38TH ANNUAL GENERAL MEETING

29TH JUNE 2026

AGM PACK

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NOTICE OF THE 38TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 38th Annual General Meeting of the Company will be held at Sunbird Mount Soche, Soche International Conference Centre, Blantyre on Monday, 29th June 2026 at 15:00 hours to transact the following business:

1. APPROVAL OF MINUTES

To consider and if deemed appropriate to approve the Minutes of the 37th Annual General Meeting held on 1st July 2025.

2. FINANCIAL STATEMENTS

To consider and if deemed appropriate to approve the audited financial statements for the year ended 31st December 2025 together with the reports of the Auditors and Directors therein.

3. DIVIDEND

To declare a final dividend of K3.018 billion representing K11.54 per share in respect of the financial year ended 31st December 2025 as recommended by the Board of Directors. An interim dividend of K732 million representing a dividend per share of K2.80 was paid in October 2025. This will bring the total dividend for the year to K3.750 billion representing K14.34 per share. In 2024, total dividend paid amounted to K3.401 billion.

4 DIRECTORS' RETIREMENT AND APPOINTMENT

4.1 DIRECTORS' RETIREMENT
To note the retirement of directors Mr. Vilipo Munthali, Ms. Neema Chambalo, Mr. Godfrey Mtongola, Mr. Chipiliro Phiri, Ms. Pirira Ndaferankhande, Mr. Chauncy Simwaka, Mr Hetherwick Njati and Dr. Betchani Tchereni.

4.2 CONFIRMATION OF DIRECTORS
To confirm the appointment of the following directors:

(a) **Mr. Luciano Mickeus (40)** – Mr. Mickeus is a seasoned lawyer. He is a holder of a Bachelor of Law (Honours) degree from the University of Malawi and is a Member of the Malawi Law Society. He is a member of various Boards and Governance Committees including being chairperson of the Labour Law Practice Division of Malawi Law Society and member of the Finance and Administration Committee of Football Association of Malawi.

Mr. Mickeus is currently the Managing Partner at Micklaw and Company (Law Firm) and is the chief legal counsel to the Archdiocese of Blantyre of the Roman Catholic Church. He has previously worked with Joe and Max Chambers, Malawi Legal Aid Bureau and Savjani and Company. He has over 14 years' experience in the legal profession.

The Board recommends his confirmation.

(b) **Mr. Harold Jiya (55)** – Mr. Jiya is a seasoned leader with over 25 years of experience in financial services and strategic leadership. He currently serves as Chief Executive Officer for National Bank of Malawi (NBM) plc, Malawi's leading financial services group, where he has been an Executive Director for the past 9 years.

He is an alumnus of the Advanced Management Leadership program of the prestigious Insead Business School in France and Oxford University's Said Business School. He holds a Master of Business Administration (MBA) from Exeter University, UK, a Bachelor of Commerce (Accounting) degree from the University of Malawi, Polytechnic, and an ACIB/BSc (Honors) from the UK. He sits on several boards locally and in the southern Africa region.

The Board recommends his confirmation.

(c) **Mr. Andy Koloko (48)** - Mr. Koloko is an accomplished civil engineer and supply chain management professional with over 23 years of experience across large-scale government and donor-funded programs. He has held senior roles providing strategic oversight in procurement and supply chain management, governance, financial management, and policy implementation across the roads, education, energy, agriculture, and health sectors.

He has provided advisory services to the Ministry of Health as the Procurement Oversight Agent for the Health Services Joint Fund and served as Procurement Director at Millennium Challenge Account Malawi II. He has also previously worked with the Roads Authority, European Union–funded projects, Malawi University of Science and Technology, Electricity Supply Corporation of Malawi Limited, and the Agricultural Commercialization Project, contributing to the successful delivery of complex infrastructure and development initiatives. He is the Managing Director of Anek Construction.

He holds a Bachelor's degree in Civil Engineering from the Malawi University of Business and Applied Sciences and a Master's degree in Supply Chain Management from the University of Bolton.

The Board recommends his confirmation.

(d) **Mr. Wiskes Nkombezi (47)** – Mr. Nkombezi is the current Secretary for Industrialization, Business, Trade and Tourism in the Ministry of Industrialization, Business, Trade and Tourism (PS). As PS, he is the Controlling Officer of the Ministry, overseeing and leading implementation of Government policy on industrialization, business and entrepreneurship, trade, investment, tourism, cooperative societies development and value addition programmes in Malawi. He also leads trade and investment negotiator for the Ministry in regional integration, investment and trade negotiations and with development partners that deal with trade, investment, tourism and enterprises development such as World Bank, African Development Bank and others.

He holds a Master of Public Policy specializing in Economic Policy (Australian National University); Bachelor of Business Administration (University of Malawi, The Polytechnic); Diploma in Advanced Trade Policy (WTO Institute of Training and Technical Cooperation (ITTC) Geneva, Switzerland) and a Graduate Diploma in Public Administration (Australian National University).

The Board recommends his confirmation.

(e) **Ms. Gertrude Kawelama (43)** – Ms. Kawelama is a qualified professional in Logistics, Business Management and Entrepreneurship. She has a vast experience in sales and customer service and is an active entrepreneur. Her professional background includes roles at Glens Malawi Limited in Operations, Rab Processors as a Logistics Officer and Old Mutual where she joined as a Financial Advisor in Retail Bancassurance and ended as Retail Sales Bancassurance Manager. She is a founder and owner of Agriville Traders.

She holds an Advanced Diploma in Logistics from the Chartered Institute of Transport and Logistics and is currently studying for a Bachelor of Business Administration and Entrepreneurship.

The Board recommends her confirmation.

(f) **Mr. Clement Kachemwe (54)** – Mr. Kachemwe is a finance professional with over 23 years of progressive experience gained from Malawi Post and Telecommunication Corporation as Financial Reporting Manager, Malawi Telecommunications Limited as Financial Reporting Manager and Head of Wholesale and Interconnection, Airtel Malawi as Business Planning and Analysis Manager and Airtel Mobile Commerce Limited as Head of Finance. He has proven expertise in developing and implementing financial control systems, managing internal and external audits, and driving strategic financial planning. enforcing regulatory compliance, revenue assurance, and leading finance teams to deliver sustainable business growth.

He is a holder of Master of Communications Management (MCM) – University of Strathclyde, Glasgow, Scotland UK; Chartered Management Accountant – CIMA, UK and Bachelor of Accountancy (University of Malawi) and is a Certified Public Accountant

The Board recommends his confirmation.

(g) **Dr. Cliff Chiunda (63)** – Dr. Chiunda is the current Secretary to the Treasury (ST). As ST, he is the principal financial adviser to the Government of Malawi and administrative head of the Ministry of Finance, Economic Planning and Decentralisation. He holds a PhD in Economics, Master's degree in Economic Development Policy with a credit from the University of Wales Swansea in the UK and a Bachelor's degree in Social Science majoring in Economics from the University of Malawi.

Prior to his appointment as the ST, he was the Principal Secretary (Administration) in the Office of the President and Cabinet (OPC) and he also served as a Principal Secretary in the Ministry of Industry, Trade and Tourism. He has also held senior positions in the ministries of Economic Planning and Development; Nutrition and HIV/AIDS; and Justice and Constitutional Affairs.

He previously served on the Board between 2019 and 2020.

The Board recommends his confirmation.

5. DIRECTORS' REMUNERATION

To consider and if deemed appropriate to approve that the remuneration of the Chairman and Directors be adjusted with effect from 1st January 2026 as follows: -

5.1 FEES

- Chairperson from K17,250,000 to K21,562,500 per annum.
- Committee Chairperson from K16,000,000 to K20,000,000 per annum.
- Other non-executive Directors from K15,000,000 to K18,750,000 per annum.

5.2 SITTING ALLOWANCES

- Chairperson from K700,000 to K875,000 per sitting.
- Committee Chairperson from K675,000 to K843,750 per sitting.
- Other non-executive Directors from K650,000 to K812,500 per sitting.

6. APPOINTMENT OF EXTERNAL AUDITORS

To approve the appointment of Deloitte, Certified Public Accountants, as Auditors for the year ending 31st December 2026 and to authorise the Directors to fix their remuneration.

7. ANY OTHER BUSINESS

To transact any other business prior notice of which should have been given to the Company Secretary not less than 21 days before the date of the meeting.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy (or more than one proxy) to attend and vote in his/her stead. The proxy need not be a member of the Company. Proxy forms should be forwarded to reach the Company's Registered Offices, whose address is provided above, or the Transfer Secretaries at National Bank of Malawi, 7 Henderson Street, Blantyre, not later than forty-eight hours before the time of holding the meeting and in default the instrument of proxy shall not be valid.

Dated: 4th June 2026

By order of the Board

Barnet Gausi
COMPANY SECRETARY

Registered Office:
Sunbird Corporate Office,
28 Glyn Jones Road,
P.O. Box 376,
BLANTYRE, MALAWI

Notes:

1. The AGM Pack will be sent to shareholders using their postal addresses and is also available on the company website (www.sunbirdmalawi.com).
2. Shareholders who have provided their email addresses to the Transfer Secretary will also be sent the AGM Pack electronically. Shareholders who wish to collect copies of the AGM Pack in person must do so by contacting the Transfer Secretary as follows: By email: ekhulamba@natbankmw.com; by phone: T: +265 (0) 1 820 622 (extension: 1342) | C: +265 (0) 888 168 635; in person: 7 Henderson Street, P. O. Box 945, Blantyre.

SUNBIRD TOURISM PLC

MINUTES OF THE 37TH ANNUAL GENERAL MEETING

OF THE SHAREHOLDERS OF SUNBIRD TOURISM PLC

HELD ON 1ST JULY 2025 FROM 3:00 PM

AT SUNBIRD MOUNT SOCHE

PRESENT:	Mr. Vilipo Munthali	- Chairperson
	Mr. Gladson Kuyeri	- Director
	Dr. Betchani Tchereni	- Director
	Ms. Moureen Mbeye	- Director
	Mr. Chauncy Simwaka	- Director
	Mr. Chipiliro Phiri	- Director
	Mr. Godgrey Mtongola	- Director
	Ms. Neema Chambalo	- Director
	Ms. Pirira Ndaferankhande	- Director

IN ATTENDANCE: Mr. Samson Mwale – Chief Executive
Mr. Barnet Gausi – Head of Finance & Company Secretary
Mr. Proud Chalira - Head of Operations
Mrs. Temwa Kanjadza - Head of Sales, Marketing and Distribution
Mr. Edward Chunga – Head of Corporate Services
Mr. Mthusani Zungu – Division Manager, Internal Audit & Risk
Mr. Edward Kafundu – Group Finance Manager
Mr. Vilengo Beza – Deloitte
Mrs. Norma Chokani – Deloitte
Ms. Khatija Khan – Deloitte
Shareholders – per register

37.1 QUORUM

A quorum having been confirmed, the Chairperson called the meeting to order.

37.2 NOTICE

Notice of the Annual General Meeting, which was circulated in advance, was taken as read.

37.3 ADOPTION OF AGENDA

The Secretary announced that at the time of the meeting there was no any other business received, therefore the agenda was adopted without any amendment.

37.4 APPROVAL OF MINUTES OF 36TH ANNUAL GENERAL MEETING

Minutes of the 36th Annual General Meeting held on 21st June 2024 were approved.

37.5 RECEIPT AND ADOPTION OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024, THE DIRECTORS' REPORT AND THE AUDITORS' REPORT THEREON

1. The audited financial statements and audit report for the period ended 31st December 2024 were presented by the external auditors, Deloitte.
2. On a proposal of a motion which was duly seconded and put to a vote, it was **resolved**:

   "**THAT** the financial statements for the year ended 31st December 2024, together with the reports of the directors and the auditors thereon as presented at the meeting be approved and adopted together with all matters and things undertaken and discharged by the directors on behalf of the Company."

37.6 DECLARATION OF DIVIDEND FOR THE YEAR ENDED 31ST DECEMBER 2024

It was resolved that the Company should pay a final dividend of K2.747 billion representing K10.50 per share in respect of the financial year ended 31st December 2024. An interim dividend of K654 million representing a K2.50 per share was paid in October 2024. This would bring the total dividend for the year's profits to K3.401 billion, representing K13.00 per share. In respect of 2023 profits, total dividend paid amounted to K2.018 billion.

37.7 DIRECTORS' RE-ELECTION

On a proposal of a motion, which was duly seconded, and put to a vote, it was **resolved**:

THAT directors Mr. Gladson Kuyeri, Ms. Neema Chambalo and Dr. Betchani Tchereni, who had retired by rotation but, having been eligible for re-election, had offered themselves, be re-elected.

37.8 DIRECTORS' REMUNERATION

On a proposal of a motion, which was duly seconded and put to a vote, it was **resolved**:

THAT directors' fees and sitting allowances be increased as follows and that such increases be effective from 1st January 2025:

Directors' fees

- Chairperson from K7,187,500 to K17,250,000 per annum.
- Committee Chairperson from K5,975,000 to K16,000,000 per annum.
- Other non-executive Directors from K5,975,000 to K15,000,000 per annum.

Sitting allowances

- Chairperson from K390,000 to K700,000 per sitting.
- Committee Chairperson from K330,000 to K675,000 per sitting.
- Other non-executive Directors from K330,000 to K650,000 per sitting.

37.9 APPOINTMENT OF AUDITORS

On a proposal of a motion, which was duly seconded and put to a vote, it was **resolved**:

"**THAT** the Deloitte, Certified Public Accountants, be appointed as auditors for the year ending 31st December 2025 and directors be authorized to fix their remuneration".

37.10 ANY OTHER BUSINESS

There was no any other business.

37.11 CLOSURE

The Chairperson thanked all members present for their participation and declared the meeting closed at 4:10 p.m.

CHAIRMAN	**DATE**
SECRETARY	**DATE**

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SUNBIRD TOURISM PLC

CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

For the year ended

31 December 2025

SUNBIRD TOURISM PLC
CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS
For the year ended 31 December 2025

CONTENTS

SUNBIRD TOURISM PLC

DIRECTORS' REPORT
For the year ended 31 December 2025

The directors have pleasure in presenting their report together with the audited financial statements for the year ended 31 December 2025.

