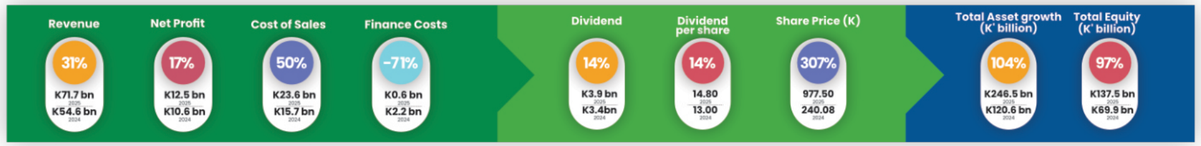
Summary audited consolidated and separate financial statements for the year ended 31 December 2025

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2025 FINANCIAL YEAR RESULTS PUBLICATION COMMENTARY

The Board is pleased to present the audited financial results of the Group for the year ended 31 December 2025.

Operating Environment

Global tourism continued to demonstrate resilience in 2025, with international travel sustaining its recovery and, in many markets, exceeding pre-pandemic levels. Demand remained particularly strong in leisure and premium travel segments, while meetings, incentives, conferences and events (MICE) activity continued to recover steadily (UNWTO).

Regionally, hospitality markets remained on a positive growth trajectory, supported by the recovery of international arrivals, improved conferencing activity, and rising average room rates. However, performance varied across segments. The demand for discretionary travel was impacted by macroeconomic forces, particularly inflation and constrained consumer spending.

Locally, the operating environment was more constrained. The year was characterised by policy changes that affected donor-funded activities, most notably the United States Government's decision to cease funding USAID-funded projects, which had a detrimental effect on demand from non-governmental organizations and other corporate clients. Additionally, the company's business operations experienced a brief setback after Malawi's general elections and the ensuing governmental transition. The Group therefore experienced pressure on occupancy levels, whose impact was mitigated by resilient increase in events, and non-room revenue streams such as catering. Occupancy levels averaged 54.6%, a decrease from 58% prior year.

The macroeconomic environment remained challenging, with persistent inflation, foreign currency shortages, and elevated interest rates driving up operating costs across the sector.

Financial Performance

Notwithstanding the challenging operating environment, the Group delivered strong financial performance.

Total revenue grew to K71.7 billion, a 31% increase over the previous year, driven mainly by continued focus on yield management, targeted sales and marketing initiatives, and ongoing product enhancements. The catering division performed exceptionally well during the year, due to increased demand for events, conferencing, and external catering services.

Profit after tax increased by 17% to K12.5 billion, reflecting strong revenue growth, improved operational efficiencies, and disciplined cost management.

The Group's strategic investments continued to yield positive results. The re-established subsidiary, Catering Solutions Limited, performed well during its first full year of operation, contributing meaningfully to Group's revenue and profitability. Sunbird Tours and Travel, a new division which provides comprehensive travel-related services, also performed very well, advancing the Group's diversification agenda.

Outlook (Unaudited)

The global tourism outlook remains positive, with UNWTO projecting continued growth in international travel, albeit at a moderated pace as the sector stabilises. However, emerging geopolitical risks, particularly the ongoing conflict in the Middle East, pose potential downside risks to the sector. These include elevated energy costs, disruptions to global supply chains, and possible shifts in travel patterns, especially on long-haul routes. Higher fuel costs may also translate into increased airfares, which could dampen demand in certain markets.

On the domestic front, the operating environment is expected to remain mixed while the impact of reduced donor-funded activities and government austerity measures is likely to persist in 2026, there are encouraging signs of macroeconomic stabilisation. Inflationary pressures have started to ease, and interest rates are gradually trending downward, signaling improving economic conditions for increased consumer spending and business activity over time. The conflict in Middle East poses a big threat to these gains.

The Group will continue to adapt its strategy to this evolving environment, with a focus on diversifying its customer base, strengthening non-room revenue streams such as catering and conferencing, and enhancing operational efficiencies. The performance of new business units will remain a key driver of growth. A number of product enhancement initiatives are expected to be completed in 2026, culminating into improved customer experience and revenue base.
The Board remains confident in the Group's resilience and its ability to navigate the evolving operating environment while continuing to deliver value to its stakeholders.

Dividend

During the year, the Board approved payment of interim dividend of K732 million representing K2.80 per share and has recommended payment of final dividend of K2.968 billion representing K11.35 per share. Total dividend for the year ended 31 December 2025 has been proposed at K3.700 billion representing K14.15 per share. (2024: total dividend amounted to K3.401 billion representing K13.00 per share). The proposed final dividend for 2025 is subject to shareholders' approval at the forthcoming Annual General Meeting.

