



**Nation Media Group**  
Media of Africa for Africa



# WRITING THE FUTURE

**2022 Annual Report & Financial Statements**





Nation Media Group PLC (NMG) was founded by His Highness Aga Khan in 1959 and is currently the leading media company with a global digital footprint as well as operations in newspapers, television and radio broadcasting across Kenya, Uganda, Tanzania and Rwanda.

NMG uses its industry leading operating scale and brands to create and deliver high-quality content that informs, educates and entertains. It has been publicly-listed on the Nairobi Stock Exchange since the early 1970s and cross listed in Tanzania, Uganda and Rwanda in the 2010s.

In our journey, nothing matters more than the integrity, transparency, and balance in journalism that we have publicly committed ourselves to. NMG seeks to positively transform the society it serves, by influencing social, economic and political progress.

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Nairobi, Kenya



Website  
[www.nationmedia.com](http://www.nationmedia.com)

Browse, download or print our annual report at

<https://www.nationmedia.com/wp-content/uploads/2023/06/NMG-2022-Annual-Report-and-Financial-Statements.pdf>

## COMPANY INFORMATION

**Nation Centre**

Kimathi Street  
P O Box 49010 00100  
Nairobi

Registered Office

Afisi Ilioandikishwa

**Hamilton Harrison & Mathews**

Delta Suites  
Waiyaki Way, Nairobi

Advocates

Wakili

**PricewaterhouseCoopers LLP**

PwC Tower, Waiyaki Way  
Chiromo Road  
Westlands, Nairobi

Auditor

Mkaguzi wa Hesabu

**Standard Chartered Bank of**

Kenya Limited, Chiromo  
No. 48 Westlands Road, Nairobi

Bankers

Benki

**Angela Namwakira**

Adili Corporate Services Kenya  
ALN House, Eldama Ravine Road  
Westlands, Nairobi  
P O Box 764 00606  
Nairobi

Company Secretary

Katibu

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# Inside this Report

|  |    |
|--|----|
| Company Information .....                        | 3  |
| Notice of Annual General Meeting.....            | 6  |
| NMG Overview & Footprint .....                   | 13 |
| Performance Highlights.....                      | 16 |
| Corporate Governance Statement .....             | 18 |
| Board of Directors Profiles .....                | 19 |
| Group Chairman’s Statement .....                 | 24 |
| Group CEO’s Statement .....                      | 36 |
| Executive Team .....                             | 48 |
| Environmental, Social and Governance Report..... | 52 |
| Report of the Directors.....                     | 72 |
| Directors’ Remuneration Report.....              | 79 |
| Statement of Directors’ Responsibilities.....    | 82 |
| Independent Auditor’s Report .....               | 83 |
| Financial Statements .....                       | 88 |



**Media of Africa For Africa**



## Notice of Annual General Meeting

Notice is hereby given that the Sixtieth Annual General Meeting of the Shareholders of Nation Media Group PLC will be held via electronic means on Friday, 30 June 2023 at 3.00 pm EAT to conduct the business stated below.

*All resolutions will be conducted by way of a Poll.*

### ORDINARY BUSINESS

1. To receive the financial statements for the year ended 31 December 2022, and the Chairman's, Directors' and Auditors' reports thereon.
2. To receive, consider and if thought fit approve the Directors' Remuneration Report and the remuneration paid to the Directors for the year ended 31 December 2022 and to authorise the Board to fix the remuneration of the Non-Executive Directors.
3. To approve the payment of a first and final dividend of Shs 1.50 per share amounting to Shs 285,442,745 for the year ended 31 December 2022, as recommended by the Directors. The dividend will be payable to the Shareholders on the Company's Register of Members at the close of business on Friday, 16 June 2023 and will be paid on or about Friday, 28 July 2023.
4. To confirm that the Auditors, PricewaterhouseCoopers LLP having expressed their willingness, continue in office as the Company's Auditors in accordance with section 721(2) of the Kenyan Companies Act 2015 and to authorise the Directors to fix the remuneration of the Auditors for the ensuing financial year.
5. To re-elect Directors:
  - a) in accordance with Article 110 of the Company's Articles of Association, Mr. Dennis Aluanga retires by rotation and being eligible, offers himself for re-election;
  - b) in accordance with Article 110 of the Company's Articles of Association, Mr. Louis Otieno retires by rotation and being eligible, offers himself for re-election;
  - c) in accordance with Article 110 of the Company's Articles of Association, Mr. Al-Noor Ramji retires by rotation and being eligible, offers himself for re-election;
  - d) in accordance with Article 110 of the Company's Articles of Association, Mr. Stephen Dunbar-Johnson retires by rotation and being eligible, offers himself for re-election;
  - e) Dr. Wilfred Kiboro, having attained the age of 70 years, retires by rotation and offers himself for re-election;
  - f) Prof. Lee Huebner, having attained the age of 70 years, retires by rotation and does not offer himself for re-election;
  - g) Mr. Francis. O. Okello, having attained the age of 70 years, retires by rotation and offers himself for re-election;
  - h) Dr. Yasmin Jetha, having attained the age of 70 years, retires by rotation and offers herself for re-election;
  - i) Mr. Wangethi Mwangi, having attained the age of 70 years, retires by rotation and offers himself for re-election;
6. To appoint the members of the Company's Audit, Risk and Compliance Committee:
 

In accordance with the provisions of section 769(1) of the Companies Act 2015, the following Directors being members of the Company's Audit, Risk and Compliance Committee be re-elected to continue to serve as members of the said Committee:

  - a) Mr. Leonard Mususa
  - b) Mr. Al-Noor Ramji
  - c) Prof. Samuel Sejaaka





## Notice of Annual General Meeting (continued)

### SPECIAL BUSINESS

**As special business to consider and, if thought fit, pass the following resolutions:**

7. As an ordinary resolution

**“THAT,** in accordance with section 458 of the Companies Act, 2015, the Company be and is hereby authorised to make market purchases of paid-up and issued ordinary shares (adjusted for treasury shares) of Shs 2.50 each in the capital of the Company (“Ordinary Shares”) in connection with a Buyback for Ordinary Shares on the terms and conditions set out in the Circular to the Company’s shareholders dated 6 June 2023 (the “Buyback”) and which circular was made available to the shareholders together with the notice for the annual general meeting (and is also available on the Company’s website), provided that:

- a) the maximum number of Ordinary Shares that may be purchased pursuant to the terms of this resolution is 19,029,516 Ordinary Shares;
- b) the maximum price that may be paid for any Ordinary Share shall be Shs 20.00 as recommended by the Board;
- c) the minimum price that may be paid for any Ordinary Share shall be Shs 2.50 being the nominal value of the shares;
- d) this authority shall expire at the end of 18 months from the date of the annual general meeting of the Company to be held on 30 June 2023, unless previously varied, revoked or renewed in accordance with the provisions of the Companies Act, 2015; and
- e) the Company reserves such shares purchased under the Share Buyback programme in its treasury.”

8. As an ordinary resolution

**“THAT,** in accordance with section 329 of the Companies Act 2015 the directors of the Company be generally and unconditionally authorised to re-allot such Ordinary Shares as may be purchased by the Company pursuant to the Buyback provided that this authority shall, unless renewed, varied or revoked by the Company, expire no later than five years from the effective date of these resolutions.”

9. Any other Business for which valid Notice shall have been given.

**By Order of the Board**

**Angela Namwakira**

Company Secretary

8 June 2023





## Taarifa Kuhusu Mkutano Mkuu wa Kila Mwaka (inaendelea)

Taarifa imetolewa hapa kwamba Mkutano Mkuu wa Kila Mwaka wa Sitini wa Wenyehisa wa Shirika la Nation Media Group PLC utafanyika mtandaoni siku ya Ijumaa, tarehe 30 Juni 2023 saa 9.00 jioni Saa za Afrika Mashariki ili kuendesha shughuli zilizotajwa hapo chini.

*Maamuzi yote yataendeshwa kupitia Kura ya maoni.*

### SHUGHULI YA KAWAIDA

1. Kupokea taarifa za hesabu zilizokaguliwa za kampuni kwa mwaka ulioishia tarehe 31 Disemba 2022 pamoja na ripoti za Mwenyekiti, Wakurugenzi Watendaji na Wakaguzi.
2. Kupokea, kuzingatia na kuidhinisha Ripoti ya Ada ya Wakurugenzi na Ada zilizolipwa kwa Wakurugenzi kwa mwaka ulioishia tarehe 31 Disemba 2022 pamoja na kuidhinisha Bodi kuamua ada za Wakurugenzi Wasio Watendaji.
3. Kuidhinisha gawio pekee la Shs 1.50 kwa kila hisa wa jumla ya kiasi cha Shs 285,442,745 kwa mwaka ulioishia tarehe 31 Disemba 2022 kama ilivyopendekezwa na Wakurugenzi. Gawio litalipwa kwa Wenyehisa walio kwenye Sajili ya Wanachama wa Kampuni kufikia mwisho wa siku ya Ijumaa, tarehe 16 Juni 2023 na litalipwa mnamo Ijumaa, tarehe 28 Julai 2023.
4. Kuthibitishia kwamba Wakaguzi wa Hesabu za Kampuni, kampuni ya PricewaterhouseCoopers LLP, baada ya kuonyesha nia yake, itaendelea kuhudumu kama Mkaguzi wa Hesabu za Kampuni kwa mwaka wa fedha wa kampuni unaofuatia kwa mujibu wa kifungu cha 721(2) cha Sheria ya Kampuni ya Kenya 2015 na kuidhinisha Wakurugenzi kuamua ada ya Wakaguzi.
5. Kuchagua tena Wakurugenzi watendaji:
  - a) kwa mujibu wa Kifungu cha 110 cha Taarifa ya Ushirika ya Kampuni, Bw. Dennis Aluanga, anastaafu kwa zamu na kwa kuwa anastahiki, amejitosa ulingoni ili kuchaguliwa tena;
  - b) kwa mujibu wa Kifungu cha 110 cha Taarifa ya Ushirika ya Kampuni, Bw. Louis Otieno, anastaafu kwa zamu na kwa kuwa anastahiki, amejitosa ulingoni ili kuchaguliwa tena;
  - c) kwa mujibu wa Kifungu cha 110 cha Taarifa ya Ushirika ya Kampuni, Bw. Al-Noor Ramji, anastaafu kwa zamu na kwa kuwa anastahiki, amejitosa ulingoni ili kuchaguliwa tena;
  - d) kwa mujibu wa Kifungu cha 110 cha Taarifa ya Ushirika ya Kampuni, Bw. Stephen Dunbar-Johnson, anastaafu kwa zamu na kwa kuwa anastahiki, amejitosa ulingoni ili kuchaguliwa tena;
  - e) Dkt. Wilfred Kiboro, kwa kufikisha umri wa miaka 70, anastaafu kwa zamu na amejitosa ulingoni ili kuchaguliwa tena;
  - f) Prof. Lee Huebner, kwa kufikisha umri wa miaka 70, anastaafu kwa zamu na hajajitosa ulingoni ili kuchaguliwa tena;
  - g) Bw. Francis. O. Okello, kwa kufikisha umri wa miaka 70, anastaafu kwa zamu na amejitosa ulingoni ili kuchaguliwa tena;
  - h) Dkt. Yasmin Jetha, kwa kufikisha umri wa miaka 70, anastaafu kwa zamu na amejitosa ulingoni ili kuchaguliwa tena;
  - i) Bw. Wangethi Mwangi, kwa kufikisha umri wa miaka 70, anastaafu kwa zamu na amejitosa ulingoni ili kuchaguliwa tena;
6. Kuteua wanachama wa Kamati ya Ukaguzi, Hatari na Utiifu ya Kampuni:
 

Kwa mujibu wa kifungu cha 769(1) cha Sheria ya Kampuni ya 2015, Wakurugenzi wafuatao kwa kuwa wanachama wa Kamati ya Bodi ya Ukaguzi, Hatari na Utiifu wachaguliwe tena ili kuendelea kuhudumu kama wanachama wa Kamati iliyotajwa:

  - a) Bw. Leonard Mususa
  - b) Bw. Al-Noor Ramji
  - c) Prof. Samuel Sejaaka





## Taarifa Kuhusu Mkutano Mkuu wa Kila Mwaka (inaendelea)

### SHUGHULI MAALUM

#### Kama shughuli maalum, kuzingatia na, ikiidhinishwa, kupitisha maamuzi yafuatayo:

7. Kama uamuzi wa kawaida

**“KWAMBA**, kwa mujibu wa Kifungu cha 458 ya Sheria ya Kampuni ya 2015, Kampuni ipewe idhini na hivyo imeidhinishwa kufanya ununuzi wa hisa za kawaida zilizolipiwa na zilizotolewa (zilizorekebishwa kwa hisa za hazina ya kifedha) za Shs 2.50 kwa kila hisa kwenye mtaji wa Kampuni (“Hisa za Kawaida”) kuhusiana na kampuni kununua hisa zake yaani Hisa za Kawaida kulingana na sheria na masharti yaliyobainishwa kwenye Taarifa ya tarehe 6 Juni 2023 (“Kampuni kununua hisa zake”) na taarifa hiyo ilitolewa pamoja na taarifa ya mkutano mkuu wa kila mwaka (na inapatikana kwenye tovuti ya Kampuni), ilisema kwamba:

- a) idadi ya juu zaidi ya Hisa za Kawaida zinazoweza kununuliwa kwa mujibu wa sheria za azimio hili ni Hisa 19,029,516 za Kawaida;
- b) bei ya juu zaidi inayoweza kulipwa kwa ajili ya Hisa ya Kawaida itakuwa Shs 20.00 kama inavyopendekezwa na Bodi;
- c) bei ya chini zaidi inayoweza kulipwa kwa ajili ya Hisa yoyote ya Kawaida itakuwa Shs 2.50 hii ikiwa ni thamani ya sarafu ya hisa hizo;
- d) muda wa mamlaka hii utaisha mwishoni wa miezi 18 kuanzia tarehe ambapo mkutano mkuu wa mwaka wa Kampuni utakaofanyika tarehe 30 Juni 2023, isipokuwa kama ilibadilishwa, kubatilishwa au kufanywa upya awali kwa mujibu wa kanuni za Sheria ya Kampuni 2015; na
- e) Kampuni ina haki ya kuweka akiba ya hisa kama hizo zinazounuliwa kupitia mpango wa Kampuni Kununua Hisa Zake katika hazina yake.”

8. Kama uamuzi wa kawaida

**“KWAMBA**, kwa mujibu wa Kifungu cha 329 cha Sheria za Kampuni 2015, wakurugenzi wa Kampuni kwa ujumla na bila masharti yoyote, waruhusiwe kugawa upya Hisa za Kawaida ambazo huenda zimenunuliwa na Kampuni kwa mujibu wa kanuni hiyo ya Kampuni kununua hisa zake alimradi mamlaka hii, isipokuwa iwe imewekwa upya, kubadilishwa au kubatilisha na Kampuni, itaisha muda sio baada ya miaka mitano tangu tarehe ya kuanza kutekelezwa kwa maazimio haya.”

9. Shughuli nyingine yoyote ambayo Taarifa yake halali imetolewa.

#### Kwa Agizo la Bodi

**Angela Namwakira**

Katibu wa Kampuni

Tarehe 8 Juni 2023





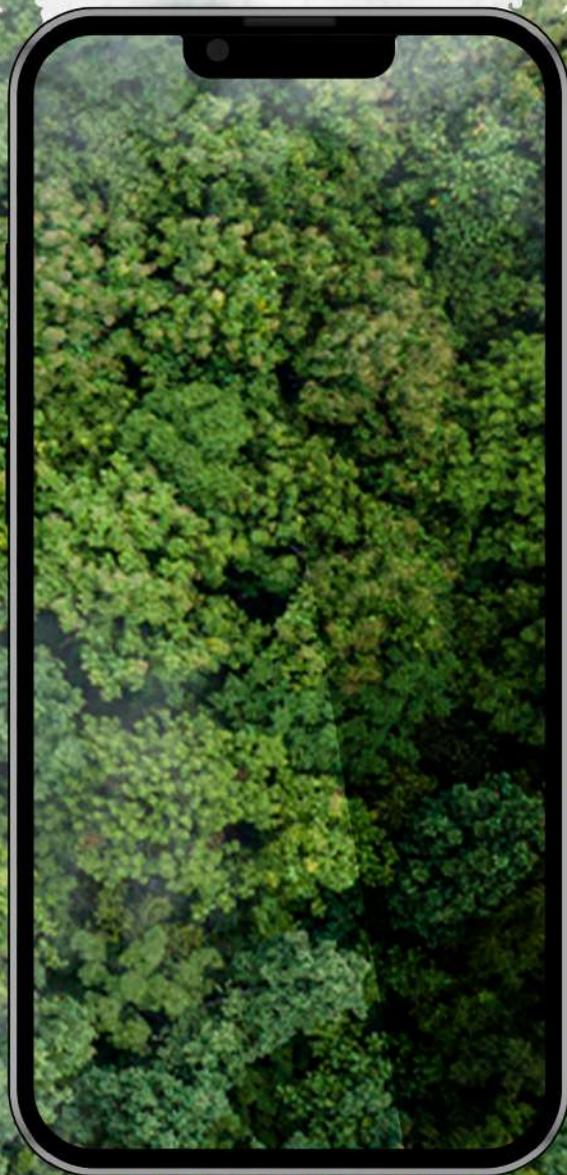
> Overview





You cannot protect the environment unless you empower people, you inform them, and you help them understand that these resources are their own, that they must protect them.

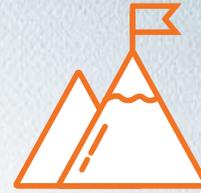
**Wangari Maathai,**  
2004 Nobel Peace Prize Winner





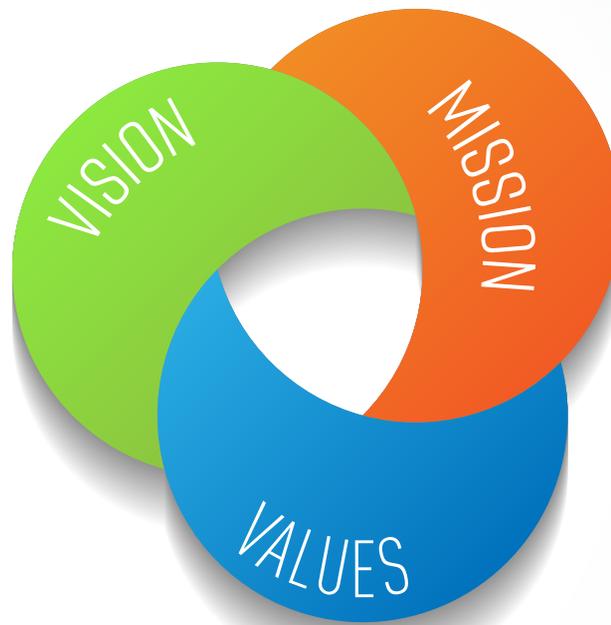
### Vision

To be the media of Africa for Africa



### Mission

Create value for our stakeholders and positively influence society by providing media that informs, educates, and entertains.



### Core Values



Continuous Improvement & Innovation



Consumer Focus



We are a Team



Integrity and Trust



Drive for Performance





# NMG Overview & Footprint



**N**ation Media Group's dream began 64 years ago when the world and indeed Africa was going through a great transition. From the challenges of the cold war to independence across the continent, the wind of change was blowing across the world. It was during this time of political turbulence, struggle for independence and Pan-Africanism that the Nation was born.

In marking our 64th anniversary this year, the Nation Media Group (NMG) has much to be proud of. From a small newspaper company, with only one title, *Taifa*, a Swahili publication, we have grown to become the largest multimedia house in East and Central Africa with operations in print, broadcast and digital media all of which attract and serve unparalleled audiences across the continent and the world.

NMG was founded by His Highness the Aga Khan on the bedrock of a set of core values whose central theme was to promote independent voices, diversity and freedom of expression as enshrined in our editorial policy. Another critical element in these values - and the purpose for our establishment - was, and continues to be, a mission to be a trusted partner of African democracies, a champion of the ordinary person, a supportive voice for the rule of law and respect for human rights, and a strong advocate of free market economies. This mission has remained unchanged over the years.

As we seek to positively influence society, we shall continue to be guided and to stand by the values of truth, independence, fairness, balance and accuracy.

We remain steadfast in the conviction of our goal to fundamentally improve the quality of people's lives and to contribute to a sustainable world through our business. We will stay at the forefront, identifying and resolving the many issues critical to social transformation such as education, the environment and health. We will work with our stakeholders, customers, shareholders, supporters and the communities we serve to pursue a shared value strategy by going further together. NMG's pursuit of its stated goals is driven by its deep conviction that ideas are central to human development. As a company, we endeavour to deliver good quality journalism - as we have demonstrated over the past 6 decades. This has indeed served as the foundation of our philosophy of serving the continent as we position ourselves as the Media of Africa for Africa.





# Our Footprint

Kenya, Uganda, Tanzania and Rwanda

## Uganda Brands

- NTV Uganda
- Daily Monitor
- Dembe FM
- The EastAfrican
- Ennyanda
- Spark TV
- KFM
- Monitor's Thought Leadership Forum
- Nation Courier

## Kenya Brands

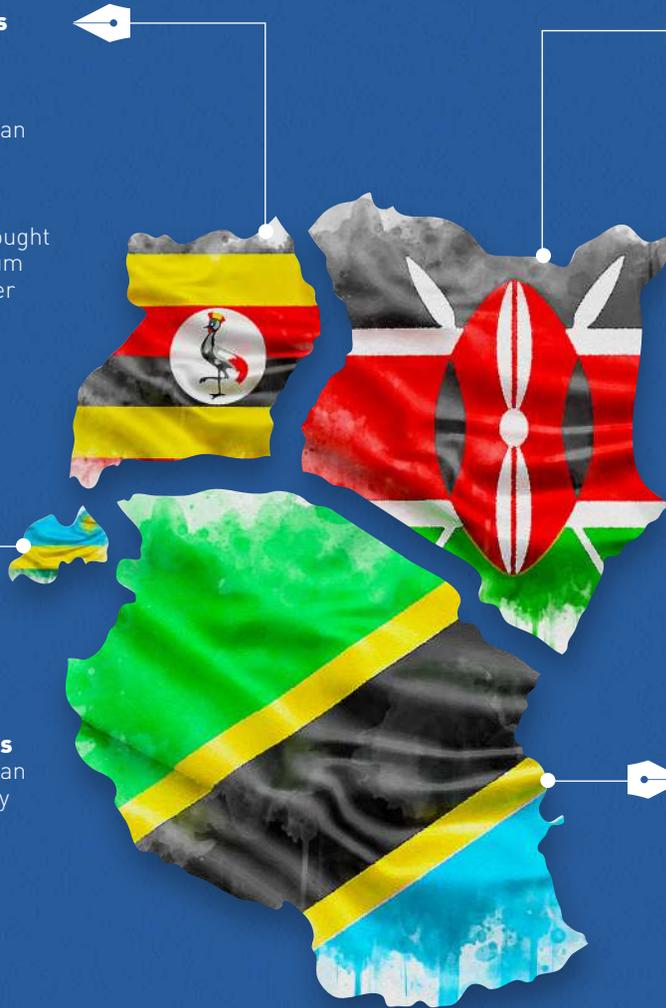
- Daily Nation
- Business Daily
- NTV
- The EastAfrican
- Taifa Leo
- KenyaBuzz
- Lit 360
- Nairobi News
- Nation Leadership Forum
- Kusi Ideas Festival
- TAG Brand Studio
- Nation FM
- Nation Sema
- Pishi Bomba
- Nation Courier
- Skiza

## Rwanda Brands

- The EastAfrican
- Rwanda Today

## Tanzania Brands

- The Citizen
- Mwananchi
- MwanaSpoti
- The EastAfrican
- Mwananchi Thought Leadership Forum
- Mwananchi Courier





# Our Digital Footprint

Facebook  
**20.9 million**  
users



Twitter  
**18.4 million**  
Users



Website  
**10.7 million**  
Users



Youtube  
**5.5 million**  
users



Instagram  
**4.3 million**  
users



Total reach  
**59.8 million**  
users





# Performance Highlights

## Non-Financial Highlights



Number of vendors/agents  
**4,750**



Employees  
**1,253**



Supply chain/ SMEs  
**80%**



Kusi Ideas Festival Participants  
**3,973**



Regional Awards  
**63**



Growth in Digital Users  
**17%↑**

## Financial Highlights



Digital revenue  
**9%↑**



ePaper subscription  
**6%↑**



Radio revenue  
**10%↑**



Interest income  
**22%↑**



Print advertising revenue  
**8%↓**



Courier revenue  
**29%↑**



Television advertising revenue  
**9%↓**



Decline in print circulation  
**6%↓**



# Muhtasari wa Matokeo

## Vidokezo visivyo vya matokeo ya kifedha



Idadi ya wachuuzi/mawakala  
**4,750**



Wafanyakazi  
**1,253**



Wasambazaji/Wanabiashara wadogo wadogo (SMEs)  
**80%**



Washiriki wa Tamasha la Kusi Ideas Festival  
**3,973**



Tuzo za Ukanda Mzima  
**63**



Ukuaji kwa Watumiaji wa kidijitali  
**17%↑**

## Vidokezo muhimu vya matokeo ya kifedha



Mapato ya kitengo cha dijitali  
**9%↑**



Kujiandikisha kwa gazeti la kimtandao (ePaper)  
**6%↑**



Mapato ya kitengo cha Redio  
**10%↑**



Jumla ya pesa taslimu  
**22%↑**



Mapato ya kitengo cha matangazo gazetini  
**8%↓**



Mapato ya kitengo cha Uchukuzi wa bidhaa  
**29%↑**



Mapato ya kitengo cha matangazo kwenye runinga  
**9%↓**



Kupungua kwa usambazaji wa nakala za magazeti  
**6%↓**



# Corporate Governance Statement

The Company is committed to upholding the best international standards of good corporate governance.

The role of the Board is to determine the Company's policies and strategies, to monitor the attainment of the business objectives and to ensure that the Company meets its obligations to the shareholders. The directors are also responsible for overseeing the Group's internal control systems. These controls are designed both to safeguard the Group's assets and to ensure the reliability of the financial information used within the business.

The following were the standing Board committees in the year ended 31<sup>st</sup> December, 2022: -

**1 Nominations and Governance Committee**, which is responsible for executive and non-executive board appointments and for overseeing the Group's adherence to good corporate governance principles. Prof. L. Huebner chairs the committee which has Dr. W. D. Kiboro, Mr. D. Aluanga and Mr. S. Gitagama as members. The members of the Committee, with the exception of the Group Chief Executive Officer, are non-executive directors.

**2 Audit, Risk and Compliance Committee**, whose responsibility is to oversee the effective administration of the Group's systems of internal controls, management of risk and compliance with applicable regulatory requirements as well as review of the Group's financial plans and reports. Mr. L. Mususa chairs the committee which has Prof. S Sejjaka and Mr. A. Ramji as members. The members of the committee are independent and non-executive directors.

## Committee meetings attendance for the financial year

|                 | 31.03.2022 | 29.06.2022 | 02.09.2022 | 11.11.2022 | 15.12.2022 |
|-----------------|------------|------------|------------|------------|------------|
| Leonard Mususa  | ✓          | ✓          | ✓          | ✓          | ✓          |
| Anwar Poonawala | ✓          | ✓          | ✓          | ✓          | ✓          |
| Ali-Noor Ramji  | ✓          | ✓          | ✓          | ✓          | -          |
| Samuel Sejjaka  | -          | ✓          | -          | -          | ✓          |

**3 Strategy and Investments Committee**, which reviews the Group's medium and long term strategic options and investment proposals. Mr. L. Otieno chairs the committee. The committee has Dr. Y. Jetha, Prof. L. Huebner, Mr. S. Dunbar-Johnson, Mrs. S. Hassan, Mr. A. Ramji, Mr. S. Gitagama, Mr. D. Aluanga and Mr. R. Tobiko as members.

**4 Editorial Committee**, which considers and advises on the Group's editorial policy, the journalistic code of ethics and legal responsibilities. Mr. F. O. Okello chairs the committee which has Mr. D. Aluanga, Mr. W. Mwangi, Mrs. S. Hassan and Mr. S. Gitagama as members.

**5 Human Resources Committee**, whose primary objective is to assist the Group to achieve its goal of adhering to the best practices in Human Resources Management and Development. Dr. Y. Jetha chairs the committee, which has Mr. L. Mususa, Mr. W. Mwangi and Mr. L. Otieno as members. The members of the committee are independent and non-executive directors.

The Chairman of the Board is a non-executive director and is elected by the board of directors to hold office after every three years.

There is a clearly defined organizational structure within which individual responsibilities and authority limits are set out. The structure is complemented by policies and management operates the business in compliance with these policies.

The Group Chief Executive Officer chairs the Executive Team, which comprises the executive directors and the senior executives of the Group. The team is responsible for implementing the strategy approved by the board and also deals with operational matters and co-ordinates activities across the Group's various subsidiary companies and divisions.

## INSIDER DEALINGS

The board has a documented policy on insider dealings in the Company's shares.

## CORPORATE GOVERNANCE

Nation Media Group PLC is in compliance with the provisions of the Capital Markets Act- Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015. Over one third of the Board of Directors are independent and non-executive directors. The membership of the various board committees is listed above.



# Profiles

## Board of Directors

|                         |  |
|-------------------------|--|
| <b>W D Kiboro</b>       | Chairman (Kenyan)                      |
| <b>S Gitagama</b>       | Group Chief Executive Officer (Kenyan) |
| <b>D Aluanga</b>        | (Kenyan)                               |
| <b>S Dunbar-Johnson</b> | (British)                              |
| <b>S Hassan</b>         | (Kenyan)                               |
| <b>L Huebner</b>        | (American)                             |
| <b>Y Jetha</b>          | (British)                              |
| <b>W Mwangi</b>         | (Kenyan)                               |
| <b>L Mususa</b>         | (Tanzanian)                            |
| <b>F O Okello</b>       | (Kenyan)                               |
| <b>L Otieno</b>         | (Kenyan)                               |
| <b>A Poonawala</b>      | (Swiss) Retired 16th December 2022     |
| <b>A Ramji</b>          | (British)                              |
| <b>S Sejjaaka</b>       | (Ugandan) Appointed 1st February 2022  |
| <b>R Tobiko</b>         | (Kenyan)                               |
| <b>A Namwakira</b>      | Company Secretary (Kenyan)             |



## Board of Directors' Profiles (continued)



**Dr. Wilfred Kiboro (78)** holds a Bachelor of Science (Civil Engineering) from the University of Nairobi. He retired from NMG as the Group Chief Executive Officer on 31st October 2006 after working for the Company for thirteen years. He was appointed a non-executive director in December 2006 and was elected the Chairman of the Board in September 2009. Dr. Kiboro was awarded an honorary Doctor of Philosophy degree by Kenyatta University in December 2015. He is a non-executive director and is a member of the Nominations and Governance Committee. Dr. Kiboro is the Chancellor of Riara University and the Chairman of Family Bank Limited and Wilfay Investments Limited, a family owned enterprise. He is also the Chairman of Green Blue Foundation Africa, whose mission is to restore degraded landscapes in Africa through partnerships and community participation to realize the desired goal of greening Africa.



**Mr. Stephen Gitagama (56)** holds an MBA and a Bachelor of Commerce (Accounting) from the University of Nairobi and is a Certified Public Accountant of Kenya. He is the Group Chief Executive Officer and was appointed to the Board in March 2008. He previously worked as a Finance Director with East African Breweries Limited. Mr. Gitagama is an executive director, and director of the Group's Subsidiary Companies and a member of the Strategy and Investments, the Nominations and Governance and the Editorial Committees.



**Mr. Dennis Aluanga (55)** holds an MBA from the University of Edinburgh (United Kingdom) and is a Certified Public Accountant of Kenya. He was appointed to the board in March 2009. He is a Partner at Helios Investment Partners, an Africa focused private equity firm. He was previously the Chief Operating Officer at Industrial Promotion Services (East Africa) and has also worked at NMG as the Group Finance Director and the Chief Operating Officer. Mr. Aluanga is a non-executive director and is a member of the Nominations and Governance, Strategy and Investments and the Editorial Committees.



**Mr. Stephen Dunbar-Johnson (59)** is a graduate of Worth School and Kent University in the United Kingdom. He has attended an Executive Management program at the Wharton School, University of Pennsylvania (USA) and has undertaken the Sulzberger program at the Columbia School of Journalism (USA). He is the President, International of the New York Times Company and is responsible for the oversight and strategic development of the company's international digital and print business. Previously, he was the Publisher of the International Herald Tribune. He was appointed to the Board in April 2018 and is a member of the Strategy and Investments Committee.



## Board of Directors' Profiles (continued)



**Mrs. Sumaya Hassan (49)** holds a Master of Laws (LLM) degree from the University of Bristol and a Bachelor of Laws (LLB) degree from Lancaster University. She is an Advocate of the High Court of Kenya and has a Postgraduate diploma in Law from the Kenya School of Law. Mrs. Hassan is also a director at Takaful Insurance of Africa Limited. She was previously Managing Director and Chief Executive Officer of the National Oil Corporation of Kenya. She was appointed to the Board as an Independent non-executive director in September, 2019 and is a member of the Editorial and the Strategy and Investments Committees.



**Prof. Lee Huebner (82)** holds a Ph.D. and an MA from Harvard University and a BA from Northwestern University (USA) and is a Professor of the School of Media and Public Affairs at The George Washington University in Washington, D.C. (USA). He was formerly a professor at Northwestern University and has also served as the Chief Executive Officer of the *International Herald Tribune* in Paris for fourteen years. He joined the board in December 1995. Prof. Huebner is a non-executive director and is the Chairman of the Nominations and Governance Committee and is a member of the Strategy and Investments Committee.



**Dr. Yasmin Jetha (70)** holds a Master's degree in Management Science from Imperial College (London), and is a Fellow of the Chartered Institute of Management Accountants. She was awarded an honorary Doctor of Laws degree by the University of Leicester in 2005, and was made an honorary Fellow of the University of Bedfordshire in 2011. She is currently a non-executive director of NatWest Group PLC and also Guardian Media Group in the United Kingdom. During her executive career, she was the Chief Information Officer at Bupa and prior to that Chief Operating Officer at the Financial Times. Dr. Jetha joined the board in September 2009 as an independent non-executive director and is the Chairperson of the Human Resources Committee, and a member of the Strategy and Investments Committee.



**Mr. Wangethi Mwangi (70)** holds a Master's of Business Administration in Strategic Management from Strathmore University, a Bachelor of Arts in Literature in English and Political Science from the University of Nairobi, a Post-Graduate Diploma in Mass Communications and a certificate in professional mediation. He is a media professional with more than 30 years' experience in journalism. He previously worked for NMG, rising to the position of Editorial Director. Currently, he serves as a senior advisor to the African Media Initiative, a Pan African organization, and is on the Dean's Advisory Committee of the Aga Khan University's Graduate School of Media and Communications. He has served as a member of the Media Complaints Commission of Kenya and remains a member of the Kenya Editors Guild, which he helped to set up. Mr. Mwangi was appointed to the board as a non-executive director in July 2017 and is a member of both the Editorial and Human Resources Committees. He also sits on the boards of NMG's subsidiary companies – Monitor Publications Ltd and Mwananchi Communications Ltd – in Uganda and Tanzania.



## Board of Directors' Profiles (continued)



**Mr. Leonard Mususa (69)** is a Fellow of the Association of Chartered Certified Accountants (UK) and the Certified Public Accountants of Tanzania. Currently a private Management Consultant, he was the Country Senior Partner of PricewaterhouseCoopers in Tanzania until his retirement in June 2014. He also served in other roles, including Head of Assurance, Risk and Quality of the PwC Africa Central Region for three years and Head of Risk, Independence and Quality in the PwC East Africa Market area for two years. He was appointed to the NMG board as an independent non-executive director in March 2015. He is the Chairman of the Audit, Risk and Compliance Committee, a member of the Human Resources Committee and the Chairman of Mwananchi Communications Limited in Tanzania. He is currently the Chairman of Tanzania Breweries PLC and Reliance Insurance Company (Tanzania) Limited and an independent non-executive director of Tanzania Electric Supply Company Limited (a public utility) and Bank One Limited in Mauritius. He is also a director of NMB Bank PLC (Tanzania).



**Mr. Francis Okomo Okello (73)** holds a Bachelor of Laws Degree from the University of Dar es Salaam, Tanzania and is an Advocate of the High Court of Kenya. He is an Albert Parvin Fellow of Princeton University, Woodrow Wilson School of Public and International Affairs (USA) as well as a Fellow of the Kenya Institute of Bankers (FKIB). He joined the Board in December 1995. Mr. Okello is an Independent non-executive director of Absa Group Limited (formerly Barclays Africa Group Limited), Absa Bank Limited (South Africa) and immediate former Chairman of Absa Bank Kenya PLC (formerly Barclays Bank of Kenya PLC). He is also the Chairman of TPS Eastern Africa PLC (Serena Group of hotels and lodges). He previously served as a member of the Advisory Board of Strathmore Business School, Strathmore University - Nairobi and also as a member of the Advisory Committee of the Aga Khan University, Faculty of Arts and Sciences - East Africa. He is currently an executive director at Industrial Promotion Services (East Africa). Mr. Okello is a non-executive director and is Chairman of the Editorial Committee.



**Mr. Louis Otieno (58)** holds a Masters of Business Administration from Long Island University and a Bachelor of Science from Mercy College (USA). He is a software developer by training. Mr. Otieno began his professional career in the USA, rising to the position of Assistant Vice President at EEC Financial Services in New York. He joined Microsoft Corporation in 1997, leading the business in Africa in different capacities for 21 years. An ICT for Development leader, Mr. Otieno promoted innovation such as the use of TV white spaces to provide high speed, affordable broadband connectivity in the unserved rural areas. He is a non-executive director at Absa Kenya Limited and chairs the boards of Airtel Networks Kenya Limited and Absa Asset Management Limited. Mr. Otieno was appointed to the board as an independent non-executive director in July 2017. He chairs the Strategy and Investments Committee and is a member of the Human Resources Committee.



**Mr. Al-Noor Ramji (67)** retired as the Group Chief Digital Officer for Prudential PLC where he was responsible for developing and executing an integrated long-term digital strategy for the group. Before joining Prudential PLC, he worked at Northgate Capital, a venture capital firm in Silicon Valley where he ran technology focused funds. Prior to that he worked as Chief Executive Officer of BT Innovate and Design, and Chief Information Officer and Chief Technology Officer at BT Group PLC. He then led Misys Banking PLC which was a banking software company. Mr. Ramji has served as the CTO and CIO for Qwest Communications, Dresdner Kleinwort Benson and UBS (then SBC). He was the founder and CEO of Webtek Software Pvt Ltd and is on the board of Argo Group International Holdings Ltd. and Tata Motors of India. He received an undergraduate degree from the University of London and is a Chartered Financial Analyst (CFA). He was appointed to the board as an independent non-executive director on 27 March 2020 and is a member of the Audit, Risk and Compliance Committee and the Strategy and Investments Committee.



## Board of Directors' Profiles (continued)



**Prof. Samuel Sejaaka (59)** is a partner at Sejaaka, Kaawaase & Company, Certified Public Accountants in Uganda and also serves as the Country Team Leader/Principal of MAT ABACUS Business School. He has over 25 years' experience in management and leadership, including governance and oversight of public interest companies, supervision of assurance functions and strategy formulation for growth. Prof. Sejaaka is the current Chairman of the Petroleum Revenue Investment Reserve Advisory Committee, Old Mutual Investment Group Uganda Limited, Pristine Foods Limited and also sits on the Board of UAP Old Mutual Life Assurance Limited. He served as Chairman of Uganda Development Bank Limited (2012-2018), Board Member of Stanbic Bank Uganda Limited (2007-2017), and Biyinzika Poultry Industries Limited (2016-2021). Prof. Sejaaka previously lectured at Uganda's oldest tertiary institution, Makerere University (later the Makerere University Business School) and rose to the position of Deputy Principal (1991-2014). He was appointed as a non-executive director of the board on 1st February 2022. He is a member of the Audit, Risk and Compliance Committee and Chairman of the Company's subsidiary in Uganda, Monitor Publications Limited.



**Mr. Richard Tobiko (49)** holds an MBA from Warwick Business School, University of Warwick (UK) and a Bachelor of Commerce (Accounting Option) degree from the University of Nairobi. He is a Certified Public Accountant (CPA - K) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). He has previously worked with several local and global organizations in the manufacturing and service sectors; amongst them, KETRACO where he was General Manager, Finance and Strategy, African Development Bank (AfDB) as Financial Management Consultant, General Electric (GE) as Centre Leader for Sub Sahara Africa shared services hub and Nation Media Group as the Chief Accountant. He is currently the Chairman of the Audit Committee of Property Development Management (PDM). He was appointed Group Finance Director in October 2018 and joined the Board as an executive Director on 1 March 2019 and is a member of the Strategy and Investments Committee.



**Ms. Angela Namwakira (41)** is a Partner at Adili Corporate Services Kenya. She is a corporate governance and legal professional with close to 20 years of experience acting as Company Secretary to various multinationals of note as well as local public and private companies including small and medium-sized enterprises. She has a demonstrable track record in the areas of statutory and regulatory compliance, corporate governance, strategic planning, corporate structuring and company law and practice. She also advises on immigration related issues. Angela holds a Bachelor of Laws (LLB) from the University of Nairobi. She is an advocate of the High Court of Kenya with over 15 years post admission experience, a practicing Certified Secretary and an accredited Governance Auditor. She is also a Member of the Women on Boards Network (WOBN). She was appointed as Company Secretary on 1 April 2021.



**Dr. Wilfred D. Kiboro**  
*Chairman*

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# Group Chairman's Statement

## Dear Stakeholders,

On behalf of the Board of Directors, it is my pleasure to present to you the Group's financial and non-financial performance report for the year ended 31st December, 2022.

### Economic and Business Environment

2022 was a very difficult year from an economic and business perspective. The major factors that contributed to this economic slump in East Africa included the ballooning wage bill, the devaluation of the currency and increase in public debt.

The economies of East Africa largely contracted with the growth in Kenya decelerating more than earlier estimates from 7.6% in 2021 to 4.8% in 2022; Uganda's GDP was at 4.6% in 2022 compared to 6.0% in 2021 and Rwanda's GDP shrunk from 10% in 2021 to 6.9% in 2022. Tanzania's economy marginally grew from 4.3% in 2021 to 4.6% in 2022. This was caused by commodity price shocks resulting from drought and war, decreased disposal incomes and reduced spending by private sector during the elections.

The situation in Kenya, which contributes 70% of the Group turnover, was made worse with the country experiencing the worst drought in 40 years impacting more than 5 million people resulting in devastating effects on food security and livelihoods. This led to stunted growth in sectors of the economy that are our major advertising clients. Agriculture which contributes 21.2% of Kenya's GDP decelerated from -0.4% in 2021 to -1.6% in 2022. The education sector was also negatively impacted with more than 7,000 private schools shutting down in the last 4 years, highlighting the struggles of such a major sector amid economic hardships caused by the Covid-19 pandemic.

The above scenario in East Africa mirrored the challenges in global economic recovery. The world's real GDP



**5 million**

**The situation in Kenya, which contributes 70% of the Group turnover was made worse with country experiencing the worst drought in 40 years impacting more than 5 million people resulting in a devastating effect on food security and livelihoods.**

growth decelerated to 3.4% in 2022 from a growth of 6.0% in 2021. This was caused by post Covid-19 tightening of monetary policies; resurgence of Covid-19 in China and the Russian-Ukraine war that pushed energy and food prices up significantly.

In the wake of the above operating environment, the region's media landscape went through perhaps one of its worst years in history with some media houses either closing down or being at the verge of collapse. Media continued to face challenges from the digital disruption, significant government pending bills, political uncertainty and attacks on press freedom in the East African region. In addition to this, the rise in the price of fuel and newsprint significantly increased our cost base. The Group responded to these challenges by accelerating our digital transformation, radically changing our business model and implementing tight cost management measures.

Nonetheless, the outlook is positive with the resumption of rains and in a generally peaceful environment enabling quick resumption to economic activity. Further, East Africa's exposure to the war in Ukraine through direct trade linkages is not significant, with Russia and Ukraine accounting for a small percentage of total goods traded. Similarly, tourists from the

two countries do not account for a significant share of East Africa's tourism market. It is encouraging to witness the tourism sector bouncing back in the region.

### Political Landscape

Kenya underwent general elections in 2022, that were largely peaceful with minimal violence. However, there was a lot of uncertainty post voting including an intense court battle at the Supreme Court that slowed down domestic spending and economic activity with the private sector adopting a watch-and-wait approach.

NMG played its rightful role in its mission to be a trusted partner to African democracies, a champion of the ordinary person in his/her interaction with the government of the day, a voice for the rule of law and respect for human rights. NMG reported extensively on the elections by providing accurate, un-biased and truthful information to the public. Our coverage, including through NMG's *Mimi Mkenya Initiative*, was guided by our editorial policy to cover all candidates fairly, objectively but fearlessly and hold leaders accountable to a set of issues important to the country and the Kenyan people. It was therefore encouraging to observe the emergence of socio-economic issues as key focus areas of the electoral campaign.

As a result, election content across our platforms drove a 13% growth in our digital footprint, with a 65% increase in overall website traffic. *Nation.Africa*, which hosted the Group's election portal and relayed real time election results, garnered a 44% growth in unique users and a 62% increase in page views during the electioneering period.

Nonetheless, journalists continued to face physical attacks, intimidation and profiling during the election. We partnered and worked closely with media sector organisations such as Media Owners Association (MOA), Media Council of Kenya (MCK), Editors Guild, Kenya Union of Journalists (KUJ), civil society, among others to condemn the attacks and call for an end to the same.



