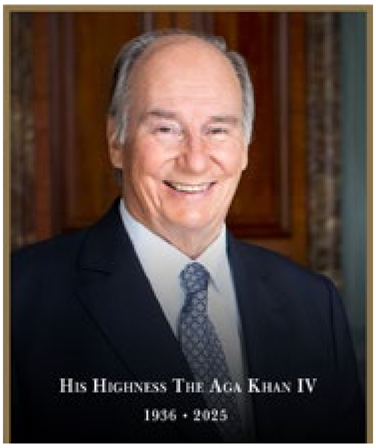
TPS EASTERN AFRICA PLC

SERENA HOTELS
SAFARI LODGES AND CAMPS
HOTELS • RESORTS

2024 Annual Report & Financial Statements

Tribute to His Late Highness Prince Karim Aga Khan IV

Founder of the Aga Khan Development Network (AKDN) and Visionary behind the Tourism Promotion Services (TPS), Serena Hotels Group



With profound respect and deep sorrow, TPS Eastern Africa Plc - Serena Hotels mourns the passing of His Late Highness Prince Karim Aga Khan IV and pays tribute to his remarkable life, visionary leadership, and enduring legacy.

As the 49th hereditary Imam of the Shia Ismaili Muslims and a direct descendant of the Prophet Muhammad (peace be upon him), His Late Highness dedicated his life to the service of humanity. As the Founder of the Aga Khan Development Network (AKDN), he advanced a vision of development rooted in human dignity, pluralism, and shared prosperity - transcending borders, faiths, and cultures. His tireless efforts in health, education, culture, and economic development have left a transformative impact on communities around the world.

Serena Hotels stands as a proud testament to his vision. Established in 1970 under his guidance, Serena Hotels was envisioned not just as a leading hospitality brand but as a driver of sustainable development, cultural preservation, environmental stewardship, and regional integration. His Late Highness believed that responsible tourism could be a powerful force for economic and social empowerment, cultural protection and national progress.

His Late Highness Prince Karim Aga Khan IV personally inaugurated several Serena Hotels across East Africa, each occasion reflecting his commitment and the strong alignment between Serena's mission with the broader objectives of the Aga Khan Development Network (AKDN).

- In 1976, he inaugurated the Nairobi Serena Hotel, establishing a new benchmark in hospitality for Kenya and introduced an inspiring model for socially responsible enterprise in the region.
- In 1996, he opened the Lake Manyara Serena Safari Lodge in Tanzania, promoting the role of eco-tourism in socio-economic development and regional cooperation.
- In 2006, he presided over the inauguration of the Kampala Serena Hotel, restoring a national landmark and fostering renewed civic pride in Uganda.

Today, Serena Hotels operates 33 properties across Kenya, Tanzania, Uganda, Rwanda, the Democratic Republic of Congo, Mozambique, Pakistan, and Tajikistan. The brand continues to be guided by the vision and values of His Late Highness Prince Karim Aga Khan IV, who throughout his life championed respect for culture, environmental stewardship, diversity and inclusion, improved quality of life, and an unwavering commitment to ethical leadership and sustainable, inclusive development.

We honour the past with gratitude. Under the leadership of His Highness Prince Rahim Aga Khan V, we pledge to uphold the principles that have guided us for over five decades - ensuring that Serena Hotels continues to be a positive force in every community we serve.

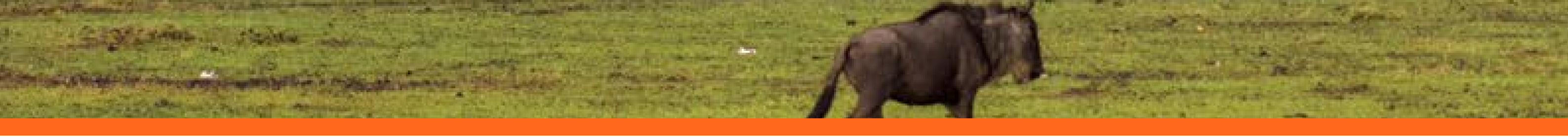
May the vision and timeless legacy of His Late Highness Prince Karim Aga Khan IV continue to inspire generations to come.

*His Late Highness Prince Karim Aga Khan IV (d. 2025) performing the opening ceremony of the **Nairobi Serena Hotel** in 1976 with Kenya's first President Jomo Kenyatta (d. 1978) (left) and officials looking on.*

*His Late Highness Prince Karim Aga Khan IV (d. 2025) and Tanzania's third President Benjamin Mkapa (d. 2020) arriving for the opening ceremony of the **Lake Manyara Serena Safari Lodge** in 1996.*

*His Late Highness Prince Karim Aga Khan IV (d. 2025) (left), Uganda's current President Yoweri Museveni (centre) and Prince Amyn Aga Khan (right) at the Opening Ceremony of **Kampala Serena Hotel** in 2006.*

Content



Directors and Administration

BOARD OF DIRECTORS

Francis Okomo-Okello	(Chairman)
Ashishkumar Sharma**	(Chief Executive Officer)
Mohamed Bagha	(Group Finance Director) (Appointed 01.07.24)
Jean Guyonnet-Duperat*	(Appointed 28.04.25)
Guedi Ainache*	
Mahmood Pyarali Manji	
Alkarim Jiwa	
Audrey Maignan* (Mrs)	(Resigned 28.04.25)
Rachel Dumba*** (Mrs)	
Donald Mhaiki****	
Azizuddin Boolani*****	
Nooren Hirjani**	(Resigned 30.06.24)

BOARD AUDIT COMMITTEE

Mahmood Pyarali Manji	(Chairman)
Guedi Ainache*	
Alkarim Jiwa	
Azizuddin Boolani*****	

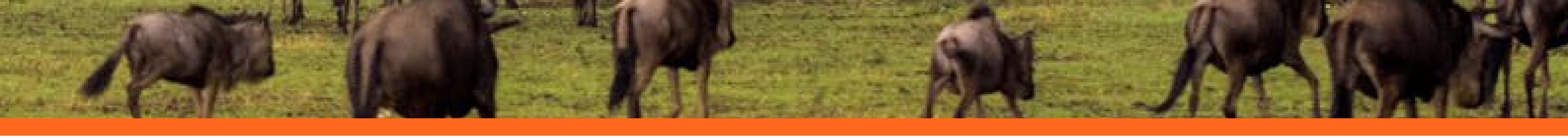
BOARD NOMINATION AND REMUNERATION COMMITTEE

Rachel Dumba*** (Mrs)	(Chairperson)
Mahmood Pyarali Manji	
Guedi Ainache*	

*French **British ***Ugandan ****Tanzania *****Canadian

COMPANY SECRETARY

Dominic K. Ng'ang'a



Directors and Administration

PRINCIPAL OFFICERS

Catherine Waruhiu (Mrs)	Director of Human Resources E.A.
Mugo Maringa	Operations Director E.A.
Daniel Sambai	General Manager - TPS (T)
Shenin Virji (Mrs)	Director, Office of the Global Head of Serena Hotels
Joyce Wangui (Ms)	Director of Sales
Maureen Okore (Ms)	Director of Marketing
Abdulkadir Rahim	Group Engineer E.A.
Wilfred Githinji	Internal Audit Manager E.A.
Hasnain Jagani	Group ICT Manager
Khilan Shah	Group Purchasing Manager
Nephig Wakhanu	Head of Risk & Compliance E.A.
Sarah Teko (Mrs)	Head of Legal E.A.

TOURISM PROMOTION SERVICES (KENYA) LIMITED [TPS (K)]

Anthony Chege	General Manager	- Nairobi Serena Hotel
Alphaxad Chege	General Manager	- Serena Beach Resort and Spa, Mombasa
Henrietta Mwangola (Mrs)	Manager	- Amboseli Serena Safari Lodge
Kathurima Mburugu	Manager	- Mara Serena Safari Lodge
Dan Chahenza	Manager	- Sweetwaters Serena Camp
Junia O'Kubasu	Manager	- Kilaguni Serena Safari Lodge
Lameck Kimaru	Manager	- Lake Elmenteita Serena Camp

TOURISM PROMOTION SERVICES (TANZANIA) LIMITED [TPS (T)]

Simon Magaigwa	Manager	- Kirawira Serena Camp
Dismas Simba	Manager	- Lake Manyara Serena Safari Lodge
Nickson Kanyika	Manager	- Serengeti Serena Safari Lodge
Vincent Matei	Manager	- Ngorongoro Serena Safari Lodge
Satish Sharma	Ag. Manager	- Arusha Serena Hotel
Alex Maboko	Manager	- Mbuzi Mawe Serena Camp
Alex Babu	Manager	- Serena Mivumo River Lodge

TOURISM PROMOTION SERVICES (ZANZIBAR) LIMITED [TPS (Z)]

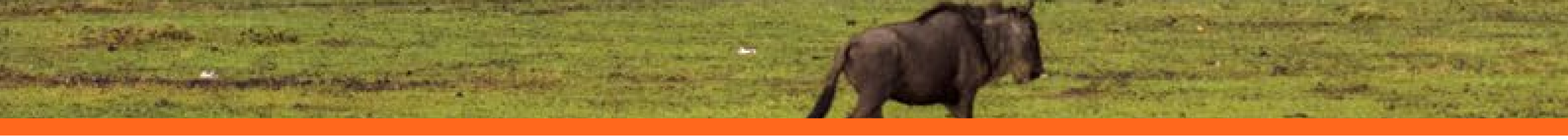
Wilfred Shirima	General Manager	- Zanzibar Serena Hotel

TPS (UGANDA) LIMITED [TPS (U)]

Khaled Helmy	General Manager	- Kampala Serena Hotel, Uganda

OTHER PROPERTIES

Duncan Lewa	General Manager	- Lake Victoria Serena Resort, Uganda
Frankline Nyakundi	General Manager	- Kigali Serena Hotel, Rwanda
Johnathan Cheres	General Manager	- Lake Kivu Serena Hotel, Rwanda
Nelson Rodrigues	General Manager	- Polana Serena Hotel, Mozambique
Chales Mbuya	Ag.General Manager	- Dar es Salaam Serena Hotel, Tanzania
James Nzavwala	General Manager	- Goma Serena Hotel, DR Congo



Operating Subsidiaries and Properties

TOURISM PROMOTION SERVICES (KENYA) LIMITED

Nairobi Serena Hotel
Serena Beach Resort and Spa, Mombasa
Amboseli Serena Safari Lodge
Mara Serena Safari Lodge
Kilaguni Serena Safari Lodge
Sweetwaters Serena Camp
Lake Elmenteita Serena Camp

TOURISM PROMOTION SERVICES (ZANZIBAR) LIMITED

Zanzibar Serena Hotel

Operating Associated Companies and Properties

TANRUSS INVESTMENT LIMITED / TPS (D) LIMITED (25%)

Dar es Salaam Serena Hotel

TOURISM PROMOTION SERVICES (RWANDA) LIMITED (20%)

Kigali Serena Hotel - Rwanda
Lake Kivu Serena Hotel - Rwanda

TOURISM PROMOTION SERVICES (TANZANIA) LIMITED

Kirawira Serena Camp
Lake Manyara Serena Safari Lodge
Serengeti Serena Safari Lodge
Ngorongoro Serena Safari Lodge
Arusha Serena Hotel
Mbuzi Mawe Serena Camp
Serena Mivumo River Lodge

TOURISM PROMOTION SERVICES (SOUTH AFRICA) (PROPRIETARY) LIMITED

Sales and Marketing office in Johannesburg, South Africa

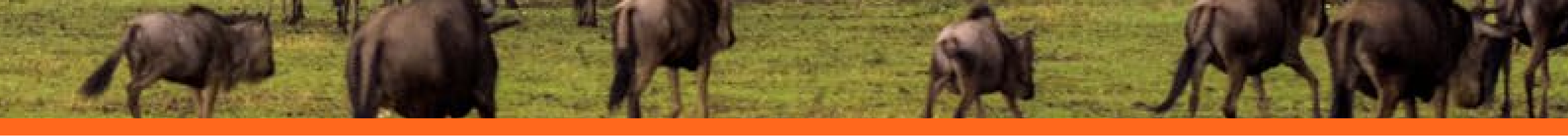
TPS (UGANDA) LIMITED

Kampala Serena Hotel - Uganda

OTHER PROPERTIES MANAGED BY SERENA

Lake Victoria Serena Resort - Uganda
Polana Serena Hotel - Mozambique
Goma Serena Hotel - Democratic Republic of Congo

Wild animals at Kilaguni Serena Safari Lodge's watering hole



Other Corporate Information

REGISTERED OFFICE
4th Floor, Williamson House
4th Ngong Avenue
P.O. Box 48690-00100
Nairobi, Kenya
Telephone 254 (20) 2842000
E-mail: admin@serenahotels.com
Website: www.serenahotels.com

AUDITORS
KPMG Kenya
ABC Place
Waiyaki Way, Westlands
P.O. Box 40612-00100
Nairobi, Kenya

PRINCIPAL BANKERS
ABSA Bank Kenya PLC
P.O. Box 30120-00100
Nairobi, Kenya

REGISTRAR
Image Registrars Limited
5th Floor, ABSA Towers
Loita Street
P.O. Box 9287-00100
Nairobi, Kenya

Serena Hotels – Mission Statement

"Our Mission is to create outstanding facilities faithfully reflecting ethnic design that offer the highest standards of service and product and to provide management and our staff with an environment which enables all of us to deliver operating standards beyond the level of our guests' expectations, resulting in satisfactory returns to our stakeholders."

Serena Hotels Environmental - Mission Statement

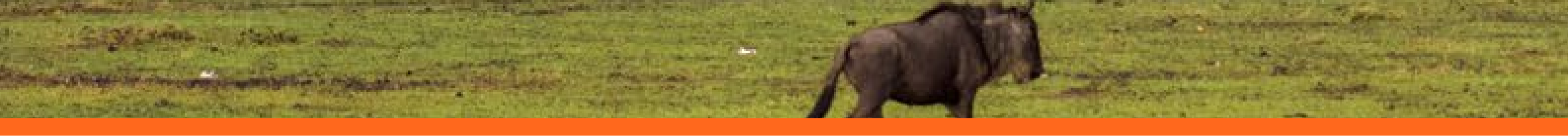
We are committed to developing projects which pay the highest regard to environmental concerns in design, planning construction and operation.

We will be sensitive towards the monitoring of the interest of the local population including their traditions, culture and future development.

We will practice a responsible attitude towards energy conservation; reducing and recycling waste; control of sewage disposal, air-emissions and pollutants; reduce use of unfriendly products such as CFC's, pesticides and other toxic substances; reduce noise and visual pollution.

We will be sensitive to the conservation of environmentally protected or threatened areas, species and scenic aesthetics and to achieving landscape enhancement where possible, with indigenous plant material enforcement.

We must conserve rather than exploit nature.



Notice of Annual General Meeting

Notice is hereby given that the Fifty-third Annual General Meeting of the Company will be held via electronic communication, on Thursday 26th June 2025, at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the Fifty-second Annual General Meeting held on 27th June 2024.
2. To receive, consider and, if thought fit, adopt the accounts for the year ended 31st December 2024, together with the Directors' and Auditors' Reports thereon.
3. To approve payment of a final dividend for 2024 of KShs. 0.35 per share, subject to withholding tax, where applicable, to the Members on the Register at the close of business on 26th June 2025. Payment of the dividend to be made on or about 25th July 2025.
4. To elect Directors:
    a. Mr. Jean Guyonnet-Duperat was appointed on 28th April, 2025 to fill a casual vacancy. He retires by rotation in accordance with Article No. 111 of the Company's Articles of Association and being eligible, offers himself for re-election.

    b. Mr. Francis Okomo-Okello retires by rotation in accordance with Articles No. 112, 113 & 114 of the Company's Articles of Association. Special notices have been received by the Company pursuant to section 287 of the Companies Act 2015 and subject to section 131 of the Act that if thought fit, the following resolution be passed:

    "That Mr. Francis Okomo-Okello (a Director retiring by rotation) who is over 70 years, be and is hereby re-elected as a Director of the Company".

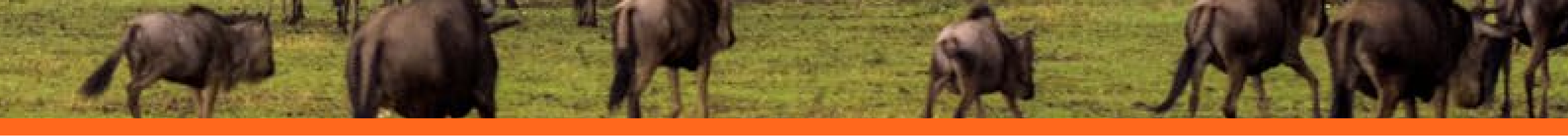
    c. Mr. Mahmood Pyarali Manji retires by rotation in accordance with Articles No. 112, 113 & 114 of the Company's Articles of Association. Special notices have been received by the Company pursuant to section 287 of the Companies Act 2015 and subject to section 131 of the Act that if thought fit, the following resolution be passed:

    "That Mr. Mahmood Pyarali Manji (a Director retiring by rotation) who is over 70 years, be and is hereby re-elected as a Director of the Company".
5. To approve the Directors' remuneration for 2024.
6. To appoint KPMG Kenya as the Company's Auditor, in accordance with Section 721 (2) of the Companies Act 2015. KPMG Kenya have indicated their willingness to continue in office.
7. To approve the Auditor's remuneration for 2024 and to authorise the Directors to fix the Auditor's remuneration for 2025.
8. To appoint the Board Audit & Risk Committee members which comprises Mr. Mahmood Manji, Mr. Guedi Ainache, Mr. Alkarim Jiwa and Mr. Azizuddin Boolani in accordance with section 769 (1) of the Companies Act 2015.
9. To Ratify the Resolutions passed by the Company at the Annual General Meeting held on 27th June, 2023 and any acts or actions of the Company pursuant to such Resolutions.
10. To transact any other Ordinary Business of an Annual General Meeting.

By Order of the Board.

Dominic K. Ng'ang'a
COMPANY SECRETARY

Dated at Nairobi this 13th May, 2025



Notice of Annual General Meeting (continued)

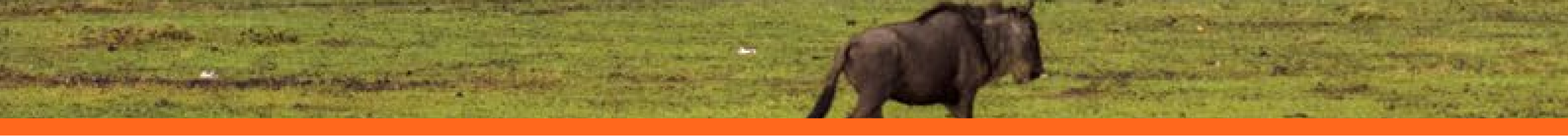
NOTE:

1. TPSEAP has convened and is conducting this virtual Annual General Meeting following an amendment of its Articles of Association to allow the holding of the General Meetings through Electronic Communication (Virtual meeting).
2. Shareholders wishing to participate in the AGM should register by dialling ***483*809#** on their Safaricom, Airtel or Telkom mobile telephone and following the various prompts regarding the registration process. Shareholders will not incur any charges by contacting the helpline number **(+254) 709 170 000)** from 9.00am to 4.00pm, Monday to Friday. Any shareholder outside Kenya should dial the helpline number to be assisted to register.
3. Registration for the AGM commences on 4th June, 2025 at 9.00am and will close on Tuesday 24th June, 2025 at 12.00pm. Shareholders will not be able to register after Tuesday 24th June, 2025 at 12.00pm.
4. In accordance with Section 283 (2) (c) of the Companies Act, 2015, the following documents may be viewed on the Company's website *www.serenahotels.com* (i) a copy of this notice and the proxy form, (ii) minutes of the last AGM held on 27th June, 2024, and (iii) the Company's audited financial statements and annual report for the year 2024.
5. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:
   (a) Sending their written questions by email to *agmquestions@serenahotels.com* ; or
   (b) To the extent possible, physically delivering their written questions with a return postal address number or email address to the registered office of the Company at Williamson House, 4th Floor, 4th Ngong Avenue, or to Image Registrars offices situated at 5th Floor, ABSA Towers (formerly, Barclays Plaza) Loita Street, Nairobi; or
   (c) Sending their written questions with a return postal address number or email address by registered post to the Company's address using P.O. Box 48690-00100 Nairobi.

   Shareholders must provide their full details (Full name, ID/Passport Number/CDSC Account Number when submitting their questions and/or clarifications.

   All questions and /or clarifications must reach the Company on or before Sunday 22nd June, 2025 at 12.00pm.

   Following the receipt of the questions and /or clarifications, the directors of the Company shall provide written responses to the questions received to the return postal address number or email address provided by the shareholder not later than 12 hours before the start of the AGM. A full list of all questions received and the answers thereto will be published on the Company's website not later than 12 hours before the start of the AGM.
6. A Shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy need not be a member of the Company. The appointed proxy will need to have access to a mobile telephone. A proxy form is attached to this Notice and is available on the Company's website *www.serenahotels.com*. Physical copies of the proxy form are also available at Image Registrars Limited's offices on 5th floor ABSA Towers (formerly, Barclays Plaza), Loita Street, P.O Box 9287-00100 Nairobi. To be valid, a proxy form must be duly signed by the member. If the member is a body corporate, the proxy form shall be given under its common seal or under the hand of an officer or duly authorized attorney of such body corporate. The completed proxy form should be emailed to *info@image.co.ke* or sent/delivered to Image Registrars Limited, 5th floor ABSA Towers (formerly, Barclays Plaza), Loita Street, Nairobi so as to be received not later than Tuesday, 24th June, 2025 at 11.00am. Any person appointed as a proxy should submit his/her mobile telephone number to the Company not later than Tuesday, 24th June, 2025 at 11.00am. Any rejected proxy registration will be communicated to the shareholder concerned not later than 25th June, 2025 to allow time to address any issues.
7. The AGM will be streamed live via a link which shall be provided to all shareholders who will have registered to participate in the AGM. Duly registered shareholders and proxies will receive a short message (SMS/USSD) prompt on their registered mobile numbers, 24 hours prior to the AGM acting as a reminder of the AGM. A second (SMS/USSD) prompt shall be sent one hour ahead of the AGM, reminding duly registered shareholders and proxies that the AGM will begin in an hours' time and providing a link to the livestream.
8. Duly registered shareholders and proxies may follow the proceedings of the AGM using the live stream platform and may access the Agenda and vote when prompted by the Chairman via the USSD prompts.
9. Results of the AGM shall be published within 24 hours following conclusion of the AGM.



Notisi Kuhusu Mkutano Mkuu wa Pamoja wa Mwaka

Notisi inatolewa hapa kwamba, mkutano wa 53 wa pamoja wa mwaka wa Kampuni utafanyika kwa mfumo wa kielekroniki siku ya Alhamisi Juni 26, 2025 kuanzia za tano asubuhi ili kuangazia maswala yafuatayo kibiashara;

SHUGHULI ZA KAWAIDA

1. Kuthibitisha kumbukumbu za mkutano wa 52 wa pamoja wa mwaka uliofanyika Juni 27, 2024
2. Kupokea, kuzingatia na endapo itakubalika kupitisha hesabu kwa kipindi cha mwaka uliomalizika Desemba 31, 2024 pamoja na ripoti kutoka kwa Wakurugenzi na Wakaguzi wa Pesa.
3. Kupitisha malipo ya mwisho ya mgawo wa faida wa mwaka 2024 wa KShs. 0.35 kwa kila hisa kwa kutegemea ushuru ulioshikiliwa pale inapohitajika kwa wanachama ambao majina yao yatakuwa kwenye sajili kufikia Juni 26 2025. Malipo kwa mgawo wa faida yatatolewa kabla au ifikiapo Julai 26, 2025.
4. Kuwachagua wakurugenzi :
    a. Bw. Mr. Jean Guyonnet-Duperat aliteuliwa Aprili 28, 2025 ili kujaza pengo la nafasi iloyoachwa wazi. Anastaafu kwa mujibu wa sehemu nabari 111 ya sheria za kampuni na kwa kuwa hali inamruhusu amaejitokeza ili achaguliwe tena.

    b. Bw. Francis Okomo-Okello anastaafu kwa zamu kwa mujibu wa vifungu namabri 112, 113 na 114 vya sheria za kampuni. Notisi maalumu imepokelewa na Kampuni kwa mujibu wa sehemu ya 287 ya sheria za makampuni ya mwaka 2015 na kwa kuegemea sehemu ya 131 ya sheria hiyo na endapo itakubalika, azimio lifuatalo lipitishwe;

       "Kwamba Bw kwamba Bw. Mr. Francis Okomo-Okello (Mkurugenzi anayestaafu kwa zamu) aliye na umri uliopita miaka 70 achaguliwe tena kama Mkurugenzi wa kampuni".

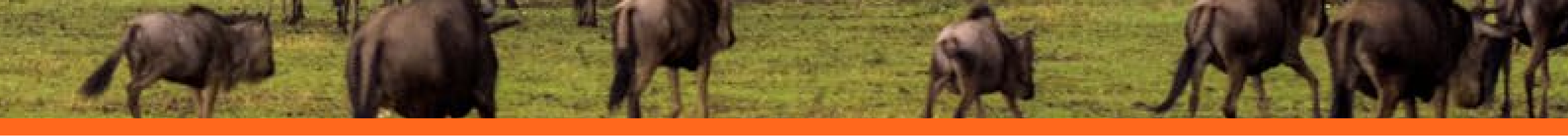
    c. Bw. Mahmood Pyarali Manji anastaafu kwa zamu kwa mujibu wa vifungu namabri 112, 113 na 114 vya sheria za kampuni. Notisi maalumu imepokelewa na Kampuni kwa mujibu wa sehemu ya 287 ya sheria za makampuni ya mwaka 2015 na kwa kuegemea sehemu ya 131 ya sheria hiyo na endapo itakubalika, azimio lifuatalo lipitishwe;

       "kwamba Bw. Mahmood Pyarali Manji (Mkurugenzi anayestaafu kwa zamu) aliye na umri uliopita miaka 70 achaguliwe tena kama Mkurugenzi wa kampuni".
5. Kupitisha marupurupu ya wakurugenzi kwa kipindi cha mwaka 2024.
6. Kuteua KPMG kama wakaguzi wa pesa za kampuni kwa mujibu wa sehemu 721 (2) ya sheria za makampuni ya mwaka 2015. KPMG wameonyesha nia yao kuendelea mbele na jukumu hili.
7. Kupitisha marupurupu ya wakaguzi wa pesa kwa kipindi cha mwaka 2024 na kuwapa uhuru wakurugeni kuamua kiwango cha malipo ya wahasibu mwaka 2025.
8. Kuteua kamati ya uhasibu ambayo itajumuisha Mabw.Mahmood Manji, Guedi Ainache na Alkarim Jiwa na Bw. Azizuddin Boolani kwa mujibu wa sehemu ya 769 (1) ya sheria za makampuni ya mwaka 2015.
9. Kuidhinisha Maazimio yaliyopitishwa na Kampuni wakati wa Mkutano Mkuu wa Mwaka uliofanyika Juni 27, 2023 na hatua nyinginezo kuhusiana na kampuni kwenye maazimio hayo.
10. Kuendesha shughuli nyingine za kibiashara za Mkutano Mkuu wa Pamoja wa Mwaka.

Kwa Amri ya Halmashauri

Dominic K. Ng'ang'a
KATIBU WA KAMPUNI

Imenukuliwa Nairobi, Mei 13, 2025



Notisi ya Mkutano Mkuu Wa Pamoja Wa Mwaka (kuendelea)

NUKUU:

1. TPSEAP imeitisha na inaendesha Mkutano huu wa Pamoja wa Mwaka kufuatia kufanyiwa mabadiliko kwenye sheria za ushirika ili kuruhusu kutekelezwa kwa hilo kupitia njia za mawasiliano ya kielektroniki (usio wa mija kwa moja).

2. Wanahisa wanaotaka kushiriki Mkutano wa Pamoja wa Mwaka wajisajili kwa kupiga nambari ***483*809#** kupitia mtandao wa Safaricom , Airtel au Telkom na kufuata maagizo mbali mbali ya hatua za usajili. Wanahisa hawatatozwa ada yoyote kwa kupiga simu kupitia nambari ya usaidizi **(+254) 709 170 000)** kuanzia saa tatu asubuhi hadi kumi jioni Jumatatu hadi Ijumaa. Mwanahisa yeyote aliye nje ya Kenya apige simu ya usaidizi ili kupata asaidiwe kuhusu usajili.

3. Usajili wa Mkutano wa Pamoja wa Mwaka utaanza Juni 4, 2025 saa tatu asubuhi na kufungwa Jumanne Juni 24, 2025 saa sita adhuhuri. Wanahisa hawataweza kusajiliwa baada ya Jumanne ya Juni 24, 2024 saa sita Adhuhuri.

4. Kwa mujibu wa sehemu 283 (2) (c) ya sheria za makampuni, ya mwaka 2015, stakabadhi zifuatazo zinaweza kukaguliwa kupitia wavuti wa kampuni ambao ni *www.serenahotel.com* (i) nakala ya notisi hii pamoja na fomu ya uwakala, (ii) kumbukumbu za mkutano uliopita wa pamoja wa mwaka Juni 27, 2024 na (iii) taarifa za kifedha za kampuni zilizofanyiwa ukaguzi pamoja na ripoti ya mwaka 2024

5. Wanahisa wanaotaka kuuliza maswali yoyote au ufafanuzi kuhusiana na Mkutano wa Pamoja wa Mwaka wanaweza kufanya hivyo kwa;-

   (a) Kutuma maswali yao waliyoandika kupitia barua pepe kwa; *agmquestions@serenahotels.com*; au

   (b) Pale inapowezekana, kutuma moja kwa moja maswali yao na kuambatanisha na anwani ya kurudisha majibu au anwani ya barua pepe kwa ofisi ya Kampuni iliyosajiliwa katika jumba la Williamson House, Orofa ya nne, barabara ya 4th Ngong Avenue, au kwa ofisi za Image Registrars zilizoko orofa ya tano jumba la ABSA Towers (zamani Barclays Plaza) Loita Street, Nairobi; au;

   (c) Kutuma maswali yao waliyoandika na kuambatanisha na anwani ya kurudisha majibu au barua pepe kupitia Sanduku ya Posta lililosajiliwa, SLP 48690-00100 Nairobi.

   Ni lazima kwa wanahisa kutoa maelezo yao kamili (Jina kamili, Kitambulisho/ nambari ya Paspoti/ Nambari ya akaunti ya CDSC wakati wa kutuma maswali au ufafanuzi.

   Maswali yote au ufafanuzi lazima yafike kwa ofisi ya Kampuni kabla au ifkikapo Jumapili Juni 22, 2025 saa sita adhuhuri.

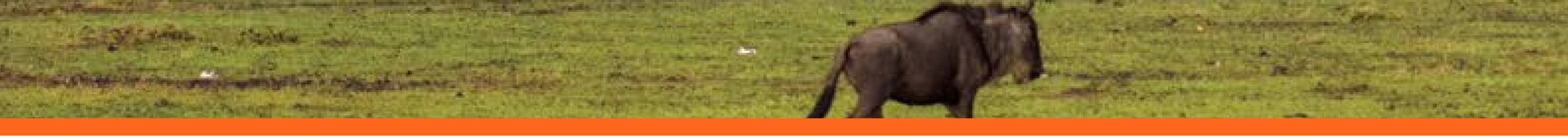
   Baada ya kupokea kwa maswali/ ufafanuzi, wakurugenzi wa kampuni watatoa majibu yaliyoandikwa kuhusiana na maswali yaliyopokelewa kupitia anwani ya kutuma majibu au kwa njia ya anwani ya barua pepe iliyotolewa na mwanahisa saa 12 kabla ya kufanyika kwa Mkutano Mkuu wa Pamoja wa Mwaka. Orodha kamili ya maswali yaliyopokewa na maswali yake zitachapishwa kupitia wavuti wa kampuni saa 12 kabla ya kuanza kwa Mkutano wa Pamoja wa Mwaka.

6. Mwanachama aliye na ruhusa kuhudhuria mkutano na kupiga kura ana uhuru kumteua wakala wake kumwakilisha na kupiga kura kwa niaba yake. Si lazima kwa wakala huyo kuwa mwanachama wa kampuni. Itabidi kwa wakala aliyeteuliwa kuwa na nambari ya simu ya mkononi. Fomu ya wakala imeambatanishwa na notisi hii na inaweza kupatikana kupitia wavuti wa kampuni www.serenahotels.com. Pia, nakala za fomu ya wakala inapatikana kupitia ofisi za Image Registrars Limited's orofa ya 5 jumba ABSA Towers (zamani, Barclays Plaza),barabara ya Loita Street, SLP 9287-00100 Nairobi. Ili kukubaliwa, fomu ya wakala iwe na sahihi kamilifu ya mwanachama. Endapo mwanachama ni shirika, fomu ya uwakala iwe imepigwa mhuri wa kawaida au iwe na sahihi ya afisa aliyeidhinishwa na mwanasheria wa shirika kama hilo. Fomu ya wakala itumwe kupitia barua pepe; *info@image.co.ke* au itumwe / ipokelewe na Image Registrars Limited, orofa ya 5 jumba la ABSA Towers (zamani, Barclays Plaza), barabara ya Loita Street, Nairobi na kupokelewa kabla ya Jumanne Juni 24, 2025 saa tano asubuhi. Mtu yeyote aliyeteuliwa kama wakala awasilishe nambari yake ya simu ya mkononi kwa kampuni kabla ya Jumanne Juni 24, 2025 saa tano asubuhi. Usajili wowote wa wakala uliokataliwa utajulishwa kwa mwanahisa mhusika kabla ya Juni 25, 2025 ili kutoa nafasi ya kushughulikia swala lolote.

7. Mkutano wa pamoja wa mwaka utaendeshwa moja kwa moja kupitia njia ya kielektroniki (live stream) ambao kiunganishi chake kitatolewa kwa wanahisa ambao watakuwa wamejisajiliwa kuhudhuria. Wanahisa waliosajiliwa kikamilifu na mawakala watapokea ujumbe mfupi wa kuwakumbusha (SMS/USSD) kupitia nambari zao za simu za mkononi saa 24 kabla ya kuanza kwa mkutano. Ujumbe wa pili mfupi (SMS/ USSD) utatumwa saa moja kabla ya kuanza kwa mkutano ili kuwakumbusha wanachama waliosajiliwa kikamilifu na mawakala kuwa mkutano wa pamoja wa mwaka utaanza chini ya muda wa saa moja na kuwapa kiunganishi cha kuwaruhusu kuufuatilia matukio kwa njia ya kielektroniki.

8. Wanahisa waliosajiliwa kikamilifu pamoja na mawakala wanaweza kufuatilia matukio ya mkutano moja kwa moja kwa njia ya kielektroni na kuweza kupata agenda na kupiga kura watakapopewa ishara na mwenyekiti kupitia ujumbe mfupi wa USSD.