Basis of preparation

The Directors have prepared the summary consolidated and separate financial statements to meet the listing requirements of the Malawi Stock Exchange. The Directors believe that the summary consolidated and separate statements of financial position, summary consolidated and separate statements of comprehensive income, summary consolidated and separate statements of changes in equity, and summary consolidated and separate statements 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 the IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM).

The summary financial statements have been derived from the Annual Financial Statements, which the Board of Directors approved 10 April 2025, and are available on the Company's website www.sunbirdmalawi.com.

On behalf of the Board

L. Mickeus
Chairman

M. Mbeye
Director

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

To the shareholders of Sunbird Tourism plc

Opinion

The summary consolidated and separate financial statements, which comprise the summary consolidated and separate statements of financial position as at 31 December 2025, and the summary consolidated and separate statements of 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 Sunbird Tourism plc 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, and on the basis described in 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 IFRS Accounting Standards and the IAS 29 directive as issued by Institute of Chartered Accountants in Malawi (ICAM). Reading the summary consolidated and separate financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements 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 consolidated and separate audited 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 30 April 2026. 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 consolidated and separate financial statements of the current year.

Directors' 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 on the basis of 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 based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised) Engagements to Report on Summary Financial Statements.

Chartered Accountants
Vilengo Beza
Partner
30 April 2026

Deloitte.

SUMMARY STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2025 CONSOLIDATED MK'000	2025 SEPARATE MK'000	2024 SEPARATE MK'000
Revenue	**71 745 480**	**68 022 779**	**54 595 050**
Cost of sales	(23 599 945)	(21 472 591)	(15 723 378)
Gross profit	**48 145 535**	**46 550 188**	**38 871 672**
Other income	205 755	855 755	387 358
Impairment gain/(loss) of financial assets	76 755	130 101	(172 368)
Administration and other expenses	(25 785 358)	(25 174 012)	(20 359 663)
Operating profit	**22 642 687**	**22 362 032**	**18 726 999**
Finance income	76 037	76 037	87 707
Finance costs	(640 917)	(640 067)	(2 223 709)
Profit before taxation	**22 077 807**	**21 798 002**	**16 590 997**
Income tax expense	(9 599 052)	(9 363 147)	(5 966 369)
Profit for the year	**12 478 755**	**12 434 855**	**10 624 628**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation surplus on property net of deferred tax	58 600 525	58 471 289	12 876 921
Total other comprehensive income	**58 600 525**	**58 471 289**	**12 876 921**
Total comprehensive income	**71 079 280**	**70 906 144**	**23 501 549**
Profit attributable to:			
Owners of the company	12 478 755	12 434 855	10 624 628
Total comprehensive income attributable to:			
Owners of the company	71 079 280	70 906 144	23 501 549
Earnings per share (Kwacha)- Basic and diluted	**47.70**	**47.54**	**40.62**

SUMMARY STATEMENTS OF FINANCIAL POSITION

	2025 CONSOLIDATED MK'000	2025 SEPARATE MK'000	2024 SEPARATE MK'000
ASSETS			
Non-current assets			
Property and equipment	227 249 029	225 989 746	103 394 586
Investment in subsidiaries	-	36	-
Intangible assets	357 656	357 285	167 188
Total non-current assets	**227 607 728**	**226 347 067**	**103 561 774**
Current assets			
Inventories	7 662 597	7 488 148	6 248 169
Trade and other receivables	5 290 261	5 095 994	4 546 798
Amounts due from related parties	1 792 184	2 822 543	2 688 639
Income tax receivable	2 379 142	2 293 562	-
Cash and cash equivalents	1 720 014	1 716 063	3 521 284
Total current assets	**18 844 198**	**19 416 310**	**17 004 890**
TOTAL ASSETS	**246 450 926**	**245 763 377**	**120 566 664**
EQUITY AND LIABILITIES			
Equity			
Share capital	13 079	13 079	13 079
Share premium	1 966	1 966	1 966
Revaluation reserve	99 551 070	99 421 834	41 314 334
Retained earnings	37 964 622	37 920 722	28 601 126
Total equity	**137 530 737**	**137 357 601**	**69 930 505**
Non-current liabilities			
Corporate bonds	16 000 000	16 000 000	11 500 000
Deferred income	648 385	648 737	170 577
Deferred tax liabilities	76 144 303	76 128 611	25 824 225
Loans and borrowings	1 502 843	1 405 322	1 723 690
Total non-current liabilities	**94 295 531**	**94 182 670**	**39 218 492**
Current liabilities			
Bank overdraft	138 024	138 024	-
Trade and other payables	10 158 067	9 877 212	5 801 475
Provisions	914 543	914 543	1 302 533
Deferred income	257 842	257 842	242 563
Employee benefits	515 890	438 006	1 150 868
Amounts due to related parties	1 608 256	1 599 055	1 420 279
Corporate bonds	500 000	500 000	71 024
Current tax liability	-	-	929 861
Loans and borrowings	532 036	498 424	499 064
Total current liabilities	**14 624 658**	**14 223 106**	**11 417 667**
Total liabilities	**108 920 189**	**108 405 776**	**50 636 159**
TOTAL EQUITY AND LIABILITIES	**246 450 926**	**245 763 377**	**120 566 664**