## Group Chairman's Statement (continued)

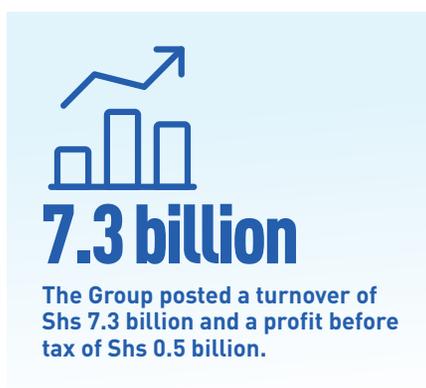
During this period, as members of MOA, we teamed up with MCK and the Kenya Editors Guild to organise the Presidential Debate 2022 Series to collectively entrench the culture of Presidential Debates as one of the cornerstone pillars of our democracy and electoral process for the benefit of the Kenyan people. During these debates, the public listened to the candidates and assessed their priorities once they assumed office. In that way, they catalysed issue-based elections; provided an opportunity for candidates to debate, interact and engage; and enabled Kenyans to make informed decisions.

I am pleased to share that various reports of the Kenyan election observer missions appreciated the role that media played in elections. The EU Election Observer Mission in Kenya General Elections Final Report stated that 'when combining all six levels of elections, private TV channels allocated a more balanced coverage to both main coalitions'. The report further stated that 'the media provided gender-sensitive reporting and an adequate coverage of women candidates'.

The political landscape in the rest of the East African region continued to be fairly stable except the ongoing fighting in Eastern part of the Democratic Republic of Congo (DRC). We welcome the move by the member states of the East Africa Community to deploy the East Africa Community Forces (EACRF) to fight the rebels and stabilize the country.

### Organisational Transformation

In my previous statement, I indicated that the Group's business model was undergoing radical changes to enable it to transform into a modern, digital content company. Indeed, in 2022, NMG's transformational journey entered an accelerated phase through implementation of a number of critical projects to respond to the digital disruption faced by media. The Group worked with FT Strategies (the subscription consultancy arm of the Financial Times of London) experts who successfully transformed the FT's business model in the face of



such disruption. These initiatives included clearly defining the Group's North Star, the Newsroom Integrated Project and development of a new content strategy.

The North Star project was launched with the aim of exponentially growing our digital revenue over the next 5 years by transforming into the most trusted, empowering and innovative content platform in Africa. This transformation is anchored on our organisation culture, customer life cycle, data and tech capabilities, product innovation and brand awareness. In this regard, I am pleased to inform you that going forward the Group will be working towards realising the following North Star:

*"Transform into Africa's Most Trusted Innovative Content Platform Inspiring 500 Million Daily Interactions Delivering USD 55 Million in Digital Revenues by End of 2027."*

We are committed to putting audiences at the heart of our operation, and one of the foundations of this is the Newsroom Integration Project. Bringing together the editorial talent in our newsroom will strengthen our content operation and the depth of our expertise to the benefit of all platforms and brands, thereby making the Group an even more competitive business. The first phase of this engagement is complete and it entailed transforming the newsroom into an audience-led operation and co-design a new departmental structure that optimises newsroom productivity and fosters a digital-first mindset and a customer-centric editorial approach.

As an extension of the Newsroom Integration Project, we also embarked on defining NMG's content strategy informed by the findings from extensive research that delved into user needs, the process of creating content and content performance on our platforms. We now have a blueprint that will guide the creation, delivery and monetisation of premium content on our digital platforms.

### Financial Performance

The Group posted a turnover of Shs 7.3 billion and a profit before tax of Shs 0.5 billion (2021 was Shs 7.6 billion and Shs 0.7 billion). The suppressed business environment resulting from global supply chain constraints occasioned by the Russia-Ukraine war, escalation of basic commodities prices, increased fuel costs and drought experienced across the region adversely affected the Group's performance.

The Group registered growth in digital revenue and continues to focus on product innovation across our channels and platforms to drive audience acquisition, engagement and optimal monetisation of our expansive digital footprint. This will be done alongside upholding the Group's strong presence in print and broadcast media by continuously offering unique and relevant content to our audiences.

### Dividends

The Directors recommend the payment of a final dividend of Shs 1.50 per share on the issued and paid-up share capital adjusted for treasury shares (190,295,163 ordinary shares of Shs 2.50 each), subject to approval by shareholders at the Annual General Meeting. No interim dividend was paid during the year.

### Share Buyback

The NMG Board of Directors resolved to propose to its shareholders the purchase of up to ten percent (10%) of its issued and paid-up share capital (adjusted for treasury shares) in a share Buyback Programme in accordance with the provisions of the Companies



## Group Chairman's Statement (continued)

Act and the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002. This will give NMG shareholders the option to cash in on their investments. The Buyback Programme is subject to regulatory and shareholder approvals.

A share buyback occurs when a company purchases a portion of its issued shares from its investors. It is one of the ways for a company to return funds to shareholders, effectively reducing the number of issued shares and increasing the proportional rights of any single share. The share buyback seeks to offer the shareholders an alternative option to realise value from their investment.

### Thought Leadership

The previous year saw the Group strengthen its leadership position in driving critical conversations through convening impactful thought leadership forums to empower development of the region and Africa.

In this regard, the Group hosted a series of country-specific forums. In Kenya we hosted the *Nation Leadership Forums (NLF)* for the 6th year in a row, the first ever *Sustainable Energy Conference*, the *Small and Medium-sized Enterprises (SME) Expo and Conference* and the *Nation-Huawei Job Fair*. In Uganda, we convened *The Economic*



**In Kenya we hosted the Nation Leadership Forums (NLF) for the 6th year in a row, the first ever Sustainable Energy Conference, the SME Expo and Conference, the Nation-Huawei Job Fair.**



**Throughout our existence, the Nation has stood tall and firm amidst political, economic and social turbulence to carry out the important purpose of 'positively influencing society'.**

*Summit* while in Tanzania we held the *Mwananchi Thought Leadership Forums*. These dialogue forums delved into key areas such as green cities, youth unemployment, agriculture, education, health, Micro Small Medium Enterprises (MSMEs), economy, manufacturing, technology, among others.

The Group continued steadfastly dispensing its role in shaping the future of the African continent as the 'Media of Africa for Africa' by convening the fourth edition of the *Kusi Ideas Festival*. Last year the festival returned to Kenya in the capital city under the thick canopy of Kenya's most celebrated and protected green space, the Karura Forest. *Kusi Ideas Festival*, whose theme revolved around, "The Climate Change Challenge: Exploring African Responses and Solutions" explored the impact of the climate change as a growing threat to lives and livelihoods in Africa - from its impact on our food security to the African initiatives and innovations needed to protect the continent. This edition took place on 8th - 9th December 2022, on the backdrop of COP-27, which had just been concluded in Egypt.

The conference attracted 50 speakers, from across the African continent. It was co-supported by H.E. Dr. William Ruto, President of the Republic of Kenya and attracted participation from H.E. Paul Kagame, President of the Republic of Rwanda, H.E. Philip Mpango, Vice President of the Republic of Tanzania, Prince Rahim Aga Khan, Aga Khan Development Network, Hon. Rosalinda Soipan Tuya, Minister for Environment and Forestry, H.E. Anne Waiguru, Chair, Council of Governors, H.E. Ambassador Meg Whitman, United States Ambassador to Kenya, Prof. Patrick Verkooijen, CEO Global Centre on Adaptation, among other

stakeholders including representatives from the diplomatic community, experts, innovators, academia, entrepreneurs, and captains of industry. It was attended by 524 in-person delegates, 3,449 virtual delegates with a TV reach of 1.83 million and over 28 million users on social media.

### Sustainability Agenda

Throughout our existence, the Nation has stood tall and firm amidst political, economic and social turbulence to carry out the important purpose of 'positively influencing society'. Decades later, we are quite proud of this heritage of creating value for communities around us, and still privileged to deliver on this and other developmental responsibilities. Indeed, over the last six decades, NMG through partnerships has invested significant resources through thought leadership forums, rigorous campaigns, airtime, newspaper space, staff time off work, financial resources, etc to address societal issues such as environment, hunger, education, health, and other community development issues.

Hence, as we journey towards becoming a more agile, customer-centric and data-driven organisation, the Group's purpose will continue to be the anchor in driving our business sustainability through championing lasting benefits for the community. The objective is to continue entrenching the Group as a strategic and sustainable partner of choice.

It is for this reason that the Nation Media Foundation was established with the objective of enabling the Group to accelerate our contribution and scale up initiatives towards attainment of the Sustainable Development Goals in the areas of: Education and Literacy; Natural



## Group Chairman's Statement (continued)

Resource Management and Climate Change; Health; Media Development; and Community Development through Entrepreneurship and Humanitarian Relief. The Foundation institutionalizes our efforts into consistent, deliberate, and targeted interventions through the shared value approach that will have a wider reach and bring about sustainable transformation in society.

One of the critical issues that is very close to our hearts is education, which forms the Foundation's Flagship Programme. The Education and Literary Programme is a nationwide intervention designed to respond to the challenge of low literacy, low book access levels and promoting a reading culture. Further, in view of the fact that we are consumers of newsprint, we aim to continue our focus on climate change programmes such as tree growing to progressively reduce our carbon footprint. We have already partnered with organisations such as Green Blue Foundation Africa, Family Bank, Kenya Forest Service for the Ngong Hills reforestation and counties like Machakos and Uasin Gishu for the restoration of water towers.

### Board Changes

The Board underwent some changes in the previous year. Anwar Poonawalla retired from the NMG Board. Poonawalla joined the board as a non-executive director in June 1989. During this time he was a member of the Audit, Risk and Compliance, the Nominations and Governance and the Human Resources Committees. The board sincerely appreciates Poonawalla's 33 years of selfless and dedicated service to the Board where it benefitted from his vast experience in governance, management, finance and strategy formulation.

### Our People

The Group's transformation is taking place by building a conducive environment where our team is empowered with the right skills and technology to unlearn, relearn and learn as we build the NMG of the future. Our focus is therefore on developing an open, empathetic and inclusive high performance culture that is fair, friendly and fun where everyone



**This transformation requires us to shift from a brand to an audience and customer-centric led organisation serving both the traditionalists and the digital natives.**

in the organisation is a champion of the transformation agenda.

### Looking Ahead

In a world where audiences have gone wholeheartedly digital-social-mobile, the only way we will deliver value to them is transforming into a trusted innovative media house that is relevant in their lives by being the provider of unique, high quality content at their convenience in their way. We recognise that this transformation requires us to shift from a brand to an audience and customer-centric led organisation serving both the traditionalists and the digital natives.

In this regard, the Group's future lies in continuously knowing where to focus while understanding platform vis-à-vis content and fixed vis-à-vis variable. This means changing our ways of working to entrench data in our decision-making approaches and new product development approaches that allow us to embrace (little) failures by failing fast but affordably. This will also involve reinventing our user experience to create personalised content and drive mobile engagement, leading (wo)man and machine and rebooting our people and culture while beefing up our engineering capacity through hiring new talent.

This future will take us to explore entry into new emerging markets. I am pleased to report that the Group has already begun this endeavour by convening the inaugural *The EastAfrican Business Conference and Trade Fair* in Kinshasa in the Democratic Republic of Congo (DRC). The Conference brought together businesses and captains of industry from across the East African region to explore investment opportunities in DRC. There

is great potential even for our business in DRC to expand bolstered by its joining of the East Africa Community. The Group is already putting in place measures to explore this potential and entry into DRC.

The Board has great confidence in management and staff to deliver this new transformative future. We have seen a lot of commitment, passion and drive deployed in shaping a new organisation that will place the business in a strong sustainable footing. Other media companies around the world have been able to transition to the digital space in the face of similar disruptions, and we are optimistic that NMG will be successful in this endeavour.

I want to greatly appreciate my fellow colleagues in the Board for their resilience, dedication and vision. Indeed their unwavering commitment and contribution has seen the Group continue pressing on the gas peddle in our transformation journey.

Let me end by taking this opportunity to applaud management and staff for their relentless efforts, passion and teamwork in rallying together to deliver not only on the promise of today but position the Group for a better tomorrow. To our shareholders, business partners, customers and other stakeholders, we are you and you are us. Thank you for trusting us to deliver to you everyday of our existence.

Ahsanteni sana.

**Dr. Wilfred D. Kiboro**  
Group Chairman



“Climate change is as important a reason as any for Africa to come together. Our shared lakes and rivers are either overflowing and causing disastrous floods, or drying out and plunging tens of millions of our people in hunger. To win the war against climate change will need the work of all of us as Kenyans, as Africans, and as global citizens. Though it is a worthy journey, it won’t be an easy one. As the African proverb says, “There are no shortcuts to the top of the palm tree.”

Dr. Wilfred D. Kiboro - Chairman, Nation Media Group PLC



**50**

**SPEAKERS**  
From 19 Countries



**524**

**IN-PERSON DELEGATES**



**3,449**

**VIRTUAL PARTICIPANTS**  
From 84 Cities and  
25 Countries



**1.83m**

**TV REACH**



**28.6m**

**USERS**  
On social media across  
31 countries worldwide

• Austria • Belgium • Cameroon • Canada • Ethiopia • Finland • France • Germany • India • Ireland • Ivory Coast • Japan • Kenya • Mexico  
• Netherlands • Nigeria • Russia • Rwanda • Singapore • Slovakia • South Korea • Tanzania • Uganda • United Kingdom • United States • United States



**Dr. Wilfred D. Kiboro**  
*Mwenyekiti*

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# Taarifa Ya Mwenyekiti

## Wapendwa Wenyehisa,

**K**wa niaba ya Bodi ya Wakurugenzi, ni furaha yangu kuwapa ripoti ya matokeo ya kifedha na yale yasiyo ya kifedha ya Kampuni ya mwaka uliokamilikia tarehe 31 Desemba, 2022.

### Mazingira ya Kiuchumi na Biashara

2022 ulikuwa ni mwaka mgumu kwa mtazamo wa kiuchumi na kibiashara. Vigezo vikuu vilivyosababisha kudorora kwa uchumi katika ukanda wa Afrika Mashariki vilikuwa ni pamoja na ongezeko la gharama ya mishahara kwa wafanyakazi, kushuka kwa thamani ya sarafu na kuongezeka kwa deni la umma.

Uchumi wa nchi za Afrika Mashariki ulipungua pakubwa huku ukuaji wake nchini Kenya ukipungua zaidi kuliko ilivyokadiriwa awali kutoka 7.6% mwaka wa 2021 hadi 4.8% mwaka wa 2022; GDP ya Uganda ilikuwa 4.6% mwaka 2022 ikilinganishwa na 6.0% mwaka wa 2021 na GDP ya Rwanda ilipungua kutoka 10% mwaka 2021 hadi 6.9% mwaka 2022. Uchumi wa Tanzania ulikua kidogo kutoka 4.3% mwaka 2021 hadi 4.6% mwaka 2022. Hii ilisababishwa na kupanda kwa bei za bidhaa kutokana na ukame na vita, kupungua kwa mapato, na kupungua kwa matumizi katika sekta ya kibinafsi wakati wa uchaguzi.

Hali nchini Kenya, ambayo inachangia 70% ya mauzo ya Shirika ilikuwa mbaya zaidi kwa sababu ya ukame ambao ulikumba nchi hii baada ya miaka 40 na kuathiri zaidi ya watu milioni 5 na kusababisha athari mbaya kwa utoshelevu wa chakula na hali ya maisha. Hii ilisababisha kujikokota katika ukuaji wa sekta muhimu za uchumi ambazo ndizo wateja wetu wakubwa wa utangazaji. Sekta ya kilimo inayochangia 21.2% ya GDP ya Kenya ilipungua kutoka -0.4% mwaka 2021 hadi -1.6% mwaka 2022. Sekta ya elimu pia iliathirika vibaya huku zaidi ya shule 7,000 za kibinafsi zikifungwa katika miaka 4 iliyopita, hali hii ikiakisi matatizo yanayokumba sekta kuu kama hiyo wakati kuna matatizo ya kiuchumi yanayosababishwa na tandavu ya UVIKO-19.



## Millioni 5

**Hali nchini Kenya, ambayo inachangia 70% ya mauzo ya Shirika ilikuwa mbaya zaidi kwa sababu ya ukame ambao ulikumba nchi hii baada ya miaka 40 na kuathiri zaidi ya watu milioni 5 na kusababisha athari mbaya kwa utoshelevu wa chakula na hali ya maisha.**

Hali iliyoelezwa hapo juu, Afrika Mashariki imeakisi changamoto zilizopo katika kurejea kwa uchumi wa dunia. Ukuaji halisi wa GDP ya dunia ulipungua hadi 3.4% mwaka 2022 kutoka ukuaji wa 6.0% mwaka 2021. Hii ilisababishwa na kukazwa kwa sera za kifedha baada ya UVIKO-19, kuibuka tena kwa UVIKO-19 nchini China na vita baina ya Urusi na Ukraine ambavyo vilisababisha bei za kawi na vyakula kupanda pakubwa.

Katika mazingira yaliyoelezwa hapo juu ya kufanya kazi, sekta ya habari ya ukanda huu ilishuhudia pengine mojawapo ya miaka yake migumu zaidi katika historia huku baadhi ya vyombo vya habari ama vikifungwa au vikijipata katika hatari ya kuanguka. Vyombo vya habari viliendelea kukumbana na changamoto kutokana na vurugu za kidijitali, kiasi kikubwa cha madeni ya serikali, hali tete ya kisiasa na mashambulizi dhidi ya uhuru wa wanahabari katika ukanda wa Afrika Mashariki. Kando na haya, ongezeko la bei ya mafuta na uchapishaji wa habari iliongeza pakubwa msingi wetu wa gharama. Shirika lilishughulikia changamoto hizi kwa kuendesha mageuzi yetu ya kidijitali kwa kufanya mabadiliko makubwa katika muundo wetu wa biashara na kutekeleza hatua madhubuti ya udhibiti wa gharama.

Licha ya hayo, taswira ni chanya huku kurudi kwa mvua na mazingira ambayo ni ya amani kwa jumla zikiwezesha kurejea haraka kwa shughuli za kiuchumi.

Isitoshe, ushirikiano wa moja kwa moja wa kibiashara kati ya nchi za Afrika Mashariki na Ukraine haujaathirika pakubwa, kwa sababu Urusi na Ukraine zinachangia asilimia ndogo ya jumla ya bidhaa za biashara. Vilevile, watalii kutoka Ukraine na Urusi hawachangii mgao mkubwa wa soko la utalii la Afrika Mashariki. Ni jambo la kutia moyo kwamba sekta ya utalii inarejea katika ukanda huu.

### Mandhari ya Kisiasa

Kenya ilifanya uchaguzi mkuu wa 2022 ambao ulikuwa wa amani pakubwa na vurugu chache. Hata hivyo, kulikuwa na hali tete na hofu ikijumuisha mapambano makali mahakamani katika Mahakama ya Upeo hali ambayo ilisababisha kupungua kwa matumizi ya pesa ndani ya nchi na shughuli ya kiuchumi huku sekta ya kibinafsi ikiamua kutumia mbinu ya kutazama na kusubiri.

NMG ilichukua nafasi yake katika lengo lake la kuwa mshirika wa kuaminika kwa demokrasia za Afrika, mtetezi wa mtu wa kawaida katika kutangamana na serikali iliyo mamlakani, sauti ya utawala wa kisheria na kuheshimu haki za binadamu. NMG iliripoti kwa upana kuhusu uchaguzi huo kwa kutoa habari sahihi, zisizoegemea upande wowote na za ukweli kwa umma. Pamoja na mpango wetu wa *Mimi Mkenya*, tulifuata mwongozo wa sera yetu ya uhariri kuleta habari kuhusu wawaniaji wote kwa usawa, uyakinifu lakini kwa ujasiri na kuwawajibisha viongozi katika baadhi ya masuala muhimu kwa taifa na watu wa Kenya. Hivyo ilikuwa inatia moyo kuona kuibuka kwa masuala ya kijamii na kiuchumi kama mambo yanayotiliwa maanani katika kampeni za uchaguzi.

Hata hivyo, wanahabari waliendelea kushambuliwa, kutishiwa na kuonewa wakati wa uchaguzi. Tulishirikiana na kufanya kazi kwa karibu na mashirika katika sekta ya habari kama vile Muungano wa Wamiliki wa Vyombo vya Habari (MOA), Baraza la Habari la Kenya (MCK), Baraza la Wahariri, Muungano wa Wanahabari wa Kenya (KUJ), mashirika ya kijamii miongoni mwa wengine kukashifu mashambulizi hayo na kutoa mwito wa kukomeshwa kwake.



## Taarifa ya Mwenyekiti (inaendelea)

Kutokana na hayo, maudhui ya uchaguzi kwenye mifumo yetu yote yalisababisha ukuaji kwa 13% katika uwepo wetu wa kidijitali, na ongezeko la 65% katika jumla ya trafiki kwenye wavuti. *Nation.Africa*, ambayo ilipangisha kituo cha uchaguzi cha Shirika hili na kutoa matokeo ya uchaguzi kwa wakati halisi, ilikua kwa 44% katika watumiaji wa kipekee na ongezeko la 62% katika idadi ya watu waliotazama ukurasa wetu katika kipindi hicho cha uchaguzi.

Katika kipindi hicho, kama wanachama wa MOA, tulishirikiana na MCK na baraza la wahariri wa Kenya, kupanga Misururu ya Mdahalo wa Urais 2022 ili kwa pamoja kuweka utamaduni wa kuwepo Midahalo ya Urais kama mojawapo ya nguzo kuu ya demokrasia na mchakato wa uchaguzi kwa manufaa ya watu wa Kenya. Wakati wa midahalo hii, umma ilisikiliza wawaniaji na kutathmini mambo ambayo wangeyapa kipaumbele baada ya kuchukua hatamu za uongozi. Kwa njia hiyo, midahalo hii ilichochea uchaguzi uliojikita kwa masuala muhimu, ilitoa fursa kwa wawaniaji kushiriki katika mdahalo, kuingiliana na kushirikiana na kuwezesha Wakenya kufanya maamuzi ya busara.

Ninafurahi kusema kwamba ripoti nyingi za misheni za waangalizi wa uchaguzi wa Kenya zilipongeza nafasi ambayo vyombo vya habari vilichukua katika uchaguzi. Ripoti ya Mwisho ya Ujumbe wa Uangalizi wa Uchaguzi kutoka EU nchini Kenya ilisema kwamba 'kwa kuweka pamoja viwango vyote sita vya uchaguzi, vituo vya kibinafsi vya TV, vilitoa nafasi sawa za kuangazia mambo ya miungano miwili mikubwa'. Ripoti hiyo iliendelea kusema kwamba 'vyombo vya habari vilitoa ripoti zinazojali jinsia za watu na kuangazia wawaniaji wanawake kwa kuwapa nafasi ya kutosha'.

Mandhari ya kisiasa katika maeneo mengine ya ukanda wa Afrika Mashariki yaliendelea kuwa thabiti isipokuwa vita vinavyoendelea Mashariki ya Jamhuri ya Kidemokrasia ya Kongo (DRC). Tunashukuru uamuzi wa nchi wanachama wa Jumuiya ya Afrika Mashariki zilizotuma Vikosi vya Jumuiya ya Afrika Mashariki (EACRF) kupambana na waasi na kurejesha hali ya kawaida nchini humo.



### Mageuzi ya Shirika

Katika taarifa yangu ya awali, nilisema kwamba muundo wa kibiashara wa Shirika ulikuwa unafanyiwa mabadiliko makubwa ili kuliwezesha kugeuka kuwa kampuni ya kisasa ya maudhui ya kidijitali. Hakika, mnamo 2022, safari ya mageuzi ya NMG ilishika kasi kupitia utekelezaji wa miradi kadhaa muhimu ili kuitikia vurugu za kidijitali zilizokumba sekta ya habari. Shirika hili lilishirikiana na FT Strategies (idara ya ushauri wa usajili wa shirika la Financial Times lililo London) wataalamu ambao walifanikiwa kuleta mageuzi katika muundo wa kibiashara wa FT wakati wa vurugu kama hizo. Mipango hii ilijumuisha kufafanua wazi North Star ya Shirika, Mradi Jumlishi wa Chumba cha Habari na kuundwa kwa mkakati mpya wa maudhui.

Mradi wa North Star ulizinduliwa kwa lengo ya kukuza kwa muda mapato yetu ya kidijitali kwa miaka 5 ijayo kwa kufanya mageuzi na kuwa mfumo wa maudhui unaoaminika zaidi, wa kuwezesha na wa uvumbuzi barani Afrika. Mageuzi haya yamejikita kwenye utamaduni wa shirika, kipindi cha matumizi ya mteja, uwezo wa data na teknolojia, uvumbuzi wa bidhaa na uhamasisho kuhusu chapa. Kuhusiana na hili, ninafurahi kuwajulisha kwamba kuenda mbele Shirika litakuwa linafanya kazi ili kufikia North Star ijayo:

*"Kugeuka kuwa Mfumo wa Maudhui ya Kiuvumbuzi na Unaoaminika Zaidi Barani Afrika tena unaohamasisha Mitagusano Milioni 500 kila Siku na Kuleta Dola za Marekani Milioni 55 katika Mapato ya Kidijitali kufikia Mwisho wa 2027."*

Tumejitolea kuipa kipaumbele hadhira yetu katika kila tunachofanya, na mojawapo ya misingi ya hatua hii ni Mradi

wa Ujumlishaji wa Chumba cha Habari. Kuleta pamoja talanta ya uhariri kwenye chumba chetu cha habari kutaimarisha shughuli za maudhui yetu na kina cha utaalumu wetu kwa manufaa ya mifumo na chapa zote, hiyo kufanya Shirika hili kuwa biashara yenye ushindani mkubwa hata zaidi. Awamu ya kwanza ya shughuli hii imekamiliwa na inahusu kufanyia mageuzi chumba cha habari ili kiwe na shughuli zinazongozwa na matakwa ya hadhira na kuunda kwa pamoja muundo mpya wa kiidara ambao unaboresha tija ya chumba cha habari na kudumisha mtazamo unaoupa kipaumbele kufanya mambo kidijitali na mbinu ya uhariri inayomlenga mteja.

Kama kiendelezo cha Mradi Jumlishi wa Chumba cha Habari, pia tumeanza kufafanua mkakati wa maudhui wa NMG kutokana na matokeo ya utafiti mpana ambao ulichunguza mahitaji ya mteja, mchakato wa kuunda maudhui na utendaji wa maudhui kwenye mifumo yetu. Sasa tuna chapa kuu inayoongoza uundaji, uwasilishaji na uchumishaji wa maudhui yanayolipiwa kwenye mifumo yetu ya kidijitali.

### Matokeo ya Kifedha

Shirika hili lilipata mauzo ya shilingi bilioni 7.3 na faida ya kabla ya kodi ya shilingi bilioni 0.5 (2021 ilikuwa bilioni 7.6 na bilioni 0.7) Mazingira magumu ya biashara yaliyotokana na changamoto za msururu wa usambazaji wa bidhaa kote duniani yalisababishwa na vita baina ya Urusi na Ukraine, kupanda kwa bei ya bidhaa msingi, kuongezeka kwa gharama za mafuta na ukame ulioshuhudiwa kote katika ukanda huu uliathiri vibaya utendaji wa Shirika hili.

Shirika lilisajili ukuaji katika mapato ya kidijitali na linaendelea kutilia maanani uvumbuzi wa bidhaa kwenye vituo na mifumo yetu yote ili kufanya hadhira kununua, kushiriki na kuboresha uchumishaji wa bidhaa zetu nyingi za kidijitali. Hii itafanywa sambamba na kudumisha uwepo thabiti wa Shirika katika vyombo vya habari vya machapisho na matangazo kwa kuendelea kutoa maudhui ya aina yake na muhimu kwa hadhira zetu.



## Taarifa ya Mwenyekiti (inaendelea)

### Migao

Wakurugenzi wanapendekeza malipo ya mgao wa mwisho wa mapato ya hisa ya Shs 1.50 kwa kila hisa kwa mtaji wa hisa uliotolewa na ulioliwa kikamilifu ambao umerekebishwa kwa ajili ya hisa za kifedha (hisa za 190,295,163 za kawaida kwa thamani ya Shs 2.5 kwa kila hisa), hii ikisubiri kuidhinishwa na wenyehisa wakati wa Mkutano Mkuu wa Kila Mwaka. Hakuna mgao wa mapato ya hisa ya muda ulioliwa katika mwaka huu.

### Mpango wa Ununuzi wa Hisa

Bodi ya Wakurugenzi wa NMG waliamua kupendekeza washikadau wake kununua hadi asilimia kumi (10%) ya mtaji wa hisa yake uliotolewa na ulioliwa kikamilifu (ambao umerekebishwa kwa ajili ya hisa za kifedha), katika Mpango wa Ununuzi wa Hisa Zake kwa mujibu wa vifungu vya sheria za Makampuni na Kanuni za Masoko ya Mtaji (Dhamana) (Ofa za Umma, Uorodheshaji na Ubainishaji), 2002. Hii itawapa washikadau wa NMG chaguo la kuuza uwekezaji wao na kupata pesa. Mpango wa Ununuzi wa Hisa unafuata kanuni na uidhinishaji wa mshikadau.

Ununuzi wa hisa hutokea wakati kampuni inanunua kutoka kwa uwekezaji wake sehemu ya hisa zake zilizotolewa. Ni mojawapo ya njia za kampuni kurudisha fedha kwa washikadau wake, kupunguza kwa ufanisi idadi ya hisa zilizotolewa na kuongeza haki za usawa za hisa yoyote moja. Ununuzi wa hisa hulenga kuwapa washikadau chaguo mbadala wa kuongeza thamani kutoka kwa uwekezaji wao.

### Uongozi katika Mawazo

Mwaka uliotangulia ulishuhudia Shirika kuimarisha nafasi yake ya uongozi katika



**Nchini Kenya tuliandaa *Nation Leadership Forums (NLF)* kwa mwaka wa 6 kwa mpigo, *Kongamano la Kawi Endelevu* ambalo lilikuwa la kwanza kabisa, *SME Expo and Conference*, *Onyesho la Kazi la Nation-Huwaei*.**



**Katika muda wote wa uwepo wetu, Nation imesimama kidete na thabiti katika dhoruba kali ya kisiasa, kiuchumi na kijamii kufanya lengo letu muhimu la 'kuchochea jamii kwa njia chanya'.**

kuendesha mazungumzo muhimu kupitia kuleta pamoja mijadala ya uongozi wa kimawazo yenye athari kubwa ili kuwezesha maendeleo ya ukanda huu na bara Afrika. Kuhusiana na hili, Shirika lilifanya misururu ya mijadala ya nchi mahususi. Nchini Kenya tuliandaa *Nation Leadership Forums (NLF)* kwa mwaka wa 6 kwa mpigo, *Kongamano la Kawi Endelevu* ambalo lilikuwa la kwanza kabisa na *SME Expo and Conference*, Onyesho la Kazi la *Nation-Huwaei*. Nchini Uganda, tuliandaa *The Economic Summit* huku nchini Tanzania tukiandaa Mijadala ya *Mwananchi Thought Leadership*. Mijadala hii ilishughulikia nyanja muhimu kama vile miji inayojali mazingira, ukosefu wa ajira kwa vijana, kilimo, elimu, afya, Biashara Ndogo na za Wastani (MSMEs), uchumi, utengenezaji bidhaa, teknolojia na nyinginezo.

Shirika liliendelea kutekeleza jukumu lake la kutoa taswira ya mustakabali wa bara la Afrika kama 'Media of Africa for Africa' kwa kuandaa makala ya nne ya *Tamasha la Kusi Ideas*. Mwaka jana, tamasha hilo lilirejea nchini Kenya katika jiji kuu chini ya mazingira mazito ya eneo la maarufu na lililolindwa la mazingira nchini Kenya, Msitu wa Karura. *Tamasha la Kusi Ideas*, ambalo kaulimbiu yake ilihusu, "Changamoto ya Mabadiliko ya Tabianchi: Kuchunguza Miiitiko na Suluhu za Kiafrika" lilichunguza athari ya mabadiliko ya tabianchi kama tishio linalozidi kuwa kwa maisha na hali za maisha barani Afrika - kuanzia athari yake kwa utoshelevu wetu wa chakula hadi mipango na uvumbuzi wa Kiafrika unaohitajika ili kulinda bara hili. Makala haya yalifanyika tarehe 8 - 9 Desemba 2022, baada ya kongamano la COP-27, ambalo lilikuwa limeisha nchini Misri.

Kongamano hilo lilivutia wazungumzaji 50, kutoka kote barani Afrika. Liliungwa mkono kwa pamoja na William Ruto, Rais wa Jamhuri ya Kenya na lilihudhuriwa na Paul Kagame, Rais wa Jamhuri ya Rwanda, Philip Mpango, Makamu wa Rais wa Jamhuri ya Tanzania, Sultan Rahim Aga Khan, Aga Khan Development

Network, Bi. Rosalinda Soipan Tuya, Waziri wa Mazingira na Misitu, Anne Waiguru, Mwenyekiti, Baraza la Magavana, Balizi Meg Whitman, Balizi wa Marekani nchini Kenya, Prof. Patrick Verkooijen, Afisa Mkuu Mtendaji Global Centre on Adaptation, miongoni mwa washikadau wengine ikiwa ni pamoja na wawakilishi kutoka jumuiya ya kidiplomasia, wataalamu, wavumbuzi, wanazuoni, wajasiriamali na wakuu wa sekta mbalimbali. Lilihudhuriwa na wajumbe 524 waliohudhuria ana kwa ana, wajumbe 3,449 waliohudhuria mtandaoni na Televisheni ikifikia watu milioni 1.83 na zaidi ya watumiaji milioni 28 kwenye mtandao wa kijamii.

### Ajenda ya Uendelevu

Katika muda wote wa uwepo wetu, Nation imesimama kidete na thabiti katika dhoruba kali ya kisiasa, kiuchumi na kijamii kufanya lengo letu muhimu la 'kuchochea jamii kwa njia chanya'. Miongo kadhaa baadaye, tunajivunia turathi hii ya kuunda thamani kwa jamii zilizo karibu nasi na bado tupo katika nafasi ya mbele ya kufanikisha hili na majukumu mengine ya kimaendeleo. Hakika, katika miongo sita iliyopita, NMG kupitia ushirikiano imewekeza rasilimali za kutosha kupitia mijadala ya uongozi, kampeni kali, muda hewani, nafasi kwenye magazeti, muda wa likizo kwa wafanyakazi, rasilimali za kifedha ili kutatua masuala ya kijamii kama vile mazingira, njaa, elimu, afya, na masuala mengine ya maendeleo ya jamii.

Hivyo, tunapoendelea na safari ya kuwa shirika linalojituma zaidi, linalolenga wateja na kuendesha na data, lengo la Shirika hili litaendelea kuwa nguzo katika kuendesha uendeleu wa biashara yetu kupitia kuleta manufaa ya kudumu katika jamii. Lengo ni kuendelea kudumisha Kampuni hii kama chaguo la kimkakati na la kudumu la mshirika.

Ni kwa sababu hii ambapo Wakfu wa Nation Media ulianzishwa kwa lengo la kuwezesha Shirika hili kuendesha mchango wetu na kuboresha mipango katika juhudi za kufikia



## Taarifa ya Mwenyekiti (inaendelea)

Malengo Endelevu ya Maendeleo katika nyanja za: Elimu na Kusoma na Kuandika; Usimamizi wa Mali Asili na Mabadiliko ya Tabianchi; Afya; Maendeleo ya Vyombo vya Habari; na Maendeleo ya Jamii kupitia Ujasiriamali na Misaada ya Kibinadamu. Wakfu huo ni msingi wa kitaasisi wa juhudi zetu za kuhakikisha uthabiti, mikakati ya kukusudia na yanayolengwa kupitia mbinu ya thamani ya pamoja ambayo itakuwa na ufikiaji mpana na kuleta mageuzi endelevu katika jamii.

Mojawapo ya masuala muhimu ambayo tunashikilia kwa dhati ni elimu, ambayo ni msingi wa Mpango wa Mradi wa Wakfu. Mpango wa Elimu na Kusoma na Kuandika ni mkakati uliozinduliwa kote nchini ambao ulibuniwa ili kujibu changamoto ya viwango vya chini vya masomo, viwango vya chini vya ufikiaji wa vitabu na kuendeleza utamaduni wa kusoma. Vilevile, kwa kuangazia ukweli kwamba sisi ni watumiaji wa habari za kuchapishwa, tunalenga kuendelea kutilia maanani mipango ya mabadiliko ya tabianchi kama vile kupanda miti ili kuendelea kupunguza viwango vya kaboni tunavyochangia. Tayari tumeshirikiana na mashirika kama vile Wakfu wa Green Blue Foundation Afrika, Family Bank, Huduma ya Misitu ya Kenya kwa ajili ya shughuli ya upanzi upya wa miti katika Milima ya Ngong na kaunti kama vile Machakos na Uasin Gishu kwa urejeshaji minara ya maji.

### Mabadiliko kwenye Bodi

Kulikuwa na mabadiliko fulani kwenye Bodi mwaka uliopita. Anwar Poonawalla alistaafu kwenye Bodi ya NMG. Poonawalla alijiunga na bodi hii kama mkurugenzi asiye mtendaji mnamo mwezi Juni 1989. Katika kipindi hicho alikuwa mwanachama wa Kamati ya Ukaguzi, Hatari na Utiifu, Uteuzi na Utawala na Idara ya Wafanyakazi. Bodi inamshukuru kwa dhati Poonawalla kwa miaka 33 ya kujitolea kuhudumu kwa Bodi ambapo Bodi ilinufaika kutokana na uzoefu wake mpana katika utawala, usimamizi, fedha na uundaji wa mikakati.

### Watu Wetu

Mageuzi ya Shirika yanafanyika kwa kuweka mazingira mazuri ambapo timu yetu imewezeshwa kwa kupewa ujuzi unaofaa na teknolojia ya kuondoa ujuzi wa zamani, kujifunza ujuzi tena na kujifunza ujuzi mpya huku tukikuzi NMG ya siku za baadaye. Kwa hivyo, tumeweka maanani



**Tunatambua kuwa mageuzi haya yanahitaji tufanye mabadiliko kutoka chapa hadi shirika linalowapa hadhira na wateja kipaumbele na kuhudumia wahafidhina na wanafanya mambo kidijitali kwa pamoja.**

katika kukuza utamaduni wa uwazi, wa huruma na jumuishi wenye matokeo bora zaidi ambao ni wa usawa, wa kirafiki na kuburudisha ambapo kila mtu katika shirika ni balozi wa ajenda ya mageuzi.

### Mustakabali Wetu

Katika ulimwengu ambapo hadhira imeegemea kufanya mambo ya kijamii kidijitali kwa dhati, njia ya pekee ya kuleta thamani kwao ni kufanya mageuzi ili kuwa shirika la habari la kiuvumbuzi linaloaminika ambalo linawafaa katika maisha yao kwa kuwa chombo kinacholeta maudhui ya kipekee, ya ubora wa juu kwa kuwarahisishia mambo kwa njia wanayopendelea. Tunatambua kuwa mageuzi haya yanahitaji tufanye mabadiliko kutoka chapa hadi shirika linalowapa hadhira na wateja kipaumbele na kuhudumia wahafidhina na wanafanya mambo kidijitali kwa pamoja.

Kuhusiana na hili, mustakabali wa Shirika ni kuendelea kufahamu mahali tunapohitaji kulitia maanani huku tukielewa mfumo ikilinganishwa na maudhui na vigezo visivyobadilika ikilinganishwa na vinavyobadilika. Hii inamaanisha kubadilisha njia zetu za kufanya kazi ili kukita data katika mbinu zetu za kufanya uamuzi na mbinu mpya za kuunda bidhaa zinazotuwzesha kukumbatia makosa (madogo) kwa kukosa haraka lakini kwa gharama tunayoweza kumudu. Hii pia itahusisha uvumbuzi upya wa hali yetu ya utumiaji ili kuunda maudhui ya kuwafaa watumiaji na kuendesha ushirikisho wa watu kupitia vifaa vya mkononi, kuongoza mwanamke(mwanaume) na mashine na kuwezesha watu na utamaduni wetu huku tukiongeza uwezo wetu wa uhandisi kupitia kuajiri talanta mpya.

Mustakabali huu utatupelekea kuchunguza njia za kuingia katika masoko mapya yanayoibuka. Ninafurahi kuripoti kwamba Shirika hili tayari limeanza juhudi hizi kwa kupanga kongamano la kwanza la *The East African Business Conference and Trade Fair* jijini Kinshasa katika Jamhuri ya

Kidemokrasia ya Kongo (DRC). Kongamano hilo lilileta pamoja biashara na wakuu wa sekta mbalimbali kutoka kote katika ukanda wa Afrika Mashariki ili kuchunguza fursa za uwekezaji nchini DRC. Kuna fursa kubwa hata zaidi kwa biashara yetu nchini DRC kupanuka kutokana na hatua ya nchi hiyo kujiunga na Jumuiya ya Afrika Mashariki. Shirika hili tayari linaweka hatua za kuchunguza uwezekano huu na kuingia nchini DRC.

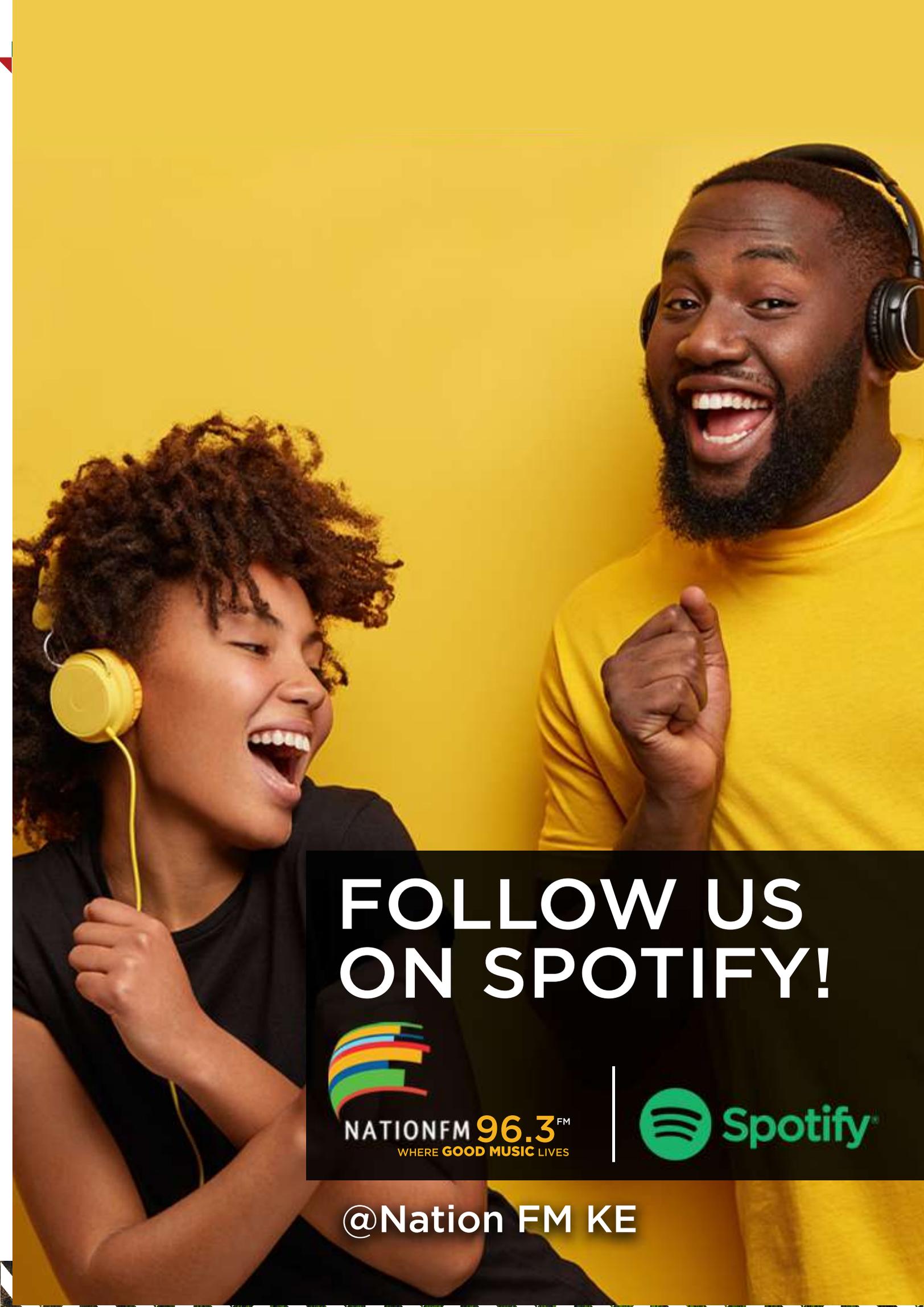
Bodi ina imani kubwa kwa usimamizi na wafanyakazi kufanikisha mustakabali huu mpya wa kimageuzi. Tumeona ahadi, ari na juhudi zinazoelekezwa katika kutoa taswira ya shirika mpya ambalo litaweka biashara katika nafasi thabiti na endelevu. Kampuni nyingine za habari kote duniani zimeweza kubadilisha na kuanza kufanya mambo kidijitali wakati kumekuwepo na vurugu na tuna matumaini kuwa NMG itafanikiwa katika juhudi hizi.

Ninataka kushukuru wafanyakazi wenzangu kwenye Bodi kwa ustahimilivu, kujitolea na maono yao. Bila shaka kujitolea kwao bila kutetereka na mchango wao umefanya Shirika kuendelea kuweka kasi katika safari yetu ya kufikia mageuzi.

Acha nimalize kwa kuchukua fursa hii kuwapa kongole usimamizi na wafanyakazi kwa juhudi, ari na kufanya kazi kama timu katika kufanya kazi kwa pamoja ili kufanikisha si tu ahadi yetu bali pia kuweka Shirika katika nafasi nzuri kwa ajili ya kesho iliyo bora. Kwa washikadau wetu, washirika wa biashara, wateja wetu na washikadau wengine, sisi ni nyinyi na nyinyi ni sisi. Asanteni kwa kutuamini kufanikisha mambo yetu kila siku ya kuwepo kwetu.

