

UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025

The Board of Directors of TPS Eastern Africa PLC is pleased to announce the unaudited financial results for the period ended 30 June 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE			
	2025 KShs'000	2024 KShs'000 Restated*	
Revenue from contracts with customers	4,054,729	4,530,549	
Other income	187,942	65,323	
Inventory expensed	(1,190,608)	(1,332,235)	
Employee benefits expense	(1,514,675)	(1,441,618)	
Other operating expenses	(984,636)	(1,062,894)	
Impairment loss – financial assets	(12,808)	(3,480)	
Profit before depreciation, finance income/(costs), results of associates and income tax expense	539,944	755,645	
Depreciation on right of use assets	(52,832)	(35,544)	
Depreciation on property and equipment	(303,009)	(288,065)	
Finance income – interest income	66,998	51,684	
Finance costs – interest expense	(229,042)	(273,336)	
Share of (loss)/profit of associates accounted for using the equity accounting method	(5,557)	29,505	
Profit before foreign exchange (loss)/gain and income tax	16,502	239,889	
Net foreign exchange (loss)/gain**	(17,716)	762,319	
(Loss)/profit before income tax	(1,214)	1,002,208	
Income tax expense	(14,760)	(306,258)	
(Loss)/profit for the period	(15,974)	695,950	
Other comprehensive income			
Exchange differences on translation of foreign operations	(99,033)	(536,586)	
Total other comprehensive income for the period	(99,033)	(536,586)	
Total comprehensive income for the period	(115,007)	159,364	
Profit attributable to:			
Equity holders of the Company	(13,347)	660,504	
Non-controlling interest	(2,627)	35,446	
	(15,974)	695,950	
Total comprehensive income attributable to:			
Equity holders of the Company	(130,354)	318,868	
Non-controlling interest	15,347	(159,504)	
	(115,007)	159,364	
Total comprehensive income for the period	(115,007)	159,364	
Earnings per share			
Basic and diluted (KShs per share)	(0.05)	2.34	

* The comparative information is restated on accounts of correction of errors.

* Net foreign exchange (loss)/gain represents the non-cash unrealised exchange (loss) / gains arising from the translation of the foreign currency denominated assets and liabilities.

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE			
	2025 KShs'000	2024 KShs'000	
Other operating expenses	(14,388)	(24,394)	
Net finance income	11,652	1,983	
Loss before income tax	(2,736)	(22,411)	
Income tax expense	(3,538)	(2,128)	
Loss for the period	(6,274)	(24,539)	
Other comprehensive income	-	-	
Total comprehensive income for the period	(6,274)	(24,539)	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT:			
	30 June 2025 KShs'000	31 Dec 2024 KShs'000	
Non-current assets			
Property and equipment	13,250,682	13,196,885	
Intangible assets	1,271,952	1,271,952	
Right of use assets	1,017,551	1,056,998	
Investment in associates	840,525	861,948	
Deferred income tax asset	11,537	12,295	
	16,392,247	16,400,078	
Current assets			
Inventories	574,901	560,289	
Trade and other receivables	1,276,884	1,454,269	
Current income tax	223,292	168,373	
Financial asset – fixed deposits	868,678	911,570	
Cash and cash equivalents	579,717	695,867	
	3,523,472	3,790,368	
Total assets	19,915,719	20,190,446	
Capital and reserves attributable to the Company's equity holders			
Share capital	282,651	282,651	
Share premium	6,001,741	6,001,741	
Revaluation reserve	2,211,352	2,211,352	
Translation reserve	(846,360)	(729,353)	
Proposed dividends	-	98,928	
Retained earnings	2,683,227	2,696,574	
	10,332,611	10,561,893	
Non-controlling interest	989,440	974,093	
Total equity	11,322,051	11,535,986	

