Standards (IAS 21) Effects of Changes in Exchange Rates. During the audit, we:-</p> <ul style="list-style-type: none"> • Obtained an understanding of the approach followed by the independent valuers and directors through discussions with them.

<p>The determination of the value of property and equipment was considered to be a matter of significance due to the:</p> <ul style="list-style-type: none"> • Inherent subjectivity of the key assumptions and judgements that underpin the process thereon due to the heightened uncertainties in the economic environment. • Subjectivity of the process that involved making a choice of the spot exchange rate to apply in the prevailing economic environment. 	<ul style="list-style-type: none"> • Further evaluated the independent valuers' work by assessing their competence, independence and capabilities with reference to their qualifications and industry experience. • Assessed the work performed by the independent valuers in valuing property and equipment by performing the following: <ul style="list-style-type: none"> a) Reviewed the valuation methods used and assessed whether they are appropriate and consistent with the reporting requirements. b) Evaluated the principles and the integrity of the models used, in accordance with generally accepted valuation methodologies in the economic environment at hand. c) Assessed the inputs in the valuation model for accuracy and completeness. • Further evaluated the directors' work by assessing the system used in the valuation process for movable property and equipment. • Assessed the reasonability of the spot exchange rate used in the valuation process in the context of disparities on available foreign exchange rates. • Reviewed the property and equipment accounting policies and disclosures in the consolidated financial statements for appropriateness and adequacy.
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Other Information

The directors are responsible for other information. The other information comprises the Chairman's Statement, Director's Report, Corporate Governance report and Sustainability Report, which we obtained prior to the date of this report and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the Financial Statements our responsibility is to read the other information and in doing so consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we have obtained prior to the date of the Auditors' Report, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Auditing Standards (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with International Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery intentional omissions, misrepresentations or the override of the internal controls.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal controls.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the company to cease or continue as a going concern.

- Evaluate the overall presentation, structure and content of financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the directing, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on legal and regulatory requirements

The accompanying consolidated inflation adjusted financial statements were prepared in accordance with the requirements of section 273 of the Companies and Other Business Entities Act (Chapter 24:31).



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BDO Zimbabwe Chartered Accountants

Per: Martin Makaya

Partner

Registered Public Auditor

PAAB Certificate No :0407

Kudenga House
3 Baines Avenue
Harare

25 April 2024