NATURE OF BUSINESS
Sunbird Tourism plc (the "group") is a leading operator in the hospitality industry in Malawi and has as its main activity, the ownership, operation and management of nine hotel properties in Malawi. The group also operates Sunbird Tours and Travel, which provides comprehensive travel-related services, offering trip planning, ticketing, and customised experiences for clients. Catering Solutions Limited, a 100% owned subsidiary, is involved in the provision of catering services. The subsidiary was divisionalised in 2020 as a division within the company and it was re-registered as a separate entity in 2025. Accordingly, effective from 2025, Sunbird Tourism plc was classified as a group.

The group comprises of the company and its subsidiary and its primary business is in hospitality.

INCORPORATION AND REGISTERED OFFICE
Sunbird Tourism plc is a company incorporated in Malawi under the Companies Act, 2013 of Malawi, and is domiciled in Malawi. The company was listed on the Malawi Stock Exchange on 22 August 2002. The address of its registered office is:

28 Glyn Jones Road
P.O. Box 376
Blantyre
Malawi

CAPITAL
The share capital for Sunbird Tourism plc consists of fully paid ordinary shares with a nominal value of 5 tambala each. All shares are equally eligible to receive dividends and repayment of capital and represent one vote at shareholders' meetings.

	2025	2024
Issued and fully paid share capital (261,582,580 shares)	**13,079**	**13,079**
Shareholders and their respective percentage shareholdings		
	%	%
MDC Limited	**71.00**	71.00
Members of the public	**14.00**	14.00
Press Corporation Plc	**15.00**	15.00
	100.00	100.00

The holding company is MDC Limited, a dormant company, which is wholly owned by the Malawi Government.

The share price at the end of the reporting period was **MK977.50** (2024: MK240.08) per share.

FINANCIAL PERFORMANCE
The results and state of affairs of the group are set out in the accompanying consolidated and company statements of financial position, consolidated and company statements of profit or loss and other comprehensive income, consolidated and company statements of changes in equity, consolidated and company statements of cash flows and notes to the consolidated and company financial statements. The profit for the year ended 31 December 2025 was **K12.5 billion** (2024: K10.6 billion).

DIVIDEND
During the year, a final dividend of **MK2.8 billion** representing MK10.50 per share was paid in respect of the year ended 31 December 2024. With 2024 interim dividend of **K654 million**; the total dividend for 2024 amounted to **MK3.5 billion** representing **MK13.00** per share. In 2025, an interim dividend of **MK732 million**, representing MK2.80 per share was declared and paid relating to the results for the year ended 31 December 2025. Total dividend paid during the year was **MK3.5 billion** (final dividend for 2024: **MK2.8 billion** and Interim dividend for 2024: **MK654 million**).

CORPORATE GOVERNANCE
Sunbird Tourism Plc has an overarching governance structure incorporating principles of good governance, to facilitate effective and dynamic management and oversight of the group as advocated in the code of best practice and conduct contained in Malawi Code II, Code of Best Practice to Corporate Governance in Malawi.

The Board is satisfied that the group has made every practical effort to adopt all relevant principles of good corporate governance during the year under review in so far as is applicable to the group.

RISK MANAGEMENT
The Board of Directors has overall responsibility for the establishment and oversight of the group's financial risk management framework. The Board established the Finance and Audit Committee, which is responsible for developing and monitoring the group's financial risk management policies as set out in Note 4 to the financial statements. This committee reports regularly to the Board of Directors on its activities.

SUNBIRD TOURISM PLC
DIRECTORS' REPORT (CONTINUED)
For the year ended 31 December 2025

DIRECTORATE

The following directors and secretary served in the office during the year:

Name	Position	Duration
Mr. Luciano Mickeus	- Chairman	From 16th December 2025
Mr. Vilipo Munthali	- Chairman	Up to 14th November 2025
Mr. Gladson Kuyeri	- Director	Full year
Ms. Moureen Mbeye	- Director	Full year
Mr. Harold Jiya	- Director	From 16th December 2025
Mr. Andy Koloko	- Director	From 16th December 2025
Dr. Cliff Chiunda	- Director	From 16th December 2025
Mr. Wiskes Nkombezi	- Director	From 16th December 2025
Mr. Clement Kachemwe	- Director	From 16th December 2025
Dr. Betchani Tchereni	- Director	Up to 22nd August 2025
Ms. Neema Chambalo	- Director	Up to 14th November 2025
Mr. Chauncy Simwaka	- Director	Up to 14th November 2025
Ms. Pirira Ndaferankhande	- Director	Up to 14th November 2025
Mr. Chipiliro Phiri	- Director	Up to 14th November 2025
Mr. Godfrey Mtongola	- Director	Up to 14th November 2025
Mr. Hethewick Njati	- Director	From 22nd August 2025 to 14th November 2025
Mr. Barnet Gausi	- Company Secretary	

All the directors are resident in Malawi.

All directors are subject to retirement by rotation and re-election by the shareholders at least once every three years.

As at 31 December 2025, all directors did not have direct interest in the shares of the group.

BOARD AND COMMITTEES' ATTENDANCE RECORD

The Board meets at least four times a year including sessions devoted to strategy and business planning. It may also meet as and when required to deal with specific matters that may arise between scheduled meetings. Below is the attendance record:

BOARD

MEMBER	04-Apr-25	01-Jul-25	22-Aug-25	02-Sep-25	17-Sep-25	16-Dec-25	17-Dec-25	18-Dec-25
Vilipo Munthali (Chairperson)	✓	✓	✓	✓	✓	N	N	N
Moureen Mbeye	✓	✓	✓	✓	✓	✓	✓	✓
Gladson Kuyeri	✓	✓	✓	✓	✓	✓	✓	✓
Chauncy Simwaka	✓	✓	✓	✓	✓	N	N	N
Dr. Betchani Tchereni	✓	✓	N	N	N	N	N	N
Neema Chambalo	✓	✓	✓	✓	✓	N	N	N
Pirira Ndaferankhande	✓	✓	✓	✓	✓	N	N	N
Chipiliro Phiri	✓	✓	✓	✓	✓	N	N	N
Godfrey Mtongola	✓	✓	✓	✓	✓	N	N	N
Hetherwick Njati	N	N	N	✓	✓	N	N	N
Luciano Mickeus (Chairperson)	N	N	N	N	N	✓	✓	✓
Harold Jiya	N	N	N	N	N	✓	✓	✓
Andy Koloko	N	N	N	N	N	✓	✓	✓
Wiskes Nkombezi	N	N	N	N	N	✓	✓	✓
Dr. Clif Chiunda	N	N	N	N	N	A	A	A
Clement Kachemwe	N	N	N	N	N	✓	✓	✓

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SUNBIRD TOURISM PLC
DIRECTORS' REPORT (CONTINUED)
For the year ended 31 December 2025

BUSINESS SUSTAINABILITY COMMITTEE

MEMBER	18-Mar-25	02-Jun-25	05-Aug-25
Gladson Kuyeri (Chairperson)	✓	✓	✓
Chauncy Simwaka	✓	✓	✓
Chipiliro Phiri	✓	✓	✓
Pirira Ndaferankhande	✓	✓	✓

FINANCE AND AUDIT COMMITTEE

MEMBER	19-Mar-25	03-Jun-25	06-Aug-25
Moureen Mbeye (Chairperson)	✓	✓	✓
Betchani Tchereni	✓	✓	✓
Godfrey Mtongola	✓	✓	✓
Pirira Ndaferankhande	✓	A	A

PEOPLE AND CULTURE COMMITTEE

MEMBER	18-Mar-25	02-Jun-25	05-Aug-25
Chauncy Simwaka (Chairperson)	✓	✓	✓
Moureen Mbeye	✓	✓	✓
Neema Chambalo	✓	✓	✓
Chipiliro Phiri	✓	✓	✓

PROJECTS COMMITTEE

MEMBER	19-Mar-25	03-Jun-25	06-Aug-25
Neema Chambalo (Chairperson)	✓	✓	A
Gladson Kuyeri	✓	✓	✓
Betchani Tchereni	✓	A	N
Godfrey Mtongola	✓	✓	✓

Key:
✓ = Attendance
A = Apology
N = Not a member

SUNBIRD TOURISM PLC
DIRECTORS' REPORT (CONTINUED)
For the year ended 31 December 2025

All directors have access to management including the Company Secretary and to such information as is needed to carry out their duties and responsibilities fully and effectively. The Company Secretary provides support to the Board to ensure effective functioning and proper administration of Board proceedings.

GOING CONCERN
The Board has satisfied itself that the group and company have adequate resources to continue in operation for the foreseeable future. The consolidated and company financial statements have accordingly been prepared on a going concern basis.

INDEPENDENT AUDITORS
Deloitte Chartered Accountants were the auditors for the year ended 31 December 2025. The auditors have signified their willingness to continue in office and a resolution is to be proposed at the forthcoming Annual General Meeting in relation to their appointment as auditors in respect of the year ending 31 December 2026.

FOR AND ON BEHALF OF THE BOARD

Mr. Luciano Mickeus
Chairman of the Board

Ms. Moureen Mbeye
Chairman of Finance & Audit Committee

Date: 10 April 2026

SUNBIRD TOURISM PLC
DIRECTORS' RESPONSIBILITY STATEMENT
For the year ended 31 December 2025

The directors are responsible for the preparation and fair presentation of the consolidated and company financial statements of Sunbird Tourism Plc, comprising the consolidated and company statements of financial position at 31 December 2025, and the consolidated and company statements of profit or loss and other comprehensive income, consolidated and company statements of changes in equity and consolidated and company statements of cash flows for the year then ended, and the notes to the consolidated and company financial statements, which include a summary of material accounting policies and other explanatory notes in accordance with IFRS® Accounting standards as issued by International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and in the manner required by the Companies Act 2013. In addition, the directors are responsible for preparing the directors' report.

The Companies Act also requires the directors to ensure that the group keep proper accounting records which disclose with reasonable accuracy of the financial position of the group and to ensure the financial statements comply with the Companies Act.

In preparing the consolidated and company financial statements, the directors accept responsibility for the following:

- Maintenance of proper accounting records;
- Selection of suitable accounting policies and applying them consistently;
- Making judgements and estimates that are reasonable and prudent;
- Compliance with applicable accounting standards, when preparing consolidated and company financial statements; and
- Preparation of the consolidated and company financial statements on a going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are also responsible for such internal controls as the directors determine is necessary to enable the preparation of consolidated and company financial statements that are free from material misstatement, whether due to fraud or error and for maintaining adequate accounting records and an effective system of risk management.

The Directors also accept responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to maintain adequate systems of internal control to prevent and detect fraud and other irregularities.

The Directors have made an assessment of the ability of the group to continue as going concern and have no reason to believe that the business will not be going concern in the year ahead.

The Directors are of the opinion that the consolidated and company financial statements give a true and fair view of the state of the financial affairs of the group and of its operating results.

The auditor is responsible for reporting on whether the consolidated and company financial statements give a true and fair view in accordance with the IFRS Accounting standards as issued by International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and in the manner required by the Companies Act.

Approval of the consolidated and company financial statements

The consolidated and company financial statements of Sunbird Tourism Plc, as identified in the first paragraph were approved by the Board of Directors on **10 April 2026** and were signed on its behalf by:

Mr. Luciano Mickeus Chairman of the Board	Ms. Moureen Mbeye Chairman of Finance & Audit Committee

Deloitte.

PO Box 187
Blantyre
Malawi

Deloitte Chartered Accountants
Registered Auditors
First Floor, PCL House
Top Mandala
Kaohsiung Road
Blantyre
Malawi

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:+265 (0) 997 515 647
Email :btdeloitte@deloitte.co.mw
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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SUNBIRD TOURISM PLC

Opinion

We have audited the consolidated and company financial statements of Sunbird Tourism Plc (the group) set out on pages 10 to 48, which comprise the consolidated and company statements of financial position as at 31 December 2025, and the consolidated and company statements of profit and loss and other comprehensive income, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and the notes to the consolidated and company financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated and company financial statements give a true and fair view of the consolidated and company financial position of the group as at 31 December 2025, and its consolidated and company financial performance and consolidated and company cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and in the manner required by the Companies Act.

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 group in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants* (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Malawi. We have also fulfilled our other ethical responsibilities in accordance with these requirements and 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 and company financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and company financial statements as a whole, and in forming our opinion thereon, and we do not provide a company opinion on these matters.

MAKING AN IMPACT THAT MATTERS since 1845

Partners: VW Beza CA Kapenda
Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

SUNBIRD TOURISM PLC
INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2025

Key Audit Matters (Continued)

Key Audit Matter	How the matter was addressed in the audit
Valuation of properties (Consolidated and Company)	
As disclosed in Note 6, the fair value measurement of land and buildings as at 31 December 2025 was MK203.6 billion for the group and MK202.5 billion for the company. Had these assets been stated on a historical cost basis, the carrying amounts would have been MK38.5 billion for the group and MK38.4 billion for the company. The group operates out of various hotels throughout Malawi. The properties including the land on which they are situated are owned by the group and is measured at revaluation using investment method (income approach). The group's policy is to revalue the properties annually to ensure that the carrying amount is not materially different from the fair value. While the Hotels' business has significantly improved (notwithstanding the increased competition) compared to prior year, the macro-economic environment has significantly deteriorated. These factors may result into difficulty in deriving a fairly stated valuation for the group's buildings since the valuation is a significant estimate which involves assumptions, judgement and complex valuation methods. Considering its significant value, the judgements and assumptions involved, the property valuation is considered a Key Audit Matter.	We engaged with management to obtain a detailed understanding of their internal process for determining the fair value of properties. We evaluated the design and implementation of management's controls over the significant estimates and assumptions used in the determination of the group's fair value of properties. We evaluated the competence, independence, and experience of management's external independent valuers with reference to their qualifications and industry experience. We made use of our valuation expert in our assessment of the reasonableness of the valuation methodologies, judgements and assumptions applied by management and their external valuers based on our knowledge of the industry and markets in which the group operates and IFRS Accounting Standards as issued by the International Accounting Standards Board. We performed the following procedures to assess the reasonableness of the inputs into fair value of properties by management and the external valuers: • Compared the data inputs used in the valuations against the appropriate market and historic information. We made use of our internal valuation expert to determine our own estimates of inputs to assess whether they were within a reasonable range. These inputs included: - Earnings before interest, tax, depreciation and amortisation; and - Capitalisation rates. With the help of our valuation expert, we performed independent recalculations using independent data referred above, and comparing the outcome to the values determined by management. We evaluated the appropriateness of the disclosures in terms of the requirements of IAS 16 *Property, Plant and Equipment* and IFRS 13 *Fair Value Measurement.* Based on the work done, the assumptions, judgements and valuation method used in the valuation of properties were appropriate and the disclosures pertaining to the properties were found to be appropriate in terms of the relevant accounting standards.

