

TPS EASTERN AFRICA PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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TPS EASTERN AFRICA PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

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 2025 which disclose the state of affairs of the Group and Company.

1. 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.

2. Business review

The Group's profit before income tax for the year of KShs 1,212,119,000 (2024 – KShs 2,004,550,000) declined by 40%. A material exchange gain was recorded in the prior year, primarily attributable to the revaluation of foreign currency-denominated borrowings and lease liabilities. During the current year, the relevant currencies exhibited relative stability, and consequently, exchange differences were not significant. The table below highlights some of the key performance indicators:

	2025	2024
	KShs 000	KShs 000
Revenue	10,116,746	10,185,868
*EBITDA	2,274,532	2,446,308
EBITDA to revenue ratio (%)	22%	24%
Profit before income tax	1,212,119	2,004,550
Earnings per share (KShs)	2.77	4.54
Net current assets	924,933	1,006,300
Return on Capital Employed (ROCE)	11.82%	14.05%

*** 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.

3. Dividends

The profit for the year attributable to equity shareholders of the company of KShs 781,783,000 (2024 – KShs 1,281,840,000) has been added to retained earnings. The Directors recommend a final dividend for the year of KShs 0.35 per share (2024 – KShs 0.35 per share). During the current financial year, the Company paid a final 2024 dividend amounting to KShs 98 million.

4. 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	
Jean Guyonnet - Duperat*	Appointed 28 April 2025
Mohamed Bagha	
Azizuddin Boolani***	
Ashishkumar Sharma**	
Rachel Dumba ****	
Donald Mhaiki *****	
Audrey Maignan* (Mrs)	Resigned 28 April 2025

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

TPS EASTERN AFRICA PLC

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

5. 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.

6. Auditor

KPMG Kenya continues in office 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.

7. IFRS S1 General Requirements for Disclosure of Sustainability related Financial Information and IFRS S2 Climate-related Disclosures

IFRS S1, titled 'General Requirements for Disclosure of Sustainability Related Financial Information', provides a framework for disclosing material information about sustainability-related risks and opportunities across an entity's value chain. IFRS 2, 'Climate-related Disclosures', focuses specifically on climate-related risks and opportunities. The effective date of these standards is 1 January 2027.

The board is currently evaluating the impact of these standards in line with the current framework adopted by the Group.

8. Approval of financial statements

The financial statements on pages 18 to 95 were approved and authorised for issue at a meeting of the Board of Directors held on 28 April 2026.

By order of the Board



Secretary

Date: 28 April 2026

TPS EASTERN AFRICA PLC
CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

On behalf of the Board of Directors of TPS Eastern Africa PLC (TPSEAP/the Group/Serena Hotels), I am pleased to present to you the Annual Financial Statements of the Group for the year ended 31 December 2025.

The year under review was one of sustained strategic execution and operational resilience. Building on the momentum achieved in 2024, the Group navigated a complex and evolving landscape characterised by regional macroeconomic shifts, currency stabilisation, and changing security dynamics. Notwithstanding these headwinds, our commitment to delivering the distinctive “Serena Experience” remained unwavering, guided by our long-term vision of sustainable growth and service excellence. The hospitality sector across Eastern Africa experienced a mixed operating environment in 2025. While international and regional travel continued to recover, the pace of growth was moderated by several external factors including: heightened geo-political disruptions, travel advisories and the reduction of U.S. donor funding, which impacted the International Non-Governmental Organisations /Non-Governmental Organisations and booking patterns of business segments’ particularly during the first half of the year. Performance across the portfolio was varied; while our city hotels and safari circuits faced early-year headwinds, the Kenya and Tanzania lodges saw exceptional demand during the peak migration season from June to October. The Group’s strong Serena brand and diversified portfolio continue to be recognised for its strength across leisure, corporate and diplomatic segments, with a focus on Meetings, Incentives, Conferences and Exhibitions (MICE), with patronage across domestic, regional and international markets.

For the financial year 2025, the Group’s performance reflects both the “normalisation” of exchange rates and the impact of varied disruptions. Profit before unrealized exchange differences, interest, depreciation and taxation declined by 7% to stand at KShs 2.3 billion (2024: KShs 2.5 billion), whereas during 2024 the unrealized exchange gain was KShs. 655 million against KShs. 39 million during 2025, impacting profit after tax that declined by 40% compared to the exceptional results achieved in 2024. In addition to the exchange gain last year, the reduction in profit was also attributable to the lease liabilities and several external factors highlighted earlier including the increased provisions on outstanding receivables under IFRS 9. Nevertheless, I am encouraged by the Group’s diversified portfolio performance and continued focus on operational efficiencies, disciplined cost management, and targeted marketing initiatives that contributed to sustaining overall resilience. The Group’s financial performance for the year ended 31 December 2025 is further outlined in the Chief Executive Officer’s Report.

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 final dividend of KShs 0.35 per share for the year ended 31 December 2025, subject to deduction of withholding tax where applicable. If approved, the dividend will be payable on or about 30 July 2026 to members on the Register as at the close of business on 26 June 2026.

As a commitment to Eastern Africa’s economic and social development, in 2025, the Group contributed the equivalent of KShs 2.7 billion (2024: KShs 2.5 billion) in direct and indirect taxes, and KShs 0.3 billion (2024: KShs 0.2 billion) in royalties and rents to county, local and national authorities.

A key milestone during the year was the Board Strategy review, which brought together Directors and Senior Management for a comprehensive reassessment of the Group’s strategic direction. Through a series of in-depth sessions, the Board revisited its long-term vision considering shifting global travel trends, evolving customers’ preferences and expectations, and emerging market opportunities. Key areas of focus included capital allocation priorities, expansion opportunities in high-potential regions, and the continued strengthening of our regenerative sustainability agenda. The Board also deliberated on transmission of the Group’s service culture to a new generation of employees, the role of technology and innovation in shaping the future of hospitality, as well as the importance of enhancing organisational agility in an increasingly dynamic environment.

TPS EASTERN AFRICA PLC

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

The outcome of these discussions was the endorsement of a refined strategic roadmap designed to accelerate growth, deepen market relevance, and reinforce the Group's position as a leading hospitality brand in the region, while preserving its heritage and core values.

During the year 2025, the Group continued to execute its strategic priorities, anchored on enhancing product quality, optimising asset performance, and leveraging technology to improve guest experience. We commenced phased refurbishments of key flagship properties, including the Dar es Salaam Serena Hotel, where the newly upgraded North Wing (Phase I) with 130 rooms has been well received in the market. Digital transformation remained a key priority. The launch of the Serena's loyalty program - Prestige Club App, alongside enhancements to our Meetings, Incentives, Conferences, and Exhibitions (MICE) facilities in Nairobi Serena, Kampala Serena and Lake Manyara Serena will further strengthen customer engagement, expand our digital footprint, and improve service delivery. These initiatives are aligned with our broader strategic framework, which emphasises growth, optimisation, authenticity, and transformation across all aspects of the business.

The Group has remained at the forefront of responsible hospitality, anchored by a philosophy that views regenerative sustainability as central to our long-term strategy. Throughout our value chain, we strive to create shared value for our business, our surrounding communities, and the wider ecosystems in which we operate. Our properties actively integrate Environmental, Social, and Governance (ESG) practices into daily operations, guided by the United Nations Sustainable Development Goals (SDGs) and the Aga Khan Development Network's (AKDN) Environmental and Climate Commitment Statement. As the tourism arm of the AKDN, we continue to make meaningful progress toward our target of achieving net-zero carbon emissions of our own operations by 2030. Key milestones included solar energy installations, water conservation initiatives, and targeted energy audits to drive internal efficiencies. Beyond environmental stewardship and our extensive reforestation and bio-diversity programmes, Serena Hotels remains deeply committed to the socio-economic fabric of the regions we call home. We continue to respect and promote local traditions, culture, and heritage, while supporting education through internships and contributing to community health initiatives. Through this "Shared Value" approach our operations contribute positively to both ecological preservation and socio-economic development.

In addition, 2025 marks an important milestone in the Group's reporting journey. We have begun the transition towards the preparation and adoption of an Integrated Annual Report, reflecting our commitment to presenting a more holistic view of value creation across financial, environmental, social, and governance dimensions. This transition will be progressively strengthened in the years ahead as we continue to enhance our integrated reporting practices, disclosures and alignment with leading standards and frameworks including the Global Reporting Initiative (GRI), IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information), IFRS S2 (Climate Related Disclosures) and the Integrated Reporting Framework.

Additionally, the Group's commitment to enhancing its Human Resource Management practices and development, as detailed in this Annual Report remains unwavering. Our ongoing investment in training programs ensures that our workforce remains highly skilled and engaged, driving service excellence across our properties.

The Board remains committed to upholding the highest standards of corporate governance. Throughout the year, we continued to strengthen our governance frameworks, risk management processes, and internal controls to ensure transparency, accountability, and sustainable value creation for all stakeholders.

During the year 2025, Serena Hotels were proud recipients of several national and international awards and accolades

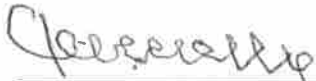
TPS EASTERN AFRICA PLC

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

Looking ahead to 2026 while the underlying fundamentals of the tourism sector in our core markets remain robust, we are mindful of the complex landscape in which we operate. Geopolitical and macroeconomic uncertainties are expected to persist, with escalating global tensions, and domestic economic instability continuing to shape our operating environment. Additionally, the sector must navigate the physical risks of climate change, evidenced by sporadic flash floods, alongside a competitive oversupply of rooms in key markets. In response, the Group's strategy is rooted in financial resilience and operational agility. We remain well-positioned to capitalize on business opportunities, capture the growing demand for experiential travel, supported by our strong brand equity and a diversified portfolio. Our focus for 2026 and beyond will remain on protecting market share and enhancing service excellence through disciplined capital allocation. By continuing to invest in our people, product and leveraging technology to deliver personalized guest experiences, we are confident in our ability to deliver sustainable long-term value to all our stakeholders.

I wish to express my sincere appreciation to my fellow Directors for their guidance, stewardship and support that I received in successfully steering the Group's business activities and strategies during the year 2025. I also extend my gratitude to the Management team and employees across the Group for their resilience, professionalism, and unwavering commitment to excellence. On behalf of the Board and Management, I extend my appreciation to the respective governments and regulatory authorities across Eastern Africa for their continued support aimed at improving the business environment for and in the region. Finally, I thank our shareholders, guests, and other stakeholders for their continued trust, support and confidence in TPS Eastern Africa PLC.

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, FBS
Chairman

Date: 28 April 2026

TPS EASTERN AFRICA PLC

CHIEF EXECUTIVE OFFICER'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

I am pleased to present TPS Eastern Africa PLC (TPSEAP/the Group/Serena Hotels), Chief Executive Officer's Report for the year ended 2025.

During the year, the group continued to operate within a challenging environment marked by political and economic uncertainty. Serena Hotels maintains a strong presence across six (6) African countries, with 3,929 employees, and a distinguished portfolio of 22 Hotels, Resorts, Safari Lodges, and Camps across Eastern Africa. Despite prevailing macroeconomic headwinds, the Group demonstrated resilience and delivered satisfactory performance, reinforcing its position as a leading Pan-African hospitality brand.

Operating Environment and Market Dynamics

The first half of 2025 was characterised by slow economic progress. Increased room supply in key city centres and reduced demand from corporate travellers impacted performance during the first half of the year. Penetration and growth of short-term residence market have influenced long stay demand, as well as family and group travel patterns. Despite the unpredictable and evolving operating landscape, the Group has remained agile and responsive, leveraging guest feedback to implement timely improvements.

In the second half of the year, gradual recovery in international leisure and corporate travel, alongside growth in regional tourism, provided positive momentum. The Meetings, Incentives, Conferences, and Events (MICE) segment remains a key area for further expansion, with our city hotels well-positioned for corporate and diplomatic functions. Enhancements across our leisure portfolio, including refurbishments and new facilities such as new swimming pools and recreation areas at Sweetwaters Serena Camp and Kilaguni Serena Safari Lodge, further elevating guest experience.

Financial and Market Performance

In the 2025 fiscal year, the Company recorded a marginal decline in turnover of 0.7%, reaching KShs 10.1 billion (2024: KShs 10.2 billion). All subsidiaries recorded a Profit before unrealized exchange differences, interest, depreciation and taxation with TPSEAP consolidated result standing at KShs 2.3 billion, a decrease from KShs 2.5 billion. The stabilisation of the Kenya Shilling against the US Dollar resulted in a significantly lower unrealised exchange gain of KShs 39 million (2024: KShs 655 million). Consequently, Profit After Tax (PAT) declined by 40% to KShs 0.8 billion, largely due to unrealised foreign exchange gains recognized in 2024 that did not recur. Encouragingly, Net Cash Generated from Operating Activities increased by 13% to KShs 2.0 billion. TPSEAP US Dollar-denominated revenues remain sufficient to meet upcoming loan obligations.

Our associate companies, Tourism Promotion Services (Rwanda) Limited, performed satisfactorily, and Tanruss Investment Limited (Dar-es-Salaam Serena Hotel), underwent phase I room renovations (130 rooms) whilst operating with a 100-room inventory.

Strategic Focus on Customer Growth and Experience

Whether corporate or leisure traveller, our focus remains on providing memorable and personalised experiences. Serena Hotels' strong brand reputation, commitment to service excellence, and emphasis on sustainability continue to resonate well with our guests.

Guest feedback and changing business landscape remain the cornerstone to our strategic direction, informing how we refine our offerings and shape the future of the brand.

Targeted marketing campaigns across our core markets have sustained visibility while unlocking new opportunities.

TPS EASTERN AFRICA PLC

CHIEF EXECUTIVE OFFICER'S STATEMENT **FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

Strategic Focus on Customer Growth and Experience (continued)

We remain committed to strengthening relationships with stakeholders, including shareholders, regulators, and suppliers.

