

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

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 December 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
	2025	2024
	KShs'000	KShs'000
Revenue from contracts with customers	10,116,746	10,185,868
Other income	320,099	259,820
Inventory expensed	(1,412,282)	(1,471,564)
Employee benefits expense	(2,950,149)	(2,921,753)
Other operating expenses	(3,736,017)	(3,641,899)
Impairment loss – financial assets	(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	(85,920)	(86,878)
Depreciation on property and equipment	(627,836)	(582,845)
Finance income – interest income	42,975	47,704
Finance costs – interest expense	(393,819)	(493,931)
Share of (loss)/profit of associates accounted for using the equity accounting method	(36,654)	19,665
Profit before foreign exchange gain and income tax	1,173,278	1,350,023
Net foreign exchange gain*	38,841	654,527
Profit before income tax	1,212,119	2,004,550
Income tax expense	(424,965)	(687,257)
Profit for the year	787,154	1,317,293
Items that will not be reclassified to profit or loss		
Remeasurement of employment benefits	-	(10,705)
Deferred tax on remeasurement of post-employment	-	3,212
Revaluation on land and buildings	1,549,189	-
Deferred tax on revaluation of land and buildings	(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 operations	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	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)
	1,954,175	760,434
Earnings per share		
Basic and diluted (KShs per share)	2.77	4.54

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

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
	2025	2024
	KShs'000	KShs'000
Dividend income	35,810	-
Other operating expenses	(45,245)	(34,603)
Impairment credit – financial assets	-	9,965
Net finance income	10,345	(14,183)
Profit/(loss) before income tax	910	(38,821)
Income tax expense	(3,278)	(2,841)
Loss for the year	(2,368)	(41,662)
Other comprehensive income	-	-
Total comprehensive income for the year	(2,368)	(41,662)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	31 Dec 2025	31 Dec 2024
	KShs'000	KShs'000
Non-current assets		
Property and equipment	15,200,838	13,196,885
Intangible assets	1,271,952	1,271,952
Right of use assets	1,008,127	1,056,998
Investment in associates	825,294	861,948
Deferred income tax asset	11,868	12,295
	18,318,079	16,400,078
Current assets		
Inventories	583,369	560,289
Trade and other receivables	1,238,011	1,454,269
Current income tax	167,387	168,373
Financial asset – fixed deposits	1,152,052	911,570
Cash and cash equivalents	778,621	695,867
	3,919,440	3,790,368
Total assets	22,237,519	20,190,446
Capital and reserves attributable to the Company's equity holders		
Share capital	282,651	282,651
Share premium	6,001,741	6,001,741
Revaluation reserve	3,288,120	2,211,352
Translation reserve	(659,031)	(729,353)
Proposed dividends	98,928	98,928
Retained earnings	3,434,234	2,696,574
	12,446,643	10,561,893
Non-controlling interest	922,389	974,093
Total equity	13,369,032	11,535,986

Non-current liabilities		
	2025	2024
	KShs'000	KShs'000
Borrowings	1,843,307	2,501,485
Deferred income tax liability	2,650,020	2,070,413
Lease liabilities	1,247,257	1,181,205
Retirement benefit obligations	133,396	117,289
Total non-current liabilities	5,873,980	5,870,392
Current liabilities		
Trade and other payables	2,128,015	2,111,916
Borrowings	678,603	487,913
Lease liabilities	187,889	184,239
Total current liabilities	2,994,507	2,784,068
Total equity and liabilities	22,237,519	20,190,446

COMPANY STATEMENT OF FINANCIAL POSITION:		
	31 Dec 2025	31 Dec 2024
	KShs'000	KShs'000
ASSETS		
Non-current assets		
Investment in subsidiaries	5,749,856	5,749,856
Investment in associates	840,330	840,330
	6,590,186	6,590,186
Current assets		
Receivables and prepayments	26,676	19,617
Current income tax	4,697	2,417
Financial assets – fixed deposits	163,817	293,709
Cash and cash equivalents	20,332	4,312
	215,522	320,055
TOTAL ASSETS	6,805,708	6,910,241
EQUITY AND LIABILITIES		
Equity		
Share capital	282,651	282,651
Share premium	6,001,741	6,001,741
Proposed dividends	98,928	98,928
Retained earnings	412,799	514,095
	6,796,119	6,897,415
Current liabilities		
Trade and other payables	9,589	12,826
	9,589	12,826
TOTAL EQUITY AND LIABILITIES	6,805,708	6,910,241