Ahsanteni sana.

**Dkt. Wilfred D. Kiboro**



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**Mr. Stephen Gitagama**  
*Group CEO*

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# Group CEO's Statement

The East African market was poised for growth in 2022, mainly driven by development in the private sector, the resumption of services and industry, the slowdown in the Covid-19 infection rates, regional integration and an initial recovery in agricultural production. The digital transformation also worked to spur the region's economic transformation by driving job creation and innovation in different industries.

However the regional economies experienced a slow down in 2022 due to the macro economic factors indicated in the chairman's statement. The year in review also saw NMG launch new consumer experience campaigns and events, test novel initiatives, offer unrivalled content across platforms, collaborate across departments and enter strategic partnerships that drove our business agenda. As a result, we saw growth in revenue in the regional offices, backed by the re-opening of the Ugandan economy and increased creative supplements and events in Tanzania. The Kenyan market also ramped up its revenue-generating initiatives, including increased event ticketing sales via *Kenyabuzz*.

## Financial Performance

The Group's profit before tax at Shs 0.5 billion was lower than the previous year. 2022 was challenging for our business as the region faced extended drought, rising energy costs, weakened consumer spending, and an uncertain political environment. These macroeconomic factors resulted in a relatively depressed business environment, with the slowdown being more pronounced in Kenya. The overall performance was partially cushioned by growth in revenue from our niche products- *Business Daily*, *The EastAfrican* and *Taifa Leo* and increased revenue from digital products and services and experiential events.

The Group's profitability was also adversely impacted by the drastic rise in global newsprint prices and the depreciation of the Kenya Shilling against the US Dollar, aggravating the cost of imported raw materials. The Group has sustained cost containment



**The overall performance was partially cushioned by growth in revenue from our niche products- *Business Daily*, *The EastAfrican* and *Taifa Leo* and increased revenue from digital products and services and experiential events.**

and improved operational efficiency from business optimisation initiatives.

## Regional Marketing Activities Kenya

*The Business Daily* underwent a redesign focused on digital first with a refined business content strategy. This saw the brand get a facelift across its print, digital and social media presence. 2022 also saw *NTV Kenya* successfully launch a revamped website that allowed it to carry more real-time multimedia content and keep the content consumer engaged with the latest and most relevant news and information. With a Kantar research

paper indicating that TV audiences also turn to the internet for news and information, the multimedia site will continue to enable our audiences to access content on the go.

*Top 40 under 40*, an initiative of the *Business Daily* that seeks to celebrate transformative leaders and high achievers in the country, last year introduced the *Top40 Club*, a quarterly networking and knowledge platform that brings the Top 40 alumni together for insightful and engaging sessions. The launch, hosted under the theme, *Leadership, Purpose and Sustainability*, featured a fireside chat with Paul Polman, a business leader and campaigner who co-authored "*Net Positive: how courageous companies thrive by giving more than they take*" a book that was named the Financial Times Best Business Book of the Year (2021).

The *Top 100 SME Awards* were relaunched following a two-year hiatus due to the Covid-19 pandemic, with the 2022 awards recognizing that businesses must be socially conscious of their environment and communities to truly thrive and create value for themselves and their stakeholders. As such, we introduced new award categories that focused on sustainability, Corporate Social Responsibility (CSR), diversity and inclusion. NMG is invested in ensuring that



L-R\_ Jeremy Awori, Phyllis Wakiaga and Stephen Gitagama at the Top 40 Club Launch at the Capital Club





## Group CEO's Statement (continued)



Finalists follow proceedings at the Top 100 SMEs Gala Dinner in Uganda



**In 2022, we ideated and executed multiple new events to reach our varied audiences at their point of need.**

beyond the awards, Small and Medium Sized Enterprises (SMEs) have access to information, opportunities to learn from other entrepreneurs' journeys and network through our publications and other events such as the *SME Conference and Expo* among others.

In 2022, we ideated and executed multiple new events to reach our varied audiences at their point of need. We introduced *Mancave*, a networking event for men only. The inaugural event attracted hundreds of men and built a case for the event to become a series in 2023. We also hosted an *International Women's Day Gala Dinner*, which created a space to celebrate women and drive for gender equity. In the last quarter of the year, we introduced a *Mental Wellness and Counselling Breakfast* that brought HR practitioners and employers together to discuss mental health and how it affects individuals at the workplace and initiatives to create a healthy workplace.

In the same quarter, we held a *Job Fair and Conference* hosted in partnership with Huawei that brought potential employers

and job seekers to discuss the gaps in employment in Kenya, opportunities for new graduates, and networking engagements, among others. The event attracted thousands of job seekers, tens of employers, and was graced by the Deputy President of the Republic of Kenya, H.E. Rigathi Gachagua, and other government officials.

### **Monitor Publications Limited (MPL) @ 30**

MPL in Uganda celebrated 30 years of existence in 2022. In this time, it has continued to witness Uganda's evolution and drive NMG's base reason for its existence - to be a voice for the voiceless - an agenda it has fought for over the years.

The *Daily Monitor* paper, which it produces, has been a pace setter in the Uganda market over the years - it was the first to print in full colour in the country, has been a training ground for journalists, has driven the freedom of press agenda and boasts the biggest news website across the country.

The Uganda paper celebrated the anniversary over the year, under the theme "*Celebrating the Past and Shaping the Future*" with a breakfast and public lecture at the Serena Hotel inviting its key stakeholders from across the country. It also continued to run various initiatives from its iconic

farm clinics, the *Rising Woman Initiative*, *Top 100 Medium Sized Companies* and launched two new newspaper editions - Tesa and Luka Kalangala editions.

### **Mwananchi Communications Limited (MCL)**

MCL organized a second edition of *The Citizen Rising Woman Initiative* under the theme "*Equality today for a sustainable tomorrow*". The initiative aims to develop women leaders capable of playing leading roles in public and private institutions and contributing to business growth in the changing competitive world. Prior to this, MCL executed *The Citizen Women in Energy* breakfast as a pre-cursor to *The Citizen Rising Woman*. The event sought to recognize and celebrate individuals going above their call of duty to facilitate and acknowledge the role of women in the energy sector.

The year also saw MCL partner with *Vodacom Tanzania* to launch *eGazeti* on the My Vodacom App to give readers easy access to the *Mwananchi*, *Mwanaspoti* and *The Citizen* newspapers online. The "*Habari Zindelee*" campaign launch aimed to create awareness about the partnership and drive readership.

Throughout the year, the organization ran farm clinic symposiums, *Mwananchi Thought Leadership Forum and Newspapers in Education (NiE)* initiatives, driving new





## Group CEO's Statement (continued)



partnerships with the public and private sectors to scale the activities and drive impact in the country.

### Environment, Social and Governance (ESG) Journey

In the current environment, sustainable business, social impact, purpose, community engagement and shared value have become bona fide terminology in the global business community. The Covid-19 pandemic further heightened the need for organizations' leadership to balance organization, environmental, social and human needs with issues such as climate change, gender equality, mental health and others coming to the fore.

In an age where consumers are embracing purposeful brands and businesses that create value for their stakeholders and society, it has become imperative to integrate sustainability into our operations. This means balancing the Group's needs in the present day with the needs of future generations.

In a report discussing the importance of Environment, Social and Governance (ESG) reporting, KPMG indicated that ESG is core to the company's strategy; and



**The ESG journey will enable us to do exactly this – examine our impact on society across environmental, social and governance aspects and make long-term decisions and strategies that drive the best interests of our various stakeholders**

that companies can only be successful in the long term if they are taking care of the people in their supply chain, customers, employees, and the environment. It is not altruism—it is business, and it is a win-win.

As NMG takes its journey towards becoming a more agile, customer-centric and data-driven organization, sustainability will increasingly become a key enabler to drive business continuity

by driving lasting benefits for the community. The objective is to continue entrenching the Group as a strategic and sustainable partner of choice.

The ESG journey will enable us to do exactly this – examine our impact on society across environmental, social and governance aspects and make long-term decisions and strategies that drive the best interests of our various stakeholders and the Group. Following our initial assessments, we have identified various material issues that we shall be continually monitoring and reporting on. These range from responsible journalism, corporate governance, environmental impact, employee welfare and social impact, which will be covered later in this report.

We are cognizant that we may be in the early stages of this journey in creating a framework, identifying our key material aspects and putting in strategies and measures for our core impact areas, but we are committed to running the marathon and driving impact.

### Global Recognition

The *Kusi Ideas Festival* was awarded for the second year running at the 2022 International News Media Association Global Awards, clinching first place in the "Best Use of an Event to Build a News Brand" category while *Nation Africa* got an honourable mention in the Best Initiative to Acquire Subscribers category. In Tanzania, MCL came in first at the Employer of the Year Awards in the Gender Equality and Equity category, and won the Excellence in Event Marketing segment at the Tanzania Marketing Science Awards. NMG employees from across the region were also feted by various institutions – 18 employees were recognized in Tanzania, 14 in Uganda and 31 in Kenya.

### Organisation Transformation

Over the years, the global media industry has experienced headwinds, forcing organisations to re-evaluate their strategies and capacities to ensure that they are





## Group CEO's Statement (continued)



Participants line up for job application and career guidance at the Nation Huawei Job Fair at KICC



**As we drive towards adjusting our way of working for the future, we continue to find opportunities to optimize our current business, from print to broadcast.**

building fit-for-purpose and sustainable organisations that speak the consumers' language. The Group is therefore transforming into an agile, customer-centric and data-driven organisation to deliver customer, employee and shareholder value.

NMG has therefore begun to shift focus to key enablers to make this value creation a reality. We will invest in extensive research to know and understand our audiences and develop products that resonate with them through an experiment-driven, go-to-market product development approach that will enable us to test our content, product or services before fully launching in the market.

This approach will allow us to invest in the right technology and redesign our products, personalise them to our existing and new audiences and build apps that will act as an extension of our existing offerings to drive engagement, offline reading and on-board new audiences.

To enable us to achieve this, we are actively building a workforce of the future by enhancing capacity across the organization in different markets. We are identifying the existing gap between the skills needed for the organization of the future against our current human talent skill set and deliberately investing in them to ensure they are best in class in their respective roles, from engineering to product development and digital, among others. Initial research and assessments have indicated that a small percentage of our content drives the highest engagement from our audiences. As such, we are intentionally upskilling our journalists to create premium and multimedia content.

As we adjust our way of working for the future, we continue to find opportunities to optimize our current business, from print to broadcast. The Media Council of Kenya (MCK) State of the Media Report of 2022 indicated that TV and radio consistently stand out as the leading platforms used by Kenyans for news content. As such, we believe there is great potential in our broadcast business across the region and will continue investing in it to exploit its growth opportunities.

### Appreciation

I sincerely thank our customers – those who read, watch or listen in on the

content we produce and those who trust our brands to carry their messages, campaigns and achievements. Because of you, we continue to innovate to serve you better.

To the Group staff in Kenya, Tanzania, Uganda and Rwanda, I say asante sana, for the resilience, commitment, passion and tenacity you have shown – it has been instrumental in driving the business forward in an industry that has faced challenges in the past year.

To our Board of Directors, our partners and our shareholders, you continue to believe in us and offer unrivalled support in what we do, and for that, we thank you.

As we look forward to a new year, I believe we are entering into a new business era – one where we drive value to our stakeholders above all else. I look forward to your continued support in this venture.

**Stephen Gitagama**  
Group Chief Executive Officer



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**Mr. Stephen Gitagama**  
Afisa Mkuu Mtendaji wa  
Kampuni

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## Ripoti Ya Afisa Mkuu Mtendaji Wa Kampuni

**S**oko la Afrika Mashariki lilikuwa na uhakika wa kukua mwaka 2022, ukuaji ambao ulichangiwa pakubwa na maendeleo katika sekta ya kibinafsi, kurejea kwa shughuli za kawaida katika utoaji wa huduma pamoja na viwanda, kupungua kwa viwango vya maambukizi ya UVIKO-19, umoja wa kikanda na kurejea kwa sehemu ya awali ya uzalishaji katika sekta ya kilimo. Kadhalika, mageuzi ya kidijitali yalichangia katika kuchochea mageuzi ya kiuchumi kwenye ukanda huu kwa kuwezesha uundaji wa nafasi za kazi na uvumbuzi katika tasnia tofauti.

Hata hivyo, chumi za ukanda huu zilishuhudia kudorora kwa mazingira ya uchumi mnamo 2022 kutokana na hali za kifedha kama ilivyoelezwa katika Taarifa ya Mwenyekiti. Mwaka unaoangaziwa NMG ilizindua kampeni na matukio mapya yaliyolenga hali ya matumizi ya watumiaji, mipango ya majaribio ya bidhaa mpya, kutoa maudhui ya aina yake kwenye majukwaa yake yote, kushirikiana na idara zote na kufanya ushirikiano wa kimkakati unaoendesha ajenda ya biashara yetu. Kutokana na hayo, tulishuhudia ukuaji katika mapato kwenye ofisi za kikanda, kufuatia kufunguliwa tena kwa uchumi wa Uganda na kuongezeka kwa viziada pamoja na matukio ya kiubunifu nchini Tanzania. Kadhalika, soko la Kenya liliboresha mipango yake inayozalisha mapato, ikijumuisha ongezeko la mauzo ya tiketi za matukio kupitia *Kenyabuzz*.

### Utendaji wa Kifedha

Faida ya Kampuni kabla ya ushuru ya Shs. bilioni 0.5 ilikuwa kiwango cha chini kuliko mwaka uliopita. Biashara yetu ilipitia changamoto katika mwaka wa 2022 wakati ukanda huu ulikumbana na kiangazi kilichodumu kwa muda mrefu, kupanda kwa gharama za kawi, kudorora kwa viwango vya matumizi ya mtumiaji pamoja na hali tete ya kisiasa. Vigezo hivi vidogo vya kiuchumi vilisababisha kuhujumika kwa mazingira ya biashara, huku kupungua kwa shughuli kukishuhudiwa zaidi nchini Kenya. Utendaji wa jumla ulilindwa kwa kiasi fulani na ukuaji wa mapato kutokana na bidhaa zetu za kipekee- *Business Daily*, *The EastAfrican* na *Taifa Leo* na kuongezeka kwa mapato kutokana na bidhaa na huduma za



**Aidha katika mwaka unaoangaziwa NMG ilizindua kampeni na matukio mapya yaliyolenga hali ya matumizi ya watumiaji, mipango ya majaribio ya bidhaa mpya, kutoa maudhui ya aina yake kwenye majukwaa yake yote.**

kidijitali na matukio ya hali ya matumizi ya bidhaa.

Hata hivyo, viwango vya faida za Kampuni viliathiriwa pakubwa na ongezeko la ghafala la gharama ya uchapishaji wa habari kote duniani na kudorora kwa thamani ya Shilingi ya Kenya dhidi ya Dola ya Marekani, hali iliyochangia kupanda kwa gharama ya kuagiza malighafi. Kampuni imedumisha ufanisi katika kuthibiti gharama na kuimarisha utendakazi kutokana na mikakati ya kuboresha biashara.

### Shughuli za Utafutaji Soko Kikanda Kenya

Gazeti la *Business Daily* lilisanifiwa upya kwa lengo la kutoa kipaumbele kwa masuala ya kidijitali kwa mkakati uliojaa maudhui ya biashara. Hii ilisababisha bidhaa hiyo

kuboreshwa katika uwepo wake kwenye machapisho, majukwaa ya kidijitali na mitandao ya kijamii. Aidha, mnamo 2022, *NTV Kenya* ilifanikiwa kuzindua wavuti wake ulioboreshwa ambao uliwezesha kutoa maudhui yakutosha ya habari-anuwai kwa muda halisi ili kuwashirikisha watumiaji wa maudhui yake kwa kuwapa habari na taarifa za hivi punde na zinazowafaa zaidi. Huku chapisho la utafiti la Kantar likiashiria kwamba hadhira ya Runinga pia hugeukia intaneti ili kupata habari na taarifa, wavuti huo wa habari-anuwai utaendelea kuwezesha hadhira kufikia maudhui popote walipo.

*Top 40 under 40*, mradi wa *Business Daily* unaolenga kusherehekea viongozi wanaoleta mageuzi na waliopata mafanikio makubwa nchini, mwaka jana ulianzisha *Top40 Club*, ambalo ni jukwaa la mtagusano na ujuzi linalokutana kila robo mwaka na kuleta pamoja waliofuzu katika Top 40 pamoja kwa vipindi vya maarifa na kuwashirikisha. Uzinduzi huo, uliofanywa chini ya kauli mbiu ya, *Uongozi, Lengo na Uendeleu*, ulijumuisha gumzo na Paul Polman, kiongozi na mwanaharakati wa biashara ambaye alikuwa mmoja wa waandishi wa "*Net Positive: how courageous companies thrive by giving more than they take*" kitabu ambacho kilitawazwa kama Kitabu Bora cha Biashara cha Mwaka 2021 na shirika la Financial Times.

*Tuzo za SME za Top 100* zilizinduliwa tena baada ya kusitishwa kwa miaka miwili kutokana na tandavu ya UVIKO-19, huku tuzo za 2022 zikitambua kwamba ni sharti biashara ziwe na ufahamu wa kijamii wa



Kushoto-Kulia: Jeremy Awori, Phyllis Wakiaga na Stephen Gitagama kwenye hafla ya Uzinduzi wa Top 40 Club huko Capital Club



## Ripoti Ya Afisa Mkuu Mtendaji Wa Kampuni (inaendelea)



Kwa makini sana, washindi wanafuatilia programu ya chakula cha jioni (chajio) kwenye hafta ya Top 100 SMEs Gala Dinner nchini Uganda



**Mwaka 2022, tuliwazia na kutekeleza matukio mengi mapya ili kufikia hadhira yetu tofauti ili kutatua mahitaji yao.**

mazingira na jumuiya yao ili kufanikiwa kwa kweli na kuunda thamani kwa ajili yao na washikadau wao. Kutokana na hayo, tulianzisha kategoria mpya ya tuzo ambayo inalenga uendeleu, Kuwajibika kwa Kampuni Kijamii (CSR), uanuwai na ujumuishaji. NMG imewekeza katika kuhakikisha kwamba mbali na tuzo hizo, Biashara Ndogo na za Wastani (SMEs) zina uwezo wa kufikia taarifa, fursa za kujifunza kutokana na safari na mawanda ya wajasiriamali wengine kupitia kwa machapisho na matukio yetu mengine kama vile *Kongamano la SME na Maonyesho* miongoni mwa mengine.

Mwaka 2022, tuliwazia na kutekeleza matukio mengi mapya ili kufikia hadhira yetu tofauti ili kutatua mahitaji yao. Tulianzisha *Mancave*, tukio la kutangamana kwa ajili ya wanaume pekee. Tukio la kwanza lilivutia mamia ya wanaume na likaweka msingi kwa tukio hilo kuwa msururu mwaka 2023. Kadhalika, tuliandaa *Chajio Kuu cha Siku ya Kimataifa ya Wanawake*, tukio lililotoa nafasi ya kusherehekea wanawake na kupigania usawa wa kijinsia. Katika robo ya mwisho ya mwaka, tulianzisha *Mental Wellness and Counselling Breakfast*, tukio ambalo lilileta pamoja washikadau wa HR na waajiri

ili kujadili suala la afya ya kiakili na jinsi inavyoathiri watu katika sehemu za kazi na mipango ya kuweka mazingira salama ya kufanyia kazi.

Katika robo hiyo hiyo ya mwaka, tulifanya *Job Fair and Conference*, tukio lililoandaliwa kwa ushirikiano na Huawei lililoleta pamoja watu wanaoweza kuwa waajiri na watu wanaotafuta kazi ili kujadili changamoto katika ajira nchini Kenya, fursa kwa watu waliofuzu majuzi, na ushirikiano wa kupanua mawanda, miongoni mwa mengine. Tukio hilo lilivutia maelfu ya watu wanaotafuta kazi, mamia ya waajiri na lilihudhuriwa na Naibu wa Rais wa Jamhuri ya Kenya, Mheshimiwa Rigathi Gachagua na maafisa wengine wa serikali.

### **Monitor Publications Limited (MPL) @ 30**

MPL nchini Uganda ilisherehekea miaka 30 ya kuwepo mnamo mwaka 2022. Katika wakati huu, iliendelea kushuhudia ukuaji wa Uganda na kuendesha msingi mkuu wa kuwepo kwa NMG - kuwa sauti kwa wanyonge, ajenda ambayo imepigania kwa miaka mingi.

Gazeti la *Daily Monitor*, ambalo inachapisha, limekuwa likifanya vyema katika soko la Uganda kwa miaka mingi, lilikuwa la kwanza kuchapishwa kwa rangi kamili nchini humo, limekuwa ni uwanja wa mafunzo kwa wanahabari, limepigania uhuru wa wanahabari na linajivunia wavuti mkubwa zaidi wa habari katika nchi hiyo nzima.

Gazeti hilo la Uganda lilisherehekea maadhimisho mwaka huu, chini ya kauli mbiu ya *"Kusherehekea ya Zamani na Kutoa Taswira ya Siku za Baadaye"* katika halifa ya kiamsha kinywa na mkutano wa hadhara katika Hoteli ya Serena na kualika washikadau wakuu kutoka kote nchini. Liliendelea kufanya mipango yake mbalimbali kuanzia zahanati zake za aina yake za mashamba, *Rising Woman Initiative*, *Top 100 Medium Sized Companies* na kuzindua matoleo mawili mapya ya gazeti- matoleo ya Tesa na Luka Kalangala.

### **Mwananchi Communications Limited (MCL)**

MCL iliandaa awamu ya pili ya *The Citizen Rising Woman Initiative* chini ya kaulimbiu ya *"Usawazishaji leo kwa kesho endelevu"*. Mpango huo unalenga kukuza uwezo wa viongozi wanawake wa kuchukua nafasi za uongozi katika asasi za umma na za kibinafsi na kuchangia katika ukuaji wa biashara katika ulimwengu shindani unaobadilika. Kabla ya hii, MCL iliandaa *The Citizen Women in Energy Breakfast* kama tukio la kutangulia lile la *The Citizen Rising Woman*. Tukio hilo lililenga kutambua na kusherehekea watu wanaofanya zaidi ya mwito kwao kuwezesha na kukiri nafasi ya mwanamke katika sekta ya kawi.

Kadhalika, mwaka huo ulishuhudia ushirikiano wa MCL na *Vodacom Tanzania* kuzindua *eGazeti* kwenye Programu ya My Vodacom ili kuwapa wasomaji uwezo wa kufikia magazeti ya *Mwananchi*, *Mwanaspoti* na *The Citizen* kwa urahisi mtandaoni.



## Ripoti Ya Afisa Mkuu Mtendaji Wa Kampuni (inaendelea)



Wanajopo wajadili kuhusu mbinu za kubadilisha na kupunguza athari za mabadiliko ya tabianchi katika kongamano la masuala ya tabianchi huko Kampala, Uganda

Kampeni ya “Habari Ziendelee” ilizinduliwa kwa lengo la kutoa uhamasisho kuhusu ushirikiano na kukuza idadi ya wasomaji. Katika mwaka huo mzima, shirika hilo liliendesha maonyesho ya zahanati za mashambani, mipango ya *Mwananchi Thought Leadership Forum na Newspapers in Education (NiE)*, ikisababisha ushirikiano mpya na sekta za umma na za kibinafsi ili kuongeza viwango vya shughuli na kuleta athari nchini.

### Safari ya Mazingira, Jamii na Uongozi (ESG)

Katika mazingira ya sasa, biashara endelevu, athari ya kijamii, shabaha, ushirikishaji wa jamii na maadili ya pamoja ni maneno ambayo yananasibishwa na jumuiya ya biashara kote duniani. Aidha, tandavu ya UVIKO-19 iliongeza hitaji la uongozi wa mashirika kusawazisha mahitaji ya shirika, ya kimazingira, kijamii na binadamu na masuala kama vile mabadiliko ya tabianchi, usawa wa kijinsia, afya ya kiakili na mengine yanayoibuka.

Katika enzi ambapo watumiaji wanakumbatia chapa na biashara zenye shabaha zinazoleta thamani kwa washikadau wake na jamii, imekuwa muhimu kujumlisha uendelevu katika operesheni zetu. Hii inamaanisha kusawazisha mahitaji ya Kampuni ya sasa na mahitaji ya vizazi vijavyo.

Katika ripoti inayojadili umuhimu wa kuripoti masuala ya Mazingira, Jamii na Uongozi (ESG), KPMG iliashiria kwamba ESG ni muhimu katika mkakati wa kampuni hiyo, na kwamba kampuni



**Safari ya ESG itatuwezesha kufanya hili haswa, kuchunguza athari yetu kwa jamii kwenye vigezo vya kimazingira, kijamii na uongozi na kufanya maamuzi ya muda mrefu na mikakati ambayo inasababisha masilahi bora ya washikadau wetu**

zinaweza tu kufaulu baada ya muda mrefu ikiwa zinalinda watu walio katika msururu wao wa usambazaji, wateja, wafanyakazi na mazingira yao. Si kitendo cha ubinafsi—ni biashara na ni muhimu pande zote zifaidike.

NMG inapofanya safari yake ya kutaka kuwa shirika shupavu, linalolenga wateja na linaloendeshwa na data, uendelevu utakuwa kigezo muhimu kinachoweza kuendesha uendelevu wa biashara kwa kuleta manufaa ya kudumu kwa jamii. Lengoni ni kuendelea kudumisha Kampuni hiyo kama chaguo la kimkakati na la kudumu la mshirika.

Safari ya ESG itatuwezesha kufanya hili haswa, kuchunguza athari yetu kwa jamii kwenye vigezo vya kimazingira, kijamii na uongozi na kufanya maamuzi ya muda mrefu na mikakati ambayo inasababisha masilahi bora ya washikadau wetu

mbalimbali na Kampuni. Kufuatia tathmini yetu ya awali, tumetambua masuala mbalimbali ya msingi ambayo tutaendelea kufuatilia na kuripoti kuhusu. Haya yanaanzisha uanahabari wa kuwajibika, uongozi wa kampuni, athari ya kimazingira, ustawi wa wafanyakazi na athari ya kijamii, ambayo yatashughulikiwa kwenye ripoti hii.

Tunatambua kwamba tunaweza kuwa katika hatua za mwanzo za safari hii katika kuunda mfumo, kutambua vipengele vyetu muhimu na kuweka mikakati na hatua kwa nyanja zetu za athari kubwa, lakini tumejitolea kuenda masafa hayo na kuleta athari.

### Utambuzi wa Kimataifa

Tuzo za *Kusi Ideas Festival* zilitolewa kwa mwaka wa pili mfululizo katika Tuzo za Kimataifa za Shirikisho la Vyombo vya Habari vya Kimataifa mwaka 2022, tukichukua nafasi ya kwanza katika kategoria ya “Best Use of an Event to Build a News Brand” huku *Nation.Africa* ikipata kutajwa kwa taadhima katika kategoria ya Mpango Bora wa Kupata Watumiaji Wanaojisajili. Nchini Tanzania, MCL ilikuwa ya kwanza katika Tuzo za Mwajiri Bora wa Mwaka katika kategoria ya Usawa na Usawazishaji wa Kijinsia, na kushinda kitengo cha Ufanisi katika Mauzo ya Tukio katika Tuzo za Sayansi ya Mauzo za Tanzania. Wafanyakazi wa NMG kutoka kote katika ukanda huu walituzwa na taasisi mbalimbali – wafanyakazi 18 walitambuliwa nchini Tanzania, 14 nchini Uganda na 31 nchini Kenya.

### Mageuzi ya Shirika

Kwa miaka sasa, tasnia ya habari kote duniani imepitia changamoto, zilizolazimu mashirika kutathmini upya mikakati na uwezo wao wa kuhakikisha kwamba yanakuzwa vyema ili yawe tayari kwa lengo na yawe mashirika endelevu yanayozungumza lugha ya watumiaji. Kwa hivyo Kampuni hii inageuzwa kuwa shirika shupavu, linalolenga wateja na linaloendeshwa na data ili kuwapa thamani wateja, wafanyakazi na wenyehisa.

NMG inaendelea kufanya mageuzi ili kutuwezesha kuangazia zaidi vigezo



## Ripoti Ya Afisa Mkuu Mtendaji Wa Kampuni (inaendelea)



Washiriki wanapanga foleni ya maombi ya kazi na ushauri kuhusu taaluma katika hafla ya Nation Huawei Job Fair kwenye ukumbi wa KICC



**Tunapopiga hatua za kufanyia mabadiliko njia yetu ya kufanya kazi kwa ajili ya siku za baadaye, tunaendelea kupata fursa za kuboresha biashara yetu ya sasa, kuanzia uchapishaji hadi utangazaji hewani.**

vikuu vinavyotuwzesha kufanya uundaji huu wa thamani utimie. Tutawekeza katika utafiti wa kina ili kujua na kuelewa hadhira yetu na kuunda bidhaa wanazozipenda kwa kutumia mbinu inayoendeshwa na majaribio, uundaji wa bidhaa kwa kuenda sokoni, mbinu ambayo itatuwezesha kufanyia maudhui, bidhaa au huduma zetu majaribio kabla ya kuzindua sokoni kikamilifu.

Mbinu hii itatuwezesha kuwekeza katika teknolojia inayofaa na kuunda upya bidhaa zetu, kuzifanya ziwe za kufaa hadhira yetu iliyopo na hadhira mpya na kuunda programu ambazo zitatumika kama viendelezi vya ofa zetu zilizopo za kushirikisha wateja, kuhimiza usomaji nje ya mtandao na kuandikisha hadhira mpya.

Ili kutuwezesha kufanikisha haya, tunaendelea kuweka pamoja kanikazi ya siku zijazo kwa kuimarisha uwezo katika shirika na katika masoko tofauti. Tunatambua mianya iliyopo kati ya

ujuzi unaohitajika kwa ajili ya kupangia mustakabali ikilinganishwa na seti ya ujuzi wa wafanyakazi tulio nao kwa sasa na kuwekeza kwao kwa nia ya kuhakikisha kwamba ndio bora katika majukumu yao husika, kuanzia uhandisi hadi uundaji wa bidhaa na dijitali, miongoni mwa mengine. Utafiti na tathmini za awali zimeashiria kwamba asilimia ndogo ya maudhui yetu ndio inaleta ushiriki wa juu zaidi kutoka kwa hadhira zetu. Kutokana na hayo, tunaboresha ujuzi wa wanahabari wetu kwa nia ya kuunda maudhui ya ubora wa juu na ya media anuwai.

Tunapopiga hatua za kufanyia mabadiliko njia yetu ya kufanya kazi kwa ajili ya siku za baadaye, tunaendelea kupata fursa za kuboresha biashara yetu ya sasa, kuanzia uchapishaji hadi utangazaji hewani. Ripoti ya Hali ya Vyombo vya Habari ya 2022 iliyotolewa na Baraza la Vyombo vya Habari la Kenya (MCK) iliashiria kwamba Televisheni na redio zinaongoza kama majukwaa yanayotumiwa na Wakenya kupata habari. Kutokana na hayo, tunaamini kwamba kuna uwezo mkubwa katika biashara yetu ya utangazaji hewani kote katika ukanda huu na tutaendelea kuwekeza huko ili kuvuna fursa zake za ukuaji.

### Shukrani

Ninashukuru kwa dhati wateja wetu ambao walisoma, kutazama au kusikiliza maudhui tunayozalisha na wale wanaoamini bidhaa

zetu kupeperusha ujumbe, kampeni na mafanikio yao. Kwa sababu yenu, tunaendelea kuvumbua na kuwahudumia vyema zaidi.

Kwa wafanyakazi wa Kampuni walio nchini Kenya, Tanzania, Uganda na Rwanda, Ninasema asante sana, kwa ustahimilivu, kujitolea, ari na uthabiti mlio nao – sifa hizi zimekuwa nguzo ya kuendesha biashara mbele katika tasnia ambayo imekumbwa na changamoto katika mwaka uliopita.

Kwa Bodi yetu ya Wakurugenzi, washirika na wenyehisa wetu, mnaendelea kutuamini na kutoa usaidizi usio na kifani kwa yale tunayofanyia, na kwa sababu hiyo, tunawashukuru.

Tunapotazamia mwaka mpya, ninaamini tunaingia katika enzi mpya ya biashara, ambapo tunaleta thamani kwa washikadau wetu zaidi ya kitu chochote kingine. Ninatazamia kuendelea kushirikiana nanyi ili kufanikisha haya.

**Stephen Gitagama**

Afisa Mkuu Mtendaji wa Kampuni



A BIRD'S EYE-VIEW OF  
**ACQUISITIONS** AND  
MERGERS. IN-DEPTH  
**REVIEWS** OF TECHNOLOGY  
AND INNOVATION. FROM  
THE STOCK **EXCHANGE** TO  
LIVESTOCK FARMING, WE  
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# Executive Team



**Stephen Gitagama**  
Group Chief Executive Officer



**Richard Tobiko**  
Chief Financial Officer



**Monicah Ndung'u**  
Chief Operating Officer



**Joseph Ageyo**  
Group Editorial Director



**Bakari Machumu**  
Managing Director, Mwananchi  
Communications Limited



**Tony Glencross**  
Managing Director, Uganda





# Executive Team



**Kenneth Oyolla**  
Chief Commercial Officer



**Jane Muiruri**  
Head of Human Resources



**Rachel Wanyoike**  
Head of Audit, Risk and Compliance



**James Sogoti**  
General Manager-Commercial



**Clifford Machoka**  
Head of External Affairs





**ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE  
> (ESG) REPORT**



Climate change is more than statistics, it's more than data points. It is more than net-zero targets. It is about the people, those being impacted right now.

**Vanessa Nakate**  
Climate Activist, Uganda





# Environmental, Social and Governance (ESG) Report



## INTRODUCTION

**N**ation Media Group's journey is closely intertwined with the history of Kenya and the East African region. For over 60 years, we have sought to drive a broad development philosophy and to bring excellence and best practices in the markets in which we operate. We

do this by informing, educating, and entertaining audiences and providing platforms through which they express their ambitions and aspirations, speak truth to power and track our advances as a society. We recognise that we have a responsibility to our stakeholders to apply the best practices to manage Environmental, Social and Governance (ESG) matters across our

operations. This report details the range of initiatives across ESG indicators that align our operations in accordance with the sustainability principles. We have also aligned these to the nine Sustainable Development Goals (SDGs) adopted by the group and embedded in our everyday business operations.



# Environmental, Social and Governance (ESG) Report (continued)

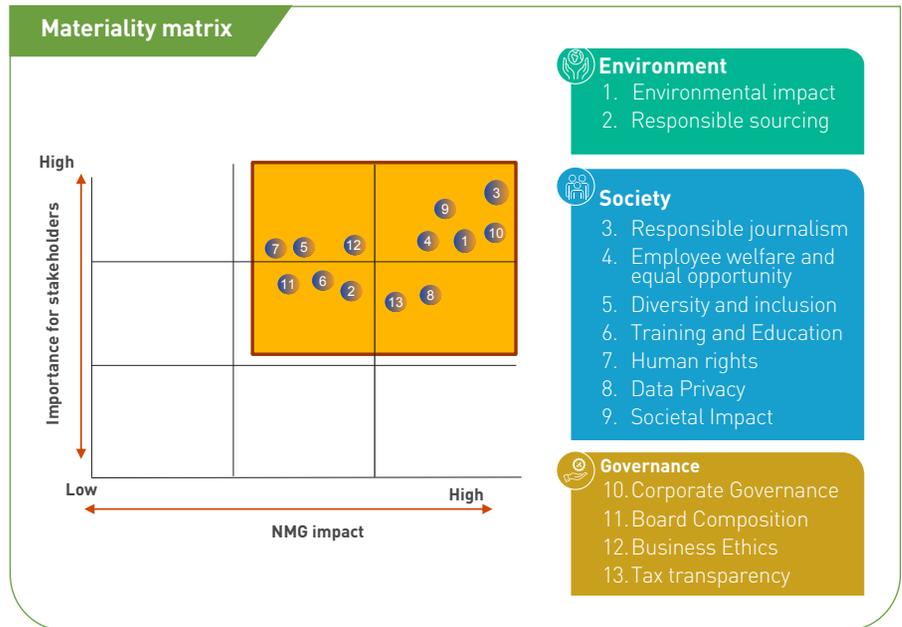
## MATERIALITY ASSESSMENT

In 2022, we conducted our first comprehensive materiality assessment to determine issues that hold the greatest significance for our business and stakeholders. This assessment aimed to examine the external trends that shape our business operations, our role in society, and the impact our activities have on our operating environment.

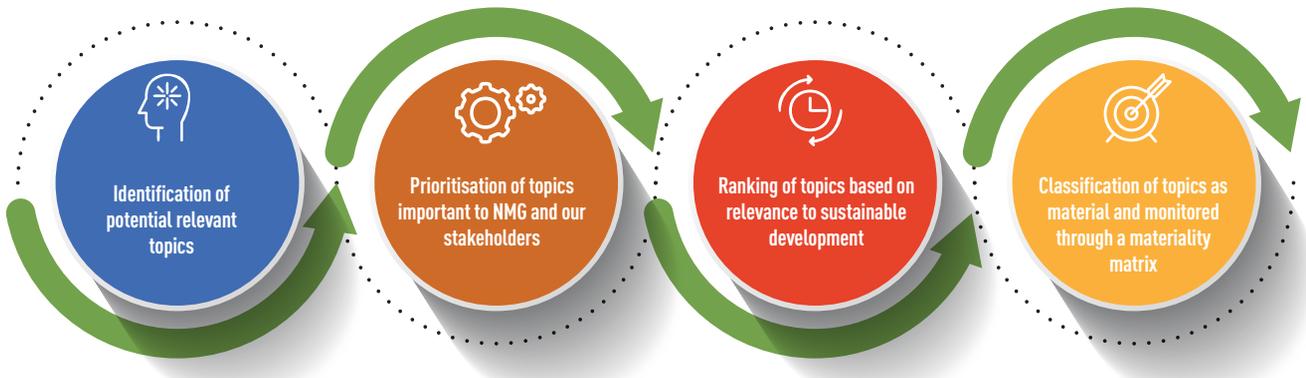
These have then formed the basis upon which NMG will manage its risks and opportunities around sustainability issues and support initiative and resource allocation decisions within the Group.

As a result of our analysis, we identified 13 key material issues that we categorised into the environmental, social, and governance matrix. To visualise the relative importance of each issue based

on stakeholder interest and perceived business impact, we created a materiality matrix, where we positioned each issue accordingly.



### Summary of the materiality identification process



Our analysis revealed a strong emphasis on the following priority issues:



This valuable information enables us to identify areas where we can deliver the most value, focus our efforts, and allocate resources effectively.



## Environmental, Social and Governance (ESG) Report (continued)

### 1. RESPONSIBLE JOURNALISM

For more than 60 years, the Nation Media Group (NMG) has been guided by ideals that have made it the most trusted and influential media house in East and Central Africa and one of the most recognisable media houses on the continent. The Group's platforms have over its history played a vital role in informing and educating East and Central Africans through the relentless pursuit of truth and speaking out on the challenges faced by the citizens and residents of the region. Among these are: terrorism, the radicalisation of youth, injustice, social inequality, abuse of office, and corruption. By practicing responsible journalism, our reporters and editors play a vital role in setting the national and regional agenda and holding the powerful to account.

NMG journalism is guided by the Editorial Policy Guidelines and Objectives, which

were subjected to shareholder review and ratified at the 2010 Annual General Meeting (AGM). They provide a framework within which journalists collect, edit, and present content to deliver quality, balanced, fair and objective stories.

One of the unique accountability frameworks that we have in place is the Office of the Public Editor which represents readers' interests across all NMG platforms in Kenya. He is tasked with handling complaints on accuracy, fairness, balance and ethical issues in news-gathering and presentation. Acting as an ombudsman, the Public Editor's role is to keep the organisation's journalism honest and in adherence to editorial policies and standards. The Public Editor is also tasked with ensuring NMG is transparent, accessible, and accountable to its audience, with the company's editorial guidelines and Kenya's Code of Conduct for the Practice of Journalism as his guiding light.



**The Group's platforms have over its history played a vital role in informing and educating East Africans through the relentless pursuit of truth and speaking out on the challenges faced by the citizens and residents of the region.**

With a regular column in the Friday Nation, the Public Editor has, since his appointment in January 2015, been consistently calling out NMG's content and opening it up to scrutiny by its audience. The Public Editor is independent, reports to the NMG Editorial Board Committee, and makes recommendations to editors and reporters based on his assessment of the feedback shared.

#### Driving Sustainability through Journalism

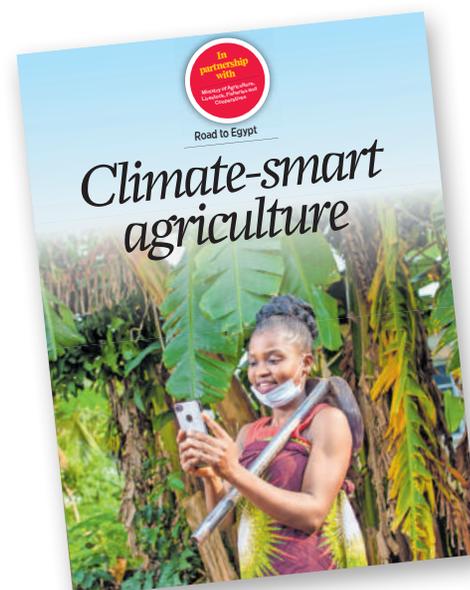
As a media house, we understand that reporting is not just about delivering news, it is also about empowering communities through insightful coverage. Our commitment extends to crucial areas of societal well-being, including health, gender equality, and youth empowerment. Through our dynamic and comprehensive reporting efforts, we ignite conversations, spark inspiration, and propel meaningful action. Our journey is transformative as we seek to harness the power of storytelling to shape a brighter and more sustainable future.

#### Climate Action

Climate change is one of the most pressing challenges facing our planet today. The effects of climate change are already being felt around the world, in the form of more extreme weather events, rising sea levels, and changes in agricultural yield. Action needs to be taken to address climate change to prevent devastating consequences.

Kenya's economy for instance, which is heavily reliant on rainfed agriculture, is at risk from the impacts of climate change. To address this, governments and the private sector must prioritise the development of policies and strategies that create resilience in the face of the changing climate.

to *Seeds of Gold* on the *Saturday Nation* and *Climate Action* in the *Sunday Nation*. The content contained within these platforms, and events such as Farm Clinics, have been instrumental in driving sustainable



The Group has over the years provided rich, educative, and informative content around the environment from the award-winning *Food Fridays* on NTV





## Environmental, Social and Governance (ESG) Report (continued)

farming practices and capturing the reality of climate change in an agriculture-led region. In addition, NMG has reported on a number of investigative pieces that have led to government-led action to protect

our environment. To enhance its existing efforts, The Group recently launched the first Climate Desk in the region. The desk seeks to document the raw impact of climate change on the region, give impacted communities a

voice on mainstream media, raise awareness on adaptation and mitigation measures, track progress, and inspire hope for the future.



Ongoing tutorial at a farm clinic organized by Monitor Publications

To propel the climate adaptation and mitigation conversations, NMG also organized forums and conferences such as the *Sustainable Energy Conference* and the *2022 Kusi Ideas Festival*, both of which sought to create opportunities to deliberate African ideas, solutions, and initiatives. *The Sustainable Energy Conference* brought together corporate, government, civil society and individual

stakeholders in the energy sector to address the country's challenges in advancing the use of clean energy. The conference provided a forum to connect, share experiences and insights and exchange ideas on how the country can meet its short-term and long-term energy needs. The conference happened against a background of the global climate change crisis, with governments worldwide looking

to transition to renewable energy sources to mitigate this challenge. The conference was held at the Olkaria Geothermal Spa in Naivasha in June, 2022 in partnership with KenGen and the Ministry of Energy. More than 400 participants from the region were in attendance, while 3,154 delegates joined in virtually.



Delegates listen to a panel addressing the "Transition into Technology" at the inaugural Sustainable Energy Conference at the Olkaria Geothermal Plant





## Environmental, Social and Governance (ESG) Report (continued)

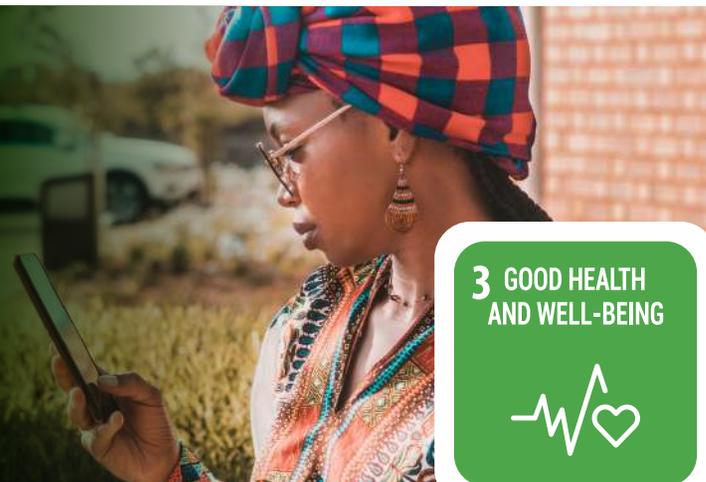
The 2022 *Kusi Ideas Festival*, held in Karura Forest, Nairobi, brought together environmental champions under the theme “Climate Change: Exploring African Responses and Solutions”. The thought leadership forum explored the growing impact of climate change on the African continent. In recent years, Kenya and other East African countries have faced climate change threats, such as prolonged droughts, locusts invasion, and devastating floods, which have had an economic and human toll. The forum, therefore, discussed innovative, long-term solutions for the continent and explored partnerships for scale and global climate financing opportunities.



