

## UNAUDITED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 30th JUNE 2022

The Board of Directors of TPS Eastern Africa PLC is pleased to announce the unaudited results and summary financial statements for the six months ended 30th June 2022

CONSOLIDATED SUMMARISED INCOME STATEMENT		
	Six months to 30-Jun-22 Shs'000	Six months to 30-Jun-21 Shs'000
Revenue from contracts with customers	2,593,289	1,073,551
<b>Profit / (loss) before exchange difference, interest, depreciation, results of associates and taxation</b>	<b>509,520</b>	<b>(254,832)</b>
Exchange (loss) / gain on foreign currency loans	(118,849)	60,251
Net interest cost	(124,235)	(137,881)
Depreciation	(295,950)	(332,395)
Share of results of associates	7456	(27,380)
<b>Loss before income tax</b>	<b>(22,058)</b>	<b>(692,237)</b>
Income tax (charge) / credit	(1,427)	134,961
<b>Loss after taxation</b>	<b>(23,485)</b>	<b>(557,276)</b>
<b>Attributable to:</b>		
Equity holders of the Company	(52,351)	(539,845)
Non-controlling interest	28,866	(17,431)
	<b>(23,485)</b>	<b>(557,276)</b>
<b>Loss per share attributable to the equity holders of the Company</b>		
- basic (Shs. per share)	(0.19)	(2.96)
Weighted average number of shares ('000's) – Note 1	282,651	182,174
<b>NOTE 1:</b> The increase in the weighted average number of shares is due to the conversion of a related party debt to equity as approved by shareholders at the AGM on 30th June 2022; and further detailed in the Consolidated Statement of Changes in Equity below.		
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
	Six months to 30-Jun-22 Shs'000	Six months to 30-Jun-21 Shs'000
<b>Loss after taxation</b>	<b>(23,485)</b>	<b>(557,276)</b>
<b>Other comprehensive income: Items net of tax</b>		
Currency translation differences	(256,709)	(143,515)
<b>Total comprehensive loss</b>	<b>(280,194)</b>	<b>(700,791)</b>
<b>Attributable to:</b>		
Equity holders of the Company	(309,060)	(683,360)
Non-controlling interest	28,866	(17,431)
	<b>(280,194)</b>	<b>(700,791)</b>
SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	30-Jun-22 Shs'000	30-Jun-21 Shs'000
<b>EQUITY</b>		
Share capital (inclusive of share premium)	6,284,392	4,574,842
Other reserves	1,228,363	1,290,488
Minority interest	768,085	736,060
Retained earnings	845,607	959,138
<b>Total equity</b>	<b>9,126,447</b>	<b>7,560,528</b>
<b>REPRESENTED BY</b>		
<b>Non-current liabilities</b>	<b>5,844,471</b>	<b>6,660,574</b>
<b>Total equity and non-current liabilities</b>	<b>14,970,918</b>	<b>14,221,102</b>
<b>Non-current assets</b>	<b>15,187,507</b>	<b>15,492,323</b>
<b>Current assets</b>		
Inventories	416,564	406,648
Trade and other receivables	1,111,563	570,204
Current income tax	254,412	206,769
Bank and cash balance	184,412	23,758
	<b>1,966,951</b>	<b>1,207,379</b>
<b>Current liabilities</b>		
Trade and other payables	(1,553,610)	(1,373,323)
Borrowings	(442,887)	(644,464)
Current income tax	(9,577)	(32,726)
Bank overdraft	(177,466)	(428,087)
	<b>(2,183,540)</b>	<b>(2,478,600)</b>
<b>Net Assets</b>	<b>14,970,918</b>	<b>14,221,102</b>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY							
	Share Capital	Share Premium	Revaluation Reserve	Translation Reserve	Retained earnings	Non-controlling interest	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
<b>At 1<sup>st</sup> January 2021</b>	<b>182,174</b>	<b>4,392,668</b>	<b>2,332,251</b>	<b>(898,248)</b>	<b>1,498,983</b>	<b>753,491</b>	<b>8,261,319</b>
<b>Comprehensive income for the period</b>							
Loss for the period	-	-	-	-	(539,845)	(17,431)	(557,276)
Other comprehensive income:							
Currency translation differences	-	-	-	(143,515)	-	-	(143,515)
Total other comprehensive income	-	-	-	(143,515)	-	-	(143,515)
<b>Total comprehensive (loss) / income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(143,515)</b>	<b>(539,845)</b>	<b>(17,431)</b>	<b>(700,791)</b>
<b>At 30<sup>th</sup> June 2021</b>	<b>182,174</b>	<b>4,392,668</b>	<b>2,332,251</b>	<b>(1,041,763)</b>	<b>959,138</b>	<b>736,060</b>	<b>7,560,528</b>
	Share Capital	Share Premium	Revaluation Reserve	Translation Reserve	Retained earnings	Non-controlling interest	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
<b>At 1<sup>st</sup> January 2022</b>	<b>182,174</b>	<b>4,392,668</b>	<b>2,314,606</b>	<b>(829,534)</b>	<b>897,958</b>	<b>739,219</b>	<b>7,697,091</b>
<b>Comprehensive income for the period</b>							
Loss for the period	-	-	-	-	(52,351)	28,866	(23,485)
Other comprehensive income:							
Currency translation differences	-	-	-	(256,709)	-	-	(256,709)
Total other comprehensive loss	-	-	-	(256,709)	-	-	(256,709)
Shareholder transactions:							
Issue of shares	100,477	1,609,073	-	-	-	-	1,709,550
<b>Total comprehensive loss for the period</b>	<b>100,477</b>	<b>1,609,073</b>	<b>-</b>	<b>(256,709)</b>	<b>(52,351)</b>	<b>28,866</b>	<b>1,429,556</b>
<b>At 30<sup>th</sup> June 2022</b>	<b>282,651</b>	<b>6,001,741</b>	<b>2,314,606</b>	<b>(1,086,243)</b>	<b>845,607</b>	<b>768,085</b>	<b>9,126,447</b>