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY								
	Share capital	Share premium	Revaluation reserve	Translation reserve	Retained earnings	Proposed dividends	Non-controlling interest	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Year ended 31 December 2025								
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	-	-	-	-	781,957	-	5,197	787,154
Profit for the period	-	-	-	-	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 buildings	-	-	(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	-	-	-
Transaction with owners								
Dividends								
- 2024 approved dividends	-	-	-	-	-	(98,928)	-	(98,928)
- 2025 interim approved dividends	-	-	-	-	-	-	(22,201)	(22,201)
- 2025 proposed dividends	-	-	-	-	(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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)								
	Share capital	Share premium	Revaluation reserve	Translation reserve	Retained earnings	Proposed dividends	Non-controlling interest	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	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	-	-	-	-	1,281,840	-	35,453	1,317,293
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

COMPANY STATEMENT OF CHANGES IN EQUITY					
	Share capital	Share premium	Retained earnings	Proposed Dividends	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Year ended 31 December 2025					
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					
- 2024 approved dividends	-	-	-	(98,928)	(98,928)
- 2025 proposed dividends	-	-	(98,928)	98,928	-
At end of year	282,651	6,001,741	412,799	98,928	6,796,119

COMPANY STATEMENT OF CHANGES IN EQUITY (CONTINUED)					
	Share capital	Share premium	Retained earnings	Proposed dividends	Total
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Year ended 31 December 2024					
At start of year	282,651	6,001,741	654,685	-	6,939,077
Total comprehensive income for the year:					
Loss for the year	-	-	(41,662)	-	(41,662)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	(41,662)	-	(41,662)
Transactions with owners of the company:					
Dividends:					
- 2024 proposed dividends	-	-	(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

COMPANY STATEMENT OF CASH FLOWS		
	2025	2024
	KShs'000	KShs'000
Operating activities		
Cash (used in)/generated from operations	(56,123)	323,798
Interest received	10,927	9,471
Income tax paid	(5,558)	(1,083)
Net cash (used in)/generated from operating activities	(50,754)	332,186
Investing activities		
Investment in subsidiary	-	(30)
Maturity of financial assets	579,244	14,183
Purchase of financial assets	(449,352)	(307,892)
Dividends received from subsidiary	35,810	-
Net cash generated from/(utilised in) investing activities	165,702	(293,739)
Financing activities		
Dividends paid to Company's shareholders	(98,928)	(36,103)
Net cash used in financing activities	(98,928)	(36,103)
Net increase in cash and cash equivalents	16,020	2,344
Movement in cash and cash equivalents		
At start of year	4,312	1,968
Increase during the year	16,020	2,

CONSOLIDATED STATEMENT OF CASH FLOWS

	2025	2024
	KShs'000	KShs'000
Operating activities		
Cash generated from operations	2,638,684	2,406,682
Interest received	42,975	47,704
Interest paid	(222,308)	(338,491)
Lease interest paid	(157,311)	(153,485)
Income tax paid	(313,731)	(207,406)
Net cash generated from operating activities	1,988,309	1,755,004
Investing activities		
Purchase of property and equipment	(1,060,763)	(771,067)
Investment in associates	-	(211)
Proceeds from maturity of fixed deposits	2,375,015	8,264,148
Purchase of financial assets	(2,588,960)	(8,705,330)
Proceeds from disposal of property and equipment	8,931	5,338
Net cash utilised in investing activities	(1,265,777)	(1,207,122)
Financing activities		
Proceeds from long term borrowings	-	113,062
Payments of long-term borrowings	(481,465)	(687,999)
Dividends paid to members	(98,928)	(36,103)
Dividends paid to Non-controlling interest	(22,201)	-
Principal lease payments	(41,379)	(40,996)
Net cash used in financing activities	(643,973)	(652,036)
Net increase/(decrease) in cash and cash equivalents	78,559	(104,154)
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	778,621	695,867

COMMENTARY

In 2025, TPS Eastern Africa PLC (TPSEAP/the Group/Serena Hotels), a diversified hospitality portfolio across Eastern Africa, demonstrated operational resilience and delivered satisfactory performance, anchored on ongoing enhanced product quality, and optimising asset performance. The first half of 2025, was mired with geo-political disruptions, travel advisories and the reduction in U.S. donor funding, which impacted International Non-Governmental Organisations/ Non-Governmental Organisations and booking patterns of various business segments. 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.