9. Matokeo ya mkutano mkuu wa pamoja wa mwaka yatachapishwa chini ya muda wa saa 24 baada ya kukamilika kwake.



CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of TPS Eastern Africa PLC (TPSEAP/the Group/Serena Hotels), I am delighted to present to you the Annual Report and Financial Statements of the Group for the year ended 31 December 2024.

In 2024, Serena Hotels continued to operate and navigate through a growing and highly competitive East African market. Building on the positive momentum from 2023, our strategic focus on domestic, regional and international travel contributed positively to overall performance. The Group's diverse portfolio continued to be considered distinguished for leisure, corporate and diplomatic hospitality, as well as events and functions, and benefitted from increased patronage across domestic, regional and international markets.

Throughout the year, the Group continued to focus on revenue optimisation, technological infrastructure upgrades, human capital development, enhancement of guest experiences and where necessary, renovations. Valuable feedback from guests and other stakeholders played a crucial role in further refining our services and yielding improvements.

The Group's financial performance for the year ended 31 December 2024 is as outlined in the Chief Executive Officer's Report.

It is worth noting that despite a challenging regional landscape marked by geopolitical uncertainty, security risks, evolving legislative frameworks, elevated interest rates, and inflationary pressures including rising energy costs, the Group remained resilient and agile. Broader macroeconomic concerns such as economic instability, public health threats (Mpox and Marburg), the effects of climate change, and escalating geopolitical tensions no doubt had an impact on the overall regional tourism.

Reaffirming our commitment to delivering shareholder value while maintaining financial prudence, the Directors are pleased to recommend for approval by the shareholders at the forthcoming Annual General Meeting, payment of a first and final dividend of KShs 0.35 per share for the year ended 31 December 2024, subject to payment of withholding tax where applicable. If approved, the dividend will be payable on or about 26 July 2025 to members on the Register at the close of business on 26 June 2025.

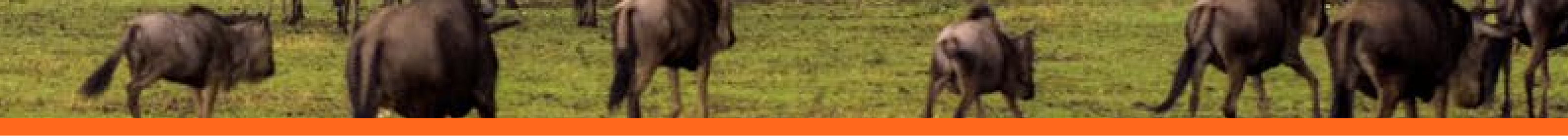
As a commitment to East Africa's economic and social development, in 2024, the Group contributed the equivalent of KShs 2.47 billion in direct and indirect taxes, and KShs 0.33 billion in royalties and rents to county and local authorities across Kenya, Tanzania and Uganda.

We continue to recognise the rapid changes in our guests' expectations, particularly towards greater life enriching safari and eco-experiences, as well as blending of business and leisure travel. To this end, at the close of 2024, the Board and Management came together and achieved a key milestone to refine the Group's mid-term strategy that emphasized market relevance, product enhancements, and digital transformation amongst other key actions as being critical to the Group's growth agenda.

As long-term investors and given our commitment to destination East Africa, a phased refurbishment plan for our flagship city hotels: Nairobi Serena, Dar es Salaam Serena, Kampala Serena, Arusha Serena, and Kigali Serena, Lake Kivu Serena, Zanzibar Serena and Mombasa Serena is set to commence in 2025. Our hotels will continue to operate while the refurbishments will be carried out with minimal disruption to guest services. Similarly, based on guest expectations, product enhancements will take place at the Safari Camps and Lodges in a phased manner. The investments are necessary to enable our hotels and lodges enhance guest experience, operational efficiency and market share, thus improving TPSEAP's consolidated profitability and shareholder returns in the medium - to long-term.

Additionally, the Group's commitment to enhancing its Human Resource Management (HRM) practices and development, as detailed on page 18 under the Chief Executive Officer's Report remains unwavering. Our ongoing investment in training programs ensures that our workforce remains highly skilled and engaged, driving service excellence across our properties.

Since its inception over five decades, the Group has been at the forefront of responsible hospitality. Throughout our value chain, we strive to create shared value for our business, the communities around us, and the wider ecosystems we operate within. Our properties actively integrate Environmental, Social, and Governance (ESG) practices into their daily operations. Furthermore, our sustainability efforts are guided by the United Nations Sustainable Development Goals (SDGs) and the Aga Khan Development Network's (AKDN) Environmental and Climate Commitment Statement. This commitment extends across all AKDN agencies, including the Group as the Networks' tourism arm. The Group is committed to achieving net-zero carbon emissions in its own operations by 2030 addressing challenges related to climate change through targeted energy audits and



Chairman statement (continued)

related investments, solar power installations, conserving water, reforestation efforts, internal efficiencies and other environmental initiatives. Beyond environmental stewardship, Serena Hotels respects local traditions, culture, and heritage, supports education including internships, and contributes to economic empowerment and public health initiatives in communities around our operations. Further details on our sustainability programs and their impact can be found on pages 30 to 39 of this Annual Report.

Given the macroeconomic headwinds, the Group in 2025 will continue to navigate a complex landscape. It is worth noting that the operational landscape for TPS companies in 2025 is anticipated to face additional challenges compounded by the withdrawal of US donor funding for key development programs where Non-Governmental Organizations/Corporates patronise our properties.

Industry reports and insights from our representatives in key source markets indicate continued growth in tourism and travel, supported by government-led destination marketing initiatives. The Group is well-positioned to capitalize on emerging travel trends, including authentic eco-experiences, adventure and wellness tourism.

To thrive amidst these complexities, our operational model remains centred on agility and proactive initiatives to safeguard performance. Key priorities include: strengthening domestic, regional and international customer relationships, enhancing efficiency and investing in associates (staff) development. Maintaining brand value through enriched guest experiences, ongoing product upgrades and embracing new technology will remain fundamental. The resilience and adaptability of our business model positions the Group well for sustained success in 2025 and beyond.

During the year 2024, Serena Hotels were proud recipients of several national and international awards and accolades, as detailed on page 40 and 41 of this Annual Report.

I would like to acknowledge, with appreciation, the critical support that I received from my colleagues on the Board in successfully steering the Group's business activities and strategies during the year 2024.

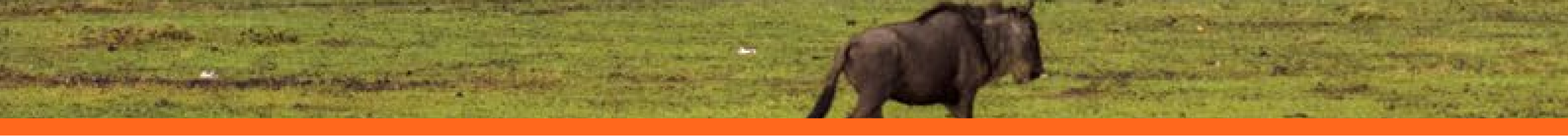
May I also take this opportunity to welcome Mr. Jean Guyonnet-Duperat as a new member of the TPSEAP Board. Mr. Duperat is currently the Regional Head of PROPARCO in East Africa. Please refer to page 24 for more details on Mr. Duperat's profile.

On behalf of the Board and Management, I extend my profound gratitude to the respective governments and regulatory authorities across East Africa for their steadfast support of the tourism sector. We would also like to record our deep appreciation for the unwavering support, confidence and trust of our shareholders, guests, employees and other stakeholders. Your support has been instrumental in the Group's success, and we look forward to continued collaboration in the years ahead.

FRANCIS OKOMO-OKELLO MBS, EBS

CHAIRMAN

Goma Serena Hotel



TAARIFA YA MWENYEKITI

Kwa niaba ya Halmashauri ya ya Wakurugenzi wa TPS Eastern Africa PLC (TPSEAP/Kikundi/hoteli za Serena), nina furaha kuwasilisha ripoti ya mwaka na matokeo ya fedha ya kundi kwa kipindi cha mwaka uliomalizika Desemba 31, 2024.

Mwaka 2024, Hoteli za Serena ziliendelea kuendesha shughuli zake kupitia mikondo inayokua na iliyo na ushindani mkali katika soko la Afrika Mashariki. Kutokana na mkondo wa kasi ulioanza mwaka wa 2023, mtazamo wetu wa kimkakati kwenye safari za ndani, kanda na kimataifa ulichangia pakubwa kwenye matokeo yote ya jumla. Mkusanyiko mbali mbali wa bidhaa za kundi uliendelea kuzingatiwa kwenye masoko ya starehe, mashirika na kiplomasia pamoja na matukio na sherehe za kikazi na kufaidi kutokana na ongezeko la wateja kote katika masoko ya ndani, kikanda na ya kimataifa.

Wakati wa kipindi cha mwaka mzima, Kundi lililendelea kuangazia uboreshaji wa mapato, kuimarisha miundombinu ya kiteknolojia, maendeleo ya rasilimali watu, kuboresha uzoefu wa wageni na pale inapohitajika, ukarabati. Maoni kutoka kwa wageni na wadau wengine yalichangia pakubwa kuboresha huduma zetu na kuzalisha maendeleo.

Matokeo ya fedha ya kundi kwa kipindi cha mwaka uliomalizika Desemba 31, 2024 yameelezewa kupitia taarifa ya Afisa Mkuu Mtendaji.

Ni muhimu kufahamu kuwa, licha ya changamoto za mandhari magumu ya kanda yakiandamana na mienendo isiyoleweka ya kijegrofia, hatari za usalama, mabadiliko ya mifumo ya kisheria, ongezeko la viwango vya riba na shinikizo la mifumuko ya bei za bidhaa ikiwemo gharama za kawi, kundi liliendelea kuwa imara na thabiti. Masuala muhimu ya kiuchumi kama vile ukosefu wa uthabiti kiuchumi, hatari za kiafya (Mpox na Marburg), athari za mabadliko ya hali ya anga na kuongezeka kwa taharuki za kisiasa duniani zilisababisha athari kwenye sekta ya utalii katika kanda.

Kuthibitisha tena kujitolea kwetu kuzalisha thamani kwa wanahisa na huku tukidumisha matumizi bora ya fedha, Wakurugenzi wanafuraha kupendekeza baada ya kupata idhini kutoka kwa wanahisa wakati wa Mkutano ujao Mkuu wa Mwaka malipo ya mgawo wa kwanza na wa mwisho wa Ksh. 0.35 kwa kila hisa kwa mwaka uliomaliza Desemba 31, 2024 baada ya kutolewa kwa malipo ya ushuru pale inapofaa. Endapo itapitishwa, malipo ya mgawo wa faida yatatolewa kabla au ifikiapo Julai 26, 2025 kwa wanachama ambao majina yao yatakuwa yamesajiliwa kwenye rejista Juni 26, 2025.

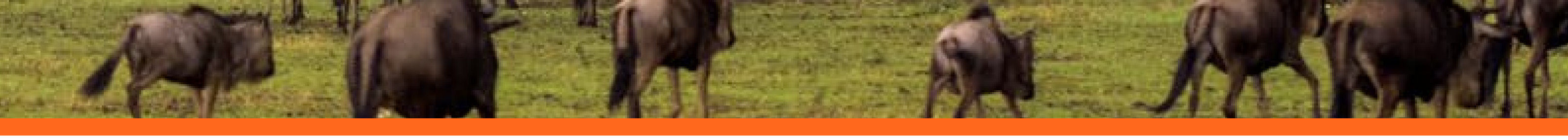
Kwa kujitolea kwake katika maendeleo ya kiuchumi na ustawi wa jamii Afrika Mashariki, mwaka 2024, kundi lilitoa sawa na Ksh. bilioni 2.47 kama malipo ya ushuru wa moja kwa moja na usio wa moja kwa moja na Ksh.bilioni 0.33 kama malipo ya nia njema na ukodishaji kwa serikali za kaunti na halmashauri za utawala mataifa ya Kenya, Tanzania na Uganda.

Tunaendelea kutambua mabadiliko ya haraka kwa matarajio ya wageni wetu na hasa kwenye safari na hisia za ikolojia na kuweka pamoja biashara na usafiri wa burudani. hadi sasa na kufikia mwisho wa mwaka 2024, Halmashauri na usimamizi zilikaa pamoja na kupata ufanisi mkubwa wa kuboresha mkakati wa kati wa kundi ambao unatilia mkazo umuhimu wa soko, uboreshaji bidhaa na mabadiliko ya kidijitali miongoni mwa hatua nyingine muhimu zinazoonekana kuwa za kimsingi kwenye ajenda ya ukuaji wa Kundi.

Kama wawekezaji wa muda mrefu na kwa kutambua kujitolea kwetu kama kituo cha Afrika Mashariki, mpango wa ukarabati wa hatua kwa hatua kwenye hoteli zetu za jiji zilizo na majina makubwa za; Nairobi Serena, Dar es Salaam Serena, Kampala Serena, Arusha Serena na Kigali Serena, Lake Kivu Serena, Zanzibar Serena na Mombasa Serena unatarajiwa kuanza Mwaka 2025. Hoteli zetu zitaendelea kuhudumu huku ukarabati ukitekelezwa bila kuathiri utoaji wa huduma. Zaidi ya hayo na kwa kutegemea matarajio ya wateja, uimarishaji wa bidhaa utafanyika katika kampi za safari na hoteli za kulala kwa awamu mbali mbali. Uwekezaji huu ni muhimu kuziwezesha hoteli zetu na maeneo ya kulala kuimarisha matarajio ya wateja, utendaji kazi na upeo wa soko hivyo kuinua faida za pamoja za TPSEAP na mapato ya mwanahisa kwa kipindi cha muda wa kadri na cha muda mrefu.

Kwa kuongezea, dhamira ya kundi ya kuimarisha mifumo yake ya usimamizi wa wafanyakazi (HRM) na maendeleo kama ilivyoelezwa kupitia ukurasa wa 21 wa ripoti ya Afisa mkuu Mtendaji ingali imara. Uwekezaji wetu unaoendelea katika programu za mafunzo unahakikisha kwamba wafanyakazi wetu wana elimu ya juu ya kitaaluma na wanajihusisha kuchochea uboreshaji wa huduma katika mali zetu zote.

Tangu ianzishwe zaidi ya miongo 5 iliyopita, kundi limekuwa kwenye msitari wa mbele kutoa huduma hoteli. Kupitia mtandao wetu wa



Taarifa ya Mwenyekiti (kuendelea)

thamani, tunajitahidi kuzalisha thamani kwenye biashara yetu, jamii zilizoko karibu nasi na mtandao mpana wa ikolojia tunakotekeleza shughuli zetu. Kikamilifu, raslimali zetu zilijumuisha pamoja taratibu za mazingira, jamii na utawala kwenye shughuli zake za kila siku. Zaidi ya hayo, mipango yetu ya kudumu inaongozwa na mradi wa umoja wa mataifa kuhusu malengo ya udumishaji maendeleo (United Nations Sustainable Development Goals (SDGs) na mtandao wa maendeleo wa Aga Khan (Development Network's (AKDN)) kuhusu taarifa za uwajibikiaji mazingira na hali ya hewa. Uwajibikaji huu unaendeshwa kote na mawakala wa AKDN ikiwemo kundi kama mtandao wa mkondo wa utalii. Kundi limejitolea kuafikia chini ya asilimia sufuri ya uchafuzi wa hewa kwenye shughuli zake iifikiapo mwaka 2030 kwa kuangazia changamoto zinazohusiana na mabadiliko ya hali ya hewa kupitia ukaguzi lengwa wa kawi na uwekezaji unaowiana, uwekaji wa mitambo ya nguvu za umeme, uhifadhi wa maji, juhudi za utuzaji misitu, utekelezaji bora wa ndani na mbinu nyinginezo za mazingira. Licha na utuzaji wa mazingira Serena Hotels inaheshimu mila na utamaduni wa jamii zilizoko, turathi, michezo na elimu ikiwemo mafunzo ya muda mfupi kuhusu taaluma na hutoa mchango wake kuimarisha uchumi na mikakati ya afya katika jamii inakoendesha shughuli zake. Maelezo zaidi kuhusu mipango yetu uendelevu na athari zake yanaweza kupatikana kupitia kurasa 30 hadi 39 za ripoti hii ya Mwaka.

Kwa kuangazia vikwazo dhidi ya chumi ndogo, mwaka 2025 kundi litaendelea kupitia mazingira magumu. Ni muhimu kutambua kwamba, mazingira ya utekelezaji ya kampuni za TPS mwaka 2025 yanatarajiwa kukabiliana na changamoto zaidi zinazoambatana na kuondolewa kwa ufadhili wa Taifa la marekani kwenye miradi muhimu ya maendeleo ambapo Mashirika yasiyo ya kiserikali/ Mashirika ya biashara yanatumia raslimali zetu.

Ripoti za biashara na ufahamu kutoka kwa waakilishi wetu kwenye masoko muhimu zinaonyesha kuendeleakwa ukuaji wa utalii na safari ikihamasishwa na mikakati ya uvumishaji kutoka vituo vinavyosimamiwa na serikali. Kundi liko kwenye nafasi nzuri kufaidi kutokana na mwelekeo mpya wa usafiri ikiwa ni pamoja na uzoefu halisi wa mazingira na safari za utalii wa kujifurahisha

Ili kustawi katikati ya changamoto hizi, mfumo wetu wa utekelezaji unazidi kuegemea uwezo na mipango ya kujiandaa ili kulinda matokeo. Maeneo muhimu yaliyopewa kipaumbele ni pamoja na; kuimarisha uhusiano na wateja wa humu nchini kanda na kimataifa, kuimarisha maendeleo ya utendaji bora wa kazi na kuwekeza kwa washirika (wafanyakazi). Udumishaji wa thamani ya bidhaa kupitia uzoefu wa wageni ulioboreshwa, maboresho ya bidhaa yanaoendelea na ukumbatiaji wa teknolojia mpya zitasalia kuwa muhimu. Ustahamilivu na uwezo wa kubadilika wa mfumo wetu wa biashara unaliweka kundi vizuri kupata mafanikio thabiti mwaka 2025.

Katika kipindi cha mwaka 2024, hoteli za Serena zilikuwa na fahari kupokea matuzo kadhaa ya heshima ya kitaifa na kimataifa kama ilivyoelezewa kupitia ukurasa 40 na 41 wa ripoti hii ya Mwaka.

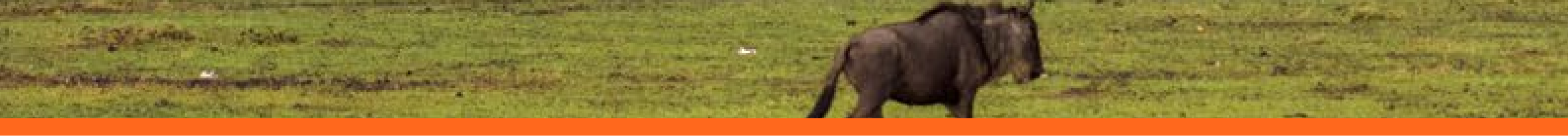
Ningependa kutambua kwa dhati msaada muhimu ninaopokea kutoka kwa wanahalmashauri wenzangu kwa kufanikisha shughuli za biashara na mikakati ya kundi mwaka wa 2024.

Nachukua fursa hii kumkaribisha Bw. Mr. Jean Guyonnet-Duperat kama mwanachama mpya kwenye halmashauri ya TPSEAL. Kwa sasa, Bw. Duperat ni msimamizi wa kanda ya Afrika Mashairiki wa PRORARCO. Tafadhali rejelea ukurasa 24 kwa maelezo zaidi kuhusu wasifu wa Bw. Duperat

Kwa niaba ya Halmashauri ya wakurugenzi, natoa shukrani zangu za dhati kwa serikali husika na halmashauri za utawala katika ukanda wote wa Afrika Mashariki kwa mchango wao thabiti kwenye sekta ya Utalii. Pia, tungependa kutambua kwa dhati msaada usio na kifani, imani na uaminifu kutoka kwa wanahisa wetu, wageni, wafanyakazi na washika dau wengine. Msaada wenu umekuwa na umuhimu mkubwa kwa mafanikio ya kundi. Tunatarajia kundeleza ushirikiano huu miaka iliyo mbele.

FRANCIS OKOMO-OKELLO MBS, EBS
MWENYEKITI

Polana Serena Hotel



THE CHIEF EXECUTIVE OFFICER'S REPORT

Reflections and Resilience in 2024

As we reflect on the fiscal year 2024, it is with sincere appreciation that I present the Chief Executive Officer's Report for TPS Eastern Africa PLC (TPSEAP/the Group/Serena Hotels). The year 2024 experienced both opportunities and challenges. With a distinguished portfolio of twenty-two (22) Hotels, Resorts, Safari Lodges, and Camps across the Eastern Africa region, TPSEAP navigated macroeconomic headwinds and delivered a satisfactory performance, reinforcing our position as a leading Pan-African brand in the hospitality industry.

Operating Environment and Market Dynamics

The operating environment remained challenging over the past year, influenced by slow economic recovery, regional geopolitical developments, and evolving travel patterns. These external conditions affected business sentiments, particularly in key source markets. Despite these dynamics, the Group remained agile to overcome the challenges. By closely tracking the guest expectations through our guest feedback portals, we were able to implement timely remedial interventions across our portfolio.

Our approach focused on reinforcing our presence in core markets through well-targeted sales and marketing campaigns to maintain visibility, generate interest, and identify business opportunities. The gradual return of international leisure and corporate travel, along with the sustained growth of regional tourism, offered continual momentum. The Group continues to benefit from a strong brand image, its legacy of service excellence, immersive experiences, and a longstanding commitment to sustainability and wellness, all of which continue to resonate with our guests and other stakeholders alike.

The Meetings, Incentives, Conferences, and Events (MICE) segment remains a key potential area to be explored further. Our city hotels are well positioned to host corporate, government, and diplomatic functions. Simultaneously, enhancements across our leisure portfolio—such as the introduction of a paddle court at Serena Beach Resort & Spa, Mombasa, a new waterhole at Kirawira Serena Camp, the refurbished heated swimming pool at Amboseli Serena Safari Lodge and the heating of existing pools at Lake Elmenteita Serena Camp and Mara Serena Safari Lodge—have elevated the guest experience.

Performance and Value Delivery

In 2024, all TPS entities delivered positive Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA). TPSEAP achieved a 5.18% increase in turnover, reaching KShs 10.19 billion (2023: KShs 9.68 billion). Despite inflationary pressures and the uncertainties within the business environment as explained above, profit before unrealised exchange differences, interest, depreciation, and taxation stood at KShs. 2.45 billion (2023: KShs. 2.53 billion). The appreciation of the Kenya Shilling against the US Dollar, resulted in a non-cash unrealised exchange gain of KShs. 0.83 billion, compared to a non-cash unrealised exchange loss of KShs. 1.03 billion in the previous year on the Group's US Dollar-denominated liabilities. Consequently, Profit After Tax rose to KShs. 1.32 billion (2023: KShs. 0.46 billion). The Group's US Dollar-denominated revenue continues to provide adequate coverage to meet its US Dollar loan obligations due in 2025 and beyond. Prior year results had to be restated to incorporate corrections related mainly to accounting for leases under IFRS 16 and non-controlling (minority) interests.

Our associated companies—Tourism Promotion Services (Rwanda) Limited, operating Kigali Serena and Lake Kivu Serena Hotels, and TPS (D) Limited, managing Dar es Salaam Serena Hotel—delivered satisfactory results.

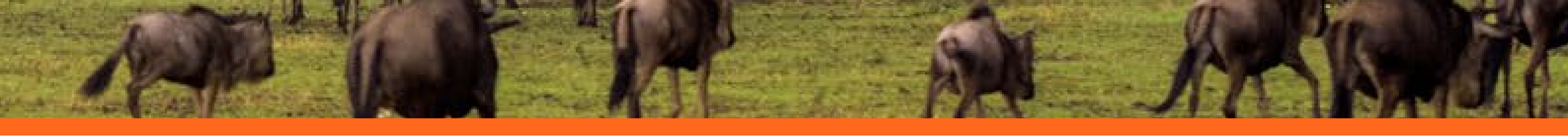
Strategic Execution and Market Expansion

Building on our encouraging performance in 2024 and the challenges outlined in the Chairman's Statement, the Board and Management will maintain a cautious yet forward-looking strategy to ensure continued sustainable growth and adaptability. Our approach combines short-term actions with long-term transformative strategies.

For our guests, we remain focused on providing personalized services and experiences. This includes the rollout of all-inclusive packages across select camps and lodges, adopting relevant technology to streamline bookings, and carrying out thoughtful property refurbishments. The launch of our new call centre in May 2024 has already improved engagement with the travel trade when seeking information from the Group.

For our key stakeholders including shareholders, tour operators, regulators, East African governments, suppliers and investors, we are committed to strengthening our relationships to achieve the strategic objectives and deliver sustainable value to the stakeholders. In February 2024, we hosted a collaborative event for our top 150 leisure business suppliers. The occasion accorded us an opportunity to share our vision for 2024/25, including product upgrades, the revitalized Serena Prestige Club - loyalty program, and strategic partnerships with regional outreach. Our ongoing focus on refining operational processes and conducting continuous risk assessments ensures that we remain on track to meet our business objectives.

To meet evolving guest expectations, we continue to invest in the training and development of our associates. This commitment to continuous improvement and learning will ensure our teams remain



agile and responsive to market dynamics during service delivery.

Having already initiated efforts to tap into emerging source markets, we are seeing positive traction. With marketing representatives in place at various source markets, we are growing our presence and expanding brand awareness. While our traditional source markets continue to perform well, the increasing affluence and travel demand from emerging regions provides exciting opportunities for future growth.

As we move forward, we remain deeply grateful for the unwavering support from our domestic, regional and international leisure and corporate segments for their loyalty and continued patronage.

Enhancing Spaces, Enriching Stays

Guided by invaluable feedback from guests and other stakeholders, the Group has commenced phased refurbishments across key properties to enhance comfort, functionality, and overall guest satisfaction—while preserving the brand's distinctive architectural and cultural heritage. All upgrades are being carried out with minimal disruption, ensuring that our properties remain fully operational throughout.

At Dar es Salaam Serena Hotel, refurbishment of guest accommodation is being carried out in phases and is expected to be completed by end of year 2025. At the Nairobi Serena Hotel, a redesigned Café Maghreb will include live cooking kitchen being installed, plus modern garden-level high-end meeting rooms.

At Kampala Serena Hotel, planned upgrades to the conference centre and meeting rooms is underway. Meanwhile, Kilaguni Serena Safari Lodge and Sweetwaters Serena Camp are expected to have new and larger swimming pools and recreational facilities to elevate our leisure offering.

The Group's pipeline projects scheduled for 2025 include: a purpose-built meeting and banquet facility, a heated swimming pool, and a health club at Arusha Serena Hotel & Resort; a new meeting/banqueting facility at Lake Manyara Serena Safari Lodge; and guest room refurbishment at Zanzibar Serena Hotel. This will allow us to better meet the evolving needs of our guests based on market feedback.

Serena Hotels Loyalty Program: Prestige Club

We are actively growing our Prestige Club Loyalty Program and plan to launch the Serena Prestige Club App in 2025. This will improve convenience in earning and redeeming points for our valued members and key partners.

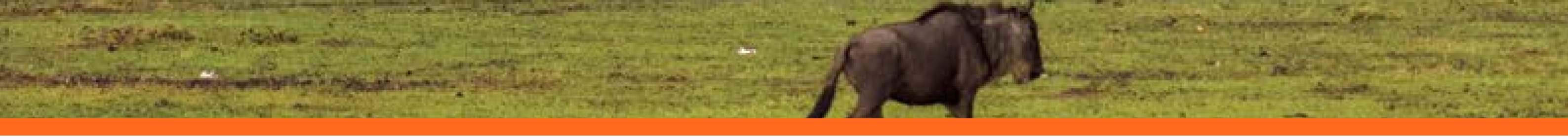
Through strategic regional and international partnerships, we will be enhancing member privileges, increase visibility, and strengthen global cross-promotional opportunities.

Responsible Hospitality, Lasting Impact

By integrating Environmental, Social, and Governance (ESG) practices into daily operations and aligning our initiatives with the United Nations Sustainable Development Goals (SDGs), our properties have made a significant impact across the Eastern Africa region. Our efforts include promoting eco-tourism, addressing climate change, conserving water and energy, utilizing treated sewage water, participating in reforestation, installing solar energy systems, preserving biodiversity, respecting local traditions, culture, and heritage, supporting education including internships, and contributing to public health initiatives in the communities surrounding our operations. Given the substantial risks that climate change poses to the hospitality industry, particularly safari lodges and camps in ecologically sensitive areas—recognizing and addressing these risks is crucial to ensuring our long-term sustainability. By adopting climate-resilient practices and making targeted investments, the Group not only safeguards its own operations but also plays a vital role in preserving the natural environments on which we all depend for sustenance.

As part of our ongoing commitment to sustainability, TPSEAP has

Horse riding at Lake Elmenteita Serena Camp



been a leader in solar energy adoption within Kenya's hospitality sector. In February 2024, we converted the Serena Beach Resort & Spa into a grid-tied solar system, and we expect to complete the thermal solar installation at Nairobi Serena Hotel by May 2025. This marks a significant milestone in a journey that began in 2017, as all seven (7) Serena properties in Kenya now have solar installations.

Additionally, the electrification project at Ngorongoro Serena Safari Lodge, completed in Q2 2024, has significantly reduced our reliance on generators and promoted the use of cleaner energy. This achievement aligns with our Group's decarbonization plan, which aims to achieve net-zero carbon emissions in our own operations by 2030, as outlined in the Chairman's Statement.

As demand for eco-travel continues to rise globally, the Group remains committed to embracing sustainable best practices—ensuring we meet the expectations of today's eco-conscious travellers while creating lasting, meaningful experiences for future generations.

Looking Ahead

As the operating environment evolves, our focus remains on sustainable growth, operational excellence, and brand visibility. Our key priorities for the year 2025 include investing in our people, embedding Serena's service culture across generations, and strengthening succession planning. To keep pace with ever-changing technological trends, enhancements are underway to improve both operational efficiency and guest comfort.

Targeted upgrades across our properties will ensure our offerings remain relevant and appeal to a multi-generational audience. Strategic partnerships and alliances will continue to expand our reach, while refreshed, digitally driven marketing will bring the Serena story to wider audiences.

At the core of it all, our continued commitment to ESG remains aimed at driving real impact and long-term value creation through sustainable practices.

Acknowledgement

To our esteemed shareholders I take this opportunity to extend my heartfelt gratitude for your unwavering support and trust, which has enabled us to deliver value to all our stakeholders.

To our dedicated associates, your resilience and passion for delivering exceptional service underscores the pillars of our mission as a Group. United in purpose, we are advancing a transformative vision for hospitality, solidifying Serena's leadership as Africa's premier brand in the hospitality industry anchored in innovation, impact, and excellence.

To our valued guests, thank you for choosing Serena Hotels, Lodges, Camps, and Resorts as your preferred choice. Your loyalty inspires us to continually innovate and enhance guest experiences that reflect Africa's rich heritage while embracing global standards of hospitality.

To the Board of Directors, thank you for your visionary stewardship and steadfast guidance throughout the year 2024. Your governance oversight ensures that Management remains anchored to our purpose.

I am honoured to lead a team of dedicated associates who consistently strive for operational excellence while navigating a competitive business landscape. We remain deeply committed to carrying forward Serena's legacy. As we look ahead to 2025 and beyond, our journey continues—delivering purposeful hospitality rooted in impact, value creation and sustainability.

ASHISH SHARMA
MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

Lake Kivu Serena Hotel

TAARIFA KUTOKA KWA AFISA MKUU MTENDAJI

Mtazamo na Ustahimilivu Mwaka 2024

Huku tunapoangazia mwaka wa kifedha wa 2024, ni fahari kuu kuwaletea ripoti kutoka kwa Afisa Mkuu Mtendaji ya TPS Eastern Africa PLC (TPSEAL/ Kundi/ Hoteli za Serena). Mwaka 2024 ulikumbwa na nafasi na changamoto. Huku ikiwa na hoteli ishirini na mbili (22), maeneo ya kupumzika, hoteli za safari na kampi kote katika ukanda wa Afrika Mashariki, TPSEA ilikumbana na mawimbi ya chumi ndogo na kupata matokeo ya kufana hivyo kuimarisha nafasi yake kama kiongozi barani Afrika katika biashara ya hoteli.

Mazingira ya Utekelezaji na Mabadiliko ya Soko

Mazingira ya uendeshaji yalisalia kuwa magumu mwaka uliopita kutokana na; mwendo wa chini wa kuinuka kwa uchumi, matukio ya kijiografia ya kanda na kuibuka kwa mikondo ya usafiri. Hali hizi za nje ziliathiri vitengo vya biashara hasa masoko muhimu yaliyo chimbuko la utalii. Licha ya mabadiliko haya, kundi lilisalia kuwa imara na kukabiliana na changamoto hizi. Kwa kufuatilia kwa karibu matarajio ya wateja kupitia mkondo wetu wa kupokea maoni, tuliweza kutekeleza hatua za marekebisho kwa muda unaofaa katika maeneo yote ya biashara zetu.

Mpango wetu ulilenga kuimarisha uwepo wetu katika masoko makuu kupitia kampeni za mauzo na masoko zilizolengwa vizuri ili kudumisha upeo, kuleta hamasa na kutambua nafasi za biashara. Kurejeleaa taratibu kwa safari za burudani , za kimataifa na usafiri wa mashirika pamoja na ukuaji endelevu wa utalii katika kanda, kulitoa nafasi kwetu kuendelea mbele. Kundi linazidi kufaidi kutokana na chapa thabiti ya bidhaa zake, tajriba yake ya utoaji huduma za hali ya juu, kumbu kumbu za kihistoria na kujitolea kwa muda mrefu kwa uendelevu na ustawi na kuendelea kuwasiliana na wageni wetu na wadau wengine kwa pamoja.

Vitengo vya hafla, matoleo, mikutano na matukio (MICE) vimesalia kuwa maeneo muhimu yanayohitaji kufanyiwa ukaguzi zaidi. Hoteli zetu za mjini ziko katika nafasi nzuri ya utoaji wa huduma za mashirika, serikali na za kidiplomasia.

Kwa pamoja, uboreshaji kwenye vitengo vyetu vya burudani kama vile kubuniwa kwa uwanja wa kuchezea tenisi katika hoteli ya Serena Beach Resort and Spa Mombasa, eneo jipya la matumizi ya vinywaji katika Kirawira Serena Camp, ukarabati wa kidimbwi cha kuogelea chenye maji moto katika Amboseli Sererna Lodge na kuweka mitambo ya upashaji maji moto kwenye madimbwi ya sasa ya Lake Elmentaita Serena Camp na Mara Serena Lodge kumeridhisha matarajio ya wateja.

