TPS EASTERN AFRICA PLC

UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

The Board of Directors of TPS Eastern Africa PLC is pleased to announce the unaudited financial results for the period ended 30 June 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE

	2026 KShs'000	2025 KShs'000
Revenue from contracts with customers	3,998,103	4,054,729
Other income	220,855	187,942
Operating expenses	(3,701,814)	(3,702,727)
Profit before depreciation, finance costs, results of associate companies and income tax Credit/(expense)	**517,144**	**539,944**
Depreciation and amortisation	(387,462)	(355,841)
Net finance cost	(185,192)	(179,760)
Share of loss of associates companies accounted for using the equity accounting method	(19,643)	(5,557)
Loss before income tax	**(75,153)**	**(1,214)**
Income tax credit/(expense)	8,775	(14,760)
Loss for the period	**(66,378)**	**(15,974)**
Loss for the period attributable to:		
Equity holders of the Company	(33,868)	(13,347)
Non-controlling interest	(32,510)	(2,627)
	(66,378)	**(15,974)**

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE

	2026 KShs'000	2025 KShs'000
Loss for the period	**(66,378)**	**(15,974)**
Other Comprehensive income		
Exchange losses on translation of foreign operations	(159,332)	(99,033)
Total other comprehensive income for the period	**(159,332)**	**(99,033)**
Total comprehensive income for the period	**(225,710)**	**(115,007)**
Total comprehensive income attributable to:		
Equity holders of the Company	(185,239)	(130,354)
Non-controlling interest	(40,471)	15,347
Total comprehensive income for the period	**(225,710)**	**(115,007)**
Earnings per share		
Basic and diluted (KShs per share)	**(0.12)**	**(0.05)**

CONDENSED COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE

	2026 KShs'000	2025 KShs'000
Other operating expenses	(22,992)	(14,388)
Net finance income	3,702	11,652
Loss before income tax	**(19,290)**	**(2,736)**
Income tax expense	(858)	(3,538)
Loss for the period	**(20,148)**	**(6,274)**
Other comprehensive income	-	-
Total comprehensive income for the period	**(20,148)**	**(6,274)**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT:

	30 June 2026 KShs'000	31 Dec 2025 KShs'000
ASSETS		
Non-current assets	17,985,528	18,318,079
Current assets excluding cash and cash equivalents	2,676,836	3,140,819
Cash and cash equivalents	922,104	778,621
Total Assets	**21,584,468**	**22,237,519**
EQUITY AND LIABILITIES		
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	3,288,120	3,288,120
Translation reserve	(810,402)	(659,031)
Proposed dividends	-	98,928
Retained earnings	3,400,366	3,434,234
	12,162,476	**12,446,643**
Non-controlling interest	881,918	922,389
Total Equity	**13,044,394**	**13,369,032**
Non-current liabilities	5,692,105	5,873,980
Current liabilities	2,847,969	2,994,507
Total Equity and Liabilities	**21,584,468**	**22,237,519**

CONDENSED COMPANY STATEMENT OF FINANCIAL POSITION AS AT:

	30 June 2026 KShs'000	31 Dec 2025 KShs'000
ASSETS		
Non-current assets	6,590,186	6,590,186
Current assets excluding cash and cash equivalent	197,607	195,190
Cash and cash equivalents	5,741	20,332
TOTAL ASSETS	**6,793,534**	**6,805,708**
EQUITY AND LIABILITIES		
Equity		
Share capital	282,651	282,651
Share premium	6,001,741	6,001,741
Proposed dividends	-	98,928
Retained earnings	392,651	412,799
Total Equity	**6,677,043**	**6,796,119**
Current liabilities	116,491	9,589
TOTAL EQUITY AND LIABILITIES	**6,793,534**	**6,805,708**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2026

	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	3,288,120	(659,031)	3,434,234	98,928	922,389	13,369,032
Comprehensive income for the period								
Loss for the period	-	-	-	-	(33,868)	-	(32,510)	(66,378)
Other comprehensive income:								
Currency translation differences	-	-	-	(151,371)	-	-	(7,961)	(159,332)
Total other comprehensive income	**-**	**-**	**-**	**(151,371)**	**-**	**-**	**(7,961)**	**(159,332)**
Total comprehensive income for the period	**-**	**-**	**-**	**(151,371)**	**(33,868)**	**-**	**(40,471)**	**(225,710)**
Transaction with owners								
Dividends: 2025 approved dividends	**-**	**-**	**-**	**-**	**-**	**(98,928)**	**-**	**(98,928)**
At end of period	**282,651**	**6,001,741**	**3,288,120**	**(810,402)**	**3,400,366**	**-**	**881,918**	**13,044,394**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025

