

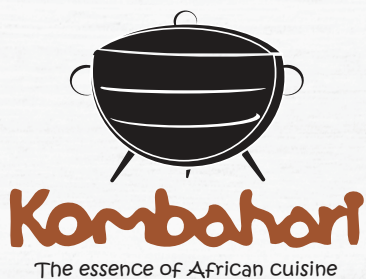


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ANNUAL REPORT

2024





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OUR VISION

To be Africa's tech-enabled world class company that delivers exciting and fulfilling products and experiences.

OUR MISSION

We exist to create and grow sustainable shareholder value through the deployment of innovative solutions that solve our customers' needs and wants in an effortless and pleasurable way.



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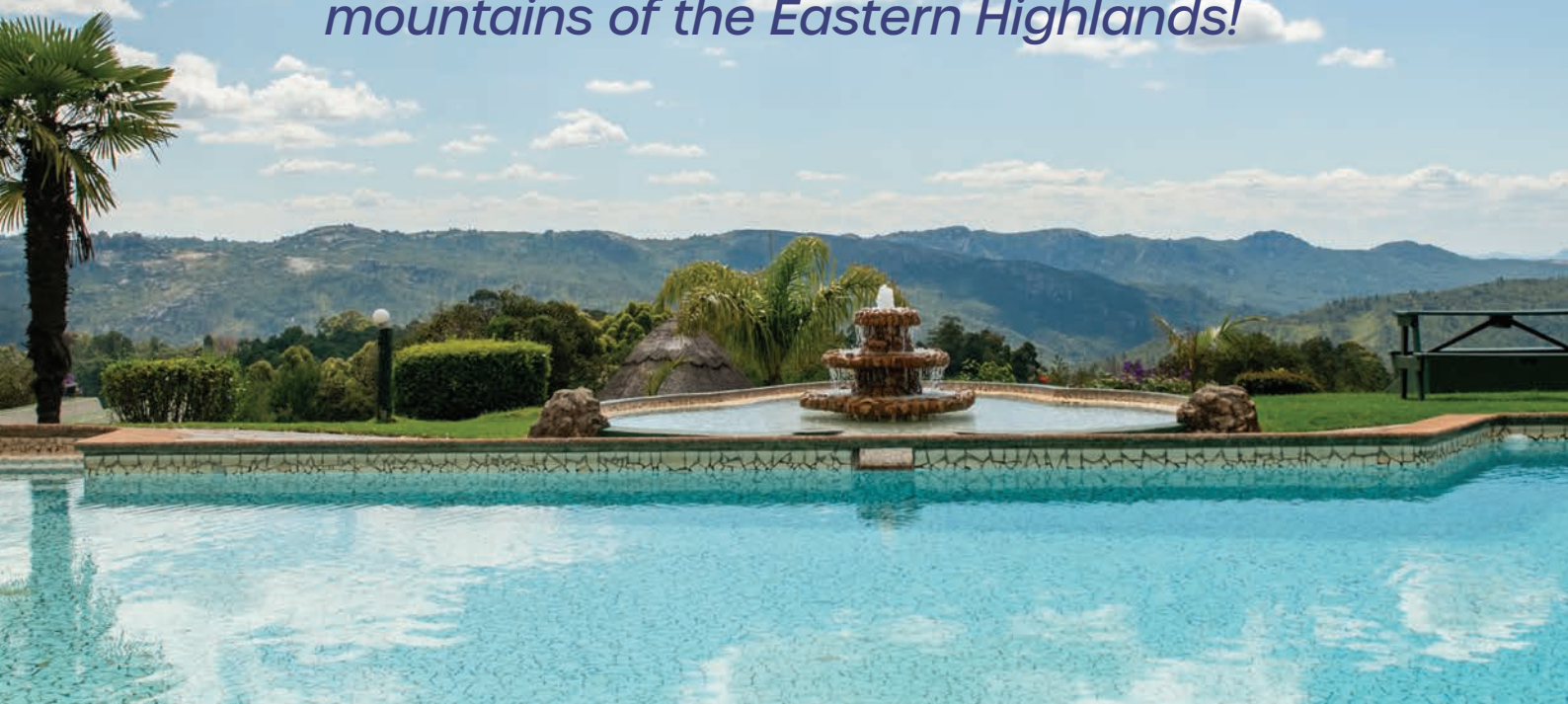


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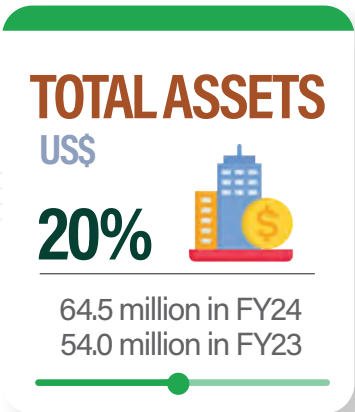
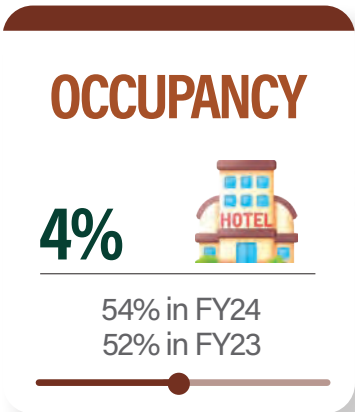
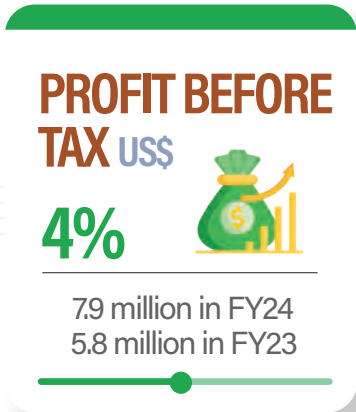
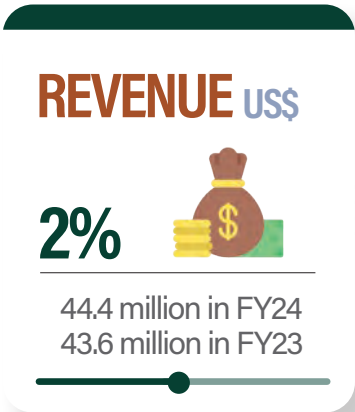


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MILESTONES AND HIGHLIGHTS



ENVIRONMENTAL HIGHLIGHTS

ELECTRICITY (kWh)

8%



↓ 7,715,928 in FY24
8,430,636 in FY23

WATER CONSUMPTION (m³)

3%



↑ 449,602 in FY24
435,984 in FY23

RECYCLABLE WASTE (Tons)

21%



↑ 47 in FY24
39 in FY23



SOCIAL HIGHLIGHTS

EMPLOYEES (Headcount)

1.6%



↓ 736 in FY24
748 in FY23

AVERAGE TRAINING HOURS PER EMPLOYEE

22%



↓ 42 in FY24
54 in FY23

WORK-RELATED INJURIES (Count)

33%



↓ 4 in FY24
6 in FY23



AWARDS



**Zimbabwe Tourism Authority Sanganaai/
Hlanganai World Tourism Expo-
Best Gastronomy Stand**



**Zimbabwe National ESG and CSR
Achievement Awards 2024
Responsible Tourism and Social Impact
Award**



**Blackbelt Awards of Mastery 2024
Outstanding Human Resources Teams
Gold Award**



**National Arts Merit Awards-
Certificate of Appreciation presented to
Gateway Stream**



**Association of Zimbabwe Travel Agents
2nd Runner-up Best City Hotel to the
Rainbow Towers Hotel**



**Customer Experience Association of
Zimbabwe
1st Runner-Up Hospitality Sector**



**Zimbabwe Sunshine Group/
Environmental Management Agency
Award on Compliance to ESG Waste
Management Pillar**



**Trip Advisor Travellers' Choice Awards
Winner 2024
A'Zambezi River lodge**

ABOUT THIS REPORT

Rainbow Tourism Group Limited, a company listed on the Zimbabwe Stock Exchange presents this annual report for the year ended December 31, 2024. This report integrates financial and sustainability information, exemplifying our commitment to responsible business practices.

This report encompasses information for Rainbow Tourism Group Limited, incorporated and domiciled in Zimbabwe. In this report all references to 'our,' 'we,' 'us,' 'the business,' 'RTG,' and 'the Group' refer to Rainbow Tourism Group Limited.

Reporting Frameworks

In developing this report, we adhered to the reporting guidelines outlined by the following regulations:

- Companies and Other Business Entities Act [Chapter 24:31].
- Global Reporting Initiative (GRI) Standards (2021).
- International Financial Reporting Standards (IFRS) Accounting Standards; and
- SI.134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules.

The Group incorporated IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures) elements for the disclosure of sustainability and climate related risks and opportunities. However, adoption of IFRS SDS S1 and IFRS S2 is not yet mandatory in Zimbabwe. RTG will continue to make voluntary progress towards compliance.

Sustainability Data

The report integrates both qualitative and quantitative data gathered from multiple sources, including company policy documents, records, and individuals accountable for the material issues discussed in this document. In some cases, estimates were used based on credible assumptions aligned to our business activities.

Assurance

The financial statements were audited by BDO Zimbabwe Chartered Accountants in accordance with the International Standards of Auditing (ISAs). The independent auditors' report is on page 81 of the report.

Sustainability information was validated for compliance with the GRI Standards (2021), by the Institute for Sustainability Africa (INSAF), an independent subject matter expert. A GRI Content Index is provided on pages 111 to 113. The sustainability data provided in this report has not been externally assured.

Report Declaration

The Directors affirm their responsibility in confirming that this report has been prepared in accordance with the GRI Standards (2021).

Reporting Currency

All financial figures in this report are stated in United States Dollars (US\$).

Restatements

The Group made restatements to certain sustainability data, which was previously disclosed due to enhanced data measurement methodologies, resulting in improved reliability of the reported information.

Forward Looking Statements

This report may contain forward-looking statements regarding the Group's future performance and prospects. However, it is important to note that these statements do not guarantee future developments or outcomes, as they may be subject to various anticipated and unanticipated risks and uncertainties. Stakeholders are advised to exercise caution and refrain from placing undue reliance on any forward-looking statements included in this report. We are committed to publicly updating any revisions to these statements to reflect events or circumstances that arise after the publication date of this report or to account for unforeseen events through subsequent updates.

Feedback on the Report

The Group appreciates the input and feedback of all stakeholders regarding ways to enhance its operations and reporting. We welcome any suggestions or inquiries you may have. Kindly share feedback with Tapiwa Mari (Mr.), Company Secretary, Email: Tapiwa.Mari@rtg.co.zw



D. Hoto
(Chairman)



T.M. Madziwanyika
(Chief Executive)

How our Sustainability Report aligns with the GRI Standards

Sustainability Pillars



ENVIRONMENT

Environmental Stewardship section on pages 59-62 covers water, energy, and waste management efforts.

Climate Change section of the report pages 61-64 covers GHG emissions.



SOCIAL

The Human Capital Management and Investing in Communities sections of the report pages 66-67 highlights the social pillar. Our key efforts focus on strengthening community ties, promoting fair employment, and ensuring workplace safety.



GOVERNANCE

Found in Leadership and Governance Section of the report on pages 20-26. Key areas focus on leadership structure and our strong governance standards.

Read the CEO's Statement found on pages 78-79.

Sustainability Materiality Assessment

The topics that we found most material to us. Read more about our materiality identification and determination process on page 48.

Our Sustainability Materiality Assessment is discussed in detail on pages 48 to 49 of the report, highlighting key areas of focus, including stakeholder input, identification of significant economic, environmental, social and governance topics, and how these align with our long-term strategy and sustainability goals.

Stakeholder Engagement

Stakeholder engagement is outlined on page 42 and is integrated throughout our report.

Climate

Read about our climate change initiatives on pages 60-64.

Local Communities: page 43

Financial Institutions: page 43

Shareholders and Investors: page 43

Employees: page 43

Government Regulators: page 43

Suppliers: page 43

Customers: page 43

Learn about our efforts to reduce greenhouse gas emissions on page 61.

Explore our approach to climate-related risks and opportunities on page 62.



GROUP OVERVIEW

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RAINBOW TOURISM GROUP LIMITED AT A GLANCE

Rainbow Tourism Group Limited (RTG) is one of Zimbabwe's leading tourism and hospitality companies, with a strong presence across both the tourism and e-commerce platforms. The Group has expanded its operations beyond hospitality to include Heritage Expeditions Africa, a domestic tour operations subsidiary, and the development of Gateway Stream, a proprietary super-app offering an integrated digital marketplace for products, services and travel experiences. To support foreign arrivals into its local hotels, RTG also maintains a dedicated sales and marketing office in Johannesburg, South Africa.



OUR HISTORY

1981 - 2024

1981

Zimbabwe Tourist Board is formed as a corporate body.

1983

The Government of Zimbabwe commissions the construction of a 5-star Hotel and Conference Centre in Harare and engages Sheraton Overseas Management Services (a subsidiary of ITT Sheraton) to manage the 5-star hotel upon completion.

1984

A parastatal, Zimbabwe Tourist Development Corporation (ZTDC) is formed.

1985

The 5-star Hotel and Conference Centre construction is completed and the hotel starts operating under a management contract with the name Harare Sheraton Hotel. The Conference Centre is named Harare International Conference Centre and is operated by the Ministry of Environment and Tourism.

1986

ZTDC takes over Victoria Falls Rainbow Hotel, which had been closed during Zimbabwe's liberation war. Victoria Falls Rainbow Hotel closes again due to security problems; ZTDC acquires two hotels, Ambassador Hotel and A' Zambezi River Lodge.

1987

ZTDC establishes touring division as a joint venture under a different name, Zimbabwe Tours.

1989

The Zimbabwe Tourist Development Corporation Act is amended to hive off the commercial side of ZTDC operations.

1991

Zimbabwe Tourism Investment Company (Pvt) Ltd (ZTIC), a company wholly owned by Government, is registered under the Companies

Act, Chapter 190. The first Board is appointed in November to turn around ZTDC loss-making operations, namely Hotels Division (A' Zambezi River Lodge, Victoria Falls Rainbow Hotel, New Ambassador Hotel – formerly Ambassador Hotel, and Christmas Pass Hotel), Tours Division (comprising Zimbabwe Tours), Conference Division (comprising Harare International Conference Centre) and the Investment Division (represented by the Harare Sheraton Hotel which was operated under a management contract with Sheraton Overseas Management Services).

1992

First C.E.O. appointed and commercial business assets transferred from ZTDC and Ministry of Environment and Tourism to ZTIC. Operations start on 1 April.

1994

ZTIC changes name to Rainbow Tourism Group (Private) Limited (RTG) with RTG still wholly owned by Government. Zimbabwe Tours becomes a joint venture on a shareholding structure of 60% for RTG and 40% for a strategic partner, Ireland Blyth Ltd (IBL) Mauritius, and is renamed Zimbabwe Mauritius Tours and Travel (Pvt) Ltd trading as Tourism Services Zimbabwe.

1995

RTG acquires Rhodes Nyanga Hotel and Kadoma Ranch Motel.

1996

Chimanimani Hotel is acquired on a shareholding of 75% for RTG and 25% for a strategic partner Bervin Investments. Zambezi Safari Lodges is commissioned on a shareholding of 50% for RTG and 50% for a strategic partner Conservation Corporation Zimbabwe.

1997

Christmas Pass Hotel, Mutare, is disposed of. Bulawayo Sun Hotel is purchased and renamed Bulawayo Rainbow Hotel.

1998

Touch the Wild Lodges and Safaris is acquired on a shareholding structure of 60% for RTG and 40% for IBL Mauritius. ITT Sheraton is bought by Starwood Hotels and Resorts Worldwide Inc.

1999

Management contract of Harare Sheraton Hotel is renegotiated by RTG and Starwood Hotels and Resorts Worldwide Inc. and renamed Sheraton Harare Hotel and Towers. RTG is structured into four business units (Rainbow Hotels and Conferences division, Sheraton Harare Hotel and Towers Division, Touch the Wild (Pvt) Ltd and Tourism Services Zimbabwe). A voluntary retrenchment scheme is offered. Cabinet approval for RTG privatisation is given on 29 June. RTG's strategic partnership with Accor is approved on 19 October. RTG becomes the 72nd quoted company on the Zimbabwe Stock Exchange on 1 November.

2000

RTG/Accor strategic partnership agreement is concluded; Accor's 35% shareholding becomes fully subscribed on 1 March. Chimanimani Hotel and Rhodes Nyanga Hotel are disposed of as they could not achieve critical mass in capacity and yield.

2001

A' Zambezi River Lodge is rebranded to Hotel Mercure A' Zambezi.

2002

Victoria Falls Rainbow Hotel is rebranded to Hotel Mercure Rainbow.



OUR HISTORY

1981 - 2024



2004

The management contract with IBL Mauritius is terminated by mutual agreement.

2005

The management agreement with Starwood comes to an end and is not renewed. The management of Sheraton Harare Hotel and Towers is localised. Business of Sheraton Harare Hotel and Towers and Harare International Conference Centre is merged. RTG successfully carries out a rights issue in September and new shareholders emerge. Accor, Laico, and the Ministry of Environment and Tourism get diluted.

2006

The merged business successfully rebrands the Rainbow Towers Hotel and Conference Centre on 19 March. The management contract with Accor is terminated. Hotel Mercure A' Zambezi and Hotel Mercure Rainbow are rebranded to A' Zambezi River Lodge and Victoria Falls Rainbow Hotel respectively under the Rainbow Hotels Division. The Group reverses losses of the past 3 years and wipes out foreign debt incurred over management contracts.

2007

South African marketing office is established, and Tourism Services Zambia is registered. Regional expansion strategy is unveiled.

2008

RTG takes over management of the first regional hotel, Hotel Edinburgh in Kitwe, Zambia. RTG also signs a management contract for Savoy Hotel in Ndola, Zambia. Rainbow Hospitality Business School (RHBS) is established.

2010

The refurbishment of A' Zambezi River Lodge commences. Matetsi Water Lodge is acquired as a going concern on 1 March. RTG also enters into a long-term lease over Hotel Mozambique in Beira and commences operations in July. Rainbow Hotels in Zimbabwe acquires ZWS ISO 9001:2008 certification in March.

2011

A' Zambezi River Lodge was refurbished and rebranded to a 4-star hotel. The hotel is opened mid-May. RTG seeks to recapitalise and dispose of its subsidiaries, namely TTW, Matetsi Water Lodge, and TSZ to focus on core hotel operations and retire short term debt.

2012

RTG embarks on a recapitalisation exercise to address the short-term debt burden. RTG secures a US\$10 million loan and concludes a US\$4.5 million rights issue. The Group disposes of some of its subsidiaries which were TTW and TSZ to focus on core hotel operations. Hotel Edinburgh in Kitwe, Zambia is closed.

2013

The recapitalisation exercise is completed through a \$10 million loan which is used to restructure short-term debt and through a rights issue that raises \$4.5 million. RTG also places Matetsi into liquidation. In 2013, the Group made a profit of \$1 million up from a \$6 million loss during the previous year. This is the Group's first significant profit since the introduction of a multi-currency system in 2009.

2014

The Rainbow Beitbridge Hotel, which is located in the border town of Beitbridge, with a room capacity of 136 rooms is opened for trading on 15 January.

2016

RTG exits non-performing markets. Rainbow Beitbridge Hotel closes on 31 May and Rainbow Hotel Mozambique closes on 30 September.

2018

RTG concludes its balance sheet restructuring exercise by raising \$22.5 million by way of a rights issue linked to debentures. RTG establishes a tour operations subsidiary, Heritage Expeditions Africa domiciled in Zimbabwe.

2019

RTG declares and pays a dividend for the first time since 2006 for the year ended 31 December 2018. RTG was conferred with the award for "The listed Company with the highest profitability" by the Zimbabwe Independent Newspaper (Alpha Media Holding).

2020

RTG refurbishes Rainbow Towers Hotel and Conference Centre at a project cost of US\$4,6 million. RTG expands Gateway Stream into 12 revenue channels which include Hospitality & Leisure, Online Shopping, Media, Food & Drink, Book-A-Ride, Insurance, Online Auctions, Events & Venue, Deliveries, Advertising, Clothing and Farming. RTG launches Gateway Stream Music and pay-per-view.

2024

The Group acquired Montclair Hotel and Casino and rebrands it to Montclair Resort and Conference.

PRODUCTS AND SERVICES

The Group operates hotels in Zimbabwe through a combination of owned and leased hotels, a local tour operations subsidiary, Heritage Expeditions Africa, and an e-commerce platform Gateway Stream.



TOUR OPERATIONS



HOTELS

LEASED

The Rainbow Towers Hotel & Conference Centre

Kadoma Hotel & Conference Centre

New Ambassador Hotel

OWNED

Bulawayo Rainbow Hotel

A'Zambezi River Lodge

Victoria Falls Rainbow Hotel

Montclair Resort & Conference



E-COMMERCE



HOTELS DIVISION

The Group operates seven hotels situated in various regions of Zimbabwe: two in the capital city, Harare; one in Kadoma, a mining town in Zimbabwe; one in Bulawayo, the country's second-largest city; two in Victoria Falls, a renowned tourist destination and one in the scenic Eastern Highlands. Additionally, the Group possesses Zimbabwe's largest convention centre, the Harare International Conference Centre (HICC), boasting a seating capacity of 4,500.

CATEGORY	HOTELS	CONFERENCE CAPACITY	ROOMS
5 Star ***** The Rainbow Towers Hotel & Conference Centre (City)	1	7,000	304
4 Star **** A' Zambezi River Lodge (Resort)	1	80	87
3 Star *** Victoria Falls Rainbow Hotel (Resort) Bulawayo Rainbow Hotel (City) Kadoma Hotel & Conference Centre (City) New Ambassador Hotel (City) Montclair Resort & Conference	5	1,520	573
TOTAL	7	8,600	964

Newly Refurbished A'Zambezi River Lodge

The Victoria Falls Properties, namely, A'Zambezi River Lodge and Victoria Falls Rainbow Hotel, underwent refurbishment at an investment of US\$500,000. These efforts align with RTG's ongoing commitment to providing world-class hospitality experiences.

GATEWAY STREAM MOBILE AND WEB APPLICATION

Launched in 2018, Gateway Stream has nine sub-apps (with 10 revenue channels) across a diverse range of products and services. Gateway Stream is a wholly owned subsidiary of Rainbow Tourism Group. The platform is a home-grown innovation that Zimbabweans can be proud of, as it was locally conceptualised and developed. As a global, diversified, and unified online business ecosystem, Gateway Stream provides access to markets and connects customers with the highest quality products and services. The services available on the platform include:



Download the App Now!



TOUR OPERATIONS **SUBSIDIARY**

Heritage Expeditions Africa (HExA), our tour operations subsidiary, offers heritage packages encompassing adventure, wildlife, historical, and cultural experiences in Zimbabwe. You can trust us to make that dream holiday you have cherished for so long into an unforgettable reality. Explore the rich heritage in Zimbabwe and discover a whole new world of amazing experiences when you choose our expeditions. Heritage Expeditions Africa offers the following in Victoria Falls:



TRANSFERS

Bus Hire
Airport transfers



ACTIVITIES

Quad Bikes
White Water Rafting
Cruises on the mighty Zambezi River
Game Drives
Scenic helicopter rides



TOURS

City tours
Around Zimbabwe Tours



MARKETS SERVED

HOTEL

DESTINATION

The Rainbow Towers Hotel and Conference Centre	Harare
New Ambassador Hotel	Harare
Kadoma Hotel and Conference Centre	Kadoma
Bulawayo Rainbow Hotel	Bulawayo
Victoria Falls Rainbow Hotel	Victoria Falls
A'Zambezi River Lodge	Victoria Falls
Montclair Resort and Conference	Nyanga

OUR GEOGRAPHIC FOOTPRINT ACROSS ZIMBABWE



MEMBERSHIPS AND CERTIFICATIONS



STANDARD CERTIFICATIONS

ISO 9001:2015 - Quality Management System (QMS).

MEMBERSHIP TO BUSINESS ASSOCIATIONS

General Memberships

- CSR Network Zimbabwe.
- Institute of People Management of Zimbabwe (IPMZ).
- Marketers Association of Zimbabwe (MAZ).
- National Arts Council of Zimbabwe.

Other Professional Memberships

- Association of Chartered Certified Accountants (ACCA).
- Institute of Chartered Accountants in England and Wales (ICAEW).
- Law Society of Zimbabwe.
- Institute of Internal Auditors.
- Institute of Chartered Accountants of Zimbabwe (ICAZ).

Industry Associations

- Zimbabwe Tourism Authority (ZTA).
- Tourism Business Council of Zimbabwe (TBCZ).
- Hospitality Association of Zimbabwe (HAZ).
- Association of Zimbabwe Travel Agents (AZTA).
- Tour Operations Association of Zimbabwe (TOAZ).
- Safari Operations Association of Zimbabwe (SOAZ).
- Insurance and Pension Commission (IPEC).

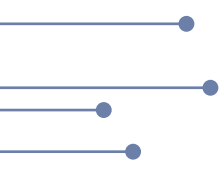
OUR SERVICE PROMISE

Our service promise is expressed through the three pillars of freshness. Rainbow Tourism Group offers all round refreshing experiences to its customers. From the time you check in, your experiences will be that of freshness in all respects. We take pride in our self-developed systems that ensure quality and pleasurable moments for our clients.





LEADERSHIP AND GOVERNANCE



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THE BOARD OF DIRECTORS



DOUGLAS HOTO
Board Chairman
(Independent)

Qualifications:

BSc. Mathematics (UZ).

Experience:

Mr. Douglas Hoto is an accomplished business leader and currently holds the reins at First Mutual Holdings Limited as Group Chief Executive Officer.

He holds a Bachelor of Science Honours Degree in Mathematics (UZ) and is a qualified Actuary with more than 25 years' experience. He is a Fellow of the Institute and Faculty of Actuaries of the United Kingdom 1999 (FIFA), and is also a Fellow of the Actuarial Society of South Africa (FASSA). In addition to his many directorships, he is involved in community transformation initiatives focusing on education. He works closely with national development organizations and was the founding chairman for Zimbabwe National Statistics Agency (ZIMSTAT).

Other Appointments:

He serves on a number of boards and is a past president of the Actuarial Society of Zimbabwe, and also a past chairman and finance committee chairman of the Insurance and Pensions Commission (IPEC).

He is presently serving as Chairman of Council at the University of Zimbabwe and is a member of several of the UZ Committees.



TENDAI M. MADZIWANYIKA
Chief Executive

Qualifications:

Bachelor of Accounting Science (B.Compt) UNISA, MBA Major-Strategic Planning (with distinction) Hull University, United Kingdom.

Experience:

Mr. Tendai Madziwanyika has been the Chief Executive of the company since November 2012. Prior to this, he held senior positions in the FMCG and hospitality industries including being the Managing Director of a listed hospitality group in Zimbabwe. He is a past President of the Zimbabwe Council for Tourism.



NAPOLÉON K. MTUKWA
Finance Director
(Executive Director)

Qualifications:

B.Acc, MBA (UZ) FCCA, ACA.

Experience:

Mr. Napoleon Mtukwa is a registered Public Accountant (PAAB) and a member of various accounting associations, including ACCA and ICAEW. He has worked at Unilever Zimbabwe and Mobil Oil, as well as serving in senior management at Rainbow Tourism Group in the role of Group Finance Manager and Group Management Accountant.



KENZIAS CHIBOTA
Finance and Investments
Chairman
 (Non-independent)

Qualifications

B.Acc (UZ) CA (Z)

Experience

Mr. Kenzias Chibota has been in commercial business since 1980 and has spent over 30 years of his career with Philips Electronics of the Netherlands rising from Finance Director to Chief Executive Officer. He spent two years in the Netherlands with Philips Electronics undergoing Management Development. He became Chief Executive Officer of Destiny Electronics (Private) Limited in 2004. He retired from Destiny electronics when the Philips franchise expired and formed Horizon Healthcare Services and took over the Philips Franchise for the Healthcare Business. He has served on the Board of the Confederation of Zimbabwe Industries, as President of Employers Confederation of Zimbabwe, Zimtrade, Netone as Deputy Chairman, FBC Holdings and its Subsidiaries, National Social Security Authority (NSSA), Star Africa Corporation as well as Bindura University of Science Education.

Other appointments

Chief Executive Officer of Horizon Healthcare Services.



ANDREW BVUMBE
Non-executive
 (Non-independent)

Qualifications

MSc Economics (UZ), BSc Economics (UZ).

Experience

Mr. Andrew Bvumbe is an experienced economist with a background in public policy at domestic and international levels. He has served as Executive Director in the World Bank Group and the African Development Bank. With his strong networking skills and depth of economic development knowledge, he is a pragmatic problem solver.

Other Appointments

Permanent Secretary (Non-Accounting) of Head Public Debt Management Office in the Ministry of Finance and Economic Development.



GIVEMORE TAPUTAIRA
Non-executive
 (Independent)

Qualifications

Doctorate in Business Administration (Binary University of Malaysia), Masters in Business Administration (MBA) (UZ), Certified International Professional Strategist (CIPS), Certified International Professional Leader (CIPL), BSc General (Majoring in ICT & Physics)

Experience

Dr. Givemore Taputaira is a professional and business leader, who possess multi-faceted and proven work experience with a wealth of exposure in ICT and Business projects. Givemore has worked for various companies in the private and public sector, including a listed hospitality company and has held portfolios of Project Manager, ICT Director, Projects Director and Development Director, amongst others.

He has worked on various projects, in the country and across Africa and worked with various regional and international partnerships and brands to deliver value. He also has great experience and exposure on Corporate Boards.