Matokeo na Uzalishaji Thamani

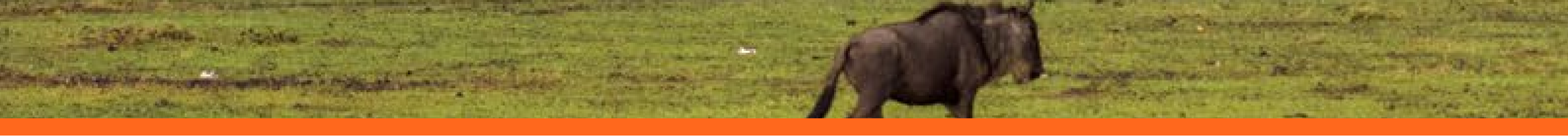
Kipindi cha mwaka 2024, watanzu wote wa TPS walipata mapato ya kufana kabla ya riba, Ushuru,kuanguka kwa thamani na malipo (EBITDA). TPSEAP ilipata ongezeko la asilimia 5.18% katika mauzo ya jumla na kufikia Ksh. bilioni 10.19 (2023: zilikuwa bilioni Ksh 9.68). Licha ya shinikizo la mfumuko wa bei za bidhaa na taharuki kwenye mazingira ya bidhaa kama iliyoelezewa hapo juu, faida kabla ya tofauti za ubadilishaji, riba, kushuka kwa thamani na ushuru ilifikia Ksh. bilioni 2.45 (Mwaka 2023 ilikuwa Ksh.bilioni 2.53). Kupanda kwa thamani ya shilingi ya Kenya dhidi ya dola ya marekani kulipelekea kupatikana kwa faida ya mapato yasiyo ya kifedha ya Ksh. bilioni 0.83 ikilinganishwa na hasara ya mapato yasiyo ya kifedha ya Ksh. bilioni 1.03 mwaka uliotangulia kwenye madeni ya kundi katika mfumo wa dola ya marekani. Kwa sababu hiyo, faida kabla ya ushuru ilipanda na kufikia Ksh. bilioni 1.32 (mwaka 2023 ilikuwa Ksh. bilioni 0.46). Umiliki wa mapato ya dola kwa kampuni unazidi kuleta uwiano mzuri kukidhi wajibu wake wa mkopo wa dola za Marekani unaotarajiwa mwaka 2025 na siku za usoni. Matokeo ya mwaka uliopita yalipaswa kurekebishwa ili kufanya marekebisho yanayohusiana na uhasibu wa mikataba ya ukodishaji chini ya IFRS 16 na maslahi yasiyothibitika (ya wachache) .

Kampuni zetu tanzu ambazo ni Tourism Promotion Services (Rwanda) Limited inayotekeleza shughuli za Kigali Serena na Lake Kivu Serena Hotel na pia TPS (D) Limited inayosimamia Dar es Salaam Serena Hotel zilipata matokeo mazuri.

Uzinduzi wa Mkakati na Upanuzi wa Soko

Kwa kuegemea matokeo yetu ya kufana mwaka 2024 na changamoto zilizotajwa kupitia taarifa ya Mwenyekiti, Halmashauri na Usimamizi zitadumisha mkakati unaotuelekeza mbele ili kuhakikisha ukuaji thabiti na uzoefu. Mwenendo wetu unahusisha hatua za muda mfupi na mikakati ya mabadiliko ya muda mrefu.

Kwa wateja wetu, tutasalia kuangazia utoaji wa huduma za kibnafsi na uzoefu. Hii inahusu uzinduzi wa matoleo ya pamoja katika kampi zetu zote na maeneo ya kulala kwa kutumia teknolojia husika ili kuainisha maombi ya nyumba na kutekeleza mabadiliko ya raslimali yatakayofaa. Tayari , uzinduzi wa kituo chetu kipya cha mawasiliano mwezi Mei 2024 umeimarisha mahusiano na biashara ya usafiri wakati wa kutafuta maelezo kutoka kwa kundi.



Kwa washikadau wetu muhimu wakiwemo wanahisa, waendeshaji wa biashara ya utalii, serikali za mataifa ya Afrika Mashariki, Wasambazaji na Wawekezaji wamejitolea kuimarisha uhusiano wetu ili kuafikia malenga ya mkakati na kuzalisha thamani kwa washika dau. Mwezi Februari, tuliandaa hafla ya mashauriano na wauzaji 150 bora wa biashara ya starehe. Tukio hili lilitupatia fursa ya kufafanua ruwaza yetu ya mwaka 2024/25 ikiwemo uimarishaji wa bidhaa, ufufuzi wa mpango wa Serena Prestige unaozawadi na pia ushirikiano wa kimkakati wenye mawanda ya kanda. Mtazamo wetu unaoendelea kuhusu taratibu za uboreshaji na utelekezaji wa tathmini za hatari unatoa hakikisho kwetu kuwa tumesalia kwenye mkondo wa kutimiza malengo yetu kibiashara. Ili kufanikisha matarajio ya wateja yanayoibuka, tutaendelea kuwekeza kwenye mafunzo na maendeleo ya washirika wetu. Uwajibikaji huu wa kuendelea kuboresha na pia mafunzo utahakikisha kuwa timu zetu zimesalia imara kukabiliana na mabadiliko ya soko wakati wa utoaji wa huduma.

Tayari, baada ya kuzindua juhudi za kuingia masoko ibuka ya biashara, tumeanza kushuhudia mvutio mzuri. Huku tukiwa na waakilishi wa masoko kwenye maeneo mbali mbali ya biashara, tutazidi kupanua upeo wetu wa bidhaa. Kupanuka kwa masoko yetu ya kawaida yanayozidi kufanya vyema na kuongezeka kwa mahitaji ya safari kutoka maeneo yanayoendelea kunatoa fursa nzuri kwa ukuaji wa siku za baadaye.

Tunaposonga mbele, tunatoa shukrani zetu kwa msaada usio na kifani kutoka kwa vitengo vyetu vya humu nchini, kanda na starehe za kimataifa kwa uaminifu wao na kuendelea kutudhamini.

Kuboresha Mazingira, Kufanikisha Mapumziko

Kwa kuegemea maoni yaliyopokelewa kutoka kwa wageni na wadau wengine, kundi limeanza ukarabati kwa taratibu za hatua katika maeneo yote ya raslimali zake muhimu ili kuboresha starehe, utendaji, na kwa jumla kuridhisha matamanio ya wageni huku wakidumisha sura ya muundo na hadhi ya jina. Marekebisho yote yanatekelezwa bila usumbufu na kuhakikisha kwamba raslimali zetu zinaendesha shughuli zake wakati wote.

Katika hoteli ya Dar es Salaam Hotel, marekebisho katika vyumba vya kulala vya wageni unatekelezwa kwa awamu na yanatarajiwa kukamilika mwisho wa mwaka 2025. Katika Hoteli ya Nairobi Serena Hotel, muundo wa sura mpya wa Café Maghreb utahusisha kuwekwa kwa jiko la mapishi ya moja kwa moja pamoja na vyumba vya kisasa vya mikutano ya hali ya juu kwenye bustani.

Huko Kampala Serena Hotel, mipango ya kuimarisha kumbi na vyumba vya mikutano inaendelea. Wakati huo, vituo vya Kilaguni Serena Safari Lodge na Sweetwaters Serena Camp vinatarajiwa kuwa na madimbwi makubwa mapya ya kuogelea pamoja na vifaa ili kuinua huduma zetu za burudani.

Miradi ya kundi iliyopangwa kufanyika mwaka 2025 ni pamoja na; kituo maalumu cha mikutano na sherehe, kidimbwi cha kuogelea chenye maji moto pamoja na kituo cha kufanyia mazoezi ya mwili katika hoteli za Arusha Serena Hotel & Resort; kituo kipya cha mikutano na sherehe katika hoteli ya Lake Manyara Serena Safari Lodge na ukarabati wa vyumba vya wageni katika Zanzibar Serena Hotel. Hali hii itatuwezesha kuafikia mahitaji mapya ya wageni wetu kwa kutegemea majibu kutoka masoko.

Mpango wa Uzawadiaji wa Hoteli za Serena: Prestige Club

Tunazidi kukuza mpango wetu wa uzawadiaji wa Prestige Club Loyalty Program na tunapanga kuzindua mradi wa Serena Prestige Club app mwaka 2025. Mpango huu utarahisisha shughuli za kupokea na kutumia alama kwa wanachama wetu na washirika wengine muhimu.

Kupitia ushirikiano wa mkakati katika kanda , tutakuwa tunaimarisha haki za mteja, kupanua upeo na kufanikisha fursa za ushirikiano na uhamasishaji wa pamoja kimataifa.

Mhudumu wa Biashara ya Hoteli Anayewajibika, Kumbukumbu ya kudumu

Kwa kuweka pamoja mipango ya mazingira, jamii na utawala (ESG) kwenye shughuli za kila siku na kuainisha mikakati yetu na Malengo ya Umoja wa Mataifa kuhusu maendeleo endelevu (SDGs), raslimali zetu zimepata ufanisi mkubwa kote katika ukanda wa Afrika Mashariki. Juhudi zetu zinahusu kuhamasisha utalii wa mimea na wanyama, kuangazia mabadiliko ya hali ya anga, uhifadhi wa maji na kawi, matumizi ya maji taka yaliyotibiwa, kushiriki zoezi la upanzi wa miti, kuweka mitambo ya matumizi ya miale ya jua , kuhifadhi mazingira anuwai, kuheshimu utamaduni wa wakazi, mila na turathi, kuchangia elimu ikiwemo ajira za muda mfupi za kitaaluma na kuchangia kwenye mikakati ya afya ya umma kwa jamii zinaozoishi maeneo tunakotekeleza shughuli zetu. Kwa kutambua athari zinazosababishwa na mabadiliko ya hali ya anga kwenye sekta ya mahoteli na hasa hoteli za kulala na kampi maeneo yanayokabiliwa na ekolojia, kutambua na kuangazia athari hizi ni muhimu kuhakikisha kuendelea kuwepo kwetu kwa muda mrefu. Kwa kuanza matumizi ya mbinu za kustahimili mabadiliko ya tabianchi na kutenga uwekezaji uliolengwa, kundi halilindi raslimali zake tu lakini pia linatekeleza wajibu mkubwa wa uhifadhi wa mazingira asili ambayo sote tunategemea.

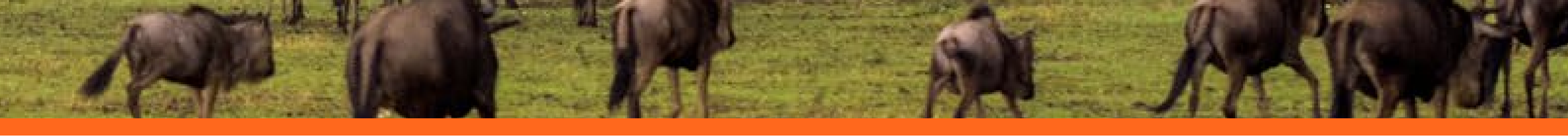
Kama sehemu ya kujitolea kwetu kuendeleza udumishaji, TPSEAP imekuwa kiongozi katika matumizi ya nishati ya jua kwenye sekta ya mahoteli nchini Kenya. Mnamo Februari 2024, tuliweza kuweka mitambo ya kawi ya jua katika hoteli ya Serena Beach Resort & Spa na tunatarajia kukamilisha uwekaji wa nishati ya jua katika hoteli ya Nairobi Serena ifikiapo mwezi Mei mwaka 2025. Hii inaashiria ufanisi mkubwa kwenye safari tuliyoanza mwaka wa 2017 kwani raslimali zote saba (7) za Serena nchini Kenya sasa zina mifumo ya jua.

Zaidi ya hayo, mradi wa nguvu za umeme wa Ngorongoro Serena Safari Lodge uliokamilika kipindi cha awamu ya pili mwaka 2024 umepunguza kwa kiwango kiwango tegemeo letu kwenye matumizi jenereta na kuchangia kawi safi. Mafanikio haya yanawiana na mpango wetu wa kumaliza utoaji wa gesi ya kaboni na kuzuia uchafuzi wa hewa hadi asilimia sufuri ifikiapo mwaka 2030 kama ilivyofafanuliwa kupitia taarifa ya Mwenyekiti.

Huku mahitaji ya usafiri wa mazingira yakizidi kuongezeka duniani, kundi litasalia kwenye udumishaji wa mbinu bora za utekelezaji na kuhakikisha kwamba tunaafikia matarajio ya sasa ya wasafiri huku tukibuni hisia za maana kwa vizazi vinavyokuja.

Kuangazia Siku za Usoni

Huku mazingira ya utekelezaji yakizidi kubadilika, mtazamo wetu unasalia kwenye ukuaji uthabiti, ufanisi , utendaji na upeo wa bidhaa. Kipaumbele chetu kikuu mwaka 2025 ni kuwekeza kwa watu wetu,



kuhusisha huduma za Serena kwa vizazi mbalimbali na kuimarisha mipango ya urathi. Ili kukabiliana na kasi ya mienendo ya kiteknolojia, mipango inaendelea kuboresha ufanisi wa operesheni na stareze za wageni.

Uboreshaji uliolengwa katika raslimali zetu utahakikisha kwamba huduma zetu zitaendelea kuwa za kufana na zinazovutia hadhira mbali mbali. Mikakati ya ushirikiano na miungano itaendelea kupanua upeo wetu huku juhudi za uvumishaji kupitia mifumo ya kidijiteli ikieneza sifa za Serena kwa wateja wa mbali.

Kwa msingi wa haya yote, uwajibikaji wetu wa kuhusisha ESG utandelea ukiwa na dhamira ya kuleta athari halisi na uzalishaji wa thamani kupitia taratibu zinazofaa.

Shukurani

Kwa wanahisa wetu wapendwa, nachukua fursa hii kutoa shukrani zangu za dhati kutokana na msaada wenu usio na kifani na imani ambayo imetuwezesha kuzalisha thamani kwa washikadau wetu.

Kwa washirika wetu mliojitolea, ustahimilivu wenu na nia ya kutoa huduma bora zinadhihirisha nguzo na malengo yetu kama kundi. Tukiwa tumeungana kwa lengo, tutaendesha ndoto ya mabadiliko ya biashara ya hoteli na kuthibitisha uongozi wa Serena kama chapa bora barani Afrika katika sekta ya mahoteli inayoendeshwa kupitia uvumbuzi, athari na ubora.

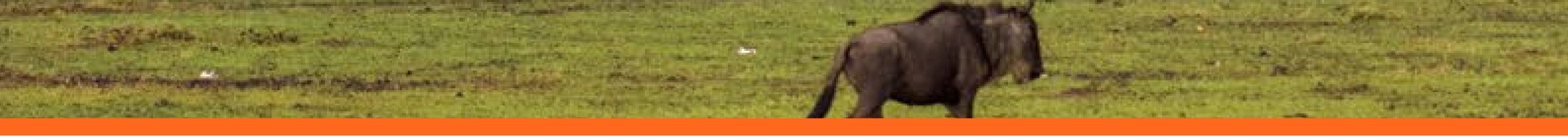
Kwa wateja wetu wapendwa, tunawashukuru kwa kuchagua hoteli za Serena , kampi na maeneo ya kulala kama chaguo lenu. Uaminifu wenu unatuchochea kuendelea mbele kufanya uvumbuzi na kuimarisha huduma kwa wateja zinazoashiria utajiri wa turathi za Afrika huku tukikumbatia viwango vya kimataifa kwenye sekta ya mahoteli.

Kwa Halmashauri ya Wakurugenzi, tunawashukuru kwa uongozi wenu wenye maono ya mbali na mwongozo thabiti mwaka 2024. Usimamizi wenu unahakikisha kwamba uongozi unaendelea kujikita kwenye malengo yetu.

Ninaona fahari kusimamia timu ya washirika waliojitolea ambao kila mara wanajitahidi kufanikisha utekelezaji wa shughuli huku wakipitia mazingira ya biashara yenye ushindani. Tutaendelea kujitolea kuendeleza sifa za Serena. Huku tunapoangalia mbele mwaka 2025 na zaidi, safari yetu itaendelea kutoa huduma za mahoteli zilizo na athari na kuzalisha thamani ya kudumu.

ASHISH SHARMA
MENEJA MKURUGENZI NA AFISA MKUU MTENDAJI

Lake Victoria Serena Golf Resort, Uganda



Board of Directors

1

MR. FRANCIS OKOMO-OKELLO – Chairman 1

Mr. Okello (aged 75yrs) is a qualified lawyer. He holds a Second Upper Class Honors LLB degree from the University of Dar-es-Salaam. He is an Albert Parvin Fellow of the Princeton University, Princeton School of Public and International Affairs (formerly Woodrow Wilson School of Public and International Affairs) (USA) and a Fellow of The Kenya Institute of Bankers (FKIB). He previously served as an independent Non-Executive Director of ABSA Group Limited (formerly Barclays Africa Group Limited), ABSA Bank Limited (South Africa) and the immediate former Chairman of ABSA Bank Kenya PLC (formerly Barclays Bank of Kenya PLC). He is also a former Non-Executive Director of the Nation Media Group Limited, among other Companies. He also previously served as a member of the Advisory Board of the Strathmore University Business School (formerly Strathmore Business School) and as a member of the Advisory Committee of the Aga Khan University, Faculty of Arts and Sciences – East Africa. He is currently an Executive Director and Board Advisor at the Industrial Promotion Services Group (East Africa).

2

MR. AZIZUDDIN BOOLANI - Global Head of Serena Hotels 2

Mr. Azizuddin Boolani (aged 67 years) has been a hospitality industry leader for 39 years, holding key executive roles at Marriott Hotels, Pearl Continental Hotels, and Serena Hotels in Pakistan. Currently, he is the Global Head of Tourism (t/a Serena Hotels) for the Aga Khan Fund for Economic Development (AKFED). Over his 25-year tenure with Serena Hotels, he has played a vital role in operations, financial management, project development and the brand's strategic expansion. He has been instrumental in Serena Hotels' community support initiatives under the banner of Sports, Culture, Public and Adventure Diplomacy initiatives and leads the 'Karighar' women's empowerment program, which provides vocational training to marginalized communities. In recognition of his contributions to community engagement, he was honoured with the civilian award 'Sitara-e-Imtiaz' by the President of Pakistan in 2016. Mr. Boolani is a Fellow of the Institute of Cost and Management Accountants of Pakistan and a graduate of the General Manager and Marketing Program from the Holiday Inn University, Memphis, USA. He has also held leadership positions as Chairman of the Pakistan Hotel Association, Chairman of the Aga Khan Rural Support Programme, Honorary Secretary of the Aga Khan Economic Planning Board, and Director of the Pakistan Tourism Development Corporation.

3

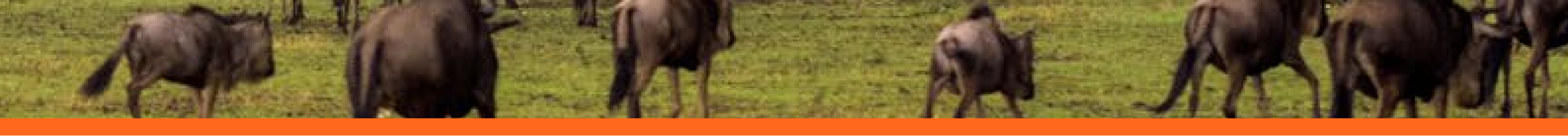
MR. ASHISH SHARMA - Managing Director and Chief Executive Officer 3

Mr. Ashish Sharma (aged 58 yrs) has experience spanning over 34 years in diverse business portfolios including Tourism & Hospitality in the developing world covering strategic growth and development. He is an Associate of the Institute of Chartered Accountants of England and Wales, and Certified Public Accountant in Canada. He holds a Master of Business Administration in General Management from IESE Business School in Barcelona and is a graduate of the Stanford Executive Leadership Program. He has also worked with the Aga Khan Fund for Economic Development SA (AKFED) for last 20 years, where he held the position of Head of Finance and Strategy for the AKFED tourism & hospitality sector in Asia and Africa, operating as Serena Hotels.

4

MR. MOHAMED BAGHA - Group Finance Director 4

Mr. Bagha (Aged 50 years) has experience of over 30 years in finance and accounting including 23 years within Tourism & Hospitality covering strategic growth and development, financial, operational as well as compliance expertise. Mr. Bagha is a Fellow of the Association of Chartered Certified Accountants in United Kingdom (ACCA UK) and a member of Institute of Certified Public Accountants of Kenya (ICPAK). He holds a Post Graduate Certificate in Business Administration with Merit from University of Leicester and several other technical certifications in finance and information technology. Until this appointment, he held the position of Group Chief Financial Officer for Neptune Hotels and Resorts and, previously at The Latitude Hotels Group, in similar capacity. Prior to that he was at Serena Hotels for 17 years having held senior management positions within the finance function with his last designation being Group Financial Controller.



Board of Directors (continued)

MR. MAHMOOD PYARALI MANJI - Non-Executive Director 5

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Mr Manji (aged 71 yrs) is a Fellow of the Institute of Chartered Accountants in England and Wales and the Kenyan Institute of Bankers. He is the Chairman of the Aga Khan Schools in Kenya. He is the former Chairman of The Diamond Trust Banks in East Africa and a Director of the Capital Markets Authority in Kenya. In December 2012, Mr Manji was awarded the Order of the Grand Warrior of Kenya (OGW) by His Excellency the President of the Republic of Kenya, in recognition of distinguished services rendered to the nation.

MR. GUEDI AINACHE - Non-Executive Director 6

6

Mr. Guédi Aïnaché (aged 49 yrs) holds a Masters Degree in Audit and Risk Management from the University of Angers, France and he is also a graduate of Economic Science, from the University of Le Mans, France. Currently he is the Corporate Finance Director at MMD Investments Limited. He has previously worked with Trade and Development Bank as Head of Syndication, based in Nairobi, PROPARCO in Nairobi as Regional Head for East Africa and in Paris as Senior Investment Officer within the Corporate Division handling various large corporate financing transactions across various regions in Africa, Latin America & Asia and as an Associate Director with Crédit Agricole Corporate and Investment Bank in France. He is also a Non-Executive director of Dimaond Trust Bank Kenya Limited.

MR. ALKARIM JIWA – Non-Executive Director 7

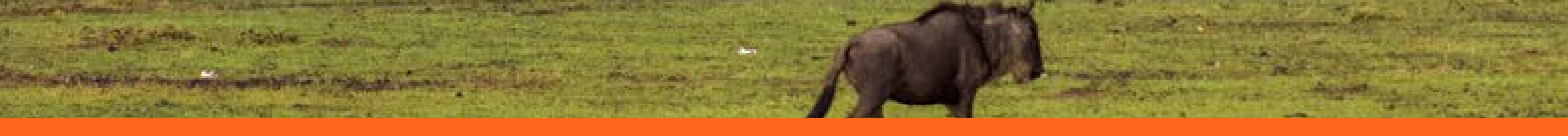
7

Mr. Alkarim Jiwa (aged 55 yrs) is a Fellow of the United Kingdom based Association of Chartered Certified Accountants (ACCA), a member of the Institute of Certified Public Accountants of Kenya (CPA, K), holds a certificate in Management Audits, London School of Economics (2008) and is a member of the Institute of Directors –Kenya. Currently, Mr. Jiwa is the Finance and Strategy Director of Diamond Trust Bank Kenya Limited, as well as a Non-Executive Director of Diamond Trust Bank Burundi S.A., Diamond Trust Bancassurance Intermediary Limited (Kenya), Diamond Jubilee Investment Trust (Uganda) Limited, Network Insurance Agency Limited (Uganda).

MRS. RACHEL DUMBA - Non-Executive Director 8

8

Mrs. Rachel Dumba (aged 48 yrs) holds a Masters Degree in Strategic Human Resources Management from Manchester Metropolitan University and is a member of the UK Chartered Institute of Personnel and Development. She is currently the Chief Executive Officer and Partner in charge of Strategy and Human Capital Management at Steadman Global. Mrs. Dumba has worked at senior Management levels at Kenol Kobil, DFCU Bank and Citibank. She is also a Board member of Uganda Breweries Limited (part of Diageo), Sanlam General Insurance Uganda, and Junior Achievement Uganda Boards, as well as several private investment Boards.



Board of Directors (continued)

9

MR. JEAN GUYONNET-DUPERAT – Non-Executive Director 9

Mr. Jean Guyonnet Duperat (aged 45 yrs) holds a Masters' in Public Affairs from Sciences Po Paris, and a Masters' in Law from of Montesquieu University (France) and Humboldt University (Germany). He is currently the Regional Head of PROPARCO in East Africa in charge of strategy formulation, team management, coordination of deal origination and structuring, and stakeholder's engagement. Previously, He was the Country Director of PROPARCO in Nigeria, served as an Inspector with the Inspection Generale of the French Agency for Development (AFD), a Business Relationship Manager and Internal Auditor at Dexia in France, and a credit analyst at BNP Paribas.

10

MR. DONALD MHAIKI - Non-Executive Director 10

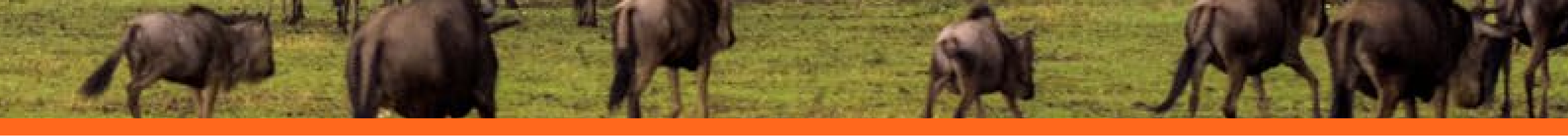
Mr. Donald Mhaiki (aged 45 yrs) holds Masters Graduate in Information Systems Management from Washington International University. He also holds a Bachelor of Science Degree in Computing and Information Systems from London Metropolitan University and a Diploma in Computer Studies from Institute for Information Technology-Tanzania. Mr. Mhaiki is currently the Director of Information Technology at the National Social Security Fund – Tanzania, a position that he has held since 2021.

11

MR. DOMINIC K. NG'ANG'A - Company Secretary 11

Mr. Ng'ang'a (aged 50 yrs) holds a Bachelor of Commerce (Accounting) Degree from KCA University. He is a CPA finalist and a Certified Public Secretary CPS (K). He is also a member of The Institute of Certified Public Secretaries of Kenya (ICPSK).

Mara Serena Safari Lodge



Corporate Governance Statement

The Board of Directors of TPS Eastern Africa PLC (TPSEAP/ "the Company") is responsible for the formulation, implementation and oversight of the Company's policies, overall management of the Company's operations, strategic direction, and governance of the Company and its subsidiaries ("TPS Group"). The Board is thus accountable to the Group's shareholders for ensuring that the Company complies with the relevant laws and regulations. The TPS Group is founded on strong corporate governance principles underpinned by consistent application of ethical standards in its relationships with its clients, employees, suppliers and other stakeholders. This is consistent with the TPS Group's core values of effective corporate governance that has led to a strong commitment and resolve to conduct business in accordance with best business practices based on the principles of transparency, accountability, responsibility, sound risk management, and compliance with relevant laws and regulations, appropriate checks and balances, and delivery on its commitments to all stakeholders.

The Company has complied with the Nairobi Securities Exchange (NSE) requirements under the Continuing Listing Obligations and most of the provisions of the revised Code of Corporate Governance Practices for Issuers of Securities to the Public 2015, as issued by the Capital Markets Authority (CMA) (the CMA Guidelines) and gazetted in 2017 save for the exception noted below. In this respect, the Directors of the Company have committed to ensuring that the integrity of internal systems remains sufficiently robust in enhancing the Group's financial performance and sustainability.

BOARD OF DIRECTORS

The Board consisted of ten substantive directors as at 31 December, 2024. The Chairman is a Non-Executive director. A majority of the directors are Non-Executive and independent, a manifestation that the interests of the minority shareholders are taken into consideration. There are two Executive directors, i.e. the Managing Director and Group Finance Director. Re-election and appointment of directors is subject to the provisions of the Company's Articles of Association and the CMA Guidelines. The directors have a wide breadth and depth of business and professional skills and experience, and each contributes independently and collectively to the Board's deliberations. The directors meet at least four (4) times a year in accordance with the Board's Charter. In addition, the Board holds special meetings to deliberate on issues of strategic importance, or as required by statute, or in compliance with the requirements of regulatory authorities.

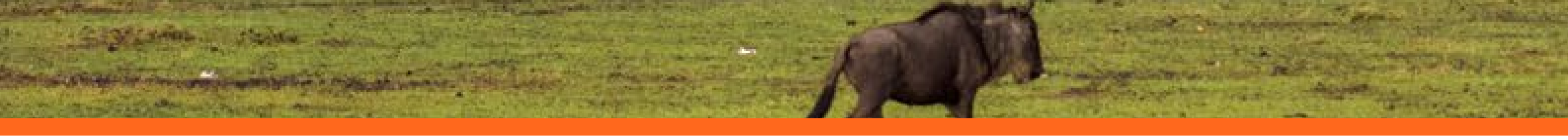
The Board held four (4) scheduled Board meetings in 2024 attended by directors as indicated below

	NAME OF DIRECTOR	NO. OF BOARD MEETINGS ATTENDED
1	Francis Okomo-Okello	3
2	Ashish Sharma	4
3	Guedi Ainache	4
4	Mahmood Manji	4
5	Nooren Hirjani	1
6	Alkarim Jiwa	4
7	Aziz Boolani	4
8	Audrey Maignan	3
9	Rachel Dumba	3
10	Donald Mhaiki	3
11	Mohamed Bagha	3

Notes:

1. Four (4) Board meetings were held in 2024 (2023:5).
2. Mr. Nooren Hirjani's Contract of employment as the Chief Financial Officer terminated on 30th June, 2024 and thus he could only attend one (1) Board meeting.
3. Mr. Mohamed Bagha was appointed on 1.7.2024 and hence he could only attend three (3) Board meetings.
4. Ms. Audrey Maignan relocated back to France in October, 2024 and was unable attend the last Board meeting

Management provides the directors with adequate notice of Board meetings and timely information so that the directors are duly informed and able to contribute constructively at Board meetings. This also enables the directors to maintain effective oversight and control over strategic, financial, operational, and compliance matters. The separation of the Board's Non-Executive, independent Chairman's role, from that of the Group's Management, obviates the possibility of conflict between the respective roles of the Chairman and those of the Executive Managing Director. This segregation strengthens the Board's independence and further ensures in-built checks and balances. Consequently, the Board continued to maximize shareholders' value whilst maintaining the long-term sustainability of the TPS Group through active leadership.



Corporate Governance Statement (continued)

The Company's shareholders re-elected Mr. Francis Okomo-Okello, Mr. Mahmood Manji and Mr. Donald Mhaiki, as directors of TPSEAP Board during the last Annual General Meeting, held on 27th June, 2024.

Mr. Nooren Hirjani's contract of employment as the Chief Financial Officer of the TPS Group terminated on 30th June, 2024. He was replaced by Mr. Mohamed Bagha who was appointed on 1st July, 2024 in the position of the Group Finance Director.

After relocating back to France, coupled with a fairly tight schedule, Ms. Audrey Maignan felt that she would not be able to give TPSEAP Board adequate attention and thus resigned from the Board on 28th April, 2025.

BOARD OF DIRECTORS' OVERSIGHT ROLE

As noted above, the Board provides direction on policy and oversight in respect of the Group's internal controls, strategy, finance, operations, budgets and compliance matters in order to ensure sustainable returns to its shareholders. The Board, in collaboration with Management, carries out periodic reviews comparing actual performance with set targets and takes corrective measures where necessary, to ensure that the Company's business performance is optimized. As at the date of this report i.e. 31.12.2024, the Company had no known trends that would have material effect on the financial position and operations of the Company in the future.

BOARD COMMITTEES

The Board has set up two main Committees (the Committees) and has delegated specific mandates to each respectively. The Committees, namely, Board Audit and Risk Committee and Board Nomination and Remuneration Committee, function under specific written Terms of Reference (ToR). The Board reviews the number of Committees and their respective ToR from time to time so as to plan and proactively respond to the Group's dynamic business environment and comply with the ever-changing relevant legislation and regulations. The Committees meet at least quarterly each calendar year as stipulated in their respective ToR.

In order to ensure that Risk matters were adequately addressed, the Board reviewed the Terms of Reference of the Board Audit Committee and incorporated provisions pertaining to Risk and Compliance reviews as part of the Committee's mandate. This also necessitated the renaming of the Committee to Board Audit and Risk Committee.

BOARD AUDIT AND RISK COMMITTEE

Members of this Committee comprised: Mr. Mahmood Manji (Chairman), Mr. Guedi Ainache, Mr. Alkarim Jiwa and Mr. Aziz Boolani. The Committee engages closely with the Group's Internal Audit Department, External Auditors and Risk & Compliance function. The Committee plays a critical role in reviewing financial information and ensuring that the system of internal controls is sound, effectively administered and reviewed from time to time as necessary. During the year under review, the Committee evaluated significant audit findings identified by both internal and external auditors, and progressed implementation of necessary remedial, and continuous improvement measures.

The Board authorized the Committee to seek direct feedback from the Company's employees and independent professionals, whenever necessary, regarding important information or advice on matters pertaining to its work. The Board reviewed the membership of the Committee during the year under review in accordance with the CMA Guidelines as well as the Committee's own ToR. The Committee held five (5) scheduled meetings during the year under review. External auditors and the Management Team also attended the Committee's meetings as required, to discuss, assess and / or respond to specific matters under review. The Committee also meets with the external auditors independently of the Management Team in assessing key audit and risk management matters.

The Board has adopted the Enterprise Risk Management Policy. This Policy is aimed at addressing inherent business risks given the Company's fast paced operating environment across Eastern Africa. The Board and Management have rolled out a framework for the operationalization and implementation of the Policy and ensure its adherence across the business. This initiative is being spearheaded by the Board Audit and Risk Committee through the Risk and Compliance Officer. A revised Enterprise Risk and Compliance Framework was reviewed, discussed and approved by the Board on 4th November, 2024 and is currently being implemented.

BOARD NOMINATION AND REMUNERATION COMMITTEE

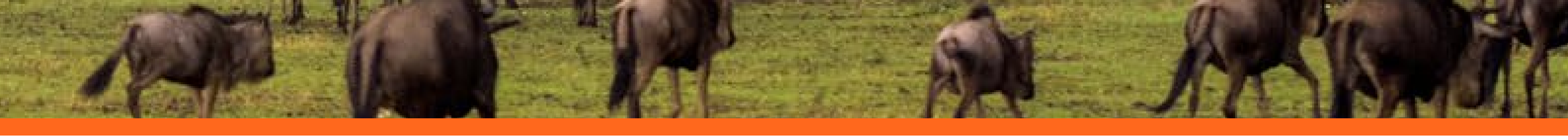
The Committee's membership comprised: Mrs. Rachel Dumba (Chairperson), Mr. Guedi Ainache, Mr. Mahmood Manji, and Mr. Aziz Boolani. The Board has mandated the Committee to consult independent experts, where necessary, to evaluate the Company's organizational structure, staff establishment, staff development and succession plans and recommend to the Board appropriate Human Resources policies, senior employee's remuneration scales and general talent capacity enhancement. The Committee held three (3) scheduled meeting during 2024.

