

## UNAUDITED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 30th JUNE 2023

The Board of Directors of TPS Eastern Africa PLC is pleased to announce the unaudited results and summary financial statements for the six months ended 30th June 2023

### CONSOLIDATED SUMMARISED INCOME STATEMENT

	Six months to 30-Jun-23	Six months to 30-Jun-22
	Shs'000	Shs'000
Revenue from contracts with customers	3,759,960	2,593,289
<b>Profit before unrealised exchange loss, interest, depreciation, results of associates and taxation</b>	<b>794,511</b>	<b>509,520</b>
Unrealised exchange loss on foreign currency loans	(361,823)	(118,849)
Net interest cost	(201,963)	(124,235)
Depreciation	(278,734)	(295,950)
Share of results of associates	10,895	7,456
<b>Loss before income tax</b>	<b>(37,114)</b>	<b>(22,058)</b>
Income tax credit / (charge)	6,887	(1,427)
<b>Loss after taxation</b>	<b>(30,227)</b>	<b>(23,485)</b>
<b>Attributable to:</b>		
Equity holders of the Company	(52,236)	(52,351)
Non-controlling interest	22,009	28,866
	<b>(30,227)</b>	<b>(23,485)</b>
<b>Loss per share attributable to the equity holders of the Company - basic (Shs. per share)</b>	<b>(0.18)</b>	<b>(0.19)</b>
Weighted average number of shares ('000's)	282,651	282,651

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months to 30-Jun-23	Six months to 30-Jun-22
	Shs'000	Shs'000
<b>Loss after taxation</b>	<b>(30,227)</b>	<b>(23,485)</b>
<b>Other comprehensive income: Items net of tax</b>		
Currency translation differences	470,897	(256,709)
<b>Total comprehensive income / (loss)</b>	<b>440,670</b>	<b>(280,194)</b>
<b>Attributable to:</b>		
Equity holders of the Company	418,661	(309,060)
Non-controlling interest	22,009	28,866
	<b>440,670</b>	<b>(280,194)</b>

### SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30-Jun-23	30-Jun-22
	Shs'000	Shs'000
<b>EQUITY</b>		
Share capital (Inclusive of share premium)	6,284,393	6,284,392
Other reserves	1,840,933	1,228,363
Minority interest	803,336	768,085
Retained earnings	1,154,230	845,607
<b>Total equity</b>	<b>10,082,892</b>	<b>9,126,447</b>
<b>REPRESENTED BY</b>		
<b>Non-current liabilities</b>	<b>5,658,006</b>	<b>5,844,471</b>
<b>Total equity and non-current liabilities</b>	<b>15,740,898</b>	<b>14,970,918</b>
<b>Non-current assets</b>	<b>15,639,268</b>	<b>15,187,507</b>
<b>Current assets</b>		
Inventories	523,087	416,564
Trade and other receivables	1,427,056	1,111,563
Current income tax	245,503	254,412
Bank and cash balance	614,607	184,412
	<b>2,810,253</b>	<b>1,966,951</b>
<b>Current liabilities</b>		
Trade and other payables	(1,819,276)	(1,553,610)
Borrowings	(789,546)	(442,887)
Current income tax	(7,925)	(9,577)
Bank overdraft	(91,877)	(177,466)
	<b>(2,708,623)</b>	<b>(2,183,540)</b>
<b>Net Current Assets/ (Liabilities)</b>	<b>101,630</b>	<b>(216,589)</b>
<b>Net Assets</b>	<b>15,740,898</b>	<b>14,970,918</b>

	Share Capital	Share Premium	Revaluation Reserve	Translation Reserve	Retained earnings	Non-controlling interest	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
<b>At 1<sup>st</sup> January 2022</b>	<b>182,174</b>	<b>4,392,668</b>	<b>2,314,606</b>	<b>(829,534)</b>	<b>897,958</b>	<b>739,219</b>	<b>7,697,091</b>
<b>Comprehensive income for the period</b>							
Loss for the period	-	-	-	-	(52,351)	28,866	(23,485)
Other comprehensive income:							
Currency translation differences	-	-	-	(256,709)	-	-	(256,709)
Total other comprehensive income	-	-	-	(256,709)	-	-	(256,709)
<b>Total comprehensive income / (loss) for the period</b>	<b>100,477</b>	<b>1,609,073</b>	<b>-</b>	<b>(256,709)</b>	<b>(52,351)</b>	<b>28,866</b>	<b>1,429,356</b>
<b>At 30<sup>th</sup> June 2022</b>	<b>282,651</b>	<b>6,001,741</b>	<b>2,314,606</b>	<b>(1,086,243)</b>	<b>845,607</b>	<b>768,085</b>	<b>9,126,447</b>