Government, civil society, and private sector officials, including NMG Chairman, Dr. Wilfred D. Kiboro, plant trees at the start of the Kusi Ideas Festival at the Karura Forest

### Health

As the regional population gains interest in matters of health, the global community places increased focus on overall well-being, NMG has taken action to educate, drive awareness and break stigma around various health issues. As a result, we have created products specifically dedicated to discussing health matters on our print, broadcast, and digital platforms (*Healthy Nation*, a weekly pullout in *Daily Nation*, *BD Life in Business Daily*, *Health Diary* on NTV, *Afya Jamii* on Taifa Leo and *Nation Health* on *nation.africa*).



**3 GOOD HEALTH AND WELL-BEING**

### Gender

According to *The Missing Perspectives of Women in News*, a report by the International Women’s Media Foundation, men were quoted almost four times more frequently than women in online news in Kenya in 2019 and during the first wave of the Covid-19 pandemic. In addition, women’s share of voice was reported as almost five times smaller than men’s in news about the economy, and almost eight times smaller than men’s in news about politics.

**5 GENDER EQUALITY**

In this context, NMG set up the first Gender Desk in Africa, in partnership with the Fuller Project for international reporting on women. Through the desk, the Group has sensitised its journalists on gender bias in the news gathering processes and elevated the voices of women in news coverage in East Africa.

The content, covered in the news, and in NMG’s monthly pullout, *The Voice*, has over the last few years succeeded in amplifying women’s stories and perspectives while influencing audiences and driving action and accountability around gender equity at the national level.





## Environmental, Social and Governance (ESG) Report (continued)

### Accountable Journalism

NMG was founded to promote independent voices, diversity and freedom of expression. The vision for the Group was to be a champion for the ordinary person and a supportive voice for the rule of law and human rights. We continue to be guided by these principles as we act as a watchdog for the economies within which we operate. Part of our journalism practises include building a society that fosters accountability, drives transparency and advocates for equality and change through democratic initiatives and citizen voices. We do this through our news items and investigative pieces that bring societal ills to the fore and drive accountability. These stories range from corruption scandals, environmental waste issues, human trafficking, money laundering and various other current issues.



### Youth and Special Interest Group

NMG seeks to use its platforms to drive inclusivity through the products it creates and the content it runs across its print, broadcast and digital assets. Over the years, we have intentionally curated products (such as *Juniorspot*, *Generation 3 (G3)*, *Teen Republique*, *MyNetwork* and multiple others) that appeal to, educate, inform and entertain children and the youth. These products are co-created with the target audience to ensure that their voices are adequately represented and that the content adds value at the various stages of their lives.

In addition, NMG consciously runs content on special interest groups from marginalized communities to differently abled persons, to ensure adequate representation, break down stereotypes, open up individuals' perceptions and influence how society interacts. Over the years, representation in media has become a key priority within the community and the Group has taken up its role in ensuring we tell the stories that matter across the spectrum.





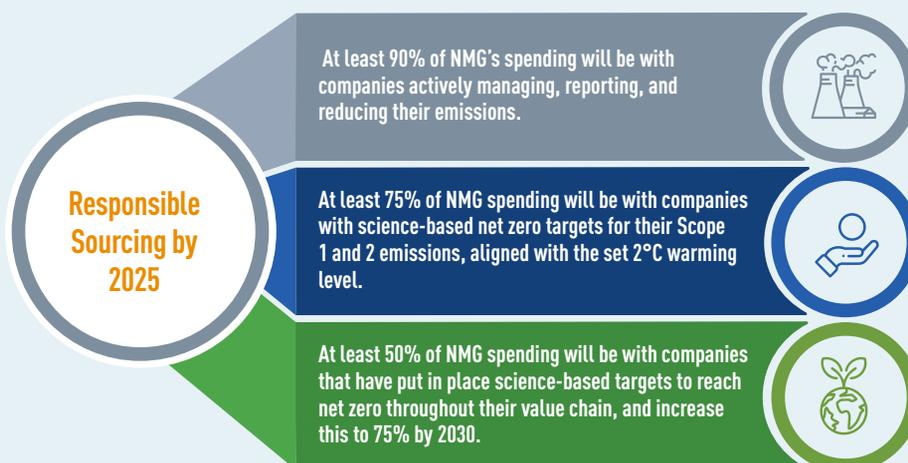
## Environmental, Social and Governance (ESG) Report (continued)

### 2. ENVIRONMENTAL IMPACT

**B**eyond reporting, we acknowledge the impact our operations have on the environment. Our approach to environmental management therefore involves diligently identifying and controlling potential

environmental risks throughout our entire business cycle, from sourcing raw materials to production, operations, and product distribution across our markets of operation. Our aim is to proactively reduce our impact

on the environment, champion a proactive stance in protecting our planet and shape a sustainable future.



### CARBON EMISSIONS

Carbon emissions are a major contributor to climate change. The latest reports have indicated that the world needs to reduce its greenhouse gas emissions (GHG) by 50% by 2030 and reach net zero emissions by 2050 to avoid the worst effects of climate change. Despite Kenya's minimal contribution of less than 0.1% to global greenhouse gas

(GHG) emissions each year, NMG is actively implementing strategies to embark on a low-carbon trajectory, aiming to achieve Carbon Neutrality across our operations by 2030. As part of this commitment, we commenced the measurement and quarterly reporting of our GHG emissions in 2020. Our Carbon footprint calculation is based on the Greenhouse

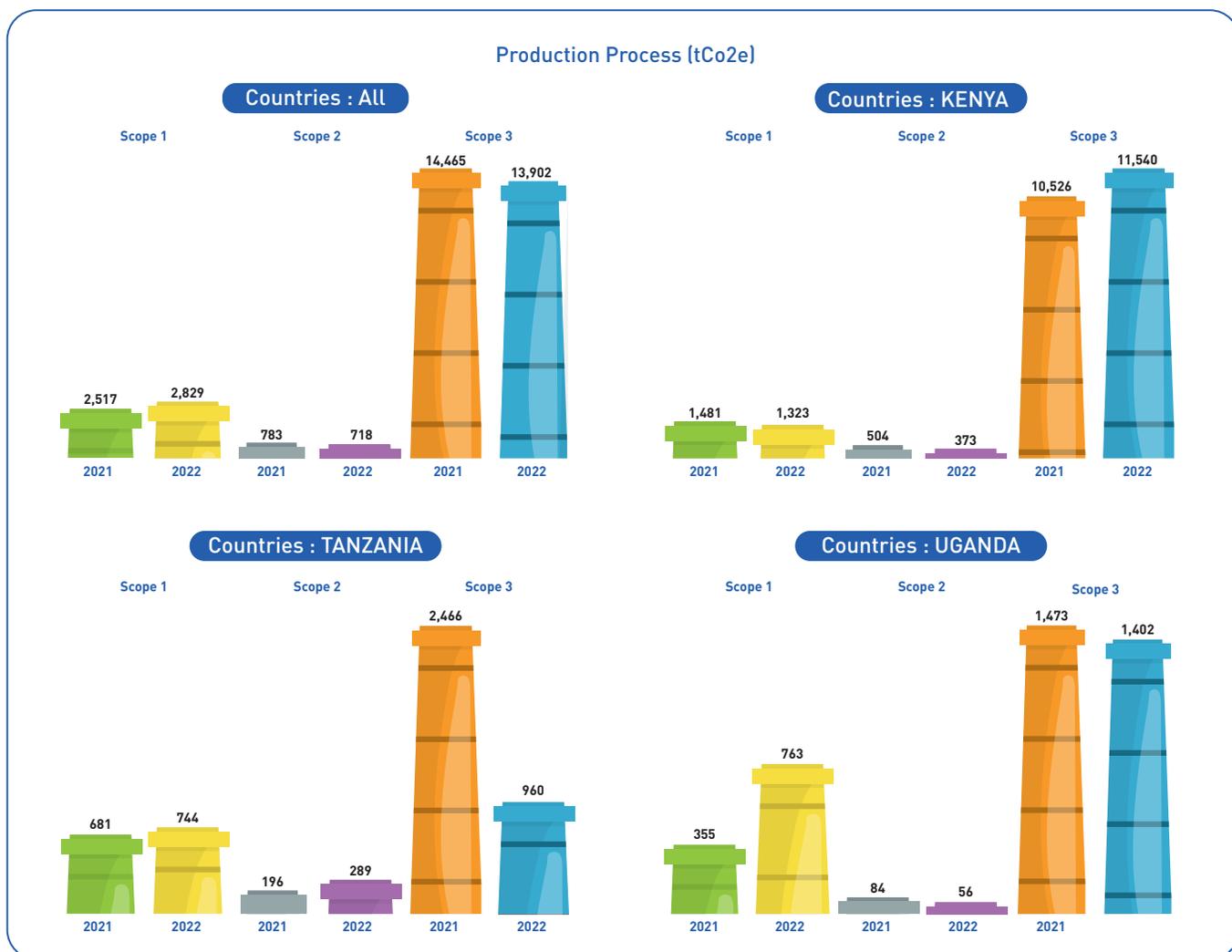
Gas protocol, which allows for meaningful comparisons among different greenhouse gases in relation to one unit of CO2.

As part of our contribution, we have made progressive measures to reduce our carbon footprint by putting in place various efforts within our Scope 1, 2, and 3 emissions.





## Environmental, Social and Governance (ESG) Report (continued)



NMG has thereby implemented a range of initiatives to reduce emissions and promote sustainability in its operations. These efforts include:

- The reduction of our business travel, prioritising virtual over physical engagements, and put in place a strict air-travel policy. According to the International Air Transport Association (IATA), air travel accounts for 2% of global CO2 emissions and these efforts will therefore enable us to reduce our CO2 emissions associated with business travel.
- The installation of solar water heating systems, the replacement of high-consumption halogen lamps with energy-efficient LED lighting at our Nairobi production plant and the sourcing of raw materials from nearby countries to minimise transportation emissions.
- Utilisation of solar tubes and skylights to harness natural daylight instead of relying on electricity.
- Taking up tree planting and growing as part of our community initiatives and as a carbon offsetting measure.
- Collaboratively working with our suppliers to actively reduce carbon emissions across our supply chain.

In an effort to build our capacity in this regard, 6 of our staff are currently part of the United Nations Global Compact (UNGC) Climate Ambition Accelerator program which aims to enhance their knowledge and skills in addressing climate change challenges. This knowledge will therefore support and enhance our sustainable business operations across the Group.





## Environmental, Social and Governance (ESG) Report (continued)

### WASTE MANAGEMENT AND RECYCLING

According to the United Nations, the global media and the entertainment industry is estimated to generate around 20 million tonnes of waste per year, mostly paper, plastic, and electronic waste. With these statistics in mind, NMG is ensuring that it takes the necessary steps to manage its waste.

With a zero-waste-to-landfill target across our operations, we have embarked on a journey to adopt a circular economy approach by identifying and reducing our sources of waste, recycling and reusing more and purchasing sustainable products where possible.

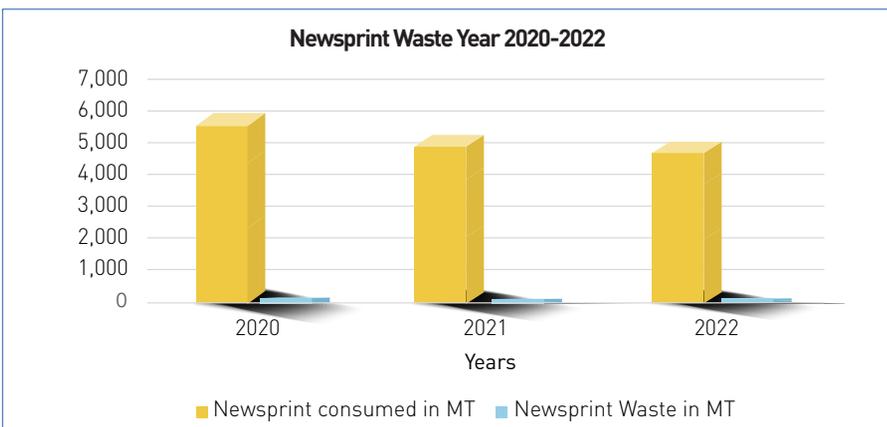
At our production plants in Kenya, Uganda, and Tanzania, we are working to eliminate the use of dangerous chemicals in plate-

making. Plates are a crucial part of the newspaper printing process as they carry the text and images that are transferred to the newsprint rolls in the press, while chemicals are used to treat the plates. In a bid to reduce the environmental impact of our newspaper production process, we are phasing out chemical plates and introducing a chemical-free plate-making system. This is in line with SDG 12, Responsible Consumption and Production.

Currently, the run-off from the development of the plates is classified as contaminated press waste, which includes inks, oils, and water. The waste is disposed of by companies certified by the National Environment Management Agency (NEMA). The companies

collect and incinerate the waste in an environmentally friendly and approved process. Waste paper is produced from the newspaper production process as well as the returns from the newspapers distributed across the region. The waste paper is disposed off by sale to licensed companies and it then goes on to recycling into other paper products or responsible reuse.

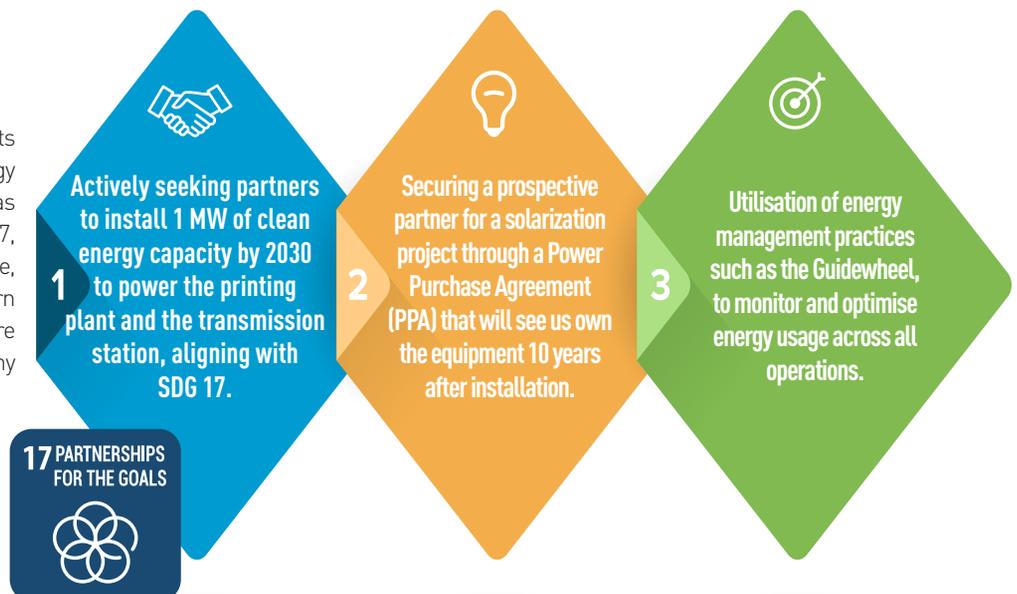
As part of our social impact activities, our staff separate educational sections of the newspapers, such as *Junior Spot*, *MyNetwork*, *Buzz*, sample examination papers, *Taifa Leo* that are then used as learning aids in the *Newspaper in Education (NIE)* initiative during the school activations and teacher trainings.



**Wastepaper is disposed off by sale to licensed companies and it then goes on to recycling into other paper products or responsible reuse.**

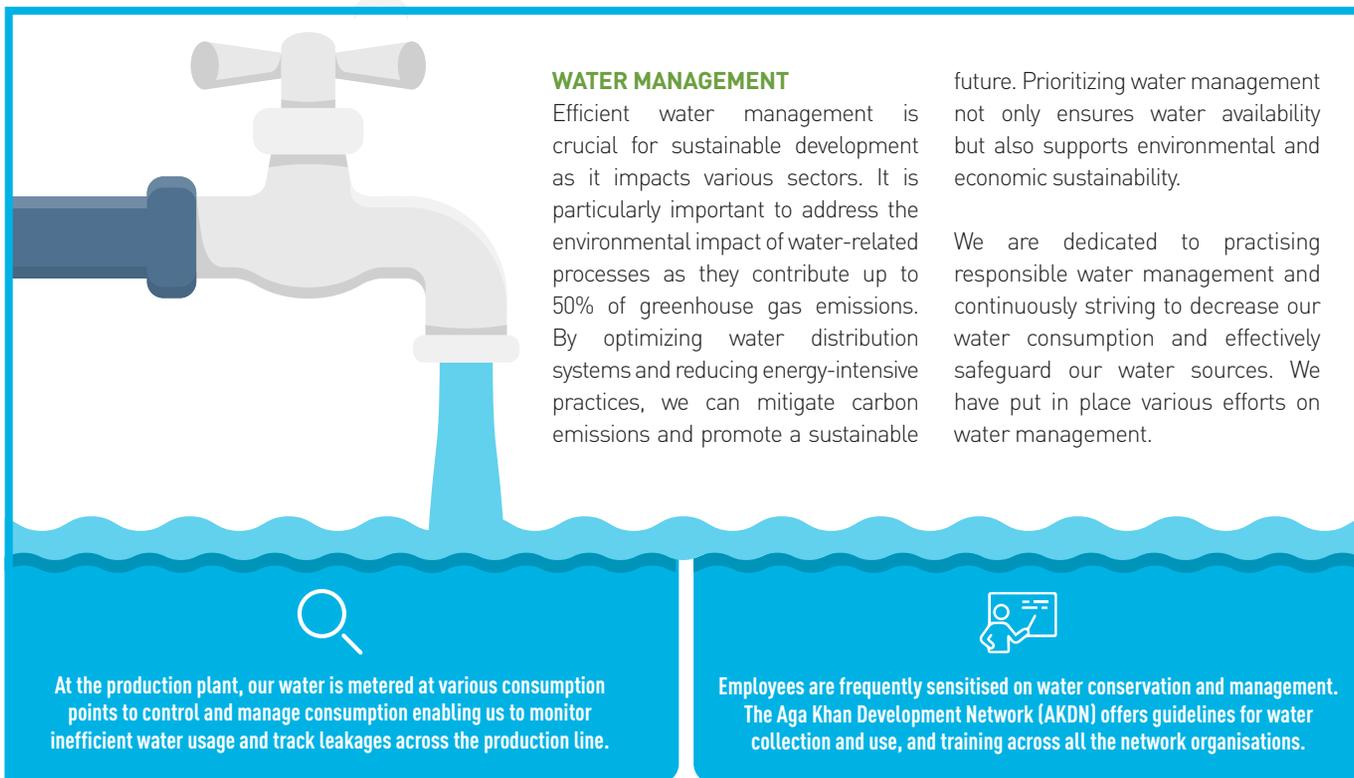
### ENERGY EFFICIENCY

Countries have set ambitious targets to accelerate the transition to energy efficiency and renewable energy such as the UN Sustainable Development Goal 7, which aims to ensure access to affordable, reliable, sustainable, and modern energy for all by 2030. Corporations are also making commitments, with many seeking 100% renewable energy usage. Our objective is to improve our energy efficiency through various initiatives that include:





# Environmental, Social and Governance (ESG) Report (continued)

### WATER MANAGEMENT

Efficient water management is crucial for sustainable development as it impacts various sectors. It is particularly important to address the environmental impact of water-related processes as they contribute up to 50% of greenhouse gas emissions. By optimizing water distribution systems and reducing energy-intensive practices, we can mitigate carbon emissions and promote a sustainable

future. Prioritizing water management not only ensures water availability but also supports environmental and economic sustainability.

We are dedicated to practising responsible water management and continuously striving to decrease our water consumption and effectively safeguard our water sources. We have put in place various efforts on water management.

At the production plant, our water is metered at various consumption points to control and manage consumption enabling us to monitor inefficient water usage and track leakages across the production line.

Employees are frequently sensitised on water conservation and management. The Aga Khan Development Network (AKDN) offers guidelines for water collection and use, and training across all the network organisations.

## 3. EMPLOYEE WELFARE

People have been at the centre of everything we do at NMG since the establishment of the company more than six decades ago. We strive to become an effective voice of the people and to do that, we need the right people; that is why our employees are our greatest assets and are at the heart of the business.

We offer equal employment opportunities without discriminating against individuals or groups and decisions regarding recruitment, promotion, employee development, career progression, and remuneration are informed by merit. Overall, the Group is continuously working towards building a future-fit workforce.

### Employee well-being

Our approach to employee well-being is anchored on building and maintaining a workplace where employees feel safe and can develop supportive relationships with their colleagues and managers. This is driven by open communication,

teamwork, flexible working arrangements and psychosocial support.

Our main pillars of well-being are:

**Health and Wellness**  
NMG provides a medical scheme and gym memberships, and for mothers returning from maternity, a lactation room and flexible working hours.

**Employee Support**  
NMG is committed to creating a wholesome, mentally healthy, and conducive work environment. The open communication policies, continuous training on mental health issues, and sensitisation on covering potentially traumatising events, endeavour to provide a safe environment where employees have the freedom to express themselves. Under the medical scheme, employees have access to psychologists, counsellors, and

other mental health professionals for psychosocial support.

**Employee engagement**  
Employee engagement is a continuous process that is critical to the company's performance. We have an open-door policy that gives employees a chance to voice their opinions without fear of discrimination or retaliation and also provides a safe channel for conflicts or issues to be resolved effectively. The grievance procedure in place covers issues or concerns that relate to social, financial, emotional or physical well-being of our employees.

The whistleblowing policy within the organization also provides a safe place (protected disclosure) to report unethical practices, behaviour, or violation of the Code of Ethics and Business Conduct.





## Environmental, Social and Governance (ESG) Report (continued)



### Employee Development, Talent Management, and Training

As we work towards building a future-fit workforce, NMG supports the professional development of its employees. To cultivate a learning culture and build a more agile organisation, NMG sponsors staff for short-term courses, provides study leave for staff to sit their exams, secondment and provides unpaid leave of absence for studies related to the staff's career ambitions.

In 2022, 221 staff from the Editorial and Commercial teams were trained on the Objectives and Key Results (OKRs) framework, Foundations of Digital & Audio Journalism, Ad

Serving Platform and Guidelines for Election Reporting. Multiple other employees were trained on a variety of other topical areas from Balanced Score Card, Big Data, Digital Marketing, Customer Service, Personal Branding and Mental Wellness.

The organisation also recognizes the role that women play in leadership and to cultivate continuous learning, two heads of department were enrolled in the Women Directors Leadership Programme at Strathmore Business School.



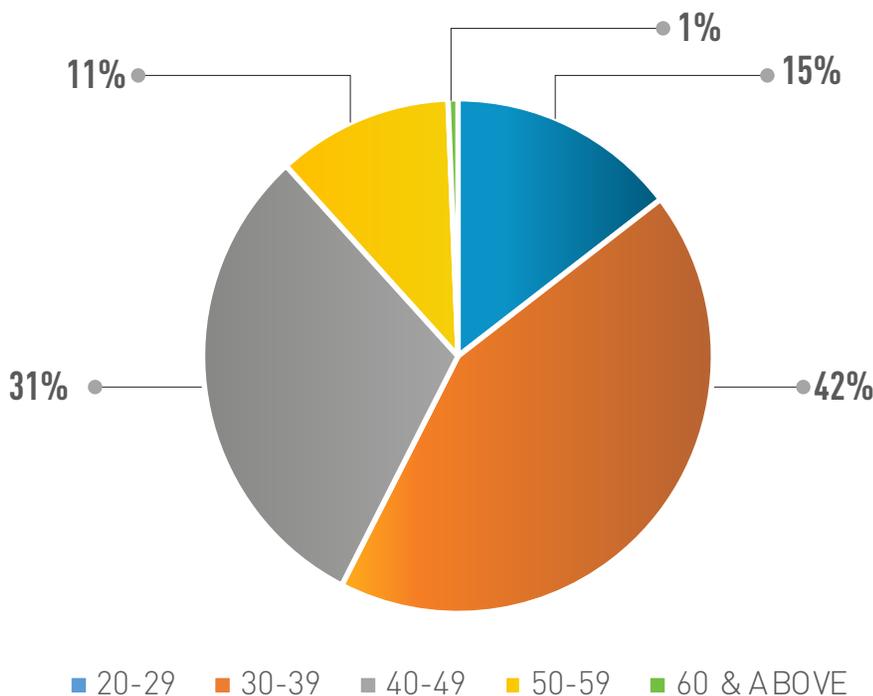
### Diversity and Inclusion

Diversity and inclusion are essential to the business, and

NMG aspires to have equal gender representation at every level. Our equal employment opportunities policy bars discrimination against individuals or groups in the company in all decisions regarding recruitment promotion, employee development, career progression, salary policies, and general employment conditions.

We have instituted targeted resourcing initiatives to achieve gender parity at all levels of the business. This has led to the appointment of six female heads of departments in the last three years. These are; Head of Finance-Kenya, Head of Human Resources, Head of Audit, Risk & Compliance, IT Manager, Procurement Manager, and Chief Operating Officer.

Average Ages of employed staff at NMG Group





## Environmental, Social and Governance (ESG) Report (continued)



Printing operations at the NMG press in Nairobi, Kenya

### Health and Safety

Employees have a legal right to be safe at work and as such, NMG has set up effective health and safety protocols and placed emphasis on their adherence and the prompt reporting of any hazards, accidents or potential risks to prevent harm or injuries at work. Our commitment to create a secure work environment

is further evidenced in our Health and Safety motto “Zero Harm” and our strict adherence to the requirements of the Occupational Health and Safety Act of 2007 (OSHA 2007).

In 2022 we invested in comprehensive training programs to enhance employee

preparedness and response. 20 employees at our Nation Centre received training in First Aid and Fire Safety, equipping them with vital life-saving skills. Additionally, 10 employees at our Mombasa Bureau underwent specialised Health and Safety training, ensuring their well-being in the workplace.

We are proud to report that we achieved zero workplace fatalities or hospitalisation injuries resulting in no lost work time across our facilities in 2022. This translates to a Lost Time Injury Rate (LTIR) of 0 per million hours for a total of 3,051,400 hours worked at the Nation Centre, Production Plant, and NMG Contractors. This achievement highlights our unwavering commitment to creating a safe and secure work environment for everyone. We will continue to prioritise health and safety to ensure the well-being of our employees remains paramount.

## 4. SOCIETAL IMPACT

Our business model is built on the Shared Value concept, which recognises that businesses can generate profits while also creating value for society. This approach enables us to see social challenges as business opportunities, particularly in today’s world where consumers are increasingly becoming environmentally conscious and corporate practices are under constant scrutiny. This approach enables us to rethink value creation by addressing societal challenges as a source of competitive advantage

### Education

Reading, writing, speaking, and numeracy are some of the most important skills a child can learn. Literacy plays a vital role in transforming students into socially engaged citizens and creates opportunities for them to develop skills that will enable them to provide for themselves in the future.

According to the Kenya Report, Regional Educational Learning Initiative (RELI) “Do

our children have life skills and values? Assessment of Life Skills and Values in East Africa,” literacy skills in Kenya are alarmingly low with only 43% of Kenyan adolescents between 13 and 17 years being able to read a Grade 4 text. Out of these, about 15% are unable to read an English text.

As such, we have chosen Education and Literacy as the Group’s signature social initiative to help alleviate the reading crisis. We have developed programs to improve literacy that will promote a culture of reading and make books accessible to needy schools, such as:

#### a) Newspapers in Education (NiE)

The initiative promotes literacy by using newspapers as a teaching tool to build a reading culture, improve language and comprehension skills as well as numeracy skills amongst school-going children. The NiE program also trains teachers from various communities to use and reuse newspapers as a

learning tool when teaching grammar and vocabulary, and as supplementary reading material.

Over the years, NMG has partnered with various organisations and alumni associations to empower the NiE initiative. In 2022, we partnered with Kisumu Water and Sanitation Company Ltd (KIWASCO) and rolled out the programme in 5 schools. Since its inception, the NiE program has been launched in 1,597 new schools (primary and secondary) in 47 counties with 353 of them currently active in the program.

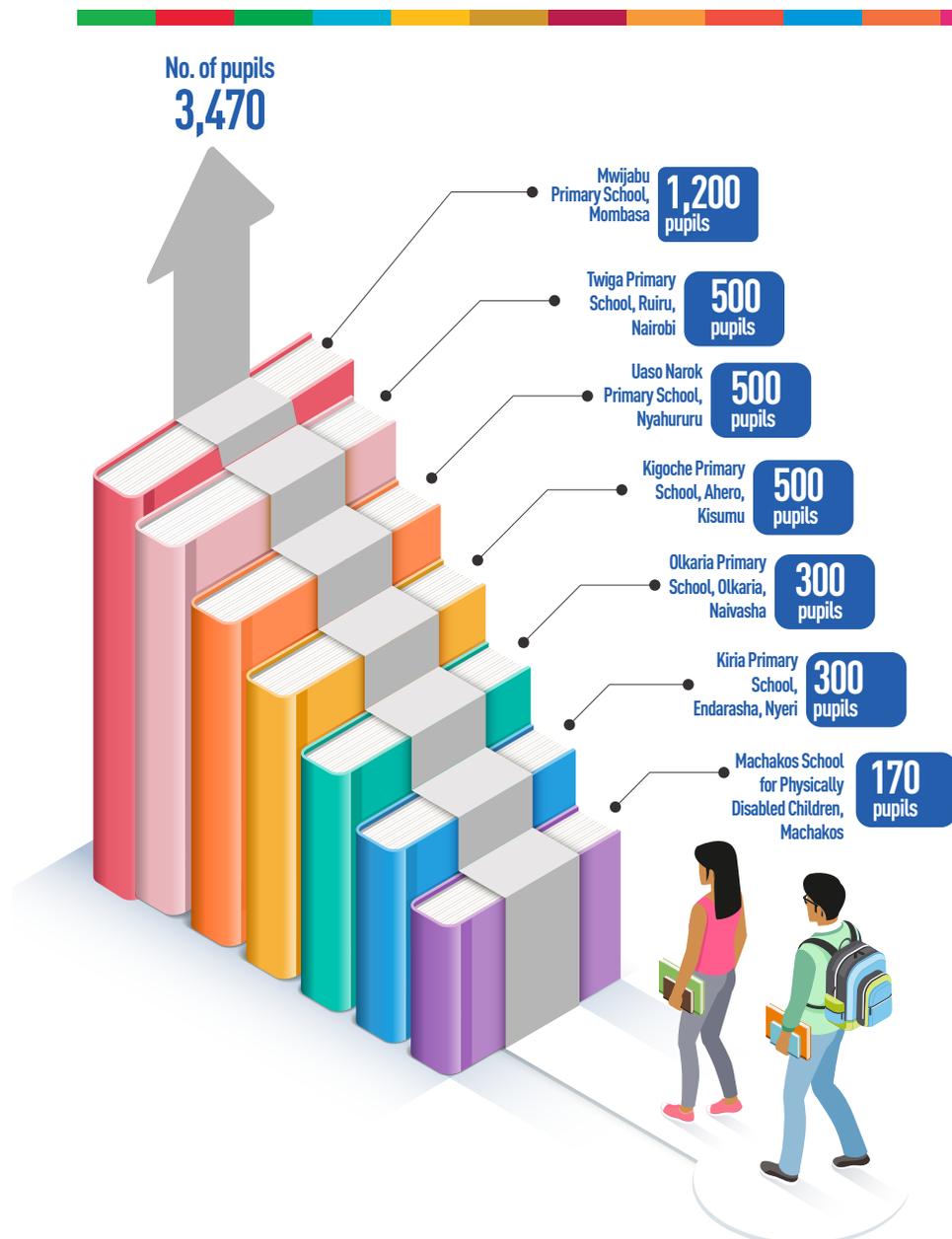
#### b) Textbook Donations

To further support Education in Kenya, NMG donates textbooks across the country to different public primary schools. We identify needy schools in low-income areas through regional business partners to pinpoint their requirements and provide the relevant textbooks and learning materials. In 2022, we donated textbooks worth Shs 1.4 million.





## Environmental, Social and Governance (ESG) Report (continued)



- In Kenya, NMG joined the *Bonga for Food* initiative led by Safaricom, which saw Kenyans donate their Bonga points to communities in drought-stricken areas across 23 counties. The Group contributed Shs 20 million in media airtime through our broadcast, print, and digital platforms to create awareness of the dire situation in the country.
- In Tanzania, the Mwananchi Communications Limited team partnered with NMB, National Bank of Commerce (NBC) and CRDB Bank in marathons organised to raise funds for women suffering obstetric fistula, cervical cancer and paediatric heart surgeries respectfully.

### Environmental Conservation

NMG contributes to environmental conservation efforts through tree planting across our countries of operation. In the year, we donated 10,000 seedlings to the Machakos County Government, and planted trees across various districts in Uganda to support reforestation. The Group also partnered with the Green Blue Foundation Africa in their tree-planting initiatives in Ngong and provided in-kind media value for a marathon to raise awareness and fundraise to support tree planting and growing within the area.

Additionally, communities around the Aberdare Forest continue to enjoy the benefits of reforestation, human wildlife conflict and protection of water towers as a result of the 440 km re-fencing project spearheaded by NMG.

### Partnerships for Impact

NMG strives to deepen its social impact through strategic partnerships with organisations that share its commitment to making a positive contribution to society. These partnerships are key in scaling initiatives through the injection of resources - financial or human capital.

- In 2022, Monitor Publications Limited (MPL) collaborated with Stanbic Bank to donate over 500 *mama kits* to improve maternal services at the

**The Group also partnered with the Green Blue Foundation Africa in their tree-planting initiatives in Ngong and provided in-kind media value for a marathon to raise awareness and fundraise to support tree planting and growing within the area.**





## Environmental, Social and Governance (ESG) Report (continued)

### 5. CORPORATE GOVERNANCE COMPLIANCE & ETHICS

As a media organisation, we are committed to upholding the highest standards of corporate governance, ethics and compliance with applicable laws and regulations. We ensure that all interactions with customers, suppliers and business partners are fair, honest and in strict compliance with contractual undertakings and applicable laws and regulations.

#### Corporate Governance Policies

NMG conducts its business ethically, with utmost integrity and in compliance with both the letter and spirit of the law. The operating principles that employees must abide by are incorporated in the Group's Code of Conduct and Business Ethics, the Whistle Blowing Policy, Procurement Policies and various others as expounded below. These policies form a core part of the induction program for all employees.

*Code of Conduct:* The Group's Code of Ethics and Business Conduct seeks to provide clear outlines, obligations and privileges that NMG employees should live by. The Code sets out the values guiding the organisation's dealings with stakeholders, highlights potential conflicts of interest, insider information, gifts and entertainment, corruption and bribery practices, protection of company assets, a framework for ethical decision making and so much more. The Code therefore empowers employees with information to make the right decisions, while upholding the highest standards of responsible business practices.

In order to reinforce the implementation of the Code of Conduct, the Group provides mechanisms for determining how to act in certain circumstances, with the focus on enabling employees to make the right decisions at all times so as to entrench an ethical culture. The Code of Conduct is accessible to all employees and sub-contractors.

*Whistle Blowing Policy:* This policy is designed to show the NMG's commitment to the business ethics of honesty,



**We maintain a rigorous system of internal controls and procedures to ensure that we can effectively manage our operations and mitigate risks.**

integrity and transparency and to provide a transparent and confidential process for all parties to give information on non-compliance to the Code of Ethics and Business Conduct. It provides for a culture of zero tolerance towards fraud, corruption, bribery and any malpractice or wrongdoing, guidelines on how to report a concern and encourages stakeholders to bring out information helpful in enforcing good corporate governance practices.

In addition, it provides a platform to disclose concerns of malpractices within the organisation, mitigate against any fraud, operational or regulatory risk that could lead to potential financial loss or reputational damage. It also seeks to reassure and protect those who raise concerns in the public interest, with no malice or potential for personal gain, that they can do so without fear of reprisals, victimisation or disciplinary action for making such a report.

*Procurement policy:* This guides our operations toward achieving our corporate objectives through professional supply-chain management. Our focus is on building strong relationships with customers and suppliers to optimise costs while delivering quality goods and services in a timely and sustainable manner.

We are committed to fair trade practices, which include prompt payment within 30-45 days of invoice receipt and fair negotiation practices. To enhance our interactions with vendors, we are in the process of automating our vendor-facing procurement processes.

Our supplier relationship management process is continuous and robust, with a focus on ascertaining the tax compliance

status, occupational health and safety, background checks of the company, and any ethical concerns through our ESG assessment framework.

In the year, we continued to implement various measures to ensure transparency, accountability, and ethical behaviour. For instance, we upheld our Dispatch Standard Operating Procedure that streamlines newspaper dispatch functions ensuring we eliminate incidents of newspaper parcel short-packs

Additionally, we continue to implement the Motor Vehicle and Motorcycle Policy Guidelines that enhance transparency, accountability, and proper record-keeping of inventory associated with company vehicles. Our newspaper freight management and claims process ensures efficient processing of freight claims made by distributors while also defining various duties and responsibilities for opening new newspaper accounts and mapping out effective means of transportation to remote locations.

#### Regulatory Compliance

We believe that our mission is best fulfilled by adhering to all applicable laws and regulations. Our engagement with government and regulators focuses on constructive participation to ensure the best outcome for our industry and the countries in which we operate.

We always comply with the necessary requirements as defined in any process or framework. We make oral and written representations about legislative and regulatory processes and also directly engage key government departments and industry stakeholders.

We track compliance requirements and ensure we meet all regulatory, licensing, reporting and tax requirements as stipulated by our critical regulators across markets such as the Communications Authorities, Capital Market Authorities, Securities Exchanges and others in Kenya, Uganda, Tanzania and Rwanda. In





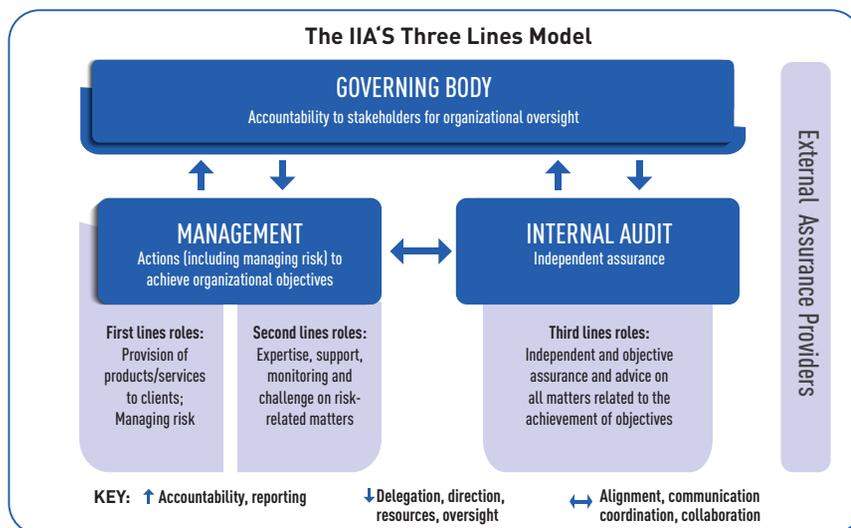
## Environmental, Social and Governance (ESG) Report (continued)



In addition, we abide by the regulations that oversee our operations from the Kenya Information and Communications Act, Uganda Communications Act, Tanzania Communications Act, Communications Authority Programming Code and various others. We maintain a rigorous system of internal controls and procedures to ensure that we can effectively manage our operations and mitigate risks.

Ethically, our commitment to align our strategies and operations with the UN Global Compact (UNGC) which we joined in 2021, demonstrates our dedication to responsible business practices and sustainability. The UN Global Compact's ambition ensures companies align their strategies, policies and procedures with the initiative's 10 principles in the areas of human rights, labour, environment, and anti-corruption.

NMG is also Blue Company certified having taken a stand against any form of corruption in its operations and calling it out as part of its mandate as a media house.



- Risk Management**

At NMG, we take a comprehensive approach to managing risk through our Enterprise Risk Management (ERM) framework, which outlines how we approach and manage risk and defines the roles and responsibilities of various internal stakeholders. We have adopted the three lines of defence model to ensure effective risk management across the organisation.

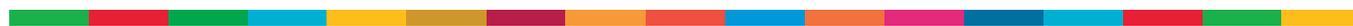
There are various established and emerging risks that impact NMG and the management remains committed to ensuring these risks are mitigated and controlled at an acceptable level. Below is a summary of the key risks the business is faced with and some of the mitigating actions we have deployed.

| Risk                | Description  | Mitigation Actions   |
|---------------------|--|--|
| Strategic risk      | It relates to the uncertainty and challenges associated with the business' strategic direction, competitive positioning, market dynamics, and industry disruptions.<br><br>The risk arises from shifting customer behavior, technology disruption, content innovation and quality, economic and market conditions, changing regulatory environment as well as the competitive landscape. | NMG is keen on embracing innovation, staying ahead of market trends, investing in research and development, remaining agile amidst disruption, and establishing effective strategic partnerships.<br><br>We also regularly monitor and evaluate the competitive landscape, consumer behavior, and industry trends to identify and respond to strategic risks in a timely manner.                       |
| Regulatory risk     | We operate in a highly regulated environment and may face legal challenges, such as copyright infringement claims or regulatory violations.  | NMG minimizes compliance risk by monitoring legal and regulatory developments to ensure that all its functions and employees adhere to applicable laws, regulations, codes of conduct and standards of good practice.  |
| Cyber security risk | It is the risk of a potential cyber-attack that could potentially result to business disruption, operations shut down, theft of information assets, collection of intelligence, or reputational damage.<br><br>Cyber-attacks frequency, severity and sophistication continues to increase in recent years worldwide.   | NMG has invested extensive resources (human and technological) in strengthening its information security and cyber defense system.<br><br>Various risk assessment techniques are deployed to mitigate the risk of cybersecurity attacks.<br><br>Cybersecurity awareness programs are in place for all staff to equip them with knowledge and skills to identify and respond to cyber security threats. |





## Environmental, Social and Governance (ESG) Report (continued)



| Risk                                 | Description  | Mitigation Actions   |
|--------------------------------------|--|--|
| Litigation risk                      | Being a media company, NMG is inherently exposed to litigation risk arising from publication of potentially defamatory content.  | <p>The Editorial policies and procedures in place serve to ensure robust gatekeeping measures are in place within the content generation and deployment processes.</p> <p>Regular training is done for all Editorial staff on the editorial policy and litigation risk management.</p>   |
| Macro-economic and Geopolitical risk | Uncertainties and volatilities from macroeconomic and geopolitical factors have heavily impacted the business environment and challenged our management actions to monitor and manage the macroeconomics risks.  | <p>NMG embraces diversification of our product offerings including prioritizing digital products and expansion to other geographical markets to mitigate the impact of economic downturns or geopolitical disruptions.</p> <p>We also maintain adequate cash reserves, optimize working capital management, and regularly review financial projections to ensure sufficient liquidity during challenging periods.</p> <p>We have also employed diverse financial strategies to mitigate currency exchange rate risks, and commodity price volatility that can arise from economic or geopolitical uncertainties.</p> |
| Business Continuity risk             | Various risk events such as natural disasters, fire, political unrest, sabotage pandemics, equipment failure and others have the potential to disrupt business operations and also portend health and safety risks.  | <p>We have in place robust Business Continuity Plans.</p> <p>Various risk mitigating measures are also in place as pertains staff health and safety, fire prevention and detection, equipment maintenance and servicing and security measures.</p>   |
| Human Capital risk                   | The digital disruption and the NMG transformation strategy that has been deployed to counter and leverage this has also resulted in a significant change in talent requirements and talent profile. New digital skills that traditionally were not required have become a necessity; this results in talent acquisition and retention risks. | <p>Management is evaluating and enhancing the employee value proposition in line with the changing workforce as part of developing talent acquisition and retention strategies.</p> <p>Various initiatives to recruit for new skills, develop and upskill talent have been deployed.</p>   |

- Data protection**

Media organisations are required to comply with applicable data protection legislation in the same manner as any other organisation. However, there must be a balance between freedom of expression and the promotion of free and independent media. Therefore, media organisations are permitted to process personal data where there is public interest. In deciding

whether a public interest exists, reference is made to various applicable industry codes of practice and ethics.

Following the legislation of the Kenya Data Protection Act (2019) and relevant Regulations, we have set up the office of the Data Protection Officer (DPO) who is responsible for ensuring all

issues around data protection are addressed. We are fully registered with the Office of Data Protection Commissioner of Kenya, have developed a privacy policy that sits on all of our digital assets explaining what type of data we collect and the purpose of processing as part of our Data Protection and Privacy compliance journey.





## Environmental, Social and Governance (ESG) Report (continued)

### CONCLUSION

Our sustainability report reflects Nation Media Group's awareness of the risks that sustainable challenges pose for our operations with the opportunity for us to build long-term resilience. Hence, the report demonstrates our unwavering commitment to rethink value creation by recognising the interconnectedness between business and society and therefore contribute in building a better future for our planet and society. We seek to shift the debate around societal issues from being good and managing green issues to seeing them as a source of competitive advantage. In this journey we are placing environmental stewardship, social responsibility, and ethical practices at the forefront of our operations, not only endeavouring to reduce our ecological impact but also positively influence the communities we serve.