In observing attributes of good corporate governance and compliance with the revised Code of Corporate Governance Practices for Issuers of Securities to the Public 2015, Mr. Guedi Ainache stepped down as the Chairman of the Board Nomination and Remuneration Committee and in his place an independent director, Mrs. Rachel Dumba was appointed the Chairperson.

The Board mandates the Committee to propose nominees for appointment to the Board as may be required from time to time, and to assess the effectiveness of the Board, Committees of the Board, as well as individual directors and make necessary recommendations to the Board to enhance the overall effectiveness of the Board's governance. This is effectively undertaken in liaison with an external consultant.

As per its mandate the Board Nomination and Remuneration Committee reviewed the suitability of Mr. Jean Guyonnet-Duoperat to join the TPSEAP Board as a Director. The Committee recommended that Mr. Duperat be appointed as a TPSEAP Board member. Consequently, Mr. Duperat was appointed as a TPSEAP Director on 28th April, 2025 with Mr. Teddy Bukhala as his alternate.

The Committee liaises with an external Consultant to ensure that a Board evaluation exercise is undertaken every two years to independently assess the performance of the Board and its Committees, the Board Chairman, the Managing Director, individual directors and the Company Secretary. Any areas of improvement recommended in consequence of the evaluation are carefully addressed with a view to improving the Board's overall effectiveness and performance.



The Committee engaged an external Consultant to undertake a Legal and Compliance Audit as per the CMA requirement to assess TPSEAP's compliance with the revised Code of Corporate Governance Practices for Issuers of Securities to the Public 2015. Key recommendations from the Legal and Compliance audit have been assessed for necessary implementation so as to continuously improve the Group's regulatory and best practice compliance.

INTERNAL CONTROLS

The Company has an organizational structure with appropriate segregation of duties and responsibilities. The structure is complemented by detailed policies and procedures manuals, which provide the Management team with an effective and robust operational framework. The Company periodically updates its policies and procedures manuals to incorporate relevant changes for continuous improvement and to ensure that they remain relevant to the Group's operational requirements. The Company held monthly credit control, sales and marketing, and finance review meetings focusing on critical aspects of the Company's operations across all its presence markets in East Africa . The internal control function is largely complemented by the Internal Audit function, which undertakes an independent appraisal and review of operations. Key findings and recommendations are discussed at various levels across the Group and actions adopted for continuous improvement as necessary. The Company's ongoing investment is in its long established audit software application – 'TeamMate Audit Management System' which underpins the Company's existing internal audit competencies, thereby harmonizing and strengthening the risk management function, and enhancing the effectiveness of internal control processes across the Group through automation.

COMMUNICATION WITH SHAREHOLDERS AND STAKEHOLDERS

The Company is committed to ensuring that Management provides shareholders, securities & bond markets, and other stakeholders with accurate and timely information as regards the Company's performance. This is achieved by electronic e-mail communication of the TPSEAP Annual Report & Financial Statements at least 21 days before the Annual General Meeting, release of half-year and year-end financial results through print media and regulatory bodies, and issuing of monthly disclosures of shareholding statistics to the Nairobi Securities Exchange (NSE) and the Capital Markets Authority (CMA).

Shareholders and other stakeholders have direct access to the Company's information through the internet and Management responds to all such enquiries in a thoughtful and timely manner. Management also regularly updates the Company's website so as to provide current information regarding the Company's affairs. During the year under review, the Company complied with its obligations under the NSE Continuing Listing Rules and the CMA Act.

The Company ensures that enquiries from shareholders and other stakeholders are addressed expeditiously through its longstanding 'open-door' communication policy both at Board and Management levels.

DIRECTORS' EMOLUMENTS AND LOANS

The aggregate emoluments paid to Non-Executive directors during the 2024 financial year amounted to KShs 8.50 Million (refer to Note 31 (iv) to the Financial Statements). Neither at the end of the financial year 2024, nor at any time during the year, did there exist any arrangement under which the TPS Group was a party whereby directors might have acquired benefits to facilitate the acquisition of the Company's shares by such directors. There were no Non-Executive directors' loans during the year.

DIRECTORS' INTEREST

There were no material contracts involving directors' interests during the year ended 31st December 2024 nor indeed in the previous financial year (2023). However, some directors remain longstanding minority shareholders of the Company as at 31st December, 2024 (and 2023) as shown below:

Name of Director	No of Shares	% Shareholding
Francis Okomo-Okello	1,456	0.00080
Mahmood Manji	1,456	0.00080

CONFLICT OF INTEREST

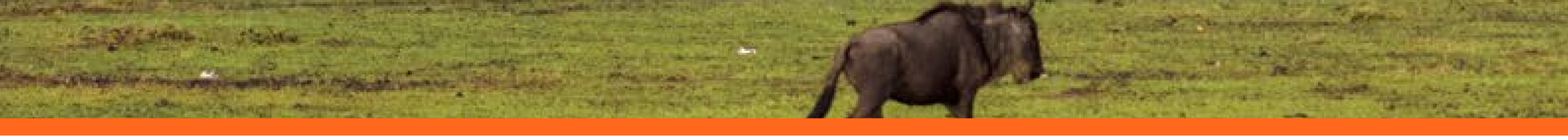
In line with the established corporate governance best practice within the Company, the Directors were required at every Board meeting to disclose any areas of conflict(s) of interest during the year 2024. The Directors are also required to refrain from contributing to discussions and voting on matters in which they have, or could have any such conflict. In addition, the directors are required, on an ongoing basis, to notify the Company Secretary of and declare in advance, any potential conflicts of interest whether from other directorships, shareholdings, associations, and/ or conflicts arising from any specific transactions. The Company Secretary maintains and updates a register of such interests as part of the Company's corporate records. Management staff and employees involved in Group's procurement of goods and services are duly required to formally review and sign their annual conflict of interest declaration form.

OTHER DISCLOSURES

The Company has a Board Charter, Whistle Blowing Policy and Fraud Prevention Policy, Insider Trading Policy, HR Policy & Procedures Manual and Enterprise Risk Management Policy copies of which can be downloaded from the Company's website www.serenahotels.com.

The Company has an extensive Information and Communication Technology Policy in place that safeguards the Assets and data resource of the Company. (A high level summary of the policy can be downloaded from the website www.serenahotels.com) Additionally, the Company has a Procurement Policy which is currently under review to ensure best practice corporate governance in procurement risk management, and supply chain operations.

As for insider trading dealings, the Board is not aware of any known or reported dealings pertaining to the Group during the year under review.



Corporate Governance Statement (continued)

AREAS OF NON-COMPLIANCE WITH THE NEW CODE OF CORPORATE GOVERNANCE

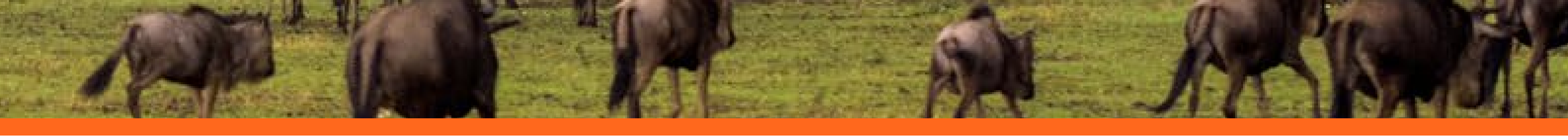
The Company has complied with most of the provisions under the new code of corporate governance to maintain governance structures and processes that are fit for purpose and support good decision making by the Board, save for the attainment of independent director's ratio on the Board. However, this is under progress for compliance in 2025.

OTHER CORPORATE INFORMATION

The Company and its subsidiaries in Kenya, Uganda, Tanzania, Zanzibar and South Africa had a total of 3223 employees. TPSEAP is the Group's holding Company and did not own any land and buildings during the year under review.

The Company has a fully qualified and registered Company Secretary, Mr. Dominic K. Ng'ang'a, whose office is situated at the Company's registered office at Williamson House, 4th Floor, 4thNgong Avenue, Nairobi, Kenya.

Zanzibar Serena Hotel



Corporate Governance Statement (continued)

SHAREHOLDERS' PROFILE AS AT 31 DECEMBER 2024

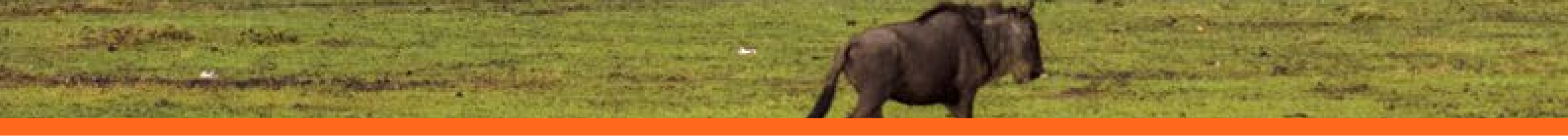
	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	Aga Khan Fund for Economic Development, S.A	182,525,097	64.58
2	Craysell Investments Limited	13,032,319	4.61
3	Pyrus Investments Limited	12,509,300	4.43
4	Standard Chartered Nominee Account 9292-GCS	10,892,900	3.85
5	The Jubilee Insurance Company of Kenya Limited	7,722,106	2.73
6	Industrial Promotion Services (Kenya) Limited	7,697,088	2.72
7	Aga Khan University Foundation	6,851,000	2.42
8	PDM (Holdings) Limited	6,607,440	2.34
9	Jamal, Farzeen Zaherali, Moledina, Nureen	3,480,900	1.23
10	Executive Healthcare Solutions Limited	3,294,700	1.17
11	Others	28,037,729	9.92
		282,650,579	100.00

DISTRIBUTION OF SHAREHOLDERS AS AT 31 DECEMBER 2024

	NO. OF SHAREHOLDERS	NO OF SHARES	% SHAREHOLDING
Less than 500 Shares	3,397	445,995	0.16
500 - 5000 shares	4,445	5,913,475	2.09
5001 - 10,000 shares	168	1,208,729	0.43
10,001 - 100,000	186	5,255,603	1.86
100,001 - 1,000,000	24	7,731,671	2.74
Over 1,000,000	14	262,095,106	92.72
	8,234	282,650,579	100.00

SHAREHOLDER CATEGORIES

	NO.OF SHAREHOLDERS	NO OF SHARES	% SHAREHOLDING
Foreign Investors	139	217,321,152	76.89
Local Institutions	427	48,395,434	17.12
Local Individuals	7,668	16,933,993	5.99
	8,234	282,650,579	100.00



SERENA HOTELS SUSTAINABILITY FOOTPRINT IN EAST AFRICA

Serena Hotels Programs and initiatives remain fully aligned to achieving the United Nations Sustainable Development Goals (SDGs), and our efforts are aimed to inspire our various stakeholders to take a wider consideration encompassing a long-term view when making business decisions: SDG 1: No Poverty; SDG 2 – Zero Hunger; SDG 3: Good Health and Well-Being for people; SDG 4: Quality Education; SDG 5: Gender Equality; SDG 6: Clean Water and Sanitation; SDG 7: Affordable and Clean Energy; SDG 8: Decent Work and Economic Growth; SDG 9: Industry, Innovation and Infrastructure; SDG 10: Reduced Inequalities; SDG 11: Sustainable Cities and Communities; SDG 12: Responsible Consumption and Production; SDG 13: Climate Action; SDG 14: Life Below Water; SDG 15: Life on Land; SDG 16: Peace, Justice and Strong Institutions; SDG 17: Partnerships for the Goals.

OUR GUIDING PRINCIPALS

Since its inception over five decades ago, Serena Hotels (the Group) has been at the forefront of responsible hospitality. Best practices are integrated into every aspect of our operations, from daily guest interactions to strategic decisions and business processes. Throughout our value chain, we strive to create shared value for our business, the communities around us, and the wider ecosystems we operate within. Our commitment to sustainability continues to ensure that our hotels, resorts, safari lodges, and camps remain a force for positive local economic activity, fostering long-term development and growth in the surrounding areas where we are located.

Serena Hotels operations are guided by our Sustainability Commitment Statement *[https://www.serenahotels.com/sustainability]*, Environmental Mission Statement *[https://www.serenahotels.com/sustainability/communication]*, and various policies informed by Environmental, Social, and Governance (ESG) practices. Furthermore, our sustainability efforts are guided by the United Nations Sustainable Development Goals (SDGs) and the Aga Khan Development Network's (AKDN) Environmental and Climate Commitment Statement. This commitment extends across all AKDN agencies, including Serena Hotels as the Networks' tourism arm. Serena Hotels is committed to achieving net-zero carbon emissions in its own operations by 2030 addressing challenges related to climate change through targeted energy audits and related investments, solar power installations, conserving water, reforestation efforts, internal efficiencies and other environmental initiatives. Beyond environmental stewardship, Serena Hotels respects local traditions, culture, and heritage, supports education including internships, and contributes to economic empowerment and public health initiatives in communities around our operations.

As demand for eco-travel continues to rise globally, the Group remains committed to embracing sustainable best practices—ensuring we meet the expectations of today's eco-conscious travellers while creating lasting, meaningful experiences for future generations.

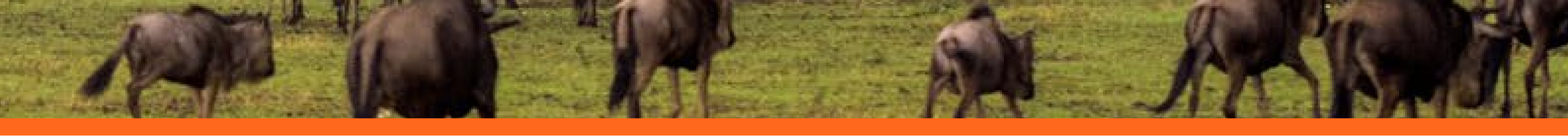
Sustainability is not a journey we can undertake alone. Collaboration is vital and throughout the year, we engaged with a range of stakeholders, recognizing their importance in our long-term success. Our efforts aim to inspire stakeholders to adopt a long-term perspective in their business decisions.

Mapped against the Global Reporting Initiative (GRI) framework standard topics and the United Nations Sustainable Development Goals (SDGs), this report outlines the environmental, social, and economic impact of our responsible stewardship.

ENVIRONMENTAL IMPACT

HARNESSING THE POWER OF THE PLANET

Material Topic	GRI Disclosure	SDG Mapping
Energy	302 Management Approach Disclosure 302-1 Energy Consumption within the Organization 302-4 Reduction of Energy Consumption	7 Affordable and Clean Energy; 9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities; 12 Responsible Consumption and Production; 13 Climate Action
Emissions	305 Management Approach Disclosure 305-1 Direct (Scope 1) GHG Emissions 305-2 Indirect (Scope 2) GHG Emissions 305-5 Reduction of GHG Emissions	



Serena Hotels Sustainability Footprint in East Africa (continued)

Serena Hotels are committed to reducing our reliance on climate change accelerants and believe that using renewable energy not only reduces emissions but also creates jobs and improves public health. Given the substantial risks that climate change poses to the hospitality industry, particularly safari lodges and camps in ecologically sensitive areas—recognizing and addressing these risks is crucial to ensuring our long-term sustainability. By adopting climate-resilient practices and making targeted investments, the Group not only safeguards its own operations but also plays a vital role in preserving the natural environments on which we all depend for sustenance.

As part of our ongoing commitment to sustainability, Serena Hotels has been a leader in solar energy adoption within Kenya's hospitality sector. Since 2017, Serena Hotels have focused on converting our properties to solar power. Kilaguni Serena Safari Lodge became fully solar powered in 2017, followed by Amboseli Serena Safari Lodge in 2018 and Mara Serena Safari Lodge in 2019. Lake Elmenteita Serena Camp (since 2018), Sweetwaters Serena Camp (since 2018) and Serena Beach Resort and Spa (since February 2024) operate on grid-tied Solar PV systems, while Kirawira Serena Camp, Mbuzi Mawe Serena Camp, Lake Elmenteita Serena Camp, Sweetwaters Serena Camp, Kigali Serena Hotel, Lake Kivu Serena Hotel, and Kampala Serena Hotel utilize Thermal Solar heating systems.

Thermal solar installation at Nairobi Serena Hotel is expected to be completed by May 2025. This marks a significant milestone in a journey that began in 2017, as all seven (7) Serena properties in Kenya now have solar installations.

The electrification project at Ngorongoro Serena Safari Lodge, completed in Q2 2024, has significantly reduced our reliance on generators and promoted the use of cleaner energy. This achievement aligns with our Group's decarbonization plan, which aims to achieve net-zero carbon emissions in our own operations by 2030.

Solar Power Plant at Amboseli Serena Safari Lodge

Our operations in Kenya, Tanzania, Uganda, and Rwanda have recorded carbon emissions under Scope 1 (direct emissions from owned and controlled sources) and Scope 2 (indirect emissions from purchased electricity) as defined by the Greenhouse Gas (GHG) Protocol. Serena Hotels has established a decarbonization action plan for these operations, aligning with the latest climate science to limit global warming to 1.5°C above pre-industrial levels. This requires an annual reduction in GHG emissions of at least 4.2% from our 2019 baseline until 2030.

Greenhouse Gas Emissions (GHG) impact for Serena Hotels operations in East Africa:

- Scope 1 & Scope 2 Emissions [2019 – Baseline Year]:	20,475 tCO2e
- Scope 1 & Scope 2 Emissions [2020]:	10,975 tCO2e
- Scope 1 & Scope 2 Emissions [2021]:	12,685 tCO2e
- Scope 1 & Scope 2 Emissions [2022]*:	17,152 tCO2e
- Scope 1 & Scope 2 Emissions [2023]:	16,870 tCO2e
- Scope 1 & Scope 2 Emissions [2024]:	17,133 tCO2e

* Year 2022 emissions are above year 2021 due to recovery in business levels from the pandemic.
Note: Emissions avoided from the solar installations have been excluded in line with the GHG protocol.

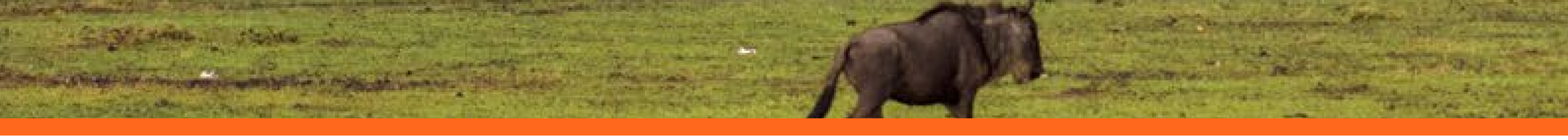
In comparison with the baseline year of 2019, TPS operations in East Africa has surpassed the reduction in GHG emissions target of 4.2% per year in: 2020 by 42.2%; 2021 by 33.8%; 2022 by 12%; 2023 by 13.4% and 2024 by 12.1%

GHG Emissions per occupied bed [note: emissions avoided from the solar installations have been excluded in line with the GHG protocol]:

- 2019 – Baseline year:	0.039 tCO2e
- 2021:	0.047 tCO2e
- 2022:	0.037 tCO2e
- 2023:	0.032 tCO2e
- 2024:	0.032 tCO2e

Solar Installations Impact:

- Clean Energy Generated [2017 – 2024]:	11.8 million KWH
- Greenhouse Gas Emissions avoided [2017 – 2024]:	8,354 tCO2e



BIODIVERSITY AND ENDANGERED SPECIES CONSERVATION

Material Topic	GRI Disclosure	SDG Mapping
Biodiversity	304 Management Approach Disclosure 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas 304-3 Habitats protected and restored	

One of the primary goals of the Sustainable Development Goals (SDGs) is the protection of our planet's wildlife. The wildlife are faced with significant threats ranging from hunting, poaching, climate change, environmental degradation, and human encroachment. At Serena Hotels we have the unique opportunity of positively contributing towards biodiversity conservation since most of our properties are located in ecologically sensitive sites.

We offer our guests unique insights into the wilderness and its creatures through informed specialist tours and a range of experiences, from guided bush walks to dining. Sustainability is key to our mission, particularly in protecting globally important wetlands (RAMSAR sites). In Kenya, Lake Elmenteita and Lake Nakuru benefit from tourism promoted by Lake Elmenteita Serena Camp. The guests, children and local community members alike are educated on the importance of the wetlands.

Flamingos Around Lake Elmenteita Serena Camp

Through partnerships with various environmental conservation groups, we have been able to participate in various conservation efforts like mammal and bird counts, satellite/radio-collar tracking, raptor rescues, behavioural studies, among others. We also raise awareness of endangered species' ecological plight among our guests. At Lake Elmenteita Serena Camp within the Soysambu Conservancy, guests can visit East Africa's only breeding ground for the great white pelican and encounter the endangered Rothschild's giraffe, with about 10% of the world's population sheltered there. Similarly, Sweetwaters Serena Camp allows visitors to see the last remaining Northern White Rhinos.

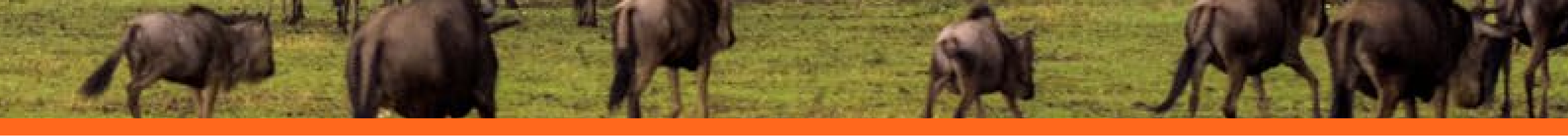
In Tanzania's Julius Nyerere National Park, Serena Mivumo River Lodge offers encounters with one of the world's most endangered creatures, the wild dog, as does Kilaguni Serena Safari Lodge in Tsavo West National Park.

Our properties in Rwanda, the Democratic Republic of Congo, and Uganda enable thousands of visitors to encounter endangered mountain gorillas in Volcanoes, Virunga, and Bwindi National Parks. Additionally, the promotion of the Ngamba Island Chimpanzee Sanctuary near Lake Victoria Serena Golf Resort & Spa and the Jane Goodall Chimpanzee Sanctuary adjacent to Sweetwaters Serena Camp has significantly advanced global chimpanzee protection.

Mara Serena Safari Lodge, centrally located in one of the world's most popular reserves, has raised awareness of East Africa's ecological treasures among millions of visitors.

Sea turtle conservation has been a priority for Serena Beach Resort & Spa (SBRS) since 1993. This critical program goes beyond protecting these magnificent creatures – it's a stand for the health of our planet. According to marine ecology reports, dangers like tidal flooding, predators, and human activities would cause turtle populations to go extinct within 50 years. These factors are all intensified by climate change, making sea turtle conservation more important than ever as they play a vital role in maintaining healthy marine ecosystems.

SBRS focuses its conservation efforts on three main sea turtle species, classified by IUCN (The International Union for Conservation



Serena Hotels Sustainability Footprint in East Africa (continued)

of Nature) Red List of threatened species: Hawksbill Turtle (critically endangered), Green Turtle (endangered) and Olive Ridley Turtle (vulnerable). The program safeguards the eggs through the use of protective cages within the property. Recognizing the disorienting effects of artificial light on hatchlings, the resort dims the beachfront and lawn lights. This allows the turtles to instinctively navigate their way towards the ocean, a crucial step in their survival.

Turtle Hatchlings at Serena Beach Resort & Spa, Mombasa

Witnessing the hatchling release is a remarkable experience for our guests, associates and the fisherman. As they crawl across the sand, they imprint a magnetic memory of the beach. This imprinting ensures their return to the same shores to lay their own eggs when they mature. Beyond the release experience, SBRS offers weekly educational talks. By protecting sea turtles, we're protecting a vital part of healthy oceans and a more sustainable future for all.

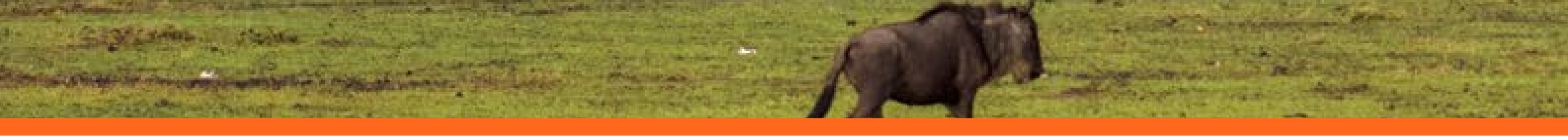
Serena Beach Resort and Spa hosts one of Kenya's two butterfly sanctuaries, nurturing 67 diverse butterfly species that are bred and later released into their natural habitat. Within the Butterfly Sanctuary, separate enclosures of a butterfly display house; pupa, egg and caterpillar hatchery and female unit are provided. Butterflies play a crucial role in the environment. Not only do they pollinate wild flowering plants while feeding on nectar, but they also contribute to biodiversity by maintaining ecological balance. They serve as indicators of the health of surrounding forests, as their presence or absence can signal changes in specific forest components. The sanctuary serves as an educational hub for school children and offers a source of fascination and learning for our guests, providing valuable insights into the importance of butterfly conservation and ecosystem health.

Turtle Nests Protected [1993 - 2024]:	604
Number of Turtle hatchlings released into the Indian ocean [1993 - 2024]:	66,139
Monetary Incentives to Fisherman (previously poachers but now protectors) [1993 - 2024]:	$21,766
Number of Butterflies released into the environment [2002 -2024]:	413,804

PLANT A TREE FOR TOMORROW

SDG Mapping

Since 1991, Serena Hotels has been at the forefront of ecological sustainability in East Africa, engaging our guests, associates (staff) and local community school children in reforestation efforts. Each of our properties maintains its own seedling nursery, supplying seedlings to local schools and community groups. We also provide forest tours and insights into the medicinal benefits of trees, inviting our guests to "plant a tree for tomorrow."



Serena Hotels Sustainability Footprint in East Africa (continued)

Reafforestation Program at Serena Beach Resort & Spa, Mombasa

Over the last five years, successful efforts have been made towards agroforestry, planting fruit and herb trees with a goal to enhance food security and provide new income streams for local communities. At the properties, our chefs maintain organic gardens to ensure ecological vibrancy of the menus through growing of fresh organic produce which reduce our carbon footprints by minimizing transportation emissions associated with food deliveries. This initiative also promotes water conservation as it is done through sustainable irrigation methods.

Number of trees planted [1991 – 2024] :	6.7 million

THE PRECIOUS RESOURCE OF WATER

Material Topic	GRI Disclosure	SDG Mapping
Water and Effluent	303 Management Approach Disclosure 303-1 Interaction with water as a shared resource 303-2 Management of water discharge related impacts 303-4 Water Discharge 303-5 Water Consumption	

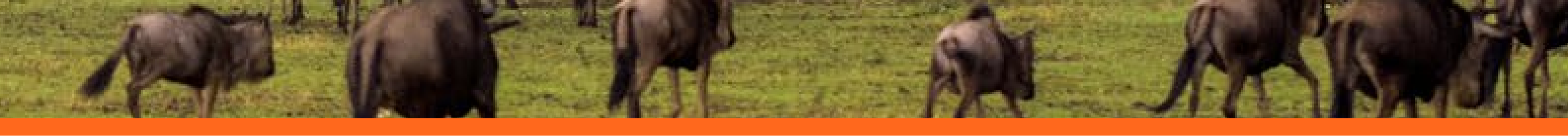
We are fully committed to harnessing the ecological benefits of reducing water consumption and recycling wastewater. Across our properties, we have installed technologically advanced laundry systems, advanced hygiene protocols, and bio-efficient waste disposal methods. Treated effluent water is reused for irrigation, and any surplus is responsibly returned to the environment.

We encourage our guests to actively take part in water conservation through reusing their towels and bed linens. Additionally, the local community are engaged through educational programs that emphasize the importance of clean drinking water. We have installed communal water pumps in several villages to ensure safe drinking water. Through these initiatives, we strive to make a positive environmental impact and promote sustainable practices.

Serena Hotels Ratio of water consumption in cubic meters per bed occupied [2024]:	1.9 [2023: 2.0]
Water for the local community and livestock - approximate [2024]:	5.4 million litres

COMBATING SINGLE USE PLASTIC POLLUTION

Material Topic	GRI Disclosure	SDG Mapping
Waste	306 Management Approach Disclosure 306-1 Waste generation and significant waste-related impacts 306-2 Management of waste related impacts 306-3 Waste Generated 306-4 Waste diverted from disposal	



Serena Hotels Sustainability Footprint in East Africa (continued)

Research indicates that plastic pollution poses a triple threat: it impacts the climate, the oceans, and human health as microplastics infiltrate our food chain. Recognizing the gravity of this issue, Serena Hotels has been proactively working since 2016 to minimize single-use plastics throughout their operations.

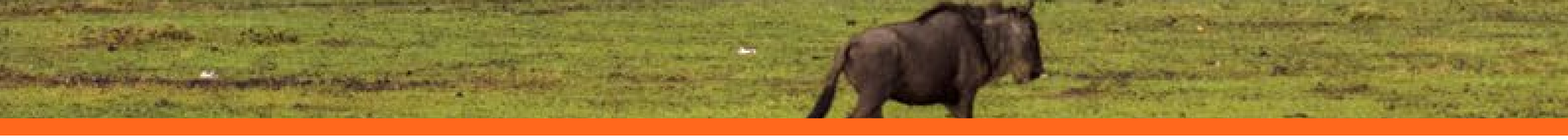
To promote responsible waste management, Serena Hotels has implemented clearly labelled and color-coded bins to facilitate waste separation at the source. The properties have established programs to recycle or reuse glass, plastics, metals, and organic waste wherever possible. We support local companies that recycle waste into saleable souvenir items sold in our gift shops. Additionally, Serena Hotels regularly organizes clean-up programmes at the beach, national parks, town centres and within conservancies, ensuring that waste is disposed of correctly.

Number of single-use plastic bottles eliminated from Serena bathrooms by transitioning to a re-fillable large format of guest amenities [per annum]:	558,848
Number of single-use plastic mineral water bottles removed from supply chain [per annum]:	1,164,111
Number of plastic straws removed from supply chain [per annum]:	193,780
Litter collected from monthly clean ups (beach and National Park) [2024]:	9,453Kgs [2023: 7,121 Kgs]

Sensitization For Those Strolling the Beach

SOCIAL IMPACT
EMPOWERING LOCAL COMMUNITIES

Material Topic	GRI Disclosure	SDG Mapping
Local Communities	413 Management Approach Disclosure 413-1 Operations with local community engagement, impact assessments and development programs	
Procurement Practices	204 Management Approach Disclosure	



Serena Hotels Sustainability Footprint in East Africa (continued)

Our procurement strategy emphasizes local sourcing, ensuring that we purchase fresh food and produce from local suppliers. This reflects our commitment to supporting local businesses and economy while reducing carbon emissions associated with long-distance transportation. Our properties also support the local economy by selling artifacts and handicrafts from various community groups in our gift shops.

We enhance our guests' experiences by showcasing the rich diversity of local cultures through art, dance, music, and theatrical performances. This not only enriches their stay but also economically empowers the local community.

Additionally, we support the community through various initiatives, including free medical consultations at the 'Serena Clinics', health outreach programs, and the provision of safe drinking water for both the community members and their livestock. We contribute to several charitable causes and community programs, through offering cash, food, clothing and linen to hospitals, orphanages, homes for the elderly, and facilities for the disadvantaged groups.

In-kind value of the charitable donations [2024]:	$31,235 [2023: $39,202]
Jobs created as a result of our operations in Kenya, Tanzania, Uganda and Rwanda:	
Direct Jobs [2024]:	3,564
Gender Balance [2024]:	Male: 67%; Female: 33% [2023: Male: 69%; Female: 31%]
Average Direct Jobs [2013 – 2024]:	3,542 per annum
Average Indirect & Induced Jobs [2013 - 2024]:	14,311 per annum
Additional persons supported as a result of the above [2013 – 2024]:	79,098 per annum

COMMITMENT TO EDUCATION

Material Topic	GRI Disclosure	SDG Mapping
Training and Education	404 Management Approach Disclosure	
Local Communities	413 Management Approach Disclosure 413-1 Operations with local community engagement, impact assessments and development programs	

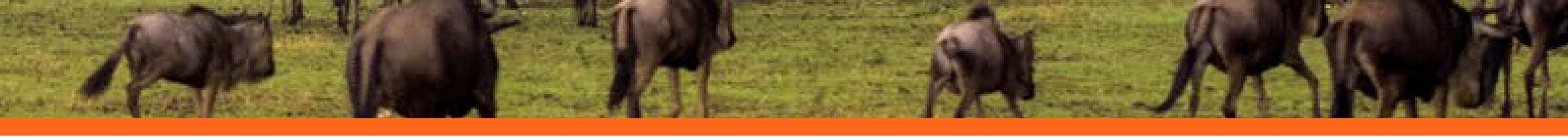
We believe it is our responsibility to ensure that our children are well-prepared for the future they will inherit. The provision of schools in wilderness areas can, however, prove a challenge. For this reason, we launched our 'Adopt a School' program a decade ago, enabling all Serena properties to establish relationships with their neighbouring schools.

Exposure Program - Wastewater Settlement Ponds at Amboseli Serena Safari Lodge

Our interactions include access to children's libraries, eco-clubs focused on climate change education, tree growing, environmental clean-up, renewable energy, and wastewater recycling. We also address human-wildlife conflict, health outreach programs, infrastructure development, and the provision of learning aids. To promote global understanding, we invite our guests to engage with school children, especially during festive seasons.

Additionally, we empower youth and women by educating them on alternative livelihoods and informing them about children's rights concerning early marriage and forced labour, as well as women's rights.

Through work-training and internship opportunities at Serena Hotels, we equip youth with marketable skills and first-hand on the job experiences that leads to meaningful employment. This



Serena Hotels Sustainability Footprint in East Africa (continued)

strategy is essential for empowering young people and fostering economic growth and social stability.

Our Group continuously invests in developing human resource capacity, as our associates are crucial for mutual long-term success, growth, and upholding our brand values. To meet the evolving guest expectations, we are committed to enhancing and maintaining their trust and confidence by upholding Serena's quality service standards. We will continue to invest in training, development, and welfare programs to achieve this goal.

Internship Hours [2024]:	2,286,290 hours
In-kind contribution towards providing an enabling environment for the Interns [2024]:	$234,526

HEALTH, SAFETY AND WELLBEING

Material Topic	GRI Disclosure	SDG Mapping
Occupational Health and Safety	403 Management Approach Disclosure 403-1 Occupational Health and Safety management systems 403-5 Worker training on occupational health and safety 403-6 Promotion of worker health	

Serena Hotels is committed to upholding the highest standards of health, safety and wellbeing for all our guests, associates (staff) and stakeholders. Our commitment includes comprehensive food safety, hygiene, and sanitation protocols, which undergo regular external audits and comply with stringent regulatory requirements.

