



BLANTYRE HOTELS PLC | SUMMARY AUDITED CONSOLIDATED AND SEPARATE FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

Introduction

The Board is pleased to present the summarised audited financial statements of Blantyre Hotels Plc (BHL) and its subsidiary, Oasis Hospitality Limited, (Oasis) here-in-after referred to as “The Group” for the year ended 31 December 2025. BHL owns the Ryalls Hotel in Blantyre and is constructing the Lilongwe Ryalls Hotel through Oasis which is a special purpose vehicle. Oasis became a subsidiary during the year following further injection of capital by BHL.

Operating Environment

The year 2025 provided mixed fortunes to the tourism sector in Malawi. While international arrivals continued to recover, the industry faced several macroeconomic and structural challenges that required operators to adopt more innovative and diversified service offerings.

Key constraints affecting the sector included:

- A rise in inflation which increased the cost of food, utilities, and other operating inputs, thereby placing pressure on margins across the hospitality value chain.
- Reduced donor activity mainly due to the withdrawal of several development partners.
- Transport and energy infrastructure continued to underperform, constraining reliability and growth prospects. Intermittent fuel shortages during the year led to booking cancellations and lower occupancy levels.

Despite these challenges, the hospitality industry demonstrated resilience and experienced growth though the pace of expansion remained constrained by inflationary pressures, infrastructure deficiencies, and the reduced donor driven demand. Sustained progress in the sector will depend on the industry’s ability to balance innovation with supportive policy interventions and structural improvements in the broader operating environment.

Overview of results

2025 was the first year for BHL to produce consolidated results following the inclusion of Oasis Hospitality Limited as a subsidiary. Accordingly, the results presented reflect both Group and Company performance, with comparative figures relating to the Company only.

At the Company level, gross revenue for the year grew by 17% to K9.1 billion from K7.8 billion realised in the prior year. Average hotel occupancy declined to 45% in the year compared to 52.4% in the prior year, reflecting a challenging operating environment as explained above.

Cost pressures remained significant, with cost of sales increasing by 37% from K2.8 billion to K3.8 billion in the year, driven by higher input costs while selling and administration expenses rose by 26%.

The Group registered an operating loss of K294 million, reflecting the combined impact of reduced occupancy and cost escalation including start-up and pre-operating costs for the subsidiary. In contrast, the Company reported an operating profit of K3.5 million compared to K760 million registered in the prior year. Notwithstanding the above, the Group earned gross finance income amounting to K10.4 billion mainly from proceeds of the Rights Issue earmarked for the Lilongwe Hotel Project and incurred finance costs of K2.1 billion (2024: K2.6 billion – at Company level). Consequently, the Group recorded a consolidated profit after tax of K5.4 billion while the Company reported a profit after tax of K5.6 billion compared to a loss of K1.4 billion in 2024.

Outlook

The outlook for the tourism and hospitality industry in Malawi remains cautiously optimistic, supported by the Government’s renewed strategic focus on tourism as a key driver of national economic growth. Against this backdrop, the Group anticipates a gradual improvement in operating conditions, notwithstanding persistent structural challenges within the domestic economy and emerging global economic headwinds that may influence trade and travel patterns.

Leveraging its long standing affiliation with Marriott International and the promotion of the Marriott Bonvoy loyalty program, the Group will continue to prioritize enhancements to guest experience, service quality, and operational efficiency while intensifying targeted sales and marketing initiatives, with a particular emphasis on digital platforms to deepen engagement within the domestic market.

The Lilongwe Ryalls Hotel Project

The Board is encouraged by the progress made on the construction of the new Lilongwe Ryalls Hotel by Oasis. Notwithstanding the ongoing challenges, which continue to be proactively managed, the Board remains confident that the targeted opening of the new Hotel in 2026 will be achieved.

Dividend

In view of the significant capital expenditure associated with BHL’s investment in the Lilongwe Ryalls Hotel Project, the Board of Directors resolved not to declare a dividend for the year. The decision reflects the Group’s focus on preserving the cash resources to support ongoing investment activities.

Approval of the financial statements

The summary financial statements for the year ended 31 December 2025 were authorised for issue by the Board of Directors on 24 February 2026.

