

## AUDITED RESULTS AND SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2022

The Board of Directors of TPS Eastern Africa PLC is pleased to announce the audited results and summary financial statements for the year ended 31<sup>st</sup> December 2022

### CONSOLIDATED SUMMARISED STATEMENT OF PROFIT OR LOSS

	Year ended	
	31-Dec-22	31-Dec-21
	Shs'000	Restated Shs'000
<b>Revenue from contracts with customers</b>	<b>6,944,306</b>	<b>3,287,798</b>
<b>Profit before depreciation, finance income / (costs), results of associates and income tax credit / (expense)</b>	<b>1,845,283</b>	<b>284,513</b>
Finance costs	(274,503)	(283,283)
Unrealised exchange loss	(312,148)	(41,719)
Depreciation on right of use asset	(40,102)	(44,531)
Depreciation on property and equipment	(574,158)	(586,611)
Share of profit / (loss) of associates	33,513	(41,225)
<b>Profit / (Loss) before income tax</b>	<b>677,885</b>	<b>(712,856)</b>
Income tax (charge) / credit	(298,190)	73,707
<b>Profit / (Loss) for the year</b>	<b>379,695</b>	<b>(639,149)</b>
<b>Attributable to:</b>		
Equity holders of the Company	337,587	(624,878)
Non-controlling interest	42,108	(14,271)
	<b>379,695</b>	<b>(639,149)</b>
<b>Earnings per share attributable to the equity holders of the Company</b>		
- basic and diluted (Shs per share)	1.45	(3.43)
Weighted average number of shares ('000)	232,413	182,174

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended	
	31-Dec-22	31-Dec-21
	Shs'000	Restated Shs'000
<b>Profit / (Loss) for the year</b>	<b>379,695</b>	<b>(639,149)</b>
<b>Other comprehensive income:</b>		
<b>Items that may be subsequently reclassified to profit or loss</b>		
Currency translation differences, net of tax	(82,525)	68,714
Actuarial losses	(17,711)	-
Deferred tax on actuarial losses	5,313	-
	<b>(94,923)</b>	<b>68,714</b>
<b>Total comprehensive profit / (loss) for the year</b>	<b>284,772</b>	<b>(570,435)</b>
<b>Attributable to:</b>		
Equity holders of the Company	242,664	(556,164)
Non-controlling interest	42,108	(14,271)
<b>Total comprehensive profit / (loss) for the year</b>	<b>284,772</b>	<b>(570,435)</b>

The comparative figures in the financial statements have been restated to correct an understatement of accumulated depreciation arising from incorrect classification of certain items of furniture and fittings.

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

	2022			2021		
	2022		1 January 2021	2021		1 January 2021
	Shs'000	Restated Shs'000	Restated Shs'000	Shs'000	Restated Shs'000	Restated Shs'000
<b>Capital and reserves attributable to the Company's equity holders</b>						
Share capital	282,651	182,174	182,174			
Share premium	6,001,741	4,392,668	4,392,668			
Revaluation reserve	2,282,094	2,314,606	2,332,251			
Translation reserve	(912,059)	(829,534)	(898,248)			
Retained earnings	1,206,461	848,760	1,456,000			
	<b>8,860,888</b>	<b>6,908,674</b>	<b>7,464,845</b>			
<b>Non-controlling interest</b>	<b>781,327</b>	<b>739,219</b>	<b>753,490</b>			
<b>Total equity</b>	<b>9,642,215</b>	<b>7,647,893</b>	<b>8,218,335</b>			
<b>Non-current liabilities</b>						
Borrowings	3,604,701	5,591,952	4,963,551			
Deferred income tax liability	1,528,772	1,313,855	1,420,025			
Lease liability	292,178	243,917	369,950			
Retirement benefit obligations	94,227	39,767	44,158			
<b>Total non-current liabilities</b>	<b>5,519,878</b>	<b>7,189,491</b>	<b>6,797,684</b>			
<b>Total equity and non-current liabilities</b>	<b>15,162,093</b>	<b>14,837,384</b>	<b>15,016,019</b>			
<b>Non-current assets</b>						
Property and equipment	12,696,055	12,942,513	13,308,475			
Intangible assets	1,271,952	1,271,952	1,271,952			
Right of use asset	387,431	318,271	345,293			
Investment in associates	819,118	785,605	828,830			
Deferred income tax asset	10,903	11,188	8,991			
	<b>15,185,459</b>	<b>15,329,529</b>	<b>15,761,541</b>			
<b>Current assets</b>						
Inventories	477,013	411,965	422,090			
Receivables and prepayments	1,162,974	1,093,954	738,092			
Current income tax	221,346	212,845	201,373			
Cash and cash equivalents	660,846	310,805	122,711			
	<b>2,522,179</b>	<b>2,029,569</b>	<b>1,484,266</b>			
<b>Current liabilities</b>						
Trade and other payables	1,713,203	1,884,648	1,420,403			
Borrowings	727,195	602,540	766,048			
Lease liability	105,147	30,517	43,337			
Current income tax	-	4,009	-			
	<b>2,545,545</b>	<b>2,521,714</b>	<b>2,229,788</b>			
<b>Net current liabilities</b>	<b>(23,366)</b>	<b>(492,145)</b>	<b>(745,522)</b>			
<b>Net assets</b>	<b>15,162,093</b>	<b>14,837,384</b>	<b>15,016,019</b>			