Non-current liabilities	2,284,771	2,501,485
Borrowings	2,098,615	2,070,413
Deferred income tax liability	1,212,248	1,181,205
Lease liabilities	105,115	117,289
Retirement benefit obligations		
Total non-current liabilities	5,700,749	5,870,392
Current liabilities		
Trade and other payables	2,151,990	2,111,916
Dividend payable	98,928	-
Borrowings	463,528	487,913
Lease liabilities	178,473	184,239
Total current liabilities	2,892,919	2,784,068
Total equity and liabilities	19,915,719	20,190,446
COMPANY STATEMENT OF FINANCIAL POSITION AS AT:		
	30 June 2025 KShs'000	31 Dec 2024 KShs'000
ASSETS		
Non-current assets		
Investment in subsidiaries	5,749,856	5,749,856
Investment in associates	840,330	840,330
	6,590,186	6,590,186
Current assets		
Receivables and prepayments	19,604	19,617
Current income tax	-	2,417
Financial assets – fixed deposits	298,002	293,709
Cash and cash equivalents	11,445	4,312
	329,051	320,055
TOTAL ASSETS	6,919,237	6,910,241
EQUITY AND LIABILITIES		
Equity		
Share capital	282,651	282,651
Share premium	6,001,741	6,001,741
Proposed dividends	-	98,928
Retained earnings	507,821	514,095
Total equity	6,792,213	6,897,415
Current liabilities		
Trade and other payables	26,976	12,826
Dividend payable	98,928	-
Current income tax	1,120	-
	127,024	12,826
TOTAL EQUITY AND LIABILITIES	6,919,237	6,910,241

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2024								
	Share capital KShs'000	Share premium KShs'000	Revaluation reserve KShs'000	Translation reserve KShs'000	Retained earnings KShs'000	Proposed dividends KShs'000	Non-controlling interest KShs'000	Total KShs'000
At start of period	282,651	6,001,741	2,211,352	(729,353)	2,696,574	98,928	974,093	11,535,986
Comprehensive income for the period								
Loss for the period	-	-	-	-	(13,347)	-	(2,627)	(15,974)
Other comprehensive income:								
Currency translation differences	-	-	-	(117,007)	-	-	17,974	(99,033)
Total other comprehensive income	-	-	-	(117,007)	-	-	17,974	(99,033)
Total comprehensive income for the period	-	-	-	(117,007)	(13,347)	-	15,347	(115,007)
Transaction with owners								
Dividends: 2024 approved dividends	-	-	-	-	- (98,928)	-	- (98,928)	
At end of period	282,651	6,001,741	2,211,352	(846,360)	2,683,227	-	989,440	11,322,051
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2024								
	Share capital KShs'000	Share premium KShs'000	Revaluation reserve KShs'000	Translation reserve KShs'000	Retained earnings KShs'000	Proposed dividends KShs'000	Non-controlling interest KShs'000	Total KShs'000
At start of period *Restated	282,651	6,001,741	2,266,195	(344,321)	1,466,312	-	1,102,974	10,775,552
Comprehensive income for the period								
Profit for the period	-	-	-	-	660,504	-	35,446	695,950
Other comprehensive income:								
Currency translation differences	-	-	-	(341,636)	-	-	(194,950)	(536,586)
Total other comprehensive income	-	-	-	(341,636)	-	-	(194,950)	(536,586)
Total comprehensive income for the period	-	-	-	(341,636)	660,504	-	(159,504)	159,364
At end of period	282,651	6,001,741	2,266,195	(685,957)	2,126,816	-	943,470	10,934,916

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025					
	Share capital KShs'000	Share premium KShs'000	Retained earnings KShs'000	Proposed Dividends KShs'000	Total KShs'000
At start of period	282,651	6,001,741	514,095	98,928	6,897,415
Total comprehensive income for the period:					
Loss for the period	-	-	(6,274)	-	(6,274)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	(6,274)	-	(6,274)
Transactions with owners of the company					
Dividends: 2024 approved dividends	-	-	-	(98,928)	(98,928)
At end of period	282,651	6,001,741	507,821	-	6,792,213

COMPANY STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2024					
	Share capital KShs'000	Share premium KShs'000	Retained earnings KShs'000	Proposed dividends KShs'000	Total KShs'000
At start of period	282,651	6,001,741	654,685	-	6,939,077
Total comprehensive income for the period:					
Loss for the period	-	-	(24,539)	-	(24,539)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	(24,539)	-	(24,539)
At end of period	282,651	6,001,741	630,146	-	6,914,538