SUMMARY STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total
CONSOLIDATED 2025					
At 1 January	**13 079**	**1 966**	**41 314 334**	**28 601 126**	**69 930 505**
Profit for the year	-	-	-	12 478 755	12 478 755
Other Comprehensive income					
Revaluation Surplus	-	-	101 665 699	-	101 665 699
Deferred tax on revaluation surplus	-	-	(43 065 174)	-	(43 065 174)
Total Comprehensive Income	**-**	**-**	**58 600 525**	**12 478 755**	**71 079 280**
Transfer to retained earnings	-	-	(363 789)	363 789	-
Dividend paid	-	-	-	(3 479 048)	(3 479 048)
At 31 December	**13 079**	**1 966**	**99 551 070**	**37 964 622**	**137 530 737**
SEPARATE 2025					
At 1 January	**13 079**	**1 966**	**41 314 334**	**28 601 126**	**69 930 505**
Profit for the year	-	-	-	12 434 855	12 434 855
Other Comprehensive income					
Revaluation Surplus	-	-	101 481 076	-	101 481 076
Deferred tax on revaluation surplus	-	-	(43 009 787)	-	(43 009 787)
Total Comprehensive Income	**-**	**-**	**58 471 289**	**12 434 855**	**70 906 144**
Transfer to retained earnings	-	-	(363 789)	363 789	-
Dividend paid	-	-	-	(3 479 048)	(3 479 048)
At 31 December	**13 079**	**1 966**	**99 421 834**	**37 920 722**	**137 357 601**
SEPARATE 2024					
At 1 January	**13 079**	**1 966**	**28 737 731**	**19 821 157**	**48 573 933**
Profit for the year	-	-	-	10 624 628	10 624 628
Other Comprehensive income					
Revaluation Surplus	-	-	21 874 312	-	21 874 312
Deferred tax on revaluation surplus	-	-	(8 997 391)	-	(8 997 391)
Total comprehensive income			**12 876 921**	**10 624 628**	**23 501 549**
Transfer to retained earnings	-	-	(300 318)	300 318	-
Dividend paid	-	-	-	(2 144 977)	(2 144 977)
At 31 December	**13 079**	**1 966**	**41 314 334**	**28 601 126**	**69 930 505**

SUMMARY STATEMENTS OF CASH FLOWS

	2025 CONSOLIDATED MK'000	2025 SEPARATE MK'000	2024 SEPARATE MK'000
Cash flows from operating activities			
Cash generated from operations	27 459 845	26 428 040	17 482 371
Interest received	76 037	76 037	87 707
Interest paid	(4 596 782)	(4 595 932)	(2 781 954)
Income tax paid	(5 653 151)	(5 291 972)	(4 377 104)
Net cash from operating activities	**17 285 949**	**16 616 173**	**10 412 020**
Cash flows from investing activities			
Acquisition of property and equipment	(20 346 897)	(20 199 939)	(12 723 996)
Acquisition of intangible assets	(241 953)	(241 953)	(8 809)
Dividend received	-	650 000	-
Proceeds from sale of property and equipment	16 580	16 580	39 114
Net cash used in investing activities	**(20 572 270)**	**(19 775 312)**	**(12 693 691)**
Cash flows from financing activities			
Proceeds from borrowings	5 982 761	5 851 628	13 234 222
Repayment of borrowings	(1 170 636)	(1 170 636)	(8 910 787)
Dividends paid	(3 479 048)	(3 479 048)	(2 144 977)
Net cash used in financing activities	**1 333 077**	**1 201 944**	**2 178 458**
Net Increase in cash and cash equivalents	**(1 953 244)**	**(1 957 195)**	**(103 213)**
Cash and cash equivalents at beginning of the year	**3 521 284**	**3 521 284**	**3 550 267**
Exchange differences on cash and cash equivalents	**13 950**	**13 950**	**74 230**
Cash and cash equivalents at end of the year	**1 581 990**	**1 578 039**	**3 521 284**
Supplementary information			
Contingent liabilities	434 477	434 477	865 000
Interest capitalised into assets	3 884 841	3 884 841	560 480
Capital expenditure commitment	19 267 819	18 567 819	16 158 633



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