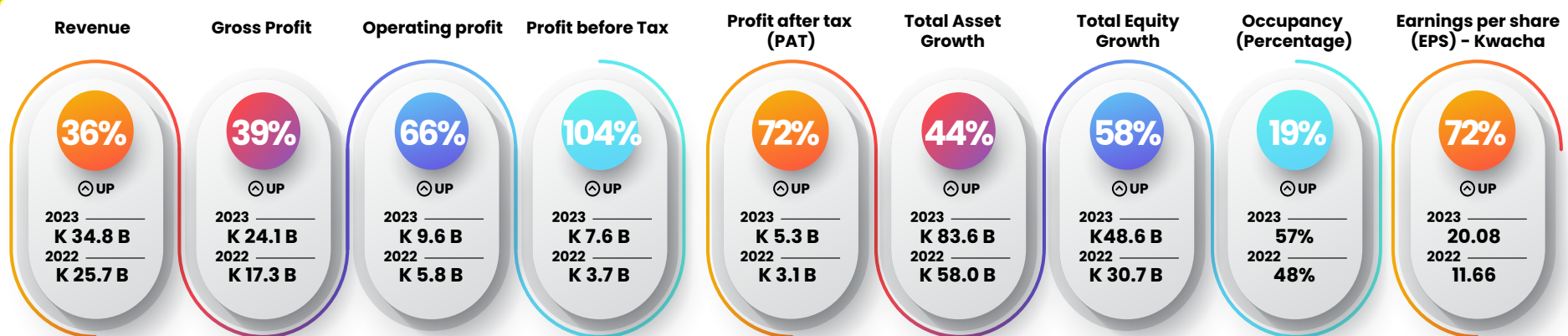


SUMMARY AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

KEY HIGHLIGHTS



2023 FINANCIAL YEAR RESULTS PUBLICATION COMMENTARY

The Board is pleased to present the audited financial results for the Company for the year ended 31 December 2023.

Operating Environment

According to the United Nations World Tourism Organisation (UNWTO), international tourism ended in 2023 at 88% of pre-pandemic levels, with an estimated 1.3 billion international arrivals. Africa registered the highest recovery at 96% of pre-pandemic visitors. International arrivals into Malawi improved with a number of airlines flying into the country. Domestic travel also picked up.

On the economic front, the environment was very challenging with inflation very high, especially the food inflation which drives the operating costs of hotels. Interest rates were also high and this affected demand for hotel products and services. Shortage of foreign currency and depreciation of the Kwacha had a negative impact on both the supply and cost of goods as well as demand for products and services.

Financial Performance

The Company registered a profit after tax of K5.3 billion representing an increase of 72% from the 2022 profit of K3.1 billion. Profitability was driven by increase in revenue despite high production and operating costs that the company suffered due to high inflation, shortage of forex and high interest rates.

Total revenue grew by 36% to K34.8 billion on account of increased occupancy to 57% from 48% achieved in the prior year and growth in catering revenue by 31% from prior year.

Administrative expenses increased by 34% to K15.8 billion in line with increased business activities and high inflation. The devaluation of the kwacha in the year also had a direct impact on the costs of imports.

Finance costs increased by 2% to K2.1 billion from prior year due to increase in interest rates. Finance costs are mainly in respect of borrowings used in expansion and refurbishments projects.

Outlook

The UNWTO expects global hotel room nights and travel to return to pre-pandemic levels in 2024 and to grow at a compounded annual growth rate (CAGR) of +6% through to 2032, although the on-going geo-political conflicts may slow down this recovery path. The Board expects the brand to capitalize on this recovery and return the hotels' occupancies to pre-pandemic levels of at least 60% by 2026. The economic environment still remains volatile, with

high inflation, persistent shortage of foreign currency, and intermittent power supply. The Board will continue monitoring the economic environment and reposition the business accordingly.

Sunbird will continue to offer unrivalled guest experience through delivery of high quality products and services in order to retain and grow its domestic and international client base.

Dividend

During the year, the Board approved payment of interim dividend of K523 million representing K2.00 per share and has recommended payment of final dividend of K1.495 billion representing K5.70 per share. Total dividend for the year ended 31 December 2023 has been proposed at K2.018 billion representing K7.70 per share. (2022: total dividend amounted to K524 million representing K2.00 per share). The proposed final dividend for 2023 is subject to shareholders' approval at the forthcoming Annual General Meeting.

