

## UNAUDITED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 30<sup>th</sup> JUNE 2021

The Board of Directors of TPS Eastern Africa PLC is pleased to announce the unaudited results and financial statements for the six months ended 30<sup>th</sup> June 2021

CONSOLIDATED SUMMARISED INCOME STATEMENT		
	Six months to 30-Jun-21 Shs'000	Six months to 30-Jun-20 Shs'000
Revenue from contracts with customers	1,073,551	1,105,714
<b>Loss before exchange difference, interest, depreciation, results of associates and taxation</b>	<b>(254,832)</b>	<b>(326,347)</b>
Exchange gain / (loss) on foreign currency loans	60,251	(149,459)
Net interest cost	(137,881)	(106,728)
Depreciation	(332,395)	(243,975)
Share of results of associates	(27,380)	(39,489)
<b>Loss before income tax</b>	<b>(692,237)</b>	<b>(865,998)</b>
Income tax credit	134,961	225,018
<b>Loss after taxation</b>	<b>(557,276)</b>	<b>(640,980)</b>
<b>Attributable to:</b>		
Equity holders of the Company	(539,845)	(605,868)
Non-controlling interest	(17,431)	(35,112)
	<b>(557,276)</b>	<b>(640,980)</b>
<b>Loss per share attributable to the equity holders of the Company</b>		
- basic (Shs. per share)	(2.96)	(3.33)
Weighted average number of shares ('000's)	182,174	182,174

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
	Six months to 30-Jun-21 Shs'000	Six months to 30-Jun-20 Shs'000
<b>Loss after taxation</b>	<b>(557,276)</b>	<b>(640,980)</b>
<b>Other comprehensive income: Items net of tax</b>		
Currency translation differences	(143,515)	93,136
<b>Total comprehensive (loss)</b>	<b>(700,791)</b>	<b>(547,844)</b>
<b>Attributable to:</b>		
Equity holders of the Company	(683,360)	(512,732)
Non-controlling interest	(17,431)	(35,112)
	<b>(700,791)</b>	<b>(547,844)</b>

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	30-Jun-21 Shs'000	30-Jun-20 Shs'000
<b>EQUITY</b>		
Share capital (inclusive of share premium)	4,574,842	4,574,842
Other reserves	1,290,488	1,266,631
Minority interest	736,060	800,796
Retained earnings	959,138	2,011,126
<b>Total equity</b>	<b>7,560,528</b>	<b>8,653,395</b>
<b>REPRESENTED BY</b>		
<b>Non-current liabilities</b>	<b>6,660,574</b>	<b>6,849,585</b>
<b>Total equity and non-current liabilities</b>	<b>14,221,102</b>	<b>15,502,980</b>
<b>Non-current assets</b>	<b>15,492,323</b>	<b>16,071,693</b>
<b>Current assets</b>		
Inventories	406,648	444,623
Trade and other receivables	570,204	604,362
Current income tax	206,769	212,227
Bank and cash balance	23,758	19,811
	<b>1,207,379</b>	<b>1,281,023</b>
<b>Current liabilities</b>		
Trade and other payables	(1,373,323)	(1,241,559)
Borrowings	(644,464)	(223,041)
Current income tax	(32,726)	(6,742)
Bank overdraft	(428,087)	(378,394)
	<b>(2,478,600)</b>	<b>(1,849,736)</b>
<b>Net Assets</b>	<b>14,221,102</b>	<b>15,502,980</b>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY							
	Share Capital Shs'000	Share Premium Shs'000	Revaluation Reserve Shs'000	Translation Reserve Shs'000	Retained earnings Shs'000	Non-controlling interest Shs'000	Total Shs'000
<b>At 1<sup>st</sup> January 2020</b>	<b>182,174</b>	<b>4,392,668</b>	<b>2,389,133</b>	<b>(1,215,638)</b>	<b>2,616,994</b>	<b>835,908</b>	<b>9,201,239</b>
<b>Comprehensive income for the period</b>							
Loss for the period	-	-	-	-	(605,868)	(35,112)	(640,980)
Other comprehensive income:							
Currency translation differences	-	-	-	93,136	-	-	93,136
Total other comprehensive income	-	-	-	93,136	-	-	93,136
<b>Total comprehensive (loss)/ income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>93,136</b>	<b>(605,868)</b>	<b>(35,112)</b>	<b>(547,844)</b>
<b>At 30<sup>th</sup> June 2020</b>	<b>182,174</b>	<b>4,392,668</b>	<b>2,389,133</b>	<b>(1,122,502)</b>	<b>2,011,126</b>	<b>800,796</b>	<b>8,653,395</b>
<b>At 1<sup>st</sup> January 2021</b>	<b>182,174</b>	<b>4,392,668</b>	<b>2,332,251</b>	<b>(898,248)</b>	<b>1,498,983</b>	<b>753,491</b>	<b>8,261,318</b>
<b>Comprehensive income for the period</b>							
Loss for the period	-	-	-	-	(539,845)	(17,431)	(557,276)
Other comprehensive income:							
Currency translation differences	-	-	-	(143,515)	-	-	(143,515)
Total other comprehensive (loss)	-	-	-	(143,515)	-	-	(143,515)
<b>Total comprehensive (loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(143,515)</b>	<b>(539,845)</b>	<b>(17,431)</b>	<b>(700,791)</b>
<b>At 30<sup>th</sup> June 2021</b>	<b>182,174</b>	<b>4,392,668</b>	<b>2,332,251</b>	<b>(1,041,763)</b>	<b>959,138</b>	<b>736,060</b>	<b>7,560,528</b>