SUNBIRD TOURISM PLC
INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2025

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, Directors' Responsibility Statement as required by the Companies Act which we obtained prior to the date of this auditor's report and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and company financial statements and our auditor's report thereon.

Our opinion on the consolidated and company financial statements does not cover the other information and we will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and company financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and company 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 that we obtained 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.

Responsibilities of the directors for the Consolidated and Company Financial Statements

The directors are responsible for the preparation of consolidated and company financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and in the manner required by the Companies Act and for such internal control as the directors determine is necessary to enable the preparation of consolidated and company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and company 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 Consolidated and Company Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and company 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 management;
- Conclude on the appropriateness of management's 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 consolidated financial statements or, if such 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 consolidated and company financial statements, including the disclosures, and whether the consolidated and company financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

SUNBIRD TOURISM PLC
INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2025

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

Deloitte

Deloitte
Chartered Accountants

Vilengo Beza
Partner

30 April 2026

SUNBIRD TOURISM PLC
CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION
As at 31 December 2025
In thousands of Malawi Kwacha

	Note	Group 2025	2025	Company 2024
ASSETS				
NON CURRENT ASSETS				
Property and equipment	6	227 249 072	225 989 746	103 394 586
Investment in subsidiary	7	-	36	-
Intangible assets	8	357 656	357 285	167 188
Total non-current assets		227 606 728	226 347 067	103 561 774
CURRENT ASSETS				
Inventories	9	7 662 597	7 488 148	6 248 169
Trade and other receivables	10	5 290 261	5 095 994	4 546 798
Amounts due from related parties	11	1 792 184	2 822 191	2 688 639
Income tax receivable	23(b)	2 379 142	2 293 562	-
Cash and cash equivalents	12	1 720 014	1 716 063	3 521 284
Total current assets		18 844 198	19 415 958	17 004 890
TOTAL ASSETS		246 450 926	245 763 025	120 566 664
EQUITY AND LIABILITIES				
Equity				
Share capital	13	13 079	13 079	13 079
Share premium	13	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	14(a)	16 000 000	16 000 000	11 500 000
Contract liabilities	19	648 385	648 385	170 577
Deferred tax liabilities	23(c)	76 144 303	76 128 611	25 824 225
Loans and borrowings	14(b)	1 502 843	1 405 322	1 723 690
Total non-current liabilities		94 295 531	94 182 318	39 218 492
CURRENT LIABILITIES				
Bank overdraft		138 024	138 024	-
Trade and other payables	16(a)	10 158 067	9 877 212	5 801 475
Provisions	16(b)	914 543	914 543	1 302 533
Contract liabilities	19	257 842	257 842	242 563
Employee benefits	15(b)	515 890	438 006	1 150 868
Amounts due to related parties	11	1 608 256	1 599 055	1 420 279
Corporate bonds	14(a)	500 000	500 000	71 024
Current tax liability	23(b)	-	-	929 861
Loans and borrowings	14(b)	532 036	498 424	499 064
Total current liabilities		14 624 658	14 223 106	11 417 667
Total liabilities		108 920 189	108 405 424	50 636 159
TOTAL EQUITY AND LIABILITIES		246 450 926	245 763 025	120 566 664

These consolidated and company financial statements were approved for issue by the Board of Directors on **10 April 2026** and were signed on its behalf by:

Mr. Luciano Mickeus
Chairman of the Board

Ms. Moureen Mbeye
Chairman of Finance & Audit Committee

SUNBIRD TOURISM PLC
CONSOLIDATED AND COMPANY STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2025
In thousands of Malawi Kwacha

	Note	Group 2025	Company 2025	Company 2024
Revenue	17	71 745 480	68 022 779	54 595 050
Cost of sales	20	(23 599 945)	(21 472 591)	(15 723 378)
Gross profit		48 145 535	46 550 188	38 871 672
Other income	18	205 755	855 755	387 358
Impairment gain/(loss) of financial assets	25.2	76 755	130 101	(172 368)
Administrative and other expenses	21(a)	(25 785 358)	(25 174 012)	(20 359 663)
Operating profit		22 642 687	22 362 032	18 726 999
Finance income	22(a)	76 037	76 037	87 707
Finance costs	22(b)	(640 917)	(640 067)	(2 223 709)
Profit before income tax expense		22 077 807	21 798 002	16 590 997
Income tax expense	23(a)	(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				
Net gain on property revaluation		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	24(a)	47.70	47.54	40.62

SUNBIRD TOURISM PLC

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY
For the year ended 31 December 2025
In thousands of Malawi Kwacha

Group 2025	Note	Share capital	Share premium	Revaluation reserve	Retained earnings	Total
Balance at 1 January 2025		13 079	1 966	41 314 334	28 601 126	69 930 505
Total comprehensive income for the year						
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 for the year		-	-	58 600 525	12 478 755	71 079 280
Transfer to retained earnings net of deferred tax		-	-	(363 789)	363 789	-
Transactions with owners of the company recognised directly in equity						
Dividends	24(b)	-	-	-	(3 479 048)	(3 479 048)
Balance at 31 December 2025		13 079	1 966	99 551 070	37 964 622	137 530 737

SUNBIRD TOURISM PLC

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY
For the year ended 31 December 2025
In thousands of Malawi Kwacha

Company	Note	Share capital	Share premium	Revaluation reserve	Retained earnings	Total
2025						
At 1 January 2025		13 079	1 966	41 314 334	28 601 126	69 930 505
Total comprehensive income for the year						
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 for the year		-	-	58 471 289	12 434 855	70 906 144
Transfer to retained earnings net of deferred tax		-	-	(363 789)	363 789	-
Transactions with owners of the company recognised directly in equity						
Dividends	24(b)	-	-	-	(3 479 048)	(3 479 048)
At 31 December 2025		13 079	1 966	99 421 834	37 920 722	137 357 601
2024						
Balance at 1 January 2024		13 079	1 966	28 737 731	19 821 157	48 573 933
Total comprehensive income for the year						
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 for the year		-	-	12 876 921	10 624 628	23 501 549
Transfer to retained earnings net of deferred tax		-	-	(300 318)	300 318	-
Transactions with owners of the company recognised directly in equity						
Dividends	24(b)	-	-	-	(2 144 977)	(2 144 977)
At 31 December 2024		13 079	1 966	41 314 334	28 601 126	69 930 505

SUNBIRD TOURISM PLC
CONSOLIDATED AND COMPANY STATEMENTS OF CASH FLOWS
For the year ended 31 December 2025
In thousands of Malawi Kwacha

	Note	Group	Company	
		2025	2025	2024*
Cash flows from operating activities				
Cash generated from operations	28	27 459 845	26 428 040	17 483 371
Interest received	22a	76 037	76 037	87 707
Interest paid	22b	(4 596 782)	(4 595 932)	(2 781 954)
Taxation paid	23(b)	(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	6	(20 346 897)	(20 199 939)	(12 723 996)
Acquisition of intangible assets	8	(241 953)	(241 953)	(8 809)
Dividends received	11	-	650 000	-
Proceeds from sale of property and equipment		16 580	16 580	39 114
Net cash utilised in investing activities		(20 572 270)	(19 775 312)	(12 693 691)
Cash flows from financing activities				
Proceeds from borrowings	14	5 982 761	5 851 628	13 234 222
Repayment of borrowings	14	(1 170 636)	(1 170 636)	(8 910 787)
Dividends paid	24(b)	(3 479 048)	(3 479 048)	(2 144 977)
Net cash generated from financing activities		1 333 077	1 201 944	2 178 458
Net decrease 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
Effect of exchange rate fluctuations on cash held		13 950	13 950	74 230
Cash and cash equivalents at end of the year	12	1 581 990	1 578 039	3 521 284

* The comparative statements of cashflows for both the group and company have been represented to align with the use of indirect method that was used in the current year presentation. The statement of cashflows were presented using the direct method in prior year audited financial statements. The change was found to be more informative for users of the financial statements.

SUNBIRD TOURISM PLC
NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS
For the year ended 31 December 2025

1. REPORTING ENTITY

Sunbird Tourism plc ('the company') is a company incorporated and domiciled in Malawi.

The company is a subsidiary of MDC Limited, a dormant company incorporated in Malawi. The ultimate majority shareholder is the Malawi Government.

The group comprises the company and its subsidiary, Catering Solutions Limited (together referred to as 'the group' and individually as 'group entities'). The subsidiary company is incorporated and domiciled in Malawi.

The main business of the company and that of its subsidiary is the provision of hotel accommodation, catering and related tourist services. The postal address of its principal business and registered office is: Sunbird Tourism plc, P.O. Box 376, Blantyre, Malawi. Sunbird Tourism plc is listed on the Malawi Stock Exchange.

2. BASIS OF PREPARATION

a) Statement of compliance
The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and in the manner required by the Companies Act 2013. Details of the group's material accounting policies, including changes during the year and critical accounting judgements, are included in notes 3 to 5.

b) Basis of measurement
The financial statements have been prepared on the historical cost basis except for certain items of property which are measured under the revaluation model.

c) Functional and presentation currency
The consolidated and company financial statements are presented in Malawi Kwacha, which is the group's functional currency. Unless specifically expressed, all financial information is presented in Malawi Kwacha and has been rounded to the nearest thousand.

d) Going concern basis of accounting
The consolidated and company financial statements have been prepared on a going concern basis, which assumes that the group will be able to meet the repayment of its liabilities and the mandatory repayment terms of the facilities as disclosed in notes 14, 15, 16 and 25.

e) Use of estimates and judgements
The preparation of the consolidated and company financial statements in conformity with IFRS Accounting Standards, require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and estimates with significant risk of material adjustment in the next year are discussed in note 5.

(f) Changes in accounting policies
Unless stated otherwise, the group has consistently applied the accounting policies as set out in note 3 to all periods presented in these financial statements.

SUNBIRD TOURISM PLC
NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

2. BASIS OF PREPARATION (CONTINUED)

(g) Adoption of new and revised International Financial Reporting Standards

Standards and Interpretations affecting amounts reported and/or disclosed in the financial statements

In the current year, the group has adopted those new and revised Standards and Interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee of the International Accounting Standards Board that are relevant to its operations and are effective for annual reporting periods beginning on 1 January 2025.

Effective date	Standard, Amendment or Interpretation
Annual reporting periods beginning on or after 1 January 2025	Lack of Exchangeability (Amendments to IAS 21) The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The adoption of these new and revised Standards and Interpretations did not have a significant impact on the financial statements of the group.

(h) Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the group

Effective date	Standard, Amendment or Interpretation
Annual reporting periods beginning on or after 1 January 2026	Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.
Annual reporting periods beginning on or after 1 January 2026	Annual Improvements to IFRS Accounting Standards — Volume 11 The pronouncement comprises the following amendments: ➢ IFRS 7: Gain or loss on derecognition ➢ IFRS 7: Disclosure of deferred difference between fair value and transaction price ➢ IFRS 7: Introduction and credit risk disclosures ➢ IFRS 9: Lessee derecognition of lease liabilities ➢ IFRS 9: Transaction price ➢ IFRS 10: Determination of a 'de facto agent' ➢ IAS 7: Cost method
Annual reporting periods beginning on or after 1 January 2027	IFRS 18 Presentation and Disclosures in Financial Statements IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.
Annual reporting periods beginning on or after 1 January 2027	IFRS 19 Subsidiaries without Public Accountability: Disclosures IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

SUNBIRD TOURISM PLC
NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

2. BASIS OF PREPARATION (CONTINUED)

(h) Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the group (continued)

Effective date	Standard, Amendment or Interpretation
Annual reporting periods beginning on or after 1 January 2027	Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures The amendments cover new or amended IFRS Accounting Standards issued between 28 February 2021 and 1 May 2024 that were not considered when IFRS 19 was first issued.
Annual reporting periods beginning on or after 1 January 2027	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21) The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.

The directors anticipate that other than IFRS 18 Presentation and Disclosures in Financial Statements and amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments, these Standards and Interpretations in future periods will have no significant impact on the financial statements of the group. IFRS 18 will impact the presentation and disclosure of information in financial statements and IFRS 7 and IFRS 9 will impact the classification and measurement of financial instruments. Management is in the process of assessing the impact of these new standards and interpretations on the financial statements.

3. MATERIAL ACCOUNTING POLICIES

The significant accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by group entities.

3.1 Property and equipment

Recognition and measurement
Land and buildings for the supply of goods or services, or for administrative purposes, are measured at their re-valued amounts, being the fair value at the date of revaluation, less accumulated depreciation and any impairment losses. Revaluations are performed annually such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Work in progress, being property and equipment in the course of construction for production or administrative purposes are measured at cost, less any recognised impairment loss. Cost includes cost of self-constructed assets including the cost of materials and direct labour and any other costs directly attributable to bring the asset to a working condition and its intended use and the cost of dismantling and carrying the items and restoring the site on which they are located.

Vehicles and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When components of property and equipment have different useful lives are accounted for as company items (major components) of property and equipment and depreciated based on the components useful lives.

