

NICO UFULU PENSION FUND

AUDITED SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS

TOTAL INCOME
GREW BY
227%
TO MK805.2 BILLION

NET ASSETS
AVAILABLE FOR
BENEFITS GREW BY
199%
TO MK612.5 BILLION

TOTAL FUND
GREW BY
88%
TO MK1,305 BILLION

SUMMARY STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	31-Dec-2025 K'Million	31-Dec-2024 K'Million
Total income	805,186	246,263
Management Expenses	(12,876)	(6,438)
Pension Benefits	(179,795)	(34,780)
Increase in net assets available for benefits for the year	612,515	205,045

SUMMARY STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	31-Dec-2025 K'Million	31-Dec-2024 K'Million
FUNDS EMPLOYED		
General fund account	1,305,413	692,898
NON CURRENT ASSETS		
Investment	1,308,422	694,710
Total non current assets	1,308,422	694,710
CURRENT ASSETS		
Bank balances	972	1,358
Sundry Receivables	78	77
Taxation Recoverable	23	23
Total current assets	1,073	1,458
Total assets	1,309,495	696,168
LIABILITIES		
Amount due to related party	(1,013)	(985)
Payables and accruals	(3,069)	(2,285)
Total liabilities	(4,082)	(3,270)
Total net assets available for benefits	1,305,413	692,898

SUMMARY STATEMENT OF MOVEMENT IN FUND ACCOUNT

	31-Dec-2025 K'Million	31-Dec-2024 K'Million
At the beginning of the year	692,898	487,853
Net Movement in the fund	612,515	205,045
At the end of the year	1,305,413	692,898

SUMMARY STATEMENT OF CASH FLOWS

	31-Dec-2025 K'Million	31-Dec-2024 K'Million
Increase in net assets available for benefits	612,515	205,045
Movement in receivables	(1)	1
Movement in payables	812	1,513
Net cashflow generated from operating activities	613,326	206,559
Cashflow from investing activities		
Increase in investment	(613,712)	(205,330)
Net cash used in investing activities	(613,712)	(205,330)
Net change in cash and cash equivalents	(386)	1,229
Cash and cash equivalents at the beginning of the year	1,358	129
Cash and cash equivalents at the end of the year	972	1,358

INTRODUCTION

The NICO Ufulu Pension Fund is an unrestricted retirement fund for individuals and employer sponsored pension schemes set up by a definitive trust deed where pension funds are invested collectively. The Fund has individual trustees who provide oversight duties and NICO Pension Services Limited is the registered administrator of the fund. The fund is guaranteed by NICO Life Insurance Company Limited.

BASIS OF PREPARATION

The Trustees have considered the requirements of the Financial Services Act, 2010 and believe that the summary statements of changes in net assets available for benefits, net assets available for benefits, movement in Fund account and cash flows are sufficient to meet the requirements of the users of the summary financial statements.

The summary financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and the provisions of the Fund's Trust Deed.

The summary financial statements have been derived from the audited financial statements approved by the Board on 30th March 2026. The financial statements are available at the Fund's registered office.

ECONOMIC HIGHLIGHTS

According to the Ministry of Finance, Economic Planning and Decentralization, Malawi's GDP growth is estimated at 2.7% in 2025, up from 1.7% in 2024, supported mainly by improvements in the agriculture, wholesale, and retail sectors. However, overall growth remained constrained by persistent foreign exchange shortages, intermittent fuel supply disruptions, erratic electricity generation, and adverse weather conditions that weighed on agricultural output. These challenges contributed to continued inflationary pressures and the maintenance of high interest rates throughout the year.

Inflationary pressures eased slightly during the period, with headline inflation averaging 28.4% in 2025 compared to 32.3% in 2024, while the monetary policy rate remained unchanged at 26% over the course of the year.

PERFORMANCE

Total income was MK805.2billion as compared to MK246.3billion in 2024 representing an increase of 227%. Increase in net assets available for benefits was MK612.5billion against MK205.0billion for the previous year, representing an increase of 199%. Favorable variance to the prior year is attributable to new individuals and employer sponsored schemes that joined the fund during the year and exceptional performance in investments. Total fund grew to MK1,305.4billion as at 31 December 2025 from the fund balance of MK692.9billion in 2024, representing growth of 88%.

INVESTMENT RETURN

The fund has declared an investment return of 90% for the year 2025 compared to 38.08% for 2024.

OUTLOOK*

Looking ahead to 2026, the Ministry of Finance, Economic Planning and Decentralization projects economic growth of approximately 3.8%, supported by increased production and investment across the agriculture, mining, manufacturing, and tourism sectors. Higher tobacco production and the recommissioning of the Kayelekera uranium mine are also expected to strengthen export earnings.

Inflation is expected to moderate, supported by improved agricultural output and Government interventions on food security. However, risks remain, including global commodity price volatility, persistent foreign exchange shortages, fiscal pressures, and potential continued adjustments in fuel and electricity tariffs. Inflation is projected to remain elevated, averaging approximately 24.8% according to Reserve Bank of Malawi.

The Fund remains well positioned to deliver exceptional service experience, sustainable growth and value for its growing membership despite the expected challenging economic environment in 2026.

By order of the Board



Martin Msimuko
Chairman



Gerald Chima
Chief Executive Officer

17th April, 2026

*Unaudited

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To Members of NICO Ufulu Pension Fund

OPINION

The summary financial statements of NICO Ufulu Pension Fund, which comprise the summary statement of net assets available for benefits as at 31 December 2025, and the summary statement of changes in net assets available for benefits, the summary statement of movement in fund account and the summary statement of cash flows for the year then ended, are derived from the audited financial statements of NICO Ufulu Pension Fund for the year ended 31 December 2025.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements of NICO Ufulu Pension Fund, and on the basis described on the basis of preparation paragraph.

SUMMARY FINANCIAL STATEMENTS

The summary financial statements do not contain all the disclosures required by IFRS Accounting Standards as issued by the International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM), and the provisions of the Fund's Trust Deed. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

THE AUDITED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited financial statements in our report dated 30th March 2026. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the financial statements of the current year. We did not identify any key audit matters in our audit of the financial statements of the current year.

TRUSTEES RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

The Trustees are responsible for the preparation of the summary financial statements in accordance with the basis described on the basis of preparation paragraph.

AUDITOR'S RESPONSIBILITY

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



Chartered Accountants
Christopher Kapenda
Partner

17th April 2026

Deloitte