Other appointments

He is currently the co-founder and Managing Director of Digital Edge Solutions (Pvt) Ltd.



LANGTON MABHANGA
Non-executive
 (Non-Independent)

Qualifications

Doctorate Degree in Business Administration, majoring in Strategy and Leadership with the IIC University of Technology Cambodia, jointly with The Chartered Institute of Management and Leadership (USA), accredited with the renowned Chartered Institute of Management Consultancy (CIMC), Master's Degree in Business & Economic Intelligence, Graduate Diploma in Business Intelligence. He is currently completing another Master's Degree in Leadership & Corporate Governance with the Bindura University, and second PhD by Research.

Experience

Dr. Langton Mabhanga holds several qualifications in Electrical Engineering and Strategic Leadership in Cotton value chains. He is a Practitioner in ESG, Corporate Strategy, strategic business architecture and modelling. He is CEO at Africa True North Strategy Holding, a Member of the ESG Exchange Technical Committee (South Africa) and sits on the Board of Trustees of Zimbabwe YMCA. He continues to participate in a number of ESG and professional development programs across the globe.

Other appointments

Sits on the Fidelity Life Assurance Board. Chief Executive Officer at Africa True North Strategy Holding.



DOUGLAS MAVHEMBU
Non-Executive Director
(Non-Independent)

Qualifications

MSc Tourism & Hospitality Management (UZ), BBA in Tourism Management- Azalia University.

Experience:

Mr. Douglas Mavhembu has held several high-ranking positions in the Ministry of Environment, Climate, Tourism, and Hospitality Industry, which included serving as the Acting Director and Acting Under-Secretary. Additionally, he co-chaired the Zimbabwe/Zambia Joint Technical Committee on the UNWTO General Assembly, which took place in Victoria Falls.

Other Appointments

Deputy Director to International Tourism Directorate in the Ministry of Tourism and Hospitality Industry.



CYNTHIA D. MALABA
Non-Executive Director
(Independent)

Qualifications:

B.Acc (UZ), B Commerce (Hons) degree – UNISA, CA (ICAZ and SAICA). Post Graduate Diploma in Auditing (UNISA). Global Executive Development Program with the Gordon Institute of Business Science.

Experience

Mrs. Cynthia Malaba is a Chartered Accountant Fellow affiliated to both the Zimbabwe and South African Institutes of Chartered Accountants. She has vast experience in Accounting, Audit and Risk; Supply Chain Management and Operations Management. Her exposure spans to regional and global markets. Cynthia has had a first in the Corporate world where she was the first female, as Supply Chain Director, in a blue chip listed company to sit in the Group Management Committee. Her experience cuts across economic sectors: FMCG, Hospitality, Mining, Motor industry, Insurance and Financial Services; Sports, Arts and Culture. She has been involved in a number of businesses offering operational and financial advice majoring in systems and governance solutions.

Other appointments

Sits on boards of four companies, three of which are listed, one on the Victoria Falls Exchange and the other two on the Zimbabwe Stock Exchange. In all these companies she chairs the Board Audit and Risk Committees. Cynthia has been recently appointed by FIFA (International Football Association) as the Vice Chairperson of the Normalisation Committee of the local Zimbabwe Football Association.



CHIPO MAFUNGA
Non-executive
(Independent)

Qualifications:

Executive Leadership certificate from Harvard Law School, a Postgraduate Certificate in International Construction Law from Aarhus University, an LLB from the University of South Africa, and a Bachelor of Commerce in Economics and Law from the University of Cape Town.

Experience

Mrs. Chipu Mafunga is a seasoned lawyer with 17 years of experience in corporate governance, financial advisory, legal practice and project management. She offers a wealth of expertise and a proven track record in providing strategic legal and commercial guidance.

Other Appointments

She is the Co-Founding and Managing Partner at ChimukaMafunga Commercial Attorneys and serves on several boards, including FBC Building Society, Supreme Brands (Private) Limited, and RE/MAX Zimbabwe.



KUMBIRAI GUNDANI
Non-executive
(Independent)

Qualifications:

Master's in Science: Quantitative Management from New York University – Stern Business School (2021), a Post Graduate Degree in Business Administration from the University of Cape Town - Graduate School of Business (2013), and a Bachelor's in Economics, Finance, and Statistics from the same institution (2010)

Experience

Mr. Kumbirai Gundani is an experienced professional with a background in entrepreneurship, technology, management consulting, and investment banking. He has six years of experience working for global Leaders and Fortune 500 companies across industries across Africa. He is also familiar with RTG's business and operations, having presented at the company's strategy session in South Africa. His experience in driving significant financial transactions brings valuable expertise and a strategic perspective to the board,

Other Appointments

He holds the position of Director, Corporate and Investment Banking at the largest bank in Africa, Standard Bank Group.



TENDAI M. MADZIWANYIKA

Chief Executive

Bachelor of Accounting Science and Master of Business Administration



NAPOLEON MTUKWA

Finance Director

Master of Business Administration and Honours Degree in Applied Accounting



SHUPAI MARWARE

Commercial Director

Master's in Business Leadership Degree & Bachelor of Science Honours degree in Tourism & Hospitality Management, Bachelor of Business Administration degree in Marketing Communications



TICHAONA HWINGWIRI

Operations Director

Master's Degree in Tourism & Hospitality Management & Higher National Diploma



LAURENCE DHEMBA

Human Resources Director

Master's in Strategic Management & Corporate Governance & Bachelor of Science in Human Resources Management Degree



SAMSON CHITSATO

Head: Internal Audit & Risk

Master of Science Degree in Audit Management and Consultancy



TAPIWA MARI

Company Secretary & Executive Assistant

Master's Degree in Corporate Law and a Bachelor of Laws Honours



PRIDE KHUMBULA

Corporate Affairs & Quality Manager

Master of Business Administration and a Bachelor of Business Administration Degree in Marketing Communications



MEVIS CHIKAVA-GUEDES

Brand Manager

Master of Business Administration and a Bachelor of Science in Tourism & Hospitality Management



FORTUNE GOWERA- MAKAMANZI

Sales & Commercial Services Manager (RSA)

Bachelor of Science in Marketing

CORPORATE GOVERNANCE

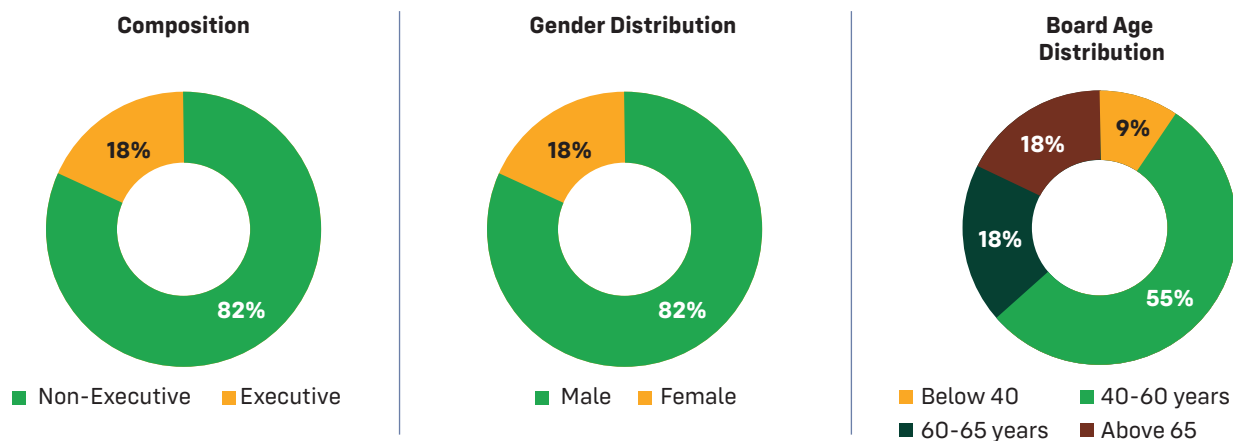
We are dedicated to upholding the highest corporate governance standards by comparing our operations to global best practices. Our business conduct is rooted in ethics, honesty, and integrity. Our governance structure includes policy documents, committee references, and requirements outlined in our Board Charter. Regular reviews by the Board and its committees ensure compliance with legal mandates and international governance standards. We are committed to aligning our practices with relevant regulations and guidelines such as the Companies and Other Business Entities (24:31), SI.134 of 2019 -Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules, and the National Code on Corporate Governance in Zimbabwe (ZIMCODE).



Board Diversity

Recognising the value of diverse perspectives in decision-making, our Board composition reflects a mix of skills, experiences, and backgrounds. This diversity enhances the Board's ability to provide strategic insights, oversee effectively, and guide management. Our Board comprises eleven members, including the Chief Executive, Finance Director, and a Non-Executive Chair. In terms of gender representation, the Board consists of nine male members and two female members.

The following summarises our board composition:



Board Responsibilities

The Board's main duty is to protect and deliver long-term shareholder value while considering the interests of all stakeholders. Operating independently and professionally, the Board conducts thorough assessments and makes decisions that prioritise the well-being of shareholders and other stakeholders. Quarterly meetings are held to oversee and evaluate Group performance and executive management. Special Board or Committee meetings are called if urgent issues arise between regular meetings. The involvement of non-executive directors adds expertise to discussions and decision-making processes.

Delegation of Authority

The roles of the Chairman and Chief Executive are clearly distinct as per the Articles of Association. With a composition of nine non-executive directors and two executive directors, the Board delegates responsibilities effectively, enhancing oversight over management activities.



The RSA Office Sales Manager with RSA tour operators touring the refurbished New Ambassador Hotel.

Stakeholder Engagement

Recognising the importance of stakeholders, the Group established platforms for direct engagement with the Board. This allows stakeholders to express their needs and expectations, ensuring decisions are made with their interests in mind. Engagement platforms include Annual General Meetings, Analyst Briefings, Press Releases, and Proxy Forms.

Board Charter

The Board operates based on an approved Charter that outlines its operations and conduct.

Securities Trading

A formal trading policy prohibits trading in the Group's securities by management, officers, and employees during closed periods, in compliance with the Listing Regulations of the Zimbabwe Stock Exchange.

Ethical Business Practices

Upholding high ethical standards is crucial in our operations. A code of ethical business conduct applies to all employees, management, and the supply chain, prohibiting involvement in corrupt practices.

Remuneration Policy

A remuneration policy guides the Human Resources, Remuneration, and Corporate Governance Committee, ensuring fair and equitable rewards for all employees, considering collective bargaining agreements and executive remuneration committee recommendations.

Board Committees

According to the Group's Articles of Association, the Board can assign powers to committees comprising selected members. The Group has four committees - Audit and Risk, Human Resources, Remuneration and Corporate Governance, Marketing, Communication and Strategy, and Finance and Investment. These committees aid the Board in specialised areas of focus and decision-making and their responsibilities are outlined below:



Sustainability Governance

Rainbow Tourism Group remains committed to conducting ethical and responsible business operations. The Group values transparency, effective communication, and accountability in its interactions with stakeholders including guests, investors, employees, local communities, and suppliers. The RTG Board oversees sustainability governance and commitments through the Marketing, Communications, and Strategy Board Committee. This Committee diligently identifies, assesses, and manages the Group's impacts on economic, environmental, and social issues. It plays a key role in developing innovative strategies and implementing sustainable practices across operations. Additionally, the committee ensures the accuracy, quality, and reliability of sustainability data collection systems through monitoring and evaluation. A quarterly sustainability report is prepared by management, presented to the committee, and then to the Main Board.

The sustainability report focuses on the pillars of Environmental, Social, and Governance. RTG's management and Board intentionally incorporate sustainability governance into decision-making processes. By integrating sustainability into operational decisions and overall business strategy, RTG proactively identifies risks and opportunities. The sustainability framework aims to minimise negative impacts and associated costs on the business and stakeholders, with a strong emphasis on environmental and social factors. Prioritising sustainable practices and initiatives, RTG seeks to strike a balance between economic considerations and social responsibility. This sustainability governance enables the Group to create lasting value while promoting a positive impact on the environment and society.

COMMITTEE	MEMBERS	RESPONSIBILITIES
Audit & Risk	C. D. Malaba (Chairperson) G. Taputaira A. N. Bvumbe	The Committee comprises three non-executive directors. The Committee deals inter alia with compliance, internal control, and risk management.
Human Resources, Remuneration and Corporate Governance	D. Mavhembu (Chairperson) D. Hoto	Two non-executive directors make up the Committee. The Committee's principal responsibility is to help the Board by assessing senior executive remuneration policies and current industry practice. The Committee also advises the Board on board composition and the balance of executive and non-executive directors. In this process, skills and diversity are also considered.
Marketing, Communications & Strategy	L. Mabhanga (Chairperson) D. Mavhembu C. Mafunga	Three non-executive directors make up the Committee. The Committee's mission is to evaluate and provide advice on the Group's marketing, sales, communications, and overall strategic activities.
Finance and Investments	K. Chibota (Chairperson) L. Mabhanga K. Gundani	Three non-executive directors make up the Committee. The Committee assists the Board in considering and approving a variety of issues, including ongoing capital structure and funding oversight; capital management and planning initiatives; due diligence on acquisitions and divestments, as well as proposals that may have a material impact on the Group's capital position.

Board and Committee Meetings Attendance

Board Member	Board Attendance	Audit & Risk	Human Resources	Marketing, Communications & Strategy	Finance and Investments
Douglas Hoto	4/4		5/5		
*Tendai M Madziwanyika	4/4	4/4	5/5	4/4	5/5
*Napoleon K. Mtukwa	4/4	4/4	5/5	4/4	5/5
Kenzias Chibota	4/4				5/5
Andrew Bvumbe	2/4	0/4			
Givemore Taputaira	4/4	4/4			
Langton Mabhanga	4/4			4/4	5/5
Douglas Mavhembu	3/4		5/5	4/4	5/5
Cynthia D. Malaba	4/4	4/4			
^Chipo Mafunga	2/2			1/1	
^Kumbirai Gundani	2/2				2/2

*T. M. Madziwanyika (Chief Executive) and Mr. N. K. Mtukwa (Finance Director) attend all board committee meetings on invitation.

^Chipo Mafunga and Kumbirai Gundani were appointed to the Board in September 2024.



RESPONSIBLE BUSINESS CONDUCT

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BUSINESS ETHICS AND COMPLIANCE



As RTG we prioritise ethical business practices and aim to be compliant with governing bodies and regulations. By adhering to corporate governance principles and maintaining a strong reputation, we can ensure sustained business success and growth. However, failure to comply with these principles can result in a negative reputation, leading to a loss of business and potential penalties due to non-compliance. It is essential for the Group to consistently uphold corporate governance standards to protect both our reputation and our long-term profitability, fostering trust with stakeholders and ensuring the ongoing success of the business.

The Group operates in full compliance with a range of legal and regulatory frameworks, including the Constitution, the Companies and Other Business Entities Act [Chapter 24:31], SI.134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules, and the Cyber and Data Protection Act [Chapter 12:07]. The Group complies with National Code on Corporate Governance in Zimbabwe (ZIMCODE), as well as our own internal guidelines, such as the RTG Articles of Association, Code of Ethics, Code of Conduct, Best Operating Procedures (BOPs) and General Operating Procedures (GOPs). To ensure ongoing compliance, we conduct regular monthly compliance reports, compliance audits, internal audits, external audits, as well as business reviews. These efforts are vital to the Group's operations, enabling us to identify areas for improvement, mitigate risks, and ensure that we are consistently meeting legal and ethical standards.

The Group places a strong emphasis on internal and external audits, board meetings, and the publication of annual reports, financial statements, and corporate governance reports. Through ongoing engagement with stakeholders such as the Zimbabwe Stock Exchange and Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ), we gathered valuable feedback and recommendations, which assisted us in identifying areas for improvement and reinforcing the effectiveness of our compliance efforts.

Goals	• To be compliant with laws and regulations.
Targets	• 100% compliance
Key Performance Indicators	• Absence of penalties because of non-compliance Low rate of litigation
Progress Made	The Group has been compliant with policies and regulations



Anti-corruption

As Rainbow Tourism Group, we remain committed to addressing anti-corruption and mitigating corruption risks such as bribery and extortion in various aspects of our operations, including procurement and employment. We recognise the importance of fostering transparency and trust, promoting economic growth, and enabling fair competition as positive impacts of our anti-corruption efforts. However, we acknowledge the potential negative impacts, such as the high cost of compliance, resistance to change among associates, unintended consequences, and bad publicity. It is our responsibility to address any challenges and continue our efforts to stop corruption while mitigating the associated risks.

ACTIONS & IMPLEMENTATIONS

1. POLICY POSITION

- Zero tolerance on corruption

2. MEASURES

- Anti-corruption programs
- Codes of conduct
- Disciplinary action
- Exposure risk assessment

3. TRACKING EFFECTIVENESS OF ACTIONS

- Internal and external audits
- Setting targets for risk reduction
- Monitoring compliance rate, the corruption perception index and number of reported incidents
- Stakeholder engagement

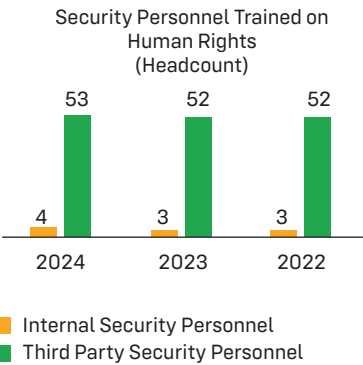
Human Rights

As RTG, we strive to achieve high business performance and increased productivity, while fostering harmonious relationships with stakeholders. Our efforts led to improved brand visibility and enhanced partnerships with stakeholders. However, differing perceptions on the long-term impact of human rights on the workplace environment can lead to issues such as discrimination or marginalisation. To address these challenges, we are committed to developing regulatory principles, supporting initiatives, and campaigning for human rights advocacy through volunteer efforts within the Group.

Our stakeholder engagement policy is designed to uphold and promote human rights values by ensuring fairness in all our activities. We encourage employee participation in programmes that have a direct impact on human rights, providing training to help employees understand what human rights are and the consequences of their violation or abuse. Through continuous advocacy on human rights issues, the Group is committed to developing policies that address and positively impact human rights aspects within our operations. We engage external consultants to assess the impact of human rights issues on our employees. Recognising that human rights are closely linked to employment rights, the elements of our code of conduct are directly relevant to human rights. The consistent enforcement of this code within the Group significantly contributed to aligning our operations with human rights issues, both within the Group and in the broader community.

Goals	•To increase advocacy on employee participation in human rights.
Targets	• Conduct two awareness seminars or workshops on human rights advocacy. • Active participation in human rights issues affecting the Group.
Key Performance Indicators	• Guest feedback analysis. • Stakeholder feedback reports.
Progress Made	• Awareness initiatives successfully rolled out through seminars and external facilitation. • External consultants engaged to facilitate awareness workshops and seminars.

During the year, trainings on human rights were as follows:



As the business expands, there is an increasing recognition of the need to prioritise human rights to maintain a positive reputation. This commitment has driven efforts to enhance training, ensuring that security personnel are well-prepared to uphold human rights standards in their roles as indicated by a 4% increase in the number of trainings conducted.



Diversity and Inclusion

As RTG, we are committed to fostering an inclusive and diverse environment that values individuals regardless of race, colour, religion, or appearance. We promote a culture of fairness and accessibility, which enhances our reputation and attracts a diverse clientele. However, we recognise the challenges that come with implementing a new strategy, including communication barriers and the risk of social discrimination or the creation of silos, particularly regarding perceptions of minority groups. To address these challenges, we are spearheading training and communication initiatives with all stakeholders on our Diversity, Equity, and Inclusion (DEI) strategy. We actively engage with institutions and partnership programmes focused on minority groups, and we are committed to recruiting individuals from these groups based on merit. Additionally, we prioritise providing opportunities for students from minority backgrounds, again focusing on merit as the deciding factor.

We are committed to fostering a fair, inclusive, and respectful workplace environment, where every individual is treated equitably and without discrimination. In line with the Labour Act [28:01], we do not discriminate against any individual based on inability, gender, belief, religion, marital status, nationality, or any other perceived disadvantage. Our recruitment and promotion policies are designed to ensure equal opportunities for all, while our comprehensive training and awareness programmes promote inclusion of all variables such as language, disability, and gender. We adhere to a strict code of conduct addressing DEI, ensuring a culture of respect and mutual understanding. Employees are rewarded based on their performance, and promotions are based solely on merit, ensuring fairness and motivation for all. As RTG, we strive to create a dynamic and supportive environment where everyone can succeed and contribute to the growth of the Group.

Goals	• Create a workplace culture that promotes diversity, equity, and inclusion that support productivity
Targets	• Achieve 5% strength on Diversity, Equity, and Inclusion
Key Performance Indicators	• Minority group ratio to strength • Age - Gender analysis
Highlight	• 1% recruitment of individuals from minority groups in 2024 and 2023.

The Group prioritises the continuous evaluation of our training programmes to ensure their effectiveness in fostering a DEI culture. This is achieved through employee feedback gathered via works councils and engagement forums, root cause analysis, and both internal and external audits. While minority groups do not require special treatment or sympathy, they do need equal treatment and understanding. We recognise that they are a sensitive group that must be handled with care. These efforts provided the Group with valuable insights, which have been incorporated into the development of new engagement strategies and the refinement of policies and procedures, ensuring a more inclusive approach.

Cybersecurity and Privacy Protection

The Group's digital transformation and data security initiatives play a key role in enhancing sustainability across operations, offering both opportunities and challenges. Cybersecurity protection contributes to improved trust and reputation, reduced risk of data breaches, a competitive advantage, and increased operational efficiency, while simplifying compliance with regulations such as the Cyber and Data Protection Act [Chapter 12:07]. However, the implementation of these technologies incurs costs, including investment in training and development, and may face resistance due to organisational culture shifts. Further, it is important to carefully balance privacy and security, manage the risks of non-compliance (including penalties), and ensure the secure collection and storage of personal guest information. The Group must address potential vulnerabilities in digital infrastructure, particularly regarding online bookings and payments, while ensuring full legal compliance with local and international regulations. Secure integration of technologies such as Artificial Intelligence (AI) and Internet of Things (IoT) will be essential in advancing our sustainability objectives while mitigating associated risks.

Our information security policies align with ISO/IEC 27001:2022 (Information Security Management System), demonstrating a commitment to adhering to global regulations and standards. We prioritise data protection and transparency in data profiling, alongside a proactive approach to risk identification, profiling, and mitigation. Continuous improvement of incident reporting processes contributes to operational efficiency, while leveraging secure technologies enhances the guest experience. Clear communication of privacy policies and exposure to real-world scenarios enable technical resources to apply effective controls within the RTG environment. Regular cybersecurity awareness training and technical upskilling, including certifications such as Certified Ethical Hacker (CEH) and Certified Information Systems Security Professional (CISSP), further strengthen the Group's ability to protect data and maintain a secure digital environment.



GOALS

- Enhance cyber security posture for the Group
- Ensure data privacy and compliance
- Minimise data breach incidents



TARGETS

- Reduce incident response time by 50%
- 100% compliance with Cyber and Data Protection Act [Chapter 12:07]
- Zero data breaches



ACHIEVEMENTS

- Group Wi-Fi upgrade to Aruba platform at 55% completion

TRACKING THE EFFECTIVENESS OF MANAGEMENT APPROACH

	HOW WE DO IT
Actions	<ul style="list-style-type: none"> • Internal and external IT and ISO audits • External Vulnerability Assessments and Penetration Testing (VAPT) audits • Promoting a culture of security awareness • Periodic cybersecurity and ISO awareness training
Commitments	<ul style="list-style-type: none"> • Technology upgrades • Continued employee training • Ensuring policies and procedures are reviewed • Remediation of findings • Continuous improvement

**Compliance Statement**

The directors of the Group hold the responsibility for ensuring conformity with all pertinent laws and regulations. Compliance matters are effectively overseen by the Group through the submission of quarterly reports on compliance and corporate governance, as well as through internal and external audits. Throughout the year, the Group dedicated significant efforts to ensure adherence to the following:

- Companies and Other Business Entities Act [Chapter 24:31].
- Consumer Protection Act [Chapter 14:44].
- Cyber and Data Protection Act [Chapter 12:07].
- Exchange Control Act [Chapter 22:05].
- Labour Act [Chapter 28:01].
- Public Accountants and Auditors Board Zimbabwe (PAABZ) – Pronouncements.
- Regional, Town and Country Planning Act [Chapter 29:12].
- SI134 of 2019 Securities and Exchanges (Zimbabwe Stock Exchange Listing Requirements) Rules.
- Tourism Act [Chapter 14:20].



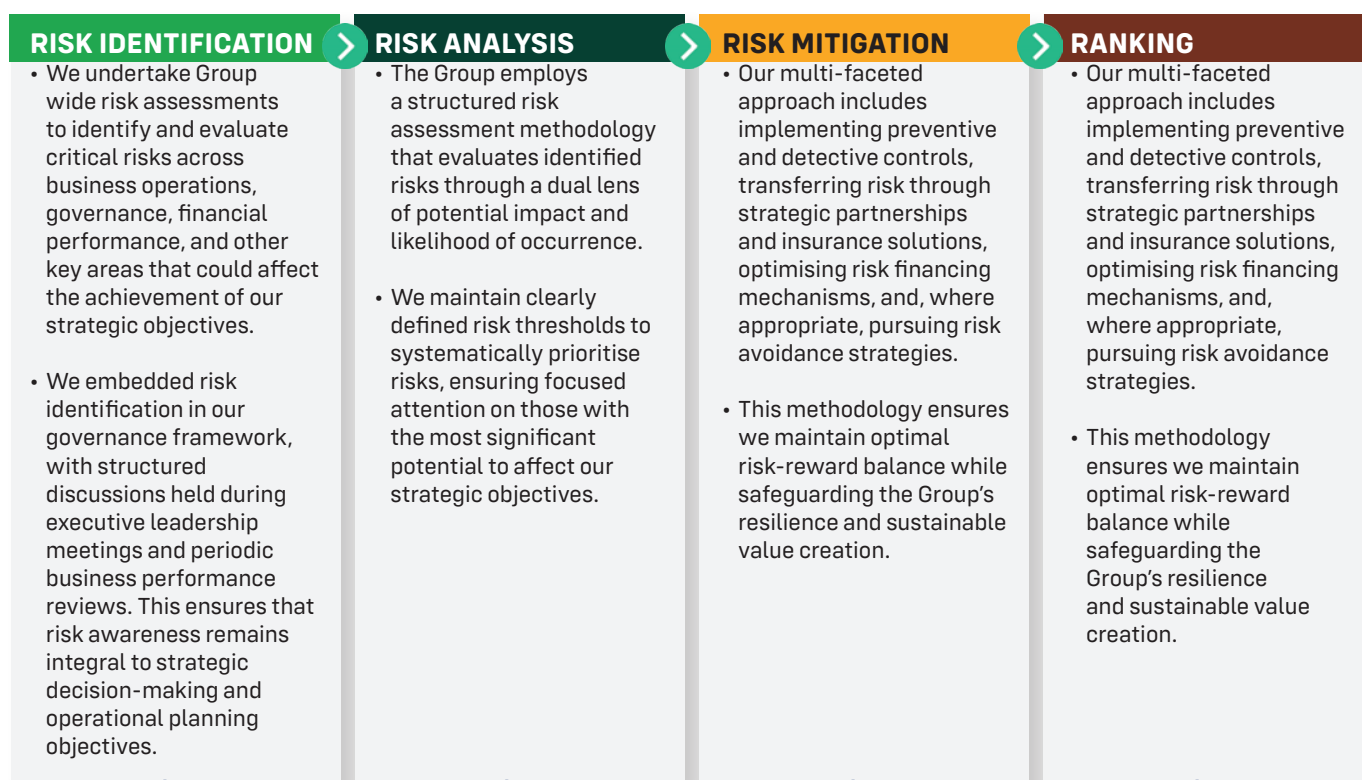
RISK MANAGEMENT

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RISK MANAGEMENT

Enterprise Risk

RTG recognises that a proactive Enterprise Risk Management (ERM) framework is fundamental to safeguarding our business operations, enhancing resilience, and ensuring the sustainable achievement of our strategic objectives. In an ever-evolving business landscape marked by dynamic risks and opportunities, we remain steadfast in our commitment to identifying, assessing, and mitigating risks while capitalising on emerging prospects. Our ERM framework is designed to be agile, forward looking, and fully integrated into our corporate governance structure. It provides a structured approach to risk identification, evaluation, and mitigation across all levels of the Group, ensuring that risk awareness is embedded in decision making processes. By fostering a risk conscious culture, we empower our teams to anticipate challenges, implement effective controls, and seize strategic advantages in alignment with our long-term vision. Our framework follows the following stages:



Through this disciplined approach, RTG strengthens its resilience, safeguards stakeholder value, and positions itself for sustainable growth in a competitive and rapidly changing environment. We remain committed to refining our risk management practices to navigate uncertainties effectively.

Managing Financial Risks

Our goal is to safeguard the Group's stability and stakeholder value. Through disciplined financial governance, we monitor and mitigate key exposures including liquidity risk, credit risk, cash flow volatility, and regulatory compliance obligations. Our treasury function maintains real-time visibility into financial positions, enabling data-driven decision making and pre-emptive risk mitigation. The Group implements controls around working capital management, debt servicing capabilities, and doubtful debt provisioning, while continuously assessing going concern assumptions. This vigilant approach ensures we preserve financial resilience, maintain optimal capital structures, and sustain operational continuity even in volatile market conditions. Regular stress testing and scenario analysis further strengthen our ability to anticipate and navigate potential financial challenges.