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably and the carrying amount of the replaced part is derecognised. The cost of day-to-day servicing of property and equipment is recognised in profit or loss as incurred. Professional fees directly attributable to qualifying assets and borrowing costs are capitalised. Depreciation of these assets, on the same basis as other property assets, commences when the assets are available for their intended use.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Property and equipment (Continued)

Revaluation
Any revaluation increase arising on the revaluation of such property is credited to a non-distributable revaluation reserve through other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the profit or loss, in which case the increase is credited to the profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such property is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset. Depreciation on re-valued property and equipment is recognised in profit or loss. The difference between depreciation based on the revalued carrying amount of the property and the depreciation based on the property's original cost is transferred annually from the revaluation reserve to retained earnings. On the realisation of re-valued property, either through sale or use, the attributable revaluation surplus in the revaluation reserve is transferred directly to retained earnings. When an item of property and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. Property valuation is conducted annually.

Depreciation
Depreciation is charged so as to write off the cost or valuation of assets, less estimated residual values, over their current estimated useful lives, using the straight-line method as follows. The estimated useful lives for the current and comparative period are as follows:

Freehold property	-	33 - 50 years
Leasehold property	-	33 - 50 years
Vehicles and equipment	-	3 - 10 years

Useful lives, depreciation methods and residual values are re-assessed at each reporting date. Freehold land, long-term leasehold land and work in progress are not depreciated.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the group will obtain ownership by the end of the lease term.

Derecognition
The carrying amount of an item of property and equipment shall be derecognised on disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on the sale or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.2 Intangible assets
The intangible assets in the consolidated and company financial statements of the group are stated at cost less any accumulated amortisation and impairment losses over the period of the asset.

3.3 Investment in subsidiary
The investment in the subsidiary, Catering Solutions Limited as presented in Sunbird Tourism plc's company financial statements is measured at cost less any accumulated impairment losses, in accordance with applicable accounting standards. Catering Solutions Limited was an existing subsidiary until 2020, at which point it was divisionalised and operated as an internal division of the parent. In 2025, Catering Solutions Limited was separated from the parent company and re-registered as a distinct legal entity. Accordingly, the year ended 31 December 2025 marks the first period in which both company and consolidated financial statements are being prepared and presented. Catering Solutions Limited principal activities comprise the provision of institutional catering services and airline food uplift. In addition, the company also operates a portfolio of restaurants nationwide, including the registered brands Cabis Restaurant and Xpress kitchen, both of which are wholly owned and managed by Catering Solutions Limited.

3.4 Inventories
Inventories consist of foodstuffs, consumables and merchandise. Inventories are measured at the lower of cost and net realisable value. The carrying amount of inventory is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

SUNBIRD TOURISM PLC
NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in other comprehensive income.

The current tax is based on the taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or by different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity or other comprehensive income.

3.6 Foreign currency translations

The results and financial position of the group are presented in Malawi Kwacha, which is the functional currency of the group.

Transactions in foreign currencies are translated to the respective functional currencies of group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

3.7 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss as the related service is provided.

Short-term benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Revenue

To determine whether to recognise revenue, the group follows a 5-step process:

1 Identifying the contract with a customer – when the company established the contract with the customer, oral or written, and the payment terms are agreed. The company also assess when there will be consideration to which the company will be entitled to.

2 Identifying the performance obligations – the company offers services and goods to the customers and the obligation to the company is to ensure that these are delivered to the customers and their obligation to settle the bills for the services and goods offered.

3 Determining the transaction price

4 Allocating the transaction price to the performance obligations

5 Recognising revenue when/as performance obligation(s) are satisfied.

Accommodation, catering and conferences

Revenue is recognised when control of goods or services is transferred to the customer, reflecting the amount to which the group expects to be entitled in exchange for those goods or services. For accommodation, catering and conferences the performance obligations are delivered when services are rendered, and the revenue is recognised immediately the obligation is performed.

The customers for the company include the government and related organisations and private customers, these are from both local and international.

Room revenue

Revenue from room rentals is recognised over the period of the guest's stay, as the service is rendered. Payment is typically received at check-in or check-out, and any advance deposits are recognised as contract liabilities until the service is provided.

Catering (food and beverage) revenue

Revenue from the sale of food and beverages is recognised at the point in time when the goods are provided to guests, which is generally upon delivery at the hotel's restaurants, bars, or through room service.

Other ancillary services

Revenue from other services (such as conference facilities, spa treatments, laundry, and parking) is recognised when the service is rendered to the customer.

Guest loyalty program

The group operates a loyalty programme, and a portion of the transaction price is allocated to the loyalty points based on their relative standalone selling price. Revenue allocated to loyalty points is recognised when the points are redeemed or expire.

Provision is made for the estimated liability arising from the issue of benefits under the group's customer reward programmes, based on the value of rewards earned by the programme members, and the expected utilisation of these rewards. The value attributed to these awards is deferred as a liability included in contract liabilities in the statement of financial position and released to profit or loss as the awards are redeemed. The expected utilisation is determined through consideration of historical usage and forfeiture rates.

All revenue is measured at the fair value of the consideration received or receivable, net of value added tax and discounts.

3.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

To the extent that the group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the group shall determine the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate shall be the weighted average of the borrowing costs applicable to the borrowings of the group that are outstanding during the period other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs that the group capitalises during a period shall not exceed the amount of borrowings costs it incurred during the year.

All other borrowing costs are recognised in profit or loss using the effective interest method.

3.10 Provisions

Provisions comprise provisions raised for disputes with a specific service provider and are recognised when the group has a present legal or constructive obligation that can be estimated reliably and it is probable that the group will be required to settle that obligation. Provisions are estimated at the directors' best estimate of the expenditure required to settle the obligation at the reporting date.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11 Financial instruments

Non-derivative financial assets and financial liabilities

Recognition
Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the financial instrument.

Classification and initial measurement of financial assets
On initial recognition, financial assets are measured at fair value plus directly attributable transaction costs, unless the instrument is classified as at fair value through profit or loss.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the group does not have any financial assets categorised as FVTPL and FVOCI.

The classification is determined by both:
- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets
Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Classification and measurement of financial liabilities
The group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Derecognition
Financial assets are derecognised if the group's contractual rights to the cash flows from the financial assets expire or if the group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the group's obligations specified in the contract expire or are discharged or cancelled.

Offsetting
Financial assets and liabilities are set off and the net amount presented in the statements of financial position when, and only when, the group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the group's trading activity.

The group has the following financial assets which are all classified as loans and receivables:

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11 Financial instruments (continued)

Trade receivables
Trade receivables are measured on initial recognition at fair value, being the consideration expected to be received on settlement plus directly attributable costs. Subsequent measurement is at amortised cost using the effective interest method less impairment losses. Appropriate impairment allowances are recognised in the profit or loss when there is objective evidence that the asset is impaired.

Amounts due from related parties
Amounts due from related parties are measured on initial recognition at fair value, being the consideration expected to be received on settlement plus directly attributable costs. Subsequent measurement is at amortised cost using the effective interest method less impairment losses.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value. Cash and cash equivalents are measured at amortised cost which approximates fair value. For the purposes of the statements of cash flows, cash and cash equivalents include bank overdrafts.

The group has the following financial liabilities:

Loans and borrowings
Interest-bearing bank loans and overdrafts are initially measured at fair value plus transaction costs, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs (see note 3.9).

Corporate bonds
Corporate bonds are initially measured at fair value plus transaction costs and are subsequently measured at amortised cost, using the effective interest method.

Trade payables and accruals
Trade payables are initially measured at fair value, being the amount expected to be incurred on settlement plus directly attributable transaction costs. Subsequent measurement is at amortised cost using the effective interest method.

Amounts due to related parties
Amounts due to related parties are initially measured at fair value, being the amount expected to be incurred on settlement plus directly attributable transaction costs. Subsequent measurement is at amortised cost using the effective interest method.

3.12 Impairment

Financial assets
IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'.

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the group first identifying a credit loss event. Instead the group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second and third category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment (continued)

Trade and other receivables and contract assets
The group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Non-financial assets
The carrying amounts of the group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the group at which management monitors goodwill.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to the units to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.13 Earnings per share

The group presents basic and diluted earnings per share (EPS) data for its ordinary shares. The calculation of basic earnings per share is based on the profit or loss attributable to ordinary shareholders for the year and the weighted average number of shares in issue throughout the year. Where new equity shares have been issued by way of capitalisation or share split, the profit is apportioned over the shares in issue after the capitalisation or subdivision and the corresponding figures for all earlier periods are adjusted accordingly. Where there are no dilutive effects to the shares in issue, the basic and dilutive EPS is the same.

3.14 Dividend per share
The calculation of dividend per share is based on the dividends payable to shareholders (inclusive of the related withholding tax) during the year divided by the number of ordinary shares on the register of shareholders at the date of payment.

3.15 Operating segments
An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. All operating segments' operating results are reviewed regularly by the group's CEO, who is the chief operating decision maker, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the group's headquarters), head office expenses, and income tax assets and liabilities.

3.16 Finance costs/income
Finance cost comprise interest expense on borrowings recognised on financial assets that are recognised in profit or loss. Finance income is recognised in the profit and loss when it is earned.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.17 Share capital, share premium and reserves

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are shown in equity as a deduction, net of tax, from the proceeds and are included in the share premium account.

Equity instruments are recorded at the proceeds received, net of direct issue cost.

3.18 Government grants

Government grants are recognised initially as contract liabilities at fair value when there is reasonable assurance that they will be received and the group will comply with the conditions associated with the grant.

Grants relating to the cost of an asset are subsequently recognised in profit or loss on a systematic basis over the useful life of the asset. Grants that compensate the group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised.

3.19 Commitments

Commitments represent goods/services that have been contracted for, but for which no delivery has taken place at the reporting date. Commitments also include capital expenditure authorised but not contracted for. These amounts are not recognised in the statements of financial position as a liability or as expenditure in the statements of profit or loss and other comprehensive income, but are however disclosed as part of the disclosure notes.

3.20 Other income

Dividend income

Dividend income is recognised when the right to receive income is established.

Management fees

Management fee income is recognised on an accrual basis in accordance with the relevant agreements, as and when services are provided.

3.21 Foreign currency gains and losses

Foreign currency gains and losses are reported on a net basis.

3.22 Operating profit

Operating profit is the result generated from the continuing principal revenue producing activities of the group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs and income taxes.

3.23 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the group has access at that date. The fair value of a liability reflects its non-performance risk.

4. FINANCIAL RISK MANAGEMENT

Overview

The group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk.

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated and company financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Committee oversees how management monitors compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Committee.

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NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers and related parties and cash and deposits with financial institutions.

Cash and cash equivalents

The group places its cash with banks licensed by the central bank, the Reserve Bank of Malawi.

Amounts due from related parties

Management assesses the credit quality of a related party taking into account its financial position and past experience. The utilisation of credit limits are regularly monitored with reference to historical information about default rates.

Trade and other receivables

The group's credit risk is primarily attributed to credit facilities extended to its customers. No interest is charged on trade receivables for overdue debts. The amounts presented in the statement of financial position are net of allowance for credit losses. The specific allowance is estimated by management based on prior experience and current economic environment. The group has an established credit policy under which each new customer is analysed individually for creditworthiness before the group's standard payment and delivery terms and conditions are offered. The group's review includes bank and supplier references. Credit limits are established for each customer and these are reviewed quarterly. Customers who fail to meet the group's benchmark creditworthiness may transact with the group only on a cash basis.

The group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures.

4.2 Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The group uses strong cash forecasting systems which assist it in monitoring cash flow requirements. This is further enhanced by reviewing actual cash flows against the forecasts, learning from past trends and preparing updated rolling forecasts to replace earlier less reliable forecasts. Typically the group ensures that it has sufficient cash on demand to meet expected operational expenses and servicing of financial obligations. In addition, the group and the company maintains the following lines of credit:

- **MK150 million** (2024: MK150 million) overdraft facility with Standard Bank plc whose interest rate is at the bank's base lending rate plus 360 basis points, currently at **25.3% per annum** (2024: 26.3%).

All the above facilities are secured over the group's property. The overdraft facilities are repayable on demand and are renewed annually.

4.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The group is exposed to currency risk on sales, purchases and administrative expenses that are denominated in a currency other than the functional currencies of group entities primarily the Malawi Kwacha. The currencies in which these transactions are primarily denominated are Euro, USD, GBP and South African Rand.

All purchases in foreign currency are economically hedged by Foreign Currency Denominated Accounts (FCDAs) in the same currencies. Any purchase in USD is paid for using funds in a USD account and the same applies to Euro, GBP and South African Rand. Similarly, loans in foreign currency are repaid using funds in an FCDA account of the same currency. The group generates foreign currency through its normal operations but opts to set aside foreign currency funds in FCDA accounts to cover its foreign currency denominated liabilities as a hedge.

Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations of the group, primarily Kwacha, but also USD. This provides an economic hedge and no derivatives are entered into.

(ii) Interest rate risk

The group adopts a policy of ensuring that some borrowings are at fixed rates and others are at variable rates depending on the currency of the borrowings, terms and conditions.

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NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.4 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board through its Finance and Audit Committee, monitors its capital adequacy and capital returns to ensure that it remains a going concern while maximising returns to shareholders.

The capital structure of the group comprises of share capital and share premium, revaluation reserves and retained earnings as disclosed on the statements of changes in equity.

The Finance and Audit Committee reviews the capital structure on a regular basis. As part of this review, the Committee considers the cost of capital and its associated risks. Based on recommendations of the Committee, the group will balance its overall capital structure through the payment of dividends and revaluations of its assets.

There were no changes in the group's approach to capital management during the year. Neither the company nor its subsidiary are subject to any externally imposed capital requirements.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

5.1 Critical judgements in applying the group's significant accounting policies

5.1.1 Valuation of properties

The group carries its properties at revaluation model. Mr R. Ngwira MSc (Project management) Bsc (Property management – Hon), a qualified valuer, of MPICO plc, valued the properties of the group as at 31 December 2025 on an open market value basis using the income approach methodology. Key assumptions made for the purpose of the valuation were: that the lease will be renewed by the Malawi Government upon expiry; that the useful life will exceed 50 years from date of valuation; and allowances were made for age and obsolescence.

