



BLANTYRE HOTELS PLC

SUMMARY AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

a) SUMMARY STATEMENT OF FINANCIAL POSITION

	31 Dec 2024	31 Dec 2023
	K'000	K'000
ASSETS		
Non-current assets		
Property and equipment	12,598,167	10,361,837
Intangible assets	4,812	7,467
Investment in associate	22,861,952	3,842,240
Total non-current assets	35,464,931	14,211,544
Current assets		
Inventories	235,367	399,038
Trade and other receivables	1,769,625	464,000
Tax recoverable	161,012	112,767
Amounts due from related parties	65,004	28,936
Cash and cash equivalents	47,810,338	612,253
Total current assets	50,041,346	1,616,994
Total assets	85,506,277	15,828,538
EQUITY AND LIABILITIES		
Equity		
Share capital	287,952	41,988
Share premium	58,882,143	1,340,153
Revaluation reserve	7,986,453	6,490,204
Accumulated Losses	(2,280,364)	(986,994)
Total equity	64,876,184	6,885,351
Liabilities		
Non-current liabilities		
Deferred tax	2,413,780	2,076,508
Borrowings	16,346,692	2,045,056
Total non-current liabilities	18,760,472	4,121,564
Current liabilities		
Trade and other payables	1,552,881	771,137
Borrowings	-	4,050,486
Amounts due to related parties	316,740	-
Total current liabilities	1,869,621	4,821,623
Total liabilities	20,630,093	8,943,187
Total equity and liabilities	85,506,277	15,828,538

b) SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	31 Dec 2024	31 Dec 2023
	K'000	K'000
Revenue	7,802,814	4,617,375
Cost of sales	(2,755,689)	(2,011,410)
Gross profit	5,047,125	2,605,965
Other income	56,051	26,016
Selling and administration expenses	(4,074,449)	(2,389,955)
EBITDA	1,028,727	242,026
Depreciation and amortisation	(268,720)	(254,811)
Profit / (Loss) from operating activities	760,007	(12,785)
Net finance cost	(2,319,270)	(929,913)
Share of loss in associate	(28,883)	(74,594)
Loss before taxation	(1,588,146)	(1,017,292)
Taxation	218,037	224,530
Loss for the period	(1,370,109)	(792,762)
Other comprehensive Income (net of tax)	1,572,988	873,878
Total Comprehensive Income for the year	202,879	81,116
Weighted average number of shares in issue	947,570,618	839,750,705
Loss per share (in tambala)	(145)	(94)

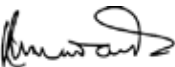


c) SUMMARY STATEMENT OF CHANGES IN EQUITY

	31 Dec 2024	31 Dec 2023
	K'000	K'000
At the beginning of the year	6,885,351	6,804,235
Loss for the year	(1,370,109)	(792,762)
Total other comprehensive income	1,572,988	873,878
Net proceeds from rights issue	57,787,954	-
At the end of the year	64,876,184	6,885,351

d) SUMMARY STATEMENT OF CASH FLOWS

	31 Dec 2024	31 Dec 2023
	K'000	K'000
Cash generated from operations	832,558	79,184
Interest paid	(1,218,542)	(1,062,937)
Tax paid	(48,245)	(14,201)
Net cash used in operating activities	(434,229)	(997,954)
Net cash used in investing activities	(19,232,437)	(139,973)
Net cash generated from financing activities	66,854,735	838,735
Net increase /(decrease) in cash and cash equivalents	47,188,069	(299,192)
Cash and cash equivalents at the beginning of the year	612,253	683,278
Effect of changes in exchange rate	10,016	228,167
Cash and cash equivalents at the end of the year	47,810,338	612,253