Vizege Kumwenda
Chairperson

Elias Malion
Director

Basis of preparation

The Directors of the Company have prepared the summary consolidated and separate financial statements to meet the listing requirements of the Malawi Stock Exchange. In determining the content of the summary consolidated and separate financial statements, the Directors have considered the needs of users and the listing requirements of the Malawi Stock Exchange and believe that the summary consolidated and separate statements of financial position, profit or loss and other comprehensive income, changes in equity and cash flows are sufficient to meet those requirements. The amounts in the summary consolidated and separate financial statements have been prepared in accordance with the measurement and recognition requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board, IAS 29 Financial Reporting in Hyperinflationary Economies – 2024 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and in the manner required by the Companies Act, 2013 of Malawi (the “Act”). The summary consolidated and separate financial statements have been derived from the audited consolidated and separate financial statements which were approved by the Board of Directors on 24 February 2026 and can be accessed at the Company’s registered office and on it’s website: www.blantyrehotels.mw.

INDEPENDENT AUDITOR’S REPORT ON SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

To the shareholders of Blantyre Hotels plc

Opinion

The summary consolidated and separate financial statements of Blantyre Hotels Plc and its subsidiary, which comprise the summary consolidated and separate statements of financial position as at 31 December 2025, the summary consolidated and separate statements of profit or loss and other comprehensive income, summary consolidated and separate statements of changes in equity and summary consolidated and separate statements of cash flows for the year then ended and related notes, are derived from the audited consolidated and separate financial statements of Blantyre Hotels plc and its subsidiary for the year ended 31 December 2025.

In our opinion, the accompanying summary consolidated and separate financial statements are a fair summary of the audited consolidated and separate financial statements, in accordance with the basis described on the basis of preparation paragraph.

Summary Consolidated and Separate Financial Statements

The summary consolidated and separate financial statements do not contain all the disclosures required by International Financial Reporting Standards. Accordingly, reading the summary consolidated and separate financial statements and the auditor’s report thereon is not a substitute for reading the audited consolidated and separate financial statements of Blantyre Hotels Plc and the auditor’s report thereon. The summary consolidated and separate financial statements and the audited consolidated and separate financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated and separate financial statements.

The Audited Consolidated and Separate Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 28 April 2026. In accordance with auditing standards, we considered matters that would be communicated as key audit matters; however, we determined that there are no key audit matters to communicate in our audit of the consolidated and separate financial statements of the current year.

Director’s Responsibility for the Summary Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of the summary consolidated and separate financial statements in accordance with the basis described in the ‘Basis for Preparation’ paragraph.

Auditor’s Responsibility

Our responsibility is to express an opinion on whether the summary consolidated and separate financial statements are a fair summary of the audited consolidated and separate financial statements, in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Grant Thornton

Chartered Accountants

Gordon Tembo
Chartered Accountant (Malawi)
Partner
Blantyre, Malawi
29 April 2026



SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

	CONSOLIDATED AUDITED	SEPARATE AUDITED	
	31-Dec-25 K'000	31-Dec-25 K'000	31-Dec-24 K'000
ASSETS			
Non-current assets			
Property and equipment	82,768,646	22,877,334	12,598,167
Intangible assets	7,606	7,606	4,812
Investment in subsidiary/associate	-	40,842,306	22,861,952
Total non-current assets	82,776,252	63,727,246	35,464,931
Current assets			
Inventories	425,997	425,997	235,367
Trade and other receivables	7,609,551	1,909,068	1,834,629
Tax recoverable	248,663	248,663	161,012
Cash and cash equivalents	41,581,026	38,560,710	47,810,338
Total current assets	49,865,237	41,144,438	50,041,346
Total assets	132,641,489	104,871,684	85,506,277
EQUITY AND LIABILITIES			
Equity			
Share capital	287,952	287,952	287,952
Share premium	58,875,953	58,875,953	58,882,143
Revaluation reserve	9,685,604	7,986,453	7,986,453
Retained earnings	3,223,989	3,355,521	(2,280,364)
Equity attributable to owners of the parent company	72,073,498	72,205,030	64,876,184
Non-controlling Interest	16,313,771	-	-
Total equity	88,387,269	72,205,030	64,876,184
Liabilities			
Non-current liabilities			
Deferred tax	3,827,527	3,827,527	2,413,780
Loans and borrowings	23,765,824	23,765,824	16,346,692
Total non-current liabilities	27,593,351	27,593,351	18,760,472
Current liabilities			
Trade and other payables	13,284,841	1,697,275	1,869,621
Loans and borrowings	3,376,028	3,376,028	-
Total current liabilities	16,660,869	5,073,303	1,869,621
Total liabilities	44,254,220	32,666,654	20,630,093
Total equity and liabilities	132,641,489	104,871,684	85,506,277