The valuation technique used in measuring the fair values of property and equipment, as well as the significant unobservable inputs used are presented below:

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The valuation expert adopted an income approach basis using the combination of income, cost and comparable market approaches.	To arrive at his opinion, the valuer used many factors including some unobservable inputs. The major assumption used in valuation of properties on the hotels included: - profits generated by the property for the past three years (2023 – 2025); - the property yield rates arrived at by taking into account the quality and location of the property among other things. The valuer used yield rates ranging between 5%-9%; and - operating environment; state of repair of the properties; and the location of the related hotel property. Capital growth per annum ranging from 10%-30%.	The estimated fair value would increase (decrease) if: – expected profits generated by the property were higher (lower); and – the property yield rates were lower (higher). For instance: – an increase or decrease of 10% of the expected profit will increase the property value by 9.50% or decrease by 9.51%; – an increase or decrease of 10% of the property yield will decrease property value by 7.73% or increase in property by 9.17%.

The fair value measurements have been categorised as Level 3 as defined by *IFRS 13: Fair Value Measurements* for value based on inputs to the valuation techniques used.

5.2 Key sources of estimation and uncertainty

5.2.1 Impairment of trade and other receivables

Trade and other receivables are substantially denominated in Malawi Kwacha. The carrying amounts of trade and other receivables are presented net of specific allowances for impairment losses. The specific provision is estimated by management based on prior experience and current economic environment.

In making the estimate, management makes an assessment of whether there is objective evidence impairment loss, taking into consideration all the relevant information available to the entity at the end of the reporting period. This may include information regarding the financial position of the related customers, whether there are any balances disputed by the customers, repayment history and any indication that a debtor experiences financial difficulties or could enter bankruptcy as well as the historical loss experiences.

SUNBIRD TOURISM PLC
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In thousands of Malawi Kwacha

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

5.2 Key sources of estimation and uncertainty (continued)

5.2.2 Inventory provisions for obsolete stock

An estimate of obsolete and slow-moving stock is made taking into consideration existing conditions at the end of the period. In making the estimate, management makes an assessment to identify slow moving inventory items, obsolete products and those nearing expiry.

5.2.3 Legal claims

An estimate of legal claims made against the group in the ordinary course of business, whose outcome is uncertain has been disclosed in the note on contingent liabilities. The amount disclosed represents an estimated cost to the group and company in the event that legal proceedings find the group to be in the wrong. The estimate is provided by the group's lawyers.

6. PROPERTY AND EQUIPMENT

See accounting policy 3.1

Group 2025	Freehold property	Leasehold property	Vehicles & equipment	Capital Work in progress	Total
Revaluation/Cost					
At 1 January 2025	39 244 010	47 494 400	12 370 249	9 424 199	108 532 858
Additions	8 334	52 254	1 738 572	22 432 578	24 231 738
Work in progress capitalised	612 457	14 957 587	2 048 270	(17 618 314)	-
Transfer to intangible assets (Note 8)	-	-	(22 280)	-	(22 280)
Reclassification	-	(61 382)	61 382	-	-
WIP transferred to stocks	-	-	-	(5 424)	(5 424)
Revaluation surplus	47 644 694	53 639 704	-	-	101 284 398
Disposals	-	-	(695 655)	-	(695 655)
At 31 December 2025	87 509 495	116 082 563	15 500 538	14 233 039	233 325 635
Accumulated depreciation					
At 1 January 2025	-	-	5 138 272	-	5 138 272
Charge for the year	170 875	210 426	1 511 794		1 893 095
Transfer to intangible assets (Note 8)	-	-	(20 540)	-	(20 540)
Revaluation surplus	(170 875)	(210 426)	-	-	(381 301)
Eliminated on disposals	-	-	(552 963)	-	(552 963)
At 31 December 2025	-	-	6 076 563	-	6 076 563
Carrying value					
At 31 December 2025	87 509 495	116 082 563	9 423 975	14 233 039	227 249 072

SUNBIRD TOURISM PLC
NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025
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6. PROPERTY AND EQUIPMENT (CONTINUED)

See accounting policy 3.1

	Freehold Property	Leasehold property	Vehicles & equipment	Capital Work in progress	Total
Company					
2025					
Revaluation / Cost					
At 1 January 2025	39 244 010	47 494 400	12 370 249	9 424 199	108 532 858
Additions	8 334	52 254	1 591 261	22 432 931	24 084 780
Work in progress capitalised	612 457	14 957 587	2 048 270	(17 618 314)	-
Transfer to subsidiary	(577 920)	(344 400)	(167 224)	-	(1 089 544)
Transfer to intangible assets (Note 8)	-	-	(22 280)	-	(22 280)
Reclassification	-	(61 382)	61 382	-	-
WIP transferred to stock	-	-	-	(5 424)	(5 424)
Revaluation surplus	47 469 279	53 639 704	-	-	101 108 983
Disposals	-	-	(679 639)	-	(679 639)
At 31 December 2025	86 756 160	115 738 163	15 202 019	14 233 392	231 929 734
2024					
Revaluation / Cost					
At 1 January 2024	32 923 169	31 259 170	8 438 124	1 280 996	73 901 459
Additions	88 523	40 952	3 893 102	9 261 899	13 284 476
Work in progress capitalised	728 891	128 920	260 885	(1 118 696)	-
Revaluation surplus	5 503 427	16 065 358	-	-	21 568 785
Disposals	-	-	(221 862)	-	(221 862)
At 31 December 2024	39 244 010	47 494 400	12 370 249	9 424 199	108 532 858
Accumulated depreciation					
2025					
At 1 January 2025	-	-	5 138 272	-	5 138 272
Charge for the year	161 667	210 426	1 500 866	-	1 872 959
Transferred to subsidiary	-	-	(139 329)	-	(139 329)
Release on revaluation	(161 667)	(210 426)	-	-	(372 093)
Transfer to intangible asset (Note 8)	-	-	(20 540)	-	(20 540)
Eliminated on disposals	-	-	(539 281)	-	(539 281)
At 31 December 2025	-	-	5 939 988	-	5 939 988
2024					
At 1 January 2024	-	-	4 166 251	-	4 166 251
Charge for the year	128 363	177 164	1 151 028	-	1 456 555
Release on revaluation	(128 363)	(177 164)	-	-	(305 527)
Eliminated on disposals	-	-	(179 007)	-	(179 007)
At 31 December 2024	-	-	5 138 272	-	5 138 272
Carrying amounts					
At 31 December 2025	86 756 160	115 738 163	9 262 031	14 233 392	225 989 746
At 31 December 2024	39 244 010	47 494 400	7 231 977	9 424 199	103 394 586

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6. PROPERTY AND EQUIPMENT (CONTINUED)

See accounting policy 3.1

Additions

Additions to property and equipment comprise the following:

	Group 2025	Company 2025	Company 2024
Assets acquired at cost	20 346 897	20 199 939	12 723 996
Interest capitalised into assets	3 884 841	3 884 841	560 480
Total asset additions	**24 231 738**	**24 084 780**	13 284 476

Land and buildings for the group were valued as at 31 December 2025 by Mr. R Ngwira, MSc: Property management; Bsc. (Hons) Property Management, a qualified and independent valuer on an open market value basis using the income approach methodology.

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

	Group 2025	Company 2025	Company 2024
Cost	41 734 781	41 576 101	26 104 149
Accumulated depreciation	(3 190 801)	(3 188 099)	(3 182 466)
Carrying amount	**38 543 980**	**38 388 002**	22 921 683

The registers of land and buildings are available for inspection at the registered office of the group.

The fair value measurement of land and buildings of **MK203.6 billion** (2024: MK86.7 billion) has been categorised as a level three fair value based on the inputs to the valuation techniques - see note 5.1.1.

The freehold property includes freehold land with a carrying amount of **MK15.9 billion** (2024: MK12.7 billion) and the leasehold property includes leasehold land with a carrying amount of **MK8.9 billion** (2024: MK7.8 billion). Land whether leasehold or freehold is not depreciated and is carried at revalued amount.

At 31 December 2025, properties, with a carrying amount of **MK92.9 billion** (2024: MK56.1 billion) were subject to a registered form of security for corporate bond of **MK16.5 billion** (2024: K16.5 billion) and short term facilities such as bank overdraft **K35.4 billion** (2024: K10.9 billion). Motor vehicles pledged as security for asset loans amounted to **MK1.9 billion** (2024: MK2.2 billion) (see note 14(a) and 14(b)). Assets with carrying amount of **MK61 million** have been transferred from buildings to equipment, these relate to capitalised beds and cabinets which have been reclassified to furniture and fittings.

Leasehold land

The group has leasehold land where four hotel buildings and one restaurant were constructed, these are 99-year Malawi Government leasehold land. The expectation is that the lease will be renewed by the Malawi Government at the expiry of the lease period. The leased land has indefinite useful life and has been accounted for as land owned by the group.

The carrying amount of the leased land in 2025 was **MK8.9 billion** (2024: MK7.8 billion).

Work in progress

Work in progress represents expenditure incurred on re-development of the group's properties.

7. INVESTMENT IN SUBSIDIARY

See accounting policy 3.3

	Percentage Holding 2025 %	2025
Shares at cost:		
Catering Solutions Limited – issued and fully paid 18 000 ordinary shares of K2 each	100	36

* The authorised share capital of the catering solutions limited is MK60,000 divided into 30,000 ordinary shares of MK2.00 each. The issued and fully paid up share capital is MK36,000 divided into 18,000 ordinary shares of MK2.00 each.

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8. INTANGIBLE ASSETS

Consolidated	Concession	Acquired Software licenses	Work in Progress	Total
Cost				
At 1 January 2025	75 400	446 245	-	521 645
Reclassification	-	22 280	-	22 280
Additions	-	-	241 953	241 953
Disposals	-	(2 088)	-	(2 088)
At 31 December 2025	75 400	466 437	241 953	783 790
Amortisation				
At 1 January 2025	14 106	340 351	-	354 457
Amortisation for the year	5 875	47 350	-	53 225
Transfer from equipment (Note 6)	-	20 540	-	20 540
Disposals	-	(2 088)	-	(2 088)
At 31 December 2025	19 981	406 153	-	426 134
Carrying amounts				
At 31 December 2025	55 419	60 284	241 953	357 656

Company	Concession	Acquired Software licenses	Work in Progress	Total
Cost				
At 1 January 2025	75 400	446 245	-	521 645
Transfer from equipment (Note 6)	-	22 280	-	22 280
Transfer to subsidiary	-	(1 113)	-	(1 113)
Additions	-	-	241 953	241 953
Disposals for the year	-	(2 088)	-	(2 088)
At 31 December 2025	75 400	465 324	241 953	782 677
At 1 January 2024	66 591	462 153	-	528 744
Additions	8 809	-	-	8 809
Disposals for the year	-	(15 908)	-	(15 908)
At 31 December 2024	75 400	446 245	-	521 645
Amortisation				
At 1 January 2025	14 106	340 351	-	354 457
Amortisation for the year	5 875	46 979	-	52 854
Transfer to subsidiary (Note 6)	-	(371)	-	(371)
Reclassification (Note 6)	-	20 540	-	20 540
Disposals for the year	-	(2 088)	-	(2 088)
At 31 December 2025	19 981	405 411	-	425 392
At 1 January 2024	8 398	298 529	-	306 927
Amortisation for the year	5 708	51 555	-	57 263
Disposals for the year	-	(9 733)	-	(9 733)
At 31 December 2024	14 106	340 351	-	354 457
Carrying amounts				
At 31 December 2025	55 419	59 913	241 953	357 285
At 31 December 2024	61 294	105 894	-	167 188

* The company signed an 18-year concession agreement with the Government of Malawi for management of Chintheche Inn in Nkhatabay.

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9. INVENTORIES

See accounting policy 3.4

	Group 2025	Company 2025	Company 2024
Merchandise	3 596 924	3 552 584	3 970 955
Consumables	2 044 432	1 990 002	1 286 157
Food, drink and tobacco	2 021 241	1 945 562	991 057
	7 662 597	7 488 148	6 248 169

Inventories (merchandise and consumables) have been reduced by the following amounts as a result of the impairment of its carrying value. Such impairment losses were recognised as an expense.

	Group 2025	Company 2025	Company 2024
Impairment of inventories	140 918	140 918	183 454

10. TRADE AND OTHER RECEIVABLES

See accounting policy 3.11

	Group 2025	Company 2025	Company 2024
Trade receivables	4 182 361	4 021 111	4 099 324
Allowance for expected credit losses	(341 482)	(323 975)	(577 575)
Trade receivables	3 840 879	3 697 136	3 521 749
Other receivables	1 449 382	1 398 858	1 025 049
	5 290 261	5 095 994	4 546 798
Trade receivables from related parties (note 11)	1 792 184	2 822 191	2 688 639
Total receivables	7 082 445	7 918 185	7 235 437
Other receivables are made up of:			
Staff debtors	327 353	327 653	188 371
Other sundry receipts	-	-	157 869
Claimable Value Added Tax (VAT) *	421 401	382 065	275 261
Prepayments *	700 628	689 140	403 548
	1 449 382	1 398 858	1 025 049

* Not a financial asset
Information on financial risk management is included in notes 4 and 25.

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11. RELATED PARTY TRANSACTIONS

See accounting policy 3.11

Parent and ultimate controlling party
The group's related parties comprise of the holding company and its subsidiary, directors, shareholders, management contract entity, and key management personnel. Material balances and transactions are as follows:

Transactions with related parties	Group 2025	Company 2025	Company 2024
Revenue and other income			
Malawi Government and related entities: (shareholder and entities under common shareholding)			
Accommodation, catering and conferences revenue	19 704 375	17 524 758	17 200 453
Press Corporation Plc and related entities: (shareholder and entities under common shareholding)			
Accommodation, catering and conferences revenues	1 013 427	1 013 428	846 992
Catering Solutions Limited: (Subsidiary)			
Management fees and dividends received	-	650 000	-
	20 717 802	19 188 186	18 047 445
Administrative and other expenses			
Tevet levy:			
Malawi Government: (Shareholder)	99 378	96 817	75 004
Electricity and water bills:			
Malawi Government related entities: (shareholder and entities under common shareholding)	3 262 782	3 183 569	2 898 999
	3 362 160	3 280 386	2 974 003
Amounts due from related parties			
Malawi Government and related parties: (shareholder and entities under common shareholding)	1 783 988	1 359 042	2 688 639
Press Corporation Plc and related parties	167 534	167 534	-
Allowance for expected credit losses	(159 338)	(123 499)	-
	1 792 184	1 403 077	2 688 639
Assets transferred to subsidiary			
Catering Solutions Limited** (Subsidiary)	-	1 419 114	-
	1 792 184	2 822 191	2 688 639
Amounts due to related parties			
Malawi Government and related entities: : (shareholder and entities under common shareholding)			
Advance deposits *	1 035 845	1 035 845	990 676
Other payables	572 411	563 210	427 449
	1 608 256	1 599 055	1 420 279

* Not a financial liability as these are advanced customer deposits.
** The parent company transferred assets to the subsidiary as part of the initial set up of the company.