Product Enhancement and Experience

In 2025, we made significant progress in upgrading our product offerings:

- Whilst operating with half room inventory, completed Phase I of the Dar-es-Salaam Serena Hotel rooms refurbishment, covering 130 guest rooms in January 2026, with the remaining 100 rooms (Phase II) scheduled for completion in 2026.
- Completion of 5 high-end garden meeting rooms at Nairobi Serena Hotel.
- Commencement of a new meeting and banquet facility at Lake Manyara Serena Safari Lodge, expected to be completed by mid-2026.
- Development of mock-up rooms for Kigali Serena and Lake Kivu Serena Hotels to be completed in April 2026, paving way for phased refurbishments in 2026 without closing the hotels.

Kampala Serena Conference Centre and meeting rooms upgrades commenced in 2025 and are expected to be completed in 2026.

The pipeline projects subject to market feasibilities, Return on Investment, and availability of cash flows include: refurbishment of guest rooms at Zanzibar Serena Hotel; renovation of Café Maghreb restaurant with live cooking kitchen at Nairobi Serena Hotel; refurbishment of meeting and banquet facility at Arusha Serena Hotel and adding swimming pool, spa and gym; refurbishment of sea-facing rooms at Mombasa Serena Beach Resort & Spa; upgrade of the standard tented camps at Sweetwaters Serena; renovation of lodges guest rooms

Technology Upgrade and Launch

The launch of our new Call Centre in May 2024 has substantially improved engagement with the Travel & Tour Operators.

In Q1 2026, we introduced our direct booking platform “Duma” (Swahili for “Cheetah”, symbolizing speed), enabling tour operators to access real-time availability and make direct bookings, process payments, and receive instant confirmations through a streamlined digital interface.

Serena Loyalty Program

On 6 August 2025, Serena Hotels officially re-launched its global loyalty programme, Prestige Club along with the Serena Prestige Club Loyalty Program App, which allowed integration of global points, significantly improving convenience for our members. In addition, the Serena Prestige Plus Card was introduced, allowing members’ subscription-based benefits. These initiatives provide exclusive benefits to members including immediate discounts across food and beverage outlets, accommodation, Maisha Spa & Health Club services, laundry and a range of other offerings.

The future of hospitality in East Africa must be Regenerative, not just Sustainable

Guided by this, we integrate Environmental, Social, and Governance (ESG) principles into our operations while aligning with the United Nations Sustainable Development Goals (SDGs). Across Eastern Africa, our initiatives promote eco-tourism, address climate change, conserve water and energy, support biodiversity, and create meaningful social impact through community engagement, education and health programmes. Recognizing the heightened climate risks facing safari lodges and camps in ecologically sensitive areas, we continue to prioritize climate resilience and targeted investments that safeguard both our operations and the natural ecosystems.

TPS EASTERN AFRICA PLC

CHIEF EXECUTIVE OFFICER'S STATEMENT **FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

The future of hospitality in East Africa must be Regenerative, not just Sustainable (continued)

The Group continues to lead in solar energy adoption, with all seven (7) Serena properties in Kenya now equipped with solar installations and plans being underway to solarize lodges and camps in Tanzania in 2026/27. Connection to the national grid in 2024 enabled Ngorongoro Serena Safari Lodge to significantly reduce its reliance on diesel generators during 2025, supporting our decarbonisation plan. At the same time, we are strengthening governance through the adoption of integrated reporting and alignment with IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate Related Disclosures) standards.

As demand for responsible travel grows, we remain committed to advancing regenerative hospitality - restoring ecosystems, empowering communities, and creating lasting value for future generations.

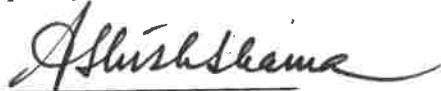
Looking Ahead

In response to the geo-political environment in which we currently operate- characterised by elevated fuel prices, international travel constraints, supply chain logistics etc., the Group will use its experience to maintain its market positioning and resilience.

Our strategic priorities for 2026 - 2028 remain unchanged: investing in customer experience, training our associates (staff), enhancing service culture, improving our products, and creating lasting customer experience. Embracing the gradual shift towards future customers' taste and preference, particularly among Millennials and Generation Z. We will continue investing in technology, including Enterprise Resource Planning (ERP) systems and Artificial Intelligence, to improve customer service and experience, further strengthen financial controls and improve reporting. We will continue to focus on regional partnerships while maintaining our commitment to regenerative sustainability.

Acknowledgment

To our esteemed shareholders, thank you for your unwavering trust and support, which empowers us to deliver value to all stakeholders. To our valued guests, your loyalty inspires our ongoing innovations. To our dedicated employees, your commitment to improve our internal processes, adoption of new technologies and automate how we do business, whilst providing exceptional customer service is foundational to our mission. Finally, to the Board of Directors, thank you for your guidance and wisdom throughout the year. As we look to 2026 and beyond, we remain committed to delivering purposeful hospitality that creates impact, drives value, and promotes regenerative sustainability.



Ashishkumar Sharma
Chief Executive Officer

Date: 28 April 2026

TPS EASTERN AFRICA PLC
DIRECTORS' REMUNERATION REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

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 Directors' 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 contracts 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 2025, 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 Directors' during the year

Changes to directors are reported in the Directors' report on page 1.

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

- In respect of a resolution to approve the Directors' remuneration, shareholders voted with an overwhelming majority 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.

TPS EASTERN AFRICA PLC
DIRECTORS' REMUNERATION REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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 2025 together with the comparative figures for 2024. Directors' remuneration was paid. The Directors fee for the year ended 31 December 2025 amounted to KShs 11,045,000 (2024: KShs 8,500,000). Included in this amount are fees totalling KShs 1,250,000 (2024: KShs 400,000) which were accrued but remained unpaid as at 31 December 2025. The outstanding balance has been recognised within accruals in the statement of financial position and is expected to be settled in the next financial period.

The aggregate Directors' emoluments are shown at Note 31 (iv).

For the year ended 31 December 2025	Salary KShs 000	Fees KShs 000	Bonus KShs 000	Expense allowances KShs 000	Loss of office/ termination KShs 000	Pension KShs 000	Estimated value for non-cash benefits KShs 000	Total KShs 000
F.Okomo-Okello, Non-Executive Chairman	-	3,300	-	-	-	-	-	3,300
A.Sharma, Chief Executive Officer	67,046	-	-	-	-	2,981	896	70,923
M.Bagha, Group Finance Director	32,503	-	-	-	-	1,795	122	34,420
A.Boolani, Non-Executive Director	-	-	-	-	-	-	-	-
A.Jiwa, Non-Executive Director	-	1,250	-	-	-	-	-	1,250
M.Manji, Non-Executive Director	-	1,800	-	-	-	-	-	1,800
G.Ainache, Non-Executive Director	-	1,400	-	-	-	-	-	1,400
A.Maignan, Non-Executive Director	-	350	-	-	-	-	-	350
J.Guyonnet, Non-Executive Director	-	750	-	-	-	-	-	750
R.Dumba, Non-Executive Director	-	1,500	-	-	-	-	-	1,500
D.Mhaiki, Non-Executive Director	-	1,100	-	-	-	-	-	1,100
	99,549	11,450	-	-	-	4,776	1,018	116,793

TPS EASTERN AFRICA PLC

DIRECTORS' REMUNERATION REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

Information subject to audit (Continued)

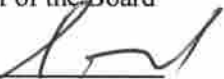
For the year ended 31 December 2024	Salary KShs 000	Fees KShs 000	Bonus KShs 000	Expense allowances KShs 000	Loss of office/ termination KShs 000	Pension KShs 000	Estimated value for non- cash benefits KShs 000	Total KShs 000
F.Okomo-Okello, Non-Executive Chairman	-	2,250	-	-	-	-	-	2,250
A.Sharma, Chief 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

There were no other sums paid to the third parties in respect of Directors' services.

Approval of the Directors' 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

Date: 28 April 2026

TPS EASTERN AFRICA PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2025

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 18 to 95 which comprise the consolidated and company statements of financial position as at 31 December 2025, 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 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.

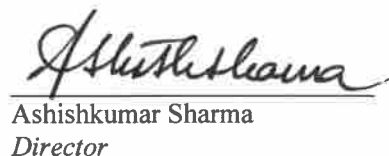
The Directors accept responsibility for the annual consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with IFRS Accounting Standards and in the manner required by the 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 28 April 2026.


Francis Okomo Okello
Director


Ashishkumar Sharma
Director

Date: 28 April 2026



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INDEPENDENT AUDITOR’S REPORT
TO THE SHAREHOLDERS OF TPS EASTERN AFRICA PLC

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of TPS Eastern Africa PLC (the Group and Company), which comprise the consolidated and company statements of financial position as at 31 December 2025, 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, as set out on pages 18 to 95.

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 2025, and 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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated and separate financial statements of public interest entities in Kenya. We have also 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. We have determined that there are no key audit matters to report in respect of the separate financial statements.

Impairment of goodwill in the consolidated financial statements	
Key audit matter	How the matter was addressed
The disclosure of goodwill is set out in the consolidated financial statements in the following notes:	
— Note 2 (i) - Material accounting policies- Intangible assets	
— Note 3 (a) (i) - Critical accounting estimates and assumptions, impairment of goodwill	
— Note 21 - Intangible assets – Goodwill	



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF TPS EASTERN AFRICA PLC
(CONTINUED)**

Report on the audit of the consolidated and separate financial statements (Continued)

Key audit matters (continued)

Impairment of goodwill in the consolidated financial statements (continued)	
Key audit matter	How the matter was addressed
<p>Goodwill amounting KShs 1.27bn is recognised [FK1.1][SM1.2][MC1.3] in the consolidated financial statements as at 31 December 2025.</p> <p>Impairment of goodwill is considered a key audit matter because:</p> <ul style="list-style-type: none"> — The Group operates in a competitive hospitality sector, which is subject to economic volatility and uncertainty, resulting in judgement being required in forecasting future cash flows used in the impairment assessment. — In determining the Value in Use (VIU), the Group used the Discounted Cashflow Model (DCF). — A significant level of judgment is applied by management in determining the key assumptions used in the VIU calculations which include expected capital expenditure expressed as a percentage of revenue, budgeted average Earnings Before Interest, Tax Depreciation and Amortization (EBITDA), post-tax discount rates (Weighted Average Cost of Capital), and long-term growth rates when considering management's assessment of impairment. — Due to the judgement required in determining key inputs in the impairment assessment of goodwill and the significance of the balance at year end, the impairment of goodwill was determined to be a key audit matter in our audit of the consolidated financial statements. 	<p>Our audit procedures in these areas included:</p> <ul style="list-style-type: none"> — Obtaining an understanding of management's impairment assessment process for goodwill and testing the mathematical accuracy of the VIU models prepared for the relevant cash-generating units (CGUs) as well as assessing the reasonableness of the VIU methodology applied by management consistency with the requirements of IAS 36 Impairment of Assets (IAS 36). — Evaluating the reasonableness of forecast cash flows by: <ul style="list-style-type: none"> – Comparing forecast revenues, operating costs and capital expenditure included in prior year forecasts to actual outcomes; and – Comparing forecast cash flows used in the VIU calculations to Board approved budgets to assess consistency. — Involving our valuation specialists to assist in evaluating the appropriateness of the discount rates applied by management, including benchmarking the weighted average cost of capital against observable market and sector data for the relevant geographies in which the CGUs operate. — Assessing the reasonableness of key assumptions, including long term growth rates, and expected capital expenditure expressed as a percentage of revenue, with reference to historical performance, external market data and the Group's strategic plans. — Performing sensitivity analyses to assess the impact of reasonably possible changes in key assumptions on the estimated headroom of the CGUs. — Assessing the adequacy and completeness of the related disclosures in the consolidated financial statements, including the disclosure of key assumptions and sensitivities, in compliance with IAS 36.



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF TPS EASTERN AFRICA PLC
(CONTINUED)**

Report on the audit of the consolidated and separate financial statements (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.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of audit opinion or 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, 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.

Responsibilities of the directors 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 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 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 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.



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF TPS EASTERN AFRICA PLC
(CONTINUED)**

Report on the audit of the consolidated and separate financial statements (Continued)

*Auditor's responsibilities for the audit of the consolidated and separate financial statements
(continued)*

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 and 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 and 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 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.



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF TPS EASTERN AFRICA PLC
(CONTINUED)**

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 pages 1 and 2 is consistent with the consolidated and separate financial statements; and
- (ii) The auditable part of the Directors' Remuneration Report on pages 10 and 11 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**

Date: 28 April 2026.



UNIQUE CODE: 57892260428

TPS EASTERN AFRICA PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 KShs'000	2024 KShs'000
Revenue from contracts with customers	5	10,116,746	10,185,868
Other income	6	320,099	259,820
Inventory expensed	25	(1,412,282)	(1,471,564)
Employee benefits expense	8	(2,950,149)	(2,921,753)
Other operating expenses	9(a)	(3,736,017)	(3,641,899)
Impairment (expense)/credit – financial assets	9(b)	(63,865)	35,836
Profit before depreciation, finance income/(costs), results of associates and income tax expense		2,274,532	2,446,308
Depreciation on right of use assets	22	(85,920)	(86,878)
Depreciation on property and equipment	20	(627,836)	(582,845)
Finance income	10	113,326	879,217
Finance costs	10	(425,329)	(670,917)
Share of (loss)/profit of associates accounted for using the equity accounting method	24	(36,654)	19,665
Profit before income tax	7	1,212,119	2,004,550
Income tax expense	11	(424,965)	(687,257)
Profit for the year		787,154	1,317,293
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of employment benefits	19	-	(10,705)
Deferred tax on remeasurement of employment benefits	18	-	3,212
Revaluation on land and buildings	20	1,549,189	-
Deferred tax on land and buildings	18	(464,757)	-
		1,084,432	(7,493)
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign	15(b)	82,589	(549,366)
Total other comprehensive income for the year		1,167,021	(556,859)
Total comprehensive income for the year		1,954,175	760,434
Profit attributable to:			
Equity holders of the Company		781,957	1,281,840
Non-controlling interest	30	5,197	35,453
		787,154	1,317,293
Total comprehensive income attributable to:			
Equity holders of the Company		1,983,678	889,315
Non-controlling interest		(29,503)	(128,881)
Total comprehensive income for the year		1,954,175	760,434
Earnings per share			
Basic and diluted (KShs per share)	12	2.77	4.54

The notes set out on pages 28 to 95 form an integral part of the consolidated and company financial statements.