Key enterprise risks identified during the period under consideration were as follows:

COMPETITION

- The Group operates in a competitive tourism and hospitality market where competitor actions present material risks to our business performance.
- Key competitive threats include aggressive pricing strategies that may pressure our margins, innovative product offerings that could diminish our market position and competitor marketing campaigns that may erode our customer base.



MITIGATION MEASURE

- We focus on strengthening our core differentiators, that is, consistent quality service, personalised guest experiences, and operational excellence.
- We maintain quality controls across food, housekeeping, and amenities while continuously training employees to uphold service standards.

CREDIT RISK

- The potential financial loss arising from a customers' failure to meet their payment obligations, whether for accommodation bookings, event services, or other receivables.
- This includes situations where debtors delay payments, partially pay, or default entirely on amounts owed to the Group, directly impacting our cash flows and profitability.



MITIGATION MEASURE

- We implement a structured collections process for outstanding receivables while leveraging our business relationships to ensure timely payments.
- We maintain strict customer vetting procedures to ensure credit is only granted within the customers' repayment capacity, supported by clear credit policies and ongoing monitoring of debtor accounts.

EXPENDITURE RISK

- The potential that costs, whether operational, capital, or discretionary may not generate proportional value or returns, resulting in financial losses. This risk manifests when expenses exceed planned budgets without delivering commensurate revenue growth, operational improvements, or strategic benefits, thereby negatively impacting profitability and cash flow.
- The risk is particularly acute when spending decisions are not properly aligned with business priorities or when cost controls are inadequate.



MITIGATION MEASURE

- We maintain strict cost management policies, including robust approval processes for all spending and regular budget reviews.
- Our systems ensure costs align with operational needs and strategic objectives, while procurement procedures enforce value-for-money principles across all purchases.

CYBERSECURITY

- The potential for unauthorised access, data breaches, or system disruptions that could compromise our IT platforms, leading to loss of sensitive information, operational downtime, or reputational damage.
- This includes threats like hacking, malware, or internal vulnerabilities that may expose customer data, financial records, or proprietary business information.



MITIGATION MEASURE

- We implement layered security controls including input validation to prevent malicious data entry, processing safeguards to detect anomalies during operations, and output verification to ensure data integrity.

OPERATIONAL CONTROLS

- The possibility that our internal processes, systems, or procedures may be ineffective, outdated, or improperly implemented.
- This includes risks related to system failures, non-compliance with policies, or human error that could disrupt operations, compromise quality, or lead to financial losses.



MITIGATION MEASURE

- We maintain documented procedures, conduct regular process reviews, and adhere to ISO 9001:2015 – Quality Management Systems standards to ensure our systems remain effective and aligned with business objectives.

FIRE RISK

- The potential threat of fire outbreaks that could damage the Group's property, disrupt operations, or harm employees and guests in our hotels.
- This includes risks from electrical faults, flammable materials, or inadequate fire prevention systems which may lead to asset loss and operational interruption.



MITIGATION MEASURE

- We implement preventative measures including fire detection systems, water sprinklers and strategically placed fire extinguishers across all properties.
- Regular employee training ensures proper emergency response, while insurance coverage protects against potential financial losses from fire incidents.

VANDALISM RISK

- The threat of unauthorised individuals intentionally damaging or stealing the Group's property, potentially causing financial losses, operational disruptions, or safety concerns.
- This includes acts of theft, destruction, or violent intrusion that may compromise assets, facilities, employee, and guest security.



MITIGATION MEASURE

- We maintain physical security measures including 24/7 security personnel, CCTV surveillance across all premises, and established agreements with local law enforcement for rapid response.
- These measures deter unauthorised access, enable real-time monitoring of facilities and ensures swift intervention when required.

LITIGATION RISK

- The potential for adverse legal judgments, regulatory penalties, or unfavourable settlements from pending or threatened lawsuits that could materially impact the Group's financial position, operations, or reputation.
- This includes cases where court decisions may result in significant liabilities, operational restrictions, or damage to stakeholder confidence.

**MITIGATION MEASURE**

- We seek expert legal counsel and prioritise alternative dispute resolution to avoid unnecessary court proceedings.
- Our preventative approach also includes stakeholder engagement to address potential conflicts early.

HUMAN CAPITAL RISK

- The potential negative impact on a Group's performance, productivity, or growth due to issues related to its employees, such as the loss of key employees and skills shortages. When key employees leave, operations are affected.

**MITIGATION MEASURE**

- We implement deliberate employee retention schemes such as competitive compensation to keep key talent motivated.
- Fair labour practices, like equitable treatment, work-life balance and safe working conditions help maintain employee satisfaction and loyalty.
- We ensure there is effective communication and counselling within the Group.

FRAUD AND CORRUPTION RISK

- The possibility that employees may engage in fraudulent activities such as theft, bribery, embezzlement for personal gain or to harm the Group. This risk can lead to financial losses, reputational damage, legal consequences, and weakened internal controls.

**MITIGATION MEASURE**

- Implementing strong internal controls such as segregation of duties and approval processes to prevent fraudulent activities.
- Strict disciplinary actions, including termination and legal consequences for perpetrators deter misconduct.

SUSTAINABILITY - RELATED RISKS AND OPPORTUNITIES (SRRO)

Sustainability is central to our operations, guiding how we identify and manage risks to ensure long-term resilience. Our approach to sustainability is fully integrated into our Enterprise Risk Management (ERM) framework, incorporating Environmental, Social, and Governance (ESG) factors to address key challenges faced by the Group. Through regular sustainability risk assessments, we identify, evaluate, and mitigate risks related to environmental impact, waste management and social equity. We align our strategies with global sustainability standards and best practices to track progress and drive continuous improvement. Through embedding sustainable business practices across our operations and fostering a culture of responsibility, we strengthen our resilience while upholding our commitment to environmental stewardship and positive community impact. This structured approach ensures we meet our sustainability goals while delivering value to all stakeholders.

The following were the key sustainability-related risks and opportunities identified during the reporting period:

1. Regulatory Compliance

This refers to laws and regulations enacted by government and other regulatory bodies that govern our business conduct and operations. Potential challenges arise from evolving sustainability laws such as carbon emissions rules and waste management policies.

OPPORTUNITIES	FINANCIAL IMPACT	RISK
<ul style="list-style-type: none"> Ensuring the Group has a team tasked with actively checking the level of compliance with laws and regulations. Engagement with regulatory authorities can ensure we better understand our roles and requirements. These measures will result in a good standing with regulators. 	<ul style="list-style-type: none"> Financial burdens emanating from fines and penalties. Loss of reputation which leads to loss of customers and revenue. Cost saving from engagements with regulators and ensuring compliance. 	<ul style="list-style-type: none"> Failure to comply with all the applicable laws and regulations that govern the Group's operations. Non-compliance can impact our reputation with current and potential customers and regulators.

2. Waste Management

This involves the collection and disposal of waste materials in an efficient, environmentally friendly, and sustainable manner. It aims to reduce harmful effects of waste on health and the environment

OPPORTUNITIES	FINANCIAL IMPACT	RISK
<ul style="list-style-type: none"> Implementing proper waste disposal procedures and recycling programs can reduce disposal costs. Seeking partnerships with local recyclers can generate some income for the Group. Biogas digester - full circle recycling of food waste used to produce gas to power gas cookers in the kitchens. 	<ul style="list-style-type: none"> Fines from poor waste management increases expenditure and impact the Group's profits. Expenditure on electricity is reduced through biogas usage. Compliance reduces risks of penalties. 	<ul style="list-style-type: none"> Penalties from the Environmental Management Agency (EMA) for improper waste disposal. Poor waste management practices can potentially cause reputational damage and loss of environmentally conscious customers and investors.

3. Supply Chain

The supply chain is how we get what we need to efficiently conduct our business operations and serve our customers. It includes our suppliers, customers, and partners.

OPPORTUNITIES	FINANCIAL IMPACT	RISK
<ul style="list-style-type: none"> Adopting sustainability screening measures that seek to assess the environmental and social impacts of suppliers before they are regarded as business partners. The reputation of the Group will be safeguarded and any legal issues that may arise from exposure to human rights abuse will be avoided. 	<ul style="list-style-type: none"> Exposure to suppliers with no sound sustainability practices may impact our reputation and revenue. Sustainability screening may improve our reputation and revenues. 	<ul style="list-style-type: none"> The Group may be exposed to human rights abuses and negative environmental and social impacts through its business relationships with the suppliers of food items, external service providers and others.

4. Biodiversity and Land Use

This refers to how the Group's operations can impact the variety of life on earth and the natural environment.

OPPORTUNITIES	FINANCIAL IMPACT	RISK
<ul style="list-style-type: none"> The Group can adopt eco-friendly landscaping (native plants, wildlife corridors) and support conservation initiatives. This will enhance our appeal to eco-tourists and will improve our reputation. 	<ul style="list-style-type: none"> Legal penalties and loss of environmentally conscience tourists which reduce our tourism revenue. This could affect investor funding. Improved reputation will result in increased cashflows and revenue. 	<ul style="list-style-type: none"> Hotels located near wildlife reserves face regulatory restrictions on land use. There may be fines for habitat destruction or backlash from environmental groups. Overdevelopment could lead to soil erosion, deforestation and loss of local biodiversity harming the Group's eco-tourism appeal.

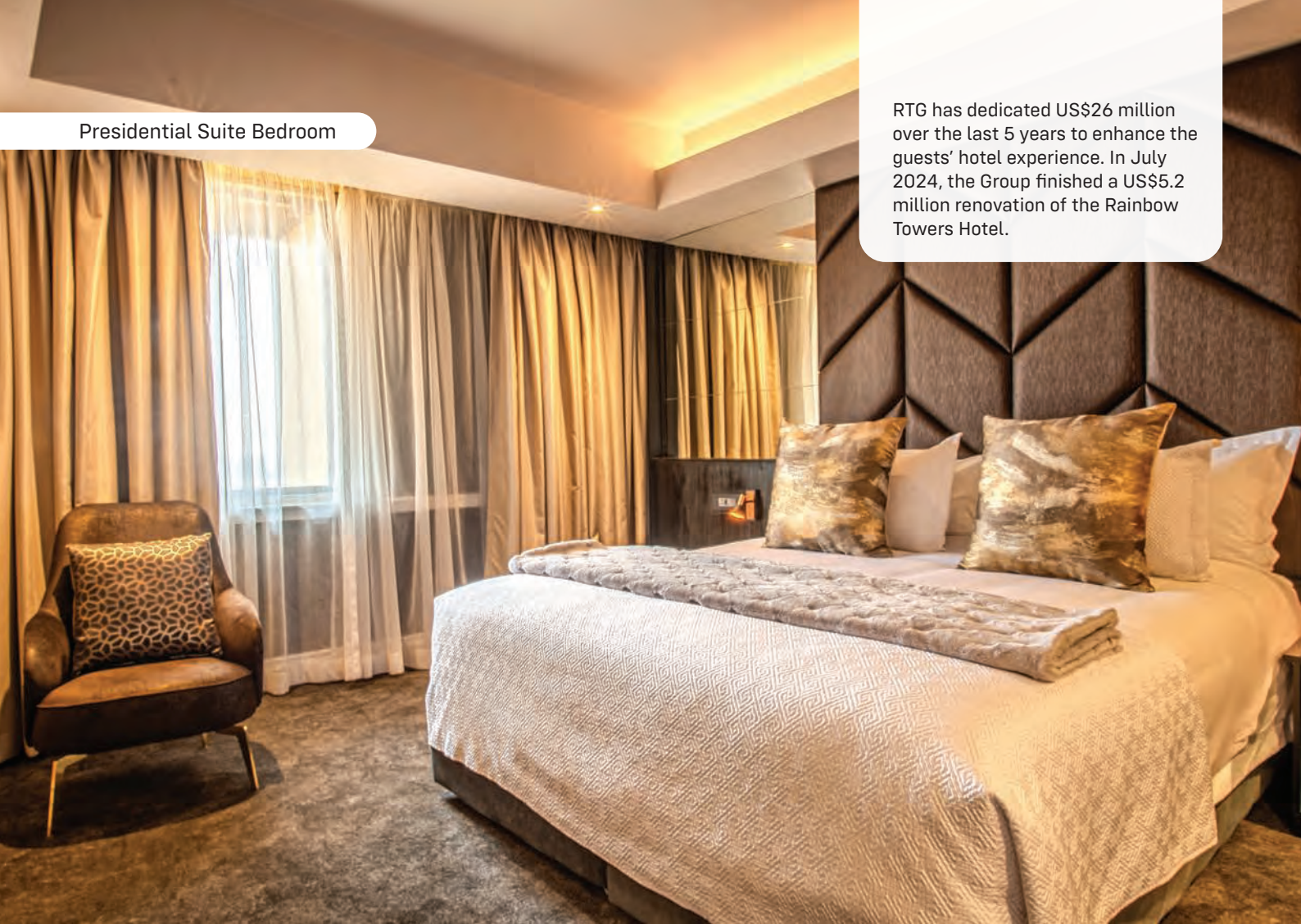
5. Sustainable Tourism and Community Engagement

Involving locals in tourism decisions and ensuring communities are benefiting economically. Sustainable Tourism aims to preserve the environment and preserve local heritage.

OPPORTUNITIES	FINANCIAL IMPACT	RISK
<ul style="list-style-type: none"> The Group could partner with local artisans, offer cultural experiences, and support community projects such as schools and clean water initiatives. This will result in a social contract to operate between the Group and local communities and will enhance brand reputation. 	<ul style="list-style-type: none"> Bad publicity and loss of bookings from socially conscious travellers results in reduced cash inflows and profits. Increased bookings from ethical travellers, positive media coverage, and stronger community support will increase revenue. 	<ul style="list-style-type: none"> There is a potential risk of being seen as exploiting local resources if the Group does not give back to the communities. This may result in backlash and negative reviews. Tourism, if extensive could strain infrastructure and degrade cultural heritage.

Presidential Suite Bedroom

RTG has dedicated US\$26 million over the last 5 years to enhance the guests' hotel experience. In July 2024, the Group finished a US\$5.2 million renovation of the Rainbow Towers Hotel.



Championing Sustainability

"We have implemented bulk guest amenities thereby reducing single use plastic and waste supporting our ESG commitment to responsible hospitality."



All RTG hotels now use bulk guest amenities dispensers.

CORPORATE SUSTAINABILITY

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Our Strategy

We consider corporate sustainability a fundamental aspect of our responsible business practices, deeply ingrained in our values and influencing our sustainability approach. With established policies and practices guiding our sustainability initiatives, we concentrate on the economic, environmental, and social impacts of our operations. Recognising the increasing demand for eco-conscious hotels for both international and local guests, we integrated sustainability into our overarching business strategy. Our aim is to meet the expectations of environmentally aware guests by implementing sustainable practices across all facets of our operations. Striving for a harmonious blend of profitability, environmental stewardship, and societal well-being, we continuously evaluate our activities to enhance resource efficiency, minimise waste, promote renewable energy, and engage with local communities. Through these efforts, we aspire to lead responsibly and sustainably within our industry.

Sustainable Business Practices

As Rainbow Tourism Group, we emphasise sustainability and aspire to be a responsible business that adds value through excellence and sustainable business practices. Our key focus is on delivering exceptional and memorable experiences to our stakeholders and guests through our vibrant hotels. Upholding ethical business practices and embracing sustainability, we are committed to delivering on our service pledge of "Fresh Smile, Fresh Food, and Fresh Pillow." Reflecting our commitment to quality, we hold certification to ISO 9001:2015 - Quality Management System, ensuring stringent quality standards in all aspects of our service delivery, including food quality, safety, security, room standards, and overall operations. Our sustainability strategy enables us to "Green our Hotels" by identifying and addressing climate related risks and opportunities, electricity usage, water consumption, waste management, and other operational factors. Through the establishment of policies, procedures, and values, we effectively monitor and address sustainability issues.



RTG CE with the CEO of Zimbabwe Chamber of Commerce Mr Mugaga.

Stakeholder Engagement

Our approach to stakeholder engagement involves delegating responsibility to each department within the Group. Department heads are expected to engage with their respective stakeholders and report any issues to senior management. Senior management then reviews these concerns and formulates solutions to meet stakeholder expectations.

We analyse the results of our stakeholder engagement to uncover potential risks and opportunities. Our engagement strategy encompasses both direct and indirect activities. We utilise stakeholder mapping analysis to evaluate the influence, interest, and impact of each stakeholder on our business, allowing us to prioritise our engagement efforts and identify which stakeholders need more focus.

Stakeholder Categorisation

Our stakeholders are categorised into the following which allows to devise the most appropriate strategy for engaging them:

INTERNAL



- Employees
- Management
- Board of Directors

EXTERNAL



- Suppliers
- Government and Regulators
- Customers
- Shareholders
- Communities
- Media

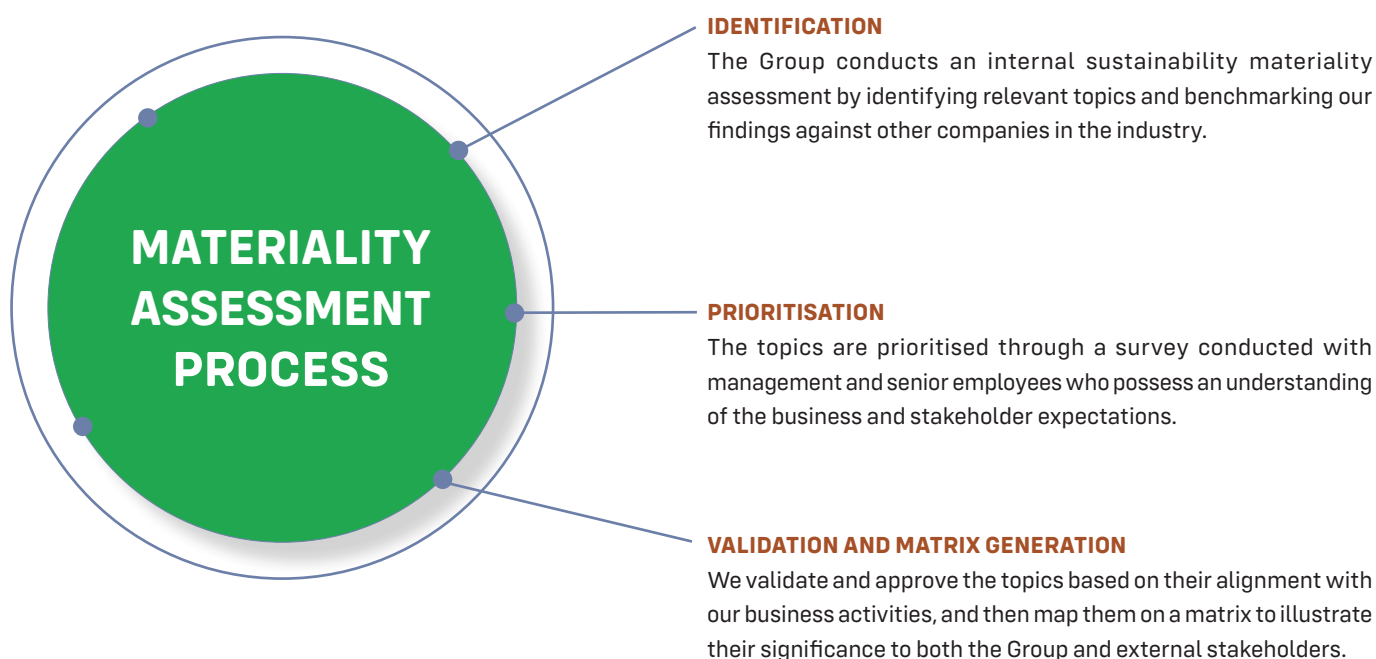
Our stakeholder engagement for the year is presented below:

STAKEHOLDER	MATERIAL MATTERS	OUR RESPONSE	FREQUENCY	ENGAGEMENT METHODS
Employees	<ul style="list-style-type: none"> • Cost of living • Training and development • Timeous remuneration • Information updates 	<ul style="list-style-type: none"> • Salary payments made on time • Training needs analysis 	<ul style="list-style-type: none"> • Quarterly • Monthly • Daily 	<ul style="list-style-type: none"> • National Works Council • Memorandums • Intranet • Physical meetings
Government Regulators	<ul style="list-style-type: none"> • Regulatory compliance • Tax compliance • Cultural heritage preservation 	<ul style="list-style-type: none"> • Timely remittances of all statutory obligations • Compliance with regulatory requirements 	<ul style="list-style-type: none"> • Quarterly • Annually 	<ul style="list-style-type: none"> • Physical Meetings • Public and Industry Forums
Shareholders	<ul style="list-style-type: none"> • Consistent dividend • Risk management • Transparency and disclosures • Sustainability 	<ul style="list-style-type: none"> • Consistent dividend declaration • Implementing ESG strategies and reporting 	<ul style="list-style-type: none"> • Annual • Ad hoc 	<ul style="list-style-type: none"> • Board meetings • Annual General Meetings • Annual reports
Suppliers	<ul style="list-style-type: none"> • Settlement currency • Demand of goods and services • Timeous settlements 	<ul style="list-style-type: none"> • Compliance with Reserve Bank of Zimbabwe (RBZ) regulations • Negotiating credit terms 	<ul style="list-style-type: none"> • Weekly. • Monthly. 	<ul style="list-style-type: none"> • Supplier Evaluations • Physical Meetings • Emails
Financial Institutions	<ul style="list-style-type: none"> • Creditworthiness and stability • Transparency and disclosures • Compliance with financial regulations 	<ul style="list-style-type: none"> • Full disclosure • Conducting regular independent audits 	<ul style="list-style-type: none"> • Ad hoc 	<ul style="list-style-type: none"> • Virtual and physical meetings • Emails
Customers	<ul style="list-style-type: none"> • Data protection and privacy • Transparency and honesty • Competitive pricing • Quality of products and services 	<ul style="list-style-type: none"> • Implementing cybersecurity policies • Full disclosure • Refurbishment of hotels 	<ul style="list-style-type: none"> • Quarterly • Annually • Daily 	<ul style="list-style-type: none"> • Sales calls • Direct contact • Online guest feedback platforms • Emails
Community	<ul style="list-style-type: none"> • Job creation and employment • Community engagement and support • Cultural sensitivity and respect 	<ul style="list-style-type: none"> • Local recruitment • Collaborating with local communities and supporting local projects 	<ul style="list-style-type: none"> • Quarterly • Ad hoc 	<ul style="list-style-type: none"> • Physical Meetings

Sustainability Materiality Assessment

Rainbow Tourism Group's sustainability materiality assessment is a process designed to identify and prioritise the most significant topics and issues related to operations across economic, environmental, social, and governance dimensions. Our materiality assessment was based on identifying material issues and then align them with GRI Standards and Sustainability Accounting Standards Board (SASB) for sector-specific indicators. We benchmark our findings against those of other leading organisations in the hospitality industry to ensure our approach remains aligned with best practices and responsive to emerging trends.

The management team plays an essential role in this process, providing insights that help determine which aspects are most relevant for each reporting period. This ongoing process reflects our dedication to transparency and accountability, guiding our efforts to create positive impact within the communities we serve and the environment we operate in.



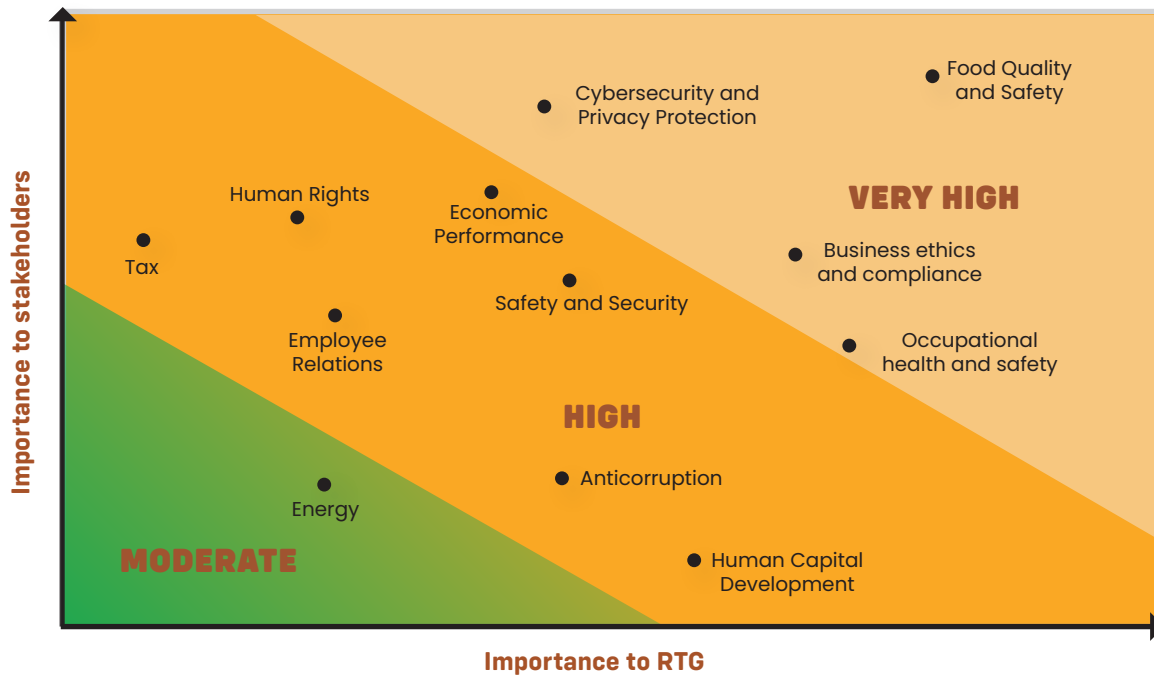
Material Topics

Our material topics were categorised into economic, environmental, social and governance topics as presented below:

ECONOMIC	ENVIRONMENTAL	SOCIAL	GOVERNANCE
<i>Topics that cover the flow of capital among different stakeholders, and the main economic impacts of the business.</i>	<i>Topics that cover the effects of our operations on both living and non-living elements of the ecosystems.</i>	<i>Topics that cover the impacts on the communities, societies, and individuals affected by our activities.</i>	<i>Topics that cover the effects on the system of practices, and processes that guide and govern our operations.</i>
<ul style="list-style-type: none"> • Tax • Economic Performance • Supply Chain and Responsible Sourcing 	<ul style="list-style-type: none"> • Water • Energy • Waste • Climate Change • Biodiversity 	<ul style="list-style-type: none"> • Employment • Employee Relations • Human Rights • Human Capital Development • Diversity and Inclusion • Occupational Health and Safety • Corporate Social Responsibility • Food Quality and Safety • Food Experience • Safety and Security 	<ul style="list-style-type: none"> • Business Ethics and Compliance • Anti-corruption • Cybersecurity and Privacy Protection

Materiality Matrix

The matrix shown in the scatter graph below illustrates the results of issues identified and prioritised according to their impact to the Group (business and potential financial implication) and their potential impact on stakeholder decisions. The issues are plotted based on the total number of topics surveyed, which were narrowed down to the top fifteen (15) topics.



MODERATE

Reflects where significant efforts were made to address issues

HIGH

Reflects where measures are in place to manage the impacts while improvements continue to be implemented

VERY HIGH

Issues regarded by the business and stakeholders to be of significant interest

The following topics were ranked as most significant for RTG:

- Cybersecurity and Privacy Protection.
- Business Ethics and Compliance.
- Food Quality and Safety.
- Occupational Health and Safety.



HOSPITALITY ADMINISTRATION



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Food Quality and Safety

Rainbow Tourism Group (RTG) recognises the critical importance of managing food quality and safety as a core aspect of its hospitality operations. The Group acknowledges that food safety has broad implications for public health, operational sustainability, environmental impact, and the protection of human rights. We experienced enhanced product consistency and improved food safety standards through the implementation of strict quality control measures. These efforts support public health, build customer trust, and help reduce environmental harm through better resource management and less food waste. Supply chain disruptions and insufficient employee training can pose risks to food safety, potentially affecting guest health and the Group's reputation. These challenges emphasise the need for ongoing vigilance and proactive risk management.

Goals	<ul style="list-style-type: none"> • Zero E. coli cases in hygiene audits
Targets	<ul style="list-style-type: none"> • Resolve 100% of food safety complaints • 90% Hygiene Quality Index • 100% training and compliance rates
Key Performance Indicators	<ul style="list-style-type: none"> • Customer feedback • Hygiene Quality Index (HQI) • Internal audit scores
Progress Made	<ul style="list-style-type: none"> • 100% food safety complaints resolved • 91% HQI achieved • 100% training and compliance rate achieved

Processes such as food preparation and waste management can directly impact safety outcomes, and the Group may be indirectly linked to safety issues through suppliers or partners who do not meet required standards. Improper slaughtering or packaging by vendors can compromise the safety of ingredients, impacting the final product served to guests. The Group established Quality Assurance protocols, conducts regular audits of its suppliers, and mandates ongoing food safety training for all employees. Traceability systems are implemented to track food products allowing for quick responses in the event of safety incidents. RTG is committed to maintaining and regularly reviewing its Best Operating Procedures (BOPs) to ensure alignment with emerging risks and regulatory updates.

We integrated the ISO 9001:2015 standard to identify, control, and manage food safety hazards. Sanitation protocols are enforced across all facilities, while regular training programs equip employees with the knowledge to handle food safely.

Supplier evaluations ensure that only vendors meeting stringent food safety and ethical sourcing criteria are approved. Guest feedback is actively gathered to identify areas of improvement and address concerns swiftly. In cases where food safety breaches occur, we conduct hazard analysis, root cause investigation, and immediate corrective actions. Suppliers found to be non-compliant are issued with Corrective Action Plans or replaced if necessary. In-house, employees involved in safety breaches undergo retraining, and disciplinary action is taken in cases of repeated negligence.