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS			
	Six months to 30-Jun-21 Shs'000	Six months to 30-Jun-20 Shs'000	
Net cash used in operating activities	(309,371)	(354,026)	
Net cash from / (used in) investing activities	18,655	(896,359)	
Net cash from financing activities	19,555	1,051,795	
<b>Decrease in cash and cash equivalents</b>	<b>(271,161)</b>	<b>(198,590)</b>	
<b>Movement in cash and cash equivalents</b>			
At start of period	(133,596)	(152,735)	
Effects of currency translation differences	428	(7,258)	
Decrease in cash and cash equivalents	(271,161)	(198,590)	
At end of period	<b>(404,329)</b>	<b>(358,583)</b>	

### COMMENTARY

As anticipated by the Board and Management of the Company (TPS Eastern Africa PLC/the Company/the Group), the devastating impact of the Covid-19 pandemic on global tourism carried on into the first half of year 2021. Global tourism suffered further setbacks in the beginning of the year as international and regional source market countries tightened travel restrictions in response to the outbreaks of the more virulent variants of the virus. Mandatory testing, quarantine, and in some cases the complete closure of borders, have all slowed down the resumption of international travel.

It is encouraging that business levels gradually improved during the first half of year 2021 compared to the second half of year 2020 when the Serena properties re-opened after temporarily being closed during the period April to June 2020. Whilst recovery trajectories within our source markets vary, the demand has been demonstrated through support from the domestic market segment within the East African region. Projected occupancies from our international source markets indicate a better outlook than year 2020 for Serena Kenya, Serena Tanzania, Serena Uganda and Serena Rwanda, however well below pre-pandemic levels.

For the six-months to 30 June 2021, TPS Eastern Africa PLC recorded a 'Loss before exchange difference, interest, depreciation, results of associates and taxation' of KShs. 254.8 million compared KShs. 326.3 million, for the same period last year. Given the evolving nature of the impact of the pandemic on the tourism industry in East Africa, financial performance for the first half of 2021 should not be taken as a basis for extrapolating a full year's forecast.

Management have continued to implement effective contingency plans to mitigate risks and minimize the operational and financial impact on our business while ensuring that cash is sensitively managed and preserved across the Group.

Given the pent-up demand in regional and international travel,

the outlook for the second half of the year remains cautiously optimistic. The major challenge continues to be the inability to predict the immediate, short and mid-term business outlook as the situation keeps evolving, resulting in changes in restrictions being announced without notice by governments. This continuing uncertainty makes forecasting exceptionally difficult.

Major lifting of travel restrictions, the success of vaccination rollout programmes and introduction of coordinated travel protocols amongst countries would make 2021 a better year. To optimize portfolio performance in 2021 to the extent possible, our sales and marketing campaigns will continue to target the domestic and regional business, as international travel gradually starts to pick up.

Our prayers and thoughts continue to go out to all those who have been affected by this unprecedented Covid-19 pandemic. We would also like to extend our heartfelt gratitude and admiration to the global healthcare workers; research scientists; local communities; and governments of Eastern Africa for working on the front line to contain this pandemic.

The Board and Management continues to recognise with gratitude, the vital support, confidence, loyalty and trust that Serena Hotels are receiving from its shareholders, staff, customers, various regulatory authorities and other stakeholders within the industry and other related ancillary sectors for their sacrifices during this exceptionally challenging period.

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

**August 25, 2021**  
**Nairobi**