



TRADING UPDATE

FOR THE PERIOD ENDED 30 SEPTEMBER 2022

Introduction

We are pleased to present an update on the performance of Rainbow Tourism Group Limited (RTG) for the nine months ended 30 September 2022.

Trading environment

The macro-economic environment during the third quarter of the year improved significantly, with month-on-month inflation decelerating to 3.5% as at 30 September 2022 owing to policy interventions. These interventions have led to stability in the foreign exchange market, making pricing of commodities and services easier. The operating environment is projected to remain stable for the remainder of the year.

event in June themed 'The Redefined Concert' was the main highlight during the period under review. Gateway Stream continues to enjoy growth in activities across its revenue channels, with the grocery channel remaining the main revenue driver. The business has a number of pipeline events that will generate significant revenues in the remainder of the year.

Heritage Expeditions Africa (HEXA)

HEXA's performance mirrored that of the hotels business over the past seven months. The Company continues to enjoy growth in activities compared to same period last year. As international tourism is increasing, the HEXA brand has positioned itself to cater for tourist activities across Zimbabwe.

Performance review

9-months' performance salient features

	INFLATION ADJUSTED		HISTORICAL COST	
	2022 (9 months)	2021 (9 month)	2022 (9-months)	2021 (9 month)
Revenue ZW\$'000	21 412 192	5 230 105	11 067 784	1 196 443
EBITDA ZW\$'000"	2 504 840	243 112	1 294 731	55 615
Profit before tax "000	2 080 643	(674 229)	1 075 467	(154 237)
Occupancy	51%	24%	51%	24%
RevPAR	39 862	9 069	20 604	2 075

The Group delivered a pleasing growth in volumes across its business units during the quarter under review. The growth recorded to date is anticipated to continue to year end.

Hotels

Revenues under the hotels' segment continue to grow as economic activity returns to normalcy following a prolonged period of low activities due to the COVID-19 pandemic. City hotels continue to contribute the highest revenues. Increased economic activities have seen city hotels' occupancies improve to the pre-pandemic levels. Conferencing has remained a major revenue driver during the period under review. It is anticipated that the same trend will continue to year end.

Resort hotels, which have been largely buoyed by local business over the past two years have begun to attract foreign business. With international tourism experiencing a rebound, it is expected that the volumes recorded at the resort hotels will improve. The Group continues to reap the rewards of its international marketing activities as evidenced by the increasing bookings from international tour operations.

Gateway Stream

The Company's technology subsidiary continues to witness growth in activities during the period under review. The highly successful hosting of a mega musical

Outlook

The Group remains optimistic about the continued recovery of the tourism sector supported by increased activities following the global containment of the COVID-19 pandemic. The return of physical international tourism conventions and exhibitions is pointing towards the return to normal of international tourism. The resumption of flights by some international airlines into the Victoria Falls should see growth in activity in the destination.

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

Tapiwa Mari
Company Secretary