It is encouraging that the Group's enduring reputation for quality, heritage, culture, and service excellence across its portfolio continues to be recognised within the leisure, corporate and diplomatic segments, with a focus on Meetings, Incentives, Conferences and Exhibitions (MICE). These attributes have further strengthened guest experiences and reinforced Serena's image as a premium Pan African hospitality brand.

Notwithstanding these headwinds, the Group sustained its revenues while preserving margins and strengthening cash generation. TPSEAP's consolidated revenue remained steady at KShs. 10.1 billion (2024: KShs. 10.2 billion), reflecting sustained demand across core markets despite the above-mentioned uncertainties. Disciplined yield management, strong market positioning, and ongoing service innovation enabled the Group to maintain consistent topline performance across its portfolio.

Profit before unrealised exchange differences, interest, depreciation, and taxation was KShs. 2.3 billion (2024: KShs. 2.5 billion), demonstrating the strength and resilience of the Group's core operations. It is important to note that 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), resulting in reported profit after tax of KShs. 787 million (2024: KShs. 1.3 billion). On a like-for-like basis, earnings remained stable and reflect a resilient operating performance.

TPSEAP delivered strong operating cash flows of KShs. 2.0 billion (2024: KShs. 1.8 billion). The cash generation supported the Group's ability to meet financial obligations, reinvest, and sustain shareholder returns. The Group continues to benefit from US Dollar-denominated revenues, strengthening its capacity to service foreign currency obligations.

The balance sheet remains strong, with total assets increasing to KShs. 22.2 billion (2024: KShs. 20.2 billion), driven by net revaluation gains of KShs. 1.1 billion and ongoing capital investment across key properties which reinforces the underlying asset value of the portfolio and provides a strong foundation for long-term value creation.

As a commitment to Eastern Africa's economic and social development, the Group contributed the equivalent of KShs. 2.7 billion in taxes and KShs. 0.3 billion in royalties and rents paid to county, local and national authorities. Responsible hospitality and eco-tourism remain strategic priorities, with our properties embedding Environmental, Social and Governance (ESG) practices into daily operations. In line with the United Nations Sustainable Development Goals (SDGs) and the Aga Khan Development Network's (AKDN) Environmental and Climate Commitment Statement, the Group remains committed to achieving net-zero carbon emissions in its own operations by 2030. This is being achieved through water and energy conservation, reforestation and other climate action initiatives. Serena Hotels respects local traditions, culture, heritage, supports education through collaboration with learning institutions, and contributes to public health initiatives in communities around our operations. Recognising the heightened climate risks facing safari lodges and camps in ecologically sensitive areas, we continue to invest in climate resilience to protect both our operations and the natural ecosystems we depend on.

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 leverage on its market positioning and resilience.

The Group's focus for 2026 and beyond remains on growing our corporate and leisure market share, offering experiential travel, enhancing service excellence by continuing to invest in our people, product and technology. We are confident in our ability to deliver sustainable long-term value to all our stakeholders.

The Board and Management extend their sincere gratitude to the respective governments and regulatory authorities across Eastern Africa for their support of the tourism sector. We would also like to record our deep appreciation for the unwavering loyalty, confidence and trust from our shareholders, guests, employees, and other stakeholders.

DIVIDEND

The Group's Earnings Per Share (EPS) for 2025 was KShs 2.77 compared to KShs 4.54 for the previous year. Despite the 39% reduction in EPS, the directors are pleased to recommend for approval, at the forthcoming Annual General Meeting, payment of a first and final dividend for 2025 of KShs 0.35 per share (2024: KShs 0.35 per share), 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.

ANNUAL GENERAL MEETING

The Annual General Meeting of TPSEAP will be held on Friday, 26 June 2026, at 11.00 a.m. via electronic communication.

By Order of the Board
Dominic Ng'ang'a
Company Secretary

28 April 2026
Nairobi

The above results are an extract from the Group's audited financial statements for the year ended 31 December 2025.



SERENA HOTELS

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