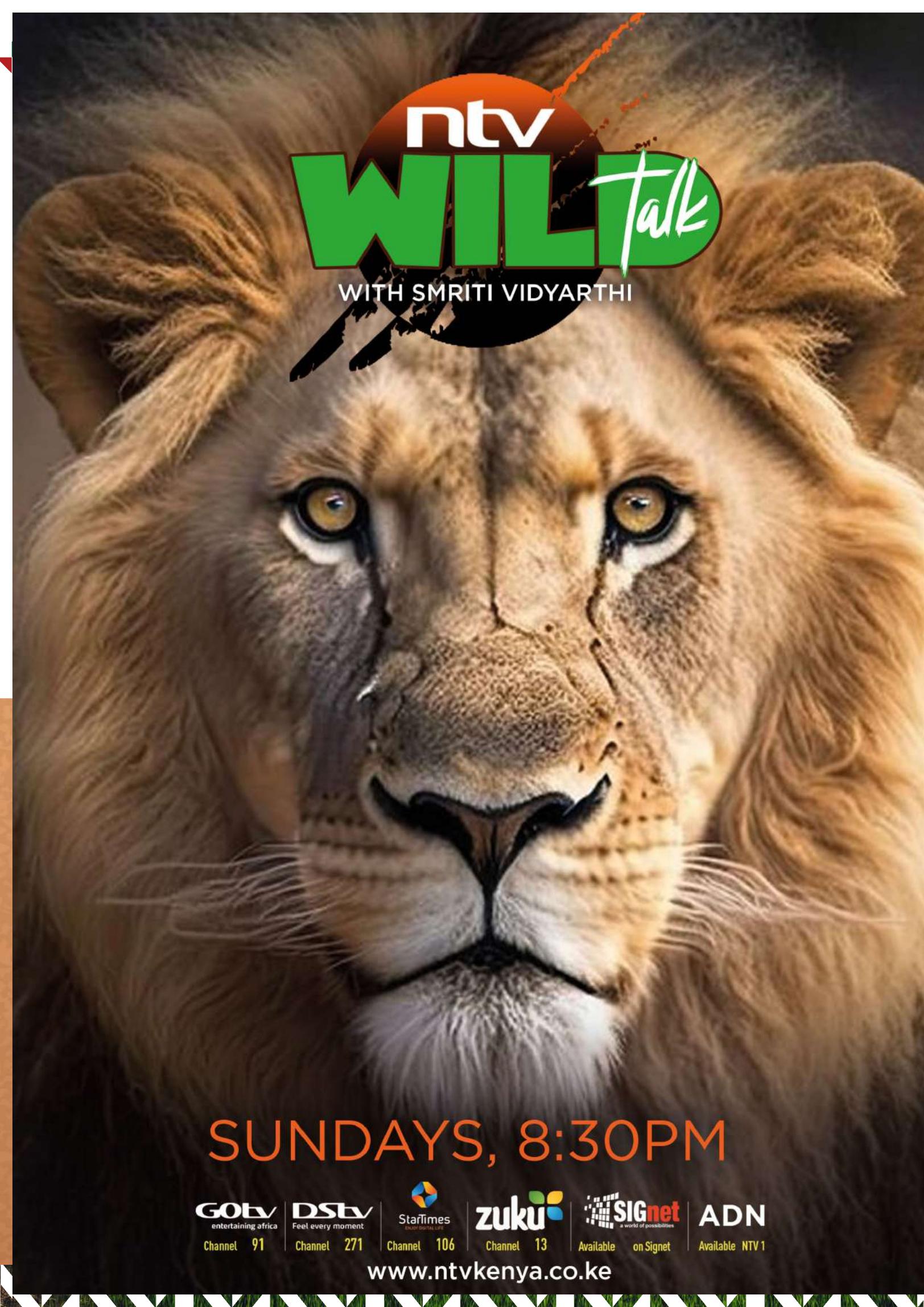
The report highlights the strides we are taking in embracing responsible journalism, corporate governance, environmental impact, employee welfare, and societal engagement. Although much has been done, we are clear that there is still so much more that needs to be done to serve as a strong foundation for an even more ambitious and impactful future.

Looking ahead, we are fully committed to building upon this journey and setting even more ambitious goals and targets. We recognise the need for businesses including ourselves to recognize the true cost of growth. The world is facing unprecedented volatility and turbulence levels driven by social and environmental issues. These include climate change, resource scarcity, environmental degradation, pollution, poverty, social inequality resulting in

price shocks of different commodities, increase in the cost of doing business and operational disruptions. There is an immediate action required of all of us as responsible businesses to embed sustainable business models that relook at economic growth model and strive to live within planetary boundaries to ensure space for humanity is maintained.

In conclusion, we recognise that this is the journey of a thousand miles and this report is the first step in NMG transforming into a sustainable business. With a resolute focus on the present and an unwavering commitment to an ambitious future, we aspire to lead by example in sustainable business practices within the media industry. Together, we can create a better world, where the power of media shapes a responsible, equitable and sustainable future.





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**WILD** *Talk*

WITH SMRITI VIDYARTHI

SUNDAYS, 8:30PM

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**DStv**  
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# > DIRECTORS' REPORT





Twenty-five years ago people could be excused for not knowing much, or doing much, about climate change. Today we have no excuse.

**Desmond Tutu**  
Former Archbishop of Cape Town





## REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report and the audited financial statements for the year ended 31 December 2022, which disclose the state of affairs of Nation Media Group PLC (the "Company") and its subsidiaries (together the "Group").

### PRINCIPAL ACTIVITIES

The principal activities of the Group are the publication, printing and distribution of newspapers, radio and television broadcasting and digital online products, in the East African countries of Kenya, Uganda, Rwanda and Tanzania.

### BUSINESS REVIEW

Kenya's economy was affected by both external and internal shocks that negatively impacted the Covid-19 pandemic recovery. External shocks brought about by the war in Ukraine negatively impacted the global economies resulting in rising commodity prices. Internally, the country was faced with a long drought and prolonged electioneering period with inflation at an annual average of 7.7 per cent.

In Uganda, the economy reopened after almost two years of closure following Covid-19 pandemic. However, the global rise in fuel prices adversely impacted cost of production and transportation. The inflation averaged 6.5 per cent in December 2022. In Tanzania, increased import prices on fuel and other commodities affected the economy. Inflation annual average rate was 4.8 per cent in 2022.

The relatively depressed business environment particularly in Kenya, impacted the Group's revenue. Profitability was impacted by the drastic rise in global newsprint prices and the depreciation of the Kenya Shilling against the US Dollar aggravating the cost of imported raw materials. Overall performance was partially cushioned by improved operational efficiency resulting from business optimization initiatives.

The Group continues to focus on product innovation across our channels and platforms as we embark on an accelerated phase of transforming the organisation into an audience-led, digital-first media company with a diverse portfolio of products to drive optimal monetisation of our expansive digital footprint. Similarly, the Group will continue to uphold its strong presence in commercially viable print and broadcast media by continuously offering unique and relevant content to our audiences.

Group turnover at Shs 7.3 billion and total comprehensive income at Shs 0.5 billion were below the previous year. The results of the Group for the year are set out in the Group statement of comprehensive income on page 88.

### KEY PERFORMANCE HIGHLIGHTS

|  | 2022    | 2021    |
|--|---------|---------|
|  | Shs m   | Shs m   |
| <b>Performance</b>                               |         |         |
| Revenue  | 7,298.3 | 7,613.7 |
| Profit before income tax                         | 491.7   | 730.7   |
| Total comprehensive income for the year          | 470.6   | 584.7   |
| <b>Financial position</b>                        |         |         |
| Non-current assets                               | 4,345.5 | 4,526.5 |
| Net current assets                               | 4,278.2 | 4,021.2 |
| Non-current liabilities                          | (348.8) | (457.5) |
| Non-controlling interest                         | (82.1)  | (75.9)  |
| Equity holders funds                             | 8,192.8 | 8,014.3 |
| Profit before tax as a percentage of revenue (%) | 6.7     | 9.6     |
| Earnings per share (Shs)                         | 1.7     | 2.5     |
| Capital expenditure – Excluding ROU Assets       | 153.6   | 123.5   |





## REPORT OF THE DIRECTORS (continued)

The Group’s principal risks are set out below. These risks have been assessed considering their potential impact and likelihood of occurrence, and the resultant residual risk based on management controls and actions put in place to mitigate the residual risk.

| Principal risks  | Mitigating strategies  |
|--|--|
| <p><b>1. Reputation risk</b><br/>Damage to NMG’s reputation as a result of actions, behaviour or performance that falls short of stakeholder expectations.</p>   | <ul style="list-style-type: none"> <li>• A “Ready for Regulation” strategy to ensure compliance with regulatory issues.</li> <li>• Continuous improvement of the editorial gatekeeping function and compliance with editorial policy.</li> <li>• Continuous scanning of the social media landscape and responding appropriately.</li> <li>• Robust stakeholder management.</li> </ul>  |
| <p><b>2. Concentration risk</b><br/>Heavy reliance on print media and circulation revenue as the primary source of revenue.</p>  | <ul style="list-style-type: none"> <li>• Pursuing new revenue streams.</li> <li>• Fully entrenching the digital/mobile first digital model and embedding the digital culture in the organization.</li> <li>• Focus on developing or acquiring unique, relevant content.</li> </ul>   |
| <p><b>3. Litigation risk</b><br/>Defamatory content/information/message about an individual or company published or aired by the Group exposes Nation Media Group PLC to increased legal suits from persons impacted by the Group’s content.</p> | <ul style="list-style-type: none"> <li>• Establishing and implementing robust internal controls within the company to prevent such occurrences.</li> <li>• Putting in place disciplinary measures for offenders.</li> <li>• Enforcing strict adherence of the editorial policy.</li> <li>• Proactive training of staff on new media laws and regulations to comply without compromising product quality.</li> <li>• Robust management of legal cases.</li> </ul> |
| <p><b>4. Default risk</b><br/>Failure of a counterparty to a financial transaction to fulfill its financial obligation to Nation Media Group PLC.</p>  | <ul style="list-style-type: none"> <li>• Strict credit control and vetting credit clients/transactions.</li> <li>• Review debt collection continuously.</li> <li>• Engage debt collectors where applicable.</li> <li>• More judicious approval of credit to clients.</li> <li>• Requirement for providing bank or insurance guarantees.</li> </ul>   |
| <p><b>5. Digital transformation strategy execution risk</b><br/>Capacity to deliver on the strategy and ability to attract and retain users to grow reader revenue</p>   | <ul style="list-style-type: none"> <li>• Skills development and alignment of culture.</li> <li>• Deployment of technology to support monetization of content.</li> <li>• Deployment of data analytics and artificial intelligence (AI) to aid in decision making and content generation.</li> <li>• Adoption of agile approach to speed up development and improve quality.</li> </ul>   |





## REPORT OF THE DIRECTORS (continued)

### DIVIDENDS

The directors recommend the payment of a final dividend of Shs 1.5 per share on the issued and fully paid share capital as at 31 December 2022 excluding treasury shares. (2021: Shs 1.5). No interim dividend was paid during the year.

### DIRECTORS

The directors who held office during the year and to the date of this report are set out on page 19.

Mr. D. Aluanga, Mr. L. Otieno, Mr. A. Ramji and Mr. S. Dunbar-Johnson are directors who retire by rotation in accordance with Article 110 of the Company's Articles of Association and being eligible, offer themselves for re-election.

Dr. W. Kiboro, Mr. F. Okello, Dr. Y. Jetha and Mr. W. Mwangi are directors who having attained the age of 70 retire by rotation and offer themselves for re-election.

Prof. L. Huebner, having attained the age of 70, retires by rotation and does not offer himself for re-election.

### DISCLOSURES TO AUDITORS

The directors confirm that with respect to each director at the time of approval of this report:

- a) there was, as far as each director is aware, no relevant audit information of which the company's auditor is unaware; and
- b) each director had 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.

### TERMS OF APPOINTMENT OF AUDITORS

PricewaterhouseCoopers express willingness to continue in office in accordance with the Company's Articles of Association and Section 721 of the Kenyan Companies Act, 2015.

The Audit and Risk and Compliance Committee (ARCC) monitor the effectiveness, objectivity and independence of the auditor. This responsibility includes the approval of the audit engagement contract and fees.

### APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 5 April 2023.

#### By order of the Board

**A Namwakira**

Company Secretary



MWANANCHI  
COURIER  
SERVICE



MWANANCHI COMMUNICATIONS LTD

*Tunawezesha taifa*

# TUNAKUFIKISHIA POPOTE



Safirisha mizigo yako kwa usalama na uhakika nchi nzima na **Mwananchi Courier Service.**



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Siku 7 kwa Wiki



Huduma kwa  
Wakati



Mwananchi\_Courier



+255 743 121 217



## RIPOTI YA WAKURUGENZI WAKUU

Wakurugenzi wanafuraha kuwasilisha ripoti yao na taarifa za kifedha zilizofanyiwa ukaguzi za mwaka uliokamilika tarehe 31 Desemba 2022, ambayo inaonyesha hali ya mambo katika Kampuni ya Nation Media Group ("Kampuni") na kampuni zake tanzu (kwa pamoja "Kampuni Kuu").

### SHUGHULI MUHIMU

Shughuli kuu za Kampuni ni uchapishaji, kushughulikia machapisho na usambazaji wa magazeti, utangazaji kupitia redio na televisheni na bidhaa za kidijitali za mtandaoni, katika nchi za Afrika ya Mashariki kama Kenya, Uganda, Rwanda na Tanzania.

### MTAZAMO WA BIASHARA

Uchumi wa Kenya uliathirika pakubwa kutokana na mititigo ya nje na ndani ya nchi iliyoathiri vibaya kuinua uchumi baada ya tandavu ya UVIKO-19. Mititigo kutoka mataifa ya nje uliosababishwa na vita vya Ukraine ambayo pia iliathiri pakubwa chumi za kilimwengu hali iliyopelekea kuongezeka kwa bei ya bidhaa. Humu nchini, Taifa letu lilishuhudia kipindi kirefu cha ukame na kadhalika kipindi cha maandalizi ya uchaguzi huku mfumko wa bei wa kiwango cha wastani cha asilimia 7.7.

Nchini Uganda, uchumi ulifunguka baada ya takribani miaka miwili ya kufungwa kwa shughuli zote za kiuchumi kutokana na kuanza kwa tandavu la UVIKO-19. Hata hivyo, kuongezeka kwa bei ya mafuta ulimwenguni kuliathiri pakubwa gharama ya uzalishaji na uchukuzi. Mfumo wa bei ulikuwa wa wastani ya asilimia 6.5 mnamo Desemba 2022. Huko Tanzania, kuongezeka kwa bei ya kuingiza mafuta na bidhaa nyinginezo iliathiri pakubwa uchumi. Kiwango cha wastani cha kila mwaka cha mfumo wa bei kilikuwa asilimia 4.8 mnamo mwaka wa 2022.

Kudorora kwa kiwango wastani kwa mazingira ya biashara hususan nchini Kenya, kuliathiri mapato ya Shirika. Faida yetu iliathirika kwa kuongezeka kwa kiwango kikubwa kwa bei ya karatasi za kuchapishia magazeti na kupungua kwa thamani ya sarafu ya Kenya dhidi ya Dola ya Marekani, huku hali hiyo ikizidisha gharama ya malighafi kutoka nje ya nchi. Matokeo ya jumla yalikingwa kutokana kuimarika kwa mbinu za utendakazi iliyotokana na mipango kusimamia biashara.

Shirika hili linaendelea kujishughulisha zaidi na ubunifu wa bidhaa katika vituo na majukwaa yetu yote huku tunapojizatiti katika mkumbo wa kubadilisha shirika hili hadi kwa walengwa halisi, kampuni inayotoa kipaumbele kwa mfumo huu wa kidijitali tena iliyo na mpango wa bidhaa anuai ili kupata fedha kutokana na bidhaa za kidijitali. Vile vile, Shirika litaendelea kujishughulisha kikamilifu katika sekta ya uchapishaji pamoja na utangazaji kwa kuendelea kuwapa wateja au watazamaji wetu habari faafu na za kipekee.

Mauzo ya Kampuni ya bilioni Shs. 7.3 na jumla ya mapato kamilifu ya bilioni Shs. 0.5 yalikuwa chini ya mwaka uliotangulia. Matokeo ya Kampuni ya mwaka yamewekwa katika taarifa ya Kampuni ya mapato kamilifu kwenye ukurasa wa 88.

### MAMBO MUHIMU YA UTENDAJI

|  | 2022    | 2021    |
|--|---------|---------|
|  | Shs m   | Shs m   |
| <b>Matokeo ya Utendakazi</b>   |         |         |
| Mapato   | 7,298.3 | 7,613.7 |
| Faida kabla ya kodi ya mapato  | 491.7   | 730.7   |
| Jumla ya mapato tondoti ya mwaka   | 470.6   | 584.7   |
| <b>Hali ya kifedha</b>   |         |         |
| Mali isiyo ya pesa taslimu   | 4,345.5 | 4,526.5 |
| Jumla ya mali ya pesa taslimu na inayotarajiwa kugeuzwa kuwa pesa taslimu ndani ya mwaka | 4,278.2 | 4,021.2 |
| Mikopo ambayo si ile tunayodaiwa ndani ya mwaka  | (348.8) | (457.5) |
| Masilahi ambapo Kampuni kuu haina udhibiti   | (82.1)  | (75.9)  |
| Fedha za Wenye-hisa  | 8,192.8 | 8,014.3 |
| Faida kabla ya kodi kama asilimia ya mapato (%)  | 6.7     | 9.6     |
| Mapato kwa kila hisa (Shs)   | 1.7     | 2.5     |
| Matumizi ya mtaji – Bila kujumlisha Mali zinazotokana na ROU                             | 153.6   | 123.5   |





## RIPOTI YA WAKURUGENZI WAKUU (inaendelea)

### HATARI KUU NA MIKAKATI YA KUKABILIANA NAZO

Hatari kuu za Kampuni zimebainishwa hapo chini. Hatari hizi zimetathminiwa kwa kuzingatia uwezekano wa athari na uwezekano wa kutokea kwake, na hatari zinazotokana baadaye kulingana na vidhibiti vya usimamizi na hatua zitakazowekwa ili kukabiliana na hatari za baada hatua kuchukuliwa.

| Hatari kuu  | Mikakati ya kukabiliana nazo   |
|---|--|
| <p><b>1. Hatari ya kutolinda hadhi ya NMG</b><br/>Kuharibika kwa hadhi ya NMG kutokana na hatua, mienendo au utendaji ambao unakosa kutimiza matarajio ya washikadau.</p>   | <ul style="list-style-type: none"><li>• Mkakati wa "Tayari kwa Udhhibiti" ili kuhakikisha utiifu wa masuala ya kiudhibiti.</li><li>• Kuendelea kuboresha kipengee cha uangalifu wa kiuhariri na kutii sera ya uhariri.</li><li>• Kuendelea kuchunguza mitandao ya kijamii na kuitikia ipasavyo.</li><li>• Usimamizi mpana wa washikadau.</li></ul>   |
| <p><b>2. Hatari ya kutegemea chanzo kimoja cha mapato</b><br/>Kutegemea pakubwa mapato kutokana na machapisho na usambazaji kama chanzo kikuu cha mapato.</p>   | <ul style="list-style-type: none"><li>• Kutafuta njia mpya za kuleta mapato.</li><li>• Kudumisha kikamilifu muundo kwa kidijitali/vifaa vya mkononi kwanza na kudumisha utamaduni wa kidijitali katika shirika.</li><li>• Kulenga kukuza au kutafuta maudhui ya kipekee na yanayofaa.</li></ul>  |
| <p><b>3. Hatari ya kesi nyingi za kisheria</b><br/>Maudhui/habari/ujumbe ya kushusha hadhi kuhusu mtu binafsi au kampuni utakochapishwa au kutangaza na Kampuni hii inaweka Kampuni ya Nation Media Group PLC katika hatari kubwa ya kuchukuliwa hatua za kisheria kutoka kwa watu wanaoathiriwa na maudhui ya Kampuni hii.</p> | <ul style="list-style-type: none"><li>• Kuweka na kutekeleza udhibiti mpana wa ndani kwa ndani kwenye kampuni ili kuzuia mambo kama hayo kutokea.</li><li>• Kuweka hatua za kinidhamu kwa wenye hatia.</li><li>• Kutekeleza utiifu wa sera madhubuti ya uhariri.</li><li>• Kuendelea kutoa mafunzo kwa wafanyakazi kuhusu sheria na kanuni mpya za vyombo vya habari ili kutii bila kuhitilafiana na ubora wa bidhaa.</li><li>• Usimamizi mpana wa kesi za kisheria.</li></ul> |
| <p><b>4. Hatari ya wahusika wengine kutotimiza wajibu wao</b><br/>Wahusika wengine kutotimiza muamala wa kifedha ili kutimiza wajibu wake wa kifedha kwa Kampuni ya Nation Media Group PLC.</p>   | <ul style="list-style-type: none"><li>• Udhhibiti madhubuti wa mikopo na kuchuja wateja/miamala ya mikopo.</li><li>• Kuendelea kukagua ukusanyaji wa deni kila mara.</li><li>• Kuhusisha mamlaka za kukusanya deni ikifaa.</li><li>• Kutumia busara zaidi kuidhinisha mikopo kwa wateja.</li><li>• Kuwahitaji watoe wadhamini wa benki au bima.</li></ul>  |
| <p><b>5. Hatari ya utekelezaji wa mkakati wa mageuzi ya kidijitali</b><br/>Uwezo wa kutekeleza mkakati huo na uwezo wa kuvutia na kudumisha watumiaji ili kukuza mapato kutoka kwa wasomaji</p>   | <ul style="list-style-type: none"><li>• Ukuzaji wa ujuzi na uoanishaji wa utamaduni.</li><li>• Kutumia teknolojia ili kusaidia uchumaji kutokana na maudhui.</li><li>• Kutumia uchambuzi wa data na uerevu buniwa (AI) ili kusaidia katika kufanya maamuzi na kuzalisha maudhui.</li><li>• Kutekelezwa kwa utaratibu wenye makali ili kutia kasi kwa ukuzaji na uimarishaji wa ubora.</li></ul>  |





## RIPOTI YA WAKURUGENZI WAKUU (inaendelea)

### MIGAO YA MAPATO

Wakurugenzi wanapendekeza malipo ya mgao wa mwisho wa mapato ya hisa ya Shs. 1.5 kwa kila hisa kwa mtaji wa hisa uliotolewa na uliolipiwa kikamilifu kufikia tarehe 31 Desemba 2022 bila kujumuisha hisa ya hazina za kifedha. (2021: Shs 1.5). Hakuna mgao wa mapato ya hisa ya muda uliolipwa katika mwaka huu.

### WAKURUGENZI

Wakurugenzi waliohudumu ofisini katika mwaka huo na kufikia tarehe ya ripoti hii wameorodheshwa kwenye ukurasa wa 19.

Bw. D. Aluanga, Bw. L. Otieno, Bw. A. Ramji na Bw. S. Dunbar-Johnson ni wakurugenzi wanaostaafu kwa zamu kuambatana na Kifungu cha 110 cha Kanuni za Kiushirika za Kampuni na kwa kuwa wanastahiki kuteuliwa, basi wanajitosa ulingoni kuchaguliwa tena.

Dkt. W. Kiboro, Bw. F. Okello, Dkt. Y. Jetha na Bw. W. Mwangi ni wakurugenzi ambao baada ya kufikisha umri wa miaka 70 wanastaafu kwa zamu na wanajitosa ulingoni kuchaguliwa tena.

Prof. L. Huebner, baada ya kufikisha umri wa miaka 70, anastaafu kwa zamu na hajajitosa ulingoni ili kuchaguliwa tena.

### KUWATANGAZA WAKAGUZI

Wakurugenzi wanathibitisha kwamba kuhusiaana na kila mkurugenzi kufikia wakati wa kupitishwa kwa ripoti hii:

- kadiri ya ufahamu wa kila mkurugenzi, hapakuwa na taarifa muhimu za ukaguzi ambazo mkaguzi wa kampuni hafahamu; na
- kila mkurugenzi alichukua hatua zote alizofaa kuchukua kama mkurugenzi ili kupata ufahamu kuhusu taarifa zozote muhimu za ukaguzi na kuhakikisha mkaguzi wa kampuni anafahamu kuhusu taarifa hizo.

### MASHARTI YA UTEUZI WA WAKAGUZI

PricewaterhouseCoopers ilionyesha nia ya moja kwa moja ya kuendelea kuhudumu kwa mujibu wa Vifungu vya Ushirika vya Kampuni na Kifungu cha 721 cha Sheria ya Kampuni ya Kenya, 2015.

Kamati ya Ukaguzi na Hatari na Utiifu (ARCC) kufuatilia ufanisi, uyakinifu na uhuru wa mkaguzi. Majukumu haya yanajumuisha kuidhinishwa kwa mkataba wa kazi ya ukaguzi na ada.

### KUIDHINISHWA KWA TAARIFA YA KIFEDHA

Taarifa ya kifedha iliidhinishwa na Bodi ya Wakurugenzi mnamo tarehe 5 Aprili 2023.

### Kwa agizo la Bodi

**A Namwakira**

Katibu wa Kampuni





# DIRECTORS' REMUNERATION REPORT

## INFORMATION NOT SUBJECT TO AUDIT

### Annual Statement and Statement of company's policy on directors' remuneration

The Nation Media Group PLC non-executive directors' remuneration is recommended by the Nominations and Governance Committee to the board. The directors' fees were held at similar levels to the previous year.

The executive directors comprise of the Group Chief Executive Officer and the Chief Financial Officer. Their remuneration is approved by the Chairman of the Board. They have annual performance targets, and an approved bonus policy which is in line with the rest of the employees.

The Group does not run any share option schemes.

### Contract of service

The non-executive directors are appointed under a three-year contract and are subject to retirement by rotation. However, they are eligible for re-election at the Annual General Meeting (AGM). Those above the age of 70 are required to retire at each AGM but are eligible for re-election.

The executive directors are employees who are on permanent and pensionable terms of employment.

### Statement of voting at general meeting

During the AGM held on 30 June 2022, the shareholders unanimously authorized the board to fix the remuneration of the non-executive directors.

### Summary of the remuneration policy in respect of Non-Executive Directors (NEDs)

The following are highlights of the Board remuneration policy for the Group:

1. All fees of NEDs are fixed and are reviewed after every two years to take into account factors such as the prevailing rate of inflation and the competitive environment to attract and retain suitably qualified individuals.
2. The fees are paid quarterly and those NEDs who need to allocate more time than the norm are compensated through payment of sitting allowances.
3. Different rates apply to the Board members, the Chairmen of the various Board Committees and the Board Chairman, proportionate to the services and responsibilities rendered.
4. NEDs are reimbursed for all business expenses relating to airfare, accommodation, taxis, and visa fees incurred on Company business on actual basis supported by official receipts.
5. The NEDs remuneration is approved by the shareholders in conformity with the Company's Articles of Association and the Capital Markets Authority Regulations.
6. The Company had in place a policy for payment on retirement for long serving NEDs. This policy was discontinued in 2012 and there are now only three NEDs, who were appointed prior to September 2008 eligible for such payment on retirement.





## DIRECTORS' REMUNERATION REPORT (continued)

### INFORMATION SUBJECT TO AUDIT

The following table shows a single figure remuneration for the executive, Chairman and non-executive directors in respect of qualifying services for the year ended 31 December 2022 together with the comparative figures for 2021.

The aggregate directors' emoluments are shown under Note 32(v).

| For the year ended<br>31 December 2022 |             |             |          |                       |            | Long term/<br>terminal<br>benefits | Total |
|--|-------------|-------------|----------|-----------------------|------------|------------------------------------|-------|
|  | Salary      | Fees        | Bonuses  | Expense<br>allowances |            |                                    |       |
|  | Shs m       | Shs m       | Shs m    | Shs m                 | Shs m      | Shs m                              |       |
| Stephen Gitagama                       | 38.8        | -           | -        | 0.4                   | 2.6        | 41.8                               |       |
| Richard Tobiko                         | 22.2        | -           | -        | 0.1                   | 1.4        | 23.7                               |       |
| Wilfred Kiboro                         | -           | 7.8         | -        | 0.1                   | -          | 7.9                                |       |
| Francis Okello                         | -           | 2.6         | -        | -                     | -          | 2.6                                |       |
| Anwar Poonawala*                       | -           | 1.7         | -        | -                     | -          | 1.7                                |       |
| Lee Huebner                            | -           | 2.3         | -        | -                     | -          | 2.3                                |       |
| Yasmin Jetha                           | -           | 2.3         | -        | -                     | -          | 2.3                                |       |
| Dennis Aluanga                         | -           | 2.9         | -        | -                     | -          | 2.9                                |       |
| Sumayya Hassan                         | -           | 1.7         | -        | -                     | -          | 1.7                                |       |
| Al-Noor Ramji*                         | -           | 1.7         | -        | -                     | -          | 1.7                                |       |
| Leonard Mususa                         | -           | 2.7         | -        | -                     | -          | 2.7                                |       |
| Louis Otieno                           | -           | 2.3         | -        | -                     | -          | 2.3                                |       |
| Wangethi Mwangi                        | -           | 4.1         | -        | -                     | -          | 4.1                                |       |
| Stephen Dunbar-Johnson                 | -           | 1.7         | -        | -                     | -          | 1.7                                |       |
| Samuel Sejjaka                         | -           | 2.5         | -        | -                     | -          | 2.5                                |       |
| <b>Totals</b>                          | <b>61.0</b> | <b>36.3</b> | <b>-</b> | <b>0.6</b>            | <b>4.0</b> | <b>101.9</b>                       |       |

\*Payments with respect to services provided by Anwar Poonawala and Al-Noor Ramji were paid to Aga Khan Fund for Economic Development (AKFED).





## DIRECTORS' REMUNERATION REPORT (continued)

### INFORMATION SUBJECT TO AUDIT (CONTINUED)

| For the year ended<br>31 December 2021 |             |             |            |                       |            | Long term/<br>terminal<br>benefits | Total       |
|--|-------------|-------------|------------|-----------------------|------------|------------------------------------|-------------|
|  | Salary      | Fees        | Bonuses    | Expense<br>allowances |            |                                    |             |
|  | Shs m       | Shs m       | Shs m      | Shs m                 | Shs m      | Shs m                              | Shs m       |
| Stephen Gitagama                       | 37.2        | -           | 4.6        | 0.6                   | 2.4        |                                    | 44.8        |
| Richard Tobiko                         | 19.9        | -           | 2.2        | -                     | 1.2        |                                    | 23.3        |
| Wilfred Kiboro                         | -           | 6.3         | -          | 0.1                   | -          |                                    | 6.4         |
| Francis Okello                         | -           | 2.3         | -          | -                     | -          |                                    | 2.3         |
| Anwar Poonawala*                       | -           | 1.6         | -          | -                     | -          |                                    | 1.6         |
| Lee Huebner                            | -           | 2.1         | -          | -                     | -          |                                    | 2.1         |
| Yasmin Jetha                           | -           | 2.1         | -          | -                     | -          |                                    | 2.1         |
| Dennis Aluanga                         | -           | 2.5         | -          | -                     | -          |                                    | 2.5         |
| Sumayya Hassan                         | -           | 1.6         | -          | -                     | -          |                                    | 1.6         |
| Al-Noor Ramji*                         | -           | 1.6         | -          | -                     | -          |                                    | 1.6         |
| Leonard Mususa                         | -           | 2.4         | -          | -                     | -          |                                    | 2.4         |
| Louis Otieno                           | -           | 2.1         | -          | -                     | -          |                                    | 2.1         |
| Wangethi Mwangi                        | -           | 3.4         | -          | -                     | -          |                                    | 3.4         |
| Stephen Dunbar-Johnson                 | -           | 1.6         | -          | -                     | -          |                                    | 1.6         |
| <b>Totals</b>                          | <b>57.1</b> | <b>29.6</b> | <b>6.8</b> | <b>0.7</b>            | <b>3.6</b> |                                    | <b>97.8</b> |

\* Payments with respect to services provided by Anwar Poonawala and Al-Noor Ramji were paid to Aga Khan Fund for Economic Development (AKFED).

On behalf of the Board

*Lee W. Huebner*

**Chairperson,**

Nominations and Governance Committee

5 April 2023





## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act, 2015 requires the directors to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and Company at the end of the financial year and of their financial performance for the year then ended. The directors are responsible for ensuring that the Group and Company keep proper accounting records that are sufficient to show and explain the transactions of the Group and Company; disclose with reasonable accuracy at any time the financial position of the Group and Company; and that enable them to prepare financial statements of the Group and Company that comply with prescribed financial reporting standards and the requirements of the Companies Act, 2015. They are also responsible for safeguarding the assets of the Group and Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2015. They also accept responsibility for:

- i. Designing, implementing and maintaining internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error;
- ii. Selecting suitable accounting policies and then applying them consistently; and
- iii. Making judgements and accounting estimates that are reasonable in the circumstances.

Having made an assessment of the Group's and Company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Group's and Company's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibility.

Approved by the board of directors on 5 April 2023 and signed on its behalf by:

**Dr. W D Kiboro**  
Chairman

**R Tobiko**  
Chief Financial Officer





# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NATION MEDIA GROUP PLC



## Report on the audit of the financial statements

### Our opinion

We have audited the accompanying financial statements of Nation Media Group PLC (the Company) and its subsidiaries (together, the Group) set out on pages 88 to 140, which comprise the Group and Company statements of financial position at 31 December 2022 and the Group and Company statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2022 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the 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 financial statements* section of our report.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with 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 financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter   | How our audit addressed the key audit matter  |
|--|---|
| <p><b>Determination of expected credit losses on trade receivables</b></p> <p>As described in the accounting policies and notes 3 and 4(b) of the financial statements, the Group had net trade receivables of Shs 2.156bn at 31 December 2022.</p> <p>This is an area of focus because the assessment of recoverability of trade receivables and calculations to determine expected credit losses involves significant judgment. Specifically, estimating future cash flows and determining loss rates to apply in estimating the expected credit loss provision involves judgment, including the assumption that future collections of receivables will follow a similar pattern to past experience.</p> | <p>We assessed and tested the key assumptions for reasonableness and appropriateness.</p> <p>We challenged management on the appropriateness of the expected timing of the settlement of trade receivables from the government.</p> <p>We tested the key inputs into the expected credit loss model to source documents/reports and checked the mathematical accuracy of the model.</p> <p>We evaluated the adequacy of disclosures in the financial statements in accordance with the requirements of International Financial Reporting Standards.</p> |

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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NATION MEDIA GROUP PLC (continued)



### *Other information*

The other information comprises the Company information, the corporate governance statement, the Directors' profiles, the report of the Directors, the non-auditable part of the Directors' remuneration report, the statement of Directors responsibilities and the report of principal shareholders which we obtained prior to the date of this auditor's report, and the rest of the other information in the Annual Report which are expected to be made available to us after that date, but does not include the financial statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information we have received prior to the date of this auditor's report, 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.

When we read the rest of the other information in the Annual Report and we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### *Responsibilities of the Directors for the financial statements*

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the 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.

In preparing the financial statements, the Directors are responsible for assessing the Group'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 or to cease operations, or have no realistic alternative but to do so.

### *Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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'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'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 financial statements or, if such





## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NATION MEDIA GROUP PLC (continued)



### *Auditor's responsibilities for the audit of the financial statements (continued)*

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 to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group's financial statements. We are responsible for the direction, supervision and performance 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the Group's 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.

### **Report on other matters prescribed by the Companies Act, 2015**

#### *Report of the Directors*

In our opinion the information given in the Directors' report on pages 72 to 74 is consistent with the financial statements.

#### *Directors' remuneration report*

In our opinion the auditable part of the Directors' remuneration report on pages 80 to 81 has been properly prepared in accordance with the Companies Act, 2015.

*Bernice Kimacia*

**CPA Bernice Kimacia, Practicing Certificate Number 1457  
Engagement partner responsible for the audit**

**For and on behalf of PricewaterhouseCoopers LLP  
Certified Public Accountants  
Nairobi**

**5 April 2023**





# > FINANCIAL STATEMENTS



One cannot be prepared for something, while secretly believing it will not happen

**Nelson Mandela**  
Former South African President





## Group and Company Statements of Comprehensive Income

for the year ended 31 December 2022

|   | Notes | Group          |                | Company        |                |
|---|-------|----------------|----------------|----------------|----------------|
|   |       | 2022<br>Shs m  | 2021<br>Shs m  | 2022<br>Shs m  | 2021<br>Shs m  |
| Revenue   | 5     | 7,298.3        | 7,613.7        | 5,070.9        | 5,354.5        |
| Cost of sales   |       | (1,424.6)      | (1,212.0)      | (938.8)        | (843.9)        |
| Gross profit  |       | <b>5,873.7</b> | <b>6,401.7</b> | <b>4,132.1</b> | <b>4,510.6</b> |
| Distribution costs  |       | (265.8)        | (269.4)        | (198.0)        | (206.5)        |
| Administrative expenses   |       | (3,808.9)      | (4,024.7)      | (2,614.0)      | (2,754.1)      |
| Net impairment losses on financial assets                                 | 6     | (24.3)         | (33.5)         | (11.0)         | (0.5)          |
| Other expenses  |       | (1,592.7)      | (1,579.4)      | (1,124.2)      | (1,116.4)      |
| <b>Operating profit</b>   | 6     | <b>182.0</b>   | <b>494.7</b>   | <b>184.9</b>   | <b>433.1</b>   |
| Finance income  | 8     | 291.6          | 241.7          | 248.3          | 203.9          |
| Finance costs   | 8     | (38.9)         | (44.6)         | (36.9)         | (41.7)         |
| Share of profit after income tax of associate                             | 17    | 57.0           | 38.9           | -              | -              |
| <b>Profit before income tax</b>   |       | <b>491.7</b>   | <b>730.7</b>   | <b>396.3</b>   | <b>595.3</b>   |
| Income tax expense  | 9     | (173.2)        | (237.6)        | (98.9)         | (209.0)        |
| <b>Profit for the year</b>  |       | <b>318.5</b>   | <b>493.1</b>   | <b>297.4</b>   | <b>386.3</b>   |
| <b>Other comprehensive income:</b>  |       |                |                |                |                |
| <b>Items that may be subsequently reclassified to profit or loss</b>      |       |                |                |                |                |
| Currency translation differences  |       | 46.2           | 67.7           | -              | -              |
| <b>Items that will not be subsequently reclassified to profit or loss</b> |       |                |                |                |                |
| Other comprehensive income from associate                                 | 17    | 12.2           | 23.9           | -              | -              |
| Revaluation gain (net of deferred income tax)                             | 12    | 93.7           | -              | 81.6           | -              |
|   |       | <b>152.1</b>   | <b>91.6</b>    | <b>81.6</b>    | <b>-</b>       |
| <b>Total comprehensive income for the year</b>                            |       | <b>470.6</b>   | <b>584.7</b>   | <b>379.0</b>   | <b>386.3</b>   |
| <b>Profit for the year attributable to:</b>                               |       |                |                |                |                |
| Owners of the parent  |       | 315.2          | 491.8          | -              | -              |
| Non-controlling interest  |       | 3.3            | 1.3            | -              | -              |
|   |       | <b>318.5</b>   | <b>493.1</b>   | <b>-</b>       | <b>-</b>       |
| <b>Total comprehensive income attributable to:</b>                        |       |                |                |                |                |
| Owners of the parent  |       | 463.9          | 578.3          | -              | -              |
| Non-controlling interest  |       | 6.7            | 6.4            | -              | -              |
|   |       | <b>470.6</b>   | <b>584.7</b>   | <b>-</b>       | <b>-</b>       |
| <b>Basic earnings per share (Shs)</b>                                     | 10    | 1.7            | 2.5            | -              | -              |
| <b>Diluted earnings per share (Shs)</b>                                   | 10    | 1.7            | 2.5            | -              | -              |

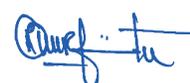
## Group and Company Statements of Financial Position at 31 December 2022

|   | Notes | Group          |                | Company        |                |
|---|-------|----------------|----------------|----------------|----------------|
|   |       | 2022<br>Shs m  | 2021<br>Shs m  | 2022<br>Shs m  | 2021<br>Shs m  |
| <b>CAPITAL EMPLOYED</b>                             |       |                |                |                |                |
| <b>Attributable to the Company's equity holders</b> |       |                |                |                |                |
| Share capital                                       | 11    | 518.5          | 518.5          | 518.5          | 518.5          |
| Other reserves                                      | 12    | 172.9          | 24.2           | 175.9          | 94.3           |
| Retained earnings                                   |       | 7,643.5        | 7,613.7        | 5,657.9        | 5,645.9        |
| Proposed dividends                                  | 28    | 285.4          | 285.4          | 285.4          | 285.4          |
| Treasury shares reserve                             | 11    | (427.5)        | (427.5)        | (427.5)        | (427.5)        |
|   |       | <b>8,192.8</b> | <b>8,014.3</b> | <b>6,210.2</b> | <b>6,116.6</b> |
| Non-controlling interest                            | 19    | 82.1           | 75.9           | -              | -              |
| <b>Total equity</b>                                 |       | <b>8,274.9</b> | <b>8,090.2</b> | <b>6,210.2</b> | <b>6,116.6</b> |
| <b>Non-current liabilities</b>                      |       |                |                |                |                |
| Deferred income tax                                 | 13    | 35.4           | 30.2           | -              | -              |
| Lease liabilities                                   | 16    | 313.4          | 371.7          | 309.2          | 329.9          |
| Post-employment benefit obligation                  | 27    | -              | 55.6           | -              | 55.6           |
|   |       | <b>348.8</b>   | <b>457.5</b>   | <b>309.2</b>   | <b>385.5</b>   |
| <b>Total equity and non-current liabilities</b>     |       | <b>8,623.7</b> | <b>8,547.7</b> | <b>6,519.4</b> | <b>6,502.1</b> |
| <b>Non-current assets</b>                           |       |                |                |                |                |
| Land and buildings                                  | 14(a) | 704.6          | 585.4          | 488.3          | 389.8          |
| Plant and equipment                                 | 14(b) | 906.6          | 1,106.9        | 659.7          | 836.4          |
| Right of use asset                                  | 16    | 444.9          | 518.8          | 378.3          | 416.8          |
| Intangible assets                                   | 15    | 180.0          | 239.9          | 153.8          | 213.8          |
| Investment in associate                             | 17    | 1,556.1        | 1,540.5        | 94.6           | 94.6           |
| Investment in subsidiaries                          | 18    | -              | -              | 702.8          | 702.8          |
| Deferred income tax                                 | 13    | 484.8          | 481.1          | 390.5          | 371.5          |
| Post-employment benefit obligation                  | 27    | 4.9            | -              | 4.9            | -              |
| Other assets  | 20    | 63.6           | 53.9           | 63.6           | 53.9           |
|   |       | <b>4,345.5</b> | <b>4,526.5</b> | <b>2,936.5</b> | <b>3,079.6</b> |
| <b>Current assets</b>                               |       |                |                |                |                |
| Inventories   | 21    | 776.8          | 619.5          | 540.3          | 490.5          |
| Receivables and prepayments                         | 22    | 3,624.2        | 3,548.8        | 2,790.5        | 2,679.1        |
| Cash and cash equivalents                           | 23    | 1,893.9        | 2,111.9        | 1,682.4        | 1,633.5        |
| Short-term investments                              | 24    | 1,861.7        | 1,846.7        | 1,410.0        | 1,696.2        |
| Current income tax                                  |       | 147.2          | -              | 133.4          | -              |
|   |       | <b>8,303.8</b> | <b>8,126.9</b> | <b>6,556.6</b> | <b>6,499.3</b> |
| <b>Current liabilities</b>                          |       |                |                |                |                |
| Payables and accrued expenses                       | 25    | 3,386.9        | 3,356.3        | 2,418.2        | 2,381.8        |
| Provisions  | 26    | 545.2          | 578.9          | 501.4          | 548.7          |
| Lease liabilities                                   | 16    | 93.5           | 96.7           | 54.1           | 55.1           |
| Current tax liability                               |       | -              | 73.8           | -              | 91.2           |
|   |       | <b>4,025.6</b> | <b>4,105.7</b> | <b>2,973.7</b> | <b>3,076.8</b> |
| <b>Net current assets</b>                           |       | <b>4,278.2</b> | <b>4,021.2</b> | <b>3,582.9</b> | <b>3,422.5</b> |
| <b>Total assets less current liabilities</b>        |       | <b>8,623.7</b> | <b>8,547.7</b> | <b>6,519.4</b> | <b>6,502.1</b> |

The financial statements on pages 88 to 140 were approved and authorised for issue by the board of directors on 5 April 2023 and signed on its behalf by:



**Dr. W D Kiboro**  
Chairman



**R Tobiko**  
Chief Financial Officer



## Group Statement of Changes in Equity

for the year ended 31 December 2022

|  |       | Attributable to equity holders of the Company |                           |                         |                            |                             |                |                                   |                       |  |
|--|-------|---|---------------------------|-------------------------|----------------------------|-----------------------------|----------------|-----------------------------------|-----------------------|--|
|  | Notes | Share capital<br>Shs m                        | Treasury reserve<br>Shs m | Other reserves<br>Shs m | Retained Earnings<br>Shs m | Proposed Dividends<br>Shs m | Total<br>Shs m | Non-controlling interest<br>Shs m | Total equity<br>Shs m |  |
| <b>Year ended 31 December 2021</b>             |       |   |                           |                         |                            |                             |                |                                   |                       |  |
| <b>At start of year</b>                        |       | <b>518.5</b>                                  | -                         | <b>(57.7)</b>           | <b>7,402.7</b>             | -                           | <b>7,863.5</b> | <b>69.5</b>                       | <b>7,933.0</b>        |  |
| Profit for the year                            |       | -   | -                         | -                       | 491.8                      | -                           | 491.8          | 1.3                               | 493.1                 |  |
| <b>Other comprehensive income, net of tax</b>  |       |   |                           |                         |                            |                             |                |                                   |                       |  |
| Currency translation differences               |       | -   | -                         | 62.6                    | -                          | -                           | 62.6           | 5.1                               | 67.7                  |  |
| Transfer of excess depreciation                |       | -   | -                         | (6.5)                   | 6.5                        | -                           | -              | -                                 | -                     |  |
| Deferred income tax on transfer                |       | -   | -                         | 1.9                     | (1.9)                      | -                           | -              | -                                 | -                     |  |
| Share of comprehensive income in associate     | 17    | -   | -                         | 23.9                    | -                          | -                           | 23.9           | -                                 | 23.9                  |  |
| <b>Total other comprehensive income</b>        |       | -   | -                         | <b>81.9</b>             | <b>4.6</b>                 | -                           | <b>86.5</b>    | <b>5.1</b>                        | <b>91.6</b>           |  |
| <b>Total comprehensive income for the year</b> |       | -   | -                         | <b>81.9</b>             | <b>496.4</b>               | -                           | <b>578.3</b>   | <b>6.4</b>                        | <b>584.7</b>          |  |
| <b>Transactions with owners</b>                |       |   |                           |                         |                            |                             |                |                                   |                       |  |
| Share Buyback                                  | 11    | -   | (427.5)                   | -                       | -                          | -                           | (427.5)        | -                                 | (427.5)               |  |
| Proposed final dividend for 2021               | 28    | -   | -                         | -                       | (285.4)                    | 285.4                       | -              | -                                 | -                     |  |
| <b>At end of year</b>                          |       | <b>518.5</b>                                  | <b>(427.5)</b>            | <b>24.2</b>             | <b>7,613.7</b>             | <b>285.4</b>                | <b>8,014.3</b> | <b>75.9</b>                       | <b>8,090.2</b>        |  |