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

	CONSOLIDATED AUDITED	SEPARATE AUDITED	
	31-Dec-25 K'000	31-Dec-25 K'000	31-Dec-24 K'000
Revenue	9,114,183	9,114,183	7,802,814
Cost of sales	(3,761,330)	(3,761,330)	(2,755,689)
Gross profit	5,352,853	5,352,853	5,047,125
Other income	41,870	41,870	56,051
Selling and administration expenses	(5,686,758)	(5,389,013)	(4,276,353)
Impairment loss	(2,203)	(2,203)	(66,816)
Profit/(loss) from operating activities	(294,238)	3,507	760,007
Finance income	10,397,281	10,330,010	289,944
Finance costs	(2,069,945)	(2,069,945)	(2,609,214)
Share of loss in associate	-	-	(28,883)
Profit/(loss) before tax	8,033,098	8,263,572	(1,588,146)
Income tax (expense)/credit	(2,627,687)	(2,627,687)	218,037
Profit/(loss) for the year	5,405,411	5,635,885	(1,370,109)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Surplus on revaluation of land and buildings	2,346,355	2,346,355	2,128,297
Deferred tax on revaluation	(647,204)	(647,204)	(555,309)
Total other comprehensive income	1,699,151	1,699,151	1,572,988
Total comprehensive income for the year	7,104,562	7,335,036	
Profit/(loss) attributable to:			
Owners of the Company	5,504,353	5,635,885	(1,370,109)
Non-controlling interest	(98,942)	-	-
	5,405,411	5,635,885	(1,370,109)
Total comprehensive income attributable to:			
Owners of the Company	7,203,504	7,335,036	202,879
Non-controlling interest	(98,942)	-	-
	7,104,562	7,335,036	202,879
Earnings per share(tambala)			
Basic and diluted earnings per share	94		(145)

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

	CONSOLIDATED AUDITED	SEPARATE AUDITED	
	31-Dec-25 K'000	31-Dec-25 K'000	31-Dec-24 K'000
Balance at the beginning of year	78,921,580	64,876,184	6,885,351
Total comprehensive income for the year	7,104,562	7,335,036	202,879
Capital raising refund	(6,190)	(6,190)	60,900,729
Capital raising costs	(132,682)	-	(3,112,775)
Capital raising proceeds	2,500,000	-	-
Balance at the end of year	88,387,269	72,205,030	64,876,184

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CASHFLOWS

	CONSOLIDATED	SEPARATE	
	31-Dec-25 K'000	31-Dec-25 K'000	31-Dec-24 K'000
Net cash used in operating activities	(5,002,347)	(2,093,693)	(434,229)
Cash flows from investing activities			
Purchase of property and equipment	(22,989,383)	(8,216,749)	(372,701)
Purchase of intangible assets	(7,684)	(7,684)	(1,396)
Disposal proceeds	-	-	20,397
Investment in subsidiary/associate	-	(17,865,155)	(19,048,595)
Finance income	10,281,483	10,214,212	169,858
Net cash used in investing activities	(12,715,584)	(15,875,376)	(19,232,437)
Cash flows from financing activities			
Loan repayments	-	-	(2,909,056)
Loans received	8,404,800	8,404,800	20,108,827
Increase in loan due to refund of interest	320,831	320,831	-
Capital raising proceeds	2,500,000	-	52,136,121
Capital raising costs	(309,067)	-	(2,481,157)
Capital raising refund	(6,190)	(6,190)	-
Net cash generated from financing activities	10,910,374	8,719,441	66,854,735
Net (decrease)/ increase in cash and cash equivalents	(6,807,557)	(9,249,628)	47,188,069
Cash and cash equivalents at the beginning of the year	48,388,583	47,810,338	612,253
Effects of changes in exchange rates	-	-	10,016
Cash and cash equivalents at the end of the year	41,581,026	38,560,710	47,810,338



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