On behalf of the Board

V. Munthali

V. Munthali
Chairman

M. Mbeye

M. Mbeye
Director

Basis of preparation

The Directors have prepared the summary financial statements to meet the requirements of the Malawi Stock Exchange. The Directors have considered the Malawi Stock Exchange requirements and believe that the summary statements of financial position, profit or loss and other comprehensive income, changes in equity and 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 International Financial Reporting Standards. The summary financial statements have been derived from the Annual Financial Statements which were approved by the Board on 22 April 2024.

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS

To the shareholders of Sunbird Tourism Plc

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2023, the summary statement of profit or

loss and other compressive income, summary statement of changes in equity and summary statement of cash flows for the year then ended, and basis of preparation note, are derived from the audited financial statement of Sunbird Tourism Plc for the year ended 31 December 2023.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the financial statements of Sunbird Tourism Plc, and in accordance with the basis of preparation note.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 3 May 2024. That report also includes the communication of key audit matters (KAM). Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the financial statements for the current year.

Directors' Responsibility for the Summary Financial Statements

Directors are responsible for the preparation of the summary financial statements in accordance with the basis of preparation note.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Grant Thornton

Grant Thornton

Grant Thornton

Chartered Accountants and Business Advisors

Hastings Nyirenda
Chartered Accountant (Malawi)
Partner
Blantyre, Malawi

3 May 2024

SUMMARY AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

| SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME | | |
|--|-------------------|-------------------|
| | 2023 | 2022 |
| | MK'000 | MK'000 |
| Revenue | 34,824,762 | 25,670,156 |
| Cost of sales | (10,773,624) | (8,363,979) |
| Gross profit | 24,051,138 | 17,306,177 |
| Other income | 1,399,154 | 271,527 |
| Administration and other expenses | (15,843,984) | (11,796,955) |
| Operating profit | 9,606,308 | 5,780,749 |
| Finance income | 90,832 | 24,482 |
| Finance costs | (2,141,422) | (2,103,230) |
| Profit before taxation | 7,555,718 | 3,702,001 |
| Income tax expense | (2,303,814) | (651,500) |
| Profit for the year | 5,251,904 | 3,050,501 |
| Other Comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Revaluation surplus on property net of deferred tax | 13,550,487 | - |
| Total Other comprehensive income | 13,550,487 | - |
| Total comprehensive income | 18,802,391 | 3,050,501 |
| Profit attributable to: | | |
| Owners of the company | 5,251,904 | 3,050,501 |
| Total comprehensive income attributable to: | | |
| Owners of the company | 18,802,391 | 3,050,501 |
| Earnings per share (kwacha) - Basic and diluted | 20.08 | 11.66 |

| SUMMARY STATEMENT OF FINANCIAL POSITION | | |
|---|-------------------|-------------------|
| | 2023 | 2022 |
| | MK'000 | MK'000 |
| ASSETS | | |
| Non-current assets | | |
| Property and equipment | 69,735,208 | 47,822,780 |
| Intangible assets | 221,817 | 123,957 |
| Total non-current assets | 69,957,025 | 47,946,737 |
| Current assets | | |
| Inventories | 3,878,876 | 3,090,654 |
| Trade and other receivables | 4,227,908 | 3,480,402 |
| Amounts due from related parties | 1,721,980 | 881,157 |
| Income tax receivable | 103,295 | 458,063 |
| Cash and cash equivalents | 3,668,107 | 2,156,748 |
| Total current assets | 13,600,166 | 10,067,024 |
| TOTAL ASSETS | 83,557,191 | 58,013,761 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 13,079 | 13,079 |
| Share premium | 1,966 | 1,966 |
| Revaluation reserve | 28,737,731 | 15,409,596 |
| Retained earnings | 19,821,157 | 15,262,910 |
| Total equity | 48,573,933 | 30,687,551 |
| Non-current liabilities | | |
| Corporate bonds | 4,600,000 | 8,660,000 |
| Deferred income | 176,926 | 417,717 |
| Deferred tax liabilities | 16,270,724 | 10,125,462 |
| Lease liabilities | 9,656 | 39,776 |
| Total non-current liabilities | 21,057,306 | 19,242,955 |
| Current liabilities | | |
| Bank overdraft | 117,840 | - |
| Trade and other payables | 5,573,056 | 4,291,267 |
| Provisions | 992,542 | 30,000 |
| Corporate bonds | 4,824,935 | 1,516,850 |
| Employee benefits | 1,102,516 | 957,522 |
| Amounts due to related parties | 1,016,139 | 694,533 |
| Deferred income | 269,261 | 238,655 |
| Medium term loan | - | 330,975 |
| Lease liabilities | 29,663 | 23,453 |
| Total current liabilities | 13,925,952 | 8,083,255 |
| Total liabilities | 34,983,258 | 27,326,210 |
| TOTAL EQUITY AND LIABILITIES | 83,557,191 | 58,013,761 |