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Revaluation reserves	Translation reserves	Retained earnings	Proposed dividends	Non-controlling interest	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
	<b>Year ended 31 December 2022</b>							
<b>At start of year</b>	182,174	4,392,668	2,314,606	(829,534)	848,760	-	739,219	7,647,893
<b>Comprehensive (loss) / income for the year</b>								
Profit for the year	-	-	-	-	337,587	-	42,108	379,695
Other comprehensive (loss) / income:								
Currency translation differences	-	-	-	(82,525)	-	-	-	(82,525)
Actuarial losses	-	-	(17,711)	-	-	-	-	(17,711)
Deferred tax on actuarial losses	-	-	5,313	-	-	-	-	5,313
Transfer of excess depreciation to retained earnings	-	-	(28,734)	-	28,734	-	-	-
Deferred income tax on transfer	-	-	8,620	-	(8,620)	-	-	-
<b>Total other comprehensive (loss) / income</b>	<b>-</b>	<b>-</b>	<b>(32,512)</b>	<b>(82,525)</b>	<b>20,114</b>	<b>-</b>	<b>-</b>	<b>(94,923)</b>
<b>Total comprehensive income / (loss) for the year</b>	<b>-</b>	<b>-</b>	<b>(32,512)</b>	<b>(82,525)</b>	<b>357,701</b>	<b>-</b>	<b>42,108</b>	<b>284,772</b>
<b>Transactions with owners</b>								
Issue of shares	100,477	1,609,073	-	-	-	-	-	-
Dividends:								
- final for 2021 paid	-	-	-	-	-	-	-	-
- proposed for 2022	-	-	-	-	-	-	-	-
	<b>100,477</b>	<b>1,609,073</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,709,550</b>
<b>At end of year</b>	<b>282,651</b>	<b>6,001,741</b>	<b>2,282,094</b>	<b>(912,059)</b>	<b>1,206,461</b>	<b>-</b>	<b>781,327</b>	<b>9,642,215</b>
<b>Year ended 31 December 2021</b>								
<b>At start of year</b>	182,174	4,392,668	2,332,251	(898,248)	1,498,983	-	753,490	8,261,318
Restatement of Property and equipment	-	-	-	-	(42,990)	-	-	(42,990)
<b>Restated 1 January 2021</b>	<b>182,174</b>	<b>4,392,668</b>	<b>2,332,251</b>	<b>(898,248)</b>	<b>1,455,993</b>	<b>-</b>	<b>753,490</b>	<b>8,218,328</b>
<b>Comprehensive (loss) / income for the year</b>								
Loss for the year	-	-	-	-	(624,878)	-	(14,271)	(639,149)
Other comprehensive (loss) / income:								
Currency translation differences	-	-	-	68,714	-	-	-	68,714
Revaluation during the year	-	-	-	-	-	-	-	-
Deferred tax on restatement	-	-	-	-	-	-	-	-
Transfer of excess depreciation to retained earnings	-	-	(25,207)	-	25,207	-	-	-
Deferred income tax on transfer	-	-	7,562	-	(7,562)	-	-	-
<b>Total other comprehensive (loss) / income</b>	<b>-</b>	<b>-</b>	<b>(17,645)</b>	<b>68,714</b>	<b>17,645</b>	<b>-</b>	<b>-</b>	<b>68,714</b>
<b>Total comprehensive (loss) / income for the year</b>	<b>-</b>	<b>-</b>	<b>(17,645)</b>	<b>68,714</b>	<b>(607,233)</b>	<b>-</b>	<b>(14,271)</b>	<b>(570,435)</b>
<b>Transactions with owners</b>								
Dividends:								
- final for 2021 paid	-	-	-	-	-	-	-	-
- proposed for 2022	-	-	-	-	-	-	-	-
<b>At end of year</b>	<b>182,174</b>	<b>4,392,668</b>	<b>2,314,606</b>	<b>(829,534)</b>	<b>848,760</b>	<b>-</b>	<b>739,219</b>	<b>7,647,893</b>

### SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended	
	31-Dec-22	31-Dec-21
	Shs'000	Shs'000
Net cash generated from operating activities	1,343,705	129,484
Net cash utilised in investing activities	(277,558)	(27,627)
Net cash (utilised in) / generated from financing activities	(590,537)	129,207
<b>Increase in cash and cash equivalents</b>	<b>475,610</b>	<b>231,064</b>
<b>Movement in cash and cash equivalents</b>		
At start of year	93,234	(133,596)
Increase in cash and cash equivalents	475,610	231,064
Effects of currency translation differences	6,449	(4,234)
<b>At end of year</b>	<b>575,293</b>	<b>93,234</b>

### Commentary

TPS Eastern Africa PLC (TPSEAP/the Company/the Group) has remained steadfast and determined in its efforts to 'get back on track' after 30 challenging months from the Covid-19 Pandemic disruptions. Fortunately, despite the turbulent start to the year 2022 given the Omicron Covid-19 variant outbreak, the second half of the year witnessed re-assuring 'green-shoots' of improvement in business enquiries across most of the Group's market segments. The recovery from the foreign corporate and leisure segments complemented the growth trajectory in business levels from the domestic and regional markets that patronised our units for leisure, corporate travel, and events/functions. The Serena city hotels portfolio continued to secure high profile events and diplomatic delegations, further reinforcing the regional rebound in bookings, a trend we expect to continue in 2023, and beyond.

Year 2022 has been a recovery year with the Group doubling its turnover compared to previous year to stand at KShs. 6.9 billion (2021: KShs. 3.3 billion), and 'Profit before unrealised exchange loss, interest, depreciation, results of associates and taxation' at six times that of the previous year to stand at KShs. 1.8 billion (2021: Profit of KShs. 284.5 million), indeed a gratifying performance. The Group continued to implement its innovative, 'pandemic-strengthened' business model, taking a balanced risk management approach with prudent, yet flexible and decisive monitoring of the financial health of the Group. These actions, together with the concerted efforts of our teams who remained determined and committed throughout the year, have to date been delivered without compromising Serena's highest standards of safety, comfort, product, and service across all our operations.

The Company and its subsidiaries contributed to the revenues of the Governments of Kenya, Tanzania, and Uganda in 2022. During the year, the Group contributed in aggregate the equivalent of KShs. 2.2 billion (2021: KShs. 783 million) in direct and indirect taxes as well as KShs. 374 million (2021: KShs. 105 million) in royalties and rents to the revenues of counties and local authorities in the various jurisdictions in which we have a presence within the Eastern Africa region.

As we look ahead, and whilst concerns about the macroeconomic environment that covers economic, health, climate change and geopolitical challenges persists globally and could weigh on the recovery of global tourism in the months ahead, the Group will hopefully return to pre-pandemic performance levels during year 2023; certainly, to the extent that the current booking trends for the year 2023 materialize. The Board and Management therefore remain cautiously confident that the Company is well-positioned for credible growth beyond 2023.

The Group is also progressing its product improvement strategy across the Serena portfolio. As recovery gathers pace in year 2023 and beyond, the Group will continue to pursue management contracts in strategic locations to further complement Serena's established regional brand presence and portfolio in Africa.

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

The journey over the last 30 months has undoubtedly demonstrated that Serena Hotels cannot navigate its path to recovery alone. To this end, the Board and Management recognise with gratitude the vital support, confidence, loyalty, and trust that Serena Hotels has received, and continues to receive from its: shareholders, staff, customers, various regulatory authorities; other industry stakeholders as well as other related ancillary sectors. Without such loyalty and self-sacrifice, our situation would have been even more challenging. We look forward to this support continuing during 2023 and beyond.

### Dividend

Given the evolving nature of the challenges stated above, the Board of Directors does not recommend the payment of a dividend for the year ended 31 December 2022; and notably whilst the Company concentrates on its strategy to enhance investments in product improvements and business recovery.

### Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Company will be held on Tuesday, June 27, 2023, at 11.00 a.m. via electronic communication.

### By Order of the Board

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

**April 26, 2023**  
Nairobi

The above results are an extract from the Group's audited financial statements for the year ended December 31, 2022.



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