## Group Statement of Changes in Equity

for the year ended 31 December 2022(continued)

|  |       | Attributable to equity holders of the Company |                           |                         |                            |                             |                |                                   |                       |  |
|--|-------|---|---------------------------|-------------------------|----------------------------|-----------------------------|----------------|-----------------------------------|-----------------------|--|
|  | Notes | Share capital<br>Shs m                        | Treasury reserve<br>Shs m | Other reserves<br>Shs m | Retained Earnings<br>Shs m | Proposed Dividends<br>Shs m | Total<br>Shs m | Non-controlling interest<br>Shs m | Total equity<br>Shs m |  |
| <b>Year ended 31 December 2022</b>             |       |   |                           |                         |                            |                             |                |                                   |                       |  |
| <b>At start of year</b>                        |       | <b>518.5</b>                                  | <b>(427.5)</b>            | <b>24.2</b>             | <b>7,613.7</b>             | <b>285.4</b>                | <b>8,014.3</b> | <b>75.9</b>                       | <b>8,090.2</b>        |  |
| Profit for the year                            |       | -   | -                         | -                       | 315.2                      | -                           | 315.2          | 3.3                               | 318.5                 |  |
| <b>Other comprehensive income, net of tax</b>  |       |   |                           |                         |                            |                             |                |                                   |                       |  |
| Currency translation differences               |       | -   | -                         | 42.8                    | -                          | -                           | 42.8           | 3.4                               | 46.2                  |  |
| Revaluation of buildings                       | 12    | -   | -                         | 93.7                    | -                          | -                           | 93.7           | -                                 | 93.7                  |  |
| Share of comprehensive income in associate     | 17    | -   | -                         | 12.2                    | -                          | -                           | 12.2           | -                                 | 12.2                  |  |
| <b>Total other comprehensive income</b>        |       | <b>-</b>                                      | <b>-</b>                  | <b>148.7</b>            | <b>-</b>                   | <b>-</b>                    | <b>148.7</b>   | <b>3.4</b>                        | <b>152.1</b>          |  |
| <b>Total comprehensive income for the year</b> |       | <b>-</b>                                      | <b>-</b>                  | <b>148.7</b>            | <b>315.2</b>               | <b>-</b>                    | <b>463.9</b>   | <b>6.7</b>                        | <b>470.6</b>          |  |
| <b>Transactions with owners</b>                |       |   |                           |                         |                            |                             |                |                                   |                       |  |
| Dividend paid to minority                      | 19    | -   | -                         | -                       | -                          | -                           | -              | (0.5)                             | (0.5)                 |  |
| Dividend paid – final 2021                     |       | -   | -                         | -                       | -                          | (285.4)                     | (285.4)        | -                                 | (285.4)               |  |
| Proposed final dividend for 2022               | 28    | -   | -                         | -                       | (285.4)                    | 285.4                       | -              | -                                 | -                     |  |
| <b>At end of year</b>                          |       | <b>518.5</b>                                  | <b>(427.5)</b>            | <b>172.9</b>            | <b>7,643.5</b>             | <b>285.4</b>                | <b>8,192.8</b> | <b>82.1</b>                       | <b>8,274.9</b>        |  |



## Company Statement of Changes in Equity

for the year ended 31 December 2022

|  | Notes | Share Capital | Treasury reserve | Other reserves | Retained earnings | Proposed dividends | Total equity   |
|--|-------|---------------|------------------|----------------|-------------------|--------------------|----------------|
|  |       | Shs m         | Shs m            | Shs m          | Shs m             | Shs m              | Shs m          |
| <b>Year ended 31 December 2021</b>             |       |               |                  |                |                   |                    |                |
| <b>At start of year</b>                        |       | <b>518.5</b>  | -                | <b>96.9</b>    | <b>5,542.4</b>    | -                  | <b>6,157.8</b> |
| Total comprehensive income                     |       |               |                  |                |                   |                    |                |
| Profit for the year                            |       | -             | -                | -              | 386.3             | -                  | 386.3          |
| <b>Other comprehensive income, net of tax</b>  |       |               |                  |                |                   |                    |                |
| Transfer of excess depreciation                |       | -             | -                | (3.7)          | 3.7               | -                  | -              |
| Deferred income tax on transfer                |       | -             | -                | 1.1            | (1.1)             | -                  | -              |
| <b>Total other comprehensive income</b>        |       | -             | -                | <b>(2.6)</b>   | <b>2.6</b>        | -                  | -              |
| <b>Total comprehensive income for the year</b> |       | -             | -                | <b>(2.6)</b>   | <b>388.9</b>      | -                  | <b>386.3</b>   |
| <b>Transactions with owners</b>                |       |               |                  |                |                   |                    |                |
| Share Buyback                                  | 11    | -             | (427.5)          | -              | -                 | -                  | (427.5)        |
| Proposed final dividend 2021                   |       | -             | -                | -              | (285.4)           | 285.4              | -              |
| <b>At end of year</b>                          |       | <b>518.5</b>  | <b>(427.5)</b>   | <b>94.3</b>    | <b>5,645.9</b>    | <b>285.4</b>       | <b>6,116.6</b> |
| <b>Year ended 31 December 2022</b>             |       |               |                  |                |                   |                    |                |
| At start of year                               |       | 518.5         | (427.5)          | 94.3           | 5,645.9           | 285.4              | 6,116.6        |
| <b>Total comprehensive income</b>              |       |               |                  |                |                   |                    |                |
| Profit for the year                            |       | -             | -                | -              | 297.4             | -                  | 297.4          |
| <b>Other comprehensive income, net of tax</b>  |       |               |                  |                |                   |                    |                |
| Revaluation of building                        | 12    | -             | -                | 81.6           | -                 | -                  | 81.6           |
| <b>Total other comprehensive income</b>        |       | -             | -                | <b>81.6</b>    | -                 | -                  | <b>81.6</b>    |
| <b>Total comprehensive income for the year</b> |       | -             | -                | <b>81.6</b>    | <b>297.4</b>      | -                  | <b>379.0</b>   |
| <b>Transactions with owners</b>                |       |               |                  |                |                   |                    |                |
| Final dividend 2021 paid                       |       | -             | -                | -              | -                 | (285.4)            | (285.4)        |
| Proposed final dividends 2022                  | 28    | -             | -                | -              | (285.4)           | 285.4              | -              |
| <b>At end of year</b>                          |       | <b>518.5</b>  | <b>(427.5)</b>   | <b>175.9</b>   | <b>5,657.9</b>    | <b>285.4</b>       | <b>6,210.2</b> |

## Group and Company Statement of Cash Flows

for the year ended 31 December 2022

|   | Notes     | Group          |                | Company        |                |
|---|-----------|----------------|----------------|----------------|----------------|
|   |           | 2022<br>Shs m  | 2021<br>Shs m  | 2022<br>Shs m  | 2021<br>Shs m  |
| <b>Operating activities</b>                                     |           |                |                |                |                |
| Cash generated from operations                                  | 31        | 461.1          | 1,711.1        | 235.0          | 1,497.5        |
| Income tax paid   | 9         | (432.7)        | (219.6)        | (377.3)        | (171.6)        |
| Interest on lease   | 16        | (38.9)         | (44.6)         | (36.9)         | (41.7)         |
| <b>Net cash (used in)/generated from operating activities</b>   |           | <b>(10.5)</b>  | <b>1,446.9</b> | <b>(179.2)</b> | <b>1,284.2</b> |
| <b>Investing activities</b>                                     |           |                |                |                |                |
| Interest received   | 8         | 291.6          | 241.7          | 248.3          | 203.9          |
| Purchase of property, plant and equipment                       | 14        | (135.8)        | (95.9)         | (77.4)         | (65.1)         |
| Purchase of intangible assets                                   | 15        | (17.8)         | (27.6)         | (16.0)         | (26.2)         |
| Proceeds from sale of property, plant and equipment             |           | 21.5           | 8.6            | 18.5           | 5.9            |
| Dividends received from associate                               | 17        | 53.6           | 7.7            | 53.6           | 7.7            |
| Dividend received from subsidiary                               |           | -              | -              | 82.4           | -              |
| Long-term deposit   | 20        | (9.7)          | 20.8           | (9.7)          | 20.8           |
| Short-term investments  | 24        | (15.0)         | (316.7)        | 286.2          | (357.9)        |
| <b>Net cash generated from / (used in) investing activities</b> |           | <b>188.4</b>   | <b>(161.4)</b> | <b>585.9</b>   | <b>(210.9)</b> |
| <b>Financing activities</b>                                     |           |                |                |                |                |
| Treasury shares purchase  | 11        | -              | (427.5)        | -              | (427.5)        |
| Dividend paid   |           | (285.4)        | -              | (285.4)        | -              |
| Dividend paid to minority                                       | 19        | (0.5)          | -              | -              | -              |
| Principal portion of lease liability payment                    | 16        | (127.0)        | (128.5)        | (72.4)         | (75.5)         |
| <b>Net cash used in financing activities</b>                    |           | <b>(412.9)</b> | <b>(556.0)</b> | <b>(357.8)</b> | <b>(503.0)</b> |
| <b>Net increase in cash and cash equivalents</b>                |           | <b>(235.0)</b> | <b>729.5</b>   | <b>48.9</b>    | <b>570.3</b>   |
| <b>Movement in cash and cash equivalents</b>                    |           |                |                |                |                |
| At start of year  |           | 2,111.9        | 1,344.2        | 1,633.5        | 1,063.2        |
| Decrease)/increase in cash and cash equivalents)                |           | (235.0)        | 729.5          | 48.9           | 570.3          |
| Exchange gains/(losses) on cash and cash equivalents            |           | 17.0           | 38.2           | -              | -              |
| <b>At end of year</b>   | <b>23</b> | <b>1,893.9</b> | <b>2,111.9</b> | <b>1,682.4</b> | <b>1,633.5</b> |



## Notes to the financial statements

### 1. General information

Nation Media Group PLC (the "Company") is incorporated in Kenya under the Kenya Companies Act as a public limited liability company, and is domiciled in Kenya. The address of its registered office is:

Nation Media Group PLC  
Nation Centre  
Kimathi Street  
P O Box 49010 - 00100  
Nairobi

The Company's shares are listed on the Nairobi, Kampala, Dar es Salaam and Kigali Stock Exchanges.

For Companies Act reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by the statement of comprehensive income, in these financial statements.

### 2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the Company and consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

#### (a) Basis of preparation

The financial statements are prepared on a going concern basis and in compliance with International Financial Reporting

Standards (IFRS). The financial statements are presented in Kenyan Shillings (Shs m), rounded to the nearest one tenth of a million. The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

Under the historical cost basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or, in some cases, at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires directors to exercise 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.

#### Changes in accounting policy and disclosures

##### (i) New standards, amendments and interpretations effective and adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2022. These standards and amendments did not have a material impact on the financial statements.

| Title   | Key requirements  | Effective Date                                      |
|---|---|---|
| <i>Amendments to IAS 16 'Property, Plant and Equipment': Proceeds before Intended Use</i>   | The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss.   | Annual periods beginning on or after 1 January 2022 |
| <i>Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts—Cost of Fulfilling a Contract</i> | The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract. | Annual periods beginning on or after 1 January 2022 |

## Notes to the financial statements (continued)

### 2. Summary of significant accounting policies (continued)

#### (a) Basis of preparation (continued)

##### (i) New standards, amendments and interpretations effective and adopted by the Group (continued)

| Title                                       | Key requirements   | Effective Date                                      |
|---|--|---|
| <i>Annual improvements cycle 2018 -2020</i> | These amendments include minor changes to: <ul style="list-style-type: none"> <li>IFRS 1, 'First time adoption of IFRS' has been amended for a subsidiary that becomes a first-time adopter after its parent. The subsidiary may elect to measure cumulative translation differences for foreign operations using the amounts reported by the parent at the date of the parent's transition to IFRS.</li> <li>IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation.</li> <li>IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives.</li> </ul> | Annual periods beginning on or after 1 January 2022 |

##### (ii) New standards, amendments and interpretations issued not yet effective

The below new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group.

| Title  | Key requirements   | Effective Date                                      |
|--|--|---|
| <i>Amendment to IAS 1, 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current</i>   | The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements are required to be met in conjunction with this amendment. | Annual periods beginning on or after 1 January 2023 |
| <i>Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>  | The amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.  | Annual periods beginning on or after 1 January 2023 |
| <i>Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'</i> | The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.  | Annual periods beginning on or after 1 January 2023 |



## Notes to the financial statements (continued)

### 2. Summary of significant accounting policies (continued)

#### (b) 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.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the income statement.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-

controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost less impairment in the separate financial statements. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

a) 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.

##### (b) 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 recognized 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 recognized 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 recognized in other comprehensive income are reclassified to profit or loss.

##### ii) 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 by the equity method of accounting. Under the equity method, the investments are initially recognized at cost, and the carrying amount is increased or decreased

## Notes to the financial statements (continued)

### 2. Summary of significant accounting policies (continued)

#### (b) Consolidation (continued)

##### ii) Associates (continued)

to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss as appropriate. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income, with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize 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 recognizes the amount adjacent to 'share of profit/ (loss) of an associate' in the statement of comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized 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 from investments in associates are recognized in profit or loss. Associates are stated at cost in the separate financial statements of the Company.

#### (c) Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost. Freehold land and buildings are subsequently shown at market value, based on valuations that are conducted

at least every five years by external independent valuers, less subsequent depreciation. All other property, plant and equipment is stated at historical cost less depreciation.

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 recognized 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 reserve. Decreases that offset previous increases of the same asset are charged against the revaluation reserve; 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.

Freehold land is not depreciated. Depreciation on other assets is calculated on the straight line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful life. The annual rates used for this purpose are as follows:

|                        |                               |
|------------------------|-------------------------------|
| Buildings              | 40 years                      |
| Plant and equipment    | 5 – 15 years                  |
| Computers and software | 3 – 5 years                   |
| Motor Vehicles         | 3 – 5 years                   |
| Leasehold land         | over the remaining lease term |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at each statement of financial position date. 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. Property, plant and equipment are periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

#### (d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The executive management team, which is responsible for strategic decision, allocating resources and



## Notes to the financial statements (continued)

### 2. Summary of significant accounting policies (continued)

#### (d) Segment reporting (continued)

assessing performance of the operating segments, has been identified as the CODM. All transactions between business segments are conducted on an arm length basis. Income and expenses associated with each segment as included in determining business segment performance.

#### (e) Revenue and income recognition

The Group recognizes revenue for direct sales of goods and rendering of services. Revenue is recognized as and when the Group satisfies a performance obligation by transferring control of a product or service to a customer. The amount of revenue recognized 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).

Circulation revenue from the sale of newspapers is recognized on delivery of the newspapers to appointed distributors based on approved allocation list, net of returns of unsold newspapers. Advertising revenue is recognized on publication of the related advertisement on print, online or airing. Contract printing revenue recognition is based on the performance of the service agreed with the customers. ePaper revenue is recognized on delivery of electronic version of the newspaper to the customer.

The Group recognizes revenue at a point in time or over time depending on the nature of goods and services and mode of fulfilling performance obligations.

Interest income is recognized using the effective interest method.

Dividends are recognized as income in the period the right to receive payment is established.

#### (f) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on a weighted average principle. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Goods in transit are stated at cost. Specific provisions are made for obsolete, slow moving and defective inventories.

#### (g) Financial instruments

##### (i) Initial recognition

Financial instruments are recognized when, and only when, the Group becomes party to the contractual provisions of the instrument. All financial assets are recognized 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:

- a) 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 amortized cost.
- b) 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.
- c) All other financial assets are classified and measured at fair value through profit or loss.
- d) 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 Company 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.
- e) All other financial liabilities are classified and measured at amortized cost.

#### Financial instruments held during the year were classified as follows:

- Demand and term deposits with banking institutions, trade and other receivables, and short term investments were classified as at amortized cost.

## Notes to the financial statements (continued)

### 2 Summary of significant accounting policies (continued)

#### (g) Financial instruments (continued)

- Trade and other liabilities were classified as at amortized 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 amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss according to their classification.

Exchange gains and losses on monetary items, interest income and dividend income are recognized in profit or loss.

Fair value is determined as set out in Note 4(e). Amortized cost is the amount at which the financial asset or liability is measured on initial recognition minus principal repayments, plus or minus the cumulative amortization 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 recognizes a loss allowance for expected credit losses on debt instruments that are measured at amortized 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 (Note 4(b)) 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). All changes in the loss allowance are recognized 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. Expected credit losses 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.

##### (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.

All financial liabilities are classified as non-current except those held for trading, those expected to be settled in the Group's normal operating cycle, those payable or expected to be paid within 12 months of the reporting date and those which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting date.

##### (vii) Derecognition

Financial assets are derecognized 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 derecognized 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 derecognized, the cumulative gain or loss previously recognized 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 recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.



## Notes to the financial statements (continued)

### 2. Summary of significant accounting policies (continued)

#### (h) Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized 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 recognized, 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, the deferred tax liabilities are not recognized 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 end of reporting period and are expected to apply when the related deferred income tax liability is settled. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

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 current tax assets against current 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

#### (i) Intangible assets

##### (i) Goodwill

Goodwill represents the difference between the aggregate of

(i) the value of the consideration transferred (generally at fair value), (ii) the amount of any non-controlling interest (NCI), and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree, and the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investment in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for purposes of impairment testing.

The allocation is made to those cash generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose and are identified according to operating segments.

##### (ii) Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. The costs are amortized over their estimated useful lives (three to five years). Costs associated with developing or maintaining computer software programmes are recognized as an expense incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Acquired computer software and computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding five years).

##### (iii) Transmission frequencies

Acquired transmission frequencies are capitalized on the basis of the costs incurred to acquire and to bring them to use. Transmission frequencies are tested annually for impairment and carried at cost less accumulated impairment losses.

#### (j) Employee benefits

##### (i) Post employment benefit obligations

The Group operates a defined contribution retirement benefit scheme for its employees. For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

## Notes to the financial statements (continued)

### 2. Summary of significant accounting policies (continued)

#### (j) Employee benefits (continued)

Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Company and all its employees also contribute to the National Social Security Funds in the countries which they operate, which are defined contribution schemes. The Group's contributions to the defined contribution schemes are charged to profit or loss in the year to which they relate. The Company has no further obligation once the contributions have been paid.

In addition, the Group operates a gratuity scheme where the group makes contributions to a special purpose vehicle that is administered independently. The employees are entitled to specified benefits as per the scheme's rules. The gratuity scheme is a defined benefit scheme. The liability or asset recognized in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The present value of the defined benefit obligation and related service costs is determined using the 'projected unit credit method', which sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately in building up the final obligation. The defined benefit obligation is calculated every three years by independent actuaries.

#### (ii) Other entitlements

The estimated monetary liability for employees accrued annual leave entitlement at the reporting date is recognized 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 recognizes termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. 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.

#### (iv) Profit-sharing and bonus plans

The group recognizes a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

#### (k) 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 Kenyan Shillings (Shs m), rounded to the nearest one tenth of a million which is the Company's functional currency.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income/costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other income' or 'other expenses'.

##### (iii) Group companies

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:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- 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



## Notes to the financial statements (continued)

### 2. Summary of significant accounting policies (continued)

#### (k) Functional currency and translation of foreign currencies (continued)

(iii) Group companies (continued)

- all resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is partially disposed or sold, exchange differences that are recorded in equity are recognized in profit or loss 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.

#### (l) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized 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).

#### (m) Dividends

Dividends on ordinary shares are charged to equity in the period in which they are declared. Proposed dividends are shown as separate component of equity until declared.

#### (n) Share Capital

Ordinary shares are classified as equity.

#### (o) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investment with original maturities of three months or less, and bank overdrafts.

#### (p) Provisions

Provisions for legal claims are recognized when (1) the Group has a present legal or constructive obligation as a result of past events; (2) it is probable that an outflow of resources will be required to settle the obligation; and (3) the amount has been

reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Any increase in the provision due to passage of time is recognized as an expense.

#### (q) Leases

##### Definition of Lease

At inception of a contract, the Group assesses whether a contract is or contains a lease based on the definition of a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset to a customer for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

##### The Group as a Lessee

As a lessee, the Group leases various assets, mainly offices. These lease contracts are typically made for fixed periods of 1 to 6 years but may have extension/termination options. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for the qualifying leases (i.e. these leases are on statement of financial position).

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.

Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

## Notes to the financial statements (continued)

### 2. Summary of significant accounting policies (continued)

#### (q) Leases (continued)

##### The Group as a Lessee (continued)

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. If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

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.

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

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 revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the group.

Payments associated with short-term leases of equipment and vehicles 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 without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

#### Lease modifications

The Group accounts for a lease modification as a separate lease if both:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

#### (r) Treasury Shares

These are shares acquired on the open market and are held by the company. These shares are deducted from contributed equity and disclosed as treasury shares. Where a company purchases the company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the owners. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the shareholders. Treasury shares are not taken into account when calculating the basic earnings per share.

### 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.

#### (i) Critical accounting estimates and assumptions

The Group 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.

##### a) Impairment losses on financial assets

The measurement of the expected credit loss allowance for financial assets measured at amortized 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).



## Notes to the financial statements (continued)

### 3. Critical accounting estimates and judgements (continued)

#### (i) Critical accounting estimates and assumptions (continued)

##### a) Impairment losses on financial assets (continued)

A number of significant judgements and estimations are also required in applying the accounting requirements for measuring ECL, such as:

- The determination and application of IFRS 9 risk parameters i.e. probably of default (PD), loss given at default (LGD) and definition of default to trade receivables; and
- Determination of expected future payment pattern for government advertising debt.

The assumption, estimates and judgement made by management are disclosed in note 4(b).

##### b) Provision for claims and other liabilities

The Group faces exposure to claims and other liabilities arising in the normal course of business. There is uncertainty as to how present and future claims and other liabilities will be resolved and therefore significant judgement is required in assessing the likely outcome and the potential liability for such matters. Management in consultation with the legal advisers estimates a provision based on past precedents. The assumptions and estimates made are disclosed in note 26.

##### c) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on projected product lifecycles for its assets. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. The useful lives for the various asset classes is shown under note 2(c). Assuming a reduction in useful lives of property, plant and equipment by one year, the consolidated post tax profit for the year and equity would have been Shs 65.2 million lower (2021: Shs 73.2 million).

##### d) Income taxes

The Group is subject to income taxes in various jurisdictions. Significant judgment 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. The Group

recognizes 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.

#### (ii) Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, management has made judgements in determining the classification of financial assets and whether assets are impaired.

### 4. Financial risk management

The Group's and the Company's activity expose it to a variety of financial risks comprising market risk (including foreign exchange risks, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize adverse effects on its financial performance within the options available in East Africa to hedge against such risks.

Risk management is carried out by management under policies approved by the Board of Directors. Management identifies, evaluates and mitigates against financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investing excess liquidity.

#### (a) Market risk

##### (i) Foreign exchange risk

The Group and the Company make significant purchases of raw materials in foreign currency, principally newsprint, inks and plates used in newspaper production, and TV programming used in broadcasting. This exposes the Group and the Company to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar.

Management manages this risk by making the significant foreign currency purchases within periods when the exchange rates are favourable. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investment in foreign operations.

At 31 December 2022, if the shilling had weakened/strengthened against the US dollar and Euro by 5%, with all other variables held constant, the consolidated post tax profit for the year and equity would have been Shs 3.2 million higher/ lower for the US dollar whereas the Euro effect would have been Shs 0.7 million higher/ lower (2021: Shs 8.4 million

## Notes to the financial statements (continued)

### 4. Financial risk management (continued)

#### (a) Market risk (continued)

##### (i) Foreign exchange risk (continued)

for the US dollar and Shs 2.9 million for the Euro) higher/lower mainly as a result of foreign exchange gains/losses on translation of US\$ and Euro-denominated trade receivables, payables and bank balances. The US dollar denominated trade receivables, payables and bank balances in 2022 amounted to Shs 65.0 million (2021: Shs 168.9 million) while Euro denominated amounted to Shs 14.2 million (2021: Shs 57.8 million)

##### (ii) Price risk

The Group and the Company do not hold any investments subject to price risk.

##### (iii) Interest rate risk

The Group and the Company do not hold any borrowing and therefore not subject to interest rate risk.

#### (b) Credit risk and expected credit losses

Credit risk arises from cash and short term investments as well as trade and other receivables. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. The credit controllers assess the credit quality of each customer, taking into account its financial position, past experience and other factors. For banks and financial institutions, only reputable well established financial institutions are accepted. The utilization of credit limits is regularly monitored.

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.

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 and other receivables because they are often held by entities that do not have sophisticated credit risk management systems. These simplifications eliminate the need to calculate 12-month ECL and to assess when a significant increase in credit risk has occurred. Forward looking information has not been taken into account for other advertising debtors because of their short term nature. Using the simplified approach, management has segmented their accounts receivable balances into Government advertising debtors, other advertising debtors, and circulation and subscription debtors. This segmentation is based on the characteristics of respective debtors. The credit period for trade receivables extended to our customers is 45 days for agencies and 30 days for all the other categories.

For the Government advertising debtors, management uses the Government debt collection trends in the past to determine the expected cash flows from these debts and discounts them to the present value to determine the provision.

For the other advertising debtors, management determines probabilities of default (PD) using collection trends in the past. The calculated PDs based on historical data are then used to determine the provision. However, any debt with the exception of Government debt over 180 days is fully impaired.

For circulation and subscription debtors, management determines the portion of the debt not secured by a bank guarantee and applies a PD based on average collection trends in the past on this unsecured portion to compute the provision. Dormant accounts are fully provided for in addition to any other debt over 120 days.

Related party receivable balances are assessed for impairment based on the counterparty's ability to settle on demand. Cash balances and long-term deposits have been assessed for credit loss based on the credit rating of the financial institutions holding the assets.



## Notes to the financial statements (continued)

### 4. Financial risk management (continued)

#### (b) Credit risk and expected credit losses (continued)

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 (Note 22)

| Group<br>2022          | Current      | 30 Days      | 60 Days      | 90 days      | 120+ days      | Total          |
|------------------------|--------------|--------------|--------------|--------------|----------------|----------------|
|                        | Shs m          | Shs m          |
| Gross carrying amount  | 403.2        | 300.8        | 231.1        | 126.5        | 3,323.9        | 4,385.5        |
| Expected credit losses | (39.7)       | (39.1)       | (30.4)       | (26.0)       | (2,094.1)      | (2,229.3)      |
| <b>Carrying amount</b> | <b>363.5</b> | <b>261.7</b> | <b>200.7</b> | <b>100.5</b> | <b>1,229.8</b> | <b>2,156.2</b> |
| <b>2021</b>            |              |              |              |              |                |                |
| Gross carrying amount  | 569.5        | 379.1        | 205.1        | 115.0        | 3,178.6        | 4,447.3        |
| Expected credit losses | (45.7)       | (48.2)       | (30.0)       | (23.3)       | (2,247.5)      | (2,394.7)      |
| <b>Carrying amount</b> | <b>523.8</b> | <b>330.9</b> | <b>175.1</b> | <b>91.7</b>  | <b>931.1</b>   | <b>2,052.6</b> |
| <b>Company</b>         |              |              |              |              |                |                |
| 2022                   | Current      | 30 Days      | 60 Days      | 90 days      | 120+ days      | Total          |
|                        | Shs m          | Shs m          |
| Gross carrying amount  | 246.7        | 208.5        | 172.4        | 97.6         | 2,622.4        | 3,347.6        |
| Expected credit losses | (24.7)       | (23.8)       | (16.2)       | (14.0)       | (1,486.4)      | (1,565.1)      |
| <b>Carrying amount</b> | <b>222.0</b> | <b>184.7</b> | <b>156.2</b> | <b>83.6</b>  | <b>1,136.0</b> | <b>1,782.5</b> |
| <b>2021</b>            |              |              |              |              |                |                |
| Gross carrying amount  | 393.2        | 282.0        | 150.5        | 87.8         | 2,341.4        | 3,254.9        |
| Expected credit losses | (29.3)       | (33.2)       | (18.2)       | (14.0)       | (1,471.2)      | (1,565.9)      |
| <b>Carrying amount</b> | <b>363.9</b> | <b>248.8</b> | <b>132.3</b> | <b>73.8</b>  | <b>870.2</b>   | <b>1,689.0</b> |

The overall reduction in the provision for Expected Credit Losses (ECL) results from write off of old debt that had been fully impaired. There was a marginal increase in Expected Credit Losses (ECL) from higher Loss Given Default (LGD) rates on application of IFRS 9 model particularly with respect to private sector debt.

Shs 191.9 million was held as collateral in the form of bank guarantees for trade receivables as at 31 December 2022 (2021: Shs 174.9 million). The stated bank guarantee amounts approximate their fair value.

## Notes to the financial statements (continued)

### 4. Financial risk management (continued)

#### (b) Credit risk and expected credit losses (continued)

##### Bank deposits and short-term investments

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2022           | 2021           | 2022           | 2021           |
|   | Shs m          | Shs m          | Shs m          | Shs m          |
| Deposits with banks (Notes 20, 23 & 24) | 3,658.6        | 3,440.1        | 2,995.4        | 2,811.2        |
| Other short-term investments (Note 24)  | 200.6          | 600.6          | 200.6          | 600.6          |
| Expected credit losses                  | (40.0)         | (28.2)         | (40.0)         | (28.2)         |
| <b>Total carrying value</b>             | <b>3,819.2</b> | <b>4,012.5</b> | <b>3,156.0</b> | <b>3,383.6</b> |

Cash balances and long-term deposits have been assessed for credit loss based on the credit rating of the financial institutions holding the assets. The calculated impairment is as shown in the table above.

##### Other receivables

|                                    | Group          |                | Company        |              |
|------------------------------------|----------------|----------------|----------------|--------------|
|                                    | 2022           | 2021           | 2022           | 2021         |
|                                    | Shs m          | Shs m          | Shs m          | Shs m        |
| Due from related parties (Note 32) | 12.5           | 9.3            | 437.9          | 425.3        |
| Expected credit losses             | -              | -              | (372.9)        | (360.9)      |
|                                    | 12.5           | 9.3            | 65.0           | 64.4         |
| Other receivables and prepayments  | 1,455.5        | 1,486.9        | 943.0          | 925.7        |
| <b>Total carrying value</b>        | <b>1,468.0</b> | <b>1,496.2</b> | <b>1,008.0</b> | <b>990.1</b> |

#### (c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the board of directors, which together with management, closely monitor the Group's and Company's short, medium and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash reserves, and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the Group and the Company's financial liabilities that will be settled on a net basis into the relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.



## Notes to the financial statements (continued)

### 4. Financial risk management (continued)

#### (c) Liquidity risk (continued)

|   | Less than 1 year | Over 1 year  | Total          |
|---|------------------|--------------|----------------|
| 2022                                    | Shs m            | Shs m        | Shs m          |
| Payables and accrued expenses (Note 25) | 3,386.9          | -            | 3,386.9        |
| Lease liabilities                       | 126.5            | 290.1        | 416.6          |
| <b>Total financial liabilities</b>      | <b>3,513.4</b>   | <b>290.1</b> | <b>3,803.5</b> |
| 2021                                    |                  |              |                |
| Payables and accrued expenses (Note 25) | 3,356.3          | -            | 3,356.3        |
| Lease liabilities                       | 152.8            | 415.0        | 567.8          |
| <b>Total financial liabilities</b>      | <b>3,509.1</b>   | <b>415.0</b> | <b>3,924.1</b> |

| Company                                 | Less than 1 year | Over 1 year  | Total          |
|---|------------------|--------------|----------------|
| 2022                                    | Shs m            | Shs m        | Shs m          |
| Payables and accrued expenses (Note 25) | 2,418.2          | -            | 2,418.2        |
| Lease liabilities                       | 105.9            | 286.5        | 392.4          |
| <b>Total financial liabilities</b>      | <b>2,524.1</b>   | <b>286.5</b> | <b>2,810.6</b> |
| 2021                                    |                  |              |                |
| Payables and accrued expenses (Note 25) | 2,381.8          | -            | 2,381.8        |
| Lease liabilities                       | 104.0            | 378.6        | 482.6          |
| <b>Total financial liabilities</b>      | <b>2,485.8</b>   | <b>378.6</b> | <b>2,864.4</b> |

#### (d) Capital management

The Group's and Company's objectives when managing capital are to safeguard the Group and the Company's ability 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 the Company may adjust the amount of dividends paid to shareholders, issue new capital or sell assets to manage capital.

The capital structure of the Group and Company consists of equity attributable to equity holders, comprising issued capital and retained earnings. The Group and Company had no borrowings at year end (2021: Nil).

#### (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); and
- Inputs for the asset that are not based on observable market data (that is, unobservable data) (level 3).

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. The quoted market price used for financial assets held by the Group is the current bid price. 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 maximize 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. The carrying amounts of all assets and liabilities at the year-end date approximate their fair values.

## Notes to the financial statements (continued)

### 4. Financial risk management (continued)

#### (e) Fair value estimation (continued)

The following table shows an analysis of financial and non- financial instruments measured at fair value by level of the fair value hierarchy:

| Group                        | Level 1 | Level 2 | Level 3 | Total |
|------------------------------|---------|---------|---------|-------|
|                              | Shs m   | Shs m   | Shs m   | Shs m |
| <b>At 31 December 2022</b>   |         |         |         |       |
| <b>Non- financial assets</b> |         |         |         |       |
| Freehold land and buildings  | -       | 704.6   | -       | 704.6 |
| <b>At 31 December 2021</b>   |         |         |         |       |
| <b>Non- financial assets</b> |         |         |         |       |
| Freehold land and buildings  | -       | 585.4   | -       | 585.4 |
| <b>Company</b>               |         |         |         |       |
| <b>At 31 December 2022</b>   |         |         |         |       |
| <b>Non- financial assets</b> |         |         |         |       |
| Freehold land and buildings  | -       | 488.3   | -       | 488.3 |
| <b>At 31 December 2021</b>   |         |         |         |       |
| <b>Non- financial assets</b> |         |         |         |       |
| Freehold land and buildings  | -       | 389.8   | -       | 389.8 |

Land and buildings are categorized under Level 2 fair value hierarchy as their value is based on inputs other than quoted prices, or inputs that are observable for the asset or liability, either directly as prices or indirectly as derived from prices. There were no transfers between the various levels during the year.

The group freehold land and buildings are revalued every 5 years by independent professional valuers. The last revaluation was done in 2022 and was based on market value for the existing use. There was no change in the valuation technique.

### 5. Segmental information

Management has determined the operating segments based on the various products or section's performance that are used by Executive Management Team that are used to make strategic decisions. The Group considers the business from a product perspective;

- (i) Newspapers and Digital
- (ii) Broadcasting

Newspapers and Digital – Incorporating sale of newspapers, advertisements published in the newspapers, advertisements in the digital platforms and subscriptions of e-paper.

Broadcasting – Incorporating advertisements and other content aired on television and radio.

The Executive Management team considers the East African countries in which the Group operates as one geographical segment because of similarities in the risks and returns in the four countries.

Other Group operations mainly comprise courier operations and third party printing services. Neither of these constitute a separately reportable segment and have therefore been included as part of Newspapers, and Digital on the basis that the said operations are closely related and have similar economic characteristics. There are no significant transactions between the two reportable segments.



## Notes to the financial statements (continued)

### 5. Segmental information (continued)

#### Entity-wide information

The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines;

|                                | Group          |                | Company        |                |
|--------------------------------|----------------|----------------|----------------|----------------|
|                                | 2022<br>Shs m  | 2021<br>Shs m  | 2022<br>Shs m  | 2021<br>Shs m  |
| Advertising revenue            | 4,827.3        | 5,187.8        | 3,309.3        | 3,724.1        |
| Circulation revenue            | 1,521.1        | 1,603.4        | 1,131.5        | 1,191.3        |
| Other                          | 949.9          | 822.5          | 630.1          | 439.1          |
| <b>Total</b>                   | <b>7,298.3</b> | <b>7,613.7</b> | <b>5,070.9</b> | <b>5,354.5</b> |
| Timing of revenue recognition: |                |                |                |                |
| - At a point in time           | 7,298.3        | 7,613.7        | 5,070.9        | 5,354.5        |

#### Segment performance

Nation Media Group Plc is domiciled in Kenya. The revenue attributed to Kenya was Shs 5,070.9 million (2021: Shs 5,354.5 million) while the revenues attributed to all foreign countries in total from which the entity derives revenues was Shs 2,227.4 million (2021: Shs 2,259.2 million). The Group does not derive revenues in excess of 10% of the total Group's revenue from any individual customer except the Government of Kenya.

Segment assets comprise primarily property, plant and equipment, inventories and receivables. Segment liabilities comprise operating liabilities. Capital expenditure comprises additions to property, plant and equipment and intangible assets.

## Notes to the financial statements (continued)

### 5. Segmental information (continued)

#### Statement of comprehensive income

|  | Newspapers<br>and Digital | Broadcasting     | Unallocated    | Total            |
|--|---------------------------|------------------|----------------|------------------|
| 2022   | Shs m                     | Shs m            | Shs m          | Shs m            |
| Revenue                                      | 5,766.0                   | 1,532.3          | -              | 7,298.3          |
| Cost of sales                                | (1,085.1)                 | (339.5)          | -              | (1,424.6)        |
| <b>Gross profit</b>                          | <b>4,680.9</b>            | <b>1,192.8</b>   |                | <b>5,873.7</b>   |
| Depreciation and amortization of RoU assets  | (403.9)                   | (113.9)          | -              | (517.8)          |
| Amortization of intangible assets            | (65.0)                    | (12.9)           | -              | (77.9)           |
| Provision for expected credit losses         | (30.0)                    | 5.7              | -              | (24.3)           |
| Other operating costs                        | (3,792.5)                 | (891.0)          | (388.2)        | (5,071.7)        |
| <b>Total operating expenses</b>              | <b>(4,291.4)</b>          | <b>(1,012.1)</b> | <b>(388.2)</b> | <b>(5,691.7)</b> |
| Operating profit                             | 389.5                     | 180.7            | (388.2)        | 182.0            |
| Finance income                               | -                         | -                | 291.6          | 291.6            |
| Finance cost                                 | (36.9)                    | (2.0)            | -              | (38.9)           |
| Share of results of associate                | -                         | -                | 57.0           | 57.0             |
| <b>Contribution/profit before income tax</b> | <b>352.6</b>              | <b>178.7</b>     | <b>(39.6)</b>  | <b>491.7</b>     |
| <b>2021</b>                                  |                           |                  |                |                  |
| Revenue                                      | 5,938.0                   | 1,675.7          | -              | 7,613.7          |
| Cost of sales                                | (843.6)                   | (368.4)          | -              | (1,212.0)        |
| <b>Gross profit</b>                          | <b>5,094.4</b>            | <b>1,307.3</b>   | <b>-</b>       | <b>6,401.7</b>   |
| Depreciation and amortization of RoU assets  | (415.1)                   | (129.7)          | -              | (544.8)          |
| Amortization of intangible assets            | (71.2)                    | (9.7)            | -              | (80.9)           |
| Provision for expected credit losses         | (63.7)                    | 30.2             | -              | (33.5)           |
| Other operating costs                        | (3,851.6)                 | (985.5)          | (410.7)        | (5,247.8)        |
| <b>Total operating expenses</b>              | <b>(4,401.6)</b>          | <b>(1,094.7)</b> | <b>(410.7)</b> | <b>(5,907.0)</b> |
| Operating profit                             | 692.8                     | 212.6            | (410.7)        | 494.7            |
| Finance income                               | -                         | -                | 241.7          | 241.7            |
| Finance cost                                 | (42.7)                    | (1.9)            | -              | (44.6)           |
| Share of results of associate                | -                         | -                | 38.9           | 38.9             |
| <b>Contribution/profit before income tax</b> | <b>650.1</b>              | <b>210.7</b>     | <b>(130.1)</b> | <b>730.7</b>     |



## Notes to the financial statements (continued)

### 5. Segmental information (continued)

#### Statement of financial position

| 2022                           | Newspapers<br>and Digital | Broadcasting   | Unallocated    | Total           |
|--------------------------------|---------------------------|----------------|----------------|-----------------|
|                                | Shs m                     | Shs m          | Shs m          | Shs m           |
| <b>Current assets</b>          |                           |                |                |                 |
| Inventories                    | 728.7                     | 48.1           |                | 776.8           |
| Receivables and prepayments    | 1,486.5                   | 1,587.5        | 550.2          | 3,624.2         |
| Other assets                   | -                         | -              | 3,902.8        | 3,902.8         |
|                                | <b>2,215.2</b>            | <b>1,635.6</b> | <b>4,453.0</b> | <b>8,303.8</b>  |
| <b>Non-current assets</b>      |                           |                |                |                 |
| Property, plant and equipment  | 1,386.4                   | 222.5          | 2.2            | 1,611.1         |
| Right of Use Asset             | 343.8                     | 33.8           | 67.3           | 444.9           |
| Investment in associate        | -                         | -              | 1,556.1        | 1,556.1         |
| Other assets                   | -                         | -              | 733.4          | 733.4           |
|                                | <b>1,730.2</b>            | <b>256.3</b>   | <b>2,359.0</b> | <b>4,345.5</b>  |
| <b>Total assets</b>            | <b>3,945.4</b>            | <b>1,891.9</b> | <b>6,812.0</b> | <b>12,649.3</b> |
| <b>Current liabilities</b>     |                           |                |                |                 |
| Payables and accrued expenses  | 1,881.0                   | 1,010.6        | 495.3          | 3,386.9         |
| Lease liability                | 84.3                      | 9.2            | -              | 93.5            |
| Other liabilities              | -                         | -              | 545.2          | 545.2           |
|                                | <b>1,965.3</b>            | <b>1,019.8</b> | <b>1,040.5</b> | <b>4,025.6</b>  |
| <b>Non-current liabilities</b> |                           |                |                |                 |
| Lease liability                | -                         | -              | 313.4          | 313.4           |
| Other liabilities              | -                         | -              | 35.4           | 35.4            |
|                                | -                         | -              | <b>348.8</b>   | <b>348.8</b>    |
| <b>Total liabilities</b>       | <b>1,965.3</b>            | <b>1,019.8</b> | <b>1,389.3</b> | <b>4,374.4</b>  |
| <b>Capital expenditure</b>     | <b>89.5</b>               | <b>64.1</b>    | <b>-</b>       | <b>153.6</b>    |
| <b>2021</b>                    |                           |                |                |                 |
| <b>Current assets</b>          |                           |                |                |                 |
| Inventories                    | 573.1                     | 46.4           | -              | 619.5           |
| Receivables and prepayments    | 1,406.2                   | 1,553.9        | 588.7          | 3,548.8         |
| Other assets                   | -                         | -              | 3,958.6        | 3,958.6         |
|                                | <b>1,979.3</b>            | <b>1,600.3</b> | <b>4,547.3</b> | <b>8,126.9</b>  |
| <b>Non-current assets</b>      |                           |                |                |                 |
| Property, plant and equipment  | 1,456.6                   | 233.5          | 2.2            | 1,692.3         |
| Right of Use Asset             | 400.9                     | 50.9           | 67.0           | 518.8           |
| Investment in associate        | -                         | -              | 1,540.5        | 1,540.5         |
| Other assets                   | -                         | -              | 774.9          | 774.9           |
|                                | <b>1,857.5</b>            | <b>284.4</b>   | <b>2,384.6</b> | <b>4,526.5</b>  |
| <b>Total assets</b>            | <b>3,836.8</b>            | <b>1,884.7</b> | <b>6,931.9</b> | <b>12,653.4</b> |
| <b>Current liabilities</b>     |                           |                |                |                 |
| Payables and accrued expenses  | 1,793.4                   | 1,083.7        | 479.2          | 3,356.3         |
| Lease liability                | 84.7                      | 12.0           | -              | 96.7            |
| Other liabilities              | -                         | -              | 652.7          | 652.7           |
|                                | <b>1,878.1</b>            | <b>1,095.7</b> | <b>1,131.9</b> | <b>4,105.7</b>  |
| <b>Non-current liabilities</b> |                           |                |                |                 |
| Lease liability                | -                         | -              | 371.7          | 371.7           |
| Other liabilities              | -                         | -              | 85.8           | 85.8            |
|                                | -                         | -              | <b>457.5</b>   | <b>457.5</b>    |
| <b>Total liabilities</b>       | <b>1,878.1</b>            | <b>1,095.7</b> | <b>1,589.4</b> | <b>4,563.2</b>  |
| <b>Capital expenditure</b>     | <b>59.5</b>               | <b>64.0</b>    | <b>-</b>       | <b>123.5</b>    |

## Notes to the financial statements (continued)

### 6. Expenses by nature

|   | Group         |               | Company       |               |
|---|---------------|---------------|---------------|---------------|
|   | 2022<br>Shs m | 2021<br>Shs m | 2022<br>Shs m | 2021<br>Shs m |
| The following items have been charged/(credited) in arriving at operating profit: |               |               |               |               |
| Profit on disposal of property, plant and equipment                               | 20.2          | (6.3)         | (18.7)        | (5.9)         |
| Employee benefits expense (Note 7)  | 3,054.8       | 3,200.6       | 2,127.0       | 2,196.1       |
| Trade receivables-provision for impairment (Note 22)                              | 12.5          | 24.2          | (0.8)         | (8.8)         |
| Cash and cash equivalent impairment   | 11.8          | 9.3           | 11.8          | 9.3           |
|   | 24.3          | 33.5          | 11.0          | 0.5           |
| Depreciation of property, plant & equipment (Note 14)                             | 376.9         | 401.0         | 272.3         | 301.1         |
| Amortization of leases (Note 16)  | 140.9         | 143.8         | 89.2          | 92.8          |
| Amortization of intangible assets (Note 15)                                       | 77.9          | 80.9          | 76.0          | 79.0          |
| Consumption of inventories  | 999.7         | 787.4         | 681.9         | 559.4         |
| Exchange (gains)/losses   | 9.3           | (31.0)        | 27.7          | (37.2)        |
| Provision for inventory (Note 21)   | 1.5           | 4.3           | 1.3           | 3.5           |
| Auditors' remuneration  | 25.6          | 23.4          | 13.9          | 13.3          |
| Repairs and maintenance expenditure on property, plant and equipment              | 49.5          | 59.8          | 29.2          | 41.4          |

### 7. Employee benefits expense

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2022<br>Shs m  | 2021<br>Shs m  | 2022<br>Shs m  | 2021<br>Shs m  |
| Salaries and wages                           | 2,905.7        | 3,013.2        | 2,048.6        | 2,077.6        |
| Defined contribution benefit scheme          | 74.0           | 71.4           | 67.6           | 65.2           |
| National Social Security Fund                | 68.1           | 66.0           | 3.8            | 3.3            |
| Post-employment benefit obligation (Note 27) | 7.0            | 50.0           | 7.0            | 50.0           |
| <b>Total employee benefits expense</b>       | <b>3,054.8</b> | <b>3,200.6</b> | <b>2,127.0</b> | <b>2,196.1</b> |

|  | 2022         | 2021         |
|--|--------------|--------------|
|  | Number       | Number       |
| The number of persons employed by the Group at the year-end was: |              |              |
| Full time  | 846          | 891          |
| Part time  | 407          | 392          |
| <b>Total</b>   | <b>1,253</b> | <b>1,283</b> |

### 8. Expenses by nature

|                              | Group         |               | Company       |               |
|------------------------------|---------------|---------------|---------------|---------------|
|                              | 2022<br>Shs m | 2021<br>Shs m | 2022<br>Shs m | 2021<br>Shs m |
| <b>Finance income:</b>       |               |               |               |               |
| Interest income              | 291.6         | 241.7         | 248.3         | 203.9         |
| <b>Finance costs:</b>        |               |               |               |               |
| Interest on leases (Note 16) | (38.9)        | (44.6)        | (36.9)        | (41.7)        |



## Notes to the financial statements (continued)

### 9. Income tax expense

|  | Group        |              | Company     |              |
|--|--------------|--------------|-------------|--------------|
|  | 2022         | 2021         | 2022        | 2021         |
|  | Shs m        | Shs m        | Shs m       | Shs m        |
| Current income tax:                            |              |              |             |              |
| - Current year charge to profit or loss        | 212.7        | 352.3        | 153.8       | 289.7        |
| - Over provision of current tax in prior years | (0.9)        | (1.6)        | (1.0)       | -            |
| Deferred income tax (Note 13):                 | (38.6)       | (113.1)      | (53.9)      | (80.7)       |
| <b>Total income tax expense</b>                | <b>173.2</b> | <b>237.6</b> | <b>98.9</b> | <b>209.0</b> |

#### 9. (a) Income tax expense

The tax on the Group and Company's profit before income tax differs from the theoretical amount that would arise using the tax rate of the home country as follows:

|   | Group        |              | Company     |              |
|---|--------------|--------------|-------------|--------------|
|   | 2022         | 2021         | 2022        | 2021         |
|   | Shs m        | Shs m        | Shs m       | Shs m        |
| Profit before income tax                                    | 491.7        | 730.7        | 396.3       | 595.3        |
| Tax calculated at the statutory tax rate of 30% (2021: 30%) | 151.1        | 218.0        | 118.9       | 178.6        |
| Tax effect of:  |              |              |             |              |
| - Income not subject to tax                                 | (34.8)       | (19.4)       | (50.8)      | (7.7)        |
| - Expenses not deductible for tax purposes                  | 40.6         | 42.3         | 30.3        | 31.6         |
| Under/(over) provision of deferred tax in prior years       | 17.2         | (1.7)        | 1.6         | 6.5          |
| Over provision of current tax in prior years                | (0.9)        | (1.6)        | (1.1)       | -            |
| <b>Income tax expense</b>                                   | <b>173.2</b> | <b>237.6</b> | <b>98.9</b> | <b>209.0</b> |

#### 9 (b). Current income tax movement

|  | Group        |               | Company      |               |
|--|--------------|---------------|--------------|---------------|
|  | 2022         | 2021          | 2022         | 2021          |
|  | Shs m        | Shs m         | Shs m        | Shs m         |
| Opening balance                              | (73.8)       | 57.3          | (91.2)       | 26.9          |
| Current tax liability charge for the year    | (212.6)      | (352.3)       | (153.8)      | (289.7)       |
| Over provision of current tax in prior years | 0.9          | 1.6           | 1.1          | -             |
| Tax paid                                     | 432.7        | 219.6         | 377.3        | 171.6         |
| <b>Closing balance</b>                       | <b>147.2</b> | <b>(73.8)</b> | <b>133.4</b> | <b>(91.2)</b> |

## Notes to the financial statements (continued)

### 10. Earnings per share

#### a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. The ordinary shares have been adjusted for treasury shares bought (2021 is weighted average of shares after purchase of treasury shares within the year).

|   | Group      |            |
|---|------------|------------|
|   | 2022       | 2021       |
| Net profit attributable to shareholders (Shs million) | 315.2      | 491.8      |
| Number of ordinary shares in issue (million)          | 190.3      | 198.5      |
| <b>Basic earnings per share (Shs)</b>                 | <b>1.7</b> | <b>2.5</b> |

#### b) Diluted earnings per share

There were no dilutive/potentially dilutive ordinary shares at 31 December 2022 and therefore diluted earnings per share is equal to basic earnings per share.