These balances arose from the normal course of trading between the group and related parties at arm's length and are to be settled within a year of the reporting date. None of the balances are secured.

Compensation of key management personnel
The key management personnel comprise the executive officers of the group.

In addition to salaries, the group also provides non-cash benefits by way of contribution to a defined contribution pension plan on their behalf. In accordance with the plan, executive officers contribute **5%** (2024: 5%) of their basic pay while the group contributes **12.1%** (2024: 12.1%) of the basic pay.

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11. RELATED PARTY TRANSACTIONS (CONTINUED)

See accounting policy 3.11

Salary and cash benefits for the year were as follows:

	Group 2025	Company 2025	Company 2024
Short-term benefits (salary and bonus)	797 863	780 838	748 358
Post-employment benefits (Employer pension contribution)	96 541	94 481	91 361
	894 404	875 319	839 719
Directors' remuneration	327 511	325 571	215 094

Information on financial risk management is included in notes 4 and 25.

12. CASH AND CASH EQUIVALENTS

See accounting policy 3.11

	Group 2025	Company 2025	Company 2024
Cash at bank	857 594	853 643	924 298
Short term investments	862 420	862 420	2 596 986
Total Cash	1 720 014	1 716 063	3 521 284
Bank overdrafts	(138 024)	(138 024)	-
	1 581 990	1 578 039	3 521 284

Foreign currency cash equivalent

	31 December 2025 Malawi Kwacha equivalent of				31 December 2024 Malawi Kwacha equivalent of			
	USD	ZAR	GBP	Euro	USD	ZAR	GBP	Euro
Currency	683 533	73 484	7 493	5 251	1 652 857	22 664	1 842	121

The group has a bank overdraft facility of **MK150 million** (2024: MK150 million) which is secured by a charge over the group's assets in favour of Standard Bank Plc. The carrying amount of assets pledged as security as at 31 December 2025 was **MK35.4 billion** (2024: K10.9 billion). Interest is charged at the bank's base lending rate plus 360 basis points currently at **28.9%** per annum (2024: 26.3%). Deposits on current accounts do not attract interest while short term investments attract average interests of **8%** for the dollar investments and **25%** for Kwacha investments (2024: 8% Dollar, 25.0% Kwacha). The short-term investments are for less than 90 days. The facilities are repayable on demand and are renewed annually.

Information on financial risk management is included in notes 4 and 25.

13. SHARE CAPITAL

See accounting policy 3.17

	Group and Company 2025	Group and Company 2024
Authorised		
280,000,000 (2024: 280,000,000) Ordinary shares of 5 tambala each	14 000	14 000
Issued and fully paid		
261,582,580 (2024: 261,582,580) Ordinary shares of 5 tambala each	13 079	13 079

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the group.

SHARE PREMIUM

	2025	2024
The share premium arose following the issue of 4,270,105 shares at 51 tambala per share.	1 966	1 966

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14. LOANS AND BORROWINGS
CORPORATE BONDS AND OTHER BORROWINGS

See accounting policy 3.11

Group 2025	Corporate bonds Note 14(a)	Vehicle and asset finance loan Note 14(b)	Insurance premium finance loan	Total
1 January 2025	**11 571 024**	**2 222 114**	**640**	**13 793 778**
Additions	**5 000 000**	**384 585**	**598 176**	**5 982 761**
Interest charged*	**3 884 841**	**544 613**	**67 715**	**4 497 169**
Interest paid	**(3 955 865)**	**(544 613)**	**(67 715)**	**(4 568 193)**
Capital repayments	**-**	**(571 820)**	**(598 816)**	**(1 170 636)**
31 December 2025	**16 500 000**	**2 034 879**	**-**	**18 534 879**
Company				
2025				
1 January 2025	**11 571 024**	**2 222 114**	**640**	**13 793 778**
Additions	**5 000 000**	**384 585**	**598 176**	**5 982 761**
Transferred to subsidiary	**-**	**(131 133)**	**-**	**(131 133)**
Interest charged*	**3 884 841**	**543 763**	**67 715**	**4 496 319**
Interest paid	**(3 955 865)**	**(543 763)**	**(67 715)**	**(4 567 343)**
Capital repayments	**-**	**(571 820)**	**(598 816)**	**(1 170 636)**
31 December 2025	**16 500 000**	**1 903 746**	**-**	**18 403 746**
2024				
1 January 2024	9 424 935	39 319	-	9 464 254
Additions	10 000 000	2 834 384	399 838	13 234 222
Interest charged*	2 371 209	339 816	49 733	2 760 758
Interest paid	(2 365 120)	(339 816)	(49 733)	(2 754 669)
Capital repayments	(7 860 000)	(651 589)	(399 198)	(8 910 787)
31 December 2024	11 571 024	2 222 114	640	13 793 778

* Interest charged to statement of profit or loss include interest on overdraft of **MK29 million** and **MK611 million** interest on vehicle and asset finance. This excludes interest capitalised into assets of **K4.0 billion** as disclosed in note 22b to the financial statements.

14(a) CORPORATE BONDS

See accounting policy 3.11

	Currency	Year of maturity	Group and Company Carrying amount 2025	2024
Old Mutual Investment Group	MK	2026	**500 000**	571 024
Old Mutual Investment Group	MK	2027	**300 000**	300 000
Old Mutual Investment Group	MK	2028	**700 000**	700 000
NBM Capital Markets Limited	MK	2031	**10 000 000**	10 000 000
Old Mutual Investment Group	MK	2032	**5 000 000**	-
TOTAL			**16 500 000**	11 571 024
Disclosed under:				
Current liabilities			**500 000**	71 024
Non-current liabilities			**16 000 000**	11 500 000
At 31 December			**16 500 000**	11 571 024

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14. LOANS AND BORROWINGS (CONTINUED)

CORPORATE BONDS AND OTHER BORROWINGS (CONTINUED)

14(a) CORPORATE BONDS (CONTINUED)

See accounting policy 3.11

		Group and Company	
Subscribers	Arranger	2025	2024
National Bank Pension Fund	NBM Capital Markets	**2 500 000**	2 500 000
NBM Unrestricted Fund	NBM Capital Markets	**3 000 000**	3 000 000
CEAR Pension Fund	NBM Capital Markets	**150 000**	150 000
Malawi Bureau of Standards	NBM Capital Markets	**500 000**	500 000
Madzi Pension Fund	NBM Capital Markets	**500 000**	500 000
National Bank of Malawi	NBM Capital Markets	**3 350 000**	3 350 000
Public Service Pension Trust Fund	Old Mutual Investment Group	**730 000**	230 000
Old Mutual Life Assurance Company	Old Mutual Investment Group	**3 030 000**	530 000
CHAM Pension Fund	Old Mutual Investment Group	**376 000**	126 000
RBM Pension Fund	Old Mutual Investment Group	**440 000**	190 000
Magetsi Pension Fund	Old Mutual Investment Group	**438 000**	138 000
Madzi Pension Fund	Old Mutual Investment Group	**169 000**	69 000
TNM Pension Fund	Old Mutual Investment Group	**157 000**	57 000
OMUT IBA Fund	Old Mutual Investment Group	**315 000**	115 000
OMUT Balanced Fund	Old Mutual Investment Group	**100 000**	-
MPC Pension Fund	Old Mutual Investment Group	**84 000**	34 000
Aviation Pension Fund	Old Mutual Investment Group	**61 000**	11 000
FCB Pension Fund	Old Mutual Investment Group	**150 000**	-
FDH Pension Fund	Old Mutual Investment Group	**200 000**	-
MUST Pension Fund	Old Mutual Investment Group	**50 000**	-
SUCOMA Pension Fund	Old Mutual Investment Group	**200 000**	-
TOTAL	NBM Capital Markets	**16 500 000**	11 500 000

The group issued corporate bonds as a private placement. The notes were offered to investors on a floating rate basis, to be re-priced quarterly with interest rate at an arithmetic average of 182-day and 364-day treasury bill yield plus a variable margin of between 2.0% to 7.4%.

During the year, further subscriptions were received from Old Mutual Investment Group amounting to **MK5 billion** (2024: MK10 billion). The proceeds were used for various projects within the group. The bonds are secured over land and buildings of the group valued at **MK92.9 billion** (2024: MK56.1 billion).

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14(b) OTHER LOANS AND BORROWINGS

See accounting policy 3.11

The group has asset finance loan facility of **MK3.1 billion** from Standard Bank of Malawi Plc to cater for procurement of motor vehicles and other assets repayable over three to five years. Interest on the facility is charged at 1.9% above the bank reference rate which is currently **25.3% per annum** (2024: 25.3% per annum). The motor vehicles are used to secure the loans. The net carrying amount of loan was as follows:

	Amortised cost Group	Amortised cost Company	
	2025	2025	2024
At 1 January	**2 222 114**	**2 222 114**	39 319
Additions	**384 585**	**384 585**	2 834 384
Transfer to subsidiary	**-**	**(131 133)**	-
Interest charged	**544 613**	**543 763**	339 816
Interest paid	**(544 613)**	**(543 763)**	(339 816)
Repayment during the year	**(571 820)**	**(571 820)**	(651 589)
At 31 December	**2 034 879**	**1 903 746**	2 222 114

INSURANCE PREMIUM FINANCE LOAN

The group has insurance premium facility of **K600 million** from Standard Bank of Malawi Plc for financing of insurance premiums. The loan is payable in 12 months. Interest on the facility is charged at 1.0% above the bank reference rate which is currently **25.3% per annum.** The loan is secured over land and buildings of the group valued at **MK34.6 billion**. The net carrying amount of the loan was as follows:

	Amortised Cost Group	Amortised Cost Company	
	2025	2025	2024
At 1 January	**640**	**640**	-
Additions	**598 176**	**598 176**	399 838
Interest charged	**67 715**	**67 715**	49 733
Interest paid	**(67 715)**	**(67 715)**	(49 733)
Repayment during the year	**(598 816)**	**(598 816)**	(399 198)
At 31 December	**-**	**-**	640
Disclosed under:			
Current liabilities	**-**	**-**	640

Disclosed under:			
Current liabilities:			
Vehicle and asset finance loan	**532 036**	**498 424**	498 424
Insurance premium finance loan	**-**	**-**	640
Total	**532 036**	**498 424**	499 064
Non-current liabilities	**1 502 843**	**1 405 322**	1 723 690
At 31 December	**2 034 879**	**1 903 746**	2 222 754

Information on financial risk management is included in notes 4 and 25.

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15. EMPLOYEE BENEFITS

See accounting policy 3.7

15(a) Pension Plan

The group operates a defined contribution pension plan for some of its employees. The plan is operated by Old Mutual Individual Life Company Limited.

The total cost charged to profit or loss of **MK1.1 billion** (2024: MK853 million) represents contributions payable to this plan by the group at rates specified in the rules of the plan. The respective contribution rates for employees and the employer were **5%** (2024: 5%) and **12.1%** (2024: 13.3%), respectively. The group life cover is under Lifeco Holdings Limited at a rate of 1.5%.

15(b) Short-term employee benefit liabilities

	Group	Company	
	2025	2025	2024
Short-term employee benefits *	515 890	438 006	1 150 868

* Short-term employee benefits relate to gratuity payable at the end of employment contracts, total performance bonus payable for the reporting period and annual leave pay provision. Performance bonus is payable in line with the Sunbird Bonus Policy upon approval by the Board. Based on the policy, the group has a constructive obligation to pay the amounts accrued.

16(a). TRADE AND OTHER PAYABLES

See accounting policy 3.11

	Group	Company	
	2025	2025	2024
Trade payables	5 064 031	4 872 550	1 986 065
Output VAT*	1 142 553	1 102 870	933 780
Guest advance deposits*	2 559 599	2 545 343	1 374 136
Other payables and accruals	1 391 884	1 356 449	1 507 494
	10 158 067	9 877 212	5 801 475
Other payables and accruals include the following:			
Audit fees	140 606	121 976	108 837
Unclaimed dividend	39 321	39 321	30 999
PAYE and Withholding taxes due*	420 376	413 931	366 548
Water and electricity accrued**	-	-	429 603
Tourism levy*	69 867	66 158	56 435
Pension contributions payable*	386 691	385 131	104 398
Other employee obligations	87 726	87 726	44 429
Tevet levy**	-	-	102 079
Other Accruals	247 297	242 206	264 166
	1 391 884	1 356 449	1 507 494

* These balances are not financial liabilities.

** Electricity, Water and Tevet levy have been relocated to related parties.

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16(b). PROVISIONS

See accounting policy 3.10

	Group 2025	Company 2025	Company 2024
At 1 January	1 302 533	1 302 533	
Additional provision in the year	385 725	385 725	
Utilisation of the provision	(773 715)	(773 715)	
At 31 December	914 543	914 543	1 302 533

Provisions relate to legal related cases underway in various courts against the group. The amounts include cases for two former employees which may result in significant settlement, the cases are likely to be concluded in 2026 and payments would be made accordingly.

Information on financial risk management is included in notes 4 and 25.

17. REVENUE

See accounting policy 3.8

	Group 2025	Company 2025	Company 2024
Rooms revenue	26 502 926	26 502 926	23 305 524
Catering revenue	43 522 031	39 925 530	30 153 819
Other revenue	1 720 523	1 594 323	1 135 707
Total	71 745 480	68 022 779	54 595 050

Other revenue includes revenue from other services provided at the hotel to support rooms and catering segments. These services include business centre, water sports, guest transport, swimming pool, health club and other hotel related services.

