



RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021
AUDITED SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

	GROUP		COMPANY	
	31 Dec. 2021 K'000	31 Dec. 2020 K'000	31 Dec. 2021 K'000	31 Dec. 2020 K'000
SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
Rental income	6,413,774	6,328,749	2,392,201	2,289,332
Increase in fair value of investment properties	5,425,600	5,049,324	1,737,000	2,970,800
Other income	1,155,745	1,537,353	1,999,034	1,135,960
Dividend income from subsidiaries	-	-	723,250	-
Total income	13,195,139	12,915,426	6,128,534	7,119,365
Total operating expenses and finance costs	(5,505,991)	(3,754,274)	(2,973,063)	(2,262,858)
Profit before tax	7,689,148	9,161,332	3,155,469	4,856,507
Income tax	(1,266,538)	(4,817,711)	(861,538)	(1,253,189)
Profit for the year	6,422,590	4,343,621	2,193,931	3,603,318
Distributable profits	1,140,863	966,140	870,033	1,489,553
Non-distributable profits	3,544,801	3,244,888	1,323,898	2,113,765
Amount attributable to members of the parent	4,705,644	4,231,028	2,193,931	3,603,318
Amount attributable to non-controlling interests	1,716,956	1,212,613	-	-
4,422,200	4,343,621	2,193,931	3,603,318	
Issued shares	2,298,047,440	2,298,047,440	-	-
Basic earnings per share (K)	2.05	1.84	-	-
Distributable (K)	0.30	0.42	-	-
Non-distributable (K)	1.45	1.42	-	-

	GROUP		COMPANY	
	31 Dec. 2021 K'000	31 Dec. 2020 K'000	31 Dec. 2021 K'000	31 Dec. 2020 K'000
SUMMARY STATEMENT OF CASH FLOWS				
Cash flows from operating activities	3,519,871	500,576	1,314,853	(275,955)
Net cash generated by/(used in) operations	-	-	557,750	415,500
Returns on investment and servicing of finance	(1,036,240)	(1,275,969)	(279,786)	(321,847)
Dividend received	(72,444)	(855,979)	(175,911)	(179,061)
Interest received	(919,223)	(344,709)	(919,223)	(344,709)
Interest paid	(212,250)	(164,553)	-	-
Dividend paid to non-controlling shareholders	2,687,194	561,377	1,057,245	(62,408)
Net cash generated from/(used in) returns on investment and servicing of finance	(1,840,436)	(945,200)	(781,130)	(552,075)
Net cash generated from/(used in) operating activities	846,728	(383,823)	274,108	(614,465)
Cash flow from financing activities	(284,439)	(254,374)	-	-
Repayment of borrowings	-	-	-	-
Net cash used in financing activities	(284,439)	(254,374)	-	-
Net increase (decrease) in cash and cash equivalents	519,408	(740,141)	269,712	(723,781)
Cash and cash equivalents at the beginning of the year	(1,184,676)	(424,535)	(1,294,841)	(873,060)
Cash and cash equivalents at the end of the year	(665,268)	(1,184,676)	(1,027,129)	(1,294,841)

	GROUP		COMPANY	
	31 Dec. 2021 K'000	31 Dec. 2020 K'000	31 Dec. 2021 K'000	31 Dec. 2020 K'000
SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021				
EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Ordinary share capital	114,902	114,902	114,902	114,902
Distributable reserves	5,574,904	5,289,652	8,858,060	8,848,809
Non-distributable reserves	33,006,932	29,505,572	16,172,702	14,912,245
Share premium	8,628,938	8,628,938	8,628,938	8,628,938
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY	47,323,678	45,537,233	33,772,602	32,497,894
Non-controlling interests	21,481,521	19,978,897	-	-
Total equity	68,805,249	65,516,134	33,772,602	32,497,894
LIABILITIES				
Non-current liabilities	13,801,893	13,378,003	5,238,579	4,860,736
Current liabilities	1,829,706	1,220,912	730,393	508,898
Bank overdraft	1,092,570	1,379,031	1,092,570	1,375,623
Total liabilities	16,718,149	16,277,946	7,061,542	6,745,237
TOTAL EQUITY AND LIABILITIES	85,523,418	79,792,080	40,834,144	39,243,131
ASSETS				
Non-current assets				
Investment properties	71,095,847	45,470,246	51,500,207	19,743,207
Other assets	2,499,980	2,291,475	15,001,669	15,000,270
Total non-current assets	73,705,827	47,761,721	36,511,876	34,793,477
Current assets				
Trade and other receivables	8,321,307	11,581,404	3,496,577	4,316,872
Promissory notes receivable	3,068,962	-	760,250	-
Assets held for sale	497,302	54,000	-	54,000
Cash and cash equivalents	(11,817,591)	(11,829,759)	4,322,268	4,449,654
Total current assets	11,817,591	11,829,759	4,322,268	4,449,654
TOTAL ASSETS	85,523,418	79,792,080	40,834,144	39,243,131