Hotel Food Experience

Our approach to managing our food experience is aligned with our broader commitment to quality, customer-centric service, and responsible business conduct. We recognise that the choices we make regarding food offerings can have wide-reaching impacts across the environment, economy, and human well-being. A well-curated and thoughtfully priced menu contributes directly to customer satisfaction, brand reputation, and increased guest loyalty. These factors drive repetitive business and revenue growth, while reinforcing the Group's image as a forward-thinking, guest-centric hospitality provider. Further, our commitment to incorporating local and fresh produce supports local economies and enhances food quality for guests. However, RTG acknowledges the existence of potential negative impacts related to menu management. These include supply inconsistencies due to the unavailability of certain produce in the market, which can limit menu variety and lead to guest dissatisfaction. Poor costing of menu items can negatively affect revenue, and inefficient menu planning may result in excessive food wastage.

The RTG Quality Policy outlines our dedication to high service standards, while compliance with ISO 9001:2015 Quality Management System (QMS) demonstrates our structured approach to quality management and continuous improvement. These frameworks guide our menu planning and sourcing decisions to align with health, safety, and sustainability goals. A strategic pricing model ensures that menu items are both cost-effective and appealing, factoring in ingredient costs, portion sizes, and market trends. Regular menu analysis helps identify high-performing dishes and eliminate those with low demand or high waste levels. By integrating guest feedback mechanisms, such as surveys and real-time reviews, we tailor offerings to suit dietary needs and preferences, which helps reduce food waste and improve guest satisfaction. We gather data through guest feedback platforms such as GuestRevu, which provides insights into guest satisfaction with menu choices, including children's options. Internal and external quality audits conducted by our Quality Management System (QMS) team and external partners like The Standard Association of Zimbabwe (SAZ) ensure ongoing compliance and highlight areas for improvement. Our key goals include offering nutritious, diverse, and inclusive menu options, enhancing the overall guest dining experience, and promoting sustainable practices. Targets have been established, such as achieving an 85%+ guest satisfaction rating on menu variety and resolving 100% of food-related complaints within 24 hours. Performance indicators like GuestRevu ratings and customer complaint resolution times are tracked to measure progress.

Customer complaints related to food are now consistently resolved within 24 hours. Guest feedback has directly influenced the expansion of vegetarian options and the enhancement of the children's menu. Regular menu performance reviews led to the elimination of underperforming dishes, and a greater focus has been placed on items with strong margins and popularity. Feedback regarding the lack of vegetarian options led to a successful revamp of the menu to include clearly labelled vegetarian meals. Similarly, feedback from employees involved in food preparation helped tailor employee training programs to improve execution and quality control. Customer insights guided improvements in variety, portion sizes, and dietary inclusiveness, while supplier collaboration helped stabilise the sourcing of key ingredients. Internally, employee's involvement in menu development and execution has strengthened our operational capability and quality assurance efforts.



RTG Chief Executive hands over a gift to H.E. Andry Rajoelina, President of Madagascar during his visit for the SADC Summit.

Guest Safety and Security

As Rainbow Tourism Group (RTG), ensuring the safety and security of guests, employees, and assets is a core business priority and a key element of operational sustainability. RTG’s approach is built on a combination of physical infrastructure, technology, strategic partnerships, and ongoing training to maintain a secure environment throughout its operations. RTG significantly improved its ability to safeguard its premises and stakeholders through multiple initiatives. Securing business infrastructure through perimeter fencing, access control systems, physical guarding, and the installation of AI-enabled surveillance cameras helped protect assets and prevent damage to the surrounding environment. The engagement of a professional security service provider contributed to job creation. We invested in fire safety training, workplace safety education, and robbery response protocols, all of which help reduce risks to life and promote employee wellbeing.

Security breaches, fire hazards, vandalism, and theft pose risks not only to the physical environment but also to the Group’s reputation and financial health. A lapse in safety protocols could result in physical harm to guests or employees, potentially violating human rights and diminishing trust. Additionally, neglecting safety standards could discourage tourism and impact the local economy through reduced occupancy rates and lowered destination appeal. RTG acknowledges that risks such as slips, falls, cyber breaches, and physical intrusions must be continuously managed to avoid revenue loss and reputational damage. The Group’s relationships with third-party service providers, such as security firms or technology vendors, could expose the business to risks if those partners fail to meet expected safety standards. RTG mitigates this by offering adequate training to all security personnel and enforcing strict access controls, such as keycard-enabled room entry and elevator access limited to registered guests only.

Goals	• Full protection of human life, revenue, and property
Targets	• Achieving 100% full protection of human life, revenue, and property
Key Performance Indicators	• Number of break-ins • Instances of unauthorised access through perimeter fences • Theft incidents • Downtime of electronic security gadgets
Progress Made	• Zero major security breaches.

RTG’s policies and commitments form the foundation of its security framework. Key guiding documents include the Loss Control Manual and Security Site Standing Instructions, which standardise procedures across the group. Commitments include maintaining functional security systems, conducting routine patrols and physical searches, and ensuring all deployed technologies such as CCTVs and access control systems are always fully operational. To actively manage safety and security impacts, deployed trained security personnel across properties, installed high-tech surveillance systems, erecting palisade fencing, and securing vulnerable areas like cash points with safes. These efforts are not only preventive but also remedial responding swiftly to incidents and addressing vulnerabilities as they arise. Investments in AI technology further enhanced monitoring capabilities, enabling real-time threat detection and response.



Over 40% of the Company's employees became proud homeowners through the Employer Assisted Micro-Finance Mortgage Housing Loan Scheme.

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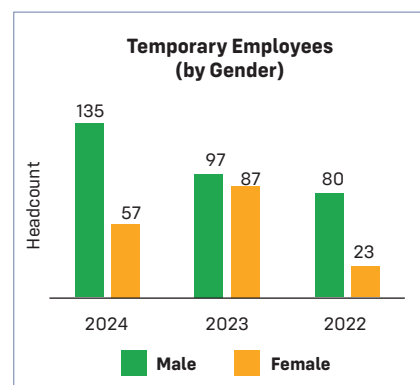
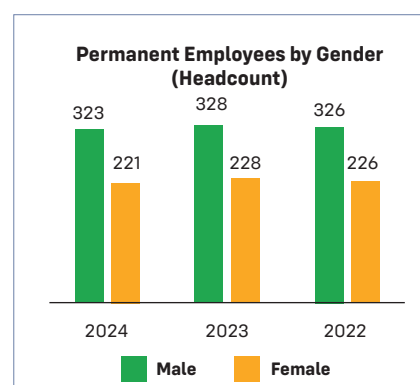
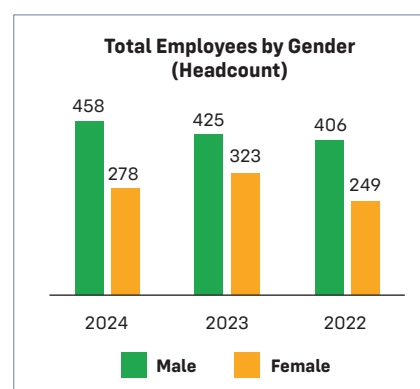
Human Capital Management

RTG successfully retained talented employees, which significantly contributed to increased productivity and overall business performance. This focus on efficiency across our business activities led to improved operational outcomes and higher retention rates. To ensure sustainable success, we regularly benchmark ourselves against companies in similar industries, both locally and internationally, which helps us remain competitive. Further, we conduct employee engagement surveys to assess the wellbeing of our employees, ensuring a supportive environment that fosters growth and satisfaction within the Group.

Goals	<ul style="list-style-type: none"> To recruit and develop highly efficient and effective talent within the Group.
Targets	<ul style="list-style-type: none"> Recruit 100% top talent. 80% employee engagement for 2024. 80% discipline in the workplace
Key Performance Indicators	<ul style="list-style-type: none"> Employee performance evaluations Labour case management analysis Employee engagement survey
Progress Made	<ul style="list-style-type: none"> 100% induction of all associates Achieved 83% employee engagement, 80.2% in 2024

The Group is committed to ensuring that employees are strategically selected using our Recruitment and Selection Policy, which ensures that they are well taken care of and developed throughout their tenure. Our Human Capital Development Policy focuses on continuous training and employee growth, while our Reward Management Policy ensures fair recognition and compensation. The Group upholds a strong Retirement Policy and maintains positive employee-employer relations, ensuring that disciplinary issues are effectively addressed. To support this, we provide employee Induction Programmes, Policy Awareness Programmes, and Policy Orientation Platforms to ensure all employees are well-informed. We continue to hire top talent with the right attitude and invest in their development through ongoing training and engagement forums, ensuring motivated and productive employees. We place a strong emphasis on employee engagement, utilising various programmes such as external audits and employee engagement surveys to recruit, develop, and retain highly efficient and effective talent. We focus on recruiting top talent, fostering their development, rewarding performance, and promoting discipline in the workplace.

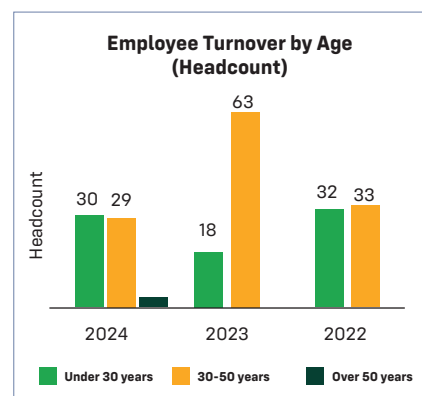
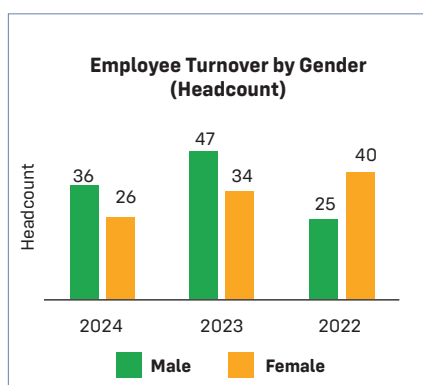
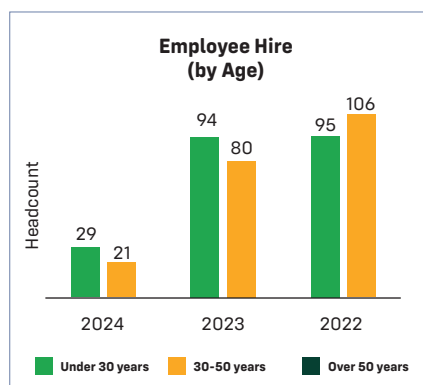
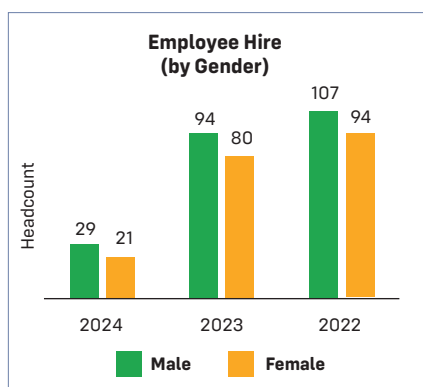
Total employees for the reporting period were as follows:



The observed decrease of 1.6% in total employees within the Group can be attributed to several interrelated factors. Firstly, there were terminations resulting from disciplinary hearings and non-performance, which directly reduced the headcount as the Group prioritised maintaining a high-performance employee base. Some employees voluntarily exited the organisation for better opportunities, necessitating the recruitment of new hires to fill these critical roles.

Employee Movement

The Group places high priority on employee recruitment and retention striving to promote diversity in terms of gender and age. We recruit individuals who possess the required skills and qualifications and align with the Group's values. During the reporting period, employee hire and turnover were as follows:



Although recruitment efforts may eventually increase numbers, the initial departures led to a temporary reduction in total employees. Further, the talent management matrix emphasised alignment between employee capabilities and business strategy. Changes in business activities prompted adjustments in roles, which sometimes led to redundancies. This decrease specifically pertains to permanent and contract employees, excluding seasonal employees who are brought during peak periods.

Employee Relations

The Group fosters a positive work culture, which contributed to increased retention rates and overall employee satisfaction. While we are proud of our achievements, we recognise there is still potential to further enhance our reputation. To support this, we consistently engage in Business Reviews, Works Council Initiatives, the State of the Hotel Address, and Employee Surveys. These efforts provide valuable insights, enabling us to continually improve and align our strategies to ensure the Group's ongoing success and growth.

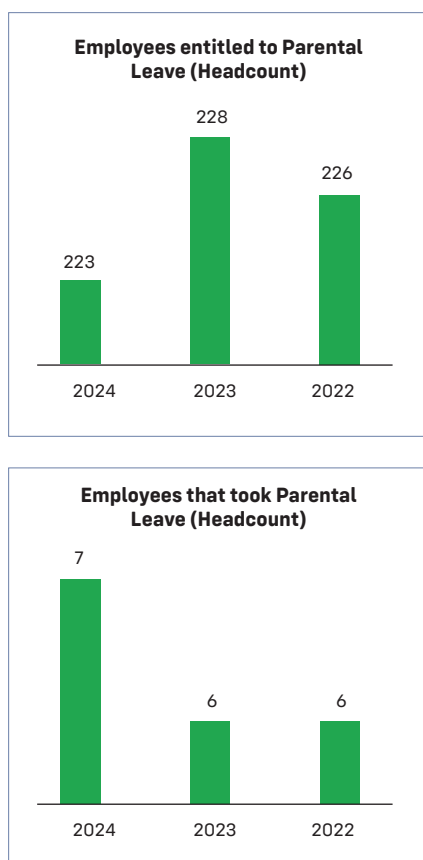
We are committed to ensuring that a properly constituted Workers' Committee and Works Council are elected and function in accordance with established guidelines and relevant legislation. These committees will represent the various employee groupings, fostering a collaborative and inclusive environment. To further strengthen communication, we hold a monthly Works Council meeting, two National Works Council meetings annually, and an annual Employee Engagement Survey. The Group conducts a State of the Hotel address to share key updates. Reports from these engagements ensure that discussions are documented and actionable, supporting continuous improvement and employee satisfaction.

RTG places great importance on maintaining good employee relations and fostering two-way communication to ensure fairness and transparency for all. Internal and external audits are regularly conducted to verify that these practices are being effectively implemented. Our actions led to increased stakeholder engagement, which, in turn, resulted in more business for RTG, further demonstrating the value of a harmonious employee-employer relationship.

Parental Leave

In a commitment to supporting work-life balance and prioritising the well-being of our employees and their families, the Group offers parental leave to all employees.

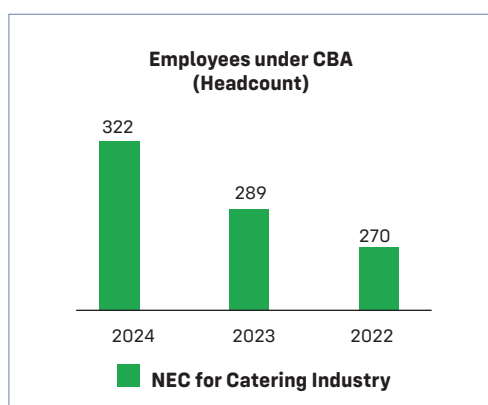
During the period, parental leave statistics were as follows:



Freedom of Association and Collective Bargaining

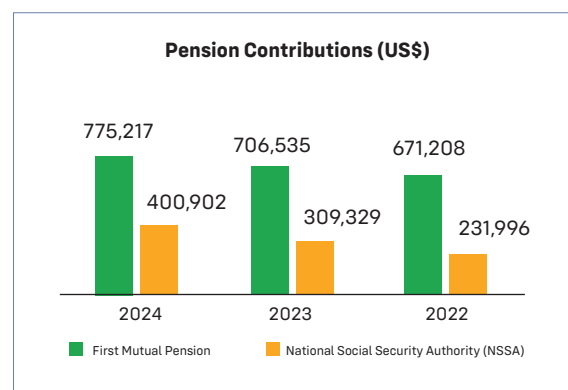
A significant portion of RTG employees are members of the Zimbabwe Catering and Hotel Workers Union (ZCHWU) and fall under the jurisdiction of the National Employment Council for the sector. RTG actively engages in collective bargaining agreements, which facilitate discussions to establish equitable terms and conditions of employment. Participating in these agreements underscores the Group's commitment to nurturing positive labour relations and upholding the rights and welfare of its employees.

For the current reporting period, our Collective Bargaining Agreement (CBA) is depicted below:



Post-Employment Benefits

Upon reaching retirement age, RTG provides employees with a retirement benefit, ensuring they receive additional financial assistance. The management team is dedicated to offering employees opportunities to join pension plans that provide lifelong benefits post-employment. While some pension schemes are voluntary, mandatory schemes, like the National Social Security Authority, encompass all employees. Through these initiatives, the Group aims to prioritise the financial security and long-term well-being of its employees. Our pension figures for the reporting period were as follows:



The growth in our employee base has resulted in increase in pension contributions.

Occupational Health and Safety

We understand that promoting a culture of workplace safety boosts productivity, provides a competitive advantage, enhances employee wellness, and reduces accidents, all of which contribute to greater profitability. By lowering accident-related costs and minimising the loss of manpower hours and lives, the Group strengthens its overall performance. While we acknowledge that health and safety-related costs may rise, potentially affecting profitability, we are committed to mitigating these risks. The Group actively participates in industry Occupational Safety, Health, and Wellness programmes, engaging in information sharing and implementing measures in line with relevant legislation to ensure the well-being of our employees and the Group's long-term success.

Our policy is designed to comply with all relevant legal requirements and industry best practices, while fostering a culture of safety across the Group. Through regular assessments, training, and adherence to safety protocols, we are committed to creating a workplace that is not only compliant but secure for every individual. By prioritising safety, we aim to minimise risks, prevent accidents, and promote long-term sustainability, while safeguarding the health and safety of our employees at all levels.

Goals	<ul style="list-style-type: none"> • Zero-tolerance approach to accidents at work.
Targets	<ul style="list-style-type: none"> • 100% compliance on health and safety regulations across all our business units by 2027. • Raising awareness of health and safety practices among employees.
Key Performance Indicators	<ul style="list-style-type: none"> • Occupational Health, Safety, and Wellness (OHSW) targets of NSSA. • Meet requirements of the Labour Act [Chapter 28:01] and the National Social Security Authority's Accident Prevention Workers Compensation Scheme Notice No. 68 of 1990
Progress Made	<ul style="list-style-type: none"> • The Group continues to monitor and comply with Health and Safety measures and standards.

Occupational Health and Management System

As part of our health and safety initiatives, we conduct regular training programmes, including fire drills and proper gas usage training, to ensure employees are well-prepared for emergency situations and safe operational practices. Additionally, we offer wellness programmes that support healthy employees, such as health checks and recreational activities like games, which help foster a positive work environment and encourage physical and mental well-being.

Hazard Identification and Risk Assessment (HIRA)

In the event of an incident or safety exposure, a thorough root cause analysis is conducted to identify underlying issues and prevent future occurrences. This process is supported by regular quality audits and targeted training programmes to ensure all employees are equipped with the knowledge to uphold safety standards. The incident or accident reporting procedure is a key element in maintaining a safe work environment, with employees encouraged to report incidents without fear of reprisals, ensuring transparency and accountability. To prevent occupational health and safety risks, the scene of an incident is immediately secured, and all necessary parties are promptly notified. An effective incident investigation process follows four key steps, a detailed description of the incident, identification of the root causes and recognition of necessary changes to work processes.

Work related hazards that pose a risk of high consequence injury:

Hazard	How the hazard was determined
Ergonomics	Engagement of employees to establish condition of office furniture suitability.
Psychosocial hazards	Make use of registered medical experts.
Chemicals for cleaning	Engagement of reputable suppliers and experts.
Flammable Materials	Flammable detection equipment i.e. fire detection.
Physical hazards	Use of signs to highlight areas under physical activities.

Occupational Health Services

To identify and assess hazards, RTG collaborates closely with employees to collect and review information regarding potential or existing hazards in the workplace. This process includes conducting both initial and periodic workplace inspections to detect new or recurring hazards, ensuring that all safety risks are identified and addressed promptly. By continuously assessing the work environment, we ensure that appropriate measures are taken to minimise hazards and maintain a safe and secure workplace for all employees.

Employee Training on Occupational Health and Safety

As part of our commitment to maintaining a safe and healthy workplace, we provide first aid training to ensure employees are equipped to handle medical emergencies effectively. We emphasise proper gas usage training to mitigate risks associated with hazardous substances. Our Health and Safety Evacuation Programme ensures that all employees are prepared for emergency situations, while regular fire drills reinforce the importance of safety preparedness. We implement ISO methodologies to streamline our processes and enhance efficiency, and our commitment to quality is demonstrated by our ISO Certifications such as, ISO 9001:2015 Quality Management System (QMS), which highlights our dedication to maintaining high standards in quality management, occupational health and safety, and environmental management.



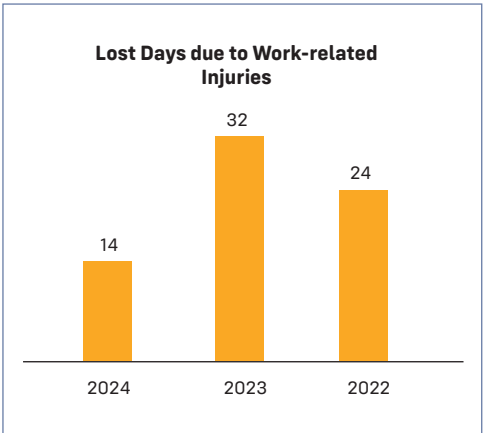
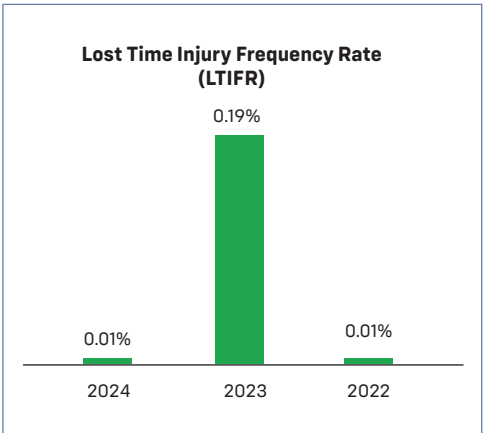
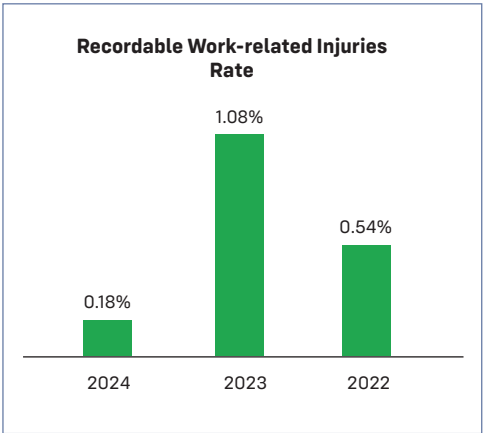
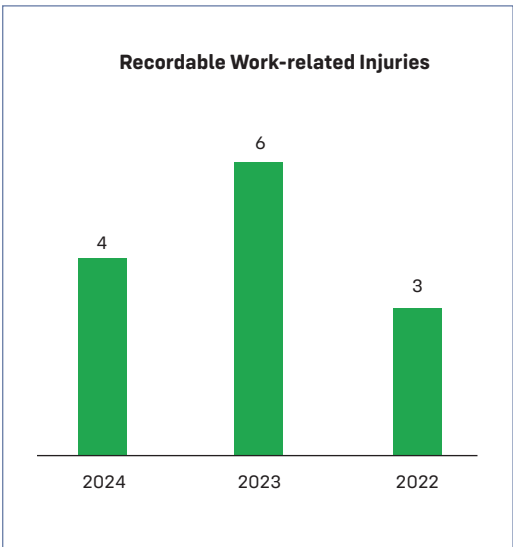
RTG Employee getting checked at wellness day.

Promotion of Employee Health

To ensure the well-being of employees, the Group provides a medical aid scheme and maintains working conditions that promote dignity, personal achievement, and self-fulfilment. Health, Safety and Wellness Champions are integral to fostering a culture of well-being throughout the Group. In addition to audits and reports from medical aid schemes, we gather feedback through employee surveys to assess our adherence to both internal policies and regulatory legal frameworks in Zimbabwe. Our target is to achieve 100% compliance with these regulations by 2027, with a zero-tolerance approach to accidents at work.

Through internal and quality audits, continuous training, and ongoing development, we are committed to maintaining the highest safety standards. We ensure NSSA compliance and are working towards achieving NSSA certification with 100% adherence. Recognising that inadequate health and safety policies can lead to accidents and increased costs, we consistently review and improve our policies and procedures. Engaging with stakeholders, including guest feedback and employee complaints, is vital in identifying areas for improvement and ensuring that health and safety measures are fully integrated across all functions.

Work-related injuries during the year were as follows:



Main types of Injuries experienced by employees were minor injuries i.e. slippery, bruises, minor cuts, and burns.



Employee Skills Development

RTG is committed to driving higher productivity by investing in employee skills development. Our performance-based reward system serves as a motivator, while fairness remains a core value within the Group. We encourage innovation as a means of gaining a competitive edge. However, managing change for both internal and external stakeholders can present challenges, and there is a risk of turnover among those who benefited from the Groups training programmes, leading to potential skills loss. To mitigate this, we offer training and development initiatives, including Graduate Traineeships, Supervisory and Management Development Programmes, and Executive Development Programmes. Our performance management systems play a crucial role in identifying and nurturing talent, supported by regular feedback, performance reviews, and goal-setting processes.

Our Human Capital Development Policy outlines the initiation and implementation of programmes designed to identify gaps between the current capabilities of associates and the skills they need to possess. These gaps then guide our training and development efforts. Regular assessments are carried out to ensure the effectiveness of the training programmes and to measure their impact. Key deliverables are addressed in line with these assessments, and we proactively communicate the benefits of upskilling to our associates, encouraging ongoing professional growth and development.

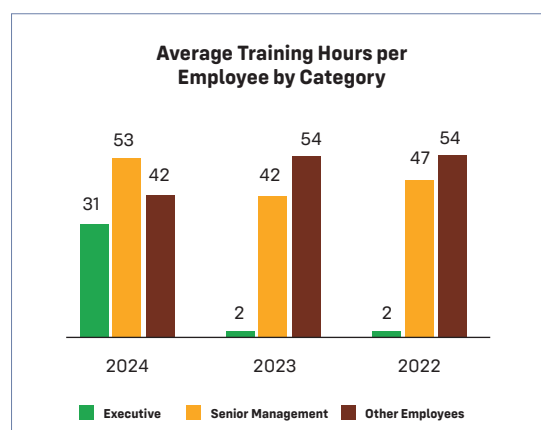
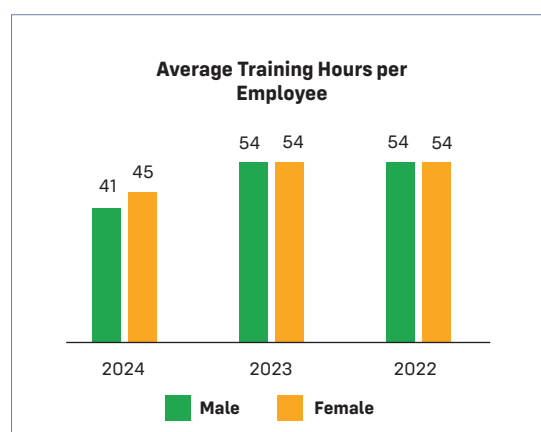
Goals	<ul style="list-style-type: none"> Establish a sound Human Capital Development Programme that offers every associate an opportunity to upskill
Targets	<ul style="list-style-type: none"> 100% compliance with set training programmes. Increase internal hires to 70% 100% success rate for Graduate Trainee Programme 100% skills capacitation across all units. 69 graduate trainees for 2025
Key Performance Indicators	<ul style="list-style-type: none"> Retention rate of Graduate trainee programmes Internal Hiring rate
Progress Made	<ul style="list-style-type: none"> Our Graduate Trainee programme achieved 95% success, with a retention rate of 95% for those who completed the programme

We prioritise continuous growth and development through our Human Capital Development programme, which is designed to equip our employees with the skills needed for both personal and organisational success. Assessments are conducted on a quarterly basis to monitor the results of key deliverables and ensure that our programme provides every employee with the opportunity to upskill. Regular assessments are crucial, as they allow us to track progress, quickly address any challenges, and ensure associates stay on course. This commitment to development results in excellent service delivery and a noticeable impact on productivity levels.

Type and scope of programs implemented, and assistance provided to upgrade employee skills:

- Customer Service Excellence
- Executive Development Programme
- Graduate Traineeship Program
- Management Development Programmes
- Professional Cookery
- Quality Assurance
- Supervisory Development Programme

Average Training hours during the reporting period were as follows:



The increase in executive training hours was due to an executive development programme, preparing the executives to manage under a new international network of hotels. As the Group aims to strengthen its position in the local market while also penetrating regional and international markets, there is a pressing need for leaders who are well-equipped with the necessary skills to navigate these complexities. This expanded training allows executives to develop critical competencies, adapt to market changes, and lead their teams effectively, contributing to the Group's long-term success and competitive advantage in an evolving business landscape.