TPS EASTERN AFRICA PLC

COMPANY STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 KShs'000	2024 KShs'000
Dividend income	31(viii)	35,810	-
Other operating expenses	9(a)	(45,245)	(34,603)
Impairment credit – financial assets	9(b)	-	9,965
Net finance income/(cost)	10	<u>10,345</u>	<u>(14,183)</u>
Profit/(loss) before income tax	7	910	(38,821)
Income tax expense	11	<u>(3,278)</u>	<u>(2,841)</u>
Loss for the year		(2,368)	(41,662)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(2,368)</u>	<u>(41,662)</u>

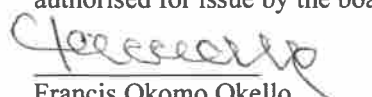
The notes set out on pages 28 to 95 form an integral part of the consolidated and company financial statements.

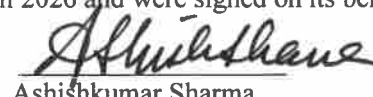
TPS EASTERN AFRICA PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025	2024
		KShs'000	KShs'000
ASSETS			
Non-current assets			
Property and equipment	20	15,200,838	13,196,885
Intangible assets	21	1,271,952	1,271,952
Right of use assets	22	1,008,127	1,056,998
Investment in associates	24	825,294	861,948
Deferred income tax asset	18	11,868	12,295
		18,318,079	16,400,078
Current assets			
Inventories	25	583,369	560,289
Trade and other receivables	26	1,238,011	1,454,269
Current income tax	11(c)	167,387	168,373
Financial asset – fixed deposits	27(b)	1,152,052	911,570
Cash and cash equivalents	27(a)	778,621	695,867
		3,919,440	3,790,368
Total assets		22,237,519	20,190,446
EQUITY AND LIABILITIES			
Equity			
Share capital	14	282,651	282,651
Share premium	14	6,001,741	6,001,741
Revaluation reserve	15(a)	3,288,120	2,211,352
Translation reserve	15(b)	(659,031)	(729,353)
Proposed dividends	13	98,928	98,928
Retained earnings		3,434,234	2,696,574
		12,446,643	10,561,893
Non-controlling interest	30	922,389	974,093
Total equity		13,369,032	11,535,986
Non-current liabilities			
Borrowings	16	1,843,307	2,501,485
Deferred income tax liability	18	2,650,020	2,070,413
Lease liabilities	17	1,247,257	1,181,205
Retirement benefit obligations	19	133,396	117,289
Total non-current liabilities		5,873,980	5,870,392
Current liabilities			
Trade and other payables	28 (a)	2,128,015	2,111,916
Borrowings	16	678,603	487,913
Lease liabilities	17	187,889	184,239
Total current liabilities		2,994,507	2,784,068
Total equity and liabilities		22,237,519	20,190,446

The consolidated and company financial statements set out on pages 18 to 95 were approved and authorised for issue by the board of Directors on 28 April 2026 and were signed on its behalf by


Francis Okomo Okello
Director


Ashishkumar Sharma
Director

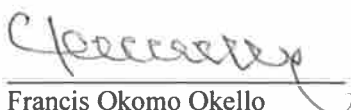
The notes set out on pages 28 to 95 form an integral part of the financial statements.


TPS EASTERN AFRICA PLC

COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2025

ASSETS	Notes	2025	2024
		KShs'000	KShs'000
Non-current assets			
Investment in subsidiaries	23	5,749,856	5,749,856
Investment in associates	24	840,330	840,330
		<u>6,590,186</u>	<u>6,590,186</u>
Current assets			
Receivables and prepayments	26	26,676	19,617
Current income tax	11(c)	4,697	2,417
Financial assets – fixed deposits	27(b)	163,817	293,709
Cash and cash equivalents	27(a)	20,332	4,312
		<u>215,522</u>	<u>320,055</u>
TOTAL ASSETS		<u>6,805,708</u>	<u>6,910,241</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	14	282,651	282,651
Share premium	14	6,001,741	6,001,741
Proposed dividends		98,928	98,928
Retained earnings		412,799	514,095
Total equity		<u>6,796,119</u>	<u>6,897,415</u>
Current liabilities			
Trade and other payables	28(a)	9,589	12,826
		<u>9,589</u>	<u>12,826</u>
TOTAL EQUITY AND LIABILITIES		<u>6,805,708</u>	<u>6,910,241</u>

The financial statements on pages 18 to 95 we approved and authorised for issue at a meeting of the Board of Directors held on 28 April 2026 and signed on its behalf by:


Francis Okomo Okello
Director


Ashishkumar Sharma
Director

The notes set out on pages 28 to 95 form an integral part of the financial statements.

TPS EASTERN AFRICA PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

Year ended 31 December 2025	Share capital KShs'000	Share premium KShs'000	Revaluation reserve KShs'000	Translation reserve KShs'000	Retained earnings KShs'000	Proposed dividends KShs'000	Non-controlling interest KShs'000	Total KShs'000
At start of year	282,651	6,001,741	2,211,352	(729,353)	2,696,574	98,928	974,093	11,535,986
Comprehensive income for the year								
Profit for the year	-	-	-	-	781,957	-	5,197	787,154
Other comprehensive income:								
Currency translation differences	-	-	-	70,322	-	-	12,267	82,589
Revaluation of land and buildings	-	-	1,616,285	-	-	-	(67,096)	1,549,189
Deferred income tax on revaluation of land and building	-	-	(484,886)	-	-	-	20,129	(464,757)
Total other comprehensive income	-	-	1,131,399	70,322	-	-	(34,700)	1,167,021
Total comprehensive income for the year	-	-	1,131,399	70,322	781,957	-	(29,503)	1,954,175
Transfer of excess depreciation to retained earnings	-	-	(78,044)	-	78,044	-	-	-
Deferred income tax on excess depreciation	-	-	23,413	-	(23,413)	-	-	-
Net transfer of excess depreciation	-	-	(54,631)	-	54,631	-	-	-
Transactions with owners								
Dividends:								
– final for 2024 paid	-	-	-	-	-	(98,928)	-	(98,928)
– 2025 interim dividend declared and paid	-	-	-	-	-	-	(22,201)	(22,201)
– proposed for 2025	-	-	-	-	(98,928)	98,928	-	-
	-	-	-	-	(98,928)	-	(22,201)	(121,129)
At end of year	282,651	6,001,741	3,288,120	(659,031)	3,434,234	98,928	922,389	13,369,032

The notes set out on pages 28 to 95 form an integral part of the financial statements

TPS EASTERN AFRICA PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital KShs'000	Share premium KShs'000	Revaluation reserve KShs'000	Translation reserve KShs'000	Retained earnings KShs'000	Proposed dividends KShs'000	Non- controlling interest KShs'000	Total KShs'000
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
Total other comprehensive income	-	-	(7,493)	(385,032)	-	-	(164,334)	(556,859)
Total comprehensive income for the year	-	-	(7,493)	(385,032)	1,281,840	-	(128,881)	760,434
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)	-	-	-
Net transfer of excess depreciation	-	-	(47,350)	-	47,350	-	-	-
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

The notes set out on pages 28 to 95 form an integral part of the financial statements.

TPS EASTERN AFRICA PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

Year ended 31 December 2025	Share capital KShs'000	Share premium KShs'000	Retained earnings KShs'000	Proposed Dividends KShs'000	Total KShs'000
At start of year	282,651	6,001,741	514,095	98,928	6,897,415
Total comprehensive income for the year:					
Loss for the year	-	-	(2,368)	-	(2,368)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	(2,368)	-	(2,368)
Transactions with owners of the company:					
Dividends:					
— final for 2024 paid	-	-	-	(98,928)	(98,928)
— proposed for 2025	-	-	(98,928)	98,928	-
Total transactions with owners of the company	-	-	(98,928)	-	(98,928)
At end of year	282,651	6,001,741	412,799	98,928	6,796,119

The notes set out on pages 28 to 95 form an integral part of the financial statements.

TPS EASTERN AFRICA PLC

COMPANY STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

Year ended 31 December 2024	Share capital KShs'000	Share premium KShs'000	Retained earnings KShs'000	Proposed Dividends KShs'000	Total KShs'000
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 notes set out on pages 28 to 95 form an integral part of the financial statements.

TPS EASTERN AFRICA PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Year ended 31 December	
		2025	2024
		KShs'000	KShs'000
Operating activities			
Cash generated from operations	29	2,638,684	2,406,682
Interest received	10	42,975	47,704
Interest paid	10	(222,308)	(338,491)
Lease interest paid	17	(157,311)	(153,485)
Income tax paid	11(c)	(313,731)	(207,406)
Net cash generated from operating activities		<u>1,988,309</u>	<u>1,755,004</u>
Investing activities			
Purchase of property and equipment	20	(1,060,763)	(771,067)
Investment in associates	24	-	(211)
Proceeds from maturity of fixed deposits	27(b)	2,375,015	8,264,148
Purchase of financial assets	27(b)	(2,588,960)	(8,705,330)
Proceeds from disposal of property and equipment		8,931	5,338
Net cash utilised in investing activities		<u>(1,265,777)</u>	<u>(1,207,122)</u>
Financing activities			
Proceeds from long term borrowings	16	-	113,062
Payments of long-term borrowings	16	(481,465)	(687,999)
Dividends paid to members	28(b)	(98,928)	(36,103)
Dividends paid to NCI		(22,201)	-
Principal lease payments	17	(41,379)	(40,996)
Net cash used in financing activities		<u>(643,973)</u>	<u>(652,036)</u>
Net increase/(decrease) in cash and cash equivalents		<u>78,559</u>	<u>(104,154)</u>
Movement in cash and cash equivalents			
At start of year		695,867	792,524
Increase/(decrease) during the year		78,559	(104,154)
Effect of currency translation differences		4,195	7,497
At end of year	27(a)	<u>778,621</u>	<u>695,867</u>

The notes set out on pages 28 to 95 form an integral part of the consolidated and company financial statements.

TPS EASTERN AFRICA PLC

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

		Year ended 31 December	
	Notes	2025	2024
		KShs'000	KShs'000
Operating activities			
Cash (used in)/generated from operations	29	(56,123)	323,798
Interest received	10	10,927	9,471
Income tax paid	11(c)	<u>(5,558)</u>	<u>(1,083)</u>
Net cash (used in)/generated from operating activities		<u>(50,754)</u>	<u>332,186</u>
Investing activities			
Investment in subsidiary	23	-	(30)
Proceeds from financial assets-fixed deposits	27(b)	579,244	14,183
Purchase of financial assets	27(b)	(449,352)	(307,892)
Dividends received from subsidiary	31 (viii)	<u>35,810</u>	<u>-</u>
Net cash generated from/(utilised in) investing activities		<u>165,702</u>	<u>(293,739)</u>
Financing activities			
Dividends paid to Company's shareholders		<u>(98,928)</u>	<u>(36,103)</u>
Net cash used in financing activities		<u>(98,928)</u>	<u>(36,103)</u>
Net increase in cash and cash equivalents		<u>16,020</u>	<u>2,344</u>
Movement in cash and cash equivalents			
At start of year		4,312	1,968
Increase during the year		<u>16,020</u>	<u>2,344</u>
At end of year	27(a)	<u>20,332</u>	<u>4,312</u>

The notes set out on pages 28 to 95 form an integral part of the financial statements.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

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
4 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

Management of the Group and the Company has assessed the Group's and the Company's ability to continue as a going concern. The Company incurred a net loss of KShs 2,368,000 for the year ended 31 December 2025 (2024: net loss of KShs 41,662,000). As at 31 December 2025, the Company was in a net asset position of KShs 6,796,119,000 and had net current assets of KShs 205,933,000 with significant liquidity and accumulated reserves. The Group recorded a consolidated profit after tax of KShs 787,154,000 for the year ended 31 December 2025 (2024: profit of KShs 1,317,293,000), and management expects the Group to remain profitable in the foreseeable future.

Based on this assessment, management is satisfied that the Group and the Company have adequate resources to continue operating for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

(b) Basis of preparation

The financial statements are prepared in compliance 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. 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 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.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (Continued)

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

(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 2025, including consequential amendments to other standards with the date of initial application by the Group and Company being 1 January 2025.

New standard or amendments	Effective date
— Lack of Exchangeability (Amendments to IAS 21)	1 January 2025

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

(ii) *New standards, amendments and interpretations in issue but not effective for the year ended 31 December 2025*

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2025 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

New standard or amendments	Effective for annual periods beginning on or after
— Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
— Annual improvements to IFRS Accounting Standards – Amendments to: <ul style="list-style-type: none"> – IFRS 1 First-time Adoption of IFRS Accounting Standards; IFRS 7 Financial Instruments: Disclosure and its accompanying Guidance on implementing IFRS 7; – IFRS 9 Financial Instruments; – IFRS 10 Consolidated Financial statements; and – IAS 7 Statement of Cashflows 	1 January 2026
— Contracts Referencing Nature – dependent Electricity - Amendments to IFRS 9 and IFRS 7	1 January 2026
— IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
— IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
— Sale or Contribution of Assets between an Investor and its Associate or Company (Amendments to IFRS 10 and IAS 28).	Optional

All Standards will be adopted at their effective date (except for the standards and interpretations that are not applicable to the entity).

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (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 2025 – continued*

The only standard that is expected to have an impact on the financial statements is IFRS 18 Presentation and disclosure in financial statements.

IFRS 18 will replace IAS 1 Presentation of Financial Statements.

IFRS 18 introduces the following key new requirements;

- Entities are required to clarify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly- defined operating profit subtotal. Entities' net profit will not change.
- Management- defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statements of the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Group's statement of profit or loss, statement of cash flows and the additional disclosures required for MPMs.

The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

(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.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Consolidation (continued)

(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.

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.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Consolidation (continued)

(iv) *Associates – continued*

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.

