

# NICO TIMASUKE PENSION FUND

## AUDITED SUMMARY FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2025

#### HIGHLIGHTS

NET ASSETS  
GREW BY  
**393%**  
TO MK105.5 BILLION

TOTAL  
FUND ASSETS  
GREW BY  
**157%**  
TO MK172.0 BILLION

INVESTMENT  
RETURN DECLARED  
FOR THE YEAR  
**146.47%**

#### SUMMARY STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	31-Dec-2025	31-Dec-2024
	K'Million	K'Million
Investment income & revaluation gains	105,587	20,157
Fund Expenses and taxes	(17,530)	(1,968)
Net investment income	88,057	18,189
Contributions from members	32,835	7,033
Pension Benefits	(15,363)	(3,806)
Excess of contributions over benefits paid	17,472	3,227
Increase in net assets available for benefits for the year	<b>105,529</b>	<b>21,416</b>

#### SUMMARY STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	31-Dec-2025	31-Dec-2024
	K'Million	K'Million
<b>FUNDS EMPLOYED</b>		
General fund account	172,587	67,057
<b>NON-CURRENT ASSETS</b>		
Investment	159,077	53,307
<b>Total non-current assets</b>	<b>159,077</b>	<b>53,307</b>
<b>CURRENT ASSETS</b>		
Cash and Cash equivalent	26,588	6,356
Sundry Receivables	304	7,279
Taxation Recoverable	990	504
<b>Total Current assets</b>	<b>27,882</b>	<b>14,139</b>
<b>Total assets</b>	<b>186,959</b>	<b>67,446</b>
<b>CURRENT LIABILITIES</b>		
Payables and accruals	(286)	(235)
<b>Total current liabilities</b>	<b>(286)</b>	<b>(235)</b>
<b>LONG-TERM LIABILITIES</b>		
Deferred Tax	(14,086)	(153)
<b>Total long-term liabilities</b>	<b>(14,086)</b>	<b>(153)</b>
<b>Total liabilities</b>	<b>(14,372)</b>	<b>(388)</b>
<b>Total net assets available for benefits</b>	<b>172,587</b>	<b>67,058</b>

#### SUMMARY STATEMENT OF MOVEMENT IN FUND ACCOUNT

	31-Dec-25	31-Dec-24
	K'Million	K'Million
At the beginning of the year	67,058	45,642
Net Movement in the fund	105,529	21,416
<b>At the end of the year</b>	<b>172,587</b>	<b>67,058</b>

#### SUMMARY STATEMENT OF CASH FLOWS

	31-Dec-25	31-Dec-24
	K'Million	K'Million
<b>Net cashflow generated from operations</b>	<b>16,415</b>	<b>3,347</b>
Income tax paid	(1,175)	(545)
<b>Net cashflow generated from operating activities</b>	<b>15,240</b>	<b>2,802</b>
<b>Net cash inflows from investing activities</b>	<b>4,992</b>	<b>802</b>
Net change in cash and cash equivalents	20,232	3,604
Cash and cash equivalents at the beginning of the year	6,356	2,752
<b>Cash and cash equivalents at the end of the year</b>	<b>26,588</b>	<b>6,356</b>

#### INTRODUCTION

NICO Timasuke Pension Fund is an unrestricted defined contribution pension fund set up by a definitive trust deed with individuals forming the Board of Trustees and NICO Pension Services Limited is the administrator for the fund.

#### 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 and rules.

The summary financial statements have been derived from the audited financial statements approved by the Board on 18th March 2025. The financial statements are available at the Trust'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

Increase in net assets available for benefits grew from MK21.4 billion in 2024 to MK105.5 billion in 2025 representing a growth rate of 393%. During the year the total fund assets grew to MK172 billion from MK67 billion representing 157% growth rate. The growth is attributable to new individuals and employer sponsored schemes that have joined the fund and exceptional performance on investments.

#### INVESTMENT RETURN

The Fund has declared an investment return of 146.47% for the year.

#### 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.

By order of the Board

  
**Florence Pasiya Kampani**  
Board Chairperson

  
**Gerald Chima**  
Chief Executive Officer

20th April, 2026

\*Unaudited

#### REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

##### To Members of NICO Timasuke Pension Fund

#### OPINION

The summary financial statements, which comprise the summary statement of changes in net assets available for benefits, the summary statement of 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 Timasuke 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 Timasuke 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 18th 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 in 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  
Ali Nyondo  
Partner

20th April 2026

**AMG Global**