We have strengthened our commitment to creating a safe and supportive workplace by improving our occupational health and safety (OHS) policies, establishing rigorous risk management practices, and investing in guest/associates' well-being programs. Our safety-first culture is built on early hazard identification, regular safety training, and ongoing engagement with our associates to promote best practices.

We have also prioritized the health of our guests, associates and local communities by ensuring each Serena property features a 'Serena Clinic' that provides a complete range of medical services free of charge. Moreover, through our wellness programs our associates and the local community members receive ongoing checkups and education on various lifestyle-induced illnesses, with a particular focus on cancer, diabetes, hypertension, addiction, and mental health. Normally, this initiative is carried out in partnership with various medical institutions around areas where we operate our properties. The program also features speakers who cover a wide range of topics, including health issues, financial management and planning, goal setting, stress management, family life skills, and retirement planning.

Management is deeply committed to upholding and advancing human rights throughout every facet of our operations. We recognize the inherent dignity of every individual and are dedicated to fostering a workplace that respects the rights, well-being, and diversity and inclusion for all. Our policies are designed to ensure fair treatment, equal opportunity, safe working conditions, and freedom from discrimination, forced labour, and child labour.

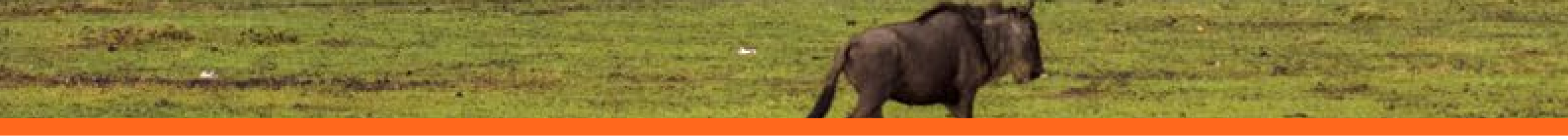
Impact of free medical and wellness consultations to the local community:

- Beneficiaries [2024]:	1,914
- Monetary savings (consultation and transport to a close medical facility) [2024]:	$10,535

ARCHITECTURAL AND CULTURAL CONSERVATION

SDG Mapping

From inception, Serena Hotels, have upheld a steadfast commitment to conserving, integrating, and celebrating the cultural and architectural essence of the regions we inhabit. We understand the importance of culture and history in fostering social cohesion, preserving identity, and encouraging inclusive growth. Therefore, we have continued our efforts to protect and celebrate cultural heritage by supporting local artisan, preserving historical locations, and promoting indigenous knowledge. Our programs are focused on incorporating cultural sustainability into our business operations, ensuring that traditional practices are respected while also encouraging innovation and modern amenities. By



Serena Hotels Sustainability Footprint in East Africa (continued)

collaborating with local communities, we have raised cultural awareness and helped in the long-term preservation of the intangible and tangible heritage. This ethos is exemplified in various facets of our approach: prioritizing local materials and craftsmanship, ensuring design elements harmonize with the regions architectural style to seamlessly blend with the surroundings, and providing immersive experiences for guests, deeply rooted in local culture.

Local Community Artisan Market at the Mara Serena Safari Lodge

Our Serena Tanzania properties proudly showcase the artistry of traditional Makonde wood carving, while the Serena Ugandan properties highlight the ancient craft of Lubugo bark cloth and batik. In Kigali Serena Hotel, the fascinating Intore traditional dance takes center stage in regular performances, while at Lake Elmenteita Serena Camp, we collaborate with local enthusiasts dedicated to preserving East Africa's dance traditions.

At the Zanzibar Serena Hotel, we invite guests to indulge in a traditional Swahili feast, explore the historic Stone Town through guided tours, performances by Taarab orchestras, and gain insights into ancient crafts like dhow-building, wood-carving, and traditional Swahili plasterwork.

Guests at Nairobi Serena Hotel, Serena Beach Resort & Spa, Kampala Serena Hotel, and Zanzibar Serena Hotel are offered complimentary tours of the property, providing unparalleled access to a collection of East African architectural and cultural heritage.

ECONOMIC IMPACT

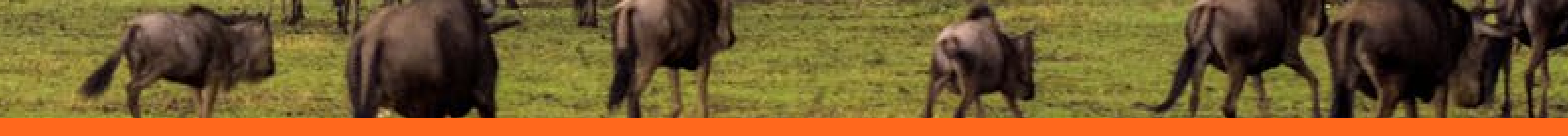
Material Topic	GRI Disclosure	SDG Mapping
Economic Performance	201 Management Approach Disclosure 201-1 Direct economic value generated and distributed	
Indirect Economic Impact	203 Management Approach Disclosure 203-1 Infrastructure investments and services supported	

THE ECONOMIC IMPACT OF SERENA HOTELS PRESENCE IN EAST AFRICA: YEAR 2013 TO 2024 (12 YEARS)

In the interests of standardizing the recording of TPS Serena Hotels economic footprint so as to align with internationally recognized protocols we have worked with Horwath HTL, the global leader in hotel and leisure consulting whose Economic Development Impact Assessment System has allowed us to measure the total local economic activity generated in East Africa as a result of the presence of Serena Hotels.

Total Local Economic Activity Generated in East Africa by Serena Hotels presence in Kenya, Tanzania, Zanzibar, Uganda and Rwanda:

Over the last 12 Years (2013 to 2024): Equivalent to approximately USD 3,029 Million



Serena Hotels Sustainability Footprint in East Africa (continued)

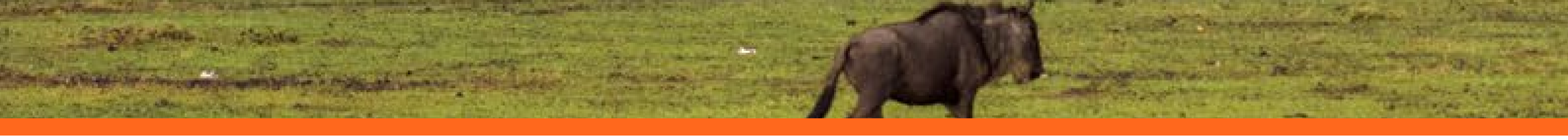
The economic impact of our TPS Serena Hotels East African properties over the last 12 Years i.e. year 2013 to 2024 is tabulated below:

	ECONOMIC IMPACT IN EAST AFRICA (12 Years)					
	Direct	Indirect	Induced	Spillover	TOTAL	Basis Used
Per Annum						
Jobs Created – average per annum	3,542	10,121	3,430	760	**17,853**	Headcount expressed in Full Time Equivalent (FTE) per annum.
Number of People Supported within the Households as a result of the Jobs Created – average per annum	15,397	45,071	15,272	3,358	**79,098**	Headcount multiplied by the Country's average number of people per household.
12 Years (2013 to 2024)						
TOTAL ECONOMIC IMPACT - Contribution to Gross Domestic Product in East Africa - $ Million **(Note 1)**	1,418	1,478	103	30	**3,029**	Direct, indirect, induced, spillover revenues and tax collection deriving from Serena Hotels operations.
Note 1: The ECONOMIC IMPACT in the line above has been derived from the below and covers 19 Serena properties:						
Value Creation by Guests - $ Million	261	659	-	-	**920**	Value creation at Serena Hotels and non-hotel expenditure during their visit.
Payroll & Related - $ Million	255	321	103	30	**709**	Amounts paid to Serena Direct employees and all along the value chain.
Local Procurement (food, beverage, utilities, repairs & maintenance and other operating costs)- $ Million	553	-	-	-	**553**	Consumption of non-imported goods and services by Serena Hotels operations.
Direct & Indirect Taxes (includes park/ conservancy fees, visas) - $ Million	291	498	-	-	**789**	Taxes collected from Serena Hotels and indirect tax through Serena Hotels supply chain.
Capital Expenditure (renovations, expansions, improvements) - $ Million	58	-	-	-	**58**	Capital investments by Serena Hotels for renovations, expansions or improvements.

The explanation below reveals how the figures in the table above was arrived at:

The impact of Serena Hotels operations in East Africa on the local economy is calculated using the Horwath HTL system with relevant quantitative indicators such as monetary amounts injected from each stakeholder (the Serena Properties, Suppliers, Employees, Guests, neighbouring communities) to the economic system and total number of jobs created. The several levels of impacts that the Economic Development Impact Assessment system considers has been summarized below:

- **Direct Impacts:** Local Economic Impacts generated by the operations of Serena Hotels in East Africa. Measured through key indicators such as procurement; wages through direct employment; taxes; concession fees; park/conservancy fees; donations and capital expenditure.
- **Indirect Impacts:** Related to Serena Hotels value chain in East Africa and is the result of expenses incurred by the Serena Hotels direct stakeholders (based on specific macroeconomic and socio-demographic ratios, and limited to the revenues generated from Serena Hotels value chain) which includes: Wages paid by suppliers; average guest spending in the local economies; consumption by Serena Hotels employees in the local economies and the related impact on employment and taxes.
- **Induced Impacts:** Multiplier effect as a result of expenses incurred and jobs created by the indirect impacts described above related to Serena Hotels.
- **Spillover Effect:** This is the result of the various rounds of re-spending in the local economies. Following usual tourism economic principles, each previous impact generates successive waves of revenues for the local economies. Ultimately, this translates into the tourism expenditure multiplier.



National and International Awards and Accolades

Serena Hotels were proud recipients of a number of national and international awards and accolades during year **2024**, details of which are below:

World Travel Awards 2024

At the World Travel Awards Africa & Indian Ocean Gala Ceremony 2024, Serena Hotels emerged as winners in the below categories:

- Mozambique's Leading Hotel: Polana Serena Hotel
- Mozambique's Leading Hotel Suite: Presidential Suite at Polana Serena Hotel
- Uganda's Leading Hotel: Kampala Serena Hotel
- Uganda's Leading Hotel Suite: Presidential Suite at Kampala Serena Hotel

Kenya Travel Industry Business Awards

Serena Hotels received the following Awards under the Accommodations Supplier Category:

- Best Safari Lodge: Mara Serena Safari Lodge
- Second runner-up, Best Business Hotel: Nairobi Serena Hotel

Eco-Warrior Kenya Awards

Seven awards under the accommodation category were received, recognizing achievements in Responsible Business, Conservation of Aquatic Life, Viable Tourism Practices, and Climate Action as below:

- **Responsible Business Practices:**
  - First place: Kilaguni Serena Safari Lodge
  - Second place: Amboseli Serena Safari Lodge
  - Third place: Lake Elmenteita Serena Camp
- **Conservation of Aquatic Life:**
  - First place: Serena Beach Resort & Spa
- **Promoting Viable Tourism Practices:**
  - Second place: Amboseli Serena Safari Lodge
  - Third place: Mara Serena Safari Lodge
- **Climate Action:**
  - Second place: Mara Serena Safari Lodge

Best Stand Award

At the Sarit Center's Getaway Fair held in October 2024, Serena Hotels' exhibition stand was awarded "The Best Stand Award". The award was in recognition of the brand's outstanding display, dedication to hospitality excellence, and commitment to creating unforgettable guest experiences.

Gold Eco-Rated Properties by Eco-Tourism Kenya

Designed to embrace innovation in responsible resource use, environmental conservation, community empowerment, cultural preservation and promotion; and holistic business practices. The below six Serena Kenya properties hold a Gold Eco-rated Certification (the certification program is recognized by the Global Sustainable Tourism Council):

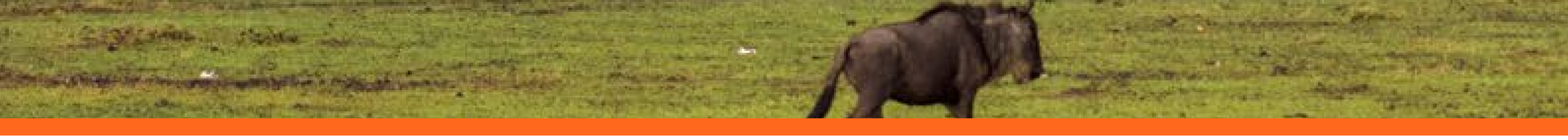
- Serena Beach Resort & Spa, Mombasa
- Mara Serena Safari Lodge
- Kilaguni Serena Safari Lodge
- Amboseli Serena Safari Lodge
- Lake Elmenteita Serena Camp
- Sweetwaters Serena Camp

KAYAK Travel Awards

Sweetwaters Serena Camp was awarded the KAYAK travel award, earning the property a recognition badge and an upgraded profile on Kayak booking portal. KAYAK is an online booking platform. The awards are a way of recognizing their partners for their exceptional service to travellers, based on feedback received directly from travellers. Award recipients not only meet their high standards but also receive outstanding reviews and ratings.

National and International Awards and Accolades (continued)

Mr. Ashish Sharma (Third from right), MD and CEO of Serena Hotels Africa, with his team receiving various awards at the 2024 Eco Warrior Awards.



Directors' Report

The Directors submit their report together with the audited Consolidated and separate financial statements of TPS Eastern Africa PLC (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2024 which disclose the state of affairs of the Group and Company

Principal activities

The principal activity of the Company and its subsidiaries continue to be owning and operating hotel and lodge facilities in East Africa, serving the business and tourist markets.

Business review

The Group's profit before income tax for the year of KShs 2,004,550,000 (2023 – KShs 688,986,000 (restated) improved by 191%. This was primarily due to exchange gain on revaluation of foreign currency loans and foreign denominated lease liabilities. The table below highlights some of the key performance indicators:

	2024 Shs 000	2023 Restated Shs 000
Revenue	10,185,868	9,684,612
EBITDA*	2,446,308	2,526,957
EBITDA to revenue ratio (%)	24%	26%
Profit before income tax	2,004,550	688,987
Earnings per share (Shs)	4.54	1.43
Net current liabilities	1,006,300	682,374

*Earnings Before Interest, Taxes, Depreciation, and Amortization

EBITDA is calculated by adjusting profit from continuing operations to exclude the impact of: taxation, net finance costs, depreciation, amortisation, impairment losses; and reversals related to intangible assets and property, plant and equipment and share of associates' results.

Dividends

The profit for the year attributable to equity shareholders of the company of KShs 1,281,840,000 (2023 – KShs 403,260,000 (restated) has been added to retained earnings. The Directors recommend a final dividend for the year of KShs 0.35 per share (2023 – Nil). During the current financial year, the Company paid a dividend amounting to KShs 36 million to The Aga Khan Fund for Economic Development (AKFED) in respect of an unclaimed dividend originally declared for the financial year ended 31 December 2018. This payment relates solely to the shareholder's entitlement from that period, which had remained unpaid.

Directors

The directors who held office during the year and to the date of this report were:

Francis Okomo-Okello	Chairman
Mahmood Pyarali Manji	
Guedi Ainache*	
Alkarim Jiwa	
Audrey Maignan*	Resigned 28 April 2025
Mohamed Bagha	Appointed 1 July 2024
Aziz Boolani***	
Ashishkumar Sharma**	
Rachel Dumba****	
Donald Mhaiki*****	
Noreen Hirjani**	Resigned 30 June 2024
Jean Guyonnet-Duperat*	Appointed 28 April 2025

*French **British ***Canadian ****Ugandan *****Tanzanian

Relevant audit information

The directors in the office at the date of this report confirm that:

(a) There is, as far as the director is aware, no relevant audit information of which the Company's auditor is unaware; and

(b) Each director has taken all steps that ought to have been taken as a director so as to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

PricewaterhouseCoopers LLP ceased to be Group auditor on 27 June 2024 after the end of their engagement. KPMG Kenya was appointed as Group auditor at the Annual General Meeting held on 27 June 2024 in accordance with the Company's Articles of Association and Section 721 of the Kenyan Companies Act, 2015.

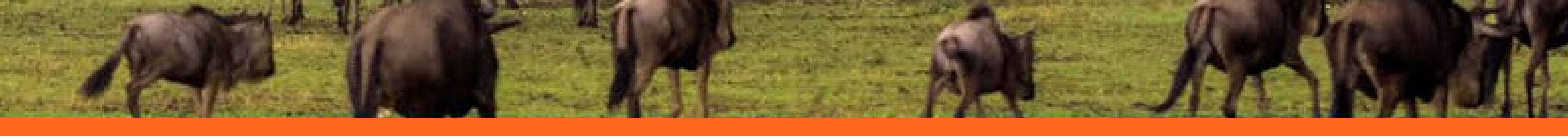
The Directors monitor the effectiveness, objectivity and independence of the auditor. This responsibility includes the approval of the audit engagement contract and the associated fees on behalf of the shareholders.

Approval of financial statements

The financial statements on pages 50 to 115 we approved and authorised for issue at a meeting of the Board of Directors held on 13 May 2025 and signed on its behalf by:

By order of the Board

DOMINIC NG'ANG'A
COMPANY SECRETARY
13th May, 2025



Directors' Remuneration Report

Information not subject to audit

The Company's remuneration policy and strategy for executive and non-executive Directors are set by the Board Nomination and Remuneration Committee. This Report has been prepared in accordance with the relevant provisions of both the CMA Code of Corporate Governance guidelines on Director's remuneration and the Kenyan Companies Act, 2015.

- The Company's overall policy and strategy for remuneration of Directors aims to fairly and objectively reward performance in the medium- and longer-term interests of shareholders. The remuneration structure is designed to recognise the requisite skills, expertise and experience of Directors given market competitive forces and demand.
- Executive Directors remuneration primarily comprises fixed elements including salary and benefits. Benefits are largely fixed in nature comprising housing, travel, and pension. There is no variable element such as performance-based incentive or bonus scheme.
- Terms of service for the directors include fixed term contacts ranging up to four years, with varying notice periods subject to requisite employment law requirements.
- There are no share option arrangements or long-term incentive scheme methods used in assessing the performance conditions.
- During the year 2024, there were no significant amendments to the terms and conditions of any entitlement of a director to share options or under a long-term incentive scheme.

Non-Executive Directors receive fees and sitting allowances as shown in the table on the next page.

Significant changes to director's during the year

Changes to directors are reported in the Director's report on page 42.

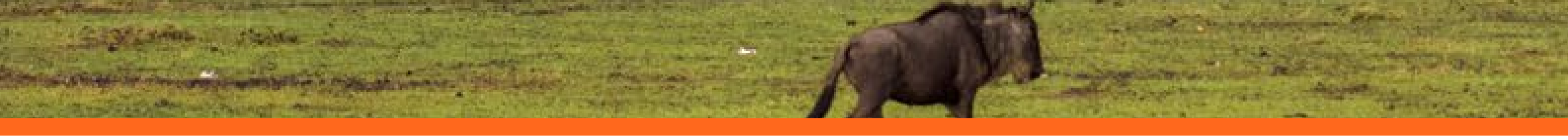
Statement of voting on the Director's remuneration report at the previous Annual General Meeting

- In respect of a resolution to approve the director's remuneration, shareholders voted unanimously through the use of mobile phones having received written notice of their right to vote before the AGM.
- A resolution to approve the directors' remuneration will be put to a resolution of shareholders for approval at the forthcoming AGM.

Information subject to audit

The following table shows a single figure remuneration for the Executive Directors, Non-Executive Chairman and Non-Executive Directors in respect of qualifying services for the year ended 31 December 2024 together with the comparative figures for 2023. Directors' remuneration was fully paid during the year. The aggregate Directors' emoluments are shown at Note 31 (iv).

For the year ended 31 December 2024	Salary Shs 000	Fees Shs 000	Bonus Shs 000	Expense allow-ances Shs 000	Loss of office/ Termina-tion Shs 000	Pension Shs 000	Esti-mated value for non-cash benefits Shs 000	Total Shs 000
F.Okomo-Okello, Non-Executive Chairman	-	2,250	-	-	-	-	-	2,250
A.Sharma, Chief Executive Officer	66,758	-	-	-	-	2,715	1,231	70,704
N.Hirjani, Chief Financial Officer	23,846	-	-	-	-	1,017	112	24,975
M.Bagha, Group Finance Director	27,047		-	-	-	1,006	614	28,667
A.Boolani, Non-Executive Director	-	-	-	-	-	-	-	-
A.Jiwa, Non-Executive Director	-	1,050	-	-	-	-	-	1,050
M.Manji, Non-Executive Director	-	1,450				-	-	1,450
G.Ainache, Non-Executive Director	-	1,350				-	-	1,350
A.Maignan, Non-Executive Director	-	800				-	-	800
R.Dumba, Non-Executive Director	-	900	-	-	-	-	-	900
D.Mhaiki, Non-Executive Director	-	700	-	-	-	-	-	700
	117,651	8,500	-	-	-	4,738	1,957	132,846



Directors’ Remuneration Report (continued)

Information subject to audit (continued)

For the year ended 31 December 2023	Salary Shs 000	Fees Shs 000	Bonus Shs 000	Expense allow-ances Shs 000	Loss of office/ Termina-tion Shs 000	Pension Shs 000	Esti-mated value for non-cash benefits Shs 000	Total Shs 000
F.Okomo-Okello, Non-Executive Chairman	-	1,350	-	-	-	-	-	1,350
M.Jan Mohamed, Managing Director	29,406	-	-	-	-	9	1,966	31,381
A.Sharma, Chief Executive Officer	21,125	-	-	-	-	4	-	21,129
N.Hirjani, Chief Financial Officer	42,570	-	-	-	-	1,883	122	44,575
A.Boolani, Non-Executive Director	-	-	-	-	-	-	-	-
A.Jiwa, Non-Executive Director	-	400	-	-	-	-	-	400
M.Manji, Non-Executive Director	-	600	-	-	-	-	-	600
G.Ainache, Non-Executive Director	-	750	-	-	-	-	-	750
A.Maignan, Non-Executive Director	-	400	-	-	-	-	-	400
R.Dumba, Non-Executive Director	-	500	-	-	-	-	-	500
D.Mhaiki, Non-Executive Director	-	250	-	-	-	-	-	250
	93,101	**4,250**	**-**	**-**	**-**	**1,896**	**2,088**	**101,335**

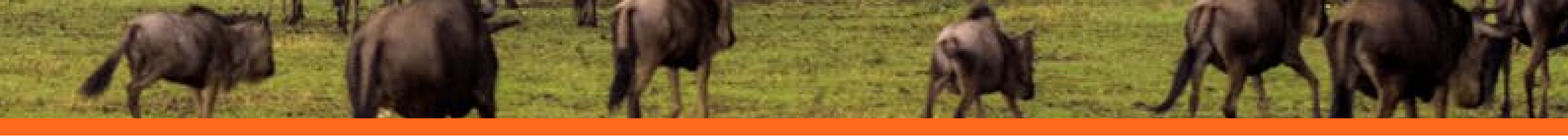
There were no other sums paid to the third parties in respect of Director’s services.

Approval of the Director’s remuneration report

The Directors confirm that this report has been prepared in accordance with the Kenya Companies Act, 2015, Capital Markets Authority (CMA) Code and listing rules and reflects the disclosure requirements under the IFRS® Accounting Standards.

On behalf of the Board

Mohamed Bagha
DIRECTOR
13th May, 2025



Statement of Directors’ Responsibilities

The Directors are responsible for the preparation and presentation of the Consolidated and separate financial statements of TPS Eastern Africa Plc (the "Group" and the "Company") set out on pages 50 to 115 which comprise the Consolidated and separate statements of financial position as at 31 December 2024, and the Consolidated and separate statements of profit or loss and other comprehensive income, Consolidated and separate statements of changes in equity and Consolidated and separate statements of cash flows for the year then ended, and notes to the Consolidated and separate financial statements, including material accounting policies and the information identified as subject to audit in the Directors’ Remuneration Report.

The Directors’ responsibilities include: determining that the basis of accounting described in Note 2 is an acceptable basis for preparing and presenting the financial statements in the circumstances, preparation and presentation of financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Kenyan Companies Act, 2015 and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Under the Kenyan Companies Act, 2015, the Directors are required to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and Company as at the end of the financial year and of the profit or loss of the Company and its subsidiaries for that year respectively. It also requires the Directors to ensure the Company, and its subsidiaries keep proper accounting records which disclose with reasonable accuracy, the financial position and profit or loss of the Group and Company.

The Directors accept responsibility for the annual Consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with IFRS Accounting Standards and in the manner required by the Kenyan Companies Act, 2015. The Directors are of the opinion that the financial statements give a true and fair view of the financial position of the Group and the Company and of the Group and Company profit or loss. The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

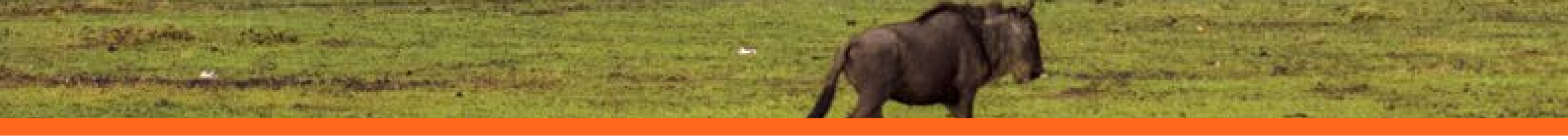
The Directors have made an assessment of the Company and Group’s ability to continue as a going concern and as disclosed in Note 2(a) have no reason to believe that the Company and Group will not be a going concern in the period of at least twelve months from the date of approval of these financial statements.

Approval of the Consolidated and separate financial statements

The Consolidated and separate financial statements, as indicated above, were approved and authorised for issue by the board of Directors on 13th May, 2025.

Francis Okomo-Okello
DIRECTOR

Ashish Sharma
DIRECTOR



Independent Auditor's Report to the Shareholders of TPS Eastern Africa PLC

Report on the audit of the consolidated and separate financial statement

Opinion

We have audited the consolidated and separate financial statements of TPS Eastern Africa Plc (the "Group" and "Company") as set out on pages 50 to 115, which comprise the consolidated and company statements of financial position as at 31 December 2024, and the consolidated and company statements of profit or loss and other comprehensive income, consolidated and company statements of changes in equity and consolidated and company statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements including, material accounting policies.

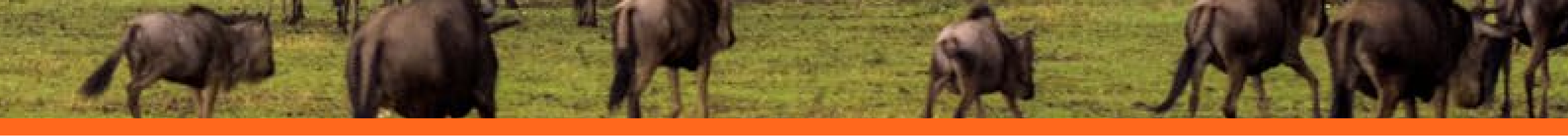
In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of TPS Eastern Africa Plc as at 31 December 2024, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Kenyan Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report. We are independent of the Group and the Company in accordance with the *International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Report on the audit of the consolidated and separate financial statement (continued)

Key audit matters (continued)

<table>
<tr><th colspan="2">Impairment of goodwill in the consolidated financial statements</th></tr>
<tr><th>Key audit matter</th><th>How the matterr was addressed</th></tr>
<tr><td colspan="2">The disclosure of goodwill is set out in the consolidated financial statements in the following notes:
• Note 2 (i) Material accounting policies, Intangible assets (page 66)
• Note 21 – Intangible assets – Goodwill (page 96 – 98)
• Note 3 (a) (i) - Critical accounting estimates and assumptions, impairment of goodwill</td></tr>
<tr><td>Impairment of goodwill is considered a key audit matter because:
• The sector in which the Group operates are continues to experience competitive market conditions with uncertainty of forecast cash flows used in the valuation models;
• A significant level of judgment is applied on key inputs such as forecast cash flows, discount rates applied, forecast growth rates and terminal growth rates and expected capital expenditure as a percentage of revenue when considering management's assessment of impairment; and
• Goodwill recognised in the consolidated financial statements of KShs 1.3bn is a material amount.
The preparation of the estimate of the value in use ('VIU') involves subjective judgement and uncertainties and hence was considered as a key audit matter.</td><td>Our audit procedures in these areas included:
• Evaluated the forecasting process undertaken by the Group by assessing whether precision of prior year's forecast cash flows with respect to revenue, capital expenditure and operating expenses by comparing with actual outcomes in subsequent years.
• Involving our own valuation specialists to assist in evaluating the appropriateness of the discount rates applied, which included comparing the weighted average cost of capital with sector averages for the relevant markets in which the Cash Generating Units operate.
• Performing our own sensitivity analysis, which included assessing the effect of possible reductions in growth rates and forecast cash flows to evaluate the impact on the estimated headroom.
• Assessing the adequacy of disclosures of key assumptions and judgements in the consolidated financial statements in accordance with IAS 36.</td></tr>
</table>

Emphasis of matter – comparative information

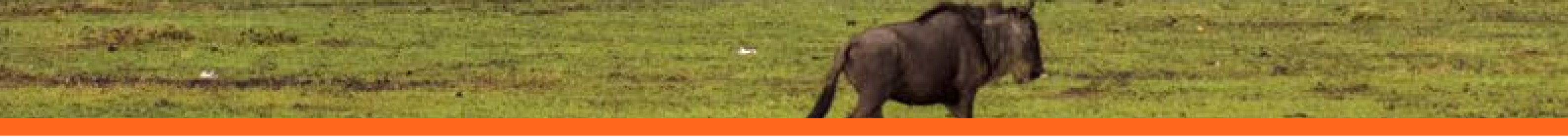
We draw attention to Note 33 to the consolidated and separate financial statements which describes that the comparative information presented as at and for the year ended 31 December 2023 has been restated. Our opinion is not modified in respect of this matter.

Other matter relating to comparative information

The consolidated and separate financial statements of TPS Eastern Africa PLC as at and for the year ended 31 December 2023 and the separate statement of financial position as at 1 January 2023, excluding the adjustments described in Note 33 to the consolidated and separate financial statements, were audited by another auditor who expressed an unmodified opinion on those financial statements on 23 April 2024 and 26 April 2023 respectively.

As part of our audit of the consolidated and separate financial statements as at and for the year ended 31 December 2024, we audited the adjustments described in Note 33 to the consolidated and separate financial statements that were applied to restate the comparative information presented as at and for the year ended 31 December 2023 and the consolidated and separate statement of financial position as at 1 January 2023.

We were not engaged to audit, review, or apply any procedures to the consolidated and separate financial statements for the year ended 31 December 2023 or the consolidated and separate statement of financial position as at 1 January 2023, other than with respect to the adjustments described in Note 33 to the consolidated and separate financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective consolidated and separate financial statements taken as a whole. However, in our opinion, the adjustments described in Note 33 to the consolidated and separate financial statements are appropriate and have been properly applied.



KPMG Independent Auditor's Report to the Shareholders of TPS Eastern Africa PLC (continued)

Report on the audit of the consolidated and separate financial statement (continued)

Other information

The Directors are responsible for the other information. The other information comprises the *Directors' report, Chairman's statement, Chief Executive officer's statement, Directors' Remuneration report, Statement of directors' responsibilities and Principal shareholders and share distribution report* but does not include the consolidated and separate financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the other information to be included in the *2024 Annual Report and Financial Statements,* which is expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon, other than that prescribed by the Kenyan Companies Act, 2015 as set out below.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the consolidated and separate financial statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards, and in the manner required by the Kenyan Companies Act, 2015 and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

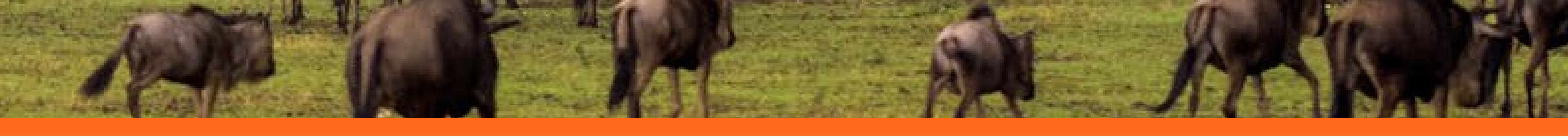
In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.



Independent Auditor's Report to the Shareholders of TPS Eastern Africa PLC (continued)

Report on the audit of the consolidated and separate financial statement (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the Kenyan Companies Act, 2015 we report to you, solely based on our audit of the consolidated and separate financial statements, that in our opinion:

(i) The information given in the report of the Directors on page 42 is consistent with the consolidated and separate financial statements; and

(ii) The auditable part of the Directors' Remuneration Report on pages 43 and 44 has been prepared in accordance with the requirements of Kenyan Companies Act, 2015.

The engagement partner responsible for the audit resulting in this independent auditor's report is FCPA Dr. Alexander Mbai, Practicing Certificate No. 2172.

For and on behalf of;

KPMG Kenya
Certified Public Accountants
PO Box 40612 – 00100
Nairobi
14th May, 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended

	Notes	2024 Shs'000	2023 *Restated Shs'000
Revenue from contracts with customers	5	10,185,868	9,684,612
Other income	6	259,820	285,022
Inventory expensed	25	(1,471,564)	(1,390,867)
Employee benefits expense	8	(2,921,753)	(2,749,727)
Other operating expenses	9(a)	(3,641,899)	(3,304,533)
Impairment credit – financial assets	9(b)	35,836	2,450
Profit before depreciation, finance income/(costs), results of associates and income tax expense		2,446,308	2,526,957
Depreciation on right of use asset	22	(86,878)	(80,084)
Depreciation on property and equipment	20	(582,845)	(518,783)
Finance income	10	879,217	323,302
Finance costs	10	(670,917)	(1,585,361)
Share of profit of associates accounted for using the equity accounting method	24	19,665	22,955
Profit before income tax	7	2,004,550	688,986
Income tax expense	11	(687,257)	(231,450)
Profit for the year		1,317,293	457,536
Other comprehensive income Items that may be subsequently reclassified to profit or loss			
Remeasurement of post-employment benefits	19	(10,705)	17,976
Deferred tax on remeasurement of post-employment benefits	18	3,212	(5,393)
		(7,493)	12,583
Items that will not be subsequently reclassified to profit or loss			
Exchange differences on translation of foreign operations	15(b)	(549,366)	835,109
Total other comprehensive income for the year		(556,859)	847,692
Total comprehensive income for the year		760,434	1,305,228

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

	Notes	2024 Shs'000	2023 Restated Shs'000
Profit Attributable to:			
Equity holders of the Company		1,281,840	403,260
Non-controlling interest	30	35,453	54,276
		1,317,293	457,536
Total comprehensive income attributable to:			
Equity holders of the Company		631,553	1,060,959
Non-controlling interest		128,881	244,269
Total comprehensive income for the year		760,434	1,305,228
Earnings per share			
Basic and diluted (KShs per share)	12	4.54	1.43

The notes set out on pages 61 to 115 form an integral part of the consolidated and company financial statements.