(v) *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 Group's Presentation currency.

(ii) *Transactions and balances*

Transactions in foreign currencies are translated into the respective functional currencies of Group Companies at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction.

All foreign exchange gains and losses related to the above monetary and non-monetary assets and liabilities are presented in the income statement within 'finance income or cost'.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Functional currency and translation of foreign currencies (continued)

(iii) Group companies (Foreign Operations)

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:

- The assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition are translated at the exchange rates at the reporting date.
- 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
- 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.

(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.

Customers access services upon check into the hotel or on consumption of any other hotel services. Invoices are generated after consumption of services and revenue is recognised at that point in time upon check out. A settlement period of 30 days is applicable for credit customers. 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.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (Continued)

(g) Revenue recognition (continued)

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.

Upfront fees received from customers do not represent a distinct performance obligation. Accordingly, such fees are deferred and recognised as revenue over the period in which the related services are provided.

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 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 freehold land and buildings. All other property and equipment is stated at historical cost or revalued amounts less accumulated depreciation and any accumulated impairment losses. 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:

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (Continued)

(h) Property and equipment (continued)

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

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

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 Cash-Generating Units (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.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (Continued)

(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:

- 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.
- 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.
- All other financial assets are classified and measured at fair value through profit or loss.
- 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.
- All other financial liabilities are classified and measured at amortised cost

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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 as at amortised cost
- Trade and other liabilities were classified as 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 as 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 loss allowances for Expected Credit Losses (ECLs) on:-

- (i) financial assets measured at amortised cost ('cash and cash equivalents' and 'trade and other receivables');
- (ii) contract assets. The Group also recognises loss allowances for ECLs on related party receivables.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following which are measured at 12 months ECL.

- (i) debt securities that are determined to have low credit risk at the reporting date; and
- (ii) other debt securities and bank balances for which credit risk (i.e the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (Continued)

(k) Financial instruments (continued)

(v) *Impairment (continued)*

Loss allowances for trade and other receivables and contract assets are always measured at an amount equal to lifetime ECLs.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following which are measured at 12 months ECL.

- (i) debt securities that are determined to have low credit risk at the reporting date; and
- (ii) other debt securities and bank balances for which credit risk (i.e the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade and other receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a debt security to have a low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12 Month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (Continued)

(k) Financial instruments (continued)

(v) *Impairment – continued*

Measurement of ECLs

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.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact of the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; and the disappearance of an active market for a security because of financial difficulties.

(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.

(vii) *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.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (Continued)

(k) Financial instruments (continued)

(vii) *De-recognition (continued)*

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.

(viii) *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.

(l) Leases

The Group's leases majorly comprise of property leases used in its administrative and hospitality operations. These include office buildings and premises used for hotels, parks, land occupied by hotels and 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.

A lease modification is accounted for as a separate lease where it increases the scope of the lease by adding the right to use on one or more underlying assets and the consideration increases by an amount commensurate with the stand-alone price. For modifications that are not accounted for as separate leases, the lease liability is remeasured using a revised discount rate as at the effective date of the modification, with a corresponding adjustment made to the right-of-use asset. Where a lease modification reduces the scope of the lease, the lease liability is remeasured to reflect the reduced scope of the lease, the carrying amount of the right-of-use asset is reduced proportionately, and any resulting gain or loss is recognised in profit or loss.

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*

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:

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (Continued)

(l) Leases (continued)

(ii) *Lease liabilities – continued*

- 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.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (Continued)

(l) Leases (continued)

(iii) *Right of use asset - continued*

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. 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) *Other variable lease payments*

Other variable lease payments that are not linked to an index or market rate, including revenue-based or performance-based payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

(v) *Extension options*

Extension 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. The extension options held are exercisable only by the Company and not by the respective lessor. The Company takes into consideration the extension 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, and other short-term highly liquid investments with original maturities of three months or less.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (Continued)

(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.

(q) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

2. MATERIAL ACCOUNTING POLICIES (Continued)

(r) Current and deferred income tax

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.

(s) 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.

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.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (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 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 2025, 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*

The Group measures its land and buildings at revalued amounts with changes in revaluation values being recognised in other comprehensive income. The Group engages independent valuers to determine fair values. The details of the assumptions applied are disclosed in Note 20.

(iv) *Income taxes*

The Group is subject to income taxes in various jurisdictions. Estimate 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.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(a) Critical accounting estimates and assumptions (continued)

(iv) *Income taxes (continued)*

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 2,825,000 (2024 – KShs 2,676,000) 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. 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.

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, and interest rate 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.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (Continued)

(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 variables. Market risk comprises three types of risks: foreign exchange risk, other price risk and interest rate risk. The company's financial instruments are materially exposed to foreign exchange risk and interest rate risk, which are explained below. Exposure to other price risk is not material and does not have a significant impact on the company's financial instruments. 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, GBP and Euro. 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. The following are the exchange rates that existed at the financial year end for the following significant currencies:

	<u>Average rates</u>		<u>Closing rates</u>	
	2025	2024	2025	2024
	KShs	KShs	KShs	KShs
US Dollar (USD)	129.01	129.29	129.26	134.70
Euro	151.43	134.29	146.06	145.83
Sterling Pound (GBP)	173.65	162.27	170.41	172.18

The Group's and Company's exposure to foreign currency risk was as follows:

All figures are in thousands of Kenya shillings (KShs'000)

Group:

2025:	USD	GBP	EURO	Total
Assets				
Trade and other receivable	319,434	7,149	6,224	332,807
Fixed deposit	1,152,052	-	-	1,152,052
Cash and cash equivalents	533,801	1,556	20,745	556,102
At 31 December	<u>2,005,287</u>	<u>8,705</u>	<u>26,969</u>	<u>2,040,961</u>

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (continued)

(i) Foreign exchange risk – continued

Group:

2025:	USD	GBP	EURO	Total
Liabilities				
Trade and other payables	(229,723)	-	(3,418)	(233,141)
Borrowings	<u>(2,403,557)</u>	<u>-</u>	<u>-</u>	<u>(2,403,557)</u>
At 31 December				
Net position	<u>(627,993)</u>	<u>8,705</u>	<u>23,551</u>	<u>(595,737)</u>

2024:	USD	GBP	EURO	Total
Assets				
Trade and other receivables	334,401	5,009	2,685	342,095
Fixed deposit	911,570	-	-	911,570
Cash and cash equivalents	<u>343,604</u>	<u>2,520</u>	<u>6,868</u>	<u>352,992</u>
At 31 December	1,589,575	7,529	9,553	1,606,657
Liabilities				
Trade and other payables	(53,887)	-	(12,603)	(66,490)
Borrowings	<u>(2,698,339)</u>	<u>-</u>	<u>-</u>	<u>(2,698,339)</u>
At 31 December				
Net position	<u>(1,162,651)</u>	<u>7,529</u>	<u>(3,050)</u>	<u>(1,158,172)</u>

Company:

All figures are in thousands of Kenya shillings (KSh's'000)

	2025	2024
	USD	USD
Assets		
Fixed deposit	163,817	293,709
Cash and cash equivalents	<u>20,832</u>	<u>1,659</u>
At 31 December	<u>184,649</u>	<u>295,368</u>
Net position	<u>184,649</u>	<u>295,368</u>

(ii) Currency risk

The following table demonstrates the effect on the Group and Company's statement of profit or loss and other comprehensive income of applying a sensitivity for a reasonable possible change in the exchange rate of the main transaction currencies, with all other variables held constant.

The Group and Company lost conversion advantage in the current year.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

At 31 December 2025, management considers that a 5% change in the Kenya Shilling against the US Dollar, GBP and EUR is reasonably possible.

	Change in currency rate	Group		Company	
		Effect on profit before tax KShs' 000	Effect on equity KShs' 000	Effect on profit before tax KShs' 000	Effect on equity KShs' 000
USD					
2025	5% (5%)	31,400 (31,400)	21,980 (21,980)	9,232 (9,232)	6,462 (6,462)
2024	5% (5%)	58,133 (58,133)	40,693 (40,693)	14,768 (14,768)	10,338 (10,338)
GBP					
2025	5% (5%)	435 (435)	305 (305)	- -	- -
2024	5% (10%)	376 (376)	263 (263)	- -	- -
EUR					
2025	5% (5%)	1,178 (1,178)	825 (825)	- -	- -
2024	5% (5%)	153 (153)	107 (107)	- -	- -

(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, lease liability and short term deposit 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 2025 is reasonably possible.

The net interest income/(expense) relating to short term deposit and borrowings for the year was as follows:

	Group		Company	
	2025 KShs'000	2024 KShs'000	2025 KShs'00	2024 KShs'000
Interest income	42,975	47,704	10,927	9,471
Interest expense	(379,619)	(491,976)	-	-
Net interest (expense)/income	(336,644)	(444,272)	10,927	9,471

TPS EASTERN AFRICA PLC

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

4. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (continued)

(ii) Interest rate risk – continued

The interest rate profile of the Group's and Company's floating interest-bearing financial instruments as reported to management of the Group is as follows:

	Group		Company	
	2025 KShs '000	2024 KShs '000	2025 KShs '000	2024 KShs '000
<i>Floating rate instruments</i>				
Short term deposit (Note 27(b))	1,152,052	911,570	163,817	293,709
Lease liabilities (Note 17)	(1,435,146)	(1,365,444)	-	-
Borrowings (Note 16)	(2,521,910)	(2,989,398)	-	-
Net exposure	<u>(2,805,004)</u>	<u>(3,443,272)</u>	<u>163,817</u>	<u>293,709</u>

The following table demonstrates the effect on the group and company's statement of comprehensive income of applying a sensitivity of 1% to the interest rate prevalent during the year, with all other variables held constant.

	Change in curren cy rate	Group		Company	
		Effect on profit before KShs' 000	Effect on equity KShs' 000	Effect on profit before tax KShs' 000	Effect on equity KShs' 000
2025	1.00%	(3,366)	(2,357)	109	76
	(1.00%)	3,366	2,357	(109)	(76)
2024	1.00%	(4,443)	(3,110)	95	66
	(1.00%)	4,443	3,110	(95)	(66)

(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.

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.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

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, related party receivable, and contract assets 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 follow:

At 31 December 2025	Not past due KShs'000	31 to 91 days KShs'000	90 to 150 days KShs'000	Over 150 days KShs'000	Total KShs'000
Gross trade debtors	327,068	126,904	35,420	67,712	557,104
Loss allowance	(6,696)	(7,522)	(4,208)	(64,844)	(83,270)
Net trade debtors	320,372	119,382	31,212	2,868	473,834
Loss rate	8%	9%	5%	78%	15%
At 31 December 2024	Not past due KShs'000	31 to 91 days KShs'000	90 to 150 days KShs'000	Over 150 days KShs'000	Total KShs'000
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
Loss rate	0.3%	2%	14.6%	83.1%	2.7%

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025 (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:

	Gross carrying amount KShs'000	Group Expected credit loss KShs'000	Net carrying amount KShs'000
At 31 December 2025			
Corporate debtors	227,257	(33,968)	193,289
Government	124,011	(18,536)	105,475
Tour operators	187,977	(28,097)	159,880
Other debtors	17,859	(2,669)	15,190
Total trade receivables	557,104	(83,270)	473,834
At 31 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

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

Trade receivables	Group		Company	
	2025 KShs'000	2024 KShs'000	2025 KShs'000	2024 KShs'000
Trade receivables (Note 26)	557,104	807,167	-	-
Loss allowance (Note 26)	(83,270)	(22,100)	-	-
Carrying amount	473,834	785,067	-	-
Other receivables				
Advances to related parties	710,304	705,548	25,147	19,617
Loss allowance	(263,869)	(261,174)	-	-
Other receivables	171,990	98,867	1,508	-
	618,425	543,241	26,655	19,617
Cash at bank	769,984	683,287	20,332	4,312
Fixed deposits	1,152,052	911,570	163,817	293,709
	1,922,036	1,594,857	184,149	298,021

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (continued)

Advances to related parties

For the advances to related parties, the calculated ECL which represents the loss rate of 36.9% (2024 – 36.8%) considers historical experience over the last 12 months, current conditions, exchange rates and country risk. 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.

Cash and cash equivalents

The Group and Company held cash and bank balances of KShs 779 million and KShs 20 million respectively (2024 – Group – KShs 696 million and KShs 4.3 million). The cash and bank balances are held with banks and financial institution counterparties, which are rated between A1 to Ba1, based on GCR, S&P and Moody's ratings.

Impairment on cash and cash equivalents has been measured on a 12-month expected credit loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have immaterial credit risk due to the short-term nature of the balances. As at 31 December 2025 the expected credit loss arising from the exposure was immaterial to the financial statements.

Short-term deposits

The Group and Company held short-term deposit of KShs 1.2 billion and KShs 164 million respectively (2024 – Group – KShs 912 million and Company 294 million). The short-term deposits are held with banks and financial institution counterparties, which are rated between A1 to Ba1, based on GCR, S&P and Moody's ratings.

Impairment on short term equivalents has been measured on a 12-months expected credit loss basis and reflects the short maturities of the exposures. The Group considers that its short-term deposits have immaterial credit risk based on the short maturity period. As at 31 December 2025 and the prior period the expected credit loss arising from the exposure was immaterial to the financial statements.

Other receivables

The Group and company held other receivables of KShs 172 million and KShs 1.5 million respectively (2024 -Group – Kshs 99 million and company Nil balance). Other receivable relates to staff loans, salary advance and advances to suppliers. Impairment on other receivables has been measured on a 12-months expected credit loss basis and reflects the short maturities of the exposures. The Group considers that its other receivables have immaterial credit risk based on the short maturity period. As at 31 December 2025 and the prior period the expected credit loss arising from the exposure was immaterial to the financial statements.

(c) Liquidity risk

Liquidity risk is the risk that the Group and Company will encounter difficulty in meeting obligations associated with financial liabilities.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (continued)

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, active working capital management, ongoing operational cashflows and cost-optimisation measures.

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.