18. OTHER INCOME

See accounting policy 3.8, 3.20 and 3.22

	Group 2025	Company 2025	Company 2024
Government grants	65 278	65 278	226 117
Dividend received from Catering Solutions Limited	-	650 000	-
Insurance claim proceeds	88 943	88 943	16 792
Exchange gains	13 949	13 949	74 114
Other sundry receipts	37 585	37 585	70 335
Total	205 755	855 755	387 358

19. CONTRACT LIABILITIES/REVENUE

See accounting policy 3.8 and 3.18

Government grants

Duty Waiver Grant
The Malawi Government's Customs and Excise Amendment Order, 2024 under Customs Procedure Codes 4000.442 and 4071.442 extended duty free status to qualifying Tourism Institutions that directly imported qualifying goods as described in the Customs Procedure Code.

In the course of the Redevelopment and Refurbishment program in 2025 the group qualified for duty and excise waiver amounting to **MK600 million** (2024: K117 million). The Grant will be amortised over the estimated useful life of the assets to which it relates.

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19. CONTRACT LIABILITIES/REVENUE (CONTINUED)

Guest loyalty program

The group has a hotel loyalty programme, Sunbird Premier Club which enables members to earn points, funded through hotel assessments, during each qualifying stay at a Sunbird hotel and redeem points at a later date for free accommodation or other benefits. The future redemption liability is calculated by multiplying the number of points expected to be redeemed before they expire by the redemption cost per point.

	Group and Company					
	2025			2024		
	Government Grant	Guest loyalty program	Total	Government Grant	Guest loyalty program	Total
At 1 January	247 555	165 585	413 140	356 674	89 513	446 187
Add: subscription for the year	-	461 529	461 529	-	439 981	439 981
Add: additions during the year	599 990	-	599 990	116 998	-	116 998
Less: Amounts recognised in the statement of profit or loss and comprehensive income	(65 278)	(503 154)	(568 432)	(226 117)	(363 909)	(590 026)
At 31 December	782 267	123 960	906 227	247 555	165 585	413 140
Contract liabilities recognised under:						
Current liabilities	133 882	123 960	257 842	76 978	165 585	242 563
Non-current liabilities	648 385	-	648 385	170 577	-	170 577
	782 267	123 960	906 227	247 555	165 585	413 140

20. COST OF SALES

See accounting policy 3.22

	Group 2025	Company 2025	Company 2024
Food	12 274 818	10 698 821	7 941 920
Beverage	2 767 466	2 627 742	1 624 763
Rooms direct expenses	1 522 777	1 522 777	1 340 217
Catering direct expenses	1 520 908	1 376 124	1 178 377
Other direct costs	149 860	149 860	24 985
Rooms direct labour expenses	1 475 086	1 475 086	1 032 381
Catering direct labour expenses	3 889 030	3 622 181	2 580 735
Total	23 599 945	21 472 591	15 723 378

21a. ADMINISTRATIVE AND OTHER EXPENSES

See accounting policy 3.22

	Group 2025	Company 2025	Company 2024
City and ground rates	96 142	96 142	74 737
Computer telephone and internet expenses	624 900	616 626	496 283
Depreciation and amortisation	1 946 320	1 925 813	1 513 818
Directors' remuneration	327 511	325 571	215 094
Energy, repairs and maintenance costs	5 212 489	5 104 394	4 502 657
Insurance expenses	535 548	535 369	429 980
Laundry expenses	191 338	191 321	119 578
Licenses, permits and subscription*	590 806	581 158	655 386
Listing and secretarial expenses	69 058	69 058	86 893
Loss on disposal of property and equipment	126 466	124 893	9 042
Marketing expenses	904 974	900 858	622 312
Motor vehicle expenses	670 447	607 189	623 658
Travel and postage expenses	455 016	441 233	285 245
Credit card commission	290 981	282 373	235 998
Other administrative expenses	942 939	915 083	486 217
Security	658 516	638 857	551 019
Auditors' remuneration: - current year	174 140	156 140	97 000
- mid-year review	17 623	17 623	8 000
Staff costs: - pension	1 099 102	1 067 479	853 371
- salaries, wages and other costs	10 851 042	10 576 832	8 493 375
Total	25 785 358	25 174 012	20 359 663

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21a. ADMINISTRATIVE AND OTHER EXPENSES (CONTINUED)

See accounting policy 3.22

* Licenses, permits and subscriptions include **MK8.6 million (2024: MK6.9 million)** relating to non-assurance services offered by the auditors.

		Group	Company	
		2025	2025	2024
21b.	**Audit fees**			
	Annual audit of financial statements	174 140	156 140	97 000
	Mid-year review	17 623	17 623	8 000
	Total audit fees	191 763	173 763	105 000
	Other non-assurance services – Tip offs Anonymous	8 625	8 625	6 900
	Total	200 388	182 388	111 900

All fees for services paid to the group's auditors were considered and appropriately approved by the group's audit committee in terms of its non-audit policy.

22. FINANCE COSTS/INCOME

See accounting policy 3.16

		Group	Company	
		2025	2025	2024
22a	**Finance income**			
	Interest income from call account short term investments	76 037	76 037	87 707

		Group	Company	
22b	**Finance costs**	2025	2025	2024
	Finance costs			
	Interest on vehicle asset finance loan	544 613	543 763	339 816
	Interest on bank overdraft	28 589	28 589	23 431
	Interest on insurance premium facility loan	67 715	67 715	49 733
	Interest on corporate bonds	-	-	1 810 729
	Total	640 917	640 067	2 223 709
	Reconciliation of interest paid			
	Accrued Interest at 1 January	71 024	71 024	68 789
	Interest charged to statement of profit or loss	640 917	640 067	2 223 709
	Interest capitalised into assets*	3 884 841	3 884 841	560 480
	Accrued interest at 31 December	-	-	(71 024)
	Interest paid	4 596 782	4 595 932	2 781 954

* The capitalised interest is due to the ongoing construction projects which are financed by corporate bonds, the interest on the bond are capitalised until the asset is fully completed.

23. INCOME TAX EXPENSE

See accounting policy 3.5

23(a) Income tax

	Group	Company	
	2025	2025	2024
Income tax credit			
Current tax	2 344 148	2 068 548	5 410 260
Deferred tax	6 722 976	6 762 671	22 914
Effect of changes in tax rate	531 928	531 928	533 195
Total income tax expense	9 599 052	9 363 147	5 966 369

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23. INCOME TAX EXPENSE (CONTINUED)

See accounting policy 3.5

	Group		Company			
		2025		2025		2024
Reconciliation of effective tax rate						
Profit before income tax expense		22 077 807		21 798 002		16 590 997
	%		%		%	
Income tax charge at 30% (up to K5 billion)**	6.8	1 500 000	6.9	1 500 000	18.0	3 000 000
Income tax charge at 40% (over K5 billion)**	30.9	6 831 123	30.5	6 654 201	15.9	2 636 399
Final tax on dividend received from subsidiary	-	-	0.3	65 000	-	-
Effect of changes in tax rate	2.4	531 928	2.4	531 928	3.2	533 195
Effect of permanent differences*	3.3	736 001	2.8	612 018	-1.2	(203 225)
Effective rate of tax	43.5	9 599 052	43.0	9 363 147	35.9	5 966 369

* These relate to disallowable income and expenses

** Income tax is charged at 30% the first K5 billion (2024: K10 billion at 30%) and 40% over the K5 billion (2024: over K10 billion) as per Taxation Act amendment act 2025.

23(b) Current tax assets/(liabilities)

	Group 2025	Company 2025	Company 2024
Current tax assets/(liabilities) at 1 January	(929 861)	(929 861)	103 295
Final tax on dividend received from subsidiary	65 000	65 000	-
Income tax paid	5 588 151	5 226 972	4 377 104
	5 653 151	5 291 972	4 377 104
Current year tax charge	(2 344 148)	(2 068 549)	(5 410 260)
Current tax assets/(liabilities) at 31 December	2 379 142	2 293 562	(929 861)

23(c) Deferred tax liabilities

See accounting policy 3.5

	Group 2025	Company 2025	Company 2024
At 1 January	25 824 225	25 824 225	16 270 725
Recognised in profit or loss:			
Deferred tax on accelerated capital allowances	7 210 416	7 210 416	163 603
Deferred tax on provisions	(487 440)	(447 745)	(140 689)
Effect of changes in tax rate	531 928	531 928	533 195
Total recognised in profit or loss	7 254 904	7 294 599	556 109
Recognised in the other comprehensive income			
Deferred tax on property revaluation surplus	40 647 817	40 592 430	7 415 392
Effects of changes in tax rate	2 417 357	2 417 357	1 581 999
Total recognised in other comprehensive income	43 065 174	43 009 787	8 997 391
At 31 December	76 144 303	76 128 611	25 824 225
Analysed as:			
Accelerated capital allowances	13 557 099	13 557 099	5 696 148
Revaluation of property	64 231 789	64 176 403	21 166 614
Deferred tax assets on employment benefits and other provisions	(1 644 585)	(1 604 891)	(1 038 537)
Net deferred tax liabilities	76 144 303	76 128 611	25 824 225

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24(a). EARNINGS PER SHARE (BASIC AND DILUTED)

See accounting policy 3.13

The calculation of basic and diluted earnings per share is based on profit attributable to shareholders of **MK12.5 billion** (2024: MK10.6 billion) and the weighted average number of ordinary shares outstanding during the year of **261,582,580** (2024: 261,582,580) as below:

	Group 2025	Company 2025	Company 2024
Profit for the year (MK'000)	**12 478 755**	**12 434 855**	10 624 628
Weighted average number of shares ('000)	**261 582**	**261 582**	261 582
Earnings per share - Kwacha	**47.70**	**47.54**	40.62

There were no potential ordinary shares in issue, therefore diluted earnings per share equates to basic earnings per share.

24(b). DIVIDEND

See accounting policy 3.20

During the year, a final dividend of **MK2.8 billion** representing MK10.50 per share was paid in respect of the year ended 31 December 2024. In 2024, an interim dividend of **K654 million** was paid, making the total dividend for 2024 to be **MK3.4 billion** representing **MK13.00** per share. An interim dividend on **MK732 million**, representing MK2.80 per share was declared and paid relating to the results for the year ended 31 December 2025. Total dividend paid during the year was **MK3.5 billion** (Final dividend for 2024: **MK2.8 billion** and Interim dividend for 2024: **MK654 million**).

25. FINANCIAL INSTRUMENTS

See accounting policy 3.11

25.1 Accounting classification and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. The carrying amounts are reasonable approximation of the fair values.

At the reporting date there were no financial assets and financial liabilities that were held for trading, designated at fair value, fair value – hedging instruments, and available for sale.

2025	Note	Group Amortised Cost	Company Amortised Cost
Financial assets not measured at fair value			
Trade and other receivables (excluding VAT and prepayments)	10	4 168 232	4 024 789
Amounts due from related parties	11	1 792 184	1 403 097
Cash and cash equivalents (excluding bank overdraft)	12	1 720 014	1 716 064
		7 680 430	7 143 950
Financial liabilities not measured at fair value			
Overdraft	12	138 024	138 024
Trade and other payables	16(a)	5 578 981	5 363 779
Corporate bonds	14(a)	16 500 000	16 500 000
Other loans and borrowings	14(b)	2 034 879	1 903 746
		24 251 884	23 905 549

2024	Note	Company Amortised Costs
Financial assets not measured at fair value		
Trade and other receivables (excluding VAT and prepayments)	10	3 867 989
Amounts due from related parties	11	2 688 639
Cash and cash equivalents (excluding bank overdraft)	12	3 521 284
		10 077 912
Financial liabilities not measured at fair value		
Trade and other payables	16(a)	2 864 090
Corporate bonds	14(a)	11 571 024
Other loans and borrowings	14(b)	2 222 754
		16 657 868

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25. FINANCIAL INSTRUMENTS (CONTINUED)

See accounting policy 3.12

25.2 Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	Group 2025	Company 2025	Company 2024
Trade and other receivables	10	**4 168 232**	**4 024 489**	3 867 989
Amounts due from related parties	11	**1 792 184**	**1 405 096**	2 688 639
Cash and cash equivalents	12	**1 720 014**	**1 716 063**	3 521 284
		7 680 480	**7 145 648**	10 077 912

Receivables

The maximum exposure to credit risk for receivables by receivables category at the reporting date was:

	Note	Group 2025	Company 2025	Company 2024
Trade receivables	10	**4 182 361**	**4 021 111**	3 679 618
Amounts due from related parties	11	**1 951 522**	**1 526 596**	2 688 639
Total trade receivables		**6 133 883**	**5 547 707**	6 368 257
Other receivables				
Staff debtors	10	**327 353**	**327 653**	188 371
Total receivables		**6 461 236**	**5 875 360**	6 556 628

The aging of trade and other receivables at the reporting date was:

Group

31 December 2025

Trade Receivables
Days past due

	Current 1-30 days	31 – 60 days	61 - 90 days	90 - 120 days	Over 120 days		Total
ECL rates	5%	7%	10%	12%	14%	100%	
Carrying amount	3 110 600	1 661 781	362 374	354 512	567 186	77 430	**6 133 883**
Expected credit loss	146 883	116 324	36 238	42 541	81 404	77 430	**500 820**

Company

31 December 2025

	Current 1-30 days	31 – 60 days	61 - 90 days	90 - 120 days	Over 120 days		Total
ECL rates	5%	7%	10%	12%	14%	100%	
Carrying amount	2 979 219	1 485 806	340 779	227 484	436 989	77 430	**5 547 707**
Expected credit loss	143 484	104 006	34 078	27 298	61 178	77 430	**447 474**

31 December 2024

	Current 1-30 days	31 – 60 days	61 - 90 days	90 - 120 days	Over 120 days		Total
ECL rates	5%	7%	9%	10%	11%	100%	
Carrying amount	2 769 735	1 479 323	782 458	464 763	1 267 797	23 887	**6 787 963**
Expected credit loss	138 487	103 553	78 246	55 771	177 631	23 887	**577 575**

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25. FINANCIAL INSTRUMENTS (CONTINUED)

See accounting policy 3.12

25.2 Credit risk (Continued)

	Group	Company	
	2025	2025	2024
Balance at 1 January	577 575	577 575	405 207
Recognised in statement of profit or loss	(76 755)	(130 101)	172 368
Balance at 31 December	500 820	447 474	577 575

Details on how the group manages its credit risk is included in note 4.