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS			
	Six months to 30-Jun-22 Shs'000	Six months to 30-Jun-21 Shs'000	
Net cash from / (used in) operating activities		100,904	(309,371)
Net cash (used in) / from investing activities		(55,298)	18,655
Net cash (used in) / from financing activities		(114,615)	19,555
<b>Decrease in cash and cash equivalents</b>	<b>(69,009)</b>		<b>(271,161)</b>
<b>Movement in cash and cash equivalents</b>			
At start of period		93,235	(133,596)
Effects of currency translation differences		(17,279)	428
Decrease in cash and cash equivalents		(69,009)	(271,161)
<b>At end of period</b>		<b>6,946</b>	<b>(404,329)</b>

### COMMENTARY

After two years of major Covid-19 pandemic-related disruptions in the tourism and hospitality industry, TPS Eastern Africa PLC's (the "Company") and its subsidiaries (together the "Group") performance from the second quarter 2022 confirms renewed momentum and an encouraging rebound in business levels. The outbreak of the Omicron variant caused uncertainty in travel during early 2022. However, the recovery witnessed in February gained further momentum in March.

The recent exemption by destination Kenya, Tanzania, Uganda and Rwanda for travellers who are fully vaccinated from the requirement of the Polymerase Chain Reaction (PCR) test for Covid-19 and success of vaccination rollout programmes combined with the re-opening of the borders give the Board and Management the confidence that our performance will continue to improve month after month. During the period under review, the Serena city hotels portfolio secured high profile events and diplomatic delegations. Based on forward bookings for the second half of the year 2022, recovery from the foreign corporate segment and the increased interest in leisure bookings for the Serena safari portfolio is expected to complement the growth trajectory in business levels from the domestic and regional markets that are patronising our units for leisure, corporate travel and events/functions.

The Serena brand's regional presence and positioning that we have built over the years, complemented by refining our strategy to anticipate, connect and respond to our customers' expectations is attracting an increasing number of new and repeat guests. It remains our top priority to continue with our long tradition of maintaining high standards of hygiene, safety, comfort and experiences for our guests.

The economic consequences of the Russia-Ukraine conflict continues to impact global economies with a surge in energy and commodity prices, adding to inflationary pressures from supply chain disruptions caused by the Covid-19 pandemic. Consequently, cost efficiency, supply logistics and cash management continue to remain critical factors for our operations.

For the six-months to 30 June 2022, TPS Eastern Africa PLC recorded a 'Profit before exchange difference, interest, depreciation, results of

associates and taxation' of KShs. 510 million compared to Loss at KShs. 255 million, for the same period last year. Given the evolving nature of the recovery from the pandemic and the economic consequences of the Russia-Ukraine conflict, financial performance for the first half of 2022 should not be taken as a basis for extrapolating a full year's forecast.

The Board and Management wish to express its gratitude to our senior lenders for their continuous support under the exceptionally difficult circumstances which the company has experienced over the last two years.

The Group actively adopts Environmental, Social, Economic and Governance practices through daily interactions of its business processes, imperative to achieving our medium to long-term business strategy. Integration of the United Nations Sustainable Development Goals has enabled the Group across the Eastern Africa region to create meaningful impact in support of: eco-tourism; climate change; water and energy conservation; re-afforestation; installation of solar plants; conservation of biodiversity; respect for local traditions, culture and heritage; education; public health and essentially, community development.

The Board and Management would like to recognise with gratitude, the vital support, confidence, loyalty and trust that Serena Hotels is receiving from its shareholders, staff, customers, various regulatory authorities and other stakeholders within the industry as well as other related ancillary sectors. Without such loyalty and self-sacrifice, our situation would have been more challenging. We at Serena look forward to the continuation of such support during the year 2022 and beyond.

By Order of the Board

**Dominic Ng'ang'a**  
Company Secretary

August 25, 2022  
Nairobi