Group	Less than 1 year KShs'000	Between 1 and 2 years KShs'000	Between 2 and 5 years KShs'000	Over 5 years KShs'000	Total contractual cash flows KShs'000	Total carrying amount KShs'000
At 31 December 2025:	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Borrowings and interest	709,329	271,254	1,364,795	385,084	2,730,462	2,521,910
Lease liabilities	191,174	775,058	611,764	1,625,655	3,203,651	1,435,146
Trade and other payables	2,128,015	-	-	-	2,128,015	2,128,015
	<u>3,028,518</u>	<u>1,046,312</u>	<u>1,976,559</u>	<u>2,010,739</u>	<u>8,062,128</u>	<u>6,085,071</u>
Trade and other receivable	1,238,011	-	-	-	1,238,011	1,238,011
Fixed deposit	1,152,052	-	-	-	1,152,052	1,152,052
Cash	778,621	-	-	-	778,621	778,621
	<u>3,168,684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,168,684</u>	<u>3,168,684</u>
Net position	<u>140,166</u>	<u>(1,046,312)</u>	<u>(1,976,559)</u>	<u>(2,010,739)</u>	<u>(4,893,444)</u>	<u>(2,916,387)</u>
At 31 December 2024:	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Borrowings and interest	527,784	152,846	871,673	1,666,000	3,218,303	2,989,398
Lease liabilities	184,678	723,779	854,217	1,416,133	3,178,807	1,365,444
Trade and other payables	2,111,916	-	-	-	2,111,916	2,111,916
	<u>2,824,378</u>	<u>876,625</u>	<u>1,725,890</u>	<u>3,082,133</u>	<u>8,509,026</u>	<u>6,466,758</u>
Trade and other receivable	1,454,269	-	-	-	1,454,269	1,454,269
Fixed deposit	911,570	-	-	-	911,570	911,570
Cash	695,867	-	-	-	695,867	695,867
	<u>3,061,706</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,061,706</u>	<u>3,061,706</u>
Net position	<u>237,328</u>	<u>(876,625)</u>	<u>(1,725,890)</u>	<u>(3,082,133)</u>	<u>(5,447,320)</u>	<u>(3,405,052)</u>

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk (continued)

Company	Less than 1 year KShs'000	Between 1 and 2 years KShs'000	Between 2 and 5 years KShs'000	Over 5 years KShs'000	Total KShs'000
At 31 December 2025:					
Borrowings and interest	-	-	-	-	-
Trade and other payables	9,589	-	-	-	9,589
	9,589	-	-	-	9,589
Receivable and prepayment	26,676	-	-	-	26,676
Fixed deposit	163,817	-	-	-	163,817
Cash	20,322	-	-	-	20,322
	210,815	-	-	-	210,815
Net position	201,226	-	-	-	201,226
At 31 December 2024:					
Borrowings and interest	-	-	-	-	-
Trade and other payables	12,826	-	-	-	12,826
	12,826	-	-	-	12,826
Receivable and prepayment	19,617	-	-	-	19,617
Fixed deposit	293,709	-	-	-	293,709
Cash	4,312	-	-	-	4,312
	317,638	-	-	-	317,638
Net position	304,812	-	-	-	304,812

Further disclosures in relation to borrowings are shown in Note 16.

(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.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (Continued)

(d) Capital management (continued)

During 2025 the Group's and Company's strategy, which was unchanged from 2024, was to maintain a medium-term gearing ratio below 40%. The gearing ratios at 31 December 2025 and 31 December 2024 are as follows:

	2025	2024
	KShs'000	KShs'000
Total borrowings (Note 16)	2,521,910	2,989,398
Add: Lease liabilities (Note 17)	1,435,146	1,365,444
Less: Cash and bank balances (Note 27)	(778,621)	(695,867)
Net debt	3,178,435	3,658,975
Total equity	13,369,032	11,535,986
Total capital	16,547,467	15,194,961
Gearing ratio	19%	24%

(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); All assets and liabilities except for land and buildings disclosed in the below schedule are measured under level 2
- Inputs for the asset that are not based on observable market data (that is, unobservable data) (level 3). The valuation techniques and significant unobservable inputs applied in determining the fair value of the Group's land and building are disclosed in Note 20.

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. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Financial instruments not measured at fair value.

The table below presents the carrying amounts and fair values for and all financial assets and liabilities and for assets and liabilities measured at fair value. The carrying amounts of financial assets and liabilities approximate their fair values.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (Continued)

(e) Fair value estimation (continued)

Group	Carrying value		Fair value	
	2025 KShs 000	2024 KShs 000	2025 KShs 000	2024 KShs 000
Financial assets				
Land and buildings	12,958,962	11,500,550	12,958,962	11,500,550
Trade and other receivables	1,238,011	1,454,269	1,238,011	1,454,269
Fixed deposits	1,152,052	911,570	1,152,052	911,570
Cash and cash equivalents	778,621	695,867	778,621	695,867
Total financial assets	16,127,646	14,562,256	16,127,646	14,562,256
Financial liabilities				
Borrowings	2,521,910	2,989,398	2,731,462	3,218,303
Trade and other payables	2,128,015	2,111,916	2,128,015	2,111,916
Retirement benefit obligations	133,396	117,289	133,396	117,289
Total financial liabilities	4,783,321	5,218,603	4,992,321	5,447,508
Company				
Financial assets				
Trade and other receivables	26,676	19,617	26,676	19,617
Fixed deposit	163,817	293,709	163,817	293,709
Cash and cash equivalents	20,332	4,312	20,332	4,312
Total financial assets	210,825	317,638	210,825	317,638
Financial liabilities				
Trade and other payables	9,589	12,826	9,589	12,826
Total financial liabilities	9,589	12,826	9,589	12,826

5. SEGMENT INFORMATION

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.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

5. SEGMENT INFORMATION (Continued)

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:

	2025	2024
	KShs' 000	KShs' 000
Room revenue	5,424,609	5,278,265
Food	3,184,904	3,361,448
Beverage	598,516	631,396
Others**	908,717	914,759
	<u>10,116,746</u>	<u>10,185,868</u>
Timing of revenue recognition		
<i>Over time</i>		
Room revenue	5,424,609	5,278,265
<i>At a point in time</i>		
Food	3,184,904	3,361,448
Beverage	598,516	631,396
Others**	908,717	914,759
	<u>4,692,137</u>	<u>4,907,603</u>
	<u>10,116,746</u>	<u>10,185,868</u>

** Other revenues includes revenue from weddings, conferences, laundry services, spa, ballon, safari, health club and transport services. Dividend income from subsidiaries has been recognised by the Company and is disclosed in Note 31(viii). The segment information for the reportable segments for the year ended 31 December 2025 is as follows:

	Kenya hotels and lodges KShs '000	Tanzania lodges KShs '000	Uganda hotel KShs '000	All other segments** KShs '000	Total KShs '000
Segment profit/(loss)					
before tax	437,700	780,227	27,866	(33,674)	1,212,119
External revenues	4,941,450	3,181,952	1,870,607	122,737	10,116,746
Intersegment revenue	-	-	-	489,040	489,040
Segment revenue	<u>4,941,450</u>	<u>3,181,952</u>	<u>1,870,607</u>	<u>611,777</u>	<u>10,605,786</u>
EBITDA	1,066,456	1,046,533	168,349	(6,806)	2,274,532
Inventory expensed	(716,535)	(344,295)	(351,452)	-	(1,421,282)
Employee benefits expense	(1,264,596)	(840,454)	(423,821)	(421,278)	(2,950,149)
Depreciation on property and equipment	(325,988)	(153,499)	(145,756)	(2,593)	(627,836)
Depreciation on right of use assets	(73,007)	(10,826)	(1,490)	(597)	(85,920)
Income tax expense	(151,696)	(239,178)	(12,936)	(21,155)	(424,965)
Interest income	14,921	4,376	11,443	12,235	42,975
Interest expense	(327,872)	(65,900)	-	(47)	(393,819)

***The revenue from all other segments relates to management fee recharge from Goma Serena Hotel and Hoteis Polana, S.A.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

5. SEGMENT INFORMATION (Continued)

	Kenya hotels and lodges KShs '000	Tanzania lodges KShs '000	Uganda hotel KShs '000	All other segments KShs '000	Total KShs '000
Share of loss from associate	-	-	-	(36,654)	(36,654)
Investment in associates	-	-	-	825,084	825,084
Additions to property and equipment	400,141	344,095	301,779	14,748	1,060,763
Other assets	11,356,390	3,777,798	3,249,831	2,581,548	20,965,567
Good will	324,643	681,016	266,293	-	1,271,952
Total assets	11,681,033	4,458,814	3,516,124	2,581,548	22,237,519
Total liabilities	(5,813,221)	(2,094,038)	(889,657)	(71,571)	(8,868,487)

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

	Kenya hotels and lodges KShs '000	Tanzania lodges KShs '000	Uganda hotel KShs '000	All other segments KShs '000	Total KShs '000
Segment profit before tax	1,317,684	484,115	149,881	52,870	2,004,550
External revenue	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
EBITDA	1,402,118	719,790	274,615	49,785	2,446,308
Inventory expensed*	(754,299)	(369,923)	(347,342)	-	(1,471,564)
Employee benefits expense*	(1,151,239)	(899,598)	(410,534)	(460,382)	(2,921,753)
Depreciation on right of use asset	(287,037)	(148,970)	(144,759)	(2,080)	(582,846)
Depreciation on property and equipment	(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	(428,666)	(63,595)	(1,489)	(181)	(493,931)
Share of profit from associates	-	-	-	19,665	19,665
Investment in associates	-	-	-	861,948	861,948
Additions to property and equipment	415,464	329,124	12,440	14,039	771,067
Other assets	10,000,254	2,885,891	3,461,346	2,571,003	18,918,494
Goodwill	324,643	681,016	266,293	-	1,271,952
Total assets	10,324,897	3,566,907	3,727,639	2,571,003	20,190,446
Total liabilities	(5,589,720)	(2,054,895)	(952,336)	(57,509)	(8,654,460)

The Company has disclosed EBITDA because management believes that this measure is relevant to a better understanding of the financial performance.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

5. SEGMENT INFORMATION (Continued)

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.

*Inventory expensed and employee benefits expense has been added to comply with International Financial Reporting Interpretations Committee (IFRIC) requirement. 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:

	2025	2024
	KShs' 000	KShs' 000
EBITDA	2,274,532	2,446,308
Depreciation on property and equipment	(627,836)	(582,845)
Depreciation on right of use asset	(85,920)	(86,878)
Finance costs – net	(312,003)	208,300
Share of (loss)/profit of associates accounted for using the equity method	(36,654)	19,665
Profit before income tax	1,212,119	2,004,550

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

6. OTHER INCOME

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

	Group	
	2025	2024
	KShs'000	KShs'000
Other income	320,099	259,820
	320,099	259,820

7. PROFIT BEFORE TAX

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

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
Employee benefit expense (Note 8)	2,950,149	2,921,753	-	-
Advertising and promotion expenses (Note 9)	619,900	516,271	-	-
Repairs and maintenance of property and equipment (Note 9)	498,561	648,081	-	-
Receivables – provision for impairment expense/ (charge) (Note 26)	63,865	(35,836)	-	-
Auditors' remuneration	20,340	19,768	3,360	3,200
Depreciation expense on property, plant and equipment (Note 20)	627,836	582,845	-	-
Depreciation on right of use assets (Note 22)	85,920	86,878	-	-
Inventories expensed (Note 25)	1,412,282	1,471,564	-	-
Loss/(profit) on disposal of property, plant and equipment	436	(1,814)	-	-
	436	(1,814)	-	-

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

8. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
Salaries, wages and other staff costs	2,734,664	2,717,019	-	-
Retirement benefits costs:				
– Defined Benefit Scheme	7,994	16,899	-	-
– Defined Contribution Scheme	74,706	57,420	-	-
– National Social Security Funds	132,785	130,415	-	-
	<u>2,950,149</u>	<u>2,921,753</u>	<u>-</u>	<u>-</u>
Other staff Management	2,321	2,376	-	-
	<u>117</u>	<u>114</u>	<u>-</u>	<u>-</u>
Number of employees	<u>2,438</u>	<u>2,490</u>	<u>-</u>	<u>-</u>

9 (a) OTHER OPERATING EXPENSES

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
Advertising and promotions	619,900	516,271		4,470
Heat, light, power and water	656,944	828,629	-	-
Insurance premiums	290,184	239,467	-	-
Operating supplies	360,566	299,327	-	-
Variable lease	395,608	350,528	-	-
Security	94,511	97,123	-	-
Repairs and maintenance	498,561	648,081	-	-
Auditor's remuneration*	20,340	19,768	3,360	3,200
Bank charges	46,997	48,170	-	-
Other expenses	752,406	594,535	41,885	26,933
	<u>3,736,017</u>	<u>3,641,899</u>	<u>45,245</u>	<u>34,603</u>

Other expenses comprise:

	2025	2024
Group	KShs' 000	KShs' 000
Protective service and security	94,511	46,207
Lease modification**	76,599	-
Administration & general expenses	554,539	522,365
Other expenses	26,757	25,963
	<u>752,406</u>	<u>594,535</u>
Company		
Other expenses	19,581	8,815
Directors' Fee	11,450	8,500
Trade publications	6,432	4,470
Registry expenses	4,422	5,148
	<u>41,885</u>	<u>26,933</u>

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

9 (a) **OTHER OPERATING EXPENSES (Continued)**

*Auditors' remuneration represents the fees that have been charged for the financial statements audit for the current and previous financial year. There are no other non-audit fees paid to the external auditor in both current and prior year.

**In 2025, the Group remeasured its lease liabilities following changes in lease payment terms. The cumulative impact of lease payment changes was recognised in the current year's profit or loss, this expense relates to accelerated depreciation and interest expense.