25.3 Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements. The amounts are undiscounted:

Group		Carrying amount	Contracted cash flows	6 mths or less	6-12 mths	1-2 years	3-5 years
2025	**Note**						
Non-derivative financial liabilities							
Corporate bonds	14(a)	16 500 000	39 417 499	2 604 533	2 604 533	9 093 800	25 114 633
Borrowings	14(b)	2 034 879	3 104 607	554 419	529 017	1 688 230	332 941
Trade and other payables	16	5 578 981	5 578 981	5 578 981	-	-	-
		24 113 860	48 101 087	8 737 933	3 133 550	10 782 030	25 447 574
Company							
2025							
Non-derivative financial liabilities							
Corporate bonds	14(a)	16 500 000	39 417 499	2 604 533	2 604 533	9 093 800	25 114 633
Borrowings	14(b)	1 903 746	3 072 611	548 705	523 565	1 670 831	329 510
Trade and other payables	16	5 363 779	5 363 779	5 363 779	-	-	-
		23 767 525	47 853 889	8 517 017	3 128 098	10 764 631	25 444 143
2024							
Non-derivative financial liabilities							
Corporate bonds	14(b)	11 571 024	28 944 900	1 433 700	1 433 700	6 534 800	19 542 700
Borrowings	14(c)	2 222 754	3 391 620	523 565	523 565	2 014 980	329 510
Trade and other payables	16	2 864 099	2 864 099	2 864 099	-	-	-
		16 657 877	35 200 619	4 821 364	1 957 265	8 549 780	19 872 210

25.4 Market Risk

25.4.1 Currency Risk

Exposure to currency risk
The summary quantitative data about the group's and company's exposure to currency risk is as follows:

	Group and Company							
	31 December 2025				31 December 2024			
		Malawi Kwacha equivalent of				*Malawi Kwacha equivalent of*		
	USD	ZAR	GBP	Euro	USD	ZAR	GBP	Euro
Cash and cash equivalents	683 533	73 484	7 493	5 251	1 652 857	22 664	1 842	121
Trade and other receivables	99 181	-	-	-	125 271	-	-	-
	782 714	73 484	7 493	5 251	1 778 128	22 664	1 842	121

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25. FINANCIAL INSTRUMENTS (CONTINUED)

25.4 Market Risk (Continued)

25.4.1 Currency Risk (Continued)

The following significant exchange rates applied during the year:

	Average Rate		Reporting Date Spot Rate	
	2025	2024	**2025**	2024
Kwacha/USD	**1 733.83**	1 725.42	**1 733.83**	1 733.83
Kwacha/Rand	**96**	66.87	**100.53**	95.05
Kwacha/GBP	**2 360.82**	2 275.34	**2 404.29**	2 242.13
Kwacha/Euro	**2 020.40**	1 919.37	**2 095.87**	1 858.71

Sensitivity analysis
The group's major foreign currency exposure is in the US Dollar.

A strengthening of the US Dollar, South African Rand, Euro and British Pound by 10 percent against the Kwacha at 31 December would have increased exchange gain by **MK122 million** (2024: exchange gain of MK286 million) which would have been credited to profit or loss. The increase in equity would be **MK86 million** (2024: MK199 million). This analysis is based on foreign exchange rate variations that the group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables in particular interest rates, remain constant.

25.4.2 Interest rate risk

At the reporting date the interest rate profile of the group's interest-bearing financial instruments was:

Variable rate instruments		Carrying Amounts		
	Note	Group	Company	
		2025	**2025**	2024
Other loans and borrowings	14(b)	**2 034 879**	**1 903 746**	2 222 754
Corporate bonds	14(a)	**16 500 000**	**16 500 000**	11 571 024
		18 534 879	**18 403 746**	13 793 778

The prevailing interest rates for these interest bearing facilities are within the region of Reserve Bank Reference rate plus or minus 1-10%. The Reserve Bank reference rate currently is at **25.3%** (2024: 25.3%).

Cash flow sensitivity analysis for variable rate instruments

An increase of 5% in interest rates at the reporting date would have increased interest being charged to the group's profit or loss by **MK238 million** (2024: MK171 million). The decrease in equity would be **MK166 million** (2024: equity would have decreased by MK120 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

26. CAPITAL MANAGEMENT
See accounting policy 4.4

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the movements in the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as financial liabilities (including 'current and non-current borrowings' as shown in the statements of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statements of financial position plus net debt.

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26. CAPITAL MANAGEMENT (CONTINUED)

See accounting policy 4.4

The gearing ratios at 31 December were as follows:

	Note	Group 2024	Company 2025	Company 2024
Corporate bond	14(a)	**16 500 000**	**16 500 000**	11 571 024
Borrowings	14(b)	**2 034 079**	**1 903 746**	2 222 754
Less: cash and cash equivalents	12	**(1 720 014)**	**(1 716 063)**	(3 521 284)
Net debt		**16 814 065**	**16 687 683**	10 272 494
Total equity		**137 530 737**	**137 357 601**	69 930 506
Total capital and net debt		**154 344 802**	**154 045 284**	80 203 000
Gearing ratio		**11%**	**11%**	13%

27. SEGMENTAL REPORTING

See accounting policy 3.15

Business segments

The group has three reportable segments, based on type of products or services being offered. The following summary describes operations of each reportable segment:

Reportable segment	Operations
Room income	Revenue from provision of accommodation to guests.
Catering income	Revenue from sale of food and beverages to guests.
Other income	Revenue from other services provided at the hotel to support rooms and catering segments.

Information provided to the group's Chief Operating Decision Maker is segmented in room income, catering income and other income.

Group 2025	Room income	Catering income	Other services	Total
Total revenue	**26 505 858**	**43 522 031**	**1 720 523**	**71 745 480**
Segment contribution	**22 258 958**	**21 161 736**	**996 374**	**44 417 068**
Other hotel expenses				**(21 698 344)**
Finance costs				**(640 917)**
Profit before income tax expense				**22 077 807**

Company 2025	Room income	Catering income	Other services	Total
Total revenue	**26 505 858**	**39 925 530**	**1 594 323**	**68 022 779**
Segment contribution	**22 258 958**	**19 698 273**	**996 374**	**42 953 605**
Other hotel expenses				**(20 515 536)**
Finance costs				**(640 067)**
Profit before income tax expense				**21 798 002**
2024				
Total revenue	23 305 524	30 153 819	1 135 707	54 595 050
Segment contribution	19 832 346	15 535 428	881 831	36 249 605
Other hotel expenses				(17 434 899)
Finance costs				(2 223 709)
Profit before income tax expense				16 590 997

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27. SEGMENTAL REPORTING (CONTINUED)

See accounting policy 3.16

No discrete information about assets and liabilities relating to the segments is provided to the group's Chief Operating Decision Maker.

Profile of the Target Market Segment
The target market segment of the group is predominantly Commercial, Groups and Conferences, Corporate Organisations and Government Departments.

	Group	Company	
	2025	2025	2024
	%	%	%
Leisure individual	22	22	19
Corporate/Agencies	51	51	50
Corporate groups	22	22	27
Online	5	5	4
Total	100	100	100

	Group	Company	
	2025	2025	2024
Geographical Source of Business The geographical source of business is predominantly domestic:			
Malawi	88	88	90
Africa	7	7	6
Europe	2	2	2
Americas	2	2	1
Other	1	1	1
Total	100	100	100

28. CASH GENERATED FROM OPERATING ACTIVITIES

	Group	Company	
	2025	2025	2024
Profit before tax	22 077 807	21 798 002	16 590 997
Adjusted for:			
Depreciation and amortisation	1 946 320	1 925 813	1 513 818
Loss on disposal of equipment	126 112	124 893	9 915
Impairment of trade and other receivables	(236 093)	(253 600)	(172 368)
Impairment of amounts due from related parties	159 338	123 499	-
Impairment of inventories	(42 536)	(42 536)	(50 021)
Dividend received	-	(650 000)	-
Interest expense	640 917	640 067	2 223 709
Interest received	(76 037)	(76 037)	(87 707)
Increase in inventory	(1 371 892)	(1 197 447)	(2 190 981)
Increase in trade and other receivables	(507 370)	(295 596)	(268 869)
Increase/(decrease) in amounts due to related parties	187 977	178 776	(969 804)
Decrease in amounts due from related parties (Note 11)	1 206 400	1 162 043	117 109
Increase in trade and other payables	4 356 591	4 075 737	438 851
Increase/(decrease) in contract liabilities	15 279	15 279	(26 698)
(Decrease)/increase in provisions	(387 990)	(387 990)	307 068
Decrease/(increase) in employee benefits	(634 978)	(712 863)	48 352
	27 459 845	26 428 040	17 483 371

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29. COMMITMENTS

See accounting policy 3.19

	Group	Company	
	2025	2025	2024
Capital expenditure:			
Authorised and contracted for	19 267 819	18 567 819	16 158 633
Authorised but not contracted for	5 685 188	5 378 393	8 135 298
	24 953 007	23 946 212	24 293 931

These commitments are to be financed from internal sources and existing facilities.

30. CONTINGENCIES

See accounting policy 5.2

Legal claims	-	-	865 000
Tax claims	434 477	434 477	-

The company was recently audited by Malawi Revenue Authority and had tax quantification. The company objected to the findings of the tax audit however, the amounts that may arise in obligation have been disclosed as contingent liability for 2025. The 2024 relates to litigation for the cases that the company is currently defending in courts, these amounts have been fully provided in the current year.

31. EVENTS AFTER REPORTING PERIOD

Subsequent to year end, no events have occurred necessitating adjustments or disclosures in these financial statements.

32. EXCHANGE RATES AND INFLATION

The average of the year-end middle rates of the foreign currencies most affecting the performance of the group are stated below, together with the increase in the National Consumer Price Index, which represents an official measure of inflation.

	Group and Company	
	2025	2024
Kwacha/US dollar	1 733.83	1 725.42
Kwacha/Rand	107.54	96.87
Kwacha/GBP	2 404.29	2 275.34
Kwacha/Euro	2 095.87	1 919.37
Inflation rate (%)	26.0%	32.3

At the end of the year, the Reserve Bank of Malawi reference base-lending rate was **12.5%** (2024: 16%). Commercial banks' base lending rates are 6% to 20% above the prevailing Reserve Bank of Malawi rate.

As at date of signing these financial statements the above exchange rates and inflation had moved as follows:

2025	
Kwacha/US dollar	1 733.83
Kwacha/Rand	108.85
Kwacha/GBP	2 396.61
Kwacha/Euro	2 087.84
Inflation rate (%) (March 2026)	23.8%

SUNBIRD TOURISM PLC

PROXY FORM

I/WE .... (name/s in block letters) of .... (Address) being the member/members of the above-named company and entitled to vote do hereby appoint

1. .... of .... or failing him/her
2. .... of .... or failing him/her
3. **The Chairman of the meeting**

as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the 38th Annual General Meeting of the Company to be held at Mount Soche Hotel, Glyn Jones Road, on Monday 29th June 2026.

	Agenda Item	**Mark where applicable**		
	Ordinary Business	**In favour**	**Against**	**Abstain**
1.	Approval of Minutes of the 37th Annual General Meeting held on 1st July 2025.			
2.	Approval of 2025 Directors Report, Auditors Report and Financial Statements.			
3.	To approve a final dividend of K3.018 billion representing K11.54 per share in respect of the financial year ended 31st December 2025.			
4.	To note the retirement of directors Mr. Vilipo Munthali, Ms. Neema Chambalo, Mr. Godfrey Mtongola, Mr. Chipiliro Phiri, Ms. Pirira Ndaferankhande, Mr. Chauncy Simwaka, Mr Hetherwick Njati and Dr. Betchani Tchereni			
5.	To confirm appointment of following directors:			
	a) Mr. Luciano Mickeus			
	b) Mr. Harold Jiya			
	c) Mr. Andy Koloko			
	d) Mr. Wiskes Nkombezi			
	e) Ms. Gertrude Kawelama			
	f) Mr. Clement Kachemwe			
	g) Dr. Cliff Chiunda			
6.	To approve remuneration for the Chairman and Non-Executive Directors for 2026 as follows:			
	a) Fees • Chairperson from K17,250,000 to K21,562,500 per annum • Committee Chairperson from K16,000,000 to K20,000,000 per annum. • Other non-executive Directors from K15,000,000 to K18,750,000 per annum.			
	b) Sitting Allowances • Chairperson from K700,000 to K875,000 per sitting. • Committee Chairperson from K675,000 to K843,750 per sitting. • Other non-executive Directors from K650,000 to K812,500 per sitting.			

	Agenda Item	Mark where applicable		
	Ordinary Business	**In favour**	**Against**	**Abstain**
7.	To appoint Deloitte, Certified Public Accountants, as Auditors for 2026 and to authorise the Directors to determine their remuneration for the year.			

Signed at ………………………………………………… on this………… day of ……………..………… 2026

Signature ………………………………………………..

Assisted by me (where applicable) (see note 3)……………………………………………………………............

Full name/s of signatory/ies if signing in a representative capacity (see note 4)......................

NOTE:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead.

   A proxy need not be a member of the company.

2. If this proxy form is returned without any indication as to how the proxy should vote, the proxy will be entitled to vote or abstain from voting as he/she thinks fit.

3. A minor must be assisted by his or her guardian.

4. In order to be effective, proxy forms must reach the registered office of the company (Sunbird Corporate Office, Glyn Jones Road, Blantyre) or the Transfer Secretaries (National Bank of Malawi, P.O. Box 945, Blantyre) not later than 24 hours before the meeting.

5. If two or more proxies attend the meeting, then that person attending the meeting whose name appears first on the proxy form and whose name is not deleted shall be regarded as the valid appointed proxy.

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