ENVIRONMENTAL AND CLIMATE

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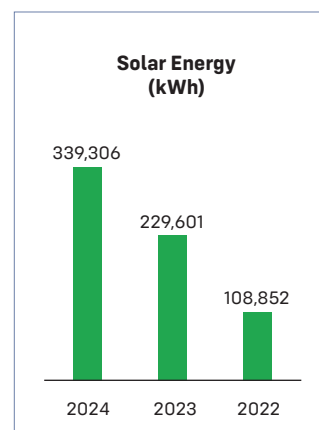
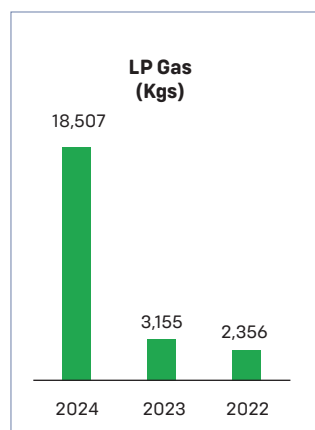
Energy

RTG continues to implement energy efficiency improvements across its operations, contributing to the reduction of greenhouse gas emissions while driving long-term cost savings. The Group adopted energy-efficient technologies that lower energy consumption and mitigate the risk of resource depletion and reduce environmental pollution. However, the Group acknowledges challenges, including potential disruptions in energy supply and the environmental impact of using a diesel generator during power outages. The generator emits Particulate Matter (PM) and carbon dioxide, which contribute to air pollution and harm the ozone layer. RTG remains committed to exploring cleaner energy alternatives and enhancing efficiency measures to minimise its environmental footprint.

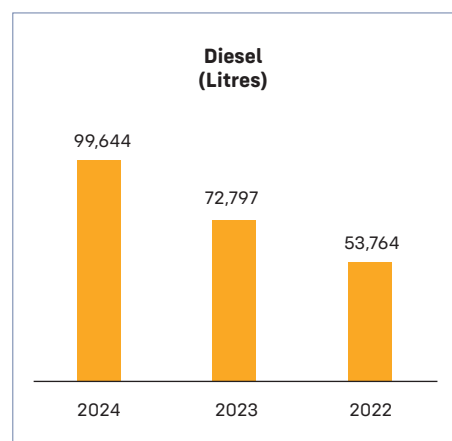
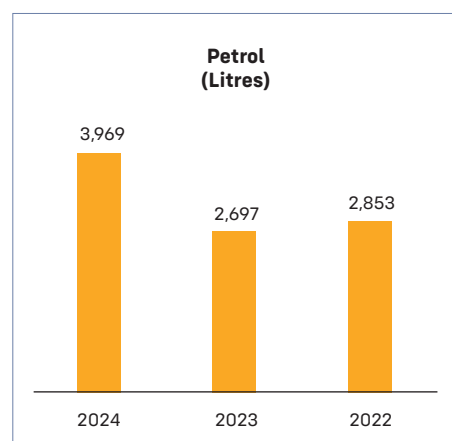
Goals	• Reduction in energy consumption
Targets	• 3% reduction in energy consumption by 2025.
Key Performance Indicators	• 2.22% reduction in energy consumption for the year of 2024.
Progress Made	• Ongoing, progress is being made as we continue to monitor energy usage and introducing cost reduction measures to reduce overall energy usage.

The Group, certified under ISO 9001:2015 Quality Management Systems (QMS), is committed to tracking and optimising its energy consumption. RTG operates high energy activities such as laundry during off-peak periods to benefit from lower electricity charges, contributing to overall energy savings. RTG relies on a standby generators to maintain operations during supply disruptions. To further enhance energy efficiency, we adopted various technologies, including LED lighting, energy-efficient HVAC systems, and energy-saving machinery. RTG actively explores green financing opportunities and incentives from governments and financial institutions to support investments in renewable energy and energy-efficient projects. These ongoing efforts align with the Group's commitment to reducing its environmental impact and ensure operational sustainability.

Our energy consumption during the year was as follows:



Liquid fuel consumption during the year was as follows:



In 2024, the Group achieved 8% reduction in electricity consumption, attributable to an increase in load-shedding events and the implementation of effective energy management practices, such as operating equipment during off-peak hours and deactivating devices in unoccupied rooms. Conversely, fuel consumption increased by 4% due to the heightened necessity to operate generators in response to power cuts and faults, as well as an increase in shuttle services by the RTG tour operations arm Heritage Expeditions Africa. This highlights the intricate relationship between energy sources and operational demands, where a decrease in electricity reliance has led to an uptick in fuel usage.



Water

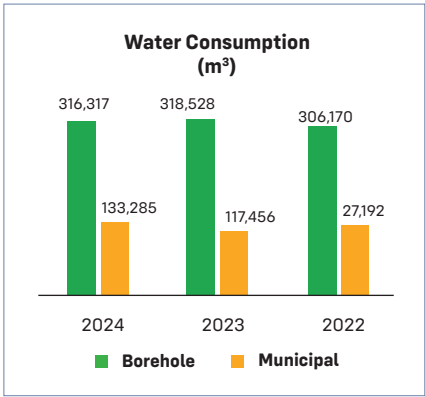
RTG enhances access to clean and safe water for both its associates and guests through the installation of a water purification system, reinforcing its commitment to health, wellbeing, and sustainability. By adopting responsible water management practices, including the use of boreholes, the Group reduces its reliance on municipal water supplies—thereby lowering operational costs and indirectly supporting broader community access to council water. These efforts demonstrate environmental responsibility and strengthen RTG’s brand reputation. However, the Group remains mindful of potential risks associated with underground water extraction. Unsustainable practices could lead to a decline in water table levels, while prolonged borehole use may cause pipe blockages or reduce system efficiency. RTG continuously monitors its usage to ensure that operations remain both environmentally sustainable and socially beneficial.

Goals	• Reduce water consumption
Targets	• Reduce water consumption by 10% in 2024
Key Performance Indicators	• Reduction percentage

We uphold ISO 9001:2015 Quality Management Systems (QMS), which requires rigorous monitoring of water consumption and regular testing to ensure compliance with international health standards. In line with this, the Group remains committed to managing council water costs through the sustainable use of borehole water, supported by an on-site purification and softening system that

addresses water hardness. To further improve efficiency, sensor taps are installed in selected public areas to minimise unnecessary water usage. We use water storage tanks to promote resilience and ensure consistent supply, especially in times of disruption. Our maintenance efforts resulted in the elimination of both actual and potential leaks across the premises. In guest rooms and public facilities, the hotels use low-flow toilet systems and dual-flush cisterns allowing for reduced water use.

Our water consumption for the year was as follows:



Some hotels previously relied solely on municipal water and began utilising borehole sources, facilitating greater operational efficiency across various functions, including production, plumbing, portable water use, gardening, and hot water production. This shift supported increased guest demands and ensured optimal service delivery, resulting in an overall rise in total water consumption for the year by 3%.



Waste

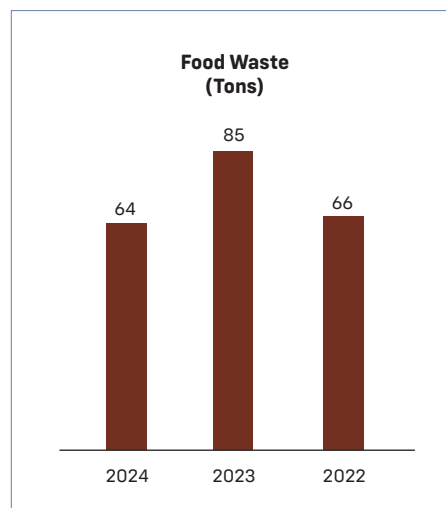
In line with our commitment to sustainable operations, we implemented a waste management strategy to minimise the environmental impact across our properties. The hospitality industry generates considerable waste, including food, single-use plastics, aluminium cans, and glass. Our hotels practice waste segregation at source, directing organic waste for composting and non-biodegradable materials such as plastics and metals for recycling. This approach helps reduce landfill contribution and associated environmental harm. Particular attention is given to minimising single-use plastics, such as polyethylene terephthalate (PET) bottles and individually packaged guest amenities, which are significant sources of non-biodegradable waste. By addressing food waste, we aim to reduce the carbon emissions linked to its decomposition in landfills.

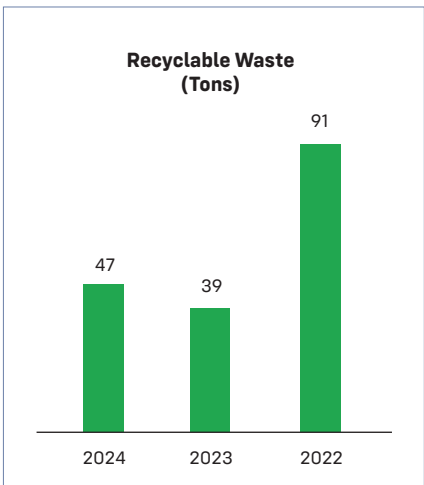
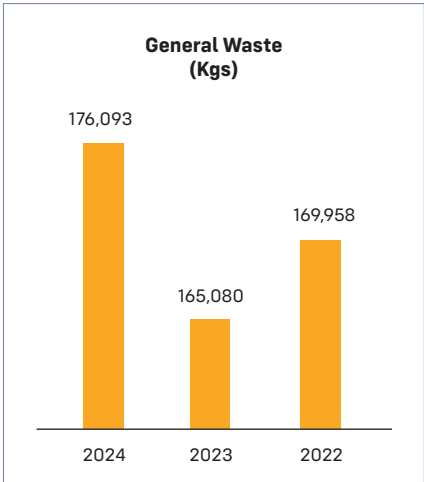
Our Environmental, Social, and Governance (ESG) policy provides clear guidance on the responsible management of waste across our operations, with a particular emphasis on reducing single-use plastics. As part of our long-term sustainability goals, we are taking active steps to eliminate the reliance on disposable plastic items commonly used in the hospitality sector. A key initiative in this effort is the implementation of an in-house water purification and bottling system, which will significantly reduce the need for commercially bottled water. To support this, we are investing in the installation of water purification plants across all our hotels, with full implementation targeted for 2025. This move not only reduces plastic waste but contributes to lowering our overall carbon footprint associated with the transportation and disposal of bottled water. We are transitioning to the use of bulk guest amenities in all rooms, replacing individually packaged toiletries with refillable dispensers for products such as shampoo, conditioner, and shower gel. This shift not only minimises packaging waste but supports more efficient inventory management

and reduces the environmental impact of our day-to-day operations. Through these targeted actions, our ESG policy continues to drive meaningful progress towards a more sustainable and circular waste management model within our hotels.

Goals	<ul style="list-style-type: none"> Waste reduction Waste segregation at the source
Targets	Waste reduction targets: <ul style="list-style-type: none"> 0.5% in 2025 1% in 2026 2% in 2027
Key Performance Indicators	<ul style="list-style-type: none"> Percentage of waste segregated, recycled, and plastic waste reduced
Progress Made	<ul style="list-style-type: none"> 0.6% decrease in total waste generated.

Waste generation for the year under review was as follows:





The 7 % increase in general waste this year can be attributed to several factors. As we continue to prioritise guest experience and satisfaction, the demand for additional services can inadvertently lead to increased waste.

Biodiversity

Biodiversity holds both strategic and operational significance for Rainbow Tourism Group, as it underpins the environment, experiences, and communities essential to tourism. A 'Zambezi River Lodge is situated within the Zambezi National Park, an established wildlife corridor. The hotel preserves this natural route, allowing animals to move freely without human-wildlife conflict, while prioritising guest safety. Through our tour operations division, Heritage Expeditions Africa, the Group conducts cultural tourism initiatives that celebrate local heritage and provide income for surrounding communities. However, there are risks associated with human wildlife conflict as animals can be unpredictable. Additionally, tour activities may disturb natural habitats, and waste particularly plastic from tour operations poses a serious threat to wildlife if ingested.

The Group’s ESG policy reflects a strong commitment to environmental sustainability, social responsibility, and ethical governance. A key environmental priority is the protection of biodiversity, particularly through the preservation of wildlife corridors, which are essential for maintaining healthy ecosystems. Signage is placed throughout these areas to educate guests about the presence of wildlife and to provide guidance on safe behaviour, including maintaining a respectful distance from animals. The safety of both guests and our employees is paramount, and the Group established protocols to manage potential encounters with wild animals. These are reinforced through training sessions conducted in collaboration with the Department of Parks and Wildlife, aimed at preventing human-wildlife conflict. In addition to its environmental efforts, the Group is engaged with local communities, maintaining continuous dialogue to promote a mutually beneficial relationship. This includes supporting community needs through donations, cultural tourism initiatives, and other empowerment projects, ensuring that tourism contributes positively to local livelihoods while fostering respect for cultural heritage and the natural environment.

We actively monitor and evaluate our environmental and social impact through internal audits, guest feedback, and regular stakeholder engagement meetings. Through partnerships, the Group trained over 100 community members in organic farming practices that are environmentally friendly and sustainable, with a target of training at least 50–100 individuals annually. This support extends to organisations dedicated to environmental protection, such as ZimParks, alongside annual contributions to conservation initiatives. These efforts proved effective, with no reported injuries or fatalities involving guests or employees due to wildlife, and no damage to hotel infrastructure caused by animals. The Group places importance on understanding animal behaviour and activity patterns, enabling employees to prepare appropriately and mitigate potential risks. Ongoing collaboration with stakeholders, including environmental experts and local authorities, remain critical to achieving our long-term sustainability goals and strengthening our positive impact on both people and the planet.

GHG Emissions

As Rainbow Tourism Group, our main goals are to reduce our carbon footprint and improve sustainability practices. We plan to achieve this by adopting renewable energy solutions to lessen our dependence on fossil fuels. A key aspect of our strategy is investing in solar energy. At the Kadoma Hotel & Conference Centre, we have installed a 300-KVA solar energy system, which has already resulted in significant savings on energy costs and a reduction in greenhouse gas emissions. Looking ahead, we are allocating US\$1 million for the Rainbow Towers Hotel & Conference Centre to implement a 1 MW solar energy system by 2025. To ensure our initiatives

are effective, we will establish a monitoring system to track energy use and emissions reductions. We are committed to reforestation programs that focus on restoring natural habitats and capturing carbon dioxide from the atmosphere.

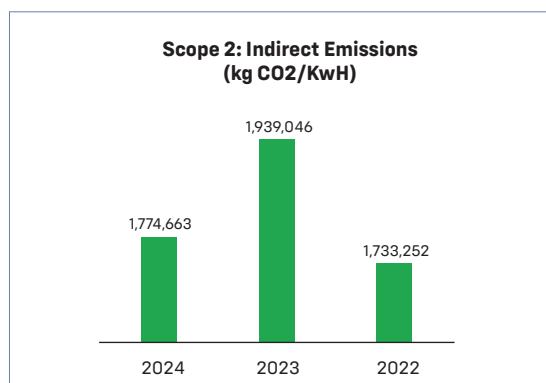
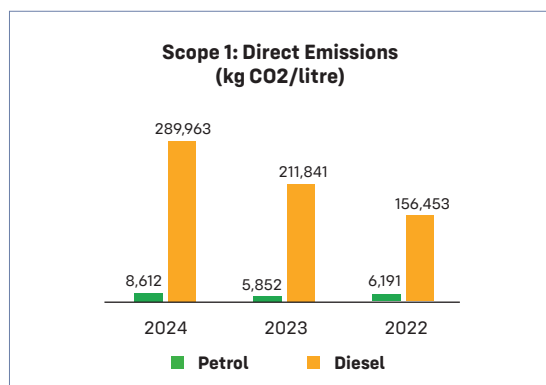
Scope 1 Emissions (Direct Emissions) - These emissions are generated directly by sources owned or controlled by Rainbow Tourism Group which includes stationery (generators) and mobile (vehicles) combustions.

Scope 2 Emissions (Indirect Emissions) - These are emissions generated from consumption of third party generated electricity in our offices and hotels excluding generation emissions of suppliers.

Emission Factors and Methodology

We calculated the Scope 1 and 2 emissions using energy consumed by the Group (except solar energy) and the emission factors. The energy consumed was converted to carbon emission equivalence using emission factors from the Greenhouse Gas (GHG) Protocol. The petrol emission factor was adjusted downwards by a 5% margin to cater for the blending with ethanol ratios in Zimbabwe. Grid electricity emission factor was adjusted upward by 10% to account for Zimbabwe's electricity, generated by thermal and hydropower.

Emissions for the period under review were as follows:



Climate-Related Risks and Opportunities

We acknowledge the far-reaching implications of climate change and its existing and potential effects on the Group and its operations. We conduct identification and analysis of climate-related risks while actively seeking to mitigate negative effects. This approach improves our resilience against climate-related disruptions and safeguards the interest of our stakeholders.

Climate change presents both risks and opportunities. Physical risks, such as extreme weather events and transition risks, including regulatory shifts toward a low-carbon economy, which may impact operational continuity, asset valuations, and compliance requirements. However, these challenges pose opportunities of innovation as we aim to reduce our carbon footprint. By adopting sustainable practices, we become more appealing to environmentally conscious customers and investors. This underscores our commitment to resilience, sustainability, and forward-thinking leadership in a rapidly evolving global landscape.

The following are the main climate related risks and opportunities identified in the period and those that are likely to affect the hotel in the long term:

1. SUPPLY CHAIN

Physical Risk		
Description	Actions to take	Financial impact
<ul style="list-style-type: none"> • Extreme weather events, such as the El Nino induced drought impacted the agricultural sector, resulting in shortage and price fluctuations for agricultural produce. These effects can also lead to increase in costs for acquiring required grains needed for meal diversification. 	<ul style="list-style-type: none"> • Identification of alternative suppliers to reduce reliance on a single supplier. • Implementing efficient inventory management practices to monitor stock levels and anticipate demand fluctuations. • Developing strong relationships with suppliers and collaborating on contingency plans. 	<ul style="list-style-type: none"> • Increased prices for agricultural produce will increase expenditure and reduce profits.

2. COMPLIANCE REQUIREMENTS

Transition Risk		
Description	Actions to take	Financial impact
<ul style="list-style-type: none"> • Governments are implementing stringent laws to reduce greenhouse gas emissions. RTG must navigate these regulations to support the move, the latest NDC has a national requirement of reduction of GHGs by 40%. 	<ul style="list-style-type: none"> • We have invested in Solar Energy at our Kadoma Hotel & Conference Centre with a capacity of 300 KVA system. • Upcoming 1Mwh solar project at the Rainbow Towers Hotel & Conference Centre for 2025. 	<ul style="list-style-type: none"> • Initial setup for 1 Mwh has been budgeted at us \$ 1 million. • Use of solar energy reduces grid electricity cost.

5. MARKET DIFFERENTIATION

Transition Opportunity		
Description	Actions to take	Financial impact
<ul style="list-style-type: none"> • Hotels that address climate-related issues can differentiate themselves in the market. This can attract more local and foreign guests and create a competitive advantage. • Reputation is also improved. 	<ul style="list-style-type: none"> • Developing a sustainability marketing strategy to promote eco-friendly practices and initiatives. • Use of renewable energy and sustainable landscaping. 	<ul style="list-style-type: none"> • Revenue will increase due to the competitive edge the Group will have. • The Group will be able to attract green financing from environmentally aware investors.

3. EXTREME CLIMATE EVENTS

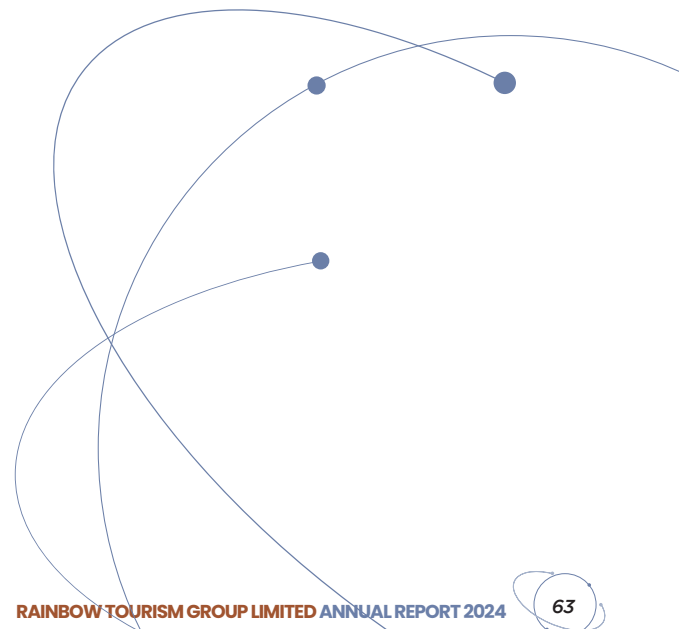
Physical Risk		
Description	Actions to take	Financial impact
<ul style="list-style-type: none"> • Temporary Closure: Flooding may force the hotel to close temporarily, resulting in loss of revenue. • Staffing Challenges: Employees may be unable to reach work due to flooding. 	<ul style="list-style-type: none"> • Investing in flood resilient infrastructure through renovations and improvements. 	<ul style="list-style-type: none"> • Loss of property and damage to infrastructure increases the Group's expenditure as renovation and rebuilding work will need to be done. • Cancellations and decreased bookings during and after flooding can lead to significant financial losses

6. CARBON OFFSET PROGRAMS

Transition Opportunity		
Description	Actions to take	Financial impact
<ul style="list-style-type: none"> • There is an opportunity to participate in carbon offset programmes to reduce our carbon footprint, thereby showing commitment combating the effects for climate change 	<ul style="list-style-type: none"> • Investing in renewable energy to reduce carbon emissions. • Assessment of the Group's carbon emissions to identify key sources and areas for reduction. • Educate and train employees on carbon emissions reduction efforts. 	<ul style="list-style-type: none"> • Having a low carbon footprint will attract investors. • Adopting renewable energy sources reduces grid electricity costs and potential penalties for failure to comply with sustainability-related laws and regulations.

4. REPUTATIONAL DAMAGE

Physical Risk		
Description	Actions to take	Financial impact
<ul style="list-style-type: none"> • Failure to address climate change issues and implement sustainable initiatives can lead to reputational damage. 	<ul style="list-style-type: none"> • Developing a crisis communication plan to address any reputational issues efficiently and promptly. • Monitoring the media channels for any negative perceptions that could impact the Group's reputation. • Engaging with stakeholders to gather feedback and address any concerns regarding sustainability issues. 	<ul style="list-style-type: none"> • Reputation lost leads to the Group's hotels being less attractive to both local and foreign guests directly reducing revenue and profits. • Access to green capital from investors may be difficult due to failure to implement sustainable practices.



Climate Action

Rainbow Tourism Group (RTG) recognises both the positive and negative impacts of climate change on its operations, the environment, and the communities it serves. Climate change awareness prompted RTG to adopt more sustainable business practices which includes the integration of energy-efficient systems, water-saving technologies, and the prioritisation of sustainable sourcing. These initiatives reduce the environmental footprint and align with the growing demand from eco-conscious travellers, enhancing RTG’s competitive edge in the hospitality industry. However, RTG is aware of the potential negative impact’s climate change poses to its operations and the broader ecosystem. These include biodiversity loss and habitat degradation at resort locations due to rising temperatures and irregular rainfall patterns, which disrupt natural ecosystems. There is also an increased frequency of extreme weather events such as floods and droughts that threaten infrastructure and the viability of natural tourist attractions. Moreover, the business is exposed to growing concerns over water scarcity and water quality, which are critical for its water-intensive hotel and conference operations.

ENVIRONMENTAL MINDFULNESS

PURPOSE

- Reducing our impacts on the environment

BENEFICIARIES

- Environmental Reporters
- Reforestation and Afforestation in Kadoma and Harare partnership with the Forestry Commission

ITEMS DONATED

- Prizes in cash and the costs of hosting the awards ceremony event.
- Tree seedlings

AMOUNT

US\$10,700.00
ZWG\$ 289,000.00



We acknowledge our involvement in both contributing to and being affected by climate change impacts. While certain business activities, such as hotel operations, generate waste including significant volumes of single-use plastics we are actively working to mitigate our footprint. RTG implemented a reforestation programme through which approximately 20,000 trees have been planted across schools and rural communities. This initiative supports carbon sequestration, restores biodiversity and prevents soil erosion.

We developed an ESG policy that guides the Group’s efforts to minimise its climate impact. The Group is committed to achieving a near net-zero position for its Scope 1 emissions and has set clear targets and sustainability benchmarks to track its progress. These include the sequestration of approximately 300,000 kg of CO₂ emissions through tree planting and other green initiatives. In 2024, the Group planted 16,000 trees, which are projected to sequester around 640,000 kg of CO₂ at full maturity. The Group also sets clear targets to manage positive impacts, with reforestation playing a central role in its emission reduction strategy. The Group made significant strides, especially with the tree-planting initiative, demonstrating measurable progress towards its emission reduction goals.

RTG’s efforts have proved effective in addressing climate-related challenges and opportunities. The successful planting of 16,000 trees is a major milestone, contributing significantly to carbon sequestration goals. One key lesson learnt is the importance of timing in tree planting to maximise survival rates, and the need for ongoing community engagement to ensure the sustainability of such programmes. Engagement with local communities and stakeholders has been pivotal in ensuring the success of initiatives like reforestation. Their involvement guarantees local buy-in, enhances project effectiveness, and strengthens RTG’s relationship with the communities where it operates.

Goals	• Achieving a near net-zero position for our Scope 1 emissions
Targets	• Sequestration of approximately 300,000 kg of CO ₂ emissions through tree planting and other green initiatives
Key Performance Indicators	• Number of trees planted
Progress Made	• Ongoing, the Group planted 16,000 trees, which are projected to sequester around 640,000 kg of CO ₂ at full maturity.



CARING FOR THE COMMUNITY AND SUSTAINABLE DEVELOPMENT GOALS (SDGs)



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SUPPORTING OUR COMMUNITY



RTG donated linen to Epworth Polyclinic in support of community healthcare.

RTG aligns its corporate social responsibility initiatives with key United Nations Sustainable Development Goals, focusing on ending poverty (SDG 1), eliminating hunger (SDG 2), reducing inequality (SDG 10), and promoting decent work and economic growth (SDG 8). It actively recruits from minority groups, doubles its intake of graduate trainees, and offers internships that build skills and uplift communities. However, these positive actions come with challenges. Disputes may arise when neighbouring chiefs question why developments or environmental efforts, such as tree planting, do not extend to their areas. While the Group champions gender diversity by prioritising the employment of women, this may occasionally raise concerns when male candidates believe they are better suited for certain roles. Despite these complexities, RTG remains committed to inclusive development, environmental stewardship, and respectful community engagement.

We uphold our Environmental, Social, and Governance (ESG) policy with a strong emphasis on corporate social responsibility under the social pillar. The Group remains committed to uplifting the communities in which it operates, implementing initiatives that deliver tangible, long-term impact. As part of its reforestation and community empowerment efforts, RTG planted 5,000 trees in the Sanyati rural area, granting the local community 60% ownership of the trees to generate income from any surplus. The Group supports healthcare institutions by donating essential linen, sheets, pillows, and pillowcase covers to help improve patient comfort and overall care standards. Following a fire that destroyed a dormitory wing at Harare Children's Home, RTG responded swiftly with urgently needed supplies. To ensure accountability and continued improvement, the Group tracks the outcomes of its initiatives through audits, including monitoring tree survival rates and conducting ongoing evaluations to measure overall programme effectiveness.

Goals	To improve the livelihoods of the communities RTG serves by rolling out impactful community projects: <ul style="list-style-type: none"> • Employment creation • Donations to hospitals • Empowering employees
Targets	<ul style="list-style-type: none"> • Allocate 0.5% of profit to CSR by 2025 and 1% by 2027 (starting from 0.1%) • Facilitate housing for 15% of employees, targeting 75% by 2027 • Recruit 2% of employees from minority groups, targeting 5% by 2027
Progress Made	<ul style="list-style-type: none"> • Notable impact on employee welfare and community wellbeing through targeted donations and empowerment initiatives. • 43% of employees have benefitted from the housing scheme. • 2.5% of workforce recruited from minority groups.

INVESTING IN COMMUNITY PRIORITIES



EDUCATION

Purpose

Supporting the educational needs of the local community.

Beneficiary

Chinhoyi University of Technology, University of Zimbabwe.

Investment

- Cash prizes and book prizes for best undergraduate and master's degree graduating students in tourism and hospitality.

Amount

US\$800.00



WELLNESS AND NUTRITION

Purpose

The promotion of healthy lifestyles and the empowerment of marginalised communities.

Beneficiary

Community Capacity Building Initiative in Africa.

Investment

- Organic gardens inputs and operation (overheads, Land, water, tools, and seedlings).

Amount

US\$1,634.00



PHILANTHROPY

Purpose

To improve the livelihoods of the communities in which we operate.

Beneficiary

St Marcellin Children's Village, Epworth Poly Clinic, Seke North Poly Clinic, Kadoma Cholera Centre, Umthunzini WeThemba.

Investment

- Curtains, towels, sheets, pillows and pillowcases, blankets.

Amount

US\$20,075.00



Sustainable Development Goals (SDGs)





The process to prioritise our Sustainable Development Goals (SDGs) is structured and systematic, focusing on relevance to our business and stakeholders. It begins with a thorough contextual analysis of RTG's core operations, where we identify sustainability challenges and assess our value chain impact. This initial step helps us understand where our greatest environmental and social responsibilities lie. We identify sector-specific SDGs pertinent to tourism and hospitality. This identification is crucial as it aligns our sustainability efforts with the goals that are most relevant to our industry. Following this, we map RTG's business activities and locations, as well as our key stakeholders. This mapping allows us to visualise how our operations intersect with the identified SDGs, ensuring that we consider the perspectives and needs of all stakeholders involved.