Publication Commentary

<p><b>Introduction</b></p> <p>Blantyre Hotels Plc (BHL) is a company domiciled in Malawi and incorporated under the Malawi Companies Act, 2013. The main business of the company is the provision of accommodation, conferencing and catering services. Its principal place of business is Ryalls Hotel, 2 Hannover Avenue, P.O. Box 21, Blantyre, Malawi.</p> <p><b>Basis of preparation</b></p> <p>The directors of the company have prepared the summary financial statements to meet the listing requirements of the Malawi Stock Exchange. The directors have considered the listing requirements of the Malawi Stock Exchange and believe that the summary statement of profit or loss and other comprehensive income, summary statement of financial position, summary statement of changes in equity and summary statement of cash flows are sufficient to meet the requirements of the users of the summary financial statements. The amounts in the summary financial statements are prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board and IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM). The summary financial statements have been derived from the annual audited financial statements which were approved by the Board of Directors on 28 April 2025 and can be accessed at the Company's registered office and the Company's website.</p> <p><b>Overview of results</b></p> <p>Gross revenue for the year was K7.8 billion, which was 69% higher than the revenue realised in the previous year. Hotel occupancy averaged 52.4% in the year compared to 46% in the previous year.</p> <p>Cost of sales increased by 37% from K2.0 billion to K2.8 billion in the period due to increase in the general prices of goods coupled with the increase in volume of business. Selling and administration expenses increased by 70% with notable increases in staff costs, fees to the management company, Marriott International and debt capital raising costs. Depreciation charge increased due to the revaluation of buildings during the year and the procurement of boiler, kitchen and laundry equipment, door locks and safety equipment.</p> <p>The company registered an EBITDA of K1.03 billion against an EBITDA of K242 million in prior period. The company incurred net finance charges of K2.3 billion (2023: K930 million) due to bank loans obtained for the Lilongwe hotel project. A loss after tax of K1.4 billion has been registered in the financial year ended 31 December 2024 compared to a loss of K918 million that was reported in the Rights Offer Prospectus for the same period ending 31 December 2024 and a loss of K793 million in 2023.</p> <p><b>Prospects*</b></p> <p>The business prospects for tourism and hospitality are very positive for Malawi in general and the company in particular. With the national strategy that is placing emphasis on tourism among other sectors, the company expects improved business conditions despite some structural constraints facing the domestic economy in general and emerging changes on the global economic front affecting trade. The company will continue with its efforts to improve guest experience and service delivery through the relationship with Marriott International. The company will also intensify its sales and marketing activities through the various digital platforms to strengthen the domestic segment in addition to the promotion of the Marriott Bonvoy rewards loyalty program in the market.</p> <p>* Unaudited</p> <p><b>Equity capital raising</b></p> <p>During the year, the company concluded a Rights Offer of up to 5,038,504,230 new ordinary shares in the proportion of 6 rights shares for every 1 existing share held on the record date at K12.38 per rights share payable in full acceptance. The company raised K62,376,682,367 which was concluded on 29th December 2024. The purpose of the rights issue was to raise capital to finance the company's own capital injection into Oasis Hospitality Limited for the construction of the Lilongwe Hotel Project which will add 180- rooms to the company's accommodation offering as part of our strategic expansion drive into the country's Capital City Lilongwe.</p> <p><b>The Lilongwe Hotel Project</b></p> <p>Phase 2 of the development of the Protea Hotel Lilongwe Ryalls which is for electrical installations, plumbing, lifts, ceilings, flooring, installation of fittings and landscaping is in progress. Physical progress is estimated at 45% as at 31 December 2024. The value of work certified as at 31 December 2024 stood at US\$20.2 million against a final estimated cost of US\$56 million. Target project completion date was revised from the end of 2025 to February 2026.</p> <p>The funding for the project is through a special purpose vehicle, Oasis Hospitality Limited (the project company) which is owned by Blantyre Hotels plc and other investors. BHL is funding its commitments for the project through a combination of debt and equity.</p> <p>Malawi Kwacha equivalent of US\$13.2 million from the rights issue proceeds will be provided to Oasis Hospitality Limited for the completion of the development of the hotel property. Malawi Kwacha equivalent of US\$5.7 million from the rights issue proceeds will be used for the procurement of furniture, fitting and equipment for the hotel operations. The procurement process commenced after year end. Since this funding is in Malawi Kwacha, the significant risks are sourcing foreign currency for the importation of materials and adverse currency movement.</p> <p>At the Extraordinary General meeting held on 7 March 2024, the shareholders approved that the Company should borrow US\$15 million to be invested in the project company for the property development. As at 31 December 2024, US\$9.2 million had been accessed and invested in the project company.</p> <p><b>Dividend</b></p> <p>The Board resolved not to pay a dividend due to the current performance.</p> <p><b>Approval of the financial statements</b></p> <p>The summary financial statements for the year ended 31 December 2024 were approved by the Board of Directors on 28 April 2025.</p> <div><div><p>V Kumwenda Chairman</p></div><div><p>E A Malion Director</p></div></div>
<p><b>REPORT OF THE INDEPENDENT AUDITOR TO THE SHAREHOLDERS OF BLANTYRE HOTELS PLC</b></p> <p><b>Opinion</b></p> <p>The summary financial statements, which comprise the summary statement of financial position as at 31 December 2024, and the summary statement of profit or loss and other comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended, are derived from the audited financial statements of Blantyre Hotels Plc for the year ended 31 December 2024.</p> <p>In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements of Blantyre Hotels Plc, and on the basis described in the basis of preparation paragraph.</p> <p><b>The summary financial statements</b></p> <p>The summary financial statements do not contain all the disclosures required by IFRS Accounting Standards as issued by the International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and the requirements of the Companies Act, 2013. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred after the date of our report on the audited financial statements.</p> <p><b>Audited financial statements and our report thereon</b></p> <p>We expressed an unmodified audit opinion on the financial statements in our report dated 9 May 2025. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year.</p> <p><b>Directors' responsibility for the summary financial statements</b></p> <p>The directors are responsible for the preparation of the summary financial statements in accordance with the basis described in the basis of preparation paragraph.</p> <p><b>Auditor's responsibility</b></p> <p>Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised) Engagements to Report on Summary Financial Statements.</p> <div><p>Chartered Accountants Christopher Kapenda Partner</p></div> <p>9 May 2025</p> <p><b>Deloitte.</b></p>