### 11. Share capital

|   | Group & Company            |                       |
|---|----------------------------|-----------------------|
|   | Number of shares (million) | Ordinary shares Shs m |
| Authorised (par value of Shs 2.5 per share) | 240.0                      | 600.0                 |
| Issued and fully paid:                      |                            |                       |
| 31 December 2021                            | 207.4                      | 518.5                 |
| 31 December 2022                            | 207.4                      | 518.5                 |

Movement of share capital is as follows:

|                          | 2022<br>Shs m | 2021<br>Shs m |
|--------------------------|---------------|---------------|
| At the start of the year | 518.5         | 518.5         |
| At the end of the year   | 518.5         | 518.5         |

Number of shares is as follows:

|   | 2022   | 2021   |
|---|--------|--------|
| Issued and fully paid shares at start and end of year | 207.4  | 207.4  |
| Treasury shares                                       | (17.1) | (17.1) |
| Adjusted outstanding shares                           | 190.3  | 190.3  |

#### b) Treasury Shares

|                          | Number of shares (million) | Treasury shares Shs m |
|--------------------------|----------------------------|-----------------------|
| At the start of the year | (17.1)                     | (427.5)               |
| At the end of the year   | (17.1)                     | (427.5)               |



## Notes to the financial statements (continued)

### 12. Other Reserves

| Group   | Revaluation reserve on buildings | Controlling Interest | Currency translation | Total         |
|---|----------------------------------|----------------------|----------------------|---------------|
|   | Shs m                            | Shs m                | Shs m                | Shs m         |
| <b>As at 1 January 2021</b>                     | <b>168.4</b>                     | <b>(51.0)</b>        | <b>(175.1)</b>       | <b>(57.7)</b> |
| Share of comprehensive income from associate    | -                                | 23.9                 | -                    | 23.9          |
| Currency translation differences                | -                                | -                    | 62.6                 | 62.6          |
| Transfer of excess depreciation                 | (6.5)                            | -                    | -                    | (6.5)         |
| Deferred income tax on transfer of depreciation | 1.9                              | -                    | -                    | 1.9           |
|   | (4.6)                            | -                    | -                    | (4.6)         |
| <b>Balance as at 31 December 2021</b>           | <b>163.8</b>                     | <b>(27.1)</b>        | <b>(112.5)</b>       | <b>24.2</b>   |
| <b>As at 1 January 2022</b>                     | <b>163.8</b>                     | <b>(27.1)</b>        | <b>(112.5)</b>       | <b>24.2</b>   |
| Share of comprehensive income from associate    | -                                | 12.2                 | -                    | 12.2          |
| Currency translation differences                | -                                | -                    | 42.8                 | 42.8          |
| Revaluation of buildings (note 14)              | 133.8                            | -                    | -                    | 133.8         |
| Deferred income tax on revaluation              | (40.1)                           | -                    | -                    | (40.1)        |
|   | 93.7                             | -                    | -                    | 93.7          |
| <b>Balance as at 31 December 2022</b>           | <b>257.5</b>                     | <b>(14.9)</b>        | <b>(69.7)</b>        | <b>172.9</b>  |

| Company                                  | Revaluation reserve on buildings | Total        |
|--|----------------------------------|--------------|
|  | Shs m                            | Shs m        |
| <b>As at 1 January 2021</b>              | <b>96.9</b>                      | <b>96.9</b>  |
| Transfer of excess depreciation          | (3.7)                            | (3.7)        |
| Deferred tax on transfer of depreciation | 1.1                              | 1.1          |
|  | (2.6)                            | (2.6)        |
| <b>Balance as at 31 December 2021</b>    | <b>94.3</b>                      | <b>94.3</b>  |
| <b>As at 1 January 2022</b>              | <b>94.3</b>                      | <b>94.3</b>  |
| Revaluation of buildings (note 14)       | 116.5                            | 116.5        |
| Deferred income tax on revaluation       | (34.9)                           | (34.9)       |
|  | 81.6                             | 81.6         |
| <b>Balance as at 31 December 2022</b>    | <b>175.9</b>                     | <b>175.9</b> |

## Notes to the financial statements (continued)

### 13. Deferred income tax

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2022           | 2021           | 2022           | 2021           |
|  | Shs m          | Shs m          | Shs m          | Shs m          |
| <b>At start of year,</b>                       | <b>(450.9)</b> | <b>(337.8)</b> | <b>(371.5)</b> | <b>(290.8)</b> |
| (Credit) to profit or loss (Note 9)            | (38.6)         | (113.1)        | (53.9)         | (80.7)         |
| Charge to other comprehensive income (Note 12) | 40.1           | -              | 34.9           | -              |
| <b>At end of year</b>                          | <b>(449.4)</b> | <b>(450.9)</b> | <b>(390.5)</b> | <b>(371.5)</b> |
| Presented by:                                  |                |                |                |                |
| Deferred income tax liabilities                | 35.4           | 30.2           | -              | -              |
| Deferred income tax assets                     | (484.8)        | (481.1)        | (390.5)        | (371.5)        |
| <b>At end of year</b>                          | <b>(449.4)</b> | <b>(450.9)</b> | <b>(390.5)</b> | <b>(371.5)</b> |

Deferred income tax assets and liabilities are attributable to the following items:

| Group                                  | Charged/<br>(credited) to<br>P&L |               | Charged/<br>(credited) to<br>OCI |                |
|--|----------------------------------|---------------|----------------------------------|----------------|
|  | 2021                             | 2022          | 2021                             | 2022           |
|  | Shs m                            | Shs m         | Shs m                            | Shs m          |
| <b>Year ended 31 December 2022</b>     |                                  |               |                                  |                |
| <b>Deferred income tax liabilities</b> |                                  |               |                                  |                |
| Property, plant and equipment          | 69.8                             | (56.1)        | -                                | 13.7           |
| Buildings                              | 75.2                             | (0.9)         | 40.1                             | 114.4          |
| Right of use asset                     | 135.5                            | (24.2)        | -                                | 111.3          |
| Unrealized exchange gains              | 23.3                             | 16.9          | -                                | 40.2           |
|  | <b>303.8</b>                     | <b>(64.3)</b> | <b>40.1</b>                      | <b>279.6</b>   |
| <b>Deferred income tax assets</b>      |                                  |               |                                  |                |
| Provisions                             | (584.2)                          | 27.2          | -                                | (557.0)        |
| Tax losses                             | (2.1)                            | -             | -                                | (2.1)          |
| Lease liability                        | (140.5)                          | 20.5          | -                                | (120.0)        |
| Unrealized exchange losses             | (27.9)                           | (22.0)        | -                                | (49.9)         |
|  | <b>(754.7)</b>                   | <b>25.7</b>   | <b>-</b>                         | <b>(729.0)</b> |
| <b>Net deferred income tax (asset)</b> | <b>(450.9)</b>                   | <b>(38.6)</b> | <b>40.1</b>                      | <b>(449.4)</b> |

| Group                                  | Charged/<br>(credited) to<br>P&L |                | Charged/<br>(credited) to<br>OCI |                |
|--|----------------------------------|----------------|----------------------------------|----------------|
|  | 2020                             | 2021           | 2020                             | 2021           |
|  | Shs m                            | Shs m          | Shs m                            | Shs m          |
| <b>Year ended 31 December 2021</b>     |                                  |                |                                  |                |
| <b>Deferred income tax liabilities</b> |                                  |                |                                  |                |
| Property, plant and equipment          | 141.6                            | (71.8)         | -                                | 69.8           |
| Buildings                              | 75.4                             | (0.2)          | -                                | 75.2           |
| Right of use asset                     | 172.4                            | (36.9)         | -                                | 135.5          |
| Unrealized exchange gains              | 40.4                             | (17.1)         | -                                | 23.3           |
|  | <b>429.8</b>                     | <b>(126.0)</b> | <b>-</b>                         | <b>303.8</b>   |
| <b>Deferred income tax assets</b>      |                                  |                |                                  |                |
| Provisions                             | (544.0)                          | (40.2)         | -                                | (584.2)        |
| Tax losses                             | (3.8)                            | 1.7            | -                                | (2.1)          |
| Lease liability                        | (177.1)                          | 36.6           | -                                | (140.5)        |
| Unrealized exchange losses             | (42.7)                           | 14.8           | -                                | (27.9)         |
|  | <b>(767.6)</b>                   | <b>12.9</b>    | <b>-</b>                         | <b>(754.7)</b> |
| <b>Net deferred income tax (asset)</b> | <b>(337.8)</b>                   | <b>(113.1)</b> | <b>-</b>                         | <b>(450.9)</b> |



## Notes to the financial statements (continued)

### 13. Deferred income tax (continued)

| Company                                | 2021           | Charged/<br>(credited)<br>to P&L | Charged/<br>(credited)<br>to OCI | 2022           |
|--|----------------|----------------------------------|----------------------------------|----------------|
|  | Shs m          | Shs m                            | Shs m                            | Shs m          |
| <b>Year ended 31 December 2022</b>     |                |                                  |                                  |                |
| <b>Deferred income tax liabilities</b> |                |                                  |                                  |                |
| Property, plant and equipment          | 68.0           | (39.9)                           | -                                | 28.1           |
| Buildings                              | 43.3           | -                                | 34.9                             | 78.2           |
| Right of use asset                     | 113.6          | (11.1)                           | -                                | 102.5          |
| Unrealized exchange gains              | 25.9           | 16.8                             | -                                | 42.7           |
|  | <b>250.8</b>   | <b>(34.2)</b>                    | <b>34.9</b>                      | <b>251.5</b>   |
| <b>Deferred income tax assets</b>      |                |                                  |                                  |                |
| Provisions                             | (499.1)        | (2.0)                            | -                                | (501.1)        |
| Lease liability                        | (115.5)        | 6.5                              | -                                | (109.0)        |
| Unrealized exchange losses             | (7.7)          | (24.2)                           | -                                | (31.9)         |
|  | <b>(622.3)</b> | <b>(19.7)</b>                    | <b>-</b>                         | <b>(642.0)</b> |
| <b>Net deferred income tax (asset)</b> | <b>(371.5)</b> | <b>(53.9)</b>                    | <b>34.9</b>                      | <b>(390.5)</b> |

| Company                                | 2020           | Charged/<br>(credited)<br>to P&L | Charged/<br>(credited)<br>to OCI | 2021           |
|--|----------------|----------------------------------|----------------------------------|----------------|
|  | Shs m          | Shs m                            | Shs m                            | Shs m          |
| <b>Year ended 31 December 2021</b>     |                |                                  |                                  |                |
| <b>Deferred income tax liabilities</b> |                |                                  |                                  |                |
| Property, plant and equipment          | 119.8          | (51.8)                           | -                                | 68.0           |
| Buildings                              | 43.3           | -                                | -                                | 43.3           |
| Right of use asset                     | 139.1          | (25.5)                           | -                                | 113.6          |
| Unrealized exchange gains              | 42.1           | (16.2)                           | -                                | 25.9           |
|  | <b>344.3</b>   | <b>(93.5)</b>                    | <b>-</b>                         | <b>250.8</b>   |
| <b>Deferred income tax assets</b>      |                |                                  |                                  |                |
| Provisions                             | (476.4)        | (22.7)                           | -                                | (499.1)        |
| Lease liability                        | (136.2)        | 20.7                             | -                                | (115.5)        |
| Unrealized exchange losses             | (22.5)         | 14.8                             | -                                | (7.7)          |
|  | <b>(635.1)</b> | <b>12.8</b>                      | <b>-</b>                         | <b>(622.3)</b> |
| <b>Net deferred income tax (asset)</b> | <b>(290.8)</b> | <b>(80.7)</b>                    | <b>-</b>                         | <b>(371.5)</b> |

## Notes to the financial statements (continued)

### 14(a). Land and buildings

| Group                              | Freehold land | Buildings    | Total        |
|------------------------------------|---------------|--------------|--------------|
|                                    | Shs m         | Shs m        | Shs m        |
| <b>As at 1 January 2021</b>        |               |              |              |
| Valuation                          | 9.1           | 829.9        | 839.0        |
| Accumulated depreciation           | -             | (240.0)      | (240.0)      |
| <b>Net book value</b>              | <b>9.1</b>    | <b>589.9</b> | <b>599.0</b> |
| <b>Year ended 31 December 2021</b> |               |              |              |
| Opening net book value             | 9.1           | 589.9        | 599.0        |
| Depreciation charge                | -             | (23.8)       | (23.8)       |
| Currency translation differences   | -             | 10.2         | 10.2         |
| <b>Closing net book value</b>      | <b>9.1</b>    | <b>576.3</b> | <b>585.4</b> |
| <b>Year ended 31 December 2022</b> |               |              |              |
| Opening net book value             | 9.1           | 576.3        | 585.4        |
| Depreciation charge                | -             | (27.4)       | (27.4)       |
| Revaluation                        | 1.2           | 133.5        | 134.7        |
| Currency translation differences   | -             | 11.9         | 11.9         |
| <b>Closing net book value</b>      | <b>10.3</b>   | <b>694.3</b> | <b>704.6</b> |
| <b>As at 31 December 2022</b>      |               |              |              |
| Valuation                          | 10.3          | 985.5        | 995.8        |
| Accumulated depreciation           | -             | (291.2)      | (291.2)      |
| <b>Net book value</b>              | <b>10.3</b>   | <b>694.3</b> | <b>704.6</b> |
| <b>Company</b>                     |               |              |              |
|                                    | Freehold land | Buildings    | Total        |
|                                    | Shs m         | Shs m        | Shs m        |
| <b>Year ended 31 December 2021</b> |               |              |              |
| Opening net book value             | 9.1           | 398.9        | 408.0        |
| Depreciation charge                | -             | (18.2)       | (18.2)       |
| <b>Closing net book value</b>      | <b>9.1</b>    | <b>380.7</b> | <b>389.8</b> |
| <b>As at 31 December 2021</b>      |               |              |              |
| Valuation                          | 9.1           | 570.8        | 579.9        |
| Accumulated depreciation           | -             | (190.1)      | (190.1)      |
| <b>Net book value</b>              | <b>9.1</b>    | <b>380.7</b> | <b>389.8</b> |
| <b>Year ended 31 December 2022</b> |               |              |              |
| Opening net book value             | 9.1           | 380.7        | 389.8        |
| Depreciation charge                | -             | (18.9)       | (18.9)       |
| Revaluation                        | 1.2           | 116.2        | 117.4        |
| <b>Closing net book value</b>      | <b>10.3</b>   | <b>478.0</b> | <b>488.3</b> |
| <b>As at 31 December 2022</b>      |               |              |              |
| Valuation                          | 10.3          | 687.0        | 697.3        |
| Accumulated depreciation           | -             | (209.0)      | (209.0)      |
| <b>Net book value</b>              | <b>10.3</b>   | <b>478.0</b> | <b>488.3</b> |



## Notes to the financial statements (continued)

### 14(a) Land and buildings (continued)

The Group's freehold land and buildings were revalued in 2022 by independent professional valuers. Valuations were made on the basis of open market value for existing use. The book values of the revalued assets were adjusted to the revalued amounts. Increase/ (decrease) arising on the revaluation has been recognized in other comprehensive income and accumulated in the revaluation surplus. There was no change in the valuation technique.

If the buildings were stated on historical cost basis, the amounts would be as follows:

|                          | Group        |              | Company      |              |
|--------------------------|--------------|--------------|--------------|--------------|
|                          | 2022         | 2021         | 2022         | 2021         |
|                          | Shs m        | Shs m        | Shs m        | Shs m        |
| Cost                     | 560.7        | 560.7        | 411.0        | 411.0        |
| Accumulated depreciation | (252.8)      | (225.4)      | (225.5)      | (206.6)      |
| <b>Net book value</b>    | <b>307.9</b> | <b>335.3</b> | <b>185.5</b> | <b>204.4</b> |

If freehold land was to be stated on historical cost basis, the amount would be as follows:

|      | Group |       | Company |       |
|------|-------|-------|---------|-------|
|      | 2022  | 2021  | 2022    | 2021  |
|      | Shs m | Shs m | Shs m   | Shs m |
| Cost | 1.8   | 1.8   | 1.8     | 1.8   |

### 14(b) Plant and equipment

| Group                              | Plant and equipment | Motor vehicle | Total          |
|------------------------------------|---------------------|---------------|----------------|
|                                    | Shs m               | Shs m         | Shs m          |
| <b>As at 1 January 2021</b>        |                     |               |                |
| Cost                               | 8,703.0             | 549.2         | 9,252.2        |
| Accumulated depreciation           | (7,364.0)           | (516.0)       | (7880.0)       |
| <b>Net book value</b>              | <b>1,339.0</b>      | <b>33.2</b>   | <b>1,372.2</b> |
| <b>Year ended 31 December 2021</b> |                     |               |                |
| Opening net book value             | 1,339.0             | 33.2          | 1,372.2        |
| Additions                          | 67.8                | 28.1          | 95.9           |
| Disposals                          | (1.1)               | (0.5)         | (1.6)          |
| Depreciation charge                | (342.9)             | (34.3)        | (377.2)        |
| Currency translation differences   | 17.6                | -             | 17.6           |
| <b>Closing net book value</b>      | <b>1,080.4</b>      | <b>26.5</b>   | <b>1,106.9</b> |

## Notes to the financial statements (continued)

### 14(b) Plant and equipment (continued)

| Group                              | Plant and equipment | Motor vehicle | Total        |
|------------------------------------|---------------------|---------------|--------------|
|                                    | Shs m               | Shs m         | Shs m        |
| <b>Year ended 31 December 2022</b> |                     |               |              |
| Opening net book value             | 1,080.4             | 26.5          | 1,106.9      |
| Additions                          | 107.4               | 28.4          | 135.8        |
| Disposals                          | (0.3)               | (0.5)         | (0.8)        |
| Depreciation charge                | (320.2)             | (29.3)        | (349.5)      |
| Currency translation differences   | 14.2                | -             | 14.2         |
| <b>Closing net book value</b>      | <b>881.5</b>        | <b>25.1</b>   | <b>906.6</b> |

|                               |              |             |              |
|-------------------------------|--------------|-------------|--------------|
| <b>As at 31 December 2022</b> |              |             |              |
| Cost                          | 8,908.6      | 604.7       | 9,513.3      |
| Accumulated depreciation      | (8,027.1)    | (579.6)     | (8,606.7)    |
| <b>Net book value</b>         | <b>881.5</b> | <b>25.1</b> | <b>906.6</b> |

| Company                            | Plant and equipment | Motor vehicle | Total        |
|------------------------------------|---------------------|---------------|--------------|
|                                    | Shs m               | Shs m         | Shs m        |
| <b>Year ended 31 December 2021</b> |                     |               |              |
| Opening net book value             | 1,017.5             | 36.7          | 1,054.2      |
| Additions                          | 52.6                | 12.5          | 65.1         |
| Depreciation charge                | (252.5)             | (30.4)        | (282.9)      |
| <b>Closing net book value</b>      | <b>817.6</b>        | <b>18.8</b>   | <b>836.4</b> |
| <b>As at 31 December 2021</b>      |                     |               |              |
| Cost                               | 6,668.3             | 478.8         | 7,147.1      |
| Accumulated depreciation           | (5,850.7)           | (460.0)       | (6,310.7)    |
| <b>Net book value</b>              | <b>817.6</b>        | <b>18.8</b>   | <b>836.4</b> |

|                                    |              |             |              |
|------------------------------------|--------------|-------------|--------------|
| <b>Year ended 31 December 2022</b> |              |             |              |
| Opening net book value             | 817.6        | 18.8        | 836.4        |
| Additions                          | 56.4         | 21.0        | 77.4         |
| Disposal                           | (0.7)        | -           | (0.7)        |
| Depreciation charge                | (225.6)      | (27.8)      | (253.4)      |
| <b>Closing net book value</b>      | <b>647.7</b> | <b>12.0</b> | <b>659.7</b> |
| <b>As at 31 December 2022</b>      |              |             |              |
| Cost                               | 6,724.0      | 499.8       | 7,223.8      |
| Accumulated depreciation           | (6,076.3)    | (487.8)     | (6,564.1)    |
| <b>Net book value</b>              | <b>647.7</b> | <b>12.0</b> | <b>659.7</b> |



## Notes to the financial statements (continued)

### 15. Intangible assets

| Group                                | Goodwill    | Computer software | Transmission frequencies | Total        |
|--------------------------------------|-------------|-------------------|--------------------------|--------------|
|                                      | Shs m       | Shs m             | Shs m                    | Shs m        |
| <b>As at 1 January 2021</b>          |             |                   |                          |              |
| Cost                                 | 187.9       | 892.3             | 27.2                     | 1,107.4      |
| Impairment/ accumulated amortization | (164.9)     | (622.4)           | (27.2)                   | (814.5)      |
| <b>Net book value</b>                | <b>23.0</b> | <b>269.9</b>      | <b>-</b>                 | <b>292.9</b> |
| <b>Year ended 31 December 2021</b>   |             |                   |                          |              |
| Opening net book value               | 23.0        | 269.9             | -                        | 292.9        |
| Additions                            | -           | 27.6              | -                        | 27.6         |
| Amortization                         | -           | (80.9)            | -                        | (80.9)       |
| Currency translation differences     | -           | 0.3               | -                        | 0.3          |
| <b>Closing net book value</b>        | <b>23.0</b> | <b>216.9</b>      | <b>-</b>                 | <b>239.9</b> |
| <b>Year ended 31 December 2022</b>   |             |                   |                          |              |
| Opening net book value               | 23.0        | 216.9             | -                        | 239.9        |
| Additions                            | -           | 17.8              | -                        | 17.8         |
| Amortization                         | -           | (77.9)            | -                        | (77.9)       |
| Currency translation differences     | -           | 0.2               | -                        | 0.2          |
| <b>Closing net book value</b>        | <b>23.0</b> | <b>157.0</b>      | <b>-</b>                 | <b>180.0</b> |
| <b>As at 31 December 2022</b>        |             |                   |                          |              |
| Cost                                 | 187.9       | 938.2             | 27.2                     | 1,153.3      |
| Impairment/ accumulated amortization | (164.9)     | (781.2)           | (27.2)                   | (973.3)      |
| <b>Net book value</b>                | <b>23.0</b> | <b>157.0</b>      | <b>-</b>                 | <b>180.0</b> |

The goodwill arose from the historical acquisition of various entities and is allocated to the newspaper and broadcasting segments. The directors monitor goodwill impairment at the level of the acquired entity, being the cash generating unit (CGU). The recoverable amount of the cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions.

A segment-level summary of the goodwill allocated is presented below:

|                                    | Operating Segment | 2022         | 2021         |
|------------------------------------|-------------------|--------------|--------------|
|                                    |                   | Shs m        | Shs m        |
| Monitor Publications Limited (MPL) | Newspapers        | 23.0         | 23.0         |
| <b>Movement in goodwill</b>        |                   |              |              |
|                                    |                   | <b>2022</b>  | <b>2021</b>  |
|                                    |                   | <b>Shs m</b> | <b>Shs m</b> |
| At start of year                   |                   | 23.0         | 23.0         |
| Impairment of goodwill             |                   | -            | -            |
| <b>At end of year</b>              |                   | <b>23.0</b>  | <b>23.0</b>  |

Significant estimates: key assumptions used for value-in-use calculations

## Notes to the financial statements (continued)

### 15. Intangible assets (continued)

The group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of goodwill has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the media industry in which the CGU operates.

The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them;

|                       | Monitor Publications Limited |       |
|-----------------------|------------------------------|-------|
|                       | 2022                         | 2021  |
| Pre-tax Discount rate | 29.8%                        | 19.1% |
| Long term growth rate | 1.6%                         | 1.6%  |
| Gross profit margin   | 86%                          | 89%   |

Management has determined the values assigned to each of the above key assumptions as follows;

- *Pre-tax Discount rate* - reflects the specific risks relating to the relevant segments and the countries in which they operate. The rate is consistent with the investors expected returns (the weighted average cost of capital) bearing in mind the country risk premiums.
- *Long term growth rate* - is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports eg inflation rate.
- *Gross profit margin* - is based on past performance and management's expectations for the future.

No impairment was noted from the calculations done by management. Sensitivity analysis conducted by management did not result in impairment upon applying reasonable possible shifts in key assumptions.



## Notes to the financial statements (continued)

### 15. Intangible assets (continued)

| Company                            | Computer software | Transmission Frequencies | Total        |
|------------------------------------|-------------------|--------------------------|--------------|
|                                    | Shs m             | Shs m                    | Shs m        |
| <b>As at 1 January 2021</b>        |                   |                          |              |
| Cost                               | 822.7             | 27.2                     | 849.9        |
| Accumulated amortization           | (556.1)           | (27.2)                   | (583.3)      |
| <b>Net book value</b>              | <b>266.6</b>      | <b>-</b>                 | <b>266.6</b> |
| <b>Year ended 31 December 2021</b> |                   |                          |              |
| Opening net book value             | 266.6             | -                        | 266.6        |
| Additions                          | 26.2              | -                        | 26.2         |
| Amortization                       | (79.0)            | -                        | (79.0)       |
| <b>Closing net book value</b>      | <b>213.8</b>      | <b>-</b>                 | <b>213.8</b> |
| <b>As at 31 December 2021</b>      |                   |                          |              |
| Cost                               | 848.9             | 27.2                     | 876.1        |
| Accumulated amortization           | (635.1)           | (27.2)                   | (662.3)      |
| <b>Net book value</b>              | <b>213.8</b>      | <b>-</b>                 | <b>213.8</b> |
| <b>Year ended 31 December 2022</b> |                   |                          |              |
| Opening net book value             | 213.8             | -                        | 213.8        |
| Additions                          | 16.0              | -                        | 16.0         |
| Amortization                       | (76.0)            | -                        | (76.0)       |
| <b>Closing net book value</b>      | <b>153.8</b>      | <b>-</b>                 | <b>153.8</b> |
| <b>As at 31 December 2022</b>      |                   |                          |              |
| Cost                               | 864.9             | 27.2                     | 892.1        |
| Accumulated amortization           | (711.1)           | (27.2)                   | (738.3)      |
| <b>Net book value</b>              | <b>153.8</b>      | <b>-</b>                 | <b>153.8</b> |

## Notes to the financial statements (continued)

### 16. Leases

#### (i) Right of Use Asset

| Group                              | Land        | Buildings    | Plant and Equipment | Motor Vehicle | Total        |
|------------------------------------|-------------|--------------|---------------------|---------------|--------------|
|                                    | Shs m       | Shs m        | Shs m               | Shs m         | Shs m        |
| <b>Year ended 31 December 2022</b> |             |              |                     |               |              |
| At start of year                   | 67.0        | 440.1        | 3.4                 | 8.3           | 518.8        |
| Additions                          | -           | 52.6         | 9.3                 | -             | 61.9         |
| Amortization for the year          | (1.8)       | (129.4)      | (4.3)               | (5.4)         | (140.9)      |
| Currency translation differences   | 2.1         | 2.7          | -                   | 0.3           | 5.1          |
| <b>At end of year</b>              | <b>67.3</b> | <b>366.0</b> | <b>8.4</b>          | <b>3.2</b>    | <b>444.9</b> |
| <b>Year ended 31 December 2021</b> |             |              |                     |               |              |
| At start of year                   | 67.5        | 557.6        | 7.7                 | 11.8          | 644.6        |
| Additions                          | -           | 9.3          | -                   | -             | 9.3          |
| Amortization for the year          | (1.8)       | (132.5)      | (4.3)               | (5.2)         | (143.8)      |
| Currency translation differences   | 1.3         | 5.7          | -                   | 1.7           | 8.7          |
| <b>At end of year</b>              | <b>67.0</b> | <b>440.1</b> | <b>3.4</b>          | <b>8.3</b>    | <b>518.8</b> |

Amounts charged to profit and loss account during the year in relation to short term leases amounted to Shs 3.8 million (2021: Shs 2.9 million).

| Company                            | Land        | Buildings    | Plant and Equipment | Motor Vehicle | Total        |
|------------------------------------|-------------|--------------|---------------------|---------------|--------------|
|                                    | Shs m       | Shs m        | Shs m               | Shs m         | Shs m        |
| <b>Year ended 31 December 2022</b> |             |              |                     |               |              |
| At start of year                   | 38.1        | 375.3        | 3.4                 | -             | 416.8        |
| Additions                          | -           | 41.4         | 9.3                 | -             | 50.7         |
| Amortization for the year          | (1.4)       | (83.5)       | (4.3)               | -             | (89.2)       |
| <b>At end of year</b>              | <b>36.7</b> | <b>333.2</b> | <b>8.4</b>          | <b>-</b>      | <b>378.3</b> |
| <b>Year ended 31 December 2021</b> |             |              |                     |               |              |
| At start of year                   | 39.5        | 456.1        | 7.6                 | -             | 503.2        |
| Additions                          | -           | 6.4          | -                   | -             | 6.4          |
| Amortization for the year          | (1.4)       | (87.2)       | (4.2)               | -             | (92.8)       |
| <b>At end of year</b>              | <b>38.1</b> | <b>375.3</b> | <b>3.4</b>          | <b>-</b>      | <b>416.8</b> |

The company does not have any short-term leases.



## Notes to the financial statements (continued)

### 16. Leases (continued)

#### ii) Lease liabilities

The movement in the lease liabilities over the year was as follows:

| Group                              | Buildings    | Plant and Equipment | Motor Vehicle | Total        |
|------------------------------------|--------------|---------------------|---------------|--------------|
|                                    | Shs m        | Shs m               | Shs m         | Shs m        |
| <b>Year ended 31 December 2022</b> |              |                     |               |              |
| At start of year                   | 455.4        | 4.1                 | 8.9           | 468.4        |
| Additions                          | 52.6         | 9.3                 | -             | 61.9         |
| Interest on lease liability        | 37.1         | 0.7                 | 1.1           | 38.9         |
| Interest payment                   | (37.1)       | (0.7)               | (1.1)         | (38.9)       |
| Principal portion of lease payment | (117.4)      | (4.3)               | (5.3)         | (127.0)      |
| Currency translation differences   | 3.2          | -                   | 0.4           | 3.6          |
| <b>At end of year</b>              | <b>393.8</b> | <b>9.1</b>          | <b>4.0</b>    | <b>406.9</b> |

|                                    |              |            |            |              |
|------------------------------------|--------------|------------|------------|--------------|
| <b>Year ended 31 December 2021</b> |              |            |            |              |
| At start of year                   | 557.6        | 8.4        | 13.6       | 579.6        |
| Additions                          | 9.3          | -          | -          | 9.3          |
| Interest on lease liability        | 43.5         | 0.7        | 0.4        | 44.6         |
| Interest payment                   | (43.5)       | (0.7)      | (0.4)      | (44.6)       |
| Principal portion of lease payment | (118.5)      | (4.3)      | (5.7)      | (128.5)      |
| Currency translation differences   | 7.0          | -          | 1.0        | 8.0          |
| <b>At end of year</b>              | <b>455.4</b> | <b>4.1</b> | <b>8.9</b> | <b>468.4</b> |

| Company                            | Buildings    | Plant and Equipment | Motor Vehicle | Total        |
|------------------------------------|--------------|---------------------|---------------|--------------|
|                                    | Shs m        | Shs m               | Shs m         | Shs m        |
| <b>Year ended 31 December 2022</b> |              |                     |               |              |
| At start of year                   | 380.9        | 4.1                 | -             | 385.0        |
| Additions                          | 41.4         | 9.3                 | -             | 50.7         |
| Interest on lease liability        | 36.3         | 0.6                 | -             | 36.9         |
| Interest payment                   | (36.3)       | (0.6)               | -             | (36.9)       |
| Principal portion of lease payment | (68.0)       | (4.4)               | -             | (72.4)       |
| <b>At end of year</b>              | <b>354.3</b> | <b>9.0</b>          | <b>-</b>      | <b>363.3</b> |

|                                    |              |            |          |              |
|------------------------------------|--------------|------------|----------|--------------|
| <b>Year ended 31 December 2021</b> |              |            |          |              |
| At start of year                   | 445.7        | 8.4        | -        | 454.1        |
| Additions                          | 6.4          | -          | -        | 6.4          |
| Interest on lease liability        | 41.0         | 0.7        | -        | 41.7         |
| Interest payment                   | (41.0)       | (0.7)      | -        | (41.7)       |
| Principal portion of lease payment | (71.2)       | (4.3)      | -        | (75.5)       |
| <b>At end of year</b>              | <b>380.9</b> | <b>4.1</b> | <b>-</b> | <b>385.0</b> |

## Notes to the financial statements (continued)

### 16. Leases (continued)

#### ii) Lease liabilities (continued)

The split of the lease liabilities is as follows:

|                       | Group         |               | Company       |               |
|-----------------------|---------------|---------------|---------------|---------------|
|                       | 2022<br>Shs m | 2021<br>Shs m | 2022<br>Shs m | 2021<br>Shs m |
| Current               | 93.5          | 96.7          | 54.1          | 55.1          |
| Non-current           | 313.4         | 371.7         | 309.2         | 329.9         |
| <b>At end of year</b> | <b>406.9</b>  | <b>468.4</b>  | <b>363.3</b>  | <b>385.0</b>  |

#### iii) Net debt reconciliation

|                                     | Group          |                | Company        |                |
|-------------------------------------|----------------|----------------|----------------|----------------|
|                                     | 2022<br>Shs m  | 2021<br>Shs m  | 2022<br>Shs m  | 2021<br>Shs m  |
| Cash and cash equivalent            | 1,893.9        | 2,111.9        | 1,682.4        | 1,633.5        |
| Short-term investments              | 1,861.7        | 1,846.7        | 1,410.0        | 1,696.2        |
| Lease liabilities                   | (406.9)        | (468.4)        | (363.3)        | (385.0)        |
| <b>Net cash and cash equivalent</b> | <b>3,348.7</b> | <b>3,490.2</b> | <b>2,729.1</b> | <b>2,944.7</b> |

#### Net debt movement

| Group                              | Leases<br>Shs m | Cash and<br>Cash<br>Equivalent<br>Shs m | Short-term<br>Investment<br>Shs m | Total<br>Shs m |
|------------------------------------|-----------------|---|-----------------------------------|----------------|
|                                    |                 |   |                                   |                |
| <b>Year ended 31 December 2022</b> |                 |   |                                   |                |
| At start of year                   | (468.4)         | 2,111.9                                 | 1,846.7                           | 3,490.2        |
| Financing cash flows               | -               | (235.0)                                 | 15.0                              | (220.0)        |
| New leases                         | (61.9)          | -                                       | -                                 | (61.9)         |
| Principal portion of lease payment | 127.0           | -                                       | -                                 | 127.0          |
| Interest payment                   | 38.9            | -                                       | -                                 | 38.9           |
| Interest expense                   | (38.9)          | -                                       | -                                 | (38.9)         |
| Currency translation differences   | (3.6)           | 17.0                                    | -                                 | 13.4           |
| <b>At end of year</b>              | <b>(406.9)</b>  | <b>1,893.9</b>                          | <b>1,861.7</b>                    | <b>3,348.7</b> |
| <b>Year ended 31 December 2021</b> |                 |   |                                   |                |
| At start of year                   | (579.6)         | 1,344.2                                 | 1,530.0                           | 2,294.6        |
| Financing cash flows               | -               | 729.5                                   | 316.7                             | 1,046.2        |
| New leases                         | (9.3)           | -                                       | -                                 | (9.3)          |
| Principal portion of lease payment | 128.5           | -                                       | -                                 | 128.5          |
| Interest payment                   | 44.6            | -                                       | -                                 | 44.6           |
| Interest expense                   | (44.6)          | -                                       | -                                 | (44.6)         |
| Currency translation differences   | (8.0)           | 38.2                                    | -                                 | 30.2           |
| <b>At end of year</b>              | <b>(468.4)</b>  | <b>2,111.9</b>                          | <b>1,846.7</b>                    | <b>3,490.2</b> |



## Notes to the financial statements (continued)

### 16. Leases (continued)

#### iii) Net debt reconciliation (continued)

##### Net debt movement (continued)

| Company                            | Leases         | Cash and Cash Equivalent | Short-term Investment | Total          |
|------------------------------------|----------------|--------------------------|-----------------------|----------------|
|                                    | Shs m          | Shs m                    | Shs m                 | Shs m          |
| <b>Year ended 31 December 2022</b> |                |                          |                       |                |
| At start of year                   | (385.0)        | 1,633.5                  | 1,696.2               | 2,944.7        |
| Financing cash flows               | -              | 48.9                     | (286.2)               | (237.3)        |
| New leases                         | (50.7)         | -                        | -                     | (50.7)         |
| Principal portion of lease payment | 72.4           | -                        | -                     | 72.4           |
| Interest payment                   | 36.9           | -                        | -                     | 36.9           |
| Interest expense                   | (36.9)         | -                        | -                     | (36.9)         |
| <b>At end of year</b>              | <b>(363.3)</b> | <b>1,682.4</b>           | <b>1,410.0</b>        | <b>2,729.1</b> |
| <b>Year ended 31 December 2021</b> |                |                          |                       |                |
| At start of year                   | (454.1)        | 1,063.2                  | 1,338.3               | 1,947.4        |
| Financing cash flows               | -              | 570.3                    | 357.9                 | 928.2          |
| New leases                         | (6.4)          | -                        | -                     | (6.4)          |
| Principal portion of lease payment | 75.5           | -                        | -                     | 75.5           |
| Interest payment                   | 41.7           | -                        | -                     | 41.7           |
| Interest expense                   | (41.7)         | -                        | -                     | (41.7)         |
| <b>At end of year</b>              | <b>(385.0)</b> | <b>1,633.5</b>           | <b>1,696.2</b>        | <b>2,944.7</b> |

## Notes to the financial statements (continued)

### 17. Investment in associate

|                                     | Group          |                |
|-------------------------------------|----------------|----------------|
|                                     | 2022<br>Shs m  | 2021<br>Shs m  |
| At start of year                    | 1,540.5        | 1,485.4        |
| Share of profit before income tax   | 126.1          | 59.5           |
| Share of income tax expense         | (69.1)         | (20.6)         |
| Dividends received                  | 57.0           | 38.9           |
| Share of other comprehensive income | (53.6)         | (7.7)          |
|                                     | 12.2           | 23.9           |
| <b>At end of year</b>               | <b>1,556.1</b> | <b>1,540.5</b> |

Property Development and Management Limited (PDM)'s principal activity is property investment, development and management. PDM operates primarily in the East African region. The associate company leases one of its property to the group as disclosed in noted 32.

Investment in associate is carried in the consolidated statement of financial position at amounts that reflect the Group's share of the net assets of the associate and includes goodwill on acquisition.

Other comprehensive income from associate relates to the net fair value (loss)/gain on financial assets (quoted and unquoted investments).

The group holds an interest of 20% in PDM. Key financial information on the associate, PDM which was incorporated in Kenya and is unlisted, was as follows:

|                  | Current assets | Non- Current assets | Current liabilities | Non- current liabilities | Revenues | Profit/ (loss) | Other Comprehensive income |
|------------------|----------------|---------------------|---------------------|--------------------------|----------|----------------|----------------------------|
|                  | Shs m          | Shs m               | Shs m               | Shs m                    | Shs m    | Shs m          | Shs m                      |
| <b>Year 2022</b> | 360.0          | 9,651.6             | 520.8               | 1,325.8                  | 844.9    | 285.0          | 61.0                       |
| <b>Year 2021</b> | 508.2          | 9,525.7             | 582.8               | 1,361.5                  | 935.7    | 194.7          | 119.7                      |

There were no changes in the interest held in the unlisted associate during the year. The initial investment in associate carried in the Company's statement of financial position is Shs 94.6 million (2021: Shs 94.6 million).