(b) **IMPAIRMENT CREDIT – FINANCIAL ASSETS**

	Group		Company	
	2025	2024	2025	2024
Receivables – expense/(release) for impairment losses (Note 26)	63,865	(35,836)	-	(9,965)

10. **FINANCE INCOME/(COSTS)**

	2025	2024
Group	KShs'000	KShs' 000
<i>Finance income:</i>		
Interest income from fixed deposits (Note 27(b))	42,975	47,704
Net foreign currency exchange gain on lease liability (Note 17)	2,088	258,993
Other net foreign currency exchange gains**	68,263	-
Net foreign currency exchange gain on borrowings (Note 16)	-	572,520
	<u>113,326</u>	<u>879,217</u>
<i>Finance costs:</i>		
Interest expense on borrowings (Note 16)	(222,308)	(338,491)
Interest expense on actuarial valuation (Note 19)	(14,200)	(1,955)
Interest on lease liability (Note 17)	(157,311)	(153,485)
Net foreign currency exchange loss on borrowings (Note 16)	(15,072)	-
Net foreign currency exchange loss on fixed deposits (Note 27(b))	(16,438)	(173,609)
Other net foreign currency exchange loss**	-	(3,377)
	<u>(425,329)</u>	<u>(670,917)</u>
Finance costs	<u>(425,329)</u>	<u>(670,917)</u>
Net finance income/(costs)	<u>(312,003)</u>	<u>208,300</u>
Company		
Interest income on fixed deposits	10,927	9,471
Net foreign currency exchange loss on fixed deposits	(582)	(23,654)
	<u>10,345</u>	<u>(14,183)</u>
Net finance income/(costs)	<u>10,345</u>	<u>(14,183)</u>

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

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

11. TAXATION

	Group		Company	
	2025	2024	2025	2024
(a) Current tax expense	KShs'000	KShs'000	KShs'000	KShs'000
Current income tax	315,349	187,446	3,278	2,841
Prior year under provision of current tax	-	3,945	-	-
Deferred tax expense (Note 18)	117,810	495,337	-	-
(Over)/under provision of deferred tax expense (Note 18)	(8,194)	529	-	-
Income tax expense	424,965	687,257	3,278	2,841

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

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
Profit/(loss) before income tax	1,212,119	2,004,550	910	(38,821)
Tax calculated at domestic rates applicable to profits in the respective countries at 30% (2024 – 30%)	363,636	601,365	273	(11,646)
Tax effect of:				
Share of profit of associate	10,996	(5,899)	-	-
Expenses not deductible for tax purposes*	65,449	80,221	9,927	7,391
Deferred tax asset not recognised (Note 18)	(6,922)	7,096	(6,922)	7,096
Prior year under provision of current tax	-	3,945	-	-
(Over)/under provision of deferred tax	(8,194)	529	-	-
Income tax expense	424,965	687,257	3,278	2,841

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

*The expenses not deductible for tax purposes include education benefits, shareholder-related cost and general employees added back expenses.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

11. TAXATION (Continued)

(c) Current tax recoverable

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
At start of the year	168,373	173,391	2,417	4,175
Current year income tax expense	(315,349)	(187,446)	(3,278)	(2,841)
Instalment tax paid current year	313,731	207,406	5,558	1,083
Prior year under provision of current tax	-	(3,945)	-	-
Foreign exchange differences	632	(21,033)	-	-
	<u>167,387</u>	<u>168,373</u>	<u>4,697</u>	<u>2,417</u>

12. EARNINGS PER SHARE

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

	Group	
	2025	2024
Profit attributable to equity holders of the Company (KShs 000s)	781,957	1,281,840
Weighted average number of ordinary shares in issue (thousands)	282,651	282,651
Basic and diluted earnings per share (KShs)	2.77	4.54

There were no potentially dilutive shares outstanding at 31 December 2025.

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 2025 were 282,650,579 shares (2024 – 282,650,579 shares). Final dividend of KShs 0.35 per share for the year ended 31 December 2025 is to be proposed at the forthcoming Annual General Meeting (2024 – KShs 0.35 per share).

Payment of dividends is subject to withholding tax at a rate of 5% for shareholders who are citizens of East Africa Partner States. No withholding tax is applicable, 0% for resident companies holding at least 12.5% shareholding and, 0% for shareholders who are insurance companies or whose dividend income is exempt from tax and 15% withholding tax applies to all other shareholders.

14. SHARE CAPITAL

(a) Share capital

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
Authorised:				
At 1 January and 31 December: 290,650,579 ordinary shares of KShs 1 per share.	<u>290,651</u>	<u>290,651</u>	<u>290,651</u>	<u>290,651</u>

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

14. SHARE CAPITAL (Continued)

(a) Share capital (continued)	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
Issued and fully paid:				
At 1 January 2025/2024 and 31 December: 282,650,579 ordinary shares of KShs 1 per share.	<u>282,651</u>	<u>282,651</u>	<u>282,651</u>	<u>282,651</u>

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	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
At 1 January and 31 December	<u>6,001,741</u>	<u>6,001,741</u>	<u>6,001,741</u>	<u>6,001,741</u>

The share premium arose in prior years from issuance of ordinary shares at a premium.

15. RESERVES

(a) Revaluation reserve

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

	2025	2024
	KShs'000	KShs'000
At 1 January	2,211,352	2,266,195
Actuarial losses	-	(10,705)
Deferred tax impact	-	3,212
Revaluation on land and building	1,616,285	-
Deferred tax impact	(484,886)	-
Transfer of excess depreciation	(78,044)	(67,643)
Deferred tax impact	23,413	20,293
At 31 December	<u>3,288,120</u>	<u>2,211,352</u>
Comprising		
Revaluation surplus	3,365,640	2,288,872
Actuarial losses on defined benefit plans	(77,520)	(77,520)
At 31 December	<u>3,288,120</u>	<u>2,211,352</u>

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

15. RESERVES (Continued)

(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:

	2025	2024
	KShs'000	KShs'000
At 1 January	(729,353)	(344,321)
Movement in the year:		
Property and equipment – (Note 20)	22,662	(690,346)
Borrowings (Note 16)	1,095	(60,004)
Deferred tax (assets)/liabilities (Note 18)	(5,661)	113,413
Current income tax (Note 11)	632	(21,033)
Cash and cash equivalents	9,960	7,497
Equity- Foreign currency translation differences	53,422	61,066
Right of use assets (Note 22)	(45)	50,116
Lease liabilities (Note 17)	524	(10,075)
	82,589	(549,366)
Non-controlling interest (Note 30)	(12,267)	164,334
At 31 December	(659,031)	(729,353)

16. BORROWINGS

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
The borrowings are made up as follows:				
Non-current				
Term loans	1,843,307	2,501,485	-	-
Current				
Term loans	678,603	487,913	-	-
	678,603	487,913	-	-
Total borrowings	2,521,910	2,989,398	-	-

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

16. BORROWINGS (Continued)

Reconciliation of liabilities arising from financing activities (Term loan)

Year ended 31 December	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
At start of year	2,989,398	4,076,851	-	-
Interest expense	222,308	338,491	-	-
Foreign exchange loss/(gain)	15,072	(572,520)	-	-
Cash flows:				
Interest paid	(222,308)	(338,491)	-	-
Proceeds from borrowings	-	113,062	-	-
Repayments of borrowings	(481,465)	(687,999)	-	-
Translation differences	(1,095)	60,004	-	-
At end of year	2,521,910	2,989,398	-	-

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

16. BORROWINGS (Continued)

Group

Financial institution	Currency	Facility limit	Effective Interest rate %	Effective date	Maturity date	2025 KShs'000	2024 KShs'000
Tanzania							
ABSA Bank Tanzania Limited- Overdraft	US\$	1,700,000	9.83%	21/09/2024	20/09/2025	-	-
AKFED	US\$	6,261,074	4.25%	01/01/2024	31/12/2030	805,242	789,561
Zanzibar							
AKFED	US\$	740,000	4.25%	01/01/2024	31/12/2030	90,077	88,323
Kenya							
Bank overdraft - ABSA Bank Kenya PLC	KShs	150,000,000	10.46%	26/01/2024	25/01/2025	-	-
Bank overdraft - Equity Kenya Ltd	KShs	100,000,000	12.00%	09/09/2024	08/09/2025	-	-
PROPARCO - Term loan	US\$	20,000,000	8.76%	24/08/2015	15/12/2030	1,508,215	1,857,850
ABSA Bank Kenya PLC - Term loans	KShs	970,000,000	11.08%	13/02/2015	29/12/2026	118,376	253,664
AKFED	US\$	14,500,000	0.00%	30/07/2017		-	-
Uganda							
Bank overdraft – Equity Bank Uganda Limited	US\$	1,500,000	5.50%	03/12/2024	02/12/2025	-	-
Total borrowings						<u>2,521,910</u>	<u>2,989,398</u>

Fair values of the borrowings are disclosed at Note 4.

TPS EASTERN AFRICA PLC

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)**

16. BORROWINGS (Continued)

Bank loans 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. At 31 December 2025, properties with a carrying amount of KShs 5,203,000,000 forms security for PROPARCO loan.

Notes to the above table of borrowings:

- (i) As at 31 December 2025, the Group was in compliance with all Absa Bank and PROPARCO loan covenants.

Borrowings in respective currencies were as follows:

Currency	Group	
	2025	2024
	KShs'000	KShs'000
US Dollars	2,403,534	2,698,339
Kenya Shillings	118,376	291,059
Total borrowings	2,521,910	2,989,398

17. LEASE LIABILITIES

	2025	2024
	KShs'000	KShs'000
Opening balance	1,365,444	1,651,190
Interest charge	157,311	153,485
Principal lease payments during the year	(41,379)	(40,996)
Interest lease paid	(157,311)	(153,485)
Lease modification	92,836	4,168
Foreign exchange impact on lease modification	20,857	-
Foreign exchange (gain)/loss	(2,088)	(258,993)
Translation differences	(524)	10,075
	1,435,146	1,365,444

The lease liability is classified as follows:

	2025	2024
	KShs'000	KShs'000
Non-current	1,247,257	1,181,205
Current	187,889	184,239
	1,435,146	1,365,444

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

17. LEASE LIABILITIES (Continued)

Undiscounted lease liability is classified as follows:

	2025	2024
	KShs'000	KShs'000
Within one year	191,174	184,678
Later than one year and not later than five years	1,386,822	1,577,996
Later than five years	<u>1,625,655</u>	<u>1,416,133</u>
	<u>3,203,651</u>	<u>3,178,807</u>

Some leases contain extension options exercisable by the Group up to one term after the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of KShs 578,947,000.

18. DEFERRED INCOME TAX

Deferred income tax is calculated using the enacted income tax rate of 30% (2024 - 30%). The movement on the deferred income tax account is as follows:

	Group	
	2025	2024
	KShs'000	KShs'000
Deferred income tax asset		
At start of year	12,295	7,393
(Charge)/credit to profit or loss*	(439)	4,929
Effect of change in exchange rates	<u>12</u>	<u>(27)</u>
At end of year	<u>11,868</u>	<u>12,295</u>
Deferred income tax liability		
At start of year	2,070,413	1,686,270
Charge to profit or loss*	117,371	500,266
(Over)/under provision for deferred tax (Note 11)	(8,194)	529
Charge/(credit) to other comprehensive income	464,757	(3,212)
Effect of change in exchange rates	<u>5,673</u>	<u>(113,440)</u>
At end of year	<u>2,650,020</u>	<u>2,070,413</u>
* Net impact to profit or loss (Note 11)	<u>117,810</u>	<u>495,337</u>

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

18. DEFERRED INCOME TAX (Continued)

	Group					
	1.1.2025 KShs'000	Over provision for deferred tax KShs'000	Charge/ (credit) to profit or loss KShs'000	Charged/ (credit) to OCI KShs'000	Effect of change in exchange rates KShs'000	
Deferred tax liabilities						
Deferred income tax liabilities						
Property, plant & equipment						
- on historical cost	(45,776)	9,507	(17,122)	-	(7,735)	(61,126)
- on revaluation surpluses	2,903,552	(2,178)	(12,167)	464,757	13,250	3,367,214
Right of use asset	230,217	-	(10,774)	-	58,926	278,369
Lease liability	(388,486)	-	(23,548)	-	-	(412,034)
	2,699,507	7,329	(63,611)	464,757	64,441	3,172,423
Deferred tax assets						
Provisions	(54,827)	(29,070)	12,241	-	(58,878)	(130,534)
Tax losses carried forward	(358,448)	10,817	167,725	-	-	(179,906)
Unrealised foreign exchange (gains)/losses	(215,819)	2,730	1,016	-	110	(211,963)
	(629,094)	(15,523)	180,982	-	(58,768)	(522,403)
Net deferred tax liability	2,070,413	(8,194)	117,371	464,757	5,673	2,650,020

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

18. DEFERRED INCOME TAX (Continued)

	1.1.2024 KShs'000	Under provision for deferred tax KShs'000	Charge/ (credit) to profit or loss KShs'000	Charged/ (credit) to OCI KShs'000	Effect of change in exchange rates KShs'000	31.12.2024 KShs'000
Deferred income tax liabilities						
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
Right of use	353,269	3,500	4,645	-	(131,197)	230,217
Lease liability	(475,267)	-	86,781	-	-	(388,486)
	<u>1,730,702</u>	<u>529</u>	<u>65,312</u>	<u>(3,212)</u>	<u>906,176</u>	<u>2,699,507</u>
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)
	<u>(44,432)</u>	<u>-</u>	<u>434,954</u>	<u>-</u>	<u>(1,019,616)</u>	<u>(629,094)</u>
Net deferred tax liability	<u>1,686,270</u>	<u>529</u>	<u>500,266</u>	<u>(3,212)</u>	<u>(113,440)</u>	<u>2,070,413</u>

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

18. DEFERRED INCOME TAX (Continued)

Aging of tax losses for which deferred tax is recognized

Year of Origin	Tourism Promotion Services (Kenya) Limited KShs '000	Tourism Promotion Services (Tanzania) Limited KShs '000	Total
2018	2,942,924	-	2,942,924
2019	820,230	-	820,230
2020	431,155	335,601	766,756
2021	(76,327)	278,143	201,816
2022	(559,036)	(288,090)	(847,126)
2023	(1,367,301)	(272,210)	(1,639,511)
2024	(1,032,872)	(53,444)	(1,086,316)
2025	(559,085)	-	(559,085)
Total	<u>599,688</u>	<u>-</u>	<u>599,688</u>

Based on the Finance Act 2025 in Kenya, tax losses incurred on or after 1st July 2025 are capped to a maximum carry-forward period of five years.