We conduct a review of RTG's existing sustainability commitments, strategies, and past Environmental, Social, and Governance (ESG) reports. This review enables us to gauge our progress and identify areas for improvement, providing a solid foundation for our prioritisation efforts. Based on the insights gained from the contextual analysis, stakeholder mapping, and review of existing commitments, we then prioritise the SDGs that align with our business objectives and stakeholder expectations.

Our Priority SDGs are as follows:

- SDG 1 - No Poverty.
- SDG 2 – Zero Hunger.
- SDG 3 - Good Health and Well Being.

During the year, our business actions contributed toward the following SDGs and impacts:

SDGs	Target	Goals	Impacts
No Poverty 	Target 1.2	Eradicating poverty	1 children's home, 3 clinics, and 1 hospital benefitted from our linen donations
Zero Hunger 	Target 2.4	Ensuring sustainable food production systems and implementing resilient agricultural practices that increase productivity and production	15 schools trained on garden establishment and nutrition. 40 people trained in garden establishment, commercialisation, and nutrition.
Quality Education 	Target 4.5 Target 4.a	Substantially increasing the number of youth and adults who have relevant skills	4 university students benefitted from our sponsorship on their graduation cash prizes
Life on Land 	Target 6.1	Promote the implementation of sustainable management of forests	Reforestation and Afforestation in Sanyati and Harare (Dzikwa Trust).



CONTRIBUTING TO THE ECONOMY



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RESPONSIBLE SOURCING



RTG CE Mr. Tendai Madziwanyika and two executives during the refurbishment of HICC.

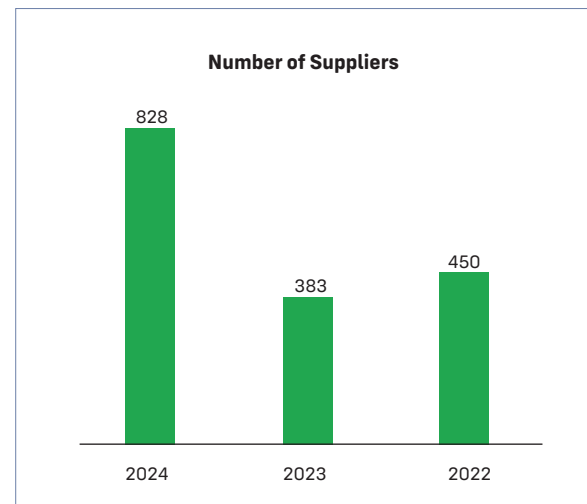
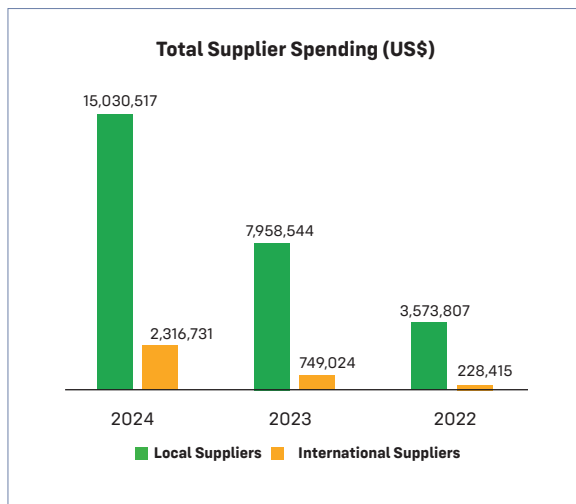
Rainbow Tourism Group (RTG) recognises the importance of building a sustainable and responsible supply chain as an integral part of delivering high-quality service while upholding environmental, social, and ethical standards. The Group's approach to procurement is anchored in responsible sourcing practices that promote supplier accountability, support local economic development, and reduce environmental impact. Through strong supplier relationships and clear quality expectations, RTG has seen a notable improvement in the consistency, freshness, and cleanliness of supplied products. The Group boosts local communities by prioritising the procurement of goods from Small to Medium Enterprises (SMEs). However, RTG remains aware of potential negative impacts associated with its supply chain including the procurement of non-biodegradable packaging materials, which contribute to landfill waste and undermine environmental efforts. There is a risk of indirectly supporting suppliers who have unsustainable production practices, such as excessive emissions or improper waste disposal. Sourcing from unethical suppliers could expose RTG to risks such as negative media coverage, reputational damage, and the inadvertent promotion of unfair labour practices.

The Group adheres to its Quality Policy and Procurement Procedure Manual, which outlines supplier standards and sourcing protocols. RTG is committed to engaging with suppliers who comply with its rigorous quality, hygiene, and safety standards. We conduct regular supplier site visits to assess sustainability, hygiene, occupational health, and safety (OHS) compliance and overall supplier reputation. The Group only works with registered suppliers who have passed this vetting process. When products do not meet set standards, RTG returns them and may suspend the supplier altogether. These actions help uphold quality and reduce risk. RTG continuously educates suppliers on its quality expectations and conducts evaluations to ensure adherence. This focus on quality assurance helps to maintain a consistent and reliable supply of goods and services.

We conduct regular internal audits, supplier evaluations to assess our procurement practices. Through ongoing monitoring, RTG ensures that suppliers meet expectations.

Goals	<ul style="list-style-type: none"> • Review and align the Vendor Selection Control and Evaluation Form with Sustainability Requirements. • Develop the RTG Supplier Code of Conduct Commitment Letter. • Increase the value of purchases from sustainability compliant suppliers. • Aligning key suppliers with the business sustainability goals through making suppliers sign off the RTG Business Code of Conduct.
Key Performance Indicators	<ul style="list-style-type: none"> • Approved Reviewed Vendor Selection and Evaluation Form. • Approved RTG Code of Conduct. • Actual Value of Purchases from Sustainability Compliant Suppliers. • Actual recorded number of Suppliers who signed and returned the RTG Code of Conduct.

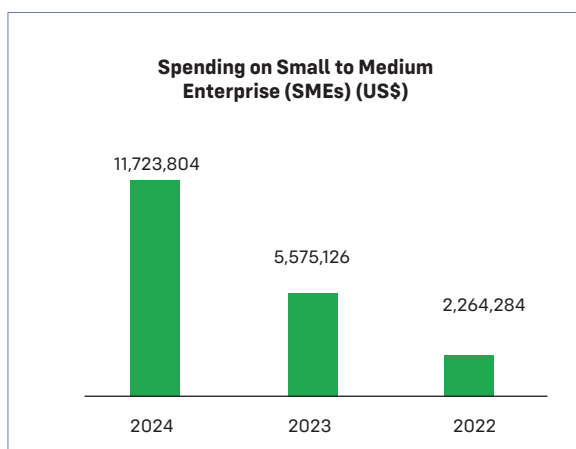
Procurement statistics for the period under review were as follows:



The increase in business volumes led to a corresponding rise in demand for inventories. To meet this demand, the Group intensified its efforts in importing products that are cheaper to import, such as dry goods, toilet paper, and other guest amenities. Further, the refurbishments of the Rainbow Towers Hotel & Conference Centre resulted in capital expenditure totalling US\$5,4 million.

Local Enterprise Development

As RTG, our economic impacts in society are designed to empower and strengthen resilience by sourcing some of our products and services from Small to Medium Enterprise and youth led enterprises. During the year, our procurement was as follows:



Economic Value Generation and Distribution

RTG recognises the significant role it plays in driving economic and social development through tourism and hospitality. The Group contributes meaningfully to local communities by creating employment opportunities, supporting the production of goods and services, and enabling infrastructural development. These activities stimulate foreign currency generation and technological advancement and leads to an overall improvement in quality of life. Initiatives such as power generation through net metering highlighted by the solar plant at Kadoma Hotel & Conference Centre demonstrate RTG’s ongoing commitment to sustainable solutions. Operational integrity is ensured through adherence to accounting policies and best operating procedures. Economic performance is monitored through daily tracking and monthly reviews by hotel management and executives, with results published publicly and audited internally and externally, including by the Zimbabwe Stock Exchange(ZSE).

The Group maintains adherence to accounting policies and best operating procedures and compliance with ISO standards. RTG is firmly committed to the truthful and faithful presentation of financial and operational information, ensuring transparency through consistent reporting of monthly economic performance. Daily performance tracking and monthly reviews by hotel management and executives support informed decision-making and drive continuous improvement. The Group undergoes frequent internal audits, annual external financial audits, and compliance reviews by the Standards Association of Zimbabwe (SAZ), as well as regular internal quality audits. In line with its transparency policy, RTG publishes its economic performance in the public press. Beyond internal operations, the Group actively contributes to the development of Zimbabwe’s tourism sector, with initiatives focused on event tourism, stakeholder collaboration, and the implementation of tourism policy frameworks. Through ongoing efforts to measure tourism value, set performance benchmarks, and review outcomes, RTG remains committed to sustainable growth and sectoral excellence.

Goals	<ul style="list-style-type: none">• Revenue growth.• Cost control and cost reduction.• Profit margin.
Targets	<ul style="list-style-type: none">• Achieving 50% monthly occupancy rates.• Year-on-year growth.• Reduced variable costs.
Key Performance Indicators	<ul style="list-style-type: none">• Average Daily Rate (ADR).• Revenue per Available Room (RevPAR).• Occupancy rates.• Average length of stay.• Market penetration indices.
Progress Made	<ul style="list-style-type: none">• 2% increase in revenue.• 4% increase in occupancy rate (52% 2023, 54% 2024).

We actively track key performance indicators such as Average Daily Rate (ADR), Revenue per Available Room (RevPAR), occupancy rates, average length of stay and market penetration indices. Financial performance is reviewed through comprehensive analysis, including profit margins, cost control, and revenue

growth. Achieving consistent monthly occupancy rates of 50% or higher, year-on-year growth and reduced variable costs without compromising quality, form the basis of RTG’s financial strategy. Internally, performance metrics are regularly audited through internal and external assessments, including those by the Standards Association of Zimbabwe (SAZ), while operational reviews help assess goal progress and market share.

For detailed information on the direct economic value generated and distributed, please refer to pages 86 to 107 of our financial statements. These pages provide a comprehensive overview of the economic impact we have achieved.

Financial Assistance from the Government

The Group received funding to the tune of US\$5,144 million from Government as support in the refurbishment of Rainbow Towers Hotel & Conference Centre in preparation of the SADC Summit that was held in July and August of 2024.

Managing our Tax Affairs

RTG recognises the strategic importance of tax compliance and efficiency in sustaining its financial health and upholding stakeholder confidence. Effective tax management enables the Group to realise tax savings, enhance cash flows, and make informed strategic decisions. As globalisation increases, RTG must navigate cross-border tax complexities and adapt to evolving tax reforms, including international tax agreements, which can directly affect the Group’s effective tax rate. While tax efficiency offers financial advantages, the Group is acutely aware of the risks associated with non-compliance. These include significant fines, penalties, legal disputes, and reputational damage resulting from public scrutiny and negative publicity. Non-compliance could erode consumer trust and investor confidence, potentially leading to product or service boycotts. To mitigate such risks, RTG invests in compliance systems, reporting processes, and technology-driven automation to reduce the operational burden and meet disclosure obligations. The Group understands that aggressive tax minimisation strategies may attract regulatory attention and lead to stricter tax laws, thereby increasing long-term compliance requirements. RTG remains committed to maintaining transparency, integrity, and alignment with tax regulations to preserve its reputation and foster enduring stakeholder trust.

OUR APPROACH

Tax Affairs Management

- Board of Directors and senior management oversight.
- Tax policy framework, underpinned by a tax code of conduct and a tax control framework.
- Adherence to all tax.
- Tax consultants to provide expert guidance.
- Maximises available tax credits and deductions
- Prompt payment of taxes and, where necessary, arranges structured payment plans.
- RTG incorporates tax planning into its broader risk management strategy.
- Regular tax risk assessments to identify and mitigate potential exposures, supported by a well-documented system of internal controls.
- Upholds a zero-tolerance stance on corruption in tax matters.
- The Group is now receiving tax clearance certificates on time.

OUR APPROACH**Stakeholder Engagement On Tax Matters**

- Directly engage with tax officials
- Actively participates in seminars, workshops, and conferences.

OUR ACTIONS

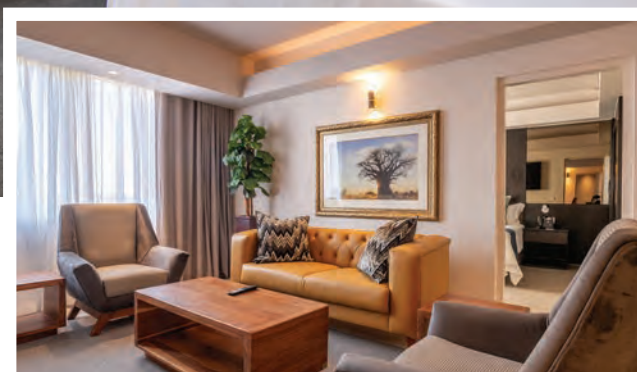
- Continue to invest in advanced tax technologies to enhance compliance efficiency and support transparent reporting on tax matters.
- Minimise Effective Tax Rate (ETR) measured as the total tax expense divided by pre-tax income and benchmarks its performance against industry standards.

Our tax payments for the year under review were as follows:

	FY2024 (US\$)	FY2023 (US\$)	FY2022 (US\$)
Corporate Tax- Associates	309,618	174,240	177,315
Corporate Tax- Subsidiaries	35,321	21,786	22,164
Withholding Tax- 10%	115,706	13,833	10,097
Value Added Tax (VAT)	4,605,050	4,384,807	4,209,776
Aids Levy	128,641	109,345	103,878
PAYE	4,416,682	3,754,180	3,566,471
IMT	719,610	527,793	1,061,858
Other Taxes	461,993	368,725	440,324
Grand Total	10,792,621	9,354,709	9,591,883

The Group fulfils its responsibility in paying mandatory taxes, which have increased in accordance with the growth in business volumes. PAYE and Aids Levy also increased proportionally with salary levels during the reviewed period.

The impressive refurbishment of the Rainbow Towers Hotel & Conference Centre saw the addition of six luxurious diplomatic suites.



Newly refurbished Diplomatic Suite Lounge



FINANCIAL PERFORMANCE

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DIRECTORS' RESPONSIBILITY STATEMENT



The Directors are required by the Companies and Other Business Entities Act (Chapter 24:31), to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the Group as at the end of the financial period and the results of its operations and cash flows for the financial year then ended, in conformity with International Financial Reporting Standards.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue operating 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 Group or cease operations, or have no realistic alternative but to do so.

The external auditors are responsible for independently auditing and reporting on the Group's consolidated financial statements. The financial statements and the related notes have been audited by the Group's external auditors and their report is presented on pages 81 to 83.

The financial statements and the related notes set out on pages 84 to 105, which have been prepared on the going concern basis, were approved by the Board and were signed on its behalf by:

.....
D. Hoto
Board Chairman

.....
T. M. Madziwanyika
Chief Executive Officer

.....
N.K. Mtukwa
Financial Director

CHAIRMAN'S STATEMENT

“

The Group recorded total revenues of US\$44.4 million in 2024, with a 15% rise in foreign currency revenues and a 52% improvement in EBITDA, underscoring the success of our cost-saving and growth strategies

”

Douglas Hoto
Chairman



1. INTRODUCTION

The Group has achieved another year of growth, driven by strong guest demand and an increase in foreign currency revenues. The occupancy levels at 54% have surpassed the 2019 pre-COVID levels. Additionally, cost management contributed to operating profits growth. In line with our commitment to delivering value to shareholders, the Group declared US\$2.5 million dividend for the 2024 financial year. Looking ahead, the Group remain focused on sustaining growth, optimizing operational efficiencies, and capitalizing on emerging opportunities to further enhance shareholder value.

2. OPERATING ENVIRONMENT

The Zimbabwean economy experienced a dynamic and evolving landscape in 2024, marked by mixed economic outcomes. The first quarter experienced heightened inflationary pressures, leading to the transition from the Zimbabwean Dollar (ZWS) to the Zimbabwe Gold (ZWG) currency. In September 2024, the monetary authorities devalued the ZWG currency by 92%. These economic shifts, along with Government interventions, resulted in significant exposure to the Group through exchange rate-related losses.

In response, the Group adopted a proactive approach, reinforcing cost management, diversifying revenue streams, and investing in sustainable growth areas. Our agility in adjusting business models, coupled with leveraging technology to drive operational efficiency and enhance customer engagement, has been instrumental in navigating these macroeconomic complexities. Furthermore, RTG

remains steadfast in its commitment to corporate responsibility, supporting local development and environmental sustainability through targeted community initiatives.

Our employees have been the cornerstone of our success to navigate the operating environment. As we look ahead, we remain mindful of the challenges on the horizon but are optimistic about our prospects in Zimbabwe, underpinned by our strategic initiatives and the unwavering commitment of our team.

3. PERFORMANCE REVIEW

During the period under review, the Group achieved an occupancy rate of 54%, reflecting a 4% increase from the 52% recorded in 2023. This growth was driven by a strong performance in both accommodation and conferencing segments. Notably, resort hotels experienced a robust rebound in 2024, surpassing pre-COVID-19 occupancy levels, while city hotels continued to strengthen despite the headwinds posed by various government policy interventions throughout the year.

The Group recorded total revenues of US\$44.4 million, representing a 2% increase from the US\$43.6 million posted in 2023. Despite persistent inflationary pressures impacting margins, gross profit margins improved to 70%, up from 69% posted prior year. A key highlight was the 15% growth in foreign currency revenues, rising from US\$16.4 million to US\$19 million, accentuating the Group's ability to attract international business. The sustained improvement in gross margins was achieved through rigorous cost management

initiatives designed to counteract inflationary pressures.

Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) improved 52%, reaching US\$9.7 million, compared to US\$6.4 million in 2023. This growth was primarily driven by a combination of cost-saving measures and increased revenues.

4. SUSTAINABILITY AND CORPORATE SOCIAL INVESTMENT

The Group remains unwavering in our commitment to Environmental, Social, and Governance (ESG) principles, ensuring that our growth is both sustainable and responsible. The year under review marked significant progress in climate action, social impact, and ethical governance, reinforcing our position as a leader in responsible tourism.

Our dedication to environmental conservation was exemplified through the planting of 16,000 trees in Harare and Sanyati, a key initiative in our reforestation and carbon offset strategy. Once matured, this effort will offset approximately 640 metric tonnes of carbon emissions, highlighting our commitment to reducing our ecological footprint.

Sustainability was central in the refurbishment of the Rainbow Towers Hotel and Conference Centre focusing on water preservation and smart energy-efficient solutions. These innovations have led to substantial reductions in both water and energy consumption, contributing to our broader sustainability objectives and ensuring that our hotels operate with minimal environmental impact.

Furthermore, the support for environmental journalism saw a 100% increase in winners at the Environmental Reporter Awards. By doubling the number of recognized journalists, we are fostering greater awareness and media coverage of climate change and sustainability issues, ensuring that environmental advocacy reaches a broader audience.

The Group believes that the employees are the cornerstone of our success, and remain committed to investing in their well-being. During the period under review, RTG facilitated housing for 43% of its workforce, providing greater security and stability for employees. The goal is to achieve full housing support for 75% of the staff by the end of 2027, reinforcing the commitment to improving living conditions and economic empowerment.

As a company that champions diversity, inclusion, and equality, we are proud to have exceeded our inclusivity targets. This year, 2.5% representation of minority groups was achieved, surpassing the 2% target. This milestone reflects the commitment to fostering an equitable workplace that values diverse perspectives and backgrounds.

RTG continues to uphold the highest standards of transparency, accountability, and ethical governance. Our corporate policies and business operations are guided by integrity, ensuring adherence to regulatory frameworks and best practices in the tourism and hospitality industry.

RTG remains dedicated to embedding sustainability into every aspect of our operations, ensuring that our business growth aligns with environmental preservation, social responsibility, and ethical leadership.

5. DIVIDEND

Following a strong financial performance in 2024, I am pleased to announce that the Board has declared a second and final dividend of US\$1.5 million out of which US\$500,000 (0.020US\$ cents per share) will be paid in foreign currency and the balance of US\$1 million (1.057 ZWG cents per share) in local currency. A detailed notice will be issued providing further information regarding this dividend payment. In total, the Group declared a dividend of US\$2.5 million for the 2024 financial year.

6. DIRECTORATE

In the last quarter of 2024, the board appointed Mrs. Chipo Mafunga and Mr. Kumbirai Gundani as non-executive directors of the company. We welcome them onto the board.

7. OUTLOOK

Looking ahead, the Group remains vigilant to potential challenges arising from economic headwinds, geopolitical tensions in key source markets, and global conflicts. However, the hospitality and tourism industry has demonstrated remarkable resilience over the years. With strong fundamentals and strategic adaptability, we are confident in the sector's long-term growth prospects and remain optimistic about the future.

The Company is in the final stages of completing a transaction to acquire Montclair Hotel and Casino. A detailed notice will be issued in due course advising all stakeholders. This acquisition presents significant opportunities for revenue growth, operational synergies, and enhanced brand positioning. By integrating Montclair Hotel into our portfolio, we are well-positioned to capitalize on the increasing demand for quality hospitality experiences, reinforcing our commitment to sustainable expansion and long-term value creation.

8. 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 Board members and our dedicated staff for their professionalism and determination to succeed.

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



.....
D. HOTO
CHAIRMAN
10 March 2025

CHIEF EXECUTIVE'S REPORT

“

By embracing digital transformation, expanding into the Eastern Highlands, and refurbishing key assets, RTG is strategically positioned to capture new markets and drive sustainable long-term growth.

”

Tendai Madziwanyika
Chief Executive



1. INTRODUCTION

The year under review marked a period of renewed momentum for the Group, underpinned by strong market demand and heightened activity across our core business segments. Our portfolio benefitted from sustained growth in domestic and international travel, with the Victoria Falls properties in particular delivering performance levels that surpassed pre-pandemic benchmarks. This progress reflects the effectiveness of our operational efficiencies, the successful leveraging of refurbished assets, and the strength of our brand in attracting both leisure and business markets.

Looking ahead, we are strategically positioned to build on this trajectory by hosting high-profile regional events, deepening strategic partnerships, and integrating new acquisitions into our portfolio. The addition of the Montclair Resort and Conference Hotel not only broadens our geographic footprint but also enhances our capacity to serve an increasingly diverse customer base. This acquisition increased the Group's room stock by 10% and is expected to bolster RTG's market share by tapping into the growing demand associated with picturesque Eastern Highlands. With a clear growth agenda and a sharpened focus on market opportunities, the Group is well-placed to drive sustained value creation for stakeholders.

2. MACRO-ECONOMIC ENVIRONMENT

The economic landscape in 2024 remained challenging, with local currency devaluation, regulatory requirements, and exchange rate misalignments significantly impacting the Group's financial performance. The monetary policy pronouncements of April and September 2024 contributed to direct translation losses. This was in addition to the Group payments in local currency at an extra premium to take care of the exchange rate fluctuations thereby increasing the cost of inputs. The combined effect of these factors underscores the pressures exerted by currency instability. However, post the local currency devaluation in September 2024 there has been stability in the official exchange rate.

3. TOURISM INDUSTRY OVERVIEW

3.1 Highlights on global tourism

In 2024, global tourism saw a strong recovery, with 1.4 billion international arrivals, nearly 99% of pre-pandemic levels, marking an 11% increase from 2023. This growth was driven by robust demand, strong source markets, and the continued recovery of destinations, especially in Asia and the Pacific. The Middle East led the rebound with a 32% increase in arrivals compared to 2019, while Africa saw a 7% rise, and Europe slightly exceeded

pre-pandemic levels by 1%. The Americas recovered 97% of pre-pandemic arrivals, and Asia-Pacific saw a 33% growth from 2023, though it remains below pre-pandemic levels.

Tourism receipts reached US\$1.6 trillion in 2024, up 3% from 2023, and total tourism exports, including transport, hit a record US\$1.9 trillion. Average spending per arrival in 2024 remained above pre-pandemic levels at US\$1,100, indicating a return to more stable spending patterns. The UK, Spain, France, and Italy experienced substantial growth, reflecting the recovery of large tourism markets.

3.2 Summary of Tourism and Accommodation Trends in Zimbabwe

Zimbabwe's tourism sector demonstrated strong performance in 2024, with 1,202,405 international arrivals, reflecting an 11% growth compared to the previous year.

Overseas arrivals grew by 29%, while African arrivals increased by 4%. This growth has solidified tourism as a crucial economic driver for Zimbabwe, contributing 12% to the country's GDP and surpassing agriculture and mining. Among the key achievements in 2024 were;

- » the hosting of SADC heads of states and governments. RTG, successfully hosted various meetings, events and outside catering as well as hosting 10 presidents at our flagship hotel the Rainbow Towers hotel and Conference Centre.
- » and the successful hosting of the inaugural UN Tourism Regional Forum on Gastronomy Tourism in Victoria Falls, which enhanced the country's global tourism standing.

As global tourism recovers, strategic alliances, trade show participation, and infrastructure improvements will continue to drive foreign arrivals and revenue growth.

4. SUSTAINABILITY - ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

The Group remains committed to integrating Environmental, Social, and Governance (ESG) principles into its operations, ensuring responsible business practices and alignment with international sustainability frameworks. The company's ESG strategy is informed by the Global Reporting Initiative (GRI) and aligns with the United Nations' Sustainable Development Goals (SDGs), reinforcing its long-term commitment to ethical governance, environmental responsibility, and social impact.

Environmental Stewardship

In 2024, the Group implemented several initiatives to reduce its environmental footprint:

- **Waste Management:** A comprehensive waste segregation program was introduced across all properties, enabling efficient recycling and reducing landfill contributions.
- **Energy and Water Efficiency:** Smart energy-efficient systems were installed in refurbished hotels, leading to a projected 33% reduction in bathroom water consumption at the Rainbow Towers Hotel.
- **Renewable Energy:** The Kadoma Hotel & Conference Centre generated 320,233 KWH of clean energy, demonstrating cost savings and sustainability benefits. Plans are in place to install a 1MW solar plant at the Rainbow Towers Hotel & Conference Centre.
- **Carbon Footprint Reduction:** RTG planted 16,000 trees in Harare and Sanyati, expected to offset 640 metric tonnes of carbon emissions at maturity. Research into carbon credit trading revealed significant investment requirements, guiding a long-term strategic approach.
- **Climate Change Awareness:** The company expanded its Environmental Reporter of the Year Awards to increase awareness and advocacy, securing five corporate sponsors and doubling the number of award winners in 2024.

Social Impact

The Group prioritizes employee welfare, diversity, and community development:

- **Employee Welfare:** Through the company's Employer Assisted Housing Scheme with a local bank the company facilitated housing to 43% of employees, with a goal of extending this to all eligible employees in 2025. The company has maintained employment stability without retrenchments, even during the Covid-19 pandemic era.
- **Diversity, Equity, and Inclusion (DEI):** Currently, 2.5% of the workforce comprises individuals from minority groups, with a target of 5% by 2027.
- **Community Engagement:** The company actively supports local communities through donations and infrastructure improvements. In 2024, RTG refurbished an ablution block at Hupenyu Hutsva Children's Home and donated essential materials to healthcare facilities and children's homes.

5. DIGITAL TRANSFORMATION

In 2024, Rainbow Tourism Group (RTG) fully embraced the Fourth Industrial Revolution (4IR), integrating Artificial Intelligence (AI), Internet of Things (IoT), and big data to redefine hospitality standards. Our Digital Transformation Office has been key in enhancing guest experiences, optimizing operations, and driving sustainable growth. As we enter 2025, we aim to accelerate our tech adoption, solidifying our progress and exploring new innovations.

6. OPERATIONAL PERFORMANCE REVIEW

6.1 REVENUES

The Group recorded a 2% increase in revenue in 2024, reaching US\$44.4 million, compared to US\$43.6 million in 2023. This growth was primarily driven by room and conference business, with significant growth in food and beverage to rooms sold.

The Group's foreign currency revenues increased by 15% in the year under review, reaching US\$19 million, up from US\$16.4 million in 2023. This growth was driven by the continued recovery of international tourism and an increased preference for foreign currency transactions among domestic customers. The proportion of foreign currency revenue to total revenue also rose, from 39% in 2023 to 43% in 2024, reflecting the Group's ability to attract more international visitors, particularly in key tourist destinations such as Victoria Falls. Targeted marketing initiatives and partnerships with international travel operators contributed to this growth.

6.2 Performance by business segments

Victoria Falls Resort Hotels performance

During the year under review, the Group's resort hotels saw continued recovery from the effects of the COVID-19 pandemic. Average occupancy rose by 25% to 65%, compared to 52% in 2023. This growth was primarily driven by a revival in international travel, with foreign arrivals increasing by 50% year-on-year.

To support this recovery, the Group pursued a targeted marketing approach, including participation in international tourism trade shows, collaborations

with global travel operators, and direct engagement with key market segments. These initiatives contributed to an increase in series groups visiting Victoria Falls, strengthening arrivals from established source markets while also facilitating entry into new regions. The occupancy levels at the Victoria Falls hotels are expected to continue rising in 2025. The recently concluded refurbishment projects of Victoria Falls Rainbow Hotel and A' Zambezi River Lodge are expected to further enhance the properties' appeal and contribute to the growth of foreign currency revenue in the Victoria Falls market.

City Hotel Business

During the year under review, city hotels delivered an 11% revenue increase, rising from US\$31 million in 2023 to US\$34.2 million. This performance was achieved despite the temporary closure of the Rainbow Towers Hotel and Conference Centre to facilitate major renovations in preparation for the SADC Summit. The successful hosting of SADC Summit of Heads of State and Government provided a platform to showcase our capacity to successfully host high level regional and international meetings and events.

However, operational costs across all city hotels also experienced upward pressure due to inflationary increases in key expense categories. In response, the Group implemented a series of strategic cost-management initiatives to mitigate the impact of rising costs while maintaining service excellence.