	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**

CONDENSED COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2026

	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	412,799	98,928	6,796,119
Total comprehensive income for the period:					
Loss for the period	-	-	(20,148)	-	(20,148)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**(20,148)**	**-**	**(20,148)**
Transactions with owners of the company					
Dividends: 2025 approved dividends	**-**	**-**	**-**	**(98,928)**	**(98,928)**
At end of period	**282,651**	**6,001,741**	**392,651**	**-**	**6,677,043**

CONDENSED COMPANY STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025

	Share capital KShs'000	Share premium 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	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**	**6,001,741**	**507,821**	**-**	**6,792,213**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE

	2026 KShs'000	2025 KShs'000
Net cash generated from operating activities	348,510	598,705
Net cash utilised in investing activities	173,013	(589,993)
Net cash used in financing activities	(390,735)	(247,280)
Net increase/(decrease) in cash and cash equivalents	**130,788**	**(238,568)**
Movement in cash and cash equivalents		
At start of period	778,621	695,867
Decrease during the period	130,788	(238,568)
Effect of currency translation differences	12,695	122,418
At end of period	**922,104**	**579,717**

CONDENSED COMPANY STATEMENT OF CASH FLOWS FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE

	2026 KShs'000	2025 KShs'000
Net cash generated from operating activities	(10,756)	11,309
Net cash utilised in investing activities	(3,835)	(4,176)
Net cash used in financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	**(14,591)**	**7,133**
Movement in cash and cash equivalents		
At start of period	20,332	4,312
Increase during the period	(14,591)	7,133
At end of period	**5,741**	**11,445**

COMMENTARY

TPS Eastern Africa Plc (TPSEAP/The Group/Serena Hotels) delivered lower income and operating performance for the six months ended 30 June 2026. The operating environment was characterised by navigating an unusually challenging global and regional business environment. Geopolitical developments affected international travel and energy costs. Public health measures and travel advisories relating to the Ebola outbreak in parts of the region also affected corporate and regional travel segments. This resulted in a mixed business performance across the Group's various source markets.

In response, the Group focused on opportunities in domestic and regional markets, optimised distribution channels and actively managed demand across the portfolio. These measures helped mitigate softer international demand and helped support the Group's overall operating performance.

TPSEAP recorded consolidated revenue of KShs 4 billion as compared to KShs 4.1 billion in the corresponding period in 2025, yielding a marginal 1.4% decline. Acceptable business volumes across several properties were supported by resilient domestic and regional demand which helped offset softer demand in some source markets. Other operating income increased by 31% to KShs 221 million, compared to KShs 188 million in the corresponding period in 2025, reflecting continued focus on revenue optimisation and the development of ancillary income opportunities.

Operating profit before depreciation, finance income/(costs), results of associated companies and income tax was KShs 517 million, a decline of 4% from the prior year. However TPSEAP reported a loss after tax of KShs 66 million, primarily attributable to non-operating factors, including lower finance income following the utilisation of cash reserves, higher depreciation arising from recent capital expenditure, losses from associated companies and unrealised foreign exchange losses on the translation of foreign currency-denominated assets and liabilities. These foreign exchange movements were non-cash accounting adjustments and did not materially affect the Group's underlying operating cash generation.

The Group continued to generate positive operating cash flows and invested approximately KShs 271 million in property enhancements, product upgrades, guest experiences, operational efficiency and sustainability initiatives.

The Group's financial position remained strong, with total assets standing at KShs 22 billion and shareholders' equity exceeding KShs 13 billion. Borrowings continued to decline through scheduled repayments funded from internally generated cash flows, while liquidity remained adequate to support operations and planned investment.

Given the seasonal nature of the tourism industry in East Africa, the first-half results should not be viewed as necessarily indicative of the Group's full-year performance, as the second half of the year traditionally contributes a significantly higher proportion of annual earnings. Against this backdrop, TPSEAP remains cautiously optimistic about the second half of 2026, with forward bookings across several properties remaining encouraging. This outlook is supported by the improved international and domestic travel, resilient regional demand, stronger MICE activity and improving airline connectivity.

The Group expects to benefit from the full-year contribution of recently completed refurbishment projects including Dar-es-Salaam Serena Hotel, and the conference centre in Lake Manyara Serena Safari Lodge, continued operational efficiencies, lower financing costs arising from debt reduction, the growing contribution from digital distribution and the Serena Prestige Club loyalty programme.

The Group remains confident in the long-term fundamentals of East African tourism and in Serena Hotels ability to manage near-term uncertainties while continuing to create sustainable long-term value for shareholders, guests, employees, communities and other stakeholders.

The Board and Management extend their appreciation to the Governments of the East African countries for their continued support and efforts to enhance the business environment and promote tourism across the region.

In accordance 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

24 August 2026
Nairobi

The above results are an extract from the Group's unaudited financial statements for the period ended 30 June 2026.

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