Unrecognised deferred tax asset arising from temporary differences:

Deferred tax asset of KShs 174,000 (2024 – KShs 7,096,000) have not been recognised in respect of deductible temporary difference for the Company because it is not probable that future taxable profit will be available against which the company can use the benefits.

Company

2025	1.1.2025 KShs '000	Movement through P&L KShs '000	Movement through KShs '000	31.12.2025 KShs '000
Other temporary	<u>7,096</u>	<u>(6,922)</u>	<u>-</u>	<u>174</u>
2024	1.1.2024 KShs '000	Movement through P&L KShs '000	Movement through KShs '000	31.12.2024 KShs '000
Other temporary	<u>-</u>	<u>7,096</u>	<u>-</u>	<u>7,096</u>

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.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

19. RETIREMENT BENEFIT OBLIGATIONS (Continued)

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	
	2025	2024
	KShs'000	KShs'000
At start of year	117,289	98,116
Additional provision	8,383	18,855
Interest expense	14,200	1,955
Actuarial loss	-	8,750
Benefits paid/transferred to pension scheme	<u>(6,476)</u>	<u>(10,387)</u>
At end of year	<u>133,396</u>	<u>117,289</u>

The scheme was last valued by an independent actuary as at 31 December 2025. The significant actuarial assumptions were as follows:

	2025	2024
Discount rate	14.0%	14.0%
Future salary increases	7.0%	7.0%
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 2025 (2024 – 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

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

20. PROPERTY AND EQUIPMENT – GROUP

	Land	Land	Furniture,		Operating	Capital	
At 1 January 2025	KShs'000	&Buildings	fixtures &	Vehicles	equipment	work in	Total
		KShs'000	equipment	KShs'000	KShs'000	progress	KShs'000
			KShs'000			KShs'000	KShs'000
At cost/valuation	647,000	16,163,530	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	647,000	10,853,550	1,274,235	94,346	163,509	164,245	13,196,885
Year ended 31 December 2025							
Opening net book amount	647,000	10,853,550	1,274,235	94,346	163,509	164,245	13,196,885
Additions	-	87,421	343,436	140,235	-	489,671	1,060,763
Disposals	-	-	(415,330)	(8,955)	-	-	(424,285)
Transfers	-	92,920	124,708	-	-	(217,628)	-
Depreciation charge	-	(299,665)	(277,312)	(50,859)	-	-	(627,836)
Depreciation on disposal	-	3,684	402,279	8,955	-	-	414,918
Revaluation on operating equipment	-	-	-	-	8,542	-	8,542
Revaluation on land and buildings	22,500	1,526,689	-	-	-	-	1,549,189
Translation differences	-	24,863	(1,044)	(1,374)	(79)	296	22,662
Net book amount at cost/valuation	669,500	12,289,462	1,450,972	182,348	171,972	436,584	15,200,838
At 31 December 2025							
At cost	669,500	17,870,560	5,150,029	576,587	149,506	577,581	24,993,763
Accumulated depreciation	-	(5,081,795)	(3,821,523)	(360,892)	-	-	(9,264,210)
Translation differences	-	(499,303)	122,466	(33,347)	22,466	(140,997)	(528,715)
Net book amount	669,500	12,289,462	1,450,972	182,348	171,972	436,584	15,200,838

*Land and buildings have been presented separately into 2 separate classes of land and land & buildings in accordance with IAS 16.58.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

20. PROPERTY AND EQUIPMENT – GROUP (Continued)

	Land KShs'000	Land & Buildings KShs'000	Furniture, fittings & equipment KShs'000	Vehicles KShs'000	Operating equipment KShs'000	Capital work in progress KShs'000	Total KShs'000
At 1 January 2024							
At cost/valuation	647,000	16,059,419	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	647,000	11,662,678	925,017	168,142	171,685	128,011	13,702,533
Year ended 31 December 2024							
Opening net book amount	647,000	11,662,678	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	647,000	10,853,550	1,274,235	94,346	163,509	164,245	13,196,885
At 31 December 2024							
At cost	647,000	16,163,530	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	647,000	10,853,550	1,274,235	94,346	163,509	164,245	13,196,885

The capital work in progress include ongoing IT system implementations, software and hardware acquisitions that are not yet commissioned as well as equipment and other items purchased but not yet received or installed. It also includes ongoing building works and other construction projects that are still in progress and have not yet been commissioned for use.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

20. PROPERTY AND EQUIPMENT – GROUP (Continued)

The Group's buildings and land for Tourism Promotion Services (Kenya) Limited were revalued on 31 December 2025 by CP Robertson Dunn Property Valuers Ltd, a firm of registered independent valuers while Tourism Promotion Services (Tanzania) Limited and Tourism Promotion Services (Zanzibar) Limited were revalued by H & R Consultancy Limited in Tanzania and TPS(Uganda) Limited were revalued by Reitis Valuer. Revaluations of properties were made on the basis of earnings for existing use. The assumptions applied were as follows;

2025

Entity	Discount rate	Growth rate	EBITDA Margin
Tourism Promotion Services (Kenya) Limited	16% to 17.5%	4%	20%- 35%
TPS (Uganda) Limited	9%	6%	6%
Tourism Promotion Services (Tanzania) Limited	12%	10%	35%
Tourism Promotion Services (Zanzibar) Limited	12%	10%	29%

2024

Entity	Discount rate	Growth rate	EBITDA Margin
Tourism Promotion Services (Kenya) Limited	14%	6%	21%
TPS (Uganda) Limited	15%	6%	22%
Tourism Promotion Services (Tanzania) Limited	15%	6%	10%
Tourism Promotion Services (Zanzibar) Limited	15%	6%	16%

- The resultant revaluation gain net of deferred income tax of KShs 1,084 million (2024; KShs 47 million) was recognised in the revaluation reserve through other comprehensive income.
- As at 31 December 2025, if the discount rate had increased by 1% with all other variables held constant, the valuation would have been lower by KShs 450 million (2024; KShs 759 million).
- As at 31 December 2025, if the discount rate had decreased 1% with all other variables held constant, the valuation would have been higher by KShs 504 million (2024; KShs 1,2 billion).
- As at 31 December 2025, if the gross margin rate had decreased / increased by 1% with all other variables held constant, the valuation would have been higher / lower by KShs 141 million (2024; KShs 61 million).
- As at 31 December 2025, if the growth rate had decreased / increased by 1% with all other variables held constant, the valuation would have been higher / lower by KShs 410 million (2024; KShs 294 million).

Management has assessed the recoverable amount by calculating the value in use using a discounted cashflow model (DCF).

Carrying amount under historical cost

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

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

20. PROPERTY AND EQUIPMENT – GROUP (Continued)

	2025	2024
	KShs'000	KShs'000
Cost	11,865,161	11,788,931
Accumulated depreciation	<u>(3,472,384)</u>	<u>(3,468,616)</u>
Net book amount	<u>8,392,777</u>	<u>8,320,315</u>

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:

Entity	Goodwill	
	2025	2024
	KShs'000	KShs'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	<u>104,671</u>	<u>104,671</u>
	<u>1,271,952</u>	<u>1,271,952</u>

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:

2025	Tanzania	Zanzibar	Uganda	Kenya
Budgeted average EBITDA margin (%)	35%	29%	24%	28%
Long term growth rate (%)	6%	6%	6%	5%
Post-tax discount rate (%)	15%	15%	18%	14%
Annual capital expenditure as a % of revenue	4%	4%	4%	5%
2024	Tanzania	Zanzibar	Uganda	Kenya
Budgeted average EBITDA margin (%)	29%	29%	24%	28%
Long term growth rate (%)	6%	6%	6%	5%
Post-tax discount rate (%)	15%	15%	15%	18%
Annual capital expenditure as a % of revenue	4%	4%	4%	4%

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 post-tax and reflect specific risks relating to the relevant segments.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

21. INTANGIBLE ASSETS – GOODWILL

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	Post-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 2025 by KShs 5.6 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 2025 with all other assumptions in the table above unchanged, the head room would have increased/ decreased by KShs 195 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 post-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 1.2 billion. If the post-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 1.6 billion.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

21. INTANGIBLE ASSETS – GOODWILL (Continued)

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 2025 by KShs 214 million

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 2025 with all other assumptions in the table above unchanged, the head room would have increased/ decreased by KShs 42 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 post-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 207 million.

If the post-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 244 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 2025 by KShs 10.6 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 2025 with all other assumptions in the table above unchanged, the head room would have increased/ decreased by KShs 212 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 post-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 1.4 billion.

If the post-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 1.7 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 2025 by KShs 670 million.

If the budgeted EBITDA margin used in the value-in-use calculation had been 1% higher/lower than the management estimates at 31 December 2025 with all other assumptions in the table above unchanged, the headroom would have increased/decreased by KShs 17 million.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

21. INTANGIBLE ASSETS – GOODWILL (Continued)

Tourism Promotion Services (Zanzibar) Limited goodwill (continued)

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 post-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 126 million.

If the post-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 157 million.

22. RIGHT OF USE ASSETS

The Group's leasing activities primarily relate to property leases used in its administrative and hospitality operations. These include office buildings and premises used for hotels, parks, and camps. Where leases cover both land and buildings, the lease components have not been separated as the land does not transfer ownership and has no alternative economic use without the related buildings.

Group	2025	2024
	KShs'000	KShs'000
Opening balance	1,056,998	1,090,562
Lease modification	37,094	3,198
Depreciation	(85,920)	(86,878)
Translation differences	(45)	50,116
	<u>1,008,127</u>	<u>1,056,998</u>

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 EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

23. INVESTMENT IN SUBSIDIARIES (AT COST) (Continued)

	TPS(K) KShs'000	TPS(T) KShs'000	TPS(Z) KShs'000	TPS(Mgp) KShs'000	TPS(SA) KShs'000	TPS(M) KShs'000	TPS(U) KShs'000	Total KShs'000
At 1 January 2025	2,392,445	1,487,783	437,423	-	1	30	1,432,174	5,749,856
Investment during the year	-	-	-	-	-	-	-	-
At 31 December 2025	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 and 2025	100%	100%	100%	100%	100%	99.8%	65.2%	
	TPS(K) KShs'000	TPS(T) KShs'000	TPS(Z) KShs'000	TPS(Mgp) KShs'000	TPS(SA) KShs'000	TPS(M) KShs'000	TPS(U) KShs'000	Total KShs'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 and 2025	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.

TPS(Mgp) is impaired to the extent that the investment is not recoverable. 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.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (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;

31 December	2025	2024
In KShs'000		
NCI percentage	34.81%	34.81%
Non-current assets	2,693,776	2,698,648
Current assets	845,662	1,052,002
Non-current liabilities	(484,658)	(553,976)
Current liabilities	(404,999)	(398,359)
Net assets underlying NCI	2,649,781	2,798,315
Underlying NCI	922,389	974,093
Revenue	1,870,607	1,897,319
Profit	14,930	101,849
OCI	(134,923)	-
Total comprehensive income	(119,993)	101,849
Profit allocated to NCI	5,197	35,453
OCI allocated to NCI	(46,967)	-
Cash flows from operating activities	200,865	302,944
Cash flows from investing activities	(302,283)	(52,038)
Cash flows from financing activities	(63,776)	(47,115)
Net (decrease)/increase in cash and cash equivalents	(165,194)	203,791

24. INVESTMENT IN ASSOCIATES

	Group	
	2025	2024
	KShs'000	KShs'000
At start of the year	861,948	842,073
Investment during the year	-	210
Share of associate results before tax	(16,507)	31,107
Share of tax	(20,147)	(11,442)
Net share of results after tax	(36,654)	19,665
At end of year	825,294	861,948

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

24. INVESTMENT IN ASSOCIATES (Continued)

	Company	
	2025	2024
	KShs'000	KShs'000
At start and end of year	<u>840,330</u>	<u>840,330</u>

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.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

24. INVESTMENT IN ASSOCIATES (Continued)

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:

Company	%	Current	Non-current	Current	Non-current	Revenues	Profit/ (loss)	Other
	interest	assets	assets	liabilities	liabilities			comprehensive
2025	Held	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	income
								KShs'000
TPS (Rwanda) Limited	20.15	388,548	984,701	263,424	167,502	1,553,681	62,091	-
TPS (D) Limited	25.10	163,611	4,062,082	780,414	806,780	1,020,319	(195,878)	-
Mountain Lodges Limited*	29.90	5,195	101,272	165,502	42,464	-	-	-
		557,354	5,148,055	1,209,340	1,016,746	2,574,000	(133,787)	-
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	-

*Mountain Lodges Limited has not traded since 2020.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

25 INVENTORIES	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
Food, beverage and consumables	330,128	361,975	-	-
Other stock	253,241	198,314	-	-
	<u>583,369</u>	<u>560,289</u>	<u>-</u>	<u>-</u>

Inventory is stated at cost. The cost of inventories recognised as an expense and included in 'inventory expensed' amounted to KShs 1,412,282,000 (2024 – KShs 1,471,564,000).

26. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
Trade receivables – third parties	551,987	800,950	-	-
Less: Loss allowance	(83,270)	(22,100)	-	-
Trade receivables – other related companies (Note 31 (v))	5,117	6,217	-	-
Net trade receivables	<u>473,834</u>	<u>785,067</u>	<u>-</u>	<u>-</u>
Prepayments	145,752	125,961	-	-
Advances to related companies (Note 31(v))	710,304	705,548	25,147	19,617
Less: Loss allowance on related party debts	(263,869)	(261,174)	-	-
Other receivables*	171,990	98,867	1,529	-
	<u>1,238,011</u>	<u>1,454,269</u>	<u>26,676</u>	<u>19,617</u>

*Other receivable relates to staff loans, salary advance and advances to suppliers. Movements on the Loss allowance on trade receivables and advances to related companies are as follows:

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
Trade receivables				
At start of year	22,100	22,100	-	-
Additional provision	61,170	-	-	-
Receivables recovered during the year	-	-	-	-
At end of year	<u>83,270</u>	<u>22,100</u>	<u>-</u>	<u>-</u>
Advances to related companies				
At start of year	261,174	297,010	-	9,965
Additional provision	2,695	-	-	-
Receivables recovered during the year	-	(35,836)	-	(9,965)
At end of year	<u>263,869</u>	<u>261,174</u>	<u>-</u>	<u>-</u>

In the opinion of the Directors, the carrying amounts of the receivables approximate to their fair value. The carrying amounts of the Group's receivables and prepayments are denominated in the following currencies:

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

26. TRADE AND OTHER RECEIVABLES (Continued)

	Group		Company	
	2025 KShs'000	2024 KShs'000	2025 KShs'000	2024 KShs'000
US Dollar	319,434	233,655	-	-
Euro	6,224	-	-	-
Sterling Pound	7,149	4,453	-	-
Kenya Shillings	362,474	627,023	26,676	19,617
Tanzania Shillings	281,221	320,937	-	-
Uganda Shillings	261,509	268,201	-	-
	<u>1,238,011</u>	<u>1,454,269</u>	<u>26,676</u>	<u>19,617</u>

27. (a) CASH AND CASH EQUIVALENTS

	Group		Company	
	2025 KShs'000	2024 KShs'000	2025 KShs'000	2024 KShs'000
Cash at bank and in hand	<u>778,621</u>	<u>695,867</u>	<u>20,332</u>	<u>4,312</u>

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

	Group		Company	
	2025 KShs'000	2024 KShs'000	2025 KShs'000	2024 KShs'000
Cash and bank balances as above	<u>778,621</u>	<u>695,867</u>	<u>20,332</u>	<u>4,312</u>
	<u>778,621</u>	<u>695,867</u>	<u>20,332</u>	<u>4,312</u>

(b) FINANCIAL ASSETS – FIXED DEPOSITS

	Group		Company	
	2025 KShs'000	2024 KShs'000	2025 KShs'000	2024 KShs'000
At start of year	911,570	596,293	293,709	-
Purchases	2,588,960	8,705,330	449,352	307,892
Proceeds from maturity	(2,375,015)	(8,264,148)	(589,739)	-
Interest on fixed deposits	42,975	47,704	10,927	9,471
Foreign exchange (loss)/gain	(16,438)	(173,609)	(432)	(23,654)
At end of year	<u>1,152,052</u>	<u>911,570</u>	<u>163,817</u>	<u>293,709</u>

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.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

28. (a) TRADE AND OTHER PAYABLE

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
Trade payables	758,524	891,049	-	-
Trade payables – related companies (Note 31)	22,223	10,050	-	-
Advances from related companies (Note 31)	19,180	42,149	-	-
Accrued expenses and other payables*	<u>1,328,088</u>	<u>1,168,668</u>	<u>9,589</u>	<u>12,826</u>
	<u>2,128,015</u>	<u>2,111,916</u>	<u>9,589</u>	<u>12,826</u>

* Accrued expenses and other payable relates to advance receipts, unclaimed balances and payroll related liabilities.

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

28. (b) DIVIDEND PAYABLES

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
Opening balance – 1 January	-	36,103	-	36,103
Declared during the year	98,928	-	98,928	-
Paid during the period	<u>(98,928)</u>	<u>(36,103)</u>	<u>(98,928)</u>	<u>(36,103)</u>
Closing balance – 31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

29. CASH GENERATED FROM OPERATIONS

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

	Group		Company	
	2025	2024	2025	2024
	KShs'000	KShs'000	KShs'000	KShs'000
Profit/(loss) before income tax	1,212,119	2,004,550	910	(38,821)
Adjustments for:				
Interest expense on borrowings (Note 10)	222,308	338,491	-	-
Interest expense on employee benefits (Note 10)	14,200	1,955	-	-
Interest income from fixed deposits (Note 10)	(42,975)	(47,704)	(10,927)	(9,471)
Interest expense on lease liability (Note 10)	157,311	153,485	-	-
Depreciation expense on property, plant and equipment (Note 20)	627,836	582,845	-	-
Depreciation on right of use asset (Note 22)	85,920	86,878	-	-
(Loss)/gain on sale of property, plant and equipment	(436)	1,814	-	-
Dividend income (Note 31(viii))	-	-	(35,810)	-
Lease modification (Note 9(a))	76,599	-	-	-
Net foreign exchange loss/(gain) on borrowing (Note 10)	15,072	(572,520)	-	-
Net foreign exchange (gain)/loss on lease liabilities (Note 10)	(2,088)	(258,993)	-	-
Unrealised foreign exchange gain on deposits (Note 27(b))	16,438	173,609	-	-
Operating equipment valuation gain (Note 20)	8,542	-	-	-
Share of loss/(profit) from associates (Note 24)	36,654	(19,665)	-	-
Retirement benefit obligation provision (Note 19)	8,383	18,855	-	-
Retirement benefit obligation actuarial loss (Note 19)	-	8,750	-	-
Retirement benefit obligation payments/release (Note 19)	(6,476)	(10,387)	-	-
Changes in working capital				
- receivables and prepayments	216,258	(48,647)	(7,059)	362,058
- inventories	(23,080)	14,615	-	-
- payables and accrued expenses	16,099	(21,249)	(3,237)	10,032
Cash generated from operations	<u>2,638,684</u>	<u>2,406,682</u>	<u>(56,123)</u>	<u>323,798</u>

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

30. NON-CONTROLLING INTEREST

	2025	2024
	KShs '000	KShs '000
At start of the year	974,093	1,102,974
Share of profit for the year	5,197	35,453
Share of OCI for the year	(46,967)	-
Dividends paid	(22,201)	-
Currency translation differences (Note 15(b))	12,267	(164,334)
At end of year	922,389	974,093

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 (Kenya, Uganda)	Affiliate
Aga Khan Hospital (Kenya) Limited	Affiliate
Aga Khan Foundation	Affiliate
Aga Khan University Hospital (Kenya, Tanzania & 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
Tanruss Investment Limited	Associate
Goma Serena Hotel	Affiliate

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

31. RELATED PARTY TRANSACTIONS (Continued)

The following transactions were carried out with related parties:

(i) Sale of goods and services to:	2025	2024
	KShs'000	KShs'000
Diamond Trust Bank Uganda Limited	4,562	210
The Jubilee Insurance Company of Uganda Limited	2,930	2,510
Tourism Promotion Services (Rwanda) Limited	81,317	75,678
Hoteis Polana, S.A.	42,158	52,369
Industrial Promotion Services (Kenya) Limited	3,723	2,005
African Broadcasting (Uganda) Limited	9,792	29,025
Monitor Publication Limited	1,550	639
Diamond Trust Bank Kenya Limited	16,703	8,451
Nation Media Group	6,352	5,021
The Jubilee Insurance Company of Kenya Limited	5,919	9,646
Aga Khan Development Network Kenya	58,274	26,035
Aga Khan Hospital (Kenya) Limited	95,948	26,035
Goma Serena Hotel	-	46,971
	329,228	284,595
(ii) Purchase of goods and services from:		Group
Farmer's Choice Limited	114,019	207,098
Aga Khan Fund for Economic Development SA	32,769	-
Aga Khan Hospital (Kenya) Limited	723	-
Diamond Trust Bank Tanzania Limited	1,747	1,460
Nation Media Group	3,579	1,200
The Jubilee Insurance Company of Kenya Limited	1,109	-
The Jubilee Insurance Company of Uganda Limited	63,974	10,381
The Jubilee Insurance Company (Tanzania) Limited	5,352	5,160
Monitor Publication Limited	190	122
	223,462	225,421
(iii) Key management compensation (excluding directors' emoluments)		Group
Post-employment benefits	14,096	12,990
Salaries and other short term employment benefits	397,956	308,333
(iv) Directors' remuneration		Group
	2025	2024
	KShs'000	KShs'000
Fees for services as a non-executive director	11,450	8,500
Emoluments to executive directors (included in key management compensation above)	105,343	124,346
Total remuneration of directors of the Company and Group	116,793	132,846

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

31. RELATED PARTY TRANSACTIONS (Continued)

The following transactions were carried out with related parties:

(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. The amounts are payable on demand with no fixed repayment terms.

	Group	
	2025	2024
	KShs'000	KShs'000
<i>Trade receivables from related parties</i>		
The Jubilee Insurance Company of Kenya Limited	-	1,223
Diamond Trust Properties Uganda	61	-
Aga Khan University Hospital (Kenya & Uganda)	2,208	2,595
African Broadcasting Services	226	674
Industrial Promotion Services (Kenya) Limited	28	274
Nation Media Group	1,347	1,451
Monitor Publications	285	-
Aga Khan Education Service, Kenya	962	-
	5,117	6,217
<i>Other receivables from related parties</i>		
Hoteis Polana, S.A.	254,880	200,401
Mountain Lodges Limited	98,248	98,248
Pearl Development Group Limited	15,388	12,616
Tanruss Investment Limited	315,922	351,046
Tourism Promotion Services (Rwanda) Limited	8,482	15,630
TPS (Cayman) Limited	3,437	3,101
Lake Victoria Serena Resort	6	-
Goma Serena Hotel	13,940	24,506
	710,303	705,548
Trade and other receivables from related parties	715,420	711,765
Less: Loss allowance of related party debts	(263,869)	(261,754)
Net trade and other receivables from related	451,551	450,011

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.

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

31. RELATED PARTY TRANSACTIONS (Continued)

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

Other receivables from related parties – continued

	Company	
	2025 KShs'000	2024 KShs'000
Tourism Promotion Services (Kenya) Limited	-	13
Tourism Promotion Services (Tanzania) Limited	37	37
Tanruss Investment Limited	25,110	19,567
Advances to related parties	25,147	19,617

	Group	
	2025 KShs'000	2024 KShs'000
<i>Trade payables to related parties</i>		
Farmer's Choice Limited	21,561	9,676
Nation Media Group	70	374
Diamond Trust Bank Kenya Limited	32	-
Monitor Publication Limited	197	-
The Jubilee Insurance Company of Kenya Limited	152	-
Aga Khan University Hospital	211	-
	22,223	10,050

	Group	
	2025 KShs'000	2024 KShs'000
<i>Other payables to related parties</i>		
Hoteis Polana, S.A.	699	21,735
Goma Serena Hotel	870	7,462
Pearl Development Group Limited	7,269	5,278
Tanruss Investment Limited	7,878	263
Tourism Promotion Services (Rwanda) Limited	300	3,902
TPS (D) Limited	2,164	3,509
	19,180	42,149
	41,403	52,199

(vi) Guarantees

TPS Eastern Africa PLC has provided corporate guarantees to the lenders of Tourism Promotion Services (Kenya) Limited (TPS K). The table below summarises the corporate guarantees as at 31 December 2025:

Company	Facility	Initial recognition KShs '000	Carrying value KShs '000
TPS K	ABSA Loan	970,000	118,376
TPS K	EQUITY OD	100,000	-
TPS K	PROPARCO	2,493,514	1,508,215

TPS EASTERN AFRICA PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

31. RELATED PARTY TRANSACTIONS (Continued)

(v) Guarantees (continued)

The table below shows the undiscounted contractual cash flows relating to the guaranteed borrowings:

	Less than 1 year KShs'000	Between 1 and 2 years KShs'000	Between 2 and 5 years KShs'000	Over 5 years KShs'000	Total contractual cash flows KShs'000
Corporate guarantee	461,701	663,994	656,537	-	1,782,232
	<u>461,701</u>	<u>663,994</u>	<u>656,537</u>	<u>-</u>	<u>1,782,232</u>

(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 1,508,215,000 (2024 – KShs 1,857,850,000) as disclosed at Note 16.
- (ii) Aga Khan Fund for Economic Development, SA (AKFED) of KShs 895,319,000 (2024 – KShs 877,884,000) as disclosed at Note 16.

(viii) Dividend income

	Company	
	2025 KShs'000	2024 KShs'000
TPS (Uganda) Limited	35,810	-
Total	<u>35,810</u>	<u>-</u>

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. SUBSEQUENT EVENTS

Subsequent to 31 December 2025, geopolitical conflict escalated in the Middle East resulting in widespread airspace closures, flight suspensions and major disruptions across key regional aviation hubs including United Arab Emirates and Qatar. The disruption has also produced global ripple effects, including rerouted international flights, delayed travel itineraries, reduced forward bookings and reduction on the hotel demand in markets reliant on Middle Eastern transit routes.

The Group has determined that these events are non-adjusting subsequent events.

TPS EASTERN AFRICA PLC

PRINCIPAL SHAREHOLDERS AND SHARE DISTRIBUTION REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Principal shareholders

The ten largest shareholdings in the Company and the respective number of shares held at 31 December 2025 are as follows:

Name of shareholder	Number of Shares	%
1 Aga Khan Fund for Economic Development	189,376,097	67%
2 Craysell Investments Limited	13,032,400	4.61%
3 Pyrus Investments Limited	12,509,300	4.43%
4 Societe De Promotion Et De Participation Pour La Cooperation Economique (PROPARCO)	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 PDM (Holdings) Limited	6,607,440	2.34%
8 Jamal Farzeen Zaherali Moledina Nureen	2,936,477	1.04%
9 Executive Healthcare Solutions Limited	3,294,700	1.17%
10 Others	28,582,071	10.11%
	<u>282,650,579</u>	<u>100.00%</u>

Distribution of shareholders

	Number of shareholders	Number of shares	%
Less than 500 shares	3,463	443,272	0.16%
500 – 5000 shares	4,380	5,793,690	2.05%
5001 – 10,000 shares	164	1,185,142	0.42%
10,001 – 100,000	180	4,901,814	1.73%
100,001 – 1,000,000	29	8,775,797	3.10%
Over 1,000,000	13	261,550,864	92.54%
Total	<u>8,229</u>	<u>282,650,579</u>	<u>100.00%</u>

Note that the principal shareholder and share distribution report for the year ended 31 December 2025 is unaudited.