Heritage Expeditions Africa (HExA)

In 2024, HExA recorded total revenue of US\$1.9 million, maintaining the same level as in 2023 despite the late capitalization of the business. The business posted an operating profit before interest of 6%.

The business was capitalized with transfer vehicles and tour buses during the second half of the year. This enhanced the entity to hold an estimated 30% market share. The fleet expansion includes nine transfer vehicles, a minibus, and two 58-seater Yutong luxury buses, now operational in Victoria Falls and Harare. Several strategic initiatives are being implemented to further strengthen HExA's revenue streams.

6.2 PROFITABILITY

During the year under review, the Group's gross profit margin improved to 71%, up 3% from 69% in 2023. The Group reported Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) of US\$9.6 million, representing a 52% increase from the US\$6.4 million recorded in 2023. This growth reflects the Group's ability to adapt to operational challenges emanating from a dynamic and evolving operating environment. Despite a complex operating environment, the financial performance demonstrates effective cost management. The Group posted a profit before tax of US\$7.9 million, from US\$5.8 million. The Group declared a final dividend of US\$1.5 million. The total dividend for the year is US\$2.5 million.

7. OUTLOOK

The investment in the refurbishment of key properties, including hotels in Victoria Falls and Harare, is expected to enhance the Group's competitiveness by improving service offerings and infrastructure. These investments will support higher-value bookings, sustain foreign currency revenue growth, and strengthen the Group's ability to attract international travellers.

The fully refurbished Rainbow Towers Hotel and the Harare International Convention Centre (HICC) is anticipated to drive revenues from the ongoing demand for conference and event hosting. Additionally, HExA and Gateway Stream are projected to play a more significant role in revenue generation, with continued investments aimed at expanding their market share.

The addition of Montclair Resort and Conference to its portfolio will enhance the positioning of the Group in the Eastern Highlands. The hotel is the largest in its locality with 85 rooms. This strategic acquisition will enhance the Group's geographical spread whilst opening up the Eastern Highlands as the next best destination to the Victoria Falls, as well as complementing with existing entities such as HExA and Gateway Stream.



T. MADZIWANYIKA
CHIEF EXECUTIVE
10 March 2025

REPORT OF THE DIRECTORS

The Directors of the Company are pleased to present their report and audited financial statements for the year ended 31 December 2024.

SHARE CAPITAL

The authorised share capital of the company remained unchanged from the previous year at \$500,000 divided into 5,000,000,000 ordinary shares of \$0.0001 each, of which \$249,549.55 divided into 2,495,495,543 ordinary shares of \$0.0001 cents are in issue.

RESERVES

The movement of the reserves of the Group is shown in the statement of changes in equity.

DIVIDENDS

The Board is pleased to have declared an interim dividend on 11 October 2024 of US\$1,000,000 of which US\$400,000 was paid in United States dollars and the balance was paid in ZWG. The Board also declared a second and final dividend on 14 March 2025 of US\$1,500,000, of which US\$500,000 was paid in United States Dollars and the balance was paid in ZWG. This brought the total dividend for the full year 2024 to US\$2,500,000.

DIRECTORS

Shareholders will be requested to elect Messrs. Kumbirai Gundani and Chipso Mafunga who were co-opted onto the board during the year as directors of the Company. This is in terms of Article 106 of the Articles of Association of the Company.

In addition, shareholders will be requested to re-elect Messrs. Langton Mabhanga and Kenzias Chibota who retire by rotation at the Annual General Meeting, and being eligible, offer themselves for re-election in accordance with Article 99 of the Articles of Association of the Company.

DIRECTORS' FEES

In terms of section 167 as read with section 207 of the Companies and Other Business Entities Act, shareholders must set or approve directors' compensation which includes emoluments, salaries and pensions. Shareholders will be asked to approve payment of directors' fees of US\$203,792.80 for the year ended 31 December 2024. This amount includes directors' sitting fees, retainer fees and other benefits that directors are entitled to.

AUDITORS

A resolution to fix the remuneration of US\$70,847 for Messrs. BDO Zimbabwe Chartered Accountants for the past year's audit in accordance with section 191 of the Companies and Other Business Entities Act will be tabled.

A resolution to re-appoint Messrs. BDO Zimbabwe Chartered Accountants as auditors for the ensuing financial year will be tabled. BDO Zimbabwe Chartered Accountants have been auditors of the Company for the past three years.

BORROWING POWERS

In terms of the Articles of Association, the company is authorised to borrow funds amounting to, but not exceeding twice the aggregate of:-

- The amount of issued and paid up share capital of the company and
- The total amount of capital and revenue reserves of the company including share premium.

The directors confirm that during the year under review the company's borrowings were within the above limits.

RESPONSIBILITY FOR FINANCIAL STATEMENTS

The directors are responsible for the maintenance of adequate accounting records and the preparation of the financial information included in this Annual Report. The Financial Statements have been consistently prepared in accordance with International Financial Reporting Standards, and where required, reflect our best estimates and judgements.

To fulfill this responsibility the Group maintained systems of internal control which are designed to provide reasonable assurance that the records accurately reflect the transactions of the Group and safeguard its interests.

The Group financial statements have been prepared on the going concern basis since the directors have every reason to believe that the Group has adequate resources to continue into the foreseeable future.

For and on behalf of the Board



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T. MARI
COMPANY SECRETARY

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RAINBOW TOURISM GROUP LIMITED

Opinion

We have audited the consolidated financial statements of RAINBOW TOURISM GROUP LIMITED AND ITS SUBSIDIARY ("the Group") set out on pages 86 to 107, which comprise the consolidated statement of financial position as at 31 December 2024, statement of profit or loss and other comprehensive income, statement of changes in equity and 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 financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2024, 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 matter. We have determined the matter described below to be a key audit matter 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 US\$ 48 757 513 (2023: US\$ 43 948 898). A valuation exercise was carried out at year end. In determining the value of property and equipment (movable assets), the directors made extensive assumptions and judgements in the process.</p> <p>The determination of the value of property and equipment was therefore considered to be a matter of significance due to the inherent subjectivity of the key assumptions that underpin the valuation of property and equipment and the heightened uncertainty involved in making these assumptions.</p>	<p>The Group applied the requirements of IFRS 13 and we:-</p> <ul style="list-style-type: none"> • Obtained an understanding of the approach followed by management in the valuation of the Group's property and equipment through discussions with management. • Assessed the work performed by the directors in valuing property and equipment by performing the following: <ol 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 methodology. c) Assessed the inputs in the valuation model for accuracy and completeness. d) Evaluated the financial statement disclosures for appropriateness and adequacy.

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,

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 Group'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 Group 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 group'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 group 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 group to express an opinion on the financial statements. We are responsible for the directing, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

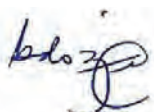
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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
Martin Makaya
Partner
Registered Public Auditor
PAAB Certificate No :0407

Kudenga House
3 Baines Avenue
Harare

10 March 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	2024 US\$	2023 US\$
ASSETS			
Non current assets			
Property and equipment	5	48 757 513	43 948 898
Intangible assets	6	87 235	89 866
Right-of use assets	7.1	968 765	185 984
		49 813 513	44 224 748
Current assets			
Inventories	8	3 163 469	3 018 028
Trade and other receivables	9	6 569 949	3 168 905
Other financial assets	10	2 527 838	1 405 492
Cash and cash equivalents	11	2 440 126	2 137 143
		14 701 383	9 729 568
Total assets		64 514 896	53 954 316
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12.1	249 650	249 650
Share premium	12.2	1 470 887	1 470 887
Revaluation reserve	12.3	29 261 376	29 654 665
Retained earnings		6 971 015	3 233 171
Total equity		37 952 928	34 608 373
Non current liabilities			
Lease liabilities	7.2	866 500	1 357 773
Deferred tax	13	10 847 485	9 241 577
Long term portion of borrowings	14	2 458 333	378 667
		14 172 318	10 978 017
Current liabilities			
Short term portion of borrowings	14	1 041 667	189 333
Trade and other payables	15	10 254 474	7 576 236
Tax payable		942 854	230 895
Lease liabilities	7.2	150 655	129 680
Bank overdraft	11	-	241 782
		12 389 650	8 367 926
Total liabilities		26 561 968	19 345 943
Total equity and liabilities		64 514 896	53 954 316

These financial statements were approved by the Board of Directors on 10 March 2025 and signed on its behalf by:



D. Hoto
Board Chairman



T. M. Madziwanyika
Chief Executive Officer



N.K. Mtukwa
Financial Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
	Notes	US\$	US\$
Revenue	16	44 397 592	43 617 403
Cost of sales		(13 219 927)	(13 184 306)
Gross profit		31 177 665	30 433 097
Other operating income	17	6 130 987	1 346 626
Administrative expenses		(17 624 462)	(16 073 169)
Distribution expenses		(4 263 478)	(4 051 021)
Other operating expenses		(7 318 067)	(6 117 313)
Profit from operations		8 102 646	5 538 220
Net finance costs	18	(189 762)	(112 558)
Net translation gain		-	387 937
Profit before tax	19	7 912 884	5 813 599
Income tax expense	20	(2 546 982)	(1 247 526)
Profit for the year		5 365 902	4 566 073
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
(Loss)/ gain on property revaluation, net of tax		(393 289)	14 594 079
Total comprehensive income for the year		4 972 613	19 160 152
Earnings per share	21		
Basic earnings per share (US\$ cents)		0.22	0.18
Headline earnings per share (US\$ cents)		0.21	0.18

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Share premium	Revaluation reserve	Retained earnings	Total equity
	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2023	249 650	1 470 887	15 060 586	514 613	17 295 736
Total comprehensive income for the year	-	-	14 594 079	4 566 073	19 160 152
Dividend	-	-	-	(1 847 514)	(1 847 514)
Balance at 31 December 2023	249 650	1 470 887	29 654 665	3 233 172	34 608 374
Total comprehensive income for the year	-	-	(393 289)	5 365 902	4 972 613
Dividend	-	-	-	(1 628 059)	(1 628 059)
Balance at 31 December 2024	249 650	1 470 887	29 261 376	6 971 015	37 952 928

Newly Refurbished Harare International Convention Centre (HICC)

The Harare International Convention Center was refurbished for the first time since it was built 40 years ago. Brand-new carpets and chairs were put in, and the chairs have integrated charging ports, including 3-pin, USB, and Type-C options, ensuring delegates stay connected throughout an event. The amphitheatre can seat up to 4500 people and has a capacity of 1000 parking bays.

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 US\$	2023 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		7 912 884	5 813 598
Adjusted for:			
Depreciation of property and equipment, intangibles assets and right of use assets		1 643 389	500 595
Other provisions and write offs		-	363 785
Fair value adjustment on investments		212 450	260 841
Exchange loss on borrowings		-	287 810
Unrealised exchange (gain)/loss		(1 320 317)	1 358 358
Loss on disposal of property and equipment		183 785	-
Net finance costs		189 762	112 558
Operating profit before working capital changes		8 821 952	8 697 545
Working capital changes:			
Increase in inventories		(145 441)	(2 196 243)
Increase in trade and other receivables		(3 401 045)	(82 152)
Increase in trade and other payables		2 678 237	3 609 687
Cash generated from operations		7 953 703	10 028 837
Finance costs		(65 928)	(17 244)
Income tax paid		(92 719)	(60 553)
Net cash inflows generated from operations		7 795 056	9 951 040
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(7 840 416)	(4 222 498)
Development of intangible assets		(5 374)	(27 201)
Proceeds from sale of property and equipment		777 009	-
Investment in short term deposits		(2 465 280)	-
Purchase of shares		(171 821)	-
Disposal/(purchase) of gold-backed digital coins		1,302,306	(1 665 902)
Net cashflows utilised in investing activities		(8 403 576)	(5 915 601)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease principal repayment		(150 655)	(798 571)
Increase in borrowings		3 500 000	325 810
Loan repayment		(568 000)	(45 621)
Dividend paid		(1 628 059)	(1 847 514)
Net cashflows generated/(utilised in) financing activities		1 153 286	(2 365 896)
NET INCREASE IN CASH AND CASH EQUIVALENTS		544 765	1 669 543
			-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1 895 361	225 818
CASH AND CASH EQUIVALENTS AT END OF YEAR	11	2 440 126	1 895 361

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

1.1 Nature of business and incorporation

Rainbow Tourism Group (RTG) is a limited liability company incorporated and domiciled in Zimbabwe. The Group is in the tourism services industry as hoteliers and providers of conference facilities, tour operations as well as e-commerce services. Its registration number is 4880/91. Its registered office and principal place of business is No. 1 Pennefather Avenue, Harare, Zimbabwe. The Group is listed on the Zimbabwe Stock Exchange (ZSE).

1.2 Functional currency

These consolidated financial statements use the United States Dollars (US\$) as its functional currency, being the currency of the primary economic environment in which the Group operates.

Change in functional and presentation currency

Effective 1 January 2024, the Group changed its functional currency from the Zimbabwe dollar (ZWL) to United States Dollar (USD). In determining the functional currency, the following factors were considered:

- the currency that mainly influences sales prices for goods and services (the currency in which sales prices for goods and services are denominated and settled).
- the currency which influences labour, material and other costs of providing goods and services.
- the currency in which funds from financing activities are generated.
- the currency in which receipts from operating activities are usually retained.

The Group concluded that based on the above factors, there was a change in the Group's functional currency from ZWL to United States Dollars ("USD") with effect from 1 January 2024.

1.3 Basis of preparation

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are based on statutory records that are maintained under the historical cost convention.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

The preparation of consolidated financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the most appropriate application in complying with the group's accounting policies. The areas where significant judgments and estimates have been made in preparing the consolidated financial statements and their effect are disclosed on note 4.

1.4 Statement of compliance

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, (IFRS), promulgated by the International Accounting Standards Board, (IASB) as issued by the International Financial Reporting Interpretations Committee, (IFRIC) and adopted by the Public Accountants and Auditors Board, (PAAB) constituted under the Public Accountants and Auditors Act (Chapter 27:12) and the Companies and Other Business Entities Act (Chapter 24:31) except where otherwise stated. The consolidated financial statements for the year ended 31 December 2024 (including comparatives) were approved and authorised for issue by the Board of Directors on 10 March 2025. Amendments to the consolidated financial statements are not permitted after approval.

2. CHANGES IN ACCOUNTING POLICIES

a) New standards, interpretations and amendments adopted from 1 January 2024

The following amendments are effective for the period beginning 1 January 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

These amendments to various IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after 1 January 2024. See the applicable notes for further details on how the amendments affected the Group.

Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7)

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);

On 22 September 2022, the IASB issued amendments to IFRS 16 —Lease Liability in a Sale and Leaseback (the Amendments). Prior to the Amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the Amendments require a seller lessee to determine 'lease payments' or 'revised lease payments' in a

way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

These amendments had no effect on the consolidated financial statements of the Group.

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants

The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-current and subsequently, in October 2022 Non-current Liabilities with Covenants.

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.
- These amendments have no effect on the measurement of any items in the consolidated financial statements of the Group.
- However, the classification of certain borrowings has changed from non-current to current as result of the application of the amendments for the current financial year as well as the comparative period.

b) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the annual reporting period beginning 1 January 2025:

- Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates);
- The following amendments are effective for the annual reporting period beginning 1 January 2026:
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)
- The following standards and amendments are effective for the annual reporting period beginning 1 January 2027:
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

The Group is currently assessing the effect of these new accounting standards and amendments.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Group does not expect to be eligible to apply IFRS 19.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Overall considerations

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Foreign currency translations

Foreign currency transactions are translated into the functional currency of the Group, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined. In the Group's financial statements, all assets, liabilities and transactions of the entities with a functional currency other than the USD dollar, are translated into Zimbabwe Gold (ZWG) upon consolidation. The functional currency of the Group has remained unchanged during the reporting period.

3.3 Revenue

Performance obligations and timing of revenue recognition
The majority of the Group's revenue is derived from hotel operations and includes the sale of food, beverages and rental of rooms. Revenue is recognized at a point in time when rooms are occupied and food and beverages are sold. There is limited judgement needed in identifying the point control passes: once the service has been rendered of the specified goods, the Group usually will have a present right to payment.

Determining the transaction price

Most of the Group's revenue is derived from fixed price services and therefore the amount of revenue to be earned from each service is determined by reference to approved price lists.

Allocating amounts to performance obligations

There is a fixed unit price for each type of commodity or service provided, with discounts given for some arrangements. Therefore, there is no significant judgement involved in allocating the contract price to each service or commodity provided.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

3.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

3.5 Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventory is determined using weighted average cost.

3.6 Property and equipment

Items of property and equipment are initially recognised at cost. Cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liabilities are recognised in provisions.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income during the period in which they are incurred. The assets' useful lives and residual values are reviewed, and adjusted if appropriate, at each statement of financial position date.

Land and capital work-in-progress are not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property and equipment so as to write off their carrying value over their expected useful economic lives. It is provided on a straight line basis over the remaining useful lives at the following rates:

Buildings	2-4%
Leasehold improvements	5-20%
Furniture and equipment	10-15%
Motor vehicles	25-33%

Items of property and equipment are revalued after every three years by an independent appraiser based on market evidence of the most recent prices achieved in arm's length transactions of similar properties. Any revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss

with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of property and equipment are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

3.6.1 Impairment of property and equipment

The carrying amount of property and equipment is reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Impairment loss is recognised directly through the statement of comprehensive income when the carrying amounts of the assets exceed the fair values of the respective assets.

3.6.2 Derecognition of property and equipment

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from use or disposal.

3.7 Externally acquired intangible assets

Externally acquired and internally developed intangible assets are initially recognised at historical cost and subsequently amortised on a straight-line basis over their useful economic lives.

Intangible assets are recognised on business combinations if they are separable from the acquired Group or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

The useful economic life of the Group's intangible assets is as follows:

Microsoft user rights	8 years
Mobile and web application	8 years

3.8 Leases

On lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value

guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

3.9 Fair value measurement

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Finance Director.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's audit committee. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3.10 Post-employment benefits - defined contribution schemes

Contributions to defined contribution pension schemes are charged to the statement of comprehensive income in the year to which they relate.

3.11 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and reliable estimate of the obligation can be made. The amount recognised

as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

3.12 Share capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Group's ordinary shares are classified as equity instruments.

3.13 Earnings per share

Earnings per share is calculated by dividing profit/ (loss) after tax by the weighted average number of shares in issue throughout the year.

3.14 Financial instruments

3.14.1 Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. Other than financial assets in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

In the periods presented, the Group does not have any financial assets categorised as FVOCI. The classification is determined by both:

- the Group's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

3.14.2 Fair value through profit or loss

This category comprises only in-the-money derivatives (see financial liabilities section for out of-the-money derivatives). They are carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

3.14.3 Amortised cost and effective interest method

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, which are reported net; such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the consolidated statement of profit or loss and other comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

The Group's financial assets at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position. Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows – bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

3.14.4 Fair value through other comprehensive income Non-derivative financial assets not included in the above categories are classified as available for-sale and comprise principally the Group's strategic investments in entities not qualifying as subsidiaries, associates or jointly controlled entities. They are carried at fair value with changes in fair value, other than those arising due to exchange rate fluctuations and interest calculated using the effective interest rate, recognised in other comprehensive income and accumulated in the available-for-sale reserve. Exchange differences on investments denominated in a foreign currency and interest calculated using the effective interest rate method is recognised in profit or loss.

Where there is a significant or prolonged decline in the fair value of an available for sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognised in other comprehensive income, is recognised in profit or loss.

Purchases and sales of available for sale financial assets are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the available-for-sale reserve. On sale, the cumulative gain or loss recognised in other comprehensive income is reclassified from the available-for-sale reserve to profit or loss.

3.14.5 Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. Other than financial liabilities in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

3.14.6 Fair value through profit or loss

This category comprises only out-of-the-money derivatives (see financial assets for in the money derivatives). They are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the statement of profit or loss and other comprehensive income. The Group does not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than these derivative financial instruments, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

3.14.7 Other financial liabilities

Other financial liabilities include the following items:

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. Interest expense in this context includes initial transaction costs and other payable on maturity, as well as any interest or coupon payable while the liability is outstanding.

Liability components of convertible loan notes are measured as described further below. Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

3.14.8 Fair value measurement hierarchy

IFRS 7 requires certain disclosures which require the classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the financial

asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement.

3.14.9 Impairment of non-financial assets

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units (CGUs). Goodwill is allocated on initial recognition to each of the group's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

3.14.10 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of bank balances and amounts due from other banks and dealing securities.

3.15 Cost of sales

Cost of sales includes the cost of materials, cost of direct labour in the production of food served and the costs of maintaining hotel rooms.

3.16 Service stocks

During the year management carried out service stock impairment test which resulted in some stocks being written off.

3.17 Income tax

3.17.1 Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

3.17.2 Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except: Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary differences can be controlled and it is probable that

reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except: "where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures.

Deferred tax assets are recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets at each statement of financial position date are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each statement of financial position date and recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date. Income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax relate to the same taxable group and the same taxation authority. Deferred capital gains tax arises on the revalued property. The capital gains tax liability is computed on the revaluation adjustment based on rates ruling on the statement of financial position date.

4. SIGNIFICANT JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the amounts presented in the consolidated financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated financial statements.

The following are key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have risk of causing material adjustment to the carrying amounts of asset and liabilities within the next financial year.

4.1 Allowance for credit losses

The Group assesses the financial assets held at amortised cost for expected credit losses. The Group uses the simplified approach when assessing for expected credit losses.

Simplified approach

The simplified approach is used to assess for expected credit losses for trade receivables, contract assets and lease receivables. The method uses a provision matrix which determines the expected default rate which is determined by taking into consideration historical and forward-looking information. The expected default rate is determined separately for each market in which the Group operates as each market faces a different economic and operating environment being granted and the fact that customers have been paying consistently in the year under review.

4.2 Impairment testing

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable.

4.3 Residual values and useful lives

The Group is required to assess residual values and the remaining useful lives of its property and equipment on an annual basis. This affects the amount of depreciation that is recognized in the statement of financial position. Management assessed residual values at nil for all assets as it intends to use the assets until the end of their economic useful lives.

4.4 Going concern

The operations of the Group were significantly affected and may continue to be affected for the foreseeable future, by the adverse effects of the liquidity challenges in the economy and the need for recapitalization of the Group. The ability of the Group to continue operating as a going concern, in such an environment, is subject to continual assessment.

The assessment requires judgmental estimates and assumptions regarding future cash flows and the discount rate used to determine the present value of the cash flows.

4.5 Valuation of property and equipment

On 31 December 2024, the Group carried out a director's revaluation on all categories of property and equipment. The estimate and associated assumptions were based on historical information, market observable inputs and other factors that were considered relevant. The Group also assessed the useful and residual values of property plan and equipment taking into account past experience and technology changes. The useful lives are set out in note 3.6 and no changes to those useful lives have been considered necessary during the year.

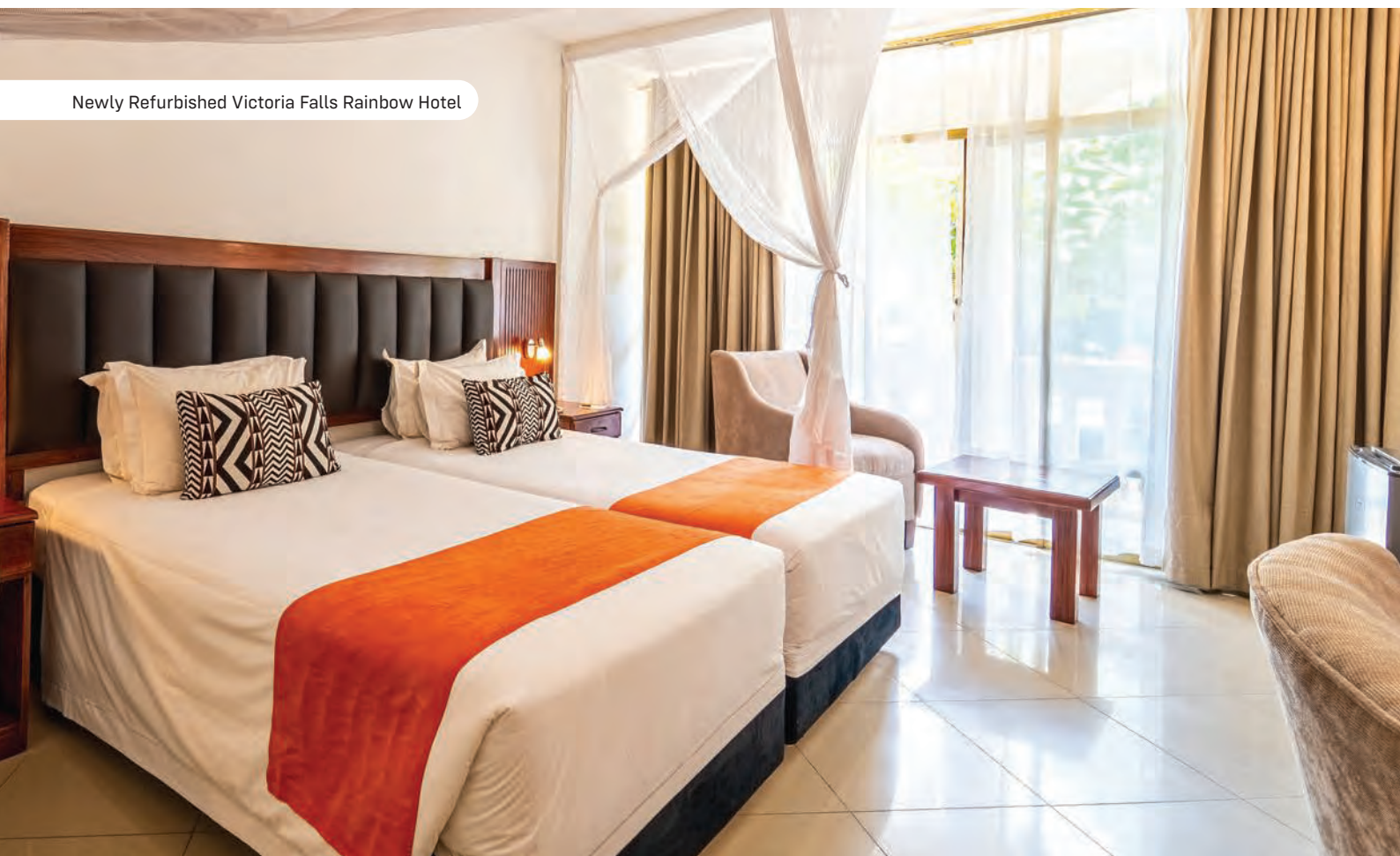
4.6 Functional currency

The directors considered the following key attributes of a functional currency as guided by the provisions of IAS 21: Effects of Changes in Exchange Rates:

- The currency that mainly influences sales prices for goods and services;
- The currency of the competitive forces and regulations that mainly determine the sales prices of goods and services;
- The currency that mainly influences labour, material and other costs of providing goods and services;
- The currency in which funds from financing activities are generated; and
- The currency in which receipts from operating activities are usually retained.

Having considered the above attributes, the directors concluded that the USD is the functional and presentation currency of the Group.

Newly Refurbished Victoria Falls Rainbow Hotel



5. PROPERTY AND EQUIPMENT

	Land & buildings	Leasehold improvements	Capital work in progress	Office equipment furniture and fittings	Motor vehicles	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Net carrying amount as at 31/12/22	15 993 643	2 067 044	826 810	2 045 412	226 748	21 159 657
Gross carrying amount - cost	16 305 958	2 306 314	826 810	2 462 826	297 169	22 199 077
Accumulated depreciation	(312 315)	(239 270)	-	(417 414)	(70 421)	(1 039 420)
Additions	-	465 048	1 736 599	1 391 705	629 147	4 222 499
Disposals	-	(1 274)	-	(357 074)	(5 438)	(363 786)
Revaluation surplus	17 287 873	(1 935 946)	-	4 228 693	(153 541)	19 427 079
Depreciation charge for the year	(172 229)	(30 033)	-	(240 044)	(54 245)	(496 551)
Net carrying amount as at 31/12/23	33 109 287	564 839	2 563 409	7 068 692	642 671	43 948 898
Gross carrying amount - cost / valuation	33 593 831	834 142	2 563 409	7 726 150	767 337	45 484 869
Accumulated depreciation	(484 544)	(269 303)	-	(657 458)	(124 666)	(1 535 971)
Additions	-	5 424 435	234 700	1 793 847	387 434	7 840 416
Disposals	-	(1 990)	-	(907 113)	(51 691)	(960 794)
Transfer in/out	-	171 944	(163 363)	(8 581)	-	-
Impairment	-	(357 352)	-	(153 032)	(19 298)	(529 682)
Depreciation charge for the year	(259 184)	(171 434)	-	(911 018)	(199 689)	(1 541 325)
Net carrying amount as at 31/12/24	32 850 103	5 630 442	2 634 746	6 882 795	759 427	48 757 513
Gross carrying amount - cost / valuation	33 593 831	6 071 179	2 634 746	8 451 271	1 083 782	51 834 809
Accumulated depreciation	(743 728)	(440 737)	-	(1 568 476)	(324 355)	(3 077 296)

Part of Land and buildings has been pledged as collateral on the loans obtained from a local bank.