## Notes to the financial statements (continued)

### 18. Investment in subsidiaries

The Company's interest in its subsidiaries, all of which are unlisted and all of which have the same year end as the Company, were as follows as at 31 December 2022 and 2021:

|   | Country of incorporation | Principal Activity      | Holding % | Company        |                |
|---|--------------------------|-------------------------|-----------|----------------|----------------|
|   |                          |                         |           | 2022<br>Shs m  | 2021<br>Shs m  |
| <b>Trading subsidiaries:</b>                      |                          |                         |           |                |                |
| Nation Marketing & Publishing Limited             | Kenya                    | Magazines Distribution  | 100.0     | 0.5            | 0.5            |
| Monitor Publications Limited                      | Uganda                   | Print Publication       | 83.3      | 75.1           | 75.1           |
| Mwananchi Communications Limited                  | Tanzania                 | Print Publication       | 100.0     | 569.3          | 569.3          |
| Nation Holdings Tanzania Limited                  | Tanzania                 | Property Development    | 100.0     | 150.4          | 150.4          |
| Africa Broadcasting Uganda Limited                | Uganda                   | Television Broadcasting | 100.0     | 347.7          | 347.7          |
| Nation Holdings Rwanda Limited                    | Rwanda                   | Print Circulation       | 100.0     | 8.3            | 8.3            |
| Kenya Buzz Limited                                | Kenya                    | Ticketing               | 51.0      | 2.0            | 2.0            |
|   |                          |                         |           | <b>1,153.3</b> | <b>1,153.3</b> |
| <b>Non trading subsidiaries:</b>                  |                          |                         |           |                |                |
| Nation Carriers Limited                           | Kenya                    | Dormant                 | 100.0     | 3.0            | 3.0            |
| Nation Infotech Limited                           | Kenya                    | Dormant                 | 100.0     | 1.5            | 1.5            |
| East African Televisions Network Limited          | Kenya                    | Dormant                 | 100.0     | -              | -              |
| Africa Broadcasting Limited                       | Kenya                    | Dormant                 | 100.0     | -              | -              |
| Nation Newspapers Limited                         | Kenya                    | Dormant                 | 100.0     | -              | -              |
| Nation Carriers Uganda Limited                    | Uganda                   | Dormant                 | 100.0     | -              | -              |
| Nation Carriers Tanzania Limited                  | Tanzania                 | Dormant                 | 100.0     | -              | -              |
| Africa Broadcasting Tanzania Limited              | Tanzania                 | Dormant                 | 100.0     | -              | -              |
| Nation Printers and Publishers Limited            | Kenya                    | Dormant                 | 100.0     | -              | -              |
| Radio Uhuru Limited                               | Tanzania                 | Dormant                 | 100.0     | 20.5           | 20.5           |
|   |                          |                         |           | <b>1,178.3</b> | <b>1,178.3</b> |
| <b>Provision for impairment on investment in:</b> |                          |                         |           |                |                |
| Mwananchi Communications Limited                  |                          |                         |           | (416.8)        | (416.8)        |
| Africa Broadcasting Uganda Limited                |                          |                         |           | (17.5)         | (17.5)         |
| Radio Uhuru Limited                               |                          |                         |           | (20.5)         | (20.5)         |
| Nation Holdings Rwanda Limited                    |                          |                         |           | (8.3)          | (8.3)          |
| Nation Holdings Tanzania Limited                  |                          |                         |           | (12.4)         | (12.4)         |
|   |                          |                         |           | (475.5)        | (475.5)        |
| <b>Net investment in subsidiaries</b>             |                          |                         |           | <b>702.8</b>   | <b>702.8</b>   |

## Notes to the financial statements (continued)

### 18. Investment in subsidiaries (continued)

The company tests whether investment in subsidiaries has suffered any impairment whenever indicators are noted. The Directors performed an impairment assessment on Mwananchi Communications Limited. The recoverable value of the entity has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The following table sets out the key assumptions:

|                       | Mwananchi Communications Limited |       |
|-----------------------|----------------------------------|-------|
|                       | 2022                             | 2021  |
| Pre-tax Discount rate | 28.3%                            | 17.1% |
| Long term growth rate | 5.6%                             | 6.0%  |
| Gross profit margin   | 66%                              | 72%   |

Management has determined the values assigned to each of the above key assumptions as follows;

- *Pre-tax Discount rate* - reflects the specific risks relating to the entity and the countries in which the subsidiary operates. The rate is consistent with the investors expected returns (the weighted average cost of capital) bearing in mind the country risk premiums.
- *Long term growth rate* - is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports e.g. inflation rate.
- *Gross profit margin* - is based on past performance and management's expectations for the future.

Following the above exercise, there was no additional provision for impairment made on the Company's investment in Mwananchi Communications Limited.



## Notes to the financial statements (continued)

### 19. Non-controlling interest

| Group                           | 2022        | 2021        |
|---------------------------------|-------------|-------------|
|                                 | Shs m       | Shs m       |
| At start of the year            | 75.9        | 69.5        |
| Share of profit/ (loss)         | 3.3         | 1.3         |
| Dividend paid to minority       | (0.5)       | -           |
| Currency translation difference | 3.4         | 5.1         |
| <b>At end of the year</b>       | <b>82.1</b> | <b>75.9</b> |

### Summary of non-controlling interest (NCI)

16.7% equity interest is held by other individuals in Monitor Publications Limited

Monitor Publications Limited which has a 16.7% non-controlling interest operates as a Print Publication and Radio Broadcasting Company in Uganda. A summary of its financial performance is set out below:

### Monitor Publications Limited summarised statement of financial position

|                                     | 2022         | 2021         |
|-------------------------------------|--------------|--------------|
|                                     | Shs m        | Shs m        |
| Current assets                      | 626.4        | 565.9        |
| Current liabilities                 | (257.7)      | (239.0)      |
| <b>Total current net assets</b>     | <b>368.7</b> | <b>326.9</b> |
| Non-current assets                  | 188.3        | 195.3        |
| Non-current liabilities             | -            | (13.1)       |
| <b>Total non-current net assets</b> | <b>188.3</b> | <b>182.2</b> |
| <b>Total net assets</b>             | <b>557.0</b> | <b>509.1</b> |

### Monitor Publications Limited summarised statement of comprehensive income

|                                   | 2022        | 2021        |
|-----------------------------------|-------------|-------------|
|                                   | Shs m       | Shs m       |
| Revenue                           | 862.8       | 835.2       |
| Profit before income tax          | 35.2        | 23.4        |
| Income tax expense                | (10.3)      | (7.3)       |
| <b>Profit for the year</b>        | <b>24.9</b> | <b>16.1</b> |
| Other comprehensive income        | 24.3        | 30.6        |
| <b>Total comprehensive income</b> | <b>49.2</b> | <b>46.7</b> |

## Notes to the financial statements (continued)

### 19. Non-controlling interest (continued)

#### Monitor Publications Limited summarised cash flows

|  | 2022        | 2021        |
|--|-------------|-------------|
|  | Shs m       | Shs m       |
| Net cash generated from / (used in) operating activities | 61.9        | (5.5)       |
| Net cash (used in)/ generated from investing activities  | (24.9)      | 10.1        |
| Net cash used in financing activities                    | (19.4)      | (15.8)      |
| Net (decrease)/ increase in cash and cash equivalents    | 17.6        | (11.2)      |
| Cash and cash equivalents at start of year               | 11.5        | 21.5        |
| Effect of exchange rates                                 | 3.1         | 1.2         |
| <b>At end of year</b>                                    | <b>32.2</b> | <b>11.5</b> |

The profit allocated to NCI in Monitor Publications Limited is Shs 3.3 million (2021: Shs 1.3 million) while the cumulative NCI balance was Shs 82.1 million (2021: Shs 75.9 million).

### 20. Other assets

|  | Group & Company |             |
|--|-----------------|-------------|
|  | 2022            | 2021        |
|  | Shs m           | Shs m       |
| Gross long-term deposits                       | 66.4            | 58.4        |
| Expected credit loss                           | (2.8)           | (4.5)       |
| <b>Net carrying value</b>                      | <b>63.6</b>     | <b>53.9</b> |
| Movement of long-term deposit is as below:     |                 |             |
| Interest earned                                | 3.2             | 3.5         |
| Redemption/injection                           | 4.8             | (22.9)      |
| Expected credit loss                           | 1.7             | (1.4)       |
| Net increase / (decrease) in long-term deposit | 9.7             | (20.8)      |
| At start of the year                           | 53.9            | 74.7        |
| <b>At end of year</b>                          | <b>63.6</b>     | <b>53.9</b> |

The balance relates to long-term deposits held with a bank as back up funds for staff mortgage scheme. The long-term deposits have been assessed for credit loss based on the credit rating of the financial institution holding the assets. The calculated impairment is as shown in the table above.

### 21. Inventories

|                                    | Group        |              | Company      |              |
|------------------------------------|--------------|--------------|--------------|--------------|
|                                    | 2022         | 2021         | 2022         | 2021         |
|                                    | Shs m        | Shs m        | Shs m        | Shs m        |
| Raw materials                      | 642.9        | 507.6        | 434.5        | 403.8        |
| Engineering spares                 | 237.8        | 233.3        | 206.3        | 205.1        |
| Other stock                        | 86.8         | 67.8         | 86.3         | 67.1         |
| <b>Gross inventory</b>             | <b>967.5</b> | <b>808.7</b> | <b>727.1</b> | <b>676.0</b> |
| Less: provision for obsolete stock | (190.7)      | (189.2)      | (186.8)      | (185.5)      |
| <b>Closing balance</b>             | <b>776.8</b> | <b>619.5</b> | <b>540.3</b> | <b>490.5</b> |

Inventories are held at cost using the weighted average costing method. The cost of inventories recognized as an expense and included in the consolidated 'cost of sales' amounted to Shs 999.7 million (2021: Shs 787.4 million). The cost of sales for the company for the company amounted to Shs 681.9 million (2021: Shs 559.4)



## Notes to the financial statements (continued)

### 22. Receivables and prepayments

|                                    | Group          |                | Company        |                |
|------------------------------------|----------------|----------------|----------------|----------------|
|                                    | 2022<br>Shs m  | 2021<br>Shs m  | 2022<br>Shs m  | 2021<br>Shs m  |
| Trade receivables                  | 4,385.5        | 4,447.3        | 3,347.6        | 3,254.9        |
| Less: provision for impairment     | (2,229.3)      | (2,394.7)      | (1,565.1)      | (1,565.9)      |
|                                    | 2,156.2        | 2,052.6        | 1,782.5        | 1,689.0        |
| Due from related parties (Note 32) | 12.5           | 9.3            | 437.9          | 425.3          |
| Less: provision for impairment     |                | -              | (372.9)        | (360.9)        |
|                                    | 12.5           | 9.3            | 65.0           | 64.4           |
| Other receivables and prepayments  | 1,455.5        | 1,486.9        | 943.0          | 925.7          |
| <b>Closing balance</b>             | <b>3,624.2</b> | <b>3,548.8</b> | <b>2,790.5</b> | <b>2,679.1</b> |

Movement on the provision for impairment of trade receivables is as follows:

|                       | Group          |                | Company        |                |
|-----------------------|----------------|----------------|----------------|----------------|
|                       | 2022<br>Shs m  | 2021<br>Shs m  | 2022<br>Shs m  | 2021<br>Shs m  |
| At start of year      | 2,394.7        | 2,532.2        | 1,565.9        | 1,691.0        |
| Charge for the year   | 12.5           | 24.2           | (0.8)          | (8.8)          |
| Debt write off        | (177.9)        | (161.7)        | -              | (116.3)        |
| <b>At end of year</b> | <b>2,229.3</b> | <b>2,394.7</b> | <b>1,565.1</b> | <b>1,565.9</b> |

The carrying amounts of the above receivables approximate their fair values.

### 23. Cash and cash equivalents

For the purposes of cash flow statements, cash and cash equivalents comprise cash and bank balances and term deposits held with banks, maturing in less than 90 days from origination. The year-end cash and cash equivalent comprise the following:

|                           | Group          |                | Company        |                |
|---------------------------|----------------|----------------|----------------|----------------|
|                           | 2022<br>Shs m  | 2021<br>Shs m  | 2022<br>Shs m  | 2021<br>Shs m  |
| Cash and bank balances    | 657.2          | 577.5          | 552.1          | 493.7          |
| Fixed deposits with banks | 1,236.7        | 1,534.4        | 1,130.3        | 1,139.8        |
|                           | <b>1,893.9</b> | <b>2,111.9</b> | <b>1,682.4</b> | <b>1,633.5</b> |

### 24. Short-term investments

|                              |                |                |                |                |
|------------------------------|----------------|----------------|----------------|----------------|
| Fixed deposits with banks    | 1,661.1        | 1,246.1        | 1,209.4        | 1,095.6        |
| Other short-term investments | 200.6          | 600.6          | 200.6          | 600.6          |
| <b>Closing balance</b>       | <b>1,861.7</b> | <b>1,846.7</b> | <b>1,410.0</b> | <b>1,696.2</b> |

The short term investments include term deposits, treasury bills and other short term investments with maturity more than 90 days but less than one year. Included in the other short term investments is a commercial paper and fixed deposits with related parties. Refer to Note 32 (vi) for further details.

The weighted average effective interest rate on the bank deposits during the year was 10.1% (2021: 8.3%) and that of the other short term investments was 7.6% (2021: 8.6%). The carrying amounts of the above short term investments approximate their fair values

## Notes to the financial statements (continued)

### 25. Payables and accrued expenses

|                                  | Group          |                | Company        |                |
|----------------------------------|----------------|----------------|----------------|----------------|
|                                  | 2022<br>Shs m  | 2021<br>Shs m  | 2022<br>Shs m  | 2021<br>Shs m  |
| Trade payables                   | 583.6          | 567.5          | 362.5          | 364.9          |
| Due to related parties (Note 32) | 4.8            | 7.3            | 3.8            | 10.6           |
| Accrued expenses                 | 1,697.6        | 1,820.9        | 1,328.1        | 1,418.4        |
| Other payables                   | 1,100.9        | 960.6          | 723.8          | 587.9          |
| <b>Closing balance</b>           | <b>3,386.9</b> | <b>3,356.3</b> | <b>2,418.2</b> | <b>2,381.8</b> |

The carrying amounts of the above payables and accrued expenses approximate their fair values. The average credit terms extended by key creditors is 90 days.

### 26. Provisions for claims and other liabilities

|                       | Group        |              | Company      |              |
|-----------------------|--------------|--------------|--------------|--------------|
|                       | Shs m        | Shs m        | Shs m        | Shs m        |
| At 1 January          | 578.9        | 558.3        | 548.7        | 536.5        |
| Payments in the year  | (42.7)       | (20.6)       | (42.7)       | (19.5)       |
| Charge for the year   | 9.0          | 41.2         | (4.6)        | 31.7         |
| <b>At 31 December</b> | <b>545.2</b> | <b>578.9</b> | <b>501.4</b> | <b>548.7</b> |

The Group makes specific provisions for claims and other liabilities arising in the normal course of business. Specific provisions are made for estimated claims and other liabilities to the extent that the Group considers it probable that there will be an outflow of economic benefits and the amount can be reliably estimated. Any insurance reimbursements in relation to claims and other liabilities are only recognized when the Group is certain of reimbursement. Typically, this will only occur when a reimbursement claim is accepted by the insurer.

Due to the nature of these provisions, management is unable to estimate the timing of their settlement with certainty. The impact of discounting on the provision is not considered to be material.



## Notes to the financial statements (continued)

### 27. Post-employment benefit obligation

The Group maintains a gratuity scheme under which qualifying employees are entitled to receive remuneration equal to the sum of two weeks' pay for every year of service completed upon leaving the Group.

The amount included in the statement of financial position arising from the post-employment benefit obligation is arrived at as follows:

|  | Group and Company |                |
|--|-------------------|----------------|
|  | 2022<br>Shs m     | 2021<br>Shs m  |
| Opening balance                                | 55.6              | (27.5)         |
| Payments in the year                           | (13.4)            | (3.4)          |
| Charge to P&L                                  | 7.0               | 50.0           |
| Transfers                                      | (54.1)            | 36.5           |
| <b>Closing balance</b>                         | <b>(4.9)</b>      | <b>55.6</b>    |
| Present value of funded obligations            | (150.5)           | (146.6)        |
| Fair value of plan assets (fixed term deposit) | 155.4             | 91.0           |
| <b>Deficit/Surplus on funded plan</b>          | <b>4.9</b>        | <b>(55.6)</b>  |
|  |                   |                |
|  | 2022<br>Shs m     | 2021<br>Shs m  |
| Movement of fair value asset                   |                   |                |
| Opening balance                                | 91.0              | 115.5          |
| Interest earned                                | 10.3              | 12.0           |
| Transfers                                      | 54.1              | (36.5)         |
| <b>Closing balance</b>                         | <b>155.4</b>      | <b>91.0</b>    |
|  |                   |                |
|  | 2022<br>Shs m     | 2021<br>Shs m  |
| Movement of funded obligations                 |                   |                |
| Opening balance                                | (146.6)           | (88.0)         |
| Charge for the year                            | (18.9)            | (13.8)         |
| Prior year deficit (based on valuation)        | 11.9              | (36.2)         |
| Interest earned                                | (10.3)            | (12.0)         |
| Payments                                       | 13.4              | 3.4            |
| <b>Closing balance</b>                         | <b>(150.5)</b>    | <b>(146.6)</b> |

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is not significant for 2022 and 2021.

The scheme was last valued by an independent actuary as at 31 December 2020. The significant actuarial assumptions were as follows;

|                                 | 2020     |
|---------------------------------|----------|
| Discount rate                   | 10%      |
| Inflation rate                  | 5%       |
| Current service cost (% salary) | 1.6%     |
| Assumed retirement age          | 60 years |

A slight 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.

#### Risk exposure

The plan is not exposed to any significant risk.

## Notes to the financial statements (continued)

### 28. Dividends

During the year, no interim dividend was paid (2021: Nil). At the annual general meeting to be held in June 2023, a final dividend in respect of the year ended 31 December 2022 of Shs 1.5 per share amounting to Shs 285.4 million will be proposed, excluding treasury shares. The payment of dividends is subject to withholding tax at the rate of 5% for resident and 15% for non-resident shareholders.

### 29. Commitments

#### Capital expenditure

Commitments for capital expenditure at the reporting date are as follows:

|                                     | Group         |               |
|-------------------------------------|---------------|---------------|
|                                     | 2022<br>Shs m | 2021<br>Shs m |
| Contracted for but not provided for | 51.9          | 20.4          |

### 30. Contingent liabilities

The Group is a defendant in various claims brought against the Group in the normal course of business. The Group has made provisions which were deemed appropriate in line with group policy and legal advice. In the directors' opinion after taking appropriate legal advice, no significant additional liability will arise from the resolution of these matters beyond what has been provided for in the financial statements.

### 31. Cash generated from operations

|  | Group         |                | Company       |                |
|--|---------------|----------------|---------------|----------------|
|  | 2022<br>Shs m | 2021<br>Shs m  | 2022<br>Shs m | 2021<br>Shs m  |
| Reconciliation of profit before tax to cash generated from operations        |               |                |               |                |
| Profit before income tax   | 491.7         | 730.7          | 396.3         | 595.3          |
| Adjustments for:   |               |                |               |                |
| Depreciation of property, plant and equipment (Note 14)                      | 376.9         | 401.0          | 272.3         | 301.1          |
| Amortization of leases (Note 16)   | 140.9         | 143.8          | 89.2          | 92.8           |
| Amortization of intangible assets (Note 15)                                  | 77.9          | 80.9           | 76.0          | 79.0           |
| Profit on sale of property, plant and equipment                              | (20.2)        | (6.3)          | (18.7)        | (5.9)          |
| Interest income (Note 8)   | (291.6)       | (241.7)        | (248.3)       | (203.9)        |
| Lease finance cost (Note 8)  | 38.9          | 44.6           | 36.9          | 41.7           |
| Share of result after tax of associate (Note 17)                             | (57.0)        | (38.9)         | -             | -              |
| Net dividend received from subsidiary  | -             | -              | (82.4)        | -              |
| Dividend received from associate (Note 17)                                   | -             | -              | (53.6)        | (7.7)          |
| Changes in working capital:  |               |                |               |                |
| - Inventories (Note 21)  | (157.3)       | (98.1)         | (49.8)        | (58.7)         |
| - Trade receivables – provision for impairment (Note 22)                     | 12.5          | (24.2)         | (0.8)         | 8.8            |
| - Bad debts written off (Note 22)  | 177.9         | 161.7          | -             | 116.3          |
| - Receivables and prepayments  | (265.8)       | (181.8)        | (110.6)       | (4.7)          |
| - Exchange (gain)s/losses (Note 6)   | 9.3           | (31.0)         | 27.7          | (37.2)         |
| - Provision for claims payment (Note 26)                                     | (42.7)        | (20.6)         | (42.7)        | (19.5)         |
| - Payables and accrued expenses (Note 25)                                    | 30.2          | 707.9          | 4.0           | 517.0          |
| Post-employment benefit obligation changes (Note 27)                         | 7.0           | 50.0           | 7.0           | 50.0           |
| Post-employment benefit – payments made (Note 27)                            | (13.4)        | (3.4)          | (13.4)        | (3.4)          |
| Post-employment benefit – (payments to)/funds received from scheme (Note 27) | (54.1)        | 36.5           | (54.1)        | 36.5           |
| <b>Cash generated from operations</b>  | <b>461.1</b>  | <b>1,711.1</b> | <b>235.0</b>  | <b>1,497.5</b> |



## Notes to the financial statements (continued)

### 32. Related parties

Aga Khan Fund for Economic Development, S.A (AKFED) incorporated in Switzerland is the principal shareholder of the Company. There are various other companies which are related to the Group through common shareholdings and directorships.

|   | Group         |               | Company       |               |
|---|---------------|---------------|---------------|---------------|
|   | 2022<br>Shs m | 2021<br>Shs m | 2022<br>Shs m | 2021<br>Shs m |
| <b>i) Sale of goods and services</b>        |               |               |               |               |
| <b>Subsidiaries:</b>                        |               |               |               |               |
| Monitor Publications Limited                | -             | -             | 10.3          | 9.2           |
| Mwananchi Communications Limited            | -             | -             | 8.1           | 8.9           |
| <b>Other related parties:</b>               |               |               |               |               |
| Property Development and Management Limited | 0.3           | 0.3           | 0.3           | 0.3           |
| TPS Eastern Africa Limited                  | 4.0           | 1.9           | 3.5           | 1.3           |
| Aga Khan                                    | 17.0          | 20.5          | 12.4          | 17.8          |
| Diamond Trust                               | 11.8          | 12.8          | 8.1           | 8.1           |
| Jubilee Holdings Limited                    | 12.1          | 9.1           | 8.3           | 7.9           |
|   | <b>45.2</b>   | <b>44.6</b>   | <b>51.0</b>   | <b>53.5</b>   |
| <b>ii) Purchase of goods and services</b>   |               |               |               |               |
| <b>Subsidiaries:</b>                        |               |               |               |               |
| Monitor Publications Limited                | -             | -             | 15.9          | 15.0          |
| Mwananchi Communications Limited            | -             | -             | 20.7          | 26.3          |
| <b>Other related parties:</b>               |               |               |               |               |
| Property Development and Management Limited | 121.3         | 124.9         | 121.3         | 124.9         |
| TPS Eastern Africa Limited                  | 30.8          | 32.4          | 2.5           | 1.6           |
| Jubilee Holdings Limited                    | 228.1         | 206.7         | 197.5         | 173.0         |
|   | <b>380.2</b>  | <b>364.0</b>  | <b>357.9</b>  | <b>340.8</b>  |

## Notes to the financial statements (continued)

### 32. Related parties (continued)

#### iii) Outstanding balances from transactions with related parties

|   | Group         |               | Company       |               |
|---|---------------|---------------|---------------|---------------|
|   | 2022<br>Shs m | 2021<br>Shs m | 2022<br>Shs m | 2021<br>Shs m |
| <b>Amounts due from related parties</b>     |               |               |               |               |
| <b>Subsidiaries:</b>                        |               |               |               |               |
| Mwananchi Communications Limited            | -             | -             | 17.9          | 23.8          |
| Monitor Publications Limited                | -             | -             | 1.3           | -             |
| Nation Infotech Limited                     | -             | -             | 0.9           | 0.9           |
| Radio Uhuru Limited                         | -             | -             | 4.9           | 4.9           |
| Nation Marketing and Publishing Limited     | -             | -             | 18.6          | 18.2          |
| Nation Holdings Rwanda Limited              | -             | -             | 354.3         | 342.7         |
| Kenya Buzz Limited                          | -             | -             | 11.4          | 10.5          |
| Nation Holdings Tanzania Limited            | -             | -             | 19.2          | 19.2          |
| <b>Other related parties:</b>               |               |               |               |               |
| TPS Eastern Africa Limited                  | 2.6           | 2.1           | 1.0           | 0.3           |
| Aga Khan                                    | 6.9           | 4.6           | 5.4           | 3.7           |
| Diamond Trust Bank                          | 1.4           | 2.2           | 1.3           | 0.8           |
| Jubilee Holdings Limited                    | 1.6           | 0.4           | 1.7           | 0.3           |
|   | <b>12.5</b>   | <b>9.3</b>    | <b>437.9</b>  | <b>425.3</b>  |
| <b>Provision for impairment</b>             |               |               |               |               |
| Nation Holdings Rwanda Limited              | -             | -             | (354.3)       | (342.7)       |
| Nation Marketing and Publishing Limited     | -             | -             | (18.6)        | (18.2)        |
|   | <b>12.5</b>   | <b>9.3</b>    | <b>65.0</b>   | <b>64.4</b>   |
| <b>Amounts due to related parties</b>       |               |               |               |               |
| <b>Subsidiaries:</b>                        |               |               |               |               |
| Africa Broadcasting Uganda Limited          | -             | -             | 2.3           | 8.2           |
| Monitor Publications Limited                | -             | -             | -             | 0.3           |
| <b>Other related parties:</b>               |               |               |               |               |
| Property Development and Management Limited | 0.6           | 0.8           | 0.6           | 0.8           |
| Jubilee Insurance                           | 3.2           | 3.3           | 0.1           | 0.6           |
| TPS Eastern Africa Limited                  | 1.0           | 3.2           | 0.8           | 0.7           |
|   | <b>4.8</b>    | <b>7.3</b>    | <b>3.8</b>    | <b>10.6</b>   |



## Notes to the financial statements (continued)

### 32. Related parties (continued)

#### iv) Key management compensation

Key management includes executive directors. The compensation paid or payable to key management for employee services is shown below.

|   | Group        |              | Company      |              |
|---|--------------|--------------|--------------|--------------|
|   | 2022         | 2021         | 2022         | 2021         |
|   | Shs m        | Shs m        | Shs m        | Shs m        |
| Salaries and other short term employment benefits | 222.6        | 191.8        | 190.9        | 166.9        |
| Post-employment benefits (Defined contribution)   | 10.6         | 11.1         | 10.2         | 9.6          |
|   | <b>233.2</b> | <b>202.9</b> | <b>201.1</b> | <b>176.5</b> |

#### v) Directors' remuneration

|   | Group        |             | Company     |             |
|---|--------------|-------------|-------------|-------------|
|   | 2022         | 2021        | 2022        | 2021        |
|   | Shs m        | Shs m       | Shs m       | Shs m       |
| Fees for services as director                     | 36.3         | 29.6        | 32.9        | 27.4        |
| Salaries and other short term employment benefits | 61.0         | 57.1        | 61.0        | 57.1        |
| Other benefits                                    | 4.6          | 11.1        | 4.6         | 11.1        |
|   | <b>101.9</b> | <b>97.8</b> | <b>98.5</b> | <b>95.6</b> |

#### vi) Other related party transactions

Included as part of short-term investments (Note 23) are the following balances with related parties:

|   | Group and Company |              |
|---|-------------------|--------------|
|   | 2022              | 2021         |
|   | Shs m             | Shs m        |
| Term deposit with Diamond Trust Bank Kenya Limited                        | 771.4             | 422.5        |
| Short term note investment with Industrial Promotion Services (K) Limited | -                 | 400.0        |
|   | <b>771.4</b>      | <b>822.5</b> |

## Principal Shareholders and their respective Shareholding (excluding treasury shares) at 31 December 2022

| No. | Name of shareholder                                | No. of shares held | %     |
|-----|--|--------------------|-------|
| 1   | THE AGA KHAN FUND FOR ECONOMIC DEVELOPMENT (AKFED) | 92,618,177         | 48.67 |
| 2   | ALPINE INVESTMENTS LIMITED                         | 21,050,222         | 11.06 |
| 3   | KIMANI JOHN KIBUNGA                                | 7,812,816          | 4.11  |
| 4   | STANDARD CHARTERED NOMINEES RESD A/C KE11450       | 2,512,210          | 1.32  |
| 5   | KENYA COMMERCIAL BANK NOMINEES LIMITED A/C 915B    | 2,492,636          | 1.31  |
| 6   | STANBIC NOMINEES LIMITED                           | 1,970,100          | 1.04  |
| 7   | JAMAL,FARZEEN ZAHERALI;MOLEDINA,NUREEN             | 1,288,725          | 0.68  |
| 8   | SHAH,LALITABEN KANAIYALAL                          | 1,140,000          | 0.60  |
| 9   | KENYA REINSURANCE CORPORATION LIMITED              | 1,054,152          | 0.55  |
| 10  | MWANGI, PETER KINGORI                              | 977,861            | 0.51  |

## Distribution of Shareholding at 31 December 2022

| No. of shares      | No. of shareholders | No. of shares held in issue | % of shareholding |
|--------------------|---------------------|-----------------------------|-------------------|
| 1 - 500            | 5,305               | 910,612                     | 0.48              |
| 501 - 5,000        | 5,146               | 10,684,069                  | 5.61              |
| 5,001 - 10,000     | 785                 | 5,689,887                   | 2.99              |
| 10,001 - 100,000   | 1,078               | 25,418,887                  | 13.36             |
| 100,001 - 1000,000 | 71                  | 15,652,670                  | 8.23              |
| Over 1,000,000     | 10                  | 131,939,038                 | 69.33             |
| <b>TOTAL</b>       | <b>12,395</b>       | <b>190,295,163</b>          | <b>100.00</b>     |

## Directors Shareholding

| Name             | No. of shares held | % of Shareholding |
|------------------|--------------------|-------------------|
| Yasmin Jetha     | 15,000             | 0.0079            |
| Wangethi Mwangi  | 7,450              | 0.0039            |
| Stephen Gitagama | 1,025              | 0.0005            |





## PROXY FORM

I/WE

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of

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*(include email address and mobile number)*

a member of NATION MEDIA GROUP PLC hereby appoint

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of

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*(include email address and mobile number)*

(delete below text as appropriate if The Chairman of the Meeting is not the alternate proxy) or in his/her place THE CHAIRMAN OF THE MEETING as my/our proxy and/or representative

to vote at his/her discretion for me/us and on my/our behalf at the Annual General Meeting to be held on Friday, 30th June 2023 and at every adjournment thereof

AS WITNESS my/our hand(s) this ----- day of ----- 2023.

USUAL SIGNATURES (S)

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**Please clearly mark the box below to instruct your proxy how to vote**

| RESOLUTION   | FOR | AGAINST | ABSTAIN |
|--|-----|---------|---------|
| <b>ORDINARY BUSINESS</b>   |     |         |         |
| 1. To receive the financial statements for the year ended 31 December 2022, and the Chairman's, Directors' and Auditors' reports thereon.  |     |         |         |
| 2. To receive, consider and if thought fit approve the Directors' Remuneration Report and the remuneration paid to the Directors for the year ended 31 December 2022 and to authorise the Board to fix the remuneration of the Non-Executive Directors.  |     |         |         |
| 3. To approve the payment of a first and final dividend of Shs 1.50 per share amounting to Shs 285,442,745 for the year ended 31 December 2022, as recommended by the Directors.   |     |         |         |
| 4. To confirm that the Auditors, PricewaterhouseCoopers LLP having expressed their willingness, continue in office as the Company's Auditors in accordance with section 721(2) of the Kenyan Companies Act 2015 and to authorise the Directors to fix the remuneration of the Auditors for the ensuing financial year. |     |         |         |
| 5. To re-elect Directors:  |     |         |         |
| a. in accordance with Article 110 of the Company's Articles of Association, Mr. Dennis Aluanga retires by rotation and being eligible, offers himself for re-election;   |     |         |         |
| b. in accordance with Article 110 of the Company's Articles of Association, Mr. Louis Otieno retires by rotation and being eligible, offers himself for re-election;   |     |         |         |





## PROXY FORM

|    |   |  |  |  |
|----|---|--|--|--|
| c. | in accordance with Article 110 of the Company's Articles of Association, Mr. Al-Noor Ramji retires by rotation and being eligible, offers himself for re-election;  |  |  |  |
| d. | in accordance with Article 110 of the Company's Articles of Association, Mr. Stephen Dunbar-Johnson retires by rotation and being eligible, offers himself for re-election;   |  |  |  |
| e. | Dr. Wilfred Kiboro, having attained the age of 70 years, retires by rotation and offers himself for re-election;  |  |  |  |
| f. | Prof. Lee Huebner, having attained the age of 70 years, retires by rotation and does not offer himself for re-election;   |  |  |  |
| g. | Mr. Francis. O. Okello, having attained the age of 70 years, retires by rotation and offers himself for re-election;  |  |  |  |
| h. | Dr. Yasmin Jetha, having attained the age of 70 years, retires by rotation and offers herself for re-election;  |  |  |  |
| i. | Mr. Wangethi Mwangi, having attained the age of 70 years, retires by rotation and offers himself for re-election;   |  |  |  |
| 6. | To appoint the members of the Company's Audit, Risk and Compliance Committee: In accordance with the provisions of section 769(1) of the Companies Act 2015, the following Directors being members of the Company's Audit, Risk and Compliance Committee be re-elected to continue to serve as members of the said Committee:<br>a. Mr. Leonard Mususa<br>b. Mr. Al-Noor Ramji<br>c. Prof. Samuel Seijaaka  |  |  |  |
| 7. | That in accordance with Section 458 of the Companies Act, 2015, the Company be and is hereby authorised to make market purchases of paid-up and issued ordinary shares (adjusted for treasury shares) of Shs 2.50 each in the capital of the Company ("Ordinary Shares") in connection with a Buyback for Ordinary Shares on the terms and conditions set out in the Circular to the Company's shareholders dated 6 June 2023 (the "Buyback") and which circular was made available to the shareholders together with the notice for the annual general meeting (and is also available on the Company's website), provided that:<br>a. the maximum number of Ordinary Shares that may be purchased pursuant to the terms of this resolution is 19,029,516 Ordinary Shares;<br>b. the maximum price that may be paid for any Ordinary Share shall be Shs 20.00 as recommended by the Board;<br>c. the minimum price that may be paid for any Ordinary Share shall be Shs 2.50 being the nominal value of the shares;<br>d. this authority shall expire at the end of 18 months from the date of the annual general meeting of the Company to be held on 30 June 2023, unless previously varied, revoked or renewed in accordance with the provisions of the Companies Act, 2015; and<br>e. the Company reserves such shares purchased under the Share Buyback programme in its treasury. |  |  |  |
| 8. | That in accordance with section 329 of the Companies Act 2015 the directors of the Company be generally and unconditionally authorised to re-allot such Ordinary Shares as may be purchased by the Company pursuant to the Buyback provided that this authority shall, unless renewed, varied or revoked by the Company, expire no later than five years from the effective date of these resolutions.  |  |  |  |

### Notes

Proxy Forms can be emailed to [proxy@candrgroup.co.ke](mailto:proxy@candrgroup.co.ke) or delivered to the physical offices of the Company or the Company's Registrar at the following address:

**Custody and Registrars Services Offices,  
IKM Place, Tower B, 1st Floor,  
5th Ngong Avenue.**

To be valid, the proxy form must be duly completed by the shareholder, or his attorney duly authorized in writing. If the shareholder is a body corporate, the instrument appointing the proxy shall be given under its common seal (if any) or under the hand of an officer or duly authorized attorney of such body corporate.

A completed form of proxy should be emailed to [proxy@candrgroup.co.ke](mailto:proxy@candrgroup.co.ke) in pdf format or delivered to **Custody and Registrars Services, IKM Place, Tower B, 1st Floor, 5th Ngong Avenue Nairobi or be posted to Custody and Registrars Services, P. O. Box 8484-00100 Nairobi**, so as to reach the Registrar not later than Wednesday 28th June, 2023 at 3.00pm.



## FOMU YA MSHIRIKA

MIMI/SISI

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wa

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*(jumuisha anwani ya barua pepe na nambari ya simu ya rununu)*

mwanachama wa SHIRIKA LA NATION MEDIA GROUP PLC ninamteua

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wa

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*(jumuisha anwani ya barua pepe na nambari ya simu ya mkononi)*

(futa matini yaliyo hapo chini ifaavyo ikiwa Mwenyekiti wa Mkutano si mshirika mbadala) au kwa niaba yake MWENYEKITI WA MKUTANO kama mshirika wangu/wetu na/au mwakilishi kupiga kura kwa siri yake mwenyewe kwa ajili yangu/ yetu na kwa niaba yangu/yetu katika Mkutano Mkuu wa Kila Mwaka utakaofanyika Ijumaa, tarehe 30 Juni 2023 na kila uhairishaji wake utakaotokea

KAMA SHAHIDI mkono/mikono yangu/yetu siku hii ya ----- ya ----- 2023.

SAINI YA/ZA KAWAIDA

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**Tafadhali tia alama kwenye kisanduku kilicho hapa chini ili kuelekeza mshirika wako jinsi ya kupiga kura**

| UAMUZI   | KUUNGA MKONO | KUPINGA | KUTOSHIRIKI |
|--|--------------|---------|-------------|
| <b>SHUGHULI YA KAWAIDA</b>   |              |         |             |
| 1. Kupokea taarifa za hesabu zilizokaguliwa za kampuni kwa mwaka ulioishia tarehe 31 Disemba 2022 pamoja na ripoti za Mwenyekiti, Wakurugenzi Watendaji na Wakaguzi.   |              |         |             |
| 2. Kupokea, kuzingatia na kuidhinisha Ripoti ya Ada ya Wakurugenzi na Ada zilizolipwa kwa Wakurugenzi kwa mwaka ulioishia tarehe 31 Disemba 2022 pamoja na kuidhinisha Bodi kuamua ada za Wakurugenzi Wasio Watendaji.   |              |         |             |
| 3. Kuidhinisha gawio pekee la Shs 1.50 kwa kila hisa wa jumla ya kiasi cha Shs 285,442,745 kwa mwaka ulioishia tarehe 31 Disemba 2022 kama ilivyopendekezwa na Wakurugenzi. Gawio litalipwa kwa Wenyehisa walio kwenye Sajili ya Wanachama wa Kampuni kufikia mwisho wa siku ya Ijumaa, tarehe 16 Juni 2023 na litalipwa mnamo Ijumaa, tarehe 28 Julai 2023. |              |         |             |
| 4. Kuthibitishia kwamba Wakaguzi wa Hesabu za Kampuni, kampuni ya PricewaterhouseCoopers LLP, baada ya kuonyesha nia yake, itaendelea kuhudumu kama Mkaguzi wa Hesabu za Kampuni kwa mwaka wa fedha wa kampuni unaofuatia kwa mujibu wa kifungu cha 721(2) cha Sheria ya Kampuni ya Kenya 2015 na kuidhinisha Wakurugenzi kuamua ada ya Wakaguzi.            |              |         |             |
| 5. Kuchagua tena Wakurugenzi watendaji: <ol style="list-style-type: none"> <li>kwa mujibu wa Kifungu cha 110 cha Taarifa ya Ushirika ya Kampuni, Bw. Dennis Aluanga, anastaafu kwa zamu na kwa kuwa anastahiki, amejitosa ulingoni ili kuchaguliwa tena;</li> </ol>  |              |         |             |



# Nation Media Group

Media of Africa for Africa

| UAMUZI  | KUUNGA MKONO | KUPINGA | KUTOSHIRIKI |
|---|--------------|---------|-------------|
| b. kwa mujibu wa Kifungu cha 110 cha Taarifa ya Ushirika ya Kampuni, Bw. Louis Otieno, anastaafu kwa zamu na kwa kuwa anastahiki, amejitosa ulingoni ili kuchaguliwa tena;  |              |         |             |
| c. kwa mujibu wa Kifungu cha 110 cha Taarifa ya Ushirika ya Kampuni, Bw. Al-Noor Ramji, anastaafu kwa zamu na kwa kuwa anastahiki, amejitosa ulingoni ili kuchaguliwa tena;   |              |         |             |
| d. kwa mujibu wa Kifungu cha 110 cha Taarifa ya Ushirika ya Kampuni, Bw. Stephen Dunbar-Johnson, anastaafu kwa zamu na kwa kuwa anastahiki, amejitosa ulingoni ili kuchaguliwa tena;  |              |         |             |
| e. Dkt. Wilfred Kiboro, kwa kufikisha umri wa miaka 70, anastaafu kwa zamu na amejitosa ulingoni ili kuchaguliwa tena;  |              |         |             |
| f. Prof. Lee Huebner, kwa kufikisha umri wa miaka 70, anastaafu kwa zamu na hajajitosa ulingoni ili kuchaguliwa tena;   |              |         |             |
| g. Bw. Francis. O. Okello, kwa kufikisha umri wa miaka 70, anastaafu kwa zamu na amejitosa ulingoni ili kuchaguliwa tena;   |              |         |             |
| h. Dkt. Yasmin Jetha, kwa kufikisha umri wa miaka 70, anastaafu kwa zamu na amejitosa ulingoni ili kuchaguliwa tena;  |              |         |             |
| i. Bw. Wangethi Mwangi, kwa kufikisha umri wa miaka 70, anastaafu kwa zamu na amejitosa ulingoni ili kuchaguliwa tena;  |              |         |             |
| 6. Kuteua wanachama wa Kamati ya Ukaguzi, Hatari na Utiifu ya Kampuni:<br>Kwa mujibu wa kifungu cha 769(1) cha Sheria ya Kampuni ya 2015, Wakurugenzi wafuatao kwa kuwa wanachama wa Kamati ya Bodi ya Ukaguzi, Hatari na Utiifu wachaguliwe tena ili kuendelea kuhudumu kama wanachama wa Kamati iliyotajwa:<br>a. Bw. Leonard Mususa<br>b. Bw. Al-Noor Ramji<br>c. Prof. Samuel Sejjaaka  |              |         |             |
| 7. "KWAMBA, kwa mujibu wa Kifungu cha 458 ya Sheria ya Kampuni ya 2015, Kampuni ipewe idhini na hivyo imeidhinishwa kufanya ununuzi wa hisa za kawaida zilizolipiwa na zilizotolewa (zilizorekebishwa kwa hisa za hazina ya kifedha) za Shs 2.50 kwa kila hisa kwenye mtaji wa Kampuni (" <b>Hisa za Kawaida</b> ") kuhusiana na kampuni kununua hisa zake yaani Hisa za Kawaida kulingana na sheria na masharti yaliyobainishwa kwenye Taarifa ya tarehe 6 Juni 2023 (" <b>Kampuni kununua hisa zake</b> ") na taarifa hiyo ilitolewa pamoja na taarifa ya mkutano mkuu wa kila mwaka (na inapatikana kwenye tovuti ya Kampuni), ilisema kwamba:<br>a. idadi ya juu zaidi ya Hisa za Kawaida zinazoweza kununuliwa kwa mujibu wa sheria za azimio hili ni Hisa 19,029,516 za Kawaida;<br>b. bei ya juu zaidi inayoweza kulipwa kwa ajili ya Hisa ya Kawaida itakuwa Shs 20.00 kama inavyopendekezwa na Bodi;<br>c. bei ya chini zaidi inayoweza kulipwa kwa ajili ya Hisa yoyote ya Kawaida itakuwa Shs 2.50 hii ikiwa ni thamani ya sarafu ya hisa hizo;<br>d. muda wa mamlaka hii utaisha mwishoni wa miezi 18 kuanzia tarehe ambapo mkutano mkuu wa mwaka wa Kampuni utakaofanyika tarehe 30 Juni 2023, isipokuwa kama ilibadilishwa, kubatilishwa au kufanywa upya awali kwa mujibu wa kanuni za Sheria ya Kampuni 2015; na<br>e. Kampuni ina haki ya kuweka akiba ya hisa kama hizo zinazonunuliwa kupitia mpango wa Kampuni Kununua Hisa Zake katika hazina yake." |              |         |             |
| 8. Kama uamuzi wa kawaida<br>"KWAMBA, kwa mujibu wa Kifungu cha 329 cha Sheria za Kampuni 2015, wakurugenzi wa Kampuni kwa ujumla na bila masharti yoyote, waruhusiwe kugawa upya Hisa za Kawaida ambazo huenda zimenunuliwa na Kampuni kwa mujibu wa kanuni hiyo ya Kampuni kununua hisa zake alimradi mamlaka hii, isipokuwa iwe imewekwa upya, kubadilishwa au kubatilisha na Kampuni, itaisha muda sio baada ya miaka mitano tangu tarehe ya kuanza kutekelezwa kwa maazimio haya."   |              |         |             |

## Vidokezo

Fomu za Washirika zinaweza kutumwa kwa proxy@candrgroup.co.ke au kuwasilishwa katika ofisi halisi za Kampuni au kwa Nakala halisi za fomu ya mshirika pia zinapatikana mahali yafuatayo:

### Ofisi za Custody and Registrars Services, IKM Place, Tower B, Ghorofa ya 1, Barabara ya 5th Ngong.

Ili iwe sahihi, fomu ya mshirika lazima ijazwe na mwenyehisa au wakili wake ambaye amehalalishwa kupitia maandishi. Ikiwa mwenyehisa ni shirika, chombo kinachoteua mshirika kitatolewa chini ya muhuri ya kawaida (ikiwa ipo) au chini ya mkono wa afisa au wakili aliyehalalishwa wa shirika kama hilo.

Fomu ya mshirika iliyojazwa inapaswa kutumwa kupitia baruapepe kwa proxy@candrgroup.co.ke katika muundo wa pdf na kuwasilishwa kwa **Custody and Registrars Services, IKM Place, Tower B, Ghorofa ya 1, Barabara ya 5th Ngong Nairobi** au itumwe kupitia barua posta kwa Custody and Registrars Services, S.L.P 8484-00100 Nairobi ili ifikie kwa Msajili au Katibu wa Kampuni ifikapo saa 9.00 jioni, Jumatano tarehe 28th Juni, 2023.



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