| SUMMARY STATEMENT OF CHANGES IN EQUITY | | | | | |
|--|---------------|---------------|---------------------|-------------------|-------------------|
| | Share Capital | Share Premium | Revaluation Reserve | Retained Earnings | Total |
| 2023 | | | | | |
| At 1 January | 13,079 | 1,966 | 15,409,596 | 15,262,910 | 30,687,551 |
| Profit for the year | - | - | - | 5,251,904 | 5,251,904 |
| Other Comprehensive income | | | | | |
| Revaluation Surplus | - | - | 19,357,838 | - | 19,357,838 |
| Deferred tax on revaluation surplus | - | - | (5,807,351) | - | (5,807,351) |
| Total Comprehensive Income | - | - | 13,550,487 | 5,251,904 | 18,802,391 |
| Transfer to retained earnings | - | - | (222,352) | 222,352 | - |
| Dividend paid | - | - | - | (916,009) | (916,009) |
| At 31 December | 13,079 | 1,966 | 28,737,731 | 19,821,157 | 48,573,933 |
| 2022 | | | | | |
| At 1 January | 13,079 | 1,966 | 15,632,180 | 12,120,615 | 27,767,840 |
| Profit for the year | - | - | - | 3,050,501 | 3,050,501 |
| Total comprehensive income | - | - | (222,584) | 222,584 | - |
| Transfer to retained earnings | - | - | - | (130,790) | (130,790) |
| Dividend paid | - | - | - | - | - |
| At 31 December | 13,079 | 1,966 | 15,409,596 | 15,262,910 | 30,687,551 |

| SUMMARY STATEMENT OF CASH FLOWS | | |
|---|--------------------|--------------------|
| | 2023 | 2022 |
| | MK'000 | MK'000 |
| Cash flows from operating activities | | |
| Cash receipts from customers | 33,691,384 | 25,870,190 |
| Cash paid to suppliers and employees | (23,802,753) | (17,927,007) |
| Cash generated from operations | 9,888,631 | 7,943,183 |
| Interest paid | (2,221,076) | (2,090,043) |
| Income tax paid | (1,611,136) | (327,133) |
| Net cash from operating activities | 6,056,419 | 5,526,007 |
| Cash flows from investing activities | | |
| Acquisition of property and equipment | (3,475,306) | (2,473,913) |
| Acquisition of intangible assets | (142,704) | (47,737) |
| Proceeds from sale of property and equipment | 7,819 | 14,191 |
| Net cash used in investing activities | (3,610,191) | (2,507,459) |
| Cash flows from financing activities | | |
| Proceeds from borrowings | 700,000 | 300,000 |
| Repayment of borrowings | (1,871,735) | (1,806,858) |
| Dividends paid | (916,009) | (130,790) |
| Net cash used in financing activities | (2,087,744) | (1,637,648) |
| Net increase in cash and cash equivalents | 358,484 | 1,380,900 |
| Cash and cash equivalents at beginning of the year | 2,156,748 | 769,608 |
| Exchange differences on cash and cash equivalents | 1,035,035 | 6,240 |
| Cash and cash equivalents at end of the year | 3,550,267 | 2,156,748 |

Sunbird Mobile App

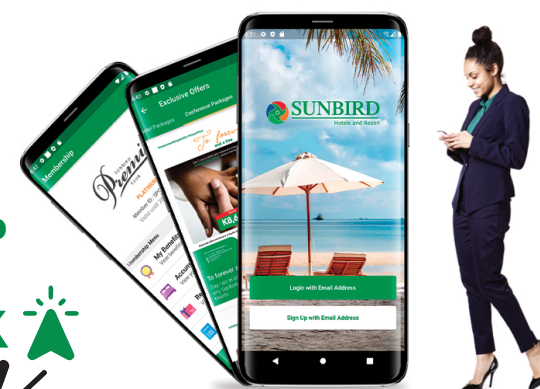
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