

NICO PENSION SERVICES LIMITED

AUDITED SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS

TOTAL INCOME
GREW BY
95%
TO MK14.25 BILLION

PROFIT AFTER TAX
GREW BY
209%
TO MK4.63 BILLION

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | 2025 K'000 | 2024 K'000 |
|-------------------------|-------------------|------------------|
| Total income | 14,253,630 | 7,293,514 |
| Operating expenses | (7,266,970) | (5,145,625) |
| Profit before taxation | 6,986,660 | 2,147,889 |
| Taxation | (2,361,466) | (644,129) |
| Profit after tax | 4,625,194 | 1,503,760 |

SUMMARY STATEMENT OF FINANCIAL POSITION

| | 2025 K'000 | 2024 K'000 |
|--------------------------------------|-------------------|------------------|
| ASSETS | | |
| NON CURRENT ASSETS | | |
| Property and equipment | 231,734 | 193,478 |
| Intangible assets | 948,214 | 1,046,867 |
| Right of use assets | 60,569 | 104,907 |
| Deferred tax | 194,488 | 38,297 |
| Total non current assets | 1,435,005 | 1,383,549 |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 7,657,975 | 1,848,789 |
| Amounts due from related parties | 69,326 | 469,974 |
| Trade and other receivables | 1,974,416 | 3,189,734 |
| Total current assets | 9,701,717 | 5,508,497 |
| Total assets | 11,136,722 | 6,892,046 |
| EQUITY AND LIABILITIES | | |
| SHAREHOLDER'S EQUITY | | |
| Share capital | 1,800 | 1,800 |
| Share premium | 1,048,200 | 1,048,200 |
| Retain earnings | 3,899,000 | 2,573,806 |
| Total equity | 4,949,000 | 3,623,806 |
| NON CURRENT LIABILITIES | | |
| Lease liability | 6,902 | 49,641 |
| Total non current liabilities | 6,902 | 49,641 |
| CURRENT LIABILITIES | | |
| Taxation payable | 1,740,672 | 441,970 |
| Trade and other payables | 4,361,965 | 2,700,759 |
| Lease liability | 78,183 | 75,870 |
| Total current liabilities | 6,180,820 | 3,218,599 |
| Total equity and liabilities | 11,136,722 | 6,892,046 |

SUMMARY STATEMENT OF CHANGES IN EQUITY

| 2025 | Share capital K'000 | Share premium K'000 | Retained earnings K'000 | Total K'000 |
|-------------------------------|------------------------|------------------------|----------------------------|------------------|
| At the beginning of the year | 1,800 | 1,048,200 | 2,573,806 | 3,623,806 |
| Profit for the year | - | - | 4,625,194 | 4,625,194 |
| Dividend paid | - | - | (3,300,000) | (3,300,000) |
| At the end of the year | 1,800 | 1,048,200 | 3,899,000 | 4,949,000 |
| 2024 | | | | |
| At the beginning of the year | 1,800 | 1,048,200 | 2,090,046 | 3,140,046 |
| Profit for the year | - | - | 1,503,760 | 1,503,760 |
| Dividend paid | - | - | (1,020,000) | (1,020,000) |
| At the end of the year | 1,800 | 1,048,200 | 2,573,806 | 3,623,806 |

SUMMARY STATEMENT OF CASH FLOWS

| | 2025 K'000 | 2024 K'000 |
|---|------------------|------------------|
| Net cash generated from operating activities | 8,411,626 | 1,171,159 |
| Net cash generated from investing activities | 737,986 | 203,275 |
| Net cash used in financing activities | (3,340,426) | (1,090,993) |
| Net increase in cash and cash equivalents | 5,809,186 | 283,441 |
| Cash and cash equivalents at the beginning of the year | 1,848,789 | 1,565,348 |
| Cash and cash equivalents at the end of the year | 7,657,975 | 1,848,789 |

INTRODUCTION

NICO Pension Services Limited is a company owned by NICO Holdings Limited 51% and Sanlam Allianz Africa Limited 49% and is engaged in the provision of pension administration services incorporated under the Companies Act and licensed under the Financial Services Act.

BASIS OF PREPARATION

The Directors have prepared the summary financial statements to comply with and meet the requirements of the Financial Services Act, 2010 and believe that the summary statement of profit or loss and other comprehensive income, the summary statement of financial position, the summary statement of changes in equity and the summary statement of cash flows meet the requirements of the users of the summary financial statements.

The amounts in 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 Companies Act, 2013.

The summary financial statements have been derived from the annual financial statements which were approved by the board of directors on 17th March 2026 and are available at the company's registered office.

ECONOMIC HIGHLIGHTS

According to the Ministry of Finance, Economic Planning and Decentralization, Malawi's GDP growth was 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 at MK14.25 billion compared to MK7.29 billion in the prior year, representing growth of 95%. Profit after tax was at MK4.63 billion compared to MK1.50 billion in the prior year, representing growth of 209%. This favorable position is mainly attributable to business growth.

During the year, the business introduced into the market a highly flexible Personal Pension Plan designed to offer additional options to retirement saving and drive financial inclusion. The plan offers an opportunity to individuals without access to mandatory pension schemes, those with irregular income streams and those looking for a top up option to take control of their financial future through voluntary pension savings.

In addition, the business continued to enhance digital service delivery through increased adoption of self-service platforms, improving customer experience and operational efficiency.

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 be 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.

In this environment, the business will continue to focus on expanding access to pension solutions, enhancing digital capabilities, and strengthening customer service delivery, while maintaining operational efficiency and financial discipline.

The business remains well positioned to deliver sustainable growth, supported by its strong market presence, growing client base, and continued investment in innovation and service delivery.

By order of the Board


Chifundo Chiundira
Board Chairperson

17th April 2026
*Unaudited



Gerald Chima
Chief Executive Officer

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the members of NICO Pension Services Limited.

Opinion

The summary financial statements of NICO Pension Services Limited, which comprise of the summary statement of financial position, and the summary statement of profit or loss and other comprehensive income, the summary statement of changes in equity and summary statement of cash flows for the year then ended and related notes, are derived from the audited financial statements of NICO Pension Services Limited 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 Pension Services Limited, 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 requirements of Companies Act 2013. 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 after the date of our report on the audited financial statements.

The Audited Financial Statements and our Report Thereon

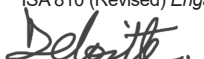
We expressed an unmodified audit opinion on the audited financial statements in our report dated 30th March 2026. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the financial statements of the current year.

Directors' Responsibility for the Summary Financial Statements

The directors 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 ISA 810 (Revised) Engagements to Report on Summary Financial Statements.


Chartered Accountants
Christopher Kapenda
Partner

17th April 2026

Deloitte