6. INTANGIBLE ASSETS

	2024 US\$	2023 US\$
Opening balance	89 866	135 944
Additions	5 374	27 201
Revaluation surplus/(loss)	24 861	(69 272)
Amortisation	(32 866)	(4 007)
Closing balance	87 235	89 866

7. LEASES

7.1	Net carrying amount as at 31/12/23
	Gross carrying amount - cost / valuation
	Accumulated depreciation
	Remeasurements/revaluations
	Depreciation charge for the year
	Net carrying amount as at 31/12/24
	Gross carrying amount - cost / valuation
	Accumulated depreciation

Land and buildings	Total
185 984	185 984
214 816	214 816
(28 832)	(28 832)
851 979	851 979
(69 198)	(69 198)
968 765	968 765
1 066 795	1 066 795
(98 030)	(98 030)

7.2 Lease liabilities

At 1 January 2024
Finance costs
Lease payments
Remeasurements/revaluations
At 31 December 2024

Land and buildings	Total
1 487 453	1 487 453
123 834	123 834
(150 655)	(150 655)
(443 477)	(443 477)
1 017 155	1 017 155

Current portion
Non-current portion

2024 US\$	2023 US\$
150 655	189 333
866 500	1 357 773
1 017 155	1 547 106

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on the balance sheet.

Right of use asset	Lease term	Remaining term	Option for an extension
Kadoma Hotel	20-25 years	14 years	Yes

The Group has a lease for Kadoma Hotel & Conference Centre. With the exception of short-term leases and leases of low-value underlying assets, the lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Group classifies its right-of-use asset in a consistent manner to its property and equipment.

In accordance with the lease contract, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Furthermore, the Group must insure items of property and equipment and incur maintenance costs on such items.

8. INVENTORIES

Food and beverages
Service stocks
Other stocks

9. TRADE AND OTHER RECEIVABLES

Trade
Less: Allowance for credit losses

Other receivables
Less : Allowance for credit losses

Total financial assets other than cash and cash equivalents classified as loans and receivables

Prepayments

Total

The fair value of trade and other receivables classified as loans and receivables is as follows:

Trade
Other

2024 US\$	2023 US\$
445 949	1 497 239
436 157	796 341
2 281 363	724 448
3 163 469	3 018 028
4 769 544	2 689 735
(310 342)	(49 609)
4 459 202	2 640 126
55 707	104 897
(6 333)	(15 322)
4 508 576	2 729 701
2 061 373	439 204
6 569 949	3 168 905
4 459 202	2 640 127
49 373	89 574
4 508 576	2 729 701

The table below describes the credit loss allowances recognised in the Statement of Financial Position.

Trade receivables

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Gross carrying amount	1 239 667	1 721 239	1 838 986	1 058 032	135 564	5 993 488
Average expected loss rate	0.5%	1.5%	2.3%	10.0%	100.0%	5.3%
Credit loss allowance	6 694	26 507	42 106	105 803	135 564	316 675

10. OTHER FINANCIAL ASSETS**10.1 Listed securities**

	2024 US\$	2023 US\$
Balance at 1 January	413	430
Additions	171 821	-
Fair value adjustment	(109 675)	(17)
Disposal	-	-
Balance at 31 December	62 559	413

10.2 Zimbabwe gold-backed digital token

Balance at 1 January	1 405 079	-
Additions	-	1 665 902
Fair value adjustment	(102 775)	(260 823)
Disposal	(1 302 304)	-
Balance at 31 December	-	1 405 079

10.3 Investment held to maturity

	2 465 280	-
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11. CASH AND CASH EQUIVALENT

Bank and cash	2 440 126	2 137 143
Bank overdraft	-	(241 782)
	2 440 126	1 895 361

The bank overdraft is unsecured and is denominated in US\$. The interest rate is pegged at 9% per annum.

12. SHARE CAPITAL AND RESERVES**12.1 Share capital****Authorised**

2 500 000 000 ordinary shares of US\$ 0.0001 each	250 000	250 000
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Issued and fully paid

2 495 495 543 ordinary shares of US\$ 0.0001 each	249 650	249 650
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The unissued shares are under the control of the directors for an indefinite period subject to the limitations imposed by the Companies and Other Business Entities Act (Chapter 24:31), the Zimbabwe Stock Exchange and approval by members in a general meeting.

12.2 Share premium**Balance at 31 December**

1 470 887	1 470 887
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12.3 Revaluation reserve

Opening balance	29 654 665	15 060 586
(Impairment)/revaluation surplus	(393 289)	14 594 079
Closing balance	29 261 376	29 654 665

13. DEFERRED TAX**Analysis of deferred tax**

	2024 US\$	2023 US\$
Property and equipment	11 084 906	9 697 397
Intangible assets	22 462	22 115
Right of use assets	249 457	47 891
Lease liability	(261 917)	(383 019)
Provisions	(247 423)	(142 807)

	10 847 485	9 241 577
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Deferred tax reconciliation

Balance at the beginning of the year	9 241 577	3 449 106
Movement through profit or loss	1 742 301	1 028 743
Movement through other comprehensive income	(136 393)	4 763 728

Balance at the end of the year

	10 847 485	9 241 577
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14. BORROWINGS

Changes arising from interest-bearing borrowings, excluding bank overdrafts, are as follows:

	2024	Total
At 1 January 2024	568 000	568 000
Borrowings raised	3 500 000	3 500 000
Borrowings repaid	(502 072)	(502 072)
Interest paid during the year	(65 928)	(65 928)

At 31 December 2024

	3 500 000	3 500 000
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The borrowing facilities are loans from a local bank. The loans attract an average interest rate of 14%. The loans are secured over immovable property which is the Victoria Falls Hotel valued at \$6.5 million.

	2024 US\$	2023 US\$
Short-term portion of borrowings	1 041 667	189 333
Long-term portion of borrowings	2 458 333	378 667
	3 500 000	568 000

15. TRADE AND OTHER PAYABLES

Trade payables	1 084 119	3 955 481
Provisions and other payables	9 170 355	3 620 755

	10 254 474	7 576 236
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16. REVENUES

Rooms revenue	17 648 293	17 416 837
Food, beverages and conferencing	23 420 759	22 805 818
Other operating activities	3 328 540	3 394 748
	44 397 592	43 617 403

Revenue represents amounts invoiced for sales, less value added tax as appropriate.

17. OTHER OPERATING INCOME

Rental income
Other sundry income

18. NET FINANCE COSTS

Finance costs

19. PROFIT BEFORE TAX

Profit before tax is arrived at after taking into account the following:

Expenses

Staff costs
Inventory write off
Exchange losses: Losses due to change in local currency 5 April 2024
Losses due to currency devaluation 29 September 2024
Other losses
Depreciation of property and equipment
Directors' fees - for services as directors
Loss on disposal of assets

20. INCOME TAX EXPENSE

Current tax
Deferred tax

Tax rate reconciliation

Accounting profit

Tax at 25.75%
Adjusted for:
Bad debts
Entertainment
Intermediated Money Transfer Tax (IMMT)
Donations
Service stock provision
Non-taxable differences

2024 US\$	2023 US\$
665 715	416 057
5 465 272	930 568
6 130 987	1 346 626
(189 762)	(112 558)
6 268 663	3 682 899
4 821 465	229 856
801 245	-
984 478	-
434 178	-
1 541 325	496 551
258 200	262 476
183 785	27 238
804 681	218 783
1 742 301	1 028 743
2 546 982	1 247 526
7 912 884	5 813 599
2 037 568	1 437 122
209 887	-
177	384
568 418	196 088
14 300	6 013
23 712	757 297
(307 080)	(1 149 377)
2 546 982	1 247 526

21. EARNINGS PER SHARE**21.1 Basic earnings per share (continuing operations)****Numerator**

Profit for the year and earnings used in basic EPS (cents)

Denominator

Weighted average number of shares used in basic EPS

Basic earnings per share (US\$ cents)

21.2 Headline earnings per share**Numerator**

Denominator

Weighted average number of shares used in basic EPS

Headline earnings per share (US\$ cents)

2024 US\$	2023 US\$
536 590 152	456 607 267
2 495 495 543	2 495 495 543
0.22	0.18
518 211 677	456 607 267
2 495 495 543	2 495 495 543
0.21	0.18

23. RELATED PARTY INFORMATION**23.1**

Related party	Nature of relationship
National Social Security Authority (NSSA)	Parent
Heritage Expeditions Africa (HEXA)	Subsidiary

Related party transactions

The following are transactions with related parties during the year:-

Related party	Nature of transaction
Heritage Expeditions Africa	Management fees

23.2 Compensation to key management

Short term benefits

23.3 Non - executive directors

Fees

The non - executive directors do not receive pension entitlements from the Group.

23.4 Loans to key management

Loans

2024 US\$	2023 US\$
474 243	418 375
4 062 244	4 062 423
258 200	691 828
481 922	-

The loans related to a motor vehicle scheme that was in place for employees. The loans attracted interest rates which ranged between 6% and 9% per annum.

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the Group. These include the Chief Executive, Finance Director and other senior management of the Group.

23.6 Group structure

The Group comprises the following companies:

	Name	Business	Location
1	Rainbow Tourism Group (Zimbabwe) - Company	Hotelier	Zimbabwe
2	Heritage Expeditions Africa	Tour Operation	Zimbabwe

24. RETIREMENT BENEFITS**24.1 Catering Industry Pension Fund (NEC)**

This is a defined contribution scheme legislated under the National Social Security Act (1989). The group's obligations are limited to specific contributions as legislated from time to time, and are currently 4.5% of pensionable earnings.

Contribution for the year	107 055	115 426
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24.2 National Social Security Authority Scheme (NSSA)

This is a defined contribution scheme legislated under the National Social Security Act (1989). The group's obligations are limited to specific contributions as legislated from time to time, and are currently 4.5% of pensionable earnings limited to US\$700 per month per employee as at 31 December 2024.

Contributions for the year	120 686	98 905
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24.3 RTG pension fund

This is a defined contribution scheme which covers supervisory and managerial employees.

Contributions for the year	668 162	591 108
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25. FINANCIAL RISK MANAGEMENT

The main risks facing the Group are treasury risk, credit risk, liquidity risk, exchange rate risk and cash flow risk.

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing these risks and methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from the previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Accounts receivable
- Cash at bank
- Other financial assets
- Borrowings
- Accounts payable

25 FINANCIAL RISK MANAGEMENT (CONT'D)**General objectives, policies and processes**

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function.

25.1 Treasury risk

The Audit and Finance Committee, made up of executive and non-executive directors, meets regularly to consider and analyse, among other issues, currency and interest rate exposures and to re-evaluate treasury risk management strategies against prevailing economic forecasts. Compliance with Group policies and exposure limits is reviewed at regular board meetings.

25.2 Liquidity risk

The Group has a borrowing capacity of US\$74,508,148 of which 5% was utilised as at 31 December 2024. This together with cash generated from operations is adequate to enable the Group to meet its day-to-day expenses and service charges as they fall due.

25.3 Credit risk

The credit risk is managed on a group basis based on the Group's credit risk management policies and procedures. The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits, and are only with major reputable financial institutions. The Group continuously monitors the credit quality of customers based on a credit rating scorecard. Where available, external credit ratings and/or reports on customers are obtained and used. The group's policy is to deal only with credit worthy counterparties. The credit terms range between 7 and 14 days. The credit terms for customers as negotiated with customers are subject to an internal approval process which considers the credit rating scorecard. The ongoing credit risk is managed through a regular review of the ageing analysis, together with credit limits per customer.

Service customers are required to pay the annual amount of the service upfront, mitigating the credit risk. Trade receivables consist of a large number of customers in various industries and geographical areas. The Group does not hold any security on the trade receivables balance. In addition, the group does not hold collateral relating to other financial assets (eg derivative assets, cash and cash equivalents held with banks).

25.4 Interest rate risk

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At 31 December 2024, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates. The exposure to interest rates for the Group's money market funds is considered immaterial.

25.5 Exchange risk

The Group is exposed to foreign currency fluctuations as it accrues foreign currency-denominated liabilities in its business activities. It is exposed to such foreign currency fluctuations to the extent that such liabilities are not matched by foreign currency receipts from operations.

A summary of the financial instruments held by category is provided below:

Financial assets	At amortised cost	
	2024	2023
	US\$	US\$
Cash and cash equivalent	2 440 126	2 137 143
Trade and other receivables	4 508 576	2 729 701
Total	6 948 702	4 866 844
Quoted shares	Fair value through profit or loss	
	2024	2023
	US\$	US\$
	62 559	413
Financial liabilities	At amortised cost	
	2024	2023
	US\$	US\$
Short term portion of borrowings	1 041 667	189 333
Trade and other payables	1 084 119	3 955 481
Bank Overdraft	-	241 782
	2 125 785	4 386 596

Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, trade and other payables and borrowings.

Due to their short term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables and borrowings approximates their fair value.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. Financial assets which potentially subject the Group to concentrations of credit risk consist primarily of cash and trade receivables. The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits and are only with major reputable financial institutions. The credit risk with respect to trade receivables is limited as a result of the spread of balances owing to various customers who are in different sectors of the economy.

Financial instruments measured at fair value

	Level 1		Level 2		Level 3	
	2024	2023	2024	2023	2024	2023
	US\$	US\$	US\$	US\$	US\$	US\$
	2024	2023	2024	2023	2024	2023
Equity investments	2 527 838	1 405 492	-	-	-	-

Liquidity risk

This is the risk of insufficient liquid funds being available to cover commitments. In order to mitigate any liquidity risk that the Group faces, the Group's policy has been throughout the year ended 31 December 2024, to maintain substantial unutilised facilities and reserves as well as significant liquid resources.

Quantitative disclosures of the liquidity risk exposure in relation to financial liabilities are set out below:

	Up to 3 months	Between 3 and 12 months	Between 12 and 24 months	Over 2 years	Total
	2024	2024	2024	2024	2024
	US\$	US\$	US\$	US\$	US\$
	2024	2024	2024	2024	2024
Trade and other payables	97 978	324 477	156 897	422 748	1 002 100
Borrowings	2 458 333	-	-	-	2 458 333
	2 556 312	324 477	156 897	422 748	3 460 433

26. MANAGEMENT OF CAPITAL

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The Group monitors its capital ratio using a gearing ratio which is net debt divided by total capital plus net debt. The Group includes within its net debts, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations; capital includes equity attributable to the equity holders of the parent.

The debt-to-adjusted-capital ratios at 31 December 2024 and at 31 December 2023 were as follows:

	2024	2023
	US\$	US\$
Trade and other payables	10 254 474	7 576 236
Borrowings	2 458 333	378 667
Less: cash and cash equivalents	(2 440 126)	(2 137 143)
Net debt	10 272 681	5 817 760
Total equity	37 952 928	34 608 373
Capital and net debt	48 225 609	40 426 133
Adjusted gearing ratio	21%	14%

27. EVENTS AFTER THE REPORTING PERIOD

27.1 Dividend

The board declared a second and final dividend of US\$1,500,000. The dividend will be payable in split of US\$500,000 (0.02US\$ cents per share) will be paid in foreign currency and the balance of US\$1 million (1.057 ZWG cents per share) in local currency.

27.2 Approval of financial statements

The financial statements were approved by the Board for issue on 10 March 2025.

RAINBOW TOURISM GROUP LIMITED

TOP 20 SHAREHOLDERS AS AT 31 DECEMBER 2024

	SHAREHOLDER	SHARES	%
1	NATIONAL SOCIAL SECURITY AUTHORITY	2 285 761 833	91.60
2	MINISTRY OF MINES ENVIRONMENT AND TOURISM	83 402 508	3.34
3	LAAICO - FCA NON-RES	60 000 000	2.40
4	PINNACLE INVESTMENTS (PRIVATE) LIMITED	15 521 167	0.62
5	OLD MUTUAL LIFE ASSURANCE COMPANY OF ZIMBABWE LIMITED	2 535 990	0.10
6	MANO, EVELYN	1 942 625	0.08
7	WILLOUGHBY'S CONSOLIDATED PLC	1 482 239	0.06
8	ANNES SUPERMARKET	1 466 251	0.06
9	MESSINA INVESTMENTS LIMITED	1 437 892	0.06
10	BLAGOJEVIC, GORAN	1 222 248	0.05
11	M K FAMILY TRUST	1 002 947	0.04
12	KOPI, COLZA M	852 553	0.03
13	SAMURIWO, TICHAONA	706 052	0.03
14	STANBIC NOMINEES	576 158	0.02
15	MAHOMVA, LEONARD	568 369	0.02
16	HOFER KURT	542 739	0.02
17	CORPSERVE NOMINEES PVT LTD	488 257	0.02
18	TAGGART INVEST LIMITED	466 100	0.02
19	PURPOSE ASSET MNGMNT NOMINEES	453 752	0.02
20	MASIMBA MTIZE	400 000	0.02
	TOTAL	2 460 777 098	98.61
	OTHER SHAREHOLDERS	34 690 682	1.39
	SHARES IN ISSUE	2 495 495 543	100%

GRI CONTENT INDEX

Statement of use	Rainbow Tourism Group has reported the information cited in this GRI content index for the period 01 January 2024 and 31 December 2024 with reference to the GRI Standards.				
GRI Used	GRI 101: Foundation 2021				
GRI Standard	Disclosure	Page number(s)	Omission		
			Part Omitted	Reason	Explanation
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organisational details	Back Cover			
	2-2 Entities included in the organisation’s sustainability reporting	6			
	2-3 Reporting period, frequency and contact point	6			
	2-4 Restatements of information	6			
	2-5 External assurance	6			
	2-6 Activities, value chain and other business relationships	14-17			
	2-7 Employees	51			
	2-8 Workers who are not employees	51			
	2-9 Governance structure and composition	20-24			
	2-10 Nomination and selection of the highest governance body	-			
	2-11 Chair of the highest governance body	20			
	2-12 Role of the highest governance body in overseeing the management of impacts	24			
	2-13 Delegation of responsibility for managing impacts	24			
	2-14 Role of the highest governance body in sustainability reporting	26			
	2-15 Conflicts of interest	25			
	2-16 Communication of critical concerns	6, 25			
	2-17 Collective knowledge of the highest governance body	20-23			
	2-18 Evaluation of the performance of the highest governance body	24			
	2-19 Remuneration policies	25			
	2-20 Process to determine remuneration	25			
	2-21 Annual total compensation ratio	-			
	2-22 Statement on sustainable development strategy	68			
	2-23 Policy commitments	17			
	2-24 Embedding policy commitments	25			
	2-25 Processes to remediate negative impacts	34-38			
	2-26 Mechanisms for seeking advice and raising concerns	42-43			
	2-27 Compliance with laws and regulations	32			
	2-28 Membership associations	17			
	2-29 Approach to stakeholder engagement	42			
	2-30 Collective bargaining agreements	53			
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	44			
	3-2 List of material topics	44			
	3-3 Management of material topics	-	See management approach for each topic		
Economic Performance					
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	72, 86-107			
	201-2 Financial implications and other risks and opportunities due to climate change	62-63			
	201-3 Defined benefit plan obligations and other retirement plans	53			
Indirect Economic Impacts					
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	67			
	203-2 Significant indirect economic impacts	67			
Procurement Practices					
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	71			

GRI CONTENT INDEX

Rainbow Tourism Group has reported the information cited in this GRI content index for the period 01 January 2024 and 31 December 2024 with reference to the GRI Standards.					
Statement of use					
GRI Used	GRI 101: Foundation 2021				
GRI Standard	Disclosure	Page number(s)	Omission		
Tax					
GRI 207: Tax 2019	207-1 Approach to tax	72			
	207-2 Tax governance, control, and risk management	72			
	207-3 Stakeholder engagement and management of concerns related to tax	73			
	207-4 Country-by-country reporting	73			
Energy					
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	58			
	302-2 Energy consumption outside of the organisation	58			
	302-3 Energy intensity	-			
	302-4 Reduction of energy consumption	-			
	302-5 Reductions in energy requirements of products and services	-			
Water and Effluents					
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	59			
	303-2 Management of water discharge-related impacts	59			
	303-3 Water withdrawal	-			
	303-4 Water discharge	-			
	303-5 Water consumption	59			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-			
	304-2 Significant impacts of activities, products, and services on biodiversity	61			
	304-3 Habitats protected or restored	-			
Emissions					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	62			
	305-2 Energy indirect (Scope 2) GHG emissions	62			
	305-4 GHG emissions intensity	-			
	305-5 Reduction of GHG emissions	-			
	305-6 Emissions of ozone-depleting substances (ODS)	-			
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	-			
Waste					
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	60			
	306-2 Management of significant waste-related impacts	60			
	306-3 Waste generated	60-61			
	306-4 Waste diverted from disposal	-			
	306-5 Waste directed to disposal	-			
Employment					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	52			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	-			
	401-3 Parental leave	53			
Labor/Management Relations					
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	-	One month		

GRI CONTENT INDEX

Statement of use		Rainbow Tourism Group has reported the information cited in this GRI content index for the period 01 January 2024 and 31 December 2024 with reference to the GRI Standards.			
GRI Used		GRI 101: Foundation 2021			
GRI Standard		Disclosure	Page number(s)	Omission	
Occupational Health and Safety					
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	54			
	403-2 Hazard identification, risk assessment, and incident investigation	54			
	403-3 Occupational health services	54			
	403-4 Worker participation, consultation, and communication on occupational health and safety	54			
	403-5 Worker training on occupational health and safety	54			
	403-6 Promotion of worker health	55			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	54			
	403-8 Workers covered by an occupational health and safety management system	-			
	403-9 Work related injuries	55			
Training and Education					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	56			
	404-2 Programs for upgrading employee skills and transition assistance programs	56			
Diversity and Equal Opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	51, 24			
Freedom of Association and Collective Bargaining					
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	Not applicable		
Local Communities					
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	67			

CORPORATE INFORMATION

HEAD OFFICE

1 Pennefather Ave
Samora Machel Avenue West
Harare

REGISTERED OFFICE

Rainbow Towers Hotel and Conference Centre
1 Pennefather Ave
Samora Machel Avenue West
Harare

LEGAL PRACTITIONERS

Mawere Sibanda Commercial Lawyers
10th Floor, Chiedza House
Corner First Street and Kwame Nkrumah Ave
Harare

PRINCIPAL BANKERS

FBC Bank Limited
45 Nelson Mandela Avenue
Harare

CBZ Bank Limited
60 Kwame Nkrumah Avenue
Harare

Stanbic Bank Limited
59 Samora Machel Avenue
Harare

AUDITORS

BDO Zimbabwe Chartered Accountants
Kudenga House
3 Baines Avenue
P. O. Box 334
Harare
Zimbabwe

TRANSFER SECRETARIES

First Transfer Secretaries (Private) Limited
1 Armagh Ave
Eastlea

SUSTAINABILITY ADVISORS

Institute for Sustainability Africa
65 Whitwell Road
Borrowdale West
Harare

AGM NOTICE



NOTICE IS HEREBY GIVEN THAT the 26th Annual General Meeting ("AGM") of the shareholders of Rainbow Tourism Group Limited ("the Company") will be held in the Jacaranda Rooms 2 and 3 at the Rainbow Towers Hotel and Conference Centre, Number 1 Pennefather Avenue, Samora Machel Avenue West on Monday 8 September 2025 at 1200 Hours.

The AGM shall transact the following business,

A. CONSTITUTION OF MEETING

1. To table forms of proxy
2. To declare the meeting constituted
3. To confirm Minutes of Previous Annual General Meeting

B. ORDINARY BUSINESS

1. FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND AUDITORS

To receive and adopt the financial statements and the reports of directors and auditors for the year ended 31 December 2024.

2. DIRECTORS' FEES

To approve the remuneration and emoluments of the directors for the year ended 31 December 2024 in accordance with section 207(2) of the Companies and Other Business Entities Act.

(The aggregate directors' emoluments are included in the Annual Report.)

3. DIVIDEND

3.1 To confirm payment of an interim dividend declared on 11 October 2024 of US\$1,000,000 of which US\$400,000 was paid in United States dollars and the balance was paid in ZWG.

3.2 To also confirm payment of a second and final dividend declared on 14 March 2025 of US\$1,500,000, of which US\$500,000 was paid in United States Dollars and the balance was paid in ZWG.

This brought the total dividend for the full year 2024 to US\$2,500,000.

4. DIRECTORATE

4.1 To elect the following directors; Messrs. Kumbirai Gundani and Chipu Mafunga who were co-opted into the board during the year as directors of the Company. This is in terms of Article 106 of the Articles of Association of the Company.

4.2 To re-elect the following directors; Messrs. Langton Mabhanga and Kenzias Chibota who retire by rotation at the Annual General Meeting, and being eligible, offer themselves for re-election in accordance with Article 99 of the Articles of Association of the Company.

The resolutions are to be tabled separately for each Director.

5. AUDIT COMMITTEE

To receive and adopt the report of the Audit Committee on its activities in accordance with section 219 of the Companies and Other Business Entities Act [Chapter 24:31].

6. CORPORATE GOVERNANCE

To receive and adopt the Board's Corporate Governance report on the Company's compliance with corporate governance regulations and principles in terms of section 167(5) (e) of the Companies and Other Business Entities Act [Chapter 24:31].

7. AUDITORS

7.1 To fix/approve the remuneration of Messrs. BDO Zimbabwe Chartered Accountants for the past year's audit in accordance with section 191 of the Companies and Other Business Entities Act [Chapter 24:31].

7.2 To confirm the re-appointment of BDO Zimbabwe Chartered Accountants as auditors of the Company until the next Annual General Meeting in accordance with section 191(2) of the Companies and Other Business Entities Act [Chapter 24:31]. BDO Zimbabwe Chartered Accountants has served as auditors for the company for the past three years.

C. ANY OTHER BUSINESS

To transact any other business competent to be dealt with at an Annual General Meeting.

D. ATTENDANCE, PROXIES AND VOTES

A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend, speak and on a poll, vote in his/her stead. A proxy need not be a member of the Company. Proxy forms should be submitted at least 48 hours before the commencement of the meeting.

All business to be considered at the meeting shall be passed by way of ordinary resolutions. An ordinary resolution is required to be passed by not less than fifty percent of the total votes of members entitled to vote and are present in person or by proxy at the meeting.

Please be advised that the 2024 Annual Report can be accessed on the Company's website: <https://rtgafrica.com/full-year-reports/>. The Annual Report, (which includes the financial statements, Directors' and Auditors' Report as well as other reports) shall be emailed to those shareholders whose email addresses are on record.

By order of the board

A handwritten signature in black ink, appearing to be 'Tapiwa Mari', written over a dotted line.

Tapiwa Mari
Company Secretary

PROXY FORM



The Secretary
Rainbow Tourism Group Limited
1 Pennefather Avenue, Samora Machel Avenue West
HARARE

I/Weof..... being a member of Rainbow Tourism Group Limited (the Company) hereby appoints....., or failing him/her, the Chairman of the meeting as my/our proxy to attend and speak for me/us on my/our behalf at the Annual General Meeting of the Company to be held on the 8th September 2025 and at any adjournment thereof and to vote or abstain from voting as indicated below on the resolutions to be considered at the said meeting.

ORDINARY BUSINESS				
1.	To receive and adopt the financial statements and the reports of directors and auditors for the year ended 31 December 2024.			
2.	To approve the remuneration and emoluments of the directors for the year ended 31 December 2024 in accordance with section 207(2) of the Companies and Other Business Entities Act [Chapter 24:31].			
3.	To confirm payment of an interim dividend of US\$1,000,000 on 11 October 2024 (with US\$400,000 paid in USD and the balance in ZWG) and a final dividend of US\$1,500,000 declared on 14 March 2025 (with US\$500,000 paid in USD and the balance in ZWG), bringing the total 2024 dividend to US\$2,500,000.			
4.	To elect Mr. Kumbirai Gundani, who was co-opted into the board during the year as a director of the company. This is in terms of Article 106 of the Company's Articles of Association.			
5.	To elect Mrs. Chipso Mafunga, who was co-opted into the board during the year as a director of the company. This is in terms of Article 106 of the Company's Articles of Association.			
6.	To re-elect the following director, Mr. Langton Mabhanga, who retires by rotation at the AGM and, being eligible, offers himself for re-election in accordance with Article 99 of the Company's Articles of Association.			
7.	To re-elect the following director, Mr. Kenzias Chibota, who retires by rotation at the AGM and, being eligible, offers himself for re-election in accordance with Article 99 of the Company's Articles of Association.			
8.	To receive and adopt the report of the Audit Committee on its activities in accordance with section 219 of the Companies and Other Business Entities Act [Chapter 24:31].			
9.	To receive and adopt the Board's Corporate Governance report on the Company's compliance with corporate governance regulations and principles in terms of section 167(5) (e) of the Companies and Other Business Entities Act [Chapter 24:31].			
10.	To fix/approve the remuneration of Messrs. BDO Zimbabwe Chartered Accountants for the past year's audit in accordance with section 191 of the Companies and Other Business Entities Act [Chapter 24:31].			
11.	To confirm the re-appointment of Messrs. BDO Zimbabwe Chartered Accountants (Zimbabwe) as auditors for the ensuing financial year. BDO Zimbabwe Chartered Accountants have been the auditors of the Company for the past 3 years.			

Please indicate with an “X” in the spaces provided, how you wish your votes to be cast. If no indication is given, the proxy will vote or abstain at his/her discretion.

Signed atthis day of2025

Signature of member

Number of Shares.....

NOTES

1. This proxy form should be sent to the registered office of the company not later than forty-eight hours before the time of the meeting.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote and speak in his stead. A proxy need not be a member of the company.



ADDRESS

**Rainbow Towers Hotel and
Conference Centre**
No. 1 Pennefather Avenue
Samora Machel Avenue West,
Harare, Zimbabwe



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WEBSITES

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www.gatewaystream.com
www.gatewaystreammedia.com

EMAIL

1. RESERVATIONS
reservations@rtg.co.zw / res@rtgrsa.co.za

2. COMPANY SECRETARIAL
tapiwa.mari@rtg.co.zw