*The comparative information is restated on account of correction of errors. See Note 33.

Company Statement of Profit or Loss and Other Comprehensive Income

	Notes	Year ended 31 December 2024 Shs'000	2023 Shs'000
Revenue	5	-	-
Other operating (expenses)/income	9(a)	(34,603)	(20,289)
Impairment credit – financial assets	9(b)	9,965	77,904
Net finance cost	10	(14,183)	-
(Loss)/profit before income tax	7	(38,821)	57,615
Income tax expense	11	(2,841)	-
(Loss)/profit for the year		(41,662)	57,615
Other comprehensive income		-	-
Total comprehensive income for the year		(41,662)	57,615

The notes set out on pages 61 to 115 form an integral part of the consolidated and company financial statements.

Consolidated Statement of Financial Position

Non-current assets	Notes	2024 Shs'000	2023 Restated* Shs'000	1 January 2023 Restated* Shs'000
Property and equipment	20	13,196,885	13,702,533	12,696,055
Intangible assets	21	1,271,952	1,271,952	1,271,952
Right of use assets	22	1,056,998	1,090,562	1,165,393
Investment in associates	24	861,948	842,073	819,118
Deferred income tax asset	18	12,295	7,393	10,903
		16,400,078	16,914,513	15,963,421
Current assets				
Inventories	25	560,289	574,904	477,013
Trade and other receivables	26	1,454,269	1,405,622	1,162,974
Current income tax	11	168,373	173,391	125,084
Financial asset – fixed deposits	27(b)	911,570	596,293	-
Cash and cash equivalents	27(a)	695,867	848,304	660,846
		3,790,368	3,598,514	2,425,917
Total assets		20,190,446	20,513,027	18,389,338
Capital and reserves attributable to the Company's equity holders				
Share capital	14	282,651	282,651	282,651
Share premium	14	6,001,741	6,001,741	6,001,741
Revaluation reserve	15(a)	2,211,352	2,266,195	2,282,094
Translation reserve	15(b)	(729,353)	(344,321)	(935,161)
Proposed dividends	13	98,928	-	-
Retained earnings		2,696,574	1,466,312	1,034,570
		10,561,893	9,672,578	8,665,895
Non-controlling interest	30	974,093	1,102,974	804,429
Total equity		11,535,986	10,775,552	9,470,324
Non-current liabilities				
Borrowings	16	2,501,485	3,563,042	3,604,701
Deferred income tax liability	18	2,070,413	1,686,270	1,378,929
Lease liabilities	17	1,181,205	1,473,907	1,177,502
Retirement benefit obligations	19	117,289	98,116	94,227
Total non-current liabilities		5,870,392	6,821,335	6,255,359
Current liabilities				
Trade and other payables	28(a)	2,111,916	2,133,165	1,713,202
Dividends payable	28(b)	-	36,103	36,103
Borrowings	16	487,913	569,589	727,196
Lease liabilities	17	184,239	177,283	187,154
Total current liabilities		2,784,068	2,916,140	2,663,655
Total equity and liabilities		20,190,446	20,513,027	18,389,338

The consolidated and company financial statements set out on pages 50 to 115 were approved and authorised for issue by the board of Directors on 13th May 2025 and were signed on its behalf by:

Francis Okomo-Okello
DIRECTOR

Ashish Sharma
DIRECTOR

*The comparative information is restated on account of correction of errors. See Note 33.
The notes set out on pages 61 to 115 form an integral part of the financial statements.

Company Statement of Financial Position

Assets	Notes	2024 Shs'000	Year ended 31 December 2023 Restated* Shs'000	1 January 2023 Restated* Shs'000
Non-current assets				
Investment in subsidiaries	23	5,749,856	5,749,826	5,749,826
Investment in associates	24	840,330	840,330	840,330
		6,590,186	6,590,156	6,590,156
Current assets				
Receivables and prepayments	26	19,617	381,675	328,931
Current income tax	11(c)	2,417	4,175	-
Financial assets – fixed deposits	27(b)	293,709	-	-
Cash and cash equivalents	27(a)	4,312	1,968	-
		320,055	387,818	328,931
Total assets		6,910,241	6,977,974	6,919,087
Equity				
Share capital	14	282,651	282,651	282,651
Share premium	14	6,001,741	6,001,741	6,001,741
Proposed dividends		98,928	-	-
Retained earnings		514,095	654,685	597,070
Total equity		6,897,415	6,939,077	6,881,462
Current liabilities				
Dividend payable	28(b)	-	36,103	36,103
Trade and other payables	28(a)	12,826	2,794	1,306
Bank overdraft	27(a)	-	-	216
		12,826	38,897	37,625
Total equity and liabilities		6,910,241	6,977,974	6,919,087

The financial statements on pages 50 to 115 were approved for issue by the board of directors on 13th May 2025 and signed on its behalf by:

Francis Okomo-Okello
DIRECTOR

Ashish Sharma
DIRECTOR

*The comparative information is restated on account of correction of errors. See Note 33.
The notes set out on pages 61 to 115 form an integral part of the financial statements.

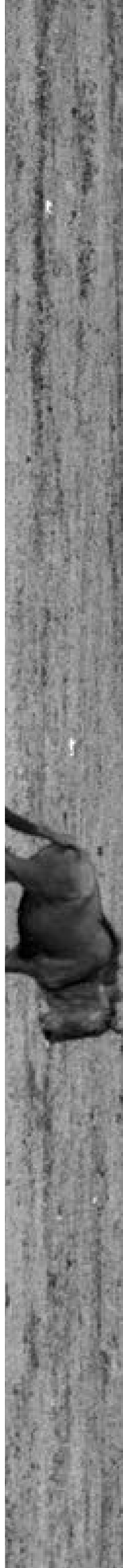
Consolidated Statement of Changes in Equity

	Notes	Share capital Shs'000	Share premium Shs'000	Reval-uation reserves Shs'000	Trans-lation reserves Shs'000	Retained earnings Shs'000	Proposed dividends Shs'000	Non-controlling interest Shs'000	Total Shs'000
Year ended 31 December 2024									
At start of year		282,651	6,001,741	2,266,195	(344,321)	1,466,312	-	1,102,974	10,775,552
Comprehensive income for the year									
Profit for the year		-	-	-	-	1,281,840	-	35,453	1,317,293
Other comprehensive income:									
Currency translation differences		-	-	-	(385,032)	-	-	(164,334)	(549,366)
Remeasurement of post-employment benefits		-	-	(10,705)	-	-	-	-	(10,705)
Deferred tax on remeasurement of post-employment benefits		-	-	3,212	-	-	-	-	3,212
Transfer of excess depreciation to retained earnings		-	-	(67,643)	-	67,643	-	-	-
Deferred income tax on transfer of excess depreciation to retained earnings		-	-	20,293	-	(20,293)	-	-	-
Total other comprehensive income		-	-	(54,843)	(385,032)	47,350	-	(164,334)	(556,859)
Total comprehensive income for the year		-	-	(54,843)	(385,032)	1,329,190	-	(128,881)	760,434
Transactions with owners		-	-	-	-	-	-	-	-
Dividends:		-	-	-	-	-	-	-	-
- proposed for 2024		-	-	-	-	(98,928)	98,928	-	-
		-	-	-	-	(98,928)	98,928	-	-
At end of year		282,651	6,001,741	2,211,352	(729,353)	2,696,574	98,928	974,093	11,535,986

Consolidated Statement of Changes in Equity (continued)

	Notes	Share capital Shs'000	Share premium Shs'000	Revaluation reserves Shs'000	Translation reserves Shs'000	Retained earnings Shs'000	Proposed dividends Shs'000	Non-controlling interest Shs'000	Total Shs'000
Year ended 31 December 2023									
At start of year as previously reported		282,651	6,001,741	2,282,094	(912,059)	1,206,461	-	781,327	9,642,215
Impact of correction of errors		-	-	-	(23,102)	(171,891)	-	23,102	(171,891)
Restated* balance at start of year		282,651	6,001,741	2,282,094	(935,161)	1,034,570	-	804,429	9,470,324
Total comprehensive income for the year									
Profit for the year		-	-	-	-	403,260	-	54,276	457,536
Other comprehensive income:									
Currency translation differences		-	-	-	590,840	-	-	244,269	835,109
Remeasurement of postemployment Benefits	19	-	-	17,976	-	-	-	-	17,976
Deferred tax on remeasurement of post-employment benefits		-	-	(5,393)	-	-	-	-	(5,393)
Transfer of excess depreciation to retained earnings		-	-	(40,688)	-	40,688	-	-	-
Deferred income tax on transfer of excess depreciation to retained earnings	18	-	-	12,206	-	(12,206)	-	-	-
Total other comprehensive income		-	-	(15,899)	590,840	28,482	-	244,269	847,692
Total comprehensive income for the year		-	-	(15,899)	590,840	431,742	-	298,545	1,305,228
Restated balance at end of year		282,651	6,001,741	2,266,195	(344,321)	1,466,312	-	1,102,974	10,775,552

*The comparative information is restated on account of correction of errors. See Note 33.
The notes set out on pages 61 to 115 form an integral part of the financial statements.



Company Statement of Changes in Equity

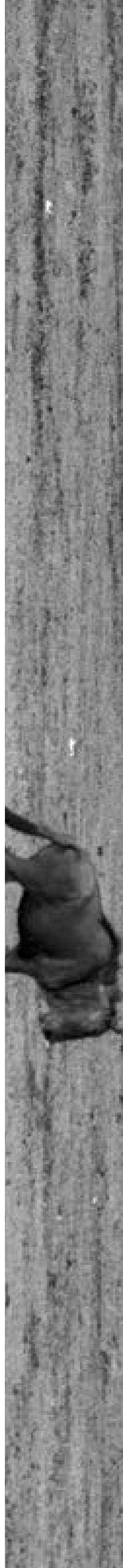
	Notes	Share capital Shs'000	Share premium Shs'000	Retained earnings Shs'000	Proposed dividends Shs'000	Total Shs'000
Year ended 31 December 2024						
At start of year		282,651	6,001,741	654,685	-	6,939,077
Total Comprehensive income for the year						
Loss for the year		-	-	(41,662)	-	(41,662)
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year				(41,662)		(41,662)
Transactions with owners of the company						
Dividends:						
- proposed for 2024		-	-	(98,928)	98,928	-
Total transactions with owners of the company		-	-	(98,928)	98,928	-
At end of year		282,651	6,001,741	514,095	98,928	6,897,415

*The comparative information is restated on account of correction of errors. See Note 33.
The notes set out on pages 61 to 115 form an integral part of the financial statements.

Company Statement of Changes in Equity (continued)

	Notes	Share capital Shs'000	Share premium Shs'000	Retained earnings Shs'000	Proposed dividends Shs'000	Total Shs'000
Year ended 31 December 2023						
At start of year as previously reported		282,651	6,001,741	633,173	-	6,917,565
Impact of correction of errors		-	-	(36,103)	-	(36,103)
At start of year as restated*		282,651	6,001,741	597,070	-	6,881,462
Total comprehensive income for the year:						
Profit for the year		-	-	57,615	-	57,615
Total comprehensive income for the year		-	-	57,615	-	57,615
Transactions with owners of the company						
Dividends:						
- Prior year dividend paid		-	-	-	-	-
- proposed for 2023		-	-	-	-	-
Total transactions with owners of the company		-	-	-	-	-
At end of year		282,651	6,001,741	654,685	-	6,939,077

*The comparative information is restated on account of correction of errors. See Note 33.
The notes set out on pages 61 to 115 form an integral part of the financial statements.



Consolidated Statement of Cash Flows

	Notes	2024 Shs'000	2023 *Restated Shs'000
		Year ended 31 December	
Operating activities			
Cash generated from operations	29	2,406,682	2,868,547
Interest received	10	47,704	40,470
Interest paid	10	(338,491)	(385,238)
Lease interest paid	17	(153,485)	(165,746)
Income tax paid	11(c)	(207,406)	(122,985)
Net cash generated from operating activities		1,755,004	2,235,048
Investing activities			
Purchase of property and equipment	20	(771,067)	(580,343)
Investment in associates	24	(211)	-
Maturity of financial assets	27(b)	8,264,148	1,149,354
Purchase of financial assets	27(b)	(8,705,330)	(1,600,129)
Proceeds from disposal of property and equipment		5,338	2,974
Net cash utilised in investing activities		(1,207,122)	(1,028,144)
Financing activities			
Proceeds from long term borrowings	16	113,062	481,765
Payments of long-term borrowings	16	(687,999)	(1,457,397)
Prior years dividends paid		(36,103)	-
Principal lease payments	17	(40,996)	(32,089)
Net cash used in financing activities		(652,036)	(1,007,721)
Net (decrease)/increase in cash and cash equivalents		(104,154)	199,183
Movement in cash and cash equivalents			
At start of year		792,524	575,293
(Decrease)/increase during the year		(104,154)	199,183
Effect of currency translation differences		7,497	18,048
At end of year	27(a)	695,867	792,524

*The comparative information is restated on account of correction of errors. See Note 33.
The notes set out on pages 61 to 115 form an integral part of the financial statements.

Company Statement of Cash Flows

	Notes	2024 Shs'000	2023 Shs'000
		Year ended 31 December	
Operating activities			
Cash generated from operations	29	323,798	6,359
Interest received		9,471	-
Income tax paid	11(c)	(1,083)	(4,175)
Net cash generated from operating activities		332,186	2,184
Investing activities			
Investment in subsidiary	23	(30)	-
Investment in short term financial assets	27(b)	(293,709)	-
Net cash utilised in investing activities		(293,739)	-
Financing activities			
Dividends paid to Company's shareholders		(36,103)	-
Net cash used in financing activities		(36,103)	-
Net increase in cash and cash equivalents		2,344	2,184
Movement in cash and cash equivalents			
At start of year		1,968	(216)
Increase during the year		2,344	2,184
At end of year	27(a)	4,312	1,968

The notes set out on pages 61 to 115 form an integral part of the financial statements.

Notes to Financial Statements

1. General information

TPS Eastern Africa PLC is incorporated in Kenya under the Kenyan Companies Act as a public limited liability company and is domiciled in Kenya. The address of its registered office and principal place of business is:

Williamson House,
4th Ngong Avenue,
PO Box 48690 - 00100 Nairobi,
Kenya

The shares of the Company are listed on the Nairobi Securities Exchange (NSE). For the Kenyan Companies Act, 2015 reporting purposes, the balance sheet is represented by the statement of financial position and profit and loss account by the statement of profit or loss in these financial statements.

2. Material Accounting Policies

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Going concern

The Group's and Company's management has made an assessment of the Group and Company's ability to continue as a going concern and is satisfied that the Group and Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's and Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis.

(b) Basis of preparation

The financial statements are prepared in compliance with IFRS Accounting Standards (IFRS). The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in Kenya Shillings (KShs), rounded to the nearest thousands, except where otherwise indicated.

The preparation of financial statements in conformity with IFRS Accounting Standards (IFRS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

(c) New standards, amendments and interpretations

(i) New standards, amendments and interpretations effective and adopted during the year

The Group and Company have adopted the following new standards and amendments during the year ended 31 December 2024, including consequential amendments to other standards with the date of initial application by the Group and Company being 1 January 2024.

New standard or amendments	Effective date
- Classification of liabilities as current or non-current (Amendments to IAS 1)	1 January 2024
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
- Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024
- Disclosures – Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024

The above standards and amendments did not have a material impact on the Group's and Company's financial statements.

Notes to Financial Statements (continued)

2. Material Accounting Policies (continued)

(c) New standards, amendments and interpretations (continued)

(ii) New standards, amendments and interpretations in issue but not effective for the year ended 31 December 2024

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2024 and have not been early adopted by the Group and Company. The Group and Company are in the process of assessing the impact of these standards on the Group's and Company's financial statements.

<table>
<tr><th>New standard or amendments</th><th>Effective for annual periods beginning on or after</th></tr>
<tr><td>Lack of Exchangeability (Amendments to IAS 21)</td><td>1 January 2025</td></tr>
<tr><td>Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)</td><td rowspan="2">1 January 2026</td></tr>
<tr><td>Annual improvements to IFRS Accounting Standards –
Amendments to:
- IFRS 1 First-time Adoption of IFRS Accounting Standards; IFRS 7 Financial Instruments:
- Disclosure and it's accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial statements; and
- IAS 7 Statement of Cashflows</td></tr>
<tr><td>Contracts Referencing Nature – dependent Electricity - Amendments to IFRS 9 and IFRS 7</td><td>1 January 2027</td></tr>
<tr><td>IFRS 18 Presentation and Disclosure in Financial Statements</td><td>1 January 2027</td></tr>
<tr><td>IFRS 19 Subsidiaries without Public Accountability: Disclosures</td><td>1 January 2027</td></tr>
<tr><td>Sale or Contribution of Assets between an Investor and its Associate or Company (Amendments to IFRS 10 and IAS 28).</td><td>Optional</td></tr>
</table>

All standards will be adopted at their effective date (except for the standards and interpretations that are not applicable to the entity). The only standard that is expected to have an impact on the financial statements is IFRS 18 Presentation and disclosure in financial statements. It requires the Company to report a newly defined subtotal, 'operating profit'; disclose certain 'non-GAAP' measures – such as management-defined performance measures (MPMs) in the financial statements, meaning that they will now be subject to audit such as adjusted Earnings Before Income Tax, Depreciation and Armotisation (EBITDA) and to improve how the Company information is presented. The Company is assessing the impact for adoption.

(d) Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

2. Material Accounting Policies (continued)

(d) Consolidation (continued)

(i) Subsidiaries (continued)

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date.

Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies. Acquisition of entities under common control is accounted for using predecessor accounting.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss.

The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(iv) Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

After the date of acquisition. The group's investment in associates includes goodwill identified under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee on acquisition. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the income statement.

2. Material Accounting Policies (continued)

(d) Consolidation (continued)

(v) Joint arrangements

The Group applies IFRS 11 Joint Arrangements to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income.

When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the group.

(vi) Separate financial statements

In the separate financial statements, investments in subsidiaries and associates are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment. Dividend income is recognised when the right to receive payment is established.

(e) Functional currency and translation of foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the Functional Currency'). The consolidated financial statements are presented in Kenya Shillings (KShs), which is the Company's Functional and Presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the Functional Currency using exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within 'other operating income' or 'other expenses'. Translation differences related to changes in amortised cost are recognised in the income statement, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss, are recognised in the income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as fair value through other comprehensive income are recognised under other comprehensive income.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- income and expenses for each income statement amount are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income in the currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that are recorded in equity are recognised in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Notes to Financial Statements (continued)

2. Material Accounting Policies (continued)

(f) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM who makes strategic decisions and who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Managing Director.

(g) Revenue recognition

The Group recognises revenue for direct sales of goods and rendering of services. Revenue is recognised as and when the Group satisfies a performance obligation by transferring control of a product or service to a customer. The amount of revenue recognised is the amount the Group expects to receive in accordance with the terms of the contract, and excludes amounts collected on behalf of third parties, such as Value Added Tax (VAT).

Room revenue is recognised over time based on occupancy. Food and beverage revenue is recognized on billing, following consumption, whereas gift shop sales are recognized on transfer of goods. Revenue from other sources such as gym, bird walks, archery etc. is recognised based on the performance of the service.

For each of the revenue streams, the Group recognises revenue over time or at a point in time specifically after the performance obligation of transfer of goods or service to the customer has been fulfilled.

The Group policy is to allocate the total transaction price to the performance obligations in the product offer / contract by reference to their relative stand-alone selling prices, e.g. for Food & Beverage at standard cost price grossed up for industry margins. Where such a stand-alone selling price is not directly observable, e.g. Bird Walks, Archery etc., the Group undertakes reasoned standard estimates based on cost plus a margin. Contracts with tour operators stipulate the transaction price of the product offer which are recorded at gross as there is no agency relationship.

Interest income is recognised using the effective interest method.

Dividends for the Group and the Company are recognised as income in the period the right to receive payment is established.

(h) Property and equipment

All categories of land and buildings, property and equipment are initially recorded at cost. Land and buildings are subsequently shown at fair value, based on periodic, (at least once every five years), valuations by external independent valuers, less subsequent depreciation for leasehold land and buildings. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation are credited to a revaluation surplus reserve in equity. Decreases that offset previous increases of the same asset are charged against the revaluation surplus; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation on assets is calculated using the straight-line method to write down their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	Useful life
Leasehold land and buildings	Over the period of the lease
Computers	3 - 4 years
Motor vehicles	4 years
Furniture and fittings	10 years
Lift installations	10 years
Laundry equipment	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

2. Material Accounting Policies (continued)

(h) Property and equipment (continued)

On opening of a new unit, initial purchases of operating equipment, such as crockery and beddings are capitalised at cost and subsequent replacements to maintain operating equipment at par stock level are expensed in the year of purchase. Carrying values are validated every three years.

An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are included in profit or loss. On disposal of revalued assets, amounts in the revaluation surplus relating to that asset are transferred to retained earnings.

(i) Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the Company's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(j) Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use- are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(k) Financial instruments

(i) Initial recognition

Financial instruments are recognised when, and only when, the Group becomes party to the contractual provisions of the instrument. All financial assets are recognised initially using the trade date accounting which is the date the Group commits itself to the purchase or sale.

(ii) Classification

The Group classifies its financial instruments into the following categories:

(a) Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at amortised cost.

(b) Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at fair value through other comprehensive income.

(c) All other financial assets are classified and measured at fair value through profit or loss.

(d) Financial liabilities that are held for trading, financial guarantee contracts, or commitments to provide a loan at a below-market interest rate are classified and measured at fair value through profit or loss. The Group may also, on initial recognition, irrevocably designate a financial liability as at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

(e) All other financial liabilities are classified and measured at amortised cost

2. Material Accounting Policies (continued)

(k) Financial instruments (continued)

(ii) Classification (continued)

Financial instruments held during the year were classified as follows:

- Trade and other receivables were classified at amortised cost
- Trade and other liabilities were classified at amortised cost
- Borrowings and lease liability are classified at amortised cost
- Cash and cash equivalents are classified at amortised cost.

(iii) Initial measurement

On initial recognition:

- Financial assets or financial liabilities classified at fair value through profit or loss are measured at fair value.
- Trade receivables are measured at their transaction price.
- All other categories of financial assets and financial liabilities are measured at the fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the instrument.

(iv) Subsequent measurement

Financial assets and financial liabilities after initial recognition are measured either at amortised cost, at fair value through other comprehensive income, or at fair value through profit or loss according to their classification. Interest income, dividend income, and exchange gains and losses are recognised in profit or loss. Fair value is determined as set out in *Note 4 (e) fair value estimation*. Amortised cost is the amount at which the financial asset or liability is measured on initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

(v) Impairment

The Group recognises a loss allowance for expected credit losses on debt instruments that are measured at amortised cost or at fair value through other comprehensive income. The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and for financial instruments for which: (a) the credit risk has increased significantly since initial recognition; or (b) there is observable evidence of impairment (a credit-impaired financial asset). For cash and cash equivalents, the Group banks with reputable banking institutions and the assessed probability of default is low and the expected credit loss, if any, would be immaterial.

All changes in the loss allowance are recognised in profit or loss as impairment gains or losses. Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument. Expected credit losses are measured in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(vi) Presentation

All financial assets are classified as non-current except those that are held for trading, those with maturities of less than 12 months from the reporting date, those which management has the express intention of holding for less than 12 months from the reporting date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

(vi) De-recognition

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired, when the Group has transferred substantially all risks and rewards of ownership, or when the Group has no reasonable expectations of recovering the asset. Financial liabilities are derecognised only when the obligation specified in the contract is discharged or cancelled or expires.

When a financial asset measured at fair value through other comprehensive income, other than an equity instrument, is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. For equity investments for which an irrevocable election has been made to present changes in fair value in other comprehensive income, such changes are not subsequently transferred to profit or loss.

(vii) Offsetting

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Notes to Financial Statements (continued)

2. Material Accounting Policies (continued)

(l) Leases

The Group's leases majorly comprise of property leases which include office space, parks, land occupied by hotels and various camps. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability recognised at the date at which the leased asset is available for use by the Group.

(i) Initial recognition

Assets and liabilities arising from a lease are initially measured on a present value basis.

(ii) Lease liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(iii) Right of use asset

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group re-values its land and buildings that are presented within property, plant and equipment, the Group does not do so for the right-of-use buildings held by the Group.

2. Material Accounting Policies (continued)

(l) Leases (continued)

(iii) Right of use asset (continued)

Payments associated with short-term leases of equipment, variable payment solar leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

(iv) Variable lease payments

Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

(v) Extension and termination options

Extension and termination options are included in several property and equipment leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. Most of the extension and termination options held are exercisable only by the Company and not by the respective lessor. The Company takes into consideration the extension and termination options in determining the right of use asset and lease liability.

(m) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and computed as the cost of purchase plus any incidental costs incurred in bringing inventory items to their present location. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Inventories mainly comprise hotel consumables, food and beverage items.

(n) Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

(o) Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(p) Employee benefits

(i) Retirement benefit obligations

For unionised employees in two Subsidiaries, the Group has an unfunded obligation to pay terminal gratuities under its Collective Bargaining Agreement with the union. Employees who resign after serving for periods of between five years and ten years, receive eighteen days' salary and house allowance for each completed year of service at the rate of pay applicable at the date of resigning. Those who resign after serving for more than ten years receive twenty-four days' salary and house allowance for each completed year of service. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The Group operates a defined contribution benefit scheme for all its permanent employees after their first year of employment. The assets of the scheme are held in a separate trustee administered fund, which is funded by contributions from both the Group and the employees. The Group and all its permanent employees also contribute to the statutory National Social Security Funds, which are defined contribution schemes. The Group's contributions to both these defined contribution schemes are charged to the income statement in the year in which they fall due. The Group has no further obligation once the contributions have been paid.

(ii) Leave

The estimated monetary liability for employees' accrued annual leave entitlement at the reporting date is recognised as an expense accrual.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination; when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2. Material Accounting Policies (continued)

(q) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method; any differences between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(r) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which they are declared. Dividends are declared upon approval at the annual general meeting. Proposed dividends are disclosed separately within equity until declared.

(s) Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of the tax enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets against deferred tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(t) Comparatives

Where necessary, comparative numbers have been adjusted to conform to changes in presentation in the current year. Please refer to the restatement note 33.

Notes to Financial Statements (continued)

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group and Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(i) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2(i). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions which are disclosed in detail under Note 21.

(ii) Trade receivables

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring Expected Credit Lose (ECL), such as:

- Determining criteria for the definition of default; and
- Choosing appropriate models and assumptions for the measurement of ECL.

Significant debtors, mainly relating to related party balance are assessed for impairment on an individual basis. As at 31 December 2024, certain key judgements and estimations were made regarding the above items, as they relate to the determination of expected credit losses on financial assets.

(iii) Fair value of land and buildings, property and equipment

The determination of the carrying value and the related depreciation of land and buildings, property and equipment requires use of judgements and assumptions. These are further disclosed in Note 20.

(iv) Income taxes

The Group is subject to income taxes in various jurisdictions. Judgement is required in determining the Group's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(v) Incremental borrowing rate on leases

Critical estimates are made on the determination of the incremental borrowing rate as described under note 2(k). Sensitivity on the discount rate by 1% higher/lower with all other variables held constant, interest on lease liability for the year would have been KShs 13,903,000 higher or lower.

(b) Critical accounting judgements

In the process of applying the Group's and Company's accounting policies, Directors make certain judgements in determining:

- whether the Group has control over an entity, which requires the consideration of several factors, as set out in note 2(c); and
- the measurement basis for financial assets under IFRS 9 depends on an assessment of the Group's and Company's business model for managing the financial assets and whether the cash flows represent solely payments of principal and interest. For financial liabilities, the measurement basis is amortised cost unless the liability is designated at Fair Value Through Profit and Lose (FVTPL). Further detail is given in note 2(k).
- Allowance for impairment of financial assets: the Group and Company uses an Expected Credit Loss (ECL) model to assess any need for impairment of financial assets. Under the ECL model, the Group and Company calculates the allowance for credit losses using a provision matrix by considering on a discounted basis, the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes. For other assets other than financial assets, if any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group and Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Details of the allowance for impairment are disclosed in Note 26.

4. Financial risk management

The Group's and the Company's activities expose it to a variety of financial risks comprising market risk (including foreign exchange risks, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects on its financial performance within the options available in East Africa to hedge against such risks.

Financial risk management is carried out by Management under the guidance of the Board of Directors. Board of directors identifies, evaluates and hedges financial risks. The Board of Directors provides guidance on principles for overall risk management covering specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of excess liquidity.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market price and comprises four types of risks: foreign exchange risk, price risk, interest rate risk and fair value risk. The objective of market risk management is to manage and control market risk exposure within acceptable levels while optimising on the return on the risk.

(i) Foreign exchange risk

The Group and Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The Group aims to minimise volatility arising from fluctuations in exchange rates by adopting natural hedges such as holding cash balances in foreign currencies to hedge against any foreign currency denominated amounts payable.

The Group manages foreign exchange risk by converting its foreign currency collections into local currency on an ongoing basis to cater for its operational requirements. As a result, the Group does not hold large amounts of foreign currency deposits. In addition, the Group receives its collections in foreign currency and therefore any future foreign currency commercial transactions are settled in the same currency to avoid the effect of swinging currency exchange rates.

Currency exposure arising from the net assets of foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

At 31 December 2024, if the Kenya Shilling had weakened/strengthened by 5% against the US Dollar with all other variables held constant, consolidated post tax profit/loss for the year would have been KShs 135,042,964 and KShs 94,530,075 higher or lower respectively (2023 – post tax loss for the year would have been KShs 289,372,834 and KShs 202,560,984 higher or lower respectively), mainly as a result of US Dollar receivables, payables, bank balances and borrowings.

(ii) Price risk

The Group and Company did not have any assets subject to price risk as at 31 December 2024 (2023 - Nil).

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will vary as market rates of interest vary. The Group is exposed to cash flow interest rate risk on its variable rate borrowings resulting from changes in market interest rates. The Group manages this exposure by maintaining lower gearing to minimise on interest costs. Management considers that a change in interest rates of 1% in the year ended 31 December 2024 is reasonably possible. No limits are placed on the ratio of variable rate0020borrowing to fixed rate borrowing. At 31 December 2024, an increase/decrease of 1% on interest rate would have resulted in an increase/decrease in consolidated post tax profit/loss of KShs 2,369,437 (2023: increase/decrease of KShs 2,696,666 in post tax losses).

(iv) Fair value risk

The Group does not have any significant assets subject to fair value risk as at 31 December 2024 (2023- Nil).

(b) Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash at bank and short term deposits with banks, as well as trade and other receivables. The Group does not have any significant concentrations of credit risk.

The credit controller is responsible for managing and analysing credit risk for each new customer before standard payment and delivery terms are offered. The credit controller assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The utilisation of credit limits is regularly monitored.

4. Financial risk management (continued)

(b) Credit risk (continued)

For banks and financial institutions, only reputable well established financial institutions are accepted. The amounts that represent the Group's maximum exposure to credit risk is equal to the carrying amount of financial assets in the statement of financial position.

The Group has adopted the Expected Credit Losses (ECL) model to determine the impairment of trade receivables. The Group opted to adopt the simplified approach of determining the impairment provision. This model includes some operational simplifications for trade receivables, contract assets and lease receivables to assess when a significant increase in credit risk has occurred. Debts that are considered to be non-performing are impaired at 100%.

An expected credit loss is computed for the performing balances based on a loss rate computed as the average loss rate on credit sales over the preceding 5 years. Related party receivable balances are generally settled promptly within the Group. An impairment assessment is only considered when the balance is not expected to be settled within a period of 12 months from the end of financial year.

The Company's policy is to transact with reputable banks, the credit risk associated with these assets is low, and the expected credit losses are considered to be immaterial. For cash at bank, management assesses the expected credit loss based on probability of default attached to the various banks by external rating agencies.

The age analysis of the trade receivables and loss allowance as at 31 December was as follows:

	Not past due	30 to 90 days	90 to 150 days	Over 150 days	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
At 31st December 2024					
Gross trade debtors	435,187	197,475	31,781	142,724	807,167
Loss allowance	(72)	(437)	(3,132)	(17,879)	(21,520)
Net trade debtors	435,115	197,038	28,649	124,845	785,647
At 31st December 2023					
Gross trade debtors	226,314	153,421	104,546	374,013	858,294
Loss allowance	(158)	(949)	(6,801)	(38,827)	(46,735)
Net trade debtors	226,156	152,472	97,745	335,186	811,559

Notes to Financial Statements (continued)

4. Financial risk management (continued)

(b) Credit risk (continued)

A further analysis of debtors by category and their related loss allowance is as follows:

GROUP

	Gross Carrying amount Shs'000	Expected Credit Loss Shs'000	Net Carrying amount Shs'000
At 31st December 2024			
Corporate debtors	375,720	(10,017)	365,703
Government	238,975	(6,371)	232,604
Tour operators	179,544	(4,787)	174,757
Other debtors	12,928	(345)	12,583
Total Trade Receivables	807,167	(21,520)	785,647
At 31st December 2023			
Corporate debtors	398,911	(21,754)	377,157
Government	253,726	(13,837)	239,889
Tour operators	190,626	(10,396)	180,230
Other debtors	15,031	(748)	14,283
Total Trade Receivables	858,294	(46,735)	811,559

4. Financial risk management (continued)

(b) Credit risk (continued)

The amount that best represents the Group's and Company's maximum exposure to credit risk at 31 December is made up as follows:

	Group		Company	
Trade receivables	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
Trade receivables (Note 26)	807,167	858,294	-	-
Loss allowance (Note 26)	(22,100)	(46,735)	-	-
Carrying amount	785,067	811,559	-	-
Other receivables				
Advances to related parties	705,548	726,141	19,617	391,640
Loss allowance	(261,754)	(272,375)	-	(9,965)
Other receivables	98,867	17,811	-	-
	542,661	471,577	19,617	381,675
Cash at bank	695,867	848,304	4,312	1,968
Fixed deposits	911,570	596,293	293,709	-
	1,607,437	1,444,597	298,021	1,968

The Group and Company do not hold any collateral against the past due or impaired receivables. The management continues to actively follow up past due receivables.

(c) Liquidity risk

Liquidity risk is the risk that the Group and Company will encounter difficulty in meeting obligations associated with financial liabilities. Management has a framework for the management of the company's short, medium and long-term liquidity requirements thereby ensuring that all financial liabilities are settled as they fall due. The Company manages liquidity risk by continuously reviewing forecasts and actual cash flows and maintaining banking facilities to cover any shortfalls.