Notes of preparation

The summary consolidated and separate financial statements are prepared in order to meet the Malawi Stock Exchange listing requirements for summarized financial statements. The directors have considered the requirements of the Malawi Stock Exchange and believe that the summary consolidated and separate statements of financial position, comprehensive income, changes in equity and cash flows are sufficient to meet the requirements of the users of the summary consolidated and separate financial statements. The amounts in the summary consolidated and separate financial statements are prepared in accordance with the framework concepts and the measurement and recognition rules derived from the International Financial Reporting Standards. The summary consolidated and separate financial statements were approved by the Board of Directors on 15 March 2022 and are available on the company's website, www.mpico.com.

2021 FINANCIAL YEAR RESULTS PUBLICATION COMMENTARY

Review of the results

The MPICO plc Board is pleased to announce the results of the Group for the year ended 31 December 2021. Rental income increased by 1% to MK4.4 billion in 2021 from MK3.8 billion in 2020. The increase is mainly due to rent reviews and improved occupancy levels. Total operating expenditure for the year increased to K5.5 billion from MK3.8 billion in 2020 due to inflationary pressures and other one-off costs. Profit after tax has increased to K4.4 billion in 2021 from K4.3 billion in 2020, representing a year-on-year increase of 4% partly due to lower depreciation in the reporting period.

Government debt dropped to K4.8 billion as at 31 December 2021 (2020: K8.7 billion). The drop was due to accept of Promissory Notes from Government amounting to K7 billion in June 2021. After the reporting date, further engagements with Government did yield positive results, thereby reducing the debt to K3.1 billion as of the end of April 2022.

Outlook

Economic growth prospects remain weak with significant downside risks from uncertain weather patterns and productivity inhibitors like insufficient power supply. The economy is projected to grow by 3.6% in 2022, which is a downward revision from the fiscal forecast of 4.0%, mainly due to downside risks from erratic weather and insufficient and unstable power supply challenges exacerbated by the impact of cyclone and further economic risks include possible future waves of the COVID-19 pandemic, and restricted business activity because of limited foreign exchange supply. Inflation outlook remains elevated based on potential increases in utility tariffs, and energy prices, as well as imported food inflation.

The Board will continue to monitor the developments surrounding the economic environment risks and take the necessary precautionary and mitigating measures to protect investments for our clients and deliver sustainable and competitive returns.

Dividend

The Company paid an interim dividend of K27.8 million in October 2021 (2020: Nil). The Directors are recommending a final dividend amounting to K4.4 million representing 19 tambora per share (2020: K44.3 million) making a total dividend of K71.2 million (2020: K44.3 million) in respect of 2021 profits representing a total of 31 tambora per share (2020: 28 tambora per share). The Dividend will be paid after approval by the AGM to take effect in June 2022.

By order of the Board,

Damen Katsheka *Edith Jwa*
 MANAGING DIRECTOR *CHAIRPERSON*

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF MPICO plc

Opinion

The summary consolidated and separate financial statements, which comprise the summary consolidated and separate statements of financial position as at 31 December 2021 and the summary consolidated and separate statements of comprehensive income, summary consolidated and separate statements of changes in equity and summary consolidated and separate statements of cash flows for the year then ended, and the related notes, are derived from the audited consolidated and separate financial statements of MPICO plc for the year ended 31 December 2021.

In our opinion, the accompanying summary consolidated and separate financial statements are a fair summary of the audited consolidated and separate financial statements of MPICO plc, and the basis described on the basis of preparation paragraph.

Summary consolidated and separate financial statements

The summary consolidated and separate financial statements do not contain all the disclosures required by the International Financial Reporting Standards. Reading the summary consolidated and separate financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and the auditor's report thereon. The summary consolidated and separate financial statements and the audited consolidated and separate financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated and separate financial statements.

The audited consolidated and separate financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 31 March 2022. That report includes the communication of key audit matters (KAM). Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements for the current year.

Directors Responsibility for the Summary Consolidated and Separate Financial Statements

Directors are responsible for the preparation of the summary consolidated and separate financial statements in accordance with the basis of preparation paragraph.

Auditor's Responsibility

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

Chartered Accountants
 Member Firm