	Share Capital	Share Premium	Revaluation Reserve	Translation Reserve	Retained earnings	Non-controlling interest	Total
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
<b>At 1<sup>st</sup> January 2023</b>	<b>282,651</b>	<b>6,001,741</b>	<b>2,282,095</b>	<b>(912,059)</b>	<b>1,206,466</b>	<b>781,327</b>	<b>9,642,222</b>
<b>Comprehensive income for the period</b>							
Other comprehensive income:							
Currency translation differences	-	-	-	470,897	-	-	470,897
Total other comprehensive loss	-	-	-	470,897	-	-	470,897
Shareholder transactions:							
Issue of shares	-	-	-	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>470,897</b>	<b>(52,236)</b>	<b>22,009</b>	<b>440,670</b>
<b>At 30<sup>th</sup> June 2023</b>	<b>282,651</b>	<b>6,001,741</b>	<b>2,282,095</b>	<b>(441,162)</b>	<b>1,154,230</b>	<b>803,336</b>	<b>10,082,892</b>

### SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months to 30-Jun-23	Six months to 30-Jun-22
	Shs'000	Shs'000
Net cash from operating activities	614,993	100,904
Net cash used in investing activities	(243,678)	(55,298)
Net cash used in financing activities	(463,249)	(114,615)
<b>Decrease in cash and cash equivalents</b>	<b>(91,933)</b>	<b>(69,009)</b>
<b>Movement in cash and cash equivalents</b>		
At start of period	575,510	93,235
Effects of currency translation differences	39,153	(17,279)
Decrease in cash and cash equivalents	(91,933)	(69,009)
<b>Total equity</b>	<b>522,730</b>	<b>6,946</b>
<b>At end of period</b>		

### Commentary

As expected, during the first half of year 2023 market sentiment continued to indicate a consistent return of confidence from the foreign leisure and corporate market segments across the Serena Hotels portfolio within the East African region. In addition, during the period under review TPS Eastern Africa PLC (TPSEAP/the Company/the Group) recorded an encouraging growth momentum in business levels from the regional corporate and domestic market segments for leisure, corporate travel, and events.

The Group's financial performance for the first half of 2023 demonstrates a significant business improvement compared to the same period in 2022. For the six-months to 30 June 2023, TPS Eastern Africa PLC recorded a 45% increase in turnover compared to previous year to stand at KShs. 3.8 billion [2022: KShs. 2.6 billion], and 'Profit before unrealised exchange loss, interest, depreciation, results of associates and taxation' recorded a 56% growth compared to previous year, to stand at KShs. 795 million [2022: Profit of KShs. 510 million]. The weakening of the Kenya Shilling against the US Dollar resulted in relatively higher debt interest cost and non-cash unrealised exchange losses on the Company's US Dollar denominated debt compared to the corresponding period last year. For the comfort of our shareholders and other stakeholders, it should be noted that the Company generates adequate revenues in US Dollars to cover the US Dollar loan commitments falling due in 2023.

During the period under review, the Company navigated through challenges related to political demonstrations in Kenya, inflationary pressures, rising energy costs including the macroeconomic environment that covers other economic, health, climate change and

geopolitical challenges. Cost efficiency, supply chain logistics and cashflow management will continue to remain critical factors and are reviewed in a pro-active manner.

Given the seasonal nature of the tourism industry in East Africa and the uncertainty arising from the challenges mentioned above amongst others, the financial performance of TPSEAP for the first half of year 2023 should not be taken as a basis to extrapolate a full year's forecast.

Materialization of business from traditional and emerging international source markets has been encouraging with increasing interest in selling destination East Africa. With current business on the books, both Serena Kenya and Serena Tanzania are expected to exceed pre-pandemic performance levels during the Safari peak season from June to October 2023, certainly, to the extent that the current booking trends for the year 2023 materialize. The Serena city hotels portfolio will continue to secure high profile events and diplomatic delegations, further reinforcing the regional rebound in performance, a growth trajectory we expect to continue in 2023 and beyond.

In line with the Company's policy, the Board of Directors does not recommend the declaration of an interim dividend.

By Order of the Board

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

August 29, 2023  
Nairobi