4. Financial risk management (continued)

(c) Liquidity risk (continued)

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

(a) Group	Less than 1 year Shs'000	Between 1 and 2 years Shs'000	Between 2 and 5 years Shs'000	Over 5 years Shs'000	Total contractual cash flows Shs'000	Total carrying amount Shs'000
At 31 December 2024:						
Borrowings and interest	487,913	324,214	978,237	1,199,034	2,989,398	2,989,398
Lease liability	184,678	723,779	2,270,350	-	3,178,807	1,365,444
Trade and other payables	2,111,916	-	-	-	2,111,916	2,111,916
	2,784,507	1,047,993	3,248,587	1,199,034	8,280,121	6,466,758
At 31 December 2023:						
Borrowings and interest	569,589	353,147	1,312,477	1,897,418	4,132,631	4,132,631
Lease liabilities	214,525	850,789	2,854,565	-	3,919,879	1,651,190
Trade and other payables	2,133,165	-	-	-	2,133,165	2,133,165
	2,917,279	1,203,936	4,167,042	1,897,418	10,185,675	7,916,986

(b) Company	Less than 1 year Shs'000	Between 1 and 2 years Shs'000	Between 2 and 5 years Shs'000	Over 5 years Shs'000	Total Shs'000
At 31 December 2024:					
Borrowings and interest	-	-	-	-	-
Trade and other payables	12,826	-	-	-	12,826
	12,826	-	-	-	12,826
At 31 December 2023:					
Borrowings and interest	-	-	-	-	-
Trade and other payables	2,794	-	-	-	2,794
	2,794	-	-	-	2,794

See further disclosures in relation to borrowings under Note 16

4. Financial risk management (continued)

(d) Capital management

The Group's and Company's objectives when managing capital are to safeguard the Group's and Company's abilities to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group and Company may adjust the amount of dividends paid to shareholders, issue new capital or sell assets to reduce debt.

The Group and Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net debt. During 2024 the Group's and Company's strategy, which was unchanged from 2023, was to maintain a medium term gearing ratio below 40%.

	2024 Shs'000	2023 Shs'000
Total borrowings (Note 16)	2,989,398	4,132,631
Add: Lease liabilities (Note 17)	1,365,444	1,651,190
Less: Cash and bank balances (Note 27)	(695,867)	(848,304)
Net debt	3,658,975	4,935,517
Total equity	11,535,986	10,775,552
Total capital	15,194,961	15,711,069
Gearing ratio	24%	31%

(e) Fair value estimation

The different level of fair value measurement hierarchy is described as follows:

- Quoted prices (unadjusted) in active markets for identical assets (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset that are not based on observable market data (that is, unobservable data) (level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the year-end date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques such as discounted cash flow analysis. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. Financial instruments not measured at fair value.

4. Financial risk management (continued)

(e) Fair value estimation (continued)

Financial instruments not measured at fair value.

The following table summarises the carrying amounts and fair values of those financial assets and liabilities not presented on the Group's statement of financial position at their fair value. The fair value estimates the carrying amount.

Group	Carrying Value		Fair Value	
	2024 Shs 000	2023 Shs 000	2024 Shs 000	2023 Shs 000
Financial assets				
Trade and other receivables	1,454,269	1,405,622	1,454,269	1,405,622
Fixed deposits	911,570	596,293	911,570	596,293
Cash and cash equivalents	695,867	848,304	695,867	848,304
	3,061,706	2,850,219	3,061,706	2,850,219
Financial liabilities				
Borrowings	2,989,398	4,132,631	2,989,398	4,132,631
Trade and other payables	2,111,916	2,133,165	2,111,916	2,133,165
Lease liability	1,365,444	1,651,190	3,178,807	3,919,879
	6,466,758	7,916,986	8,280,121	10,185,675
Company				
Financial assets				
Trade and other receivables	19,617	381,675	19,617	381,675
Cash and cash equivalents	4,312	1,968	4,312	1,968
	23,929	383,643	23,929	383,643
Financial liabilities				
Trade and other payables	12,826	2,794	12,826	2,794
	12,826	2,794	12,826	2,794

Notes to Financial Statements (continued)

5. Segment information (Restated)

The Group has determined the operating segments based on the reports reviewed by the Managing Director that are used to make strategic decisions.

Geographically, management considers the performance in Kenya, Uganda and Tanzania as the key operating segments.

The reportable operating segments derive their revenue primarily from accommodation, food and beverage sales.

The Managing Director assesses the performance of the operating segments based on profits before depreciation and amortisation, interest and tax, which is a measure of adjusted earnings before interest, tax, depreciation and amortisation (EBITDA). The measure also excludes the effects of unrealised gains/losses on financial instruments. Finance costs and income are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

The revenue from external parties reported to the Directors is measured in a manner consistent with that in the income statement.

Segment assets are apportioned on a contractual basis. The measurement basis applied is consistent with Group accounting policies. Intersegmental sales relate to management fees charged by Tourism Promotion Services (Management) Limited and are eliminated on consolidation.

The Group derives revenue from the transfer of goods and services in the following categories:

	2024 Shs'000	2023 Shs'000
Room revenue	5,278,265	4,964,484
Food	3,361,448	3,195,869
Beverage	631,396	619,237
Others**	914,759	905,022
	10,185,868	9,684,612
Timing of revenue recognition		
- Over time		
Room revenue	5,278,265	4,964,484
- At a point in time		
Food	3,361,448	3,195,869
Beverage	631,396	619,237
Others**	914,759	905,022
	4,907,603	4,720,128
	10,185,868	9,684,612

**Other revenue include revenue from weddings, conferences, laundry services, spa, ballon, safari, health club and transport services.

The Company did not earn any dividend revenue from subsidiaries.

5. Segment information - Restated (continued)

The segment information for the reportable segments for the year ended 31 December 2024 is as follows:

	Kenya Hotels and Lodges Shs '000	Tanzania Lodges Shs '000	Uganda Hotel Shs '000	All other segments*** Shs '000	Total Shs '000
Segment profit before tax	1,317,684	484,115	149,881	52,870	2,004,550
External revenues	5,089,606	3,100,874	1,897,319	98,069	10,185,868
Intersegment revenue	-	-	-	584,079	584,079
Segment revenue	5,089,606	3,100,874	1,897,319	682,148	10,769,947

***The revenue from all other segments relates to management fees from Goma Serena Hotel, South Africa, Rwanda and Hoteis Polana, S.A.

	Kenya Hotels and Lodges Shs '000	Tanzania Lodges Shs '000	Uganda Hotel Shs '000	All other segments*** Shs '000	Total Shs '000
EBITDA	1,402,118	719,790	274,615	49,786	2,446,309
Depreciation on property and equipment	(287,037)	(148,970)	(144,759)	(2,080)	(582,846)
Depreciation on right of use assets	(69,860)	(14,728)	(1,482)	(808)	(86,878)
Income tax expense	(475,238)	(167,169)	(48,033)	(32,822)	(723,262)
Interest income	27,918	2,511	7,088	10,186	47,703
Interest expense	(287,303)	(51,654)	(1,489)	-	(340,446)
Share of profit from associate	-	-	-	19,665	19,665
Investment in associate	-	-	-	861,948	861,948
Additions to property and equipment	415,464	329,124	12,440	14,039	771,067
Total assets	10,324,987	3,566,817	3,727,639	2,571,003	20,190,446
Total liabilities	(5,648,560)	(2,054,895)	(952,336)	(57,511)	(8,713,302)
Goodwill	324,643	681,016	266,293	-	1,271,952

5. Segment information - Restated (continued)

The segment information for the year ended 31 December 2023 is as follows:

	Kenya Hotels and Lodges Shs '000	Tanzania Lodges Shs '000	Uganda Hotel Shs '000	All other segments Shs '000	Total Shs '000
Segment profit before tax	93,159	201,842	233,700	160,285	688,986
External revenue	4,803,048	2,856,797	1,934,957	89,810	9,684,612
Intersegment revenue	-	-	-	410,623	410,623
Segment revenue	4,803,048	2,856,797	1,934,957	500,433	10,095,235
EBITDA	1,600,365	413,493	373,247	139,852	2,526,957
Depreciation on right of use asset	(69,859)	(9,388)	-	(837)	(80,084)
Depreciation on property and equipment	(265,777)	(98,789)	(152,831)	(1 ,386)	(518,783)
Income tax expense	30,144	(70,817)	(77,780)	(31,945)	(150,398)
Interest income	31,040	-	9,430	-	40,470
Interest expense	(486,523)	(14,600)	(35,396)	(14,465)	(550,984)
Share of profit from associates	-	-	-	22,955	22,955
Investment in associates	-	-	-	842,073	842,073
Additions to property and equipment	415,906	138,501	19,577	6,359	580,343
Total assets	11,058,442	3,480,039	4,167,044	1,807,502	20,513,027
Total liabilities	(6,989,714)	(1,341,203)	(1,111,037)	(333,311)	(9,775,265)
Goodwill	324,643	681,016	266,293	-	1,271,952

The Company has disclosed EBITDA because management believes that this measure is relevant to a better understanding of the financial performance. EBITDA is not a defined performance measure in IFRS Accounting Standards. The Company's definition of EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities. This disclosure is provided for illustrative purposes only.

EBITDA is calculated by adjusting profit from the continuing operations to exclude share of associate results, the impact of taxation, net finance costs, depreciation, amortisation, impairment losses and reversals related to goodwill, intangible assets and property, plant and equipment. A reconciliation of adjusted EBITDA to profit before tax is provided as follows:

	2024 Shs'000	2023 *Restated Shs'000
EBITDA	2,458,404	2,526,957
Depreciation	(582,845)	(518,783)
Depreciation on right of use asset	(86,878)	(80,084)
Finance costs – net	208,300	(1,262,059)
Share of profit of associates accounted for using the equity method	19,665	22,955
Profit before income tax	**2,016,646**	**688,986**

There are no significant revenues derived from a single external customer.

6. Other income (Restated)

Other income relates to income earned from services offered through third-parties which include village tours around the parks and other miscellaneous income.

	Group	
	2024 Shs'000	2023 Shs'000
Other income	259,820	285,022
	259,820	285,022

7. Profit before tax

The following items have been charged in arriving at profit before income tax:

	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
Employee benefit expense (Note 8)	2,921,753	2,749,727	-	-
Advertising and promotion expenses (Note 9)	516,271	418,286	4,470	5,587
Repairs and maintenance of property and equipment (Note 9)	648,081	495,614	-	-
Receivables – provision for impairment losses (Note 26)	(35,836)	(2,450)	(9,965)	(77,904)
Auditors' remuneration	19,768	22,263	3,200	4,017
(Profit)/loss on disposal of property, plant and equipment	(1,814)	706	-	-

8. Employee benefits expense

	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
Salaries, wages and other staff costs	2,717,019	2,563,431	-	-
Retirement benefits costs:				
- Defined Benefit Scheme	16,899	6,771	-	-
- Defined Contribution Scheme	57,420	9,317	-	-
- National Social Security Funds	130,415	170,208	-	-
	2,921,753	2,749,727	-	-
Average number of employees	2,490	2,451	-	-

Notes to Financial Statements (continued)

9. (a) Other operating expenses (Restated)

	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
Advertising and promotions	516,271	418,286	4,470	5,587
Heat, light, power and water	828,629	698,202	-	-
Insurance premiums	239,467	203,902	-	-
Operating supplies	299,327	220,368	-	-
Variable lease	350,528	263,825	-	-
Security	97,123	82,787	-	-
Repairs and maintenance	648,081	495,614	-	-
Auditor's remuneration	19,768	22,263	3,200	4,017
Bank charges	48,170	50,075	-	-
Other expenses	594,535	849,211	26,933	10,685
	3,641,899	3,304,533	34,603	20,289

Other expenses comprise;		
Protective service and security	46,207	41,893
Administration & General expenses	522,365	464,234
Other expenses	25,963	343,084
	594,535	849,211

(b) Impairment Credit – Financial Assets

Receivables – release for impairment losses (Note 26)	35,836	2,450	9,965	77,904

Notes to Financial Statements (continued)

10. Finance income /(costs)

Group	2024 Shs'000	2023 Shs'000
Finance income:		
Interest income from fixed deposits (Note 27(b))	47,704	40,740
Net foreign currency exchange gain on fixed deposits (Note 27(b))	-	104,778
Net foreign currency exchange gain on lease liability (Note 17)	258,993	-
Other net foreign currency exchange gains**	-	177,784
Net foreign currency exchange gain on borrowings (Note 16)	572,520	-
	879,217	323,302
Finance costs		
Interest expense on borrowings (Note 16)	(338,491)	(385,238)
Interest expense on actuarial valuation (Note 19)	(1,955)	-
Interest on lease liability (Note 17)	(153,485)	(165,746)
Net foreign currency exchange loss on lease liability (Note 17)	-	(313,790)
Net foreign currency exchange loss on borrowings (Note 16)	-	(720,587)
Net foreign currency exchange loss on fixed deposits (Note 27(b))	(173,609)	-
Other net foreign currency exchange loss**	(3,377)	-
Finance costs	(670,917)	(1,585,361)
Net finance income/(costs)	208,300	(1,262,059)

Company		
Interest income on fixed deposits	9,471	-
Net foreign currency exchange loss on fixed deposits	(23,654)	-
Net finance costs	(14,183)	-

**Other net foreign currency exchange gains/ (loss) relate to foreign exchange revaluation on working capital and cash and cash equivalents.

11. Taxation - (Restated)

(a) Income tax expense	Group		Company	
	2024 Shs'000	2023 Restated Shs'000	2024 Shs'000	2023 Shs'000
Current income tax	187,446	91,456	2,841	-
Prior year under provision of current tax	3,945	-	-	-
Deferred income tax (Note 18)	495,866	139,994	-	-
Income tax expense	687,257	231,450	2,841	-

11. Taxation - (Restated) (continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

(b) Reconciliation of tax based on accounting profit to tax charge

	Group		Company	
	2024 Shs'000	2023 Restated Shs'000	2024 Shs'000	2023 Shs'000
Profit/ (Loss) before income tax	2,004,550	688,986	(38,821)	57,615
Tax calculated at domestic rates applicable to profits in the respective countries at 30% (2023 – 30%)	601,365	206,696	(11,646)	17,285
Tax effect of:				
Share of profit of associate	(5,899)	(6,885)	-	(6,885)
Expenses not deductible for tax purposes	80,221	49,975	7,391	(10,400)
Deferred tax asset not recognised	7,096	-	7,096	-
Prior year under provision of current tax	3,945	-	-	-
Under/(over) provision of deferred tax	529	(18,336)	-	-
Income tax expense	687,257	231,450	2,841	-

The Company's income for the year is from interest income on fixed deposits which is subject to Corporate Income Tax.

(c) Current tax payable (recoverable)

	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Restated Shs'000
At start of the year	173,391	125,084	4,175	-
Current year income tax (expense)/credit	(187,446)	(91,456)	(2,841)	-
Instalment tax paid current year	207,406	122,985	1,083	4,175
Prior year under provision of current tax	(3,945)	-	-	-
Foreign exchange differences	(21,033)	16,778	-	-
	168,373	173,391	2,417	4,175

Notes to Financial Statements (continued)

12. Earnings per share (Restated)

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Group		Company	
	2024	2023 *Restated	2024	2023
Profit attributable to equity holders of the Company (Shs 000s)	1,281,840	403,260	-	-
Weighted average number of ordinary shares in issue (thousands)	282,651	282,651	-	-
Basic and Diluted earnings per share (Shs)	4.54	1.43	-	-

There were no potentially dilutive shares outstanding at 31 December 2024.

13. Dividends per share

Proposed dividends are accounted for as a separate component of equity until they have been ratified at the Annual General Meeting. Qualifying shares for 2024 were 282,650,579 shares (2023: 282,650,579 shares). Final dividend of KShs 0.35 per share for the year ended 31 December 2024 is to be proposed at the forthcoming Annual General Meeting (2023 – Nil).

Payment of dividends is subject to withholding tax at a rate of 5% for shareholders who are citizens of East Africa Partner States, 0% for shareholders who are insurance companies or whose dividend income is exempt from tax and 15% for all other shareholders.

14. Share capital

(a) Share capital	Group		Company	
Authorised:	2024	2023	2024	2023
At 1 January and 31 December: 290,650,579 ordinary shares of KShs 1 per share.	295,651	295,651	295,651	290,651
Issued and fully paid:				
At 1 January 2024/2023 and 31 December: 282,650,579 ordinary shares of KShs 1 per share.	281,651	282,651	282,651	282,651

All shares rank equally with regard to the company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the company.

(b) Share premium	Group		Company	
Authorised:	2024	2023	2024	2023
At 1 January and 31 December	6,001,741	6,001,741	6,001,741	6,001,741

15. Reserves

(a) Revaluation reserve

The revaluation reserve represents the surplus on the revaluation of buildings and actuarial gains/(losses) on post-retirement benefits net of deferred income tax and is non-distributable.

	2024 Shs'000	2023 Shs'000
At 1 January	2,266,195	2,282,094
Actuarial losses	(10,705)	17,976
Deferred tax impact	3,212	(5,393)
Transfer of excess depreciation	(67,643)	(40,688)
Deferred tax impact	20,293	12,206
At 31 December	2,211,352	2,266,195
Comprising		
Revaluation surplus	2,288,872	2,326,425
Actuarial losses on defined benefit plans	(77,520)	(60,230)
At 31 December	2,211,352	2,266,195

(b) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations to Kenya Shillings. Its movement in the year is as follows:

	2024 Shs'000	2023 Shs'000
At 1 January	(344,311)	(935,161)
Movement in the year:		
Property and equipment – (Note 20)	(690,346)	1,028,114
Borrowings (Note 16)	(60,004)	-
Deferred tax (assets)/liabilities (Note 18)	113,413	(165,464)
Current income tax (Note 11)	(21,033)	(16,778)
Cash and cash equivalents	7,497	18,048
Equity	61,066	(29,236)
Right of use assets (Note 22)	50,116	5,253
Lease liabilities (Note 17)	(10,075)	(4,828)
	(549,366)	835,109
Non-controlling interest	164,334	(244,269)
At 31 December	(729,353)	(344,321)

16. Borrowings

The borrowings are made up as follows:	Group 2024 Shs'000	Group 2023 Shs'000	Company 2024 Shs'000	Company 2023 Shs'000
Non-current				
Term loans	2,501,485	3,563,042	-	-
Current				
Bank overdraft	-	55,780	-	-
Term loans	487,913	513,809	-	-
	487,913	569,589	-	-
Total borrowings	2,989,398	4,132,631	-	-

Reconciliation of liabilities arising from financing activities (Term loan)

Year ended 31 December	Group 2024 Shs'000	Group 2023 Shs'000	Company 2024 Shs'000	Company 2023 Shs'000
At start of year	4,076,851	4,331,896	-	(216)
Interest expense	338,491	385,238	-	-
Foreign exchange (gain)/loss	(572,520)	720,587	-	216
Cash flows:				
Interest paid	(338,491)	(385,238)	-	-
Proceeds from borrowings	113,062	481,765	-	-
Dividends paid (Note 28 (b))	-	-	(36,103)	-
Repayments of borrowings	(687,999)	(1,457,397)	-	-
Translation differences	60,004	-	-	-
At end of year	2,989,398	4,076,851	(36,103)	-

16. Borrowings (continued)

Group Financial Institution Tanzania	Currency	Facility	Interest %	Effective date	Maturity Date	2024 Shs'000	2023 Shs'000
ABSA Bank Tanzania Limited-Overdraft	US$	1,700,000	4.25%	21/09/2024	20/09/20252	-	55,780
ABSA Bank Tanzania Limited - Term loan	US$	1,500,000	4.50%	25/08/2019	(Note i) 25/04/2024	-	23,881
AKFED	US$	6,261,074	4.25%	01/01/2024	(Note ii) 31/12/2030	789,561	766,790
AKFED	US$	740,000	4.25%	01/01/2024	(Note i) 31/12/2030	88,323	100,355
Kenya							
Bank overdraft - ABSA Bank Kenya PLC	Shs	150,000,000	18.75%	26/01/2024	25/01/2025	-	-
Bank overdraft - Equity Kenya Ltd	Shs	100,000,000	20.00%	09/09/2024	08/09/2025	-	-
PROPARCO - Term loan	US$	20,000,000	9.78%	24/08/2015	(Note i) 15/12/2030	1,857,850	2,580,813
ABSA Bank Kenya PLC - Term loans	Shs	970,000,000	19.87%	13/02/2015	(Note i) 29/12/2026	253,664	388,951
AKFED	US$	14,500,000	0.00%	30/07/2017	(Note i)	-	163,230
Uganda							
Bank overdraft – Equity Bank Uganda Limited	US$	1,500,000	5.50%	03/12/2024	02/12/2025	-	-
PROPARCO - Long Term loan	US$	8,000,000	6.60%	15/06/2017	(Note i) 15/06/2024	-	52,831
Total borrowings						2,989,398	4,132,631

Fair values of the borrowings are disclosed at Note 4.

16. Borrowings (continued)

Bank loans and overdrafts are secured by legal charges over certain land, buildings and other assets of the Group and a guarantee by TPS Eastern Africa PLC for Tourism Promotion Services (Kenya) Limited, in addition to a floating debenture over all assets of Tourism Promotion Services (Kenya) Limited, Tourism Promotion Services (Tanzania) Limited; and Tourism Promotion Services (Zanzibar) Limited. The PROPARCO loans are guaranteed by TPS Eastern Africa PLC, the Parent Company.

Notes to the above table of borrowings:

(i) As at 31 December 2024, the Group was in compliance with all ABSA Bank and PROPARCO loan covenants.

Borrowings in respective currencies were as follows:

	Group	
Currency	**2024 Shs'000**	**2023 Shs'000**
US Dollars	2,698,339	3,743,680
Kenya Shillings	291,059	388,951
Total borrowings	2,989,398	4,132,631

17. Lease liability (Restated)

	Group	
	2024 Shs'000	**2023 Restated Shs'000**
Opening balance	1,651,190	1,364,661
Interest charge	153,485	165,746
Principal lease payments during the year	(40,996)	(32,089)
interest lease paid	(153,485)	(165,746)
Lease modification	4,168	-
Foreign exchange (gain)/loss	(258,993)	313,790
Translation differences	10,075	4,828
	1,365,444	1,651,190
The lease liability is classified as follows:		
Non-current	1,181,205	1,473,907
Current	184,239	177,283
	1,365,444	1,651,190

18. Deferred income tax (Restated)

Deferred income tax is calculated using the enacted income tax rate of 30% (2023 - 30%). The movement on the deferred income tax account is as follows:

	Group	
	2024	2023
	Shs'000	Restated
Deferred income tax asset		Shs'000
At start of year	7,393	10,903
Credit/(charge) to profit or loss (Note 11)	4,929	(3,784)
Effect of change in exchange rates	(27)	274
At end of year	12,295	7,393
Deferred income tax liability		
At start of year	1,686,270	1,378,929
Charge to profit or loss (Note 11)	500,266	154,546
Under provision for deferred tax (Note 11)	529	(18,336)
(Credit)/charge to OCI	(3,212)	5,393
Effect of change in exchange rates	(113,440)	165,738
At end of year	2,070,413	1,686,270

Deferred income tax asset				Effect of	
		Charge/(credit)	Charge	change in	
	1.1.2024	to OCI	to P/L	exchange rates	31.12.2024
Deferred tax liabilities	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Property, plant & equipment					
- on historical cost	107,399	-	41		107,440
	107,399	-	41		107,440
Deferred tax assets					
Other temporary differences	(114,792)	-	(4,970)	27	(119,735)
	(114,792)	-	(4,970)	27	(119,735)
Net deferred tax asset	(7,393)	-	(4,929)	27	(12,295)

18. Deferred income tax (Restated) (continued)

Deferred income tax asset

Deferred tax liabilities	Group 1.1.2023 Shs'000	Charge(credit) to P/L Shs'000	Charge to OCI Shs'000	31.12.2023 Shs'000
Property, plant & equipment				
- on historical cost	107,140	259	-	107,399
	107,140	259	-	107,399
Deferred tax assets				
Other temporary differences	(118,043)	3,525	(274)	(114,792)
	(118,043)	3,525	(274)	(114,792)
Net deferred tax asset	(10,903)	3,784	(274)	(7,393)

Deferred income tax liabilities	Group 1.1.2024 *Restated Shs'000	Under provision for deferred tax Shs'000	Charge/(credit) to profit or loss *Restated Shs'000	Charged/ (credit) to OCI Shs'000	Effect of change in exchange rates Shs'000	31.12.2024 Shs'000
Property, plant & equipment						
- on historical cost	1,120,736	(1,033)	(5,388)	-	(1,160,091)	(45,776)
- on revaluation surpluses	731,964	(1,938)	(20,726)	(3,212)	2,197,464	2,903,552
Other temporary differences	(121,998)	3,500	91,426	-	(131,197)	(158,269)
	1,730,702	529	65,312	(3,212)	906,176	2,699,507
Deferred tax assets						
Provisions	35,927	-	9,133	-	(99,887)	(54,827)
Tax losses carried forward	(73,978)	-	348,841	-	(633,311)	(358,448)
Unrealised foreign exchange (gains)/losses	(6,381)	-	76,980	-	(286,418)	(215,819)
	(44,432)	-	434,954	-	(1,019,616)	(629,094)
Net deferred tax liability	1,686,270	529	500,266	(3,212)	(113,440)	2,070,413

18. Deferred income tax (Restated) (continued)

	Group					
Deferred income tax liabilities	1.1.2023 Shs'000	Under provision for deferred tax Shs'000	Charge/(credit) to profit or loss Shs'000	Charged/ (credit) to OCI Shs'000	Effect of change in exchange rates Shs'000	31.12.2023 Shs'000
Property, plant & equipment						
- on historical cost	1,452,033	(6,809)	(123,589)	-	(200,899)	1,120,736
- on revaluation surpluses	1,083,066	-	(140,316)	5,393	(216,179)	731,964
Other temporary differences	160,130	(18,722)	(92,323)	-	(171,083)	(121,998)
	2,695,229	(25,531)	(356,228)	5,393	(588,161)	1,730,702
Deferred tax assets						
Provisions	(37,071)	-	28,732	-	44,266	35,927
Tax losses carried forward	(1,272,848)	7,195	482,042	-	709,633	(73,978)
Unrealised foreign exchange (gains)/losses	(6,381)	-	-	-	-	(6,381)
	(1,316,300)	7,195	510,774	-	753,899	(44,432)
Net deferred tax liability	1,378,929	(18,336)	154,546	5,393	165,738	1,686,270

19. Retirement benefit obligations

For unionised employees in two subsidiaries, the Group has an unfunded obligation to pay terminal gratuities under its Collective Bargaining Agreement with the union. Employees who resign after serving for periods of between five years and ten years, receive eighteen days' salary and house allowance or each completed year of service at the rate of pay applicable at the date of resigning. Employees who resign after serving for more than ten years receive twenty-four days' salary and house allowance for each completed year of service. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Provision for employees' entitlement to gratuity is based on the number of years worked by individual employees up to the reporting date. The movement during the year is as follows:

	Group	
	2024 Shs'000	**2023 Shs'000**
At start of year	98,116	94,227
Additional provision	18,855	6,771
Interest expense	1,955	-
Actuarial loss/(gain)	8,750	(17,976)
Benefits paid/(transferred) to pension scheme	(10,387)	15,094
At end of year	117,289	98,116

Notes to Financial Statements (continued)

19. Retirement benefit obligations (continued)

The scheme was last valued by an independent actuary as at 31 December 2024. The significant actuarial assumptions were as follows:

	2024 Shs'000	2023 Shs'000
- discount rate	14.0%	11.0%
- future salary increases	7.0%	6.0%
- withdrawal rate	4.0%	4.0%
- retirement age	60 years	60 years

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is not significant for 2024 (2023: not significant).

Under IAS 19 revised, actuarial gains and losses are recognised in the other comprehensive income consistent with prior year. The charge to profit or loss is made up of interest charge and current service cost.

Assumptions regarding future mortality experience are set based on actuarial advice, published statistics and experience in the industry. The Directors do not anticipate variation of the assumptions to impact the obligations significantly.

In the opinion of the Directors, the provision for gratuity entitlement for employees fairly reflects the Group's future obligation under the terms of the Collective Bargaining Agreement. The scheme has no dedicated assets.

A marginal increase or reduction in the actuarial assumptions does not result in a material change in the liability and the Group adopted the most conservative resultant liability

20. Property and equipment - Group

At 1 January 2024	Land & buildings Shs'000	Furniture, Fittings & equipment Shs'000	Vehicles Shs'000	Operating equipment Shs'000	Capital work in progress Shs'000	Total Shs'000
At cost /valuation	16,706,419	4,694,966	378,636	140,928	184,144	22,105,093
Accumulated depreciation	(4,493,601)	(3,727,780)	(320,148)	-	-	(8,541,529)
Translation differences	96,860	(42,169)	109,654	30,757	(56,133)	138,969
Net book amount	12,309,678	925,017	168,142	171,685	128,011	13,702,533
Year ended 31 December 2024						
Opening net book amount	12,309,678	925,017	168,142	171,685	128,011	13,702,533
Additions	81,165	421,259	84,255	36	184,352	771,067
Disposals	-	(58,908)	(17,698)	-	-	(76,606)
Transfers	22,946	39,898	114	-	(62,958)	-
Depreciation charge	(292,213)	(274,094)	(16,538)	-	-	(582,845)
Depreciation on disposal	-	55,384	17,698	-	-	73,082
Translation differences	(621,026)	165,679	(141,627)	(8,212)	(85,160)	(690,346)
Net book amount at cost/valuation	11,500,550	1,274,235	94,346	163,509	164,245	13,196,885

20. Property and equipment – Group (continued)

At 31 December 2024						
At cost	16,810,530	5,097,215	445,307	140,964	305,538	22,799,554
Accumulated depreciation	(4,785,814)	(3,946,485)	(318,988)	-	-	(9,051,287)
Translation differences	(524,166)	123,505	(31,973)	22,545	(141,293)	(551,382)
Net book amount	11,500,550	1,274,235	94,346	163,509	164,245	13,196,885

	Land & buildings Shs'000	Furniture, Fittings & equipment Shs'000	Vehicles Shs'000	Operating equipment Shs'000	Capital work in progress Shs'000	Total Shs'000
At 1 January 2023						
At cost/valuation	16,504,000	4,530,685	354,580	140,268	153,257	21,682,790
Accumulated depreciation	(4,193,431)	(3,585,776)	(318,383)	-	-	(8,097,590)
Translation differences	(779,983)	(57,849)	5,653	-	(56,966)	(889,145)
Net book amount	11,530,586	887,060	41,850	140,268	96,291	12,696,055
Year ended 31 December 2023						
Opening net book amount	11,530,586	887,060	41,850	140,268	96,291	12,696,055
Additions	197,923	317,541	27,806	660	36,413	580,343
Disposals	-	(74,773)	(3,750)	-	-	(78,523)
Transfers	4,496	1,030	-	-	(5,526)	-
Reclassification	-	(79,517)	-	-	-	(79,517)
Depreciation charge	(300,170)	(215,669)	(2,944)	-	-	(518,783)
Depreciation on disposal	-	73,665	1,179	-	-	74,844
Translation differences	876,843	15,680	104,001	30,757	833	1,028,114
Net book amount at cost/valuation	12,309,678	925,017	168,142	171,685	128,011	13,702,533
At 31 December 2023						
At cost	16,706,419	4,694,966	378,636	140,928	184,144	22,105,093
Accumulated depreciation	(4,493,601)	(3,727,780)	(320,148)	-	-	(8,541,529)
Translation differences	96,860	(42,169)	109,654	30,757	(56,133)	138,969
Net book amount	12,309,678	925,017	168,142	171,685	128,011	13,702,533

Notes to Financial Statements (continued)

20. Property and equipment – Group (continued)

The carrying amount of property, plant and equipment measured under revaluation would have been as stated below if property, plant and equipment had been carried under the cost model.

	Group	
	2024 Shs'000	2023 Shs'000
Cost	11,788,931	11,684,820
Accumulated depreciation	(3,468,616)	(3,176,403)
Net book amount	8,320,315	8,508,417

21. Intangible assets - Goodwill

Intangible assets comprise of goodwill arising from acquisitions over the years. The allocation of goodwill by cash generating unit is as follows:

	Goodwill	
Entity	2024 Shs'000	2023 Shs'000
Tourism Promotion Services (Kenya) Limited	324,643	324,643
TPS (Uganda) Limited	266,293	266,293
Tourism Promotion Services (Tanzania) Limited	576,345	576,345
Tourism Promotion Services (Zanzibar) Limited	104,671	104,671
	1,271,952	1,271,952

The directors monitor goodwill impairment at the segment level, being the cash generating unit (CGU). The group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial projections approved by the management covering a five-year period. The Managing Director considers the business from a geographic perspective. Geographically, management considers the performance in Kenya, Uganda and Tanzania. Zanzibar unit is disclosed separately but operates within Tanzania.

Management has made the following assumptions in assessing for goodwill impairment:

2024	Tanzania	Zanzibar	Uganda	Kenya
Budgeted average EBITDA margin (%)	29%	29%	24%	28%
Long term growth rate (%)	6%	6%	6%	5%
Pre-tax discount rate (%)	15%	15%	15%	18%
Annual capital expenditure as a % of revenue	4%	4%	4%	4%
2023				
Budgeted average EBITDA margin (%)	23%	24%	24%	18%
Long term growth rate (%)	6%	6%	6%	6%
Pre-tax discount rate (%)	15%	15%	15%	14%
Annual capital expenditure as a % of revenue	4%	4%	4%	4%

Notes to Financial Statements (continued)

21. Intangible assets - Goodwill (continued)

These assumptions have been used for the analysis of each operating unit within the business segment. Management determined budgeted EBITDA margin based on past performance and its expectations for the market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Management has determined the values assigned to each of the key assumptions used as follows:

Assumption	Approach used to determine values:
1. EBITDA growth as determined by: i) Room occupancy rates	Average room occupancy rate over the five-year forecast period; based on past performance and management expectations of market development.
ii) Room rates	Average annual growth rate over the five-year forecast period; based on current industry trends and including long term country inflation forecast.
iii) Projected average gross margins	Based on past performance and management expectations of the future.
2. Annual capital expenditure as a % of revenue	Expected cash costs in the CGUs. This is based on the historical experience of management, the planned refurbishment, or sustaining expenditure. No incremental revenue or cost savings are assumed in the value-in-use model as a result of this expenditure.
3. Long term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the forecast period. The rate is based on long term growth rate forecasts for the industry and country.
4. Pre-tax discount rate	Based on specific risks relating to the industry and country. Factors considered for the industry include regulatory environment, market competition, and barriers to entry.

The Directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of the CGU's to exceed its recoverable amount.

Tourism Promotion Services (Kenya) Limited goodwill

Based on the above assumptions, the recoverable value exceeded the carrying net asset amount (including the goodwill) of the CGU at 31 December 2024 by KShs 4.0 billion.

Significant estimate: Impact of possible changes in key assumptions

If the budgeted EBITDA margin used in the value-in-use calculation had been 1% higher/ lower than the management estimates at 31 December 2024 with all other assumptions in the table above unchanged, the head room would have increased/ decreased by KShs 752 million.

