



# AFRICAN SUN

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African Sun Limited

Incorporated in Zimbabwe on 2 July 1971 under Company Registration Number 643/71

## AUDITED SHORT-FORM FINANCIAL ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

### Financial Highlights

| Continuing operations                                 | 31 December 2024          | 31 December 2023  |
|---|---------------------------|-------------------|
| Revenue   | <b>USD 53.98 million</b>  | USD 46.98 million |
| Occupancy   | <b>59%</b>                | 55%               |
| EBITDA  | <b>USD 9.88 million</b>   | USD 8.20 million  |
| (Loss)/profit for the year from continuing operations | <b>(USD 0.69) million</b> | USD 0.05 million  |
| Average daily room rate (ADR)                         | <b>USD 119</b>            | USD 115           |
| Total revenue per available room                      | <b>USD 131</b>            | USD 119           |
| Basic loss per share for the year                     | <b>(0.02) USD cents</b>   | (0.02) USD cents  |
| Cash reserves   | <b>USD 9.77 million</b>   | USD 10.87 million |

The short-form financial announcement is only a summary of the information contained in the condensed audited consolidated financial statements for the year ended 31 December 2024. Any investment decisions by investors and/or shareholders should be based on the complete condensed audited consolidated financial statements for the year ended 31 December 2024 published on the Victoria Falls Stock Exchange website: [www.vfex.exchange/african-sun-limited](http://www.vfex.exchange/african-sun-limited) and Company's website: [www.africansunhotels.com/downloads](http://www.africansunhotels.com/downloads).

The condensed audited consolidated financial statements for the year ended 31 December 2024 are also available on request, at no charge, from the registered office of the Company during working hours or via email on [venon.musimbe@africansunhotels.com](mailto:venon.musimbe@africansunhotels.com).

### Financial performance

The Group's performance improved compared to the prior year, with enhanced earnings before interest, tax, depreciation, and amortization ("EBITDA") recorded as operations were streamlined through divestment of non-core assets that do not align with the Group's strategic objectives.

#### Revenue

The Group's revenue from continuing operations at USD 53.98 million increased by 15% compared to the prior year. The revenue growth was supported by growth in occupancy and stronger Average Daily Rates ("ADR"), which increased by 3% to USD 119, compared to USD 115 in the prior year. Continuing operations revenue was further bolstered by the Real Estate segment's contribution of USD 3.02 million, primarily driven by residential stand sales.

Revenue from the Group's discontinued operations, which consists of the Great Zimbabwe Hotel, Monomotapa Hotel and Sun Leisure Tours amounted to USD 8.24 million.

Total Group revenue, including discontinued operations, amounted to USD 62.22 million, representing a 14% growth from the prior year.

#### Operating expenses

Operating expenses, excluding depreciation, increased by 15% to USD 43.56 million. The increase is largely due to increased business volumes driving variable costs and cost push inflationary pressures particularly fiscal policy measures to adjust the VAT status of certain products in the market and a new sugar excise duty levied on manufactured beverages. Increased power and internet tariffs also led to a substantial rise in the Group's operating costs.

#### Profitability

EBITDA from continuing operations amounted to USD 9.88 million, a 21% increase compared to the previous year. In the same vein, profit before tax ("PBT") from continuing operations amounted to USD 4.07 million, a 104% increase compared to prior year. The improvement of both EBITDA and PBT is largely driven by the improving topline during the comparable periods.

#### Liquidity

The Group maintained a strong liquidity position, with cash and cash equivalents of USD 10.2 million, 96% (USD 9.77 million) attributable to continuing operations as of 31 December 2024 (2023: 10.87 million). In addition, the Group holds USD 1.15 million in equity financial instruments, which are available to support working capital requirements.

### Portfolio transformation

The Group achieved notable progress in its refurbishment initiatives during the year, which primarily included the completion of public area renovations at Hwange Safari Lodge. Plans for 2025 include commencing the refurbishments of Holiday Inn Harare, Elephant Hills Resort, Troutbeck Timeshare Lodges and the second phase of renovations at The Victoria Falls Hotel. The downside of these refurbishments is the reduced rooms inventory for the Group for the 2025 financial year. These strategic capital investments aim to enhance guest experiences and grow the portfolio's market share.

### Dividend declaration

#### Interim dividend

An interim dividend of USD 0.0003381 per share, amounting to a total of USD 500 000, was declared and paid out during the year.

#### Final dividend

The Board authorised a final dividend of USD 0.0006763 per share, amounting to a total of USD 1 000 000, to be paid out of retained earnings. The detailed dividend announcement will be circulated separately.

| All figures in USD | As at<br>31 December 2024 | As at<br>31 December 2023 |
|--------------------|---------------------------|---------------------------|
| Total assets       | <b>137,706,531</b>        | 142,332,546               |
| Total equity       | <b>98,492,597</b>         | 99,945,486                |
| Total liabilities  | <b>39,213,934</b>         | 42,387,060                |

### Outlook

As we move into 2025, we remain optimistic about the recovery of the tourism sector, building on the progress made in the local market and the ongoing rebound of international travel. The UN Tourism Organization forecasts a 5% growth in international tourist arrivals, driven by the full recovery of the Asia and Pacific markets and robust growth across most other regions.

### Auditor's statement

These condensed financial results derived from the audited consolidated financial statements of African Sun Limited and its subsidiaries "the Group" for the financial year ended 31 December 2024, should be read together with the complete set of audited consolidated financial statements of the Group for the year ended 31 December 2024, which have been audited by Grant Thornton Chartered Accountants (Zimbabwe) and the auditor's report signed by Edmore Chimhova, Registered Public Auditor 0470.

An unmodified opinion has been issued on the consolidated financial statements for the year then ended. There is an emphasis of matter paragraph regarding the change in the presentation of expenses from a classification based on their function to a classification based on their nature effective 1 January 2024.

The auditor's report includes a section on key audit matters outlining matters that in the auditor's professional judgement, were of most significance in the audit of the consolidated financial statements. The key audit matters were with respect to revenue from contracts with customers and the effects of changes in foreign currency rates regarding estimation of appropriate exchange rates. The auditor's opinion is not modified in respect of these matters.

The auditor's report on the consolidated financial statements and the full set of the audited consolidated financial statements, is available for inspection at the company's registered office and the auditor's report has been lodged with the Victoria Falls Stock Exchange.

**Directors:** L. Mhishi (Chairman), L. Ward (Chief Executive Officer)\*, L. Chikara (Chief Finance Officer)\*, G. Chikomo, B. Childs, T. Denga, V. Lapham, A. Siyavora, S. Village. \* Executive.

**Corporate Head Office:** Bally House, Mount Pleasant Business Park, 870 Endeavour Crescent, Off Norfolk Road, Harare, Zimbabwe.

**Independent Auditor:** Grant Thornton Chartered Accountants (Zimbabwe), Camelsa Business Park, 135 Enterprise Road, Harare, Zimbabwe.