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE			
	2025 KShs'000	2024 KShs'000 *Restated	
Operating activities			
Cash generated from operations	807,025	869,340	
Interest received	4,532	-	
Interest paid	(94,696)	(140,026)	
Lease interest paid	(38,117)	(26,117)	
Income tax paid	(80,039)	(53,949)	
Net cash generated from operating activities	598,705	649,248	
Investing activities			
Purchase of property and equipment	(497,446)	(299,655)	
Investment in short term deposit	(93,612)	(326,033)	
Proceeds from disposal of property and equipment	1,065	3,035	
Net cash utilised in investing activities	(589,993)	(622,653)	
Financing activities			
Proceeds from long term borrowings	-	121,594	
Payments of long-term borrowings	(243,923)	(338,358)	
Prior years dividends paid	-	(36,103)	
Principal lease payments	(3,357)	(44,442)	
Net cash used in financing activities	(247,280)	(297,310)	
Net decrease in cash and cash equivalents	(238,568)	(270,715)	
Movement in cash and cash equivalents			
At start of period	695,867	792,524	
Decrease during the period	(238,568)	(270,715)	
Effect of currency translation differences	122,418	(269,566)	
At end of period	579,717	252,243	

COMMENTARY

TPS Eastern Africa Plc (Group/Company/Serena Hotels) delivered a resilient performance in the first half of 2025 navigating amidst a complex business landscape. Operating in an increasingly competitive East African market, the Group capitalised on opportunities despite public demonstrations in Kenya, inflationary pressures, rising energy costs, broader macroeconomic challenges, and geopolitical tensions.

For the period under review, revenue declined by 11% to KShs 4.1 billion (H1 2024: KShs 4.5 billion). Despite this shortfall, the Group delivered a Profit before depreciation, finance income/(costs), results of associates and income tax expense at KShs 540 million (H1 2024: KShs 756 million). This was, however, lower than the prior year due to reduced margins but was nevertheless reflective of a healthy operational resilience, which resulted in positive operating cash flows, allowing the Group to continue its strategic capital investments and to maintain a positive liquidity position. The prior year's finance income was enhanced by non-cash unrealised exchange gains from the appreciation of the Kenyan Shilling against the US Dollar. The first half of 2025 was characterised by relative exchange rate stability, which while beneficial for operational predictability, eliminated the exceptional currency gains that were recorded in the first half of 2024.

Consequently, the Group recorded a loss after tax of KShs 16 million compared to a profit of KShs 696 million in the corresponding period last year. This performance underscores the Group's ability to navigate a challenging business environment while continuing to meet all operational, investment, and financing commitments. Notably, the Group's US Dollar-denominated revenues continue fully to cover

the US Dollar loan obligations maturing in 2025 and beyond. Prior year's results were restated to reflect corrections mainly related to the accounting of leases under IFRS 16 and non-controlling (minority) interests.

Serena Hotels generated a positive operating cashflow of KShs 0.6 billion in H1 2025 and invested half a billion Kenya Shillings into portfolio enhancements, including desirable refurbishments, sustainability initiatives and guest experience upgrades, aimed at long term value creation. Overall, the Group's financial position remains strong, with total assets of KShs 20 billion, shareholders' equity of over KShs 11 billion and a healthy liquidity position.

On 6 August 2025, Serena Hotels officially re-launched its global loyalty programme, *Prestige Club*, along with the Serena Prestige Club App and the enhanced Prestige Club Plus offering. These initiatives provide exclusive benefits to members on dining, accommodation, Maisha Spa & Health Club services, and a range of other offerings, further enriching the guest experience across the Serena portfolio of thirty-three (33) properties spread out in eight (8) countries in Africa and Asia.

Looking ahead, Management remains cautiously optimistic for the second half of the year, which traditionally represents the peak season. Encouraging feedback from our suppliers of business in both traditional and emerging source markets indicates growing interest in promoting East Africa as a preferred tourism destination. This is expected to support portfolio performance optimisation for the remainder of 2025. The Group's strong Serena brand and diversified portfolio continues to be recognised for its strength in leisure, corporate and diplomatic segments, as well as Meetings, Incentives, Conferences

and Exhibitions (MICE). The current forecasts indicate increased patronage across domestic, regional and international markets for the portfolio.

Given the seasonal nature of the tourism industry in East Africa and the uncertainties surrounding regional and global macroeconomic conditions, the first-half 2025 results should not be viewed as indicative of the Group's full-year performance.

The Board and Management extend their appreciation to the governments of the East African countries for their continued support aimed at enhancing the business environment for and in the region.

In line with the Company's practice, the Board of Directors does not recommend the declaration of an interim dividend.

By Order of the Board

Dominic Ng'ang'a
Company Secretary

14 August 2025
Nairobi

The above results are an extract from the Group's unaudited financial statements for the period ended 30 June 2025.