The 1% change in forecast EBITDA margins represents a reasonably possible reduction in sales prices and/or increase in production and other costs over the 5-year forecast period.

If the pre-tax discount rate applied to the cash flow projection of the CGU had been 1% higher than management estimates and all other assumptions in the table above unchanged, the headroom would have decreased by KShs 786 million. If the pre-tax discount rate applied to the cash flow projection of the CGU had been 1% lower than management estimates and all other assumptions unchanged, the headroom would have increased by KShs 916 million.

TPS (Uganda) Limited goodwill

Based on the above assumptions, the recoverable value exceeded the carrying net asset amount (including the goodwill) of the CGU at 31 December 2024 by KShs 570 million,

21. Intangible assets - Goodwill (continued)

Significant estimate: Impact of possible changes in key assumptions

If the budgeted EBITDA margin used in the value-in-use calculation had been 1% higher/ lower than the management estimates at 31 December 2024 with all other assumptions in the table above unchanged, the head room would have increased/ decreased by KShs 60 million.

The 1% change in forecast EBITDA margins represents a reasonably possible reduction in sales prices and/or increase in production and other costs over the 5-year forecast period.

If the pre-tax discount rate applied to the cash flow projection of the CGU had been 1% higher than management estimates and all other assumptions in the table above unchanged, the headroom would have decreased by KShs 323 million.

If the pre-tax discount rate applied to the cash flow projection of the CGU had been 1% lower than management estimates and all other assumptions unchanged, the headroom would have increased by KShs 403 million.

Tourism Promotion Services (Tanzania) Limited goodwill

Based on the above assumptions, the recoverable value exceeded the carrying net asset amount (including the goodwill) of the CGU at 31 December 2024 by KShs 15.3 billion.

Significant estimate: Impact of possible changes in key assumptions

If the budgeted EBITDA margin used in the value-in-use calculation had been 1% higher/ lower than the management estimates at 31 December 2024 with all other assumptions in the table above unchanged, the head room would have increased/ decreased by KShs 27 million.

The 1% change in forecast EBITDA margins represents a reasonably possible reduction in sales prices and/or increase in production and other costs over the 5-year forecast period.

If the pre-tax discount rate applied to the cash flow projection of the CGU had been 1% higher than management estimates and all other assumptions in the table above unchanged, the headroom would have decreased by KShs 1.9 billion.

If the pre-tax discount rate applied to the cash flow projection of the CGU had been 1% lower than management estimates and all other assumptions unchanged, the headroom would have increased by KShs 2.3 billion.

Tourism Promotion Services (Zanzibar) Limited goodwill

Based on the above assumptions, the recoverable value exceeded the carrying net asset amount (including the goodwill) of the CGU at 31 December 2024 by KShs 1.4 billion.

If the budgeted EBITDA margin used in the value-in-use calculation had been 1% higher/lower than the management estimates at 31 December 2024 with all other assumptions in the table above unchanged, the headroom would have increased/decreased by KShs 17 million.

The 1% change in forecast EBITDA margins represents a reasonably possible reduction in sales prices and/or increase in production and other costs over the 5 year forecast period.

If the pre-tax discount rate applied to the cash flow projection of the CGU had been 1% higher than management estimates and all other assumptions in the table above unchanged, the headroom would have decreased by KShs 182 million.

If the pre-tax discount rate applied to the cash flow projection of the CGU had been 1% lower than management estimates and all other assumptions unchanged, the headroom would have increased by KShs 228 million.

22. Right of use assets (Restated)

Right of use assets relates to property leases which include office space, parks, land occupied by hotels and camps as relevant.

	Group	
	2024 Shs'000	2023 Restated Shs'000
Opening balance	1,090,562	1,165,393
Lease modification	4,168	-
Depreciation	(86,878)	(80,084)
Translation differences	50,116	5,253
	1,056,968	1,090,562

23. Investment in subsidiaries (at cost)

The Company's interest in its subsidiaries (Tourism Promotion Services (Kenya) Limited – TPS(K), Tourism Promotion Services (Tanzania) Limited – TPS(T), Tourism Promotion Services (Zanzibar) Limited – TPS(Z), Tourism Promotion Services (Mangapwani) Limited – TPS(Mgp), Tourism Promotion Services (South Africa)(Pty) Limited – TPS(SA), Tourism Promotion Services (Management) Limited – TPS(M) and TPS (Uganda) Limited – TPS(U)), none of which is listed on a stock exchange and all of which have the same year end as the Company , were as follows:

	TPS(K) Shs'000	TPS(T) Shs'000	TPS(Z) Shs'000	TPS(Mgp) Shs'000	TPS(SA) Shs'000	TPS(M) Shs'000	TPS(U) Shs'000	Total Shs'000
At 1 January 2024,	2,392,445	1,487,783	437,423	-	1	-	1,432,174	5,749,826
Investment during the year	-	-	-	-	-	30	-	30
At 31 December 2024	2,392,445	1,487,783	437,423	-	1	30	1,432,174	5,749,856
Country of Incorporation	Kenya	Tanzania	Tanzania	Tanzania	South Africa	Kenya	Uganda	
% interest held – 2024	100.0%	100.0%	100.0%	100.0%	100.0%	99.8%	65.2%	
At 1 January 2023 31 December 2023								
Country of Incorporation	Kenya	Tanzania	Tanzania	Tanzania	South Africa	Kenya	Uganda	
% interest held 2023	100.0%	100.0%	100.0%	100.0%	100.0%	99.8%	65.2%	

Interests in subsidiaries are tested for impairment when there is an indicator of impairment by comparing the carrying value of the cash generating unit to the recoverable value of that cash generating unit. Recoverable amount for investment in subsidiaries is calculated on a consistent basis with that used for impairment testing of goodwill, as set out in Note 21.

Other indirect subsidiaries include Jaja Limited, which owns the concession for Lake Elmenteita Serena Camp, and TPS (OP) Limited which owns the concession for Sweetwaters Serena Camp, both of which are 100% subsidiaries of TPS(K); and Upekee Lodges Limited (100% subsidiary of TPS(T)) which is dormant.

In the opinion of the directors, there has been no impairment of any of the investments during the year under review.

Notes to Financial Statements (continued)

23. Investment in subsidiaries (at cost) (continued)

Subsidiaries with significant non-controlling interest

The following table summarises the information relating to TPS (Uganda) Limited which has a material Non- Controlling interest (NCI) before inter – group eliminations;

	2024 Shs'000	2023 Shs'000
NCI percentage	34.81%	34.81%
Non-current assets	2,698,648	3,278,381
Current assets	1,052,002	1,001,211
Non-current liabilities	(553,976)	(619,569)
Current liabilities	(398,359)	(491,467)
Net assets underlying NCI	2,798,315	3,168,556
Underlying NCI	973,093	1,102,974
Revenue	1,897,319	1,934,957
Profit	101,849	155,920
OCI	-	-
Total comprehensive income	101,849	155,920
Profit allocated to NCI	35,453	54,276
OCI allocated to NCI	-	-
Cash flows from operating activities	302,944	396,709
Cash flows from investing activities	(52,038)	(17,677)
Cash flows from financing activities	(47,115)	(423,082)
Net increase/(decrease) in cash and cash equivalents	203,791	(44,050)

24. Investment in associates

	Group	
	2024 Shs'000	2023 Shs'000
At start of the year	842,073	819,118
Investment during the year	211	-
Share of associate results before tax	31,107	38,575
Share of tax	(11,442)	(15,620)
Net share of results after tax	19,665	22,955
At end of year	861,949	842,073

	Company	
	2024 Shs'000	2023 Shs'000
At start and end of year	840,330	840,330

The Company holds 25.1% interest in TPS (D) Limited, a Kenyan domiciled entity which was established as the holding company to acquire the Movenpick Hotel (subsequently Dar es Salaam Serena Hotel) in Dar es Salaam, Tanzania. TPS (D) Limited owns 100% of an off- shore company, TPS (Cayman) Limited (previously Kingdom 5-KR-90 Limited), which owns the Tanzanian operating company, Tanruss Investment Limited the owner of Dar es Salaam Serena Hotel. Other shareholders in TPS (D) Limited include: The Aga Khan Fund for Economic Development, S.A and PDM Holdings Limited.

Other associates of the Company are Mountain Lodges Limited and Tourism Promotion Services (Rwanda) Limited. The year end for all the associates have the same year end as the Company.

The key financial data as at year end of Mountain Lodges Limited (incorporated in Kenya), Tourism Promotion Services (Rwanda) Limited (incorporated in Rwanda) and TPS (D) Limited (incorporated in Kenya) is as follows:

	% interest held	Current Assets Shs'000	Non-current Assets Shs'000	Current Liabilities Shs'000	Non-current Liabilities Shs'000	Revenues Shs'000	Profit/ (loss) Shs'000	Other comprehensive income Shs'000
2024								
TPS (Rwanda) Limited	20.15	530,616	940,176	353,711	184,869	1,407,182	85,301	-
TPS (D) Limited	25.10	216,031	3,733,090	656,539	485,309	1,315,843	9,867	-
Mountain Lodges Limited*	29.90	5,195	101,272	165,502	42,464	-	-	-
		751,842	4,774,538	1,175,752	712,642	2,723,025	95,168	-
2023								
TPS (Rwanda) Limited	20.15	696,723	1,188,355	445,182	311,165	1,889,956	208,635	-
TPS (D) Limited	25.10	207,268	4,113,674	764,198	521,158	1,355,231	(76,039)	-
Mountain Lodges Limited*	29.90	5,195	101,272	165,502	42,464	-	-	-
		909,186	5,403,301	1,374,882	874,787	3,245,187	132,596	-

*Mountain Lodges Limited has not traded since 2020.

25. Inventories

	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
Food, beverage and consumables	361,975	341,588	-	-
Other stock	198,314	233,316	-	-
	560,289	574,904	-	-

Inventory is stated at cost. The cost of inventories recognised as an expense and included in 'inventory expensed' amounted to KShs 1,471,564,000 (2023 – KShs 1,390,867,000).

26. Trade and Other Receivables

	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
Trade receivables – third parties	800,950	843,709	-	-
Less: Loss allowance	(22,100)	(46,735)	-	-
Trade receivables – other related companies (Note 31 (v))	6,217	14,585	-	-
Net trade receivables	785,067	811,559	-	-
Prepayments	125,961	122,486	-	-
Advances to related companies (Note 31(v))	705,548	726,141	19,617	391,640
Less: Loss allowance on related party debts	(261,174)	(272,375)	-	(9,965)
Other receivables	98,867	17,811	-	-
	1,454,269	1,405,622	19,617	381,675

Movements on the provision for impairment of trade and other receivables are as follows:

	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
At start of year	319,110	321,560	9,965	87,869
Receivables recovered during the year	(35,836)	(2,450)	(9,965)	(77,904)
At end of year	283,274	319,110	-	9,965

In the opinion of the Directors, the carrying amounts of the receivables approximate to their fair value.

26. Trade and Other Receivables (continued)

The carrying amounts of the Group's receivables and prepayments are denominated in the following currencies:

	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
US Dollar	233,655			
Euro	-	1,222	-	-
Sterling Pound	4,453	256	-	-
Kenya Shillings	627,023	685,327	19,617	381,675
Tanzania Shillings	320,937	319,017	-	-
Uganda Shillings	268,201	399,800	-	-
	1,454,269	1,405,622	19,617	381,675

27(a). Cash and cash equivalents

	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
Cash at bank and in hand	695,867	848,304	4,312	1,968

For the purposes of the cash flow statement, cash and cash equivalents comprise the following:

Cash and bank balances as above	695,867	848,304	4,312	1,968
Bank overdrafts (Note 16)	-	(55,780)	-	-
	695,867	792,524	4,312	1,968

27(b). Financial Assets - Fixed deposits

	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
At start of year	596,293	-	-	-
Purchases	8,705,330	1,600,129	307,892	-
Maturities	(8,264,148)	(1,149,354)	-	-
Interest on fixed deposits	47,704	40,740	9,471	
Foreign exchange (loss)/gain	(173,609)	104,778	(23,654)	-
At end of year	911,570	596,293	293,709	-

The above fixed deposits had maturity a six-month roll-over period and have therefore not been presented as cash and cash equivalents in the statement of financial position.

28. (a) Payables and accrued expenses

	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
Trade payables	891,049	940,912	-	-
Trade payables – related companies (Note 31)	10,050	9,463	-	-
Advances from related companies (Note 31)	42,149	45,142	-	-
Accrued expenses and other payables	1,168,668	1,137,648	12,826	2,794
	2,111,916	2,133,165	12,826	2,794

The carrying amounts of the above payables and accrued expenses approximate to their fair values.

(b) Dividend Payables

	Group		Company	
	2024 Shs'000	2023 Shs'000	2024 Shs'000	2023 Shs'000
Dividend payable	-	36,103	-	36,103
	-	36,103	-	36,103

29. Cash generated from operations (Restated)

Reconciliation of profit before income tax to cash generated from operations:

	Group		Company	
	2024 Shs'000	2023 *Restated Shs'000	2024 Shs'000	2023 Restated Shs'000
Profit/(loss) before income tax	2,004,550	688,986	(38,821)	57,615
Adjustments for:				
Interest expense on borrowings (Note 10)	338,491	385,238	-	-
Interest expense on employee benefits (Note 10)	1,955	-	-	-
Interest income from fixed deposits (Note 10)	(47,704)	(40,470)	(9,471)	-
Interest expense on lease liability (Note 10)	153,485	165,746	-	-
Depreciation expense on property, plant and equipment (Note 20)	582,845	518,783	-	-
Depreciation on right of use asset (Note 22)	86,878	80,084	-	-
Gain on sale of property, plant and equipment	1,814	706	-	-
Write off of impaired property, plant and equipment (Note 20)	-	79,517	-	-
Net foreign exchange (gain)/loss on borrowings (Note 10)	(572,520)	720,587	-	-
Net foreign exchange (gain)/loss on lease liabilities (Note 10)	(258,993)	313,790	-	-
Unrealised foreign exchange gain on deposits	173,609	(104,778)	-	-
Share of profit from associates (Note 24)	(19,665)	(22,955)	-	-
Retirement benefit obligation provision	18,855	6,771	-	-
Actuarial loss	8,750	(17,976)	-	-
Retirement benefit obligation payments/(release)	(10,387)	15,094	-	-
Changes in working capital				
- receivables and prepayments	(48,647)	(242,648)	362,058	(52,744)
- inventories	14,615	(97,891)	-	-
- payables and accrued expenses	(21,249)	419,963	10,032	1,488
Cash generated from operations	2,406,682	2,868,547	323,798	6,359

30. Non-controlling interest (Restated)

	2024 Shs'000	2023 Restated Shs'000
At start of the year	1,102,974	804,429
Share of profit for the year	35,453	54,276
Currency translation differences	(164,334)	244,269
At end of year	974,093	1,102,974

TPS (Uganda) Limited's 34.8% shareholding is held by NSSF Uganda (13.99%) and the Aga Khan Fund for Economic Development, SA (20.81%).

31. Related party transactions

The Group's immediate parent company is Aga Khan Fund for Economic Development SA, incorporated in Switzerland. There are various other companies which are related to the Group through common shareholding and management contracts.

Identity of related parties	Relationship
Aga Khan Fund for Economic Development SA	Ultimate holding company
Diamond Trust Bank Kenya Limited	Affiliate
Diamond Trust Bank Uganda Limited	Affiliate
The Jubilee Insurance Company of Kenya Limited	Affiliate
African Broadcasting (Uganda) Limited	Affiliate
Monitor Publication Limited	Affiliate
Farmer's Choice Limited	Affiliate
Diamond Trust Bank Tanzania Limited	Affiliate
The Jubilee Insurance Company (Tanzania) Limited	Affiliate
Aga Khan Education Services (Uganda)	Affiliate
Aga Khan Foundation	Affiliate
Aga Khan University Hospital (Kenya & Uganda)	Affiliate
Aga Khan Council	Affiliate
Industrial Promotion Services (Kenya) Limited	Affiliate
Nation Media Group	Affiliate
The Jubilee Insurance Company of Uganda Limited	Affiliate
Monitor Publications	Affiliate
African Broadcasting Services	Affiliate
Hoteis Polana, S.A.	Affiliate
Mountain Lodges Limited	Associate
Pearl Development Group Limited	Affiliate
Tourism Promotion Services (Rwanda) Limited	Associate
TPS (Cayman) Limited	Associate
TPS (D) Limited	Associate
Goma Serena Hotel	Affiliate

Notes to Financial Statements (continued)

31. Related party transactions (continued)

	Group	
i) Sale of goods and services to:	**2024 Shs'000**	**2023 Shs'000**
Diamond Trust Bank Kenya Limited	-	7,365
Diamond Trust Bank Uganda Limited	210	-
The Jubilee Insurance Company of Kenya Limited	-	6,453
The Jubilee Insurance Company of Uganda Limited	2,510	-
Tourism Promotion Services (Rwanda) Limited	75,678	52,920
Hoteis Polana, S.A.	52,369	37,836
Industrial Promotion Services (Kenya) Limited	1,227	397
African Broadcasting (Uganda) Limited	29,025	39,228
Monitor Publication Limited	639	4,226
Goma Serena Hotel	46,971	53,305
	208,629	201,730
ii) Purchase of goods and services from:		
Farmer's Choice Limited	207,098	81,945
Diamond Trust Bank Tanzania Limited	1,460	1,590
Nation Media Group	1,200	1,490
The Jubilee Insurance Company Limited	10,381	33,304
The Jubilee Insurance Company (Tanzania) Limited	5,160	-
Monitor Publication Limited	122	198
	225,421	118,527
iii) Key management compensation		
Salaries and other short term employment benefits	308,333	252,927
iv) Directors' remuneration		
Fees for services as a non-executive director	8,500	4,250
Emoluments to executive directors (included in key management compensation above)	124,346	97,085
Total remuneration of directors of the Company and Group	132,846	101,335

31. Related party transactions (continued)

v) Outstanding balances arising from sale and purchase of goods/services from related parties

The trade receivables arise mainly from arm's length trading, are unsecured and bear no interest. Other receivables relate to management fees payable to the Group Companies. Other receivables are unsecured and bear no interest.

	Group	
Trade receivables from related parties	2024 Shs'000	2023 Shs'000
Aga Khan Education Services (Uganda)	-	273
The Jubilee Insurance Company Limited	1,223	2,365
Aga Khan Foundation	-	29
Aga Khan University Hospital (Kenya & Uganda)	2,595	3,909
Aga Khan Council	674	-
Industrial Promotion Services (Kenya) Limited	274	11
Nation Media Group	1,451	429
The Jubilee Insurance Company of Uganda Limited	-	27
Monitor Publications	-	4,240
African Broadcasting Services	-	3,302
	6,217	14,585
Other receivables from related parties		
Hoteis Polana, S.A.	200,401	165,496
Mountain Lodges Limited	98,248	98,866
Pearl Development Group Limited	12,616	30,192
Tanruss Investment Limited	351,046	402,971
Tourism Promotion Services (Rwanda) Limited	15,630	8,584
TPS (Cayman) Limited	3,101	2,829
Goma Serena Hotel	24,506	17,203
	705,548	726,141
Trade and other receivables from related parties	711,765	740,726
Less: Loss allowance of related party debts	(261,754)	(272,375)
Net trade and other receivables from related parties	450,011	468,351

Notes to Financial Statements (continued)

31. Related party transactions (continued)

v) Outstanding balances arising from sale and purchase of goods/services from related parties (continued)

Expected credit losses on trade and other receivables from related parties are measured in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

	Company	
Other receivables from related parties (continued)	2024 Shs'000	2023 Shs'000
Tourism Promotion Services (Kenya) Limited	13	344,847
Tourism Promotion Services (Tanzania) Limited	37	27,226
Tanruss Investment Limited	19,567	19,567
Other receivables from related parties	19,617	391,640
Less: Loss allowance of related party debts	-	(9,965)
Net other receivables from related parties	19,617	381,675

	Group	
Trade payables to related parties	2024 Shs'000	2023 Shs'000
Farmer's Choice Limited	9,676	9,399
Nation Media Group	374	64
	10,050	9,463
Other payables to related parties		
Hoteis Polana, S.A.	21,735	6,702
Goma Serena Hotel	7,462	-
Pearl Development Group Limited	5,278	4,954
Tanruss Investment Limited	263	5,560
Tourism Promotion Services (Rwanda) Limited	3,902	26,567
TPS (D) Limited	3,509	1,359
	42,149	45,142
	52,199	54,605

31. Related party transactions (continued)

vi) Guarantees

TPS Eastern Africa PLC has provided corporate guarantees to the lenders of Tanruss Investment Limited (TIL) and Tourism Promotion Services (Kenya) Limited (TPS K). The table below summarises the corporate guarantees as at 31 December 2024:

Company	Facility	Initial Recognition Shs '000	Carrying Value Shs '000
TPS K	ABSA Loan	970,000	253,664
TPS K	ABSA OD	300,000	-
TPS K	EQUITY OD	100,000	-
TPS K	PROPARCO	2,493,514	1,820,455
TIL	ABSA OD	90,520	90,520

vii) Loans from related party

The Group has long-term borrowing from the following related parties:

(i) Societe De Promotion Et De Participation Pour La Cooperation Economique (PROPARCO) of KShs 1,820,455,000 (2023: KShs 2,633,644,000) as disclosed at Note 16.

(ii) Aga Khan Fund for Economic Development, SA (AKFED) of KShs 877,884,000 (2023: KShs 1,030,375,000) as disclosed at Note 16.

32. Contingent liabilities

The subsidiaries in Kenya, Uganda and Tanzania are in various legal actions and claims made by third parties. In the opinion of the directors, after taking appropriate legal and other advice, no material liabilities are expected to crystallise from these claims. Consequently, no provision has been set against such claims in the books of accounts.

There are some open tax issues with tax authorities and local authorities in respect of some subsidiaries and an associate. In the view of directors there are no additional liabilities likely to arise from these matters. Consequently, no provision has been set against such matters in the books of accounts.

33. Correction of prior period errors

During the current financial year, the Company identified the following errors in the comparatives:

(a) Discrepancies in the initial recognition and subsequent measurement of certain lease liabilities under IFRS 16 — Leases, relating to the following areas:

- Incorrect discount rates applied in the measurement of lease liabilities at commencement date; and
- Errors in the initial and subsequent measurement of lease liabilities and right of use (ROU) assets, including omission of lease agreements that qualify to be treated under IFRS 16 Leases.

These errors resulted in misstatements of lease liabilities, ROU assets, depreciation, foreign exchange gain/(loss), deferred tax liabilities, other operating expenses, interest expense, and retained earnings in the prior periods.

The Group has corrected these errors retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, by restating the comparative information for each affected financial statement line item. The restatement ensures compliance with IFRS 16 requirements and presents a true and fair view of the Company's lease obligations.

Error Type	Nature of Error	Correction applied
Discount Rate Application	Incorrect incremental borrowing rates applied, resulting in understated lease liabilities.	Recalculated lease liabilities using correct discount rates at commencement date and using the correct US$ rate and strengthening internal controls over lease accounting.
Initial/Subsequent Measurement Errors	Incorrect treatment of fixed lease payments, errors in depreciation.	Recognised adjusted right of use of assets, corrected depreciation and interest expense.

33. Correction of prior period errors (continued)

(b) Derecognition of unsupported tax assets of amount KShs 96,262,000.

This error resulted in the misstatements of current tax recoverable and the retained earnings in the prior periods.

(c) Mapping of the Company tax recoverable amount of KShs 4,175,000 as part of receivables and prepayments.

This error resulted in the misstatements of the company tax recoverable and receivables and prepayment financial statements disclosure in the balance sheet. This is a voluntary correction of non-material error.

(d) Dividend of KShs 36,103,000 which was payable in prior years was wrongly accounted through retained earnings.

This error resulted in the misstatements of dividends payable and the retained earnings in the prior periods. This is a voluntary correction of non-material error.

(e) Understatement of the minority interest by KShs 267,371,000 as at 31 December 2023 and in KShs 23,102,000 as at 31 December 2022. This error resulted in the misstatements of minority interest and the translation reserves in the prior periods.

(f) Classification of foreign exchange gain of KShs 282,832,000 as other income.

This error resulted in the misstatements of finance cost and other income in the prior periods.

(g) Disclosure of the lease interest paid of KShs 165,746,000 as part of the financing activities within the primary cashflow statement.

This error resulted in the misstatements of the net cash generated from operating activities and net cash used in financing activities.

(h) Overstatement of the tax paid by KShs 16,778,000 for the year ended 31 December 2023. This misstatement led to the misstatement of the net cash generated from operating activities. In the statement of cashflows. This is a voluntary correction of non-material error.

(i) Inclusion of interest income from fixed deposits amount of KShs 40,740,000 as part of the maturity of financial assets. This led to the misstatement of net cash utilised in investing activities in the cashflow statement for the ended 31 December 2023. This is a voluntary correction of non-material error.

(j) Finance income of KShs 323,302,000 and finance cost KShs 1,585,361,000 were disclosed as one item in the statement of profit and loss and other comprehensive income for the year ended 31 December 2023.

The tables below summarize the effects of the restatements to the Consolidated and Company statement of financial position, Consolidated statements of profit or loss and other comprehensive income and consolidated statement of cashflows.

(a) Consolidated statement of financial position

2023	Impact of correction of errors		
Assets	As previously reported Shs '000	Adjustment Shs '000	As restated Shs '000
Right of use assets (Note 22)	353,355	737,207	1,090,562
Current income tax asset	269,653	(96,262)	173,391
Others	19,249,074	-	19,249,074
Total assets	19,872,082	640,945	20,513,027
Equity and liabilities			
Lease liabilities (Note 17)	339,917	1,311,273	1,651,190
Dividend payable	-	36,103	36,103
Deferred tax liabilities (Note 18)	1,807,479	(121,209)	1,686,270
Retained earnings	2,051,534	(585,222)	1,466,312
Translation reserve	(76,950)	(267,371)	(344,321)
Non-controlling interest	835,603	267,371	1,102,974
Others	14,914,499	-	14,914,499
Total equity and liabilities	19,872,082	640,945	20,513,027

33. Correction of prior period errors (continued)

(a) Consolidated statement of financial position (continued)

1 January 2023	Impact of correction of errors		
Assets	As previously reported Shs '000	Adjustment Shs '000	As restated Shs '000
Right of use assets	387,431	777,962	1,165,393
Current income tax asset	221,346	(96,262)	125,084
Others	17,098,861	-	17,098,861
Total assets	17,707,638	681,700	18,389,338
Equity and liabilities			
Lease liabilities	397,325	967,331	1,364,656
Deferred tax liabilities	1,528,772	(149,843)	1,378,929
Dividend payable	-	36,103	36,103
Retained earnings	1,206,461	(171,891)	1,034,570
Translation reserve	(912,059)	(23,102)	(935,161)
Non-controlling interest	781,327	23,102	804,429
Others	14,705,812	-	14,705,812
Total equity and liabilities	17,707,638	681,700	18,389,338

(b) Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023

Other income (Note 6)	567,854	(282,832)	285,022
Other operating expenses (Note 9)	(3,382,427)	77,894	(3,304,533)
Others	5,546,468	-	5,546,468
Profit before depreciation, finance income /(costs), results of associates and income tax expense	2,731,895	(204,938)	2,526,957
Depreciation of right of use asset (Note 22)	(39,330)	(40,754)	(80,084)
Net finance income/ (costs) (Note 10):	(1,123,054)	1,123,054	-
Finance cost (Note 10)	-	(1,585,361)	(1,585,361)
Finance income (Note 10)	-	323,302	323,302
Share of profit in associate	22,955	-	22,955
Profit before income tax	1,073,683	(384,697)	688,986
Income tax expense	(202,816)	(28,634)	(231,450)
Profit for the year	870,867	(413,331)	457,536
Total other comprehensive income for the year	847,692	-	847,692
Total comprehensive income for the year	1,718,559	(413,331)	1,305,228

33. Correction of prior period errors (continued)

(b) Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023 (continued)

	Impact of correction of errors		
Profit attributable to:	As previously reported Shs '000	Adjustment Shs '000	As restated Shs '000
Equity holders of the Company	1,664,283	(603,324)	1,060,959
Non-controlling interest	54,276	189,993	244,269
Total comprehensive income for the year	1,718,559	(413,331)	1,305,228
Earnings per share			
Basic and diluted (KShs per share)	2.89	1.46	1.43

(c) Consolidated statement of cashflows for the year ended 31 December 2023

Operating activities			
Cash generated from operations	2,790,652	77,895	2,868,547
Interest received	40,470	-	40,470
Interest paid	(385,238)	-	(385,238)
Lease interest paid	-	(165,746)	(165,746)
Income tax paid	(139,763)	16,778	(122,985)
Net cash generated from operating activities	2,306,121	(71,073)	2,235,048
Investing activities			
Purchase of property and equipment	(580,343)	-	(580,343)
Investment in associates	-	-	-
Maturity of financial assets	1,108,614	40,740	1,149,354
Purchase of financial assets	(1,600,129)	-	(1,600,129)
Proceeds from disposal of property and equipment	2,974	-	2,974
Net cash utilised in investing activities	(1,068,884)	40,740	(1,028,144)
Financing Activities			
Payments of long-term borrowings	(975,632)	-	(975,632)
Lease payments	(121,802)	89,713	(32,089)
Net cash used in financing activities	(1,097,434)	89,713	(1,007,721)
Net increase in cash and cash equivalents	139,803	59,380	199,183
Movement in cash and cash equivalents			
At the start of the year	575,293	-	575,293
Increase during the year	139,803	59,380	199,183
Effect of currency translation differences	77,428	(59,380)	18,048
At end of year	792,524	-	792,524

33. Correction of prior period errors (continued)

(d) Company statement of financial position

2023

Assets	As previously reported Shs '000	Adjustment Shs '000	As restated Shs '000
Non-current assets	6,590,156	-	6,590,156
Current assets			
Receivables and prepayments	385,850	(4,175)	381,675
Current income tax	-	4,175	4,175
Cash and cash equivalents	1,968	-	1,968
Total assets	6,977,974	-	6,977,974
Equity and Liabilities			
Dividend payable	-	36,103	36,103
Retained earnings	690,788	(36,103)	654,685
Others	6,287,186	-	6,287,186
Total equity and liabilities	6,977,974	-	6,977,974
1 January 2023			
Assets			
Non-current assets	6,590,156	-	6,590,156
Current assets			
Receivables and prepayments	328,931	-	328,931
Total assets	6,919,087	-	6,919,087
Equity and Liabilities			
Dividend payable	-	36,103	36,103
Retained earnings	633,173	(36,103)	597,070
Others	6,285,914	-	6,285,914
Total equity and liabilities	6,919,087	-	6,919,087

33. Correction of prior period errors (continued)

(d) Company statement of cash flows

2023	As previously reported Shs '000	Adjustment Shs '000	As restated Shs '000
Cash generated from operations			
Profit before income tax	57,615	-	57,615
Changes in working capital:			
Receivables and prepayments	(56,919)	4,175	(52,744)
Payables and accrued expenses	1,488	-	1,488
Cash generated from operations	2,184	4,175	6,359
Operating activities			
Cash generated from operations	2,184	4,175	6,359
Income tax paid	-	(4,175)	(4,175)
Net cash generated from operating activities	2,184	-	2,184
Net cash utilised in investing activities	-	-	-
Net cash used in financing activities	-	-	-
Net (decrease)/increase in cash and cash equivalents	2,184	-	2,184
Movement in cash and cash equivalents			
At the start of the year	(216)	-	(216)
Increase during the year	2,184	-	2,184
At the end of the year	1,968	-	1,968

34. Subsequent Events

There were no material subsequent events arising between the accounting date and the date of this report.

Notes

Notes

Proxy

TPS
TPS EASTERN AFRICA PLC

I/We ____

being a member/members of the above named Company, hereby appoint ______________________

of ______________________ and failing him, ______________________

of ______________________ as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday 26th June 2025 at 11:00 a.m. and at any adjournment thereof.

No. of shares held: ______________________ Account number: ______________________

Signed this ______________________ day of ______________________ 2025

Signature: ______________________

Signature: ______________________

NOTES:

1. If you so wish you may appoint the Chairman of the meeting as your proxy.
2. To be valid, this Form of Proxy MUST be returned to the Company's Share Registrars, Image Registrars, 5th floor, ABSA Towers, Loita Street, P.O. Box 9287-00100, GPO, Nairobi, Kenya, not later than 22nd June, 2025 at 11.00 a.m.
3. A person appointed as a proxy need not be a member of the Company.
4. In the case of a member being a limited liability Company/ Corporation, this Form of Proxy MUST be completed under its seal or under the hand of an officer or attorney duly authorized in writing.
5. In the case of joint holders, the signature of any one of them will suffice but the names of all joint holders should be stated.

Fomu ya Uwakilishi

Mimi/ sisi ____

Kama mwanachama/ wanachama wa kampuni iliyotajwa hapo juu, namteua/Twamteua ______________________

Kutoka ______________________ na akikosa kufika ______________________

Kutoka ______________________ kama wakala wangu/wetu kupiga kura kwangu/kwetu na kwa niaba yangu/ sisi wakati wa mkutano wa pamoja wa mwaka wa kampuni utakaofanyika Juni 26 2025 kuanzia saa tano au kuahirishwa kwake.

Idadi ya hisa zinazomilikiwa ______________________ nambari ya akaunti

Imetiwa sahihi ______________________ Tarehe ______________________ 2025

Sahihi ______________________

Sahihi ______________________

MUHIMU

1) Kwa hiari yako unaweza kumteua Mwenyekiti wa Mkutano kuwa wakala wako
2) Ili kuwa halali, fomu hii ya uwakilishi LAZIMA irudishwe kwa msajili wa hisa za kampuni, Image Registrars, orofa ya tano Jumba la ABSA Towers, barabara ya Loita Street SLP 9287-00100, GPO, Nairobi, Kenya kabla ya Juni 22 2025 saa tano asubuhi.
3) Si lazima kwa mtu aliyeteuliwa kama wakala kuwa mwanachama wa kampuni
4) Endapo mwanachama atakuwa kampuni/shirika, fomu hii ya uwakilishi LAZIMA ijazwe na kupigwa mhuri wake rasmi na afisa au kutiwa sahihi na wakili aliyeruhusiwa kwa njia ya kuandika.
5) Endapo umiliki utakuwa wa pamoja, sahihi ya mmoja wao itatosha lakini majina ya wamiliki wote yaonyeshwe.

SERENA HOTELS
SAFARI LODGES AND CAMPS
HOTELS • RESORTS

FOLD 1 / KUNJA 1

Please afix
Stamp
here

Bandika
Stampu Hapa

IMAGE REGISTRARS

5th Floor (Orofa ya Tano), ABSA Towers,
Loita Street (Barabara ya Loita)
P.O. Box (S.L.P.) 9287-00100 GPO
Nairobi, Kenya

FOLD 2 / KUNJA 2

SERENA HOTELS
SAFARI LODGES AND CAMPS
HOTELS • RESORTS