



TRADING UPDATE

FOR THE PERIOD ENDED 31 MARCH 2025

Rainbow Tourism Group Limited hereby issues the following trading update for the First Quarter ended March 2025.

Salient features

	2025	2024
Occupancy	48%	48%
RevPAR in US\$	48	43
Revenues US\$	8,652,227	8,458,735

Trading Environment

The operating environment in Zimbabwe continued to present challenges during the first quarter of 2025. The Zimbabwe Gold (ZwG) showed relative stability following its debut in 2024. Inflationary pressures eased markedly, with monthly inflation falling below 1%, reflecting the positive impact of tight monetary policy and improved fiscal discipline thereby providing some reassurance to the market.

Performance Review

Hotel occupancies closed the quarter at 48%, which was similar to prior year. The Group's revenues increased by 2% to US\$8.7 million, up from US\$8.5 million recorded in Q1 2024. The revenue growth was driven by an increase in conference volumes, particularly in city hotels, underscoring robust demand for meetings and events. Notably, this performance was achieved despite refurbishment related disruptions at three hotels; the New Ambassador Hotel, A'Zambezi River Lodge and Victoria Falls Rainbow Hotel.

The Group conducted the refurbishment of its three properties during the months of January and February 2025. The refurbishment works conducted were as follows:

New Ambassador Hotel: The guest rooms underwent a comprehensive refurbishment, including the full replacement of furniture and fittings, as well as the upgrading of bathrooms with contemporary fixtures and enhanced amenities, aimed at delivering a refreshed and modern guest experience.

Victoria Falls Rainbow Hotel: Completion of the remaining 50% of room refurbishments, finalising the full hotel upgrade.

A'Zambezi River Lodge: Refreshing guest rooms with updated furnishings, lighting and enhanced amenities.

The total investment for these refurbishments was US\$1 million.

The Group's tour operations subsidiary, Heritage Expeditions Africa (HEXA), continued its growth trajectory, with revenues and activities increasing by 20%. This growth was driven by rising demand for tours around Zimbabwe, and this momentum is expected to be sustained throughout the remainder of the year.

Outlook

The Group is strategically positioned to benefit from the continued recovery and growth of leisure tourism in the Victoria Falls market, as well as the expansion of conferencing activity in urban centres. The Group's portfolio has recently expanded with the acquisition of Montclair Resort & Conference in the Eastern Highlands.

Looking ahead, the Group remains optimistic about its performance for the year 2025. This positive outlook is underpinned by a diversified hospitality offering and ongoing domestic and regional expansion initiatives in line with the Group's strategic thrust.

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TAPIWA MARI
COMPANY SECRETARY