

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

In billions of Malawi kwacha

	Group as at 30-Jun-22 unaudited	Group as at 30-Jun-21 unaudited	Company as at 30-Jun-22 unaudited	Company as at 30-Jun-21 unaudited	Group as at 31-Dec-21 audited	Company as at 31-Dec-21 audited
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1. Capital commitments

Authorised and contracted for	11.98	16.77	11.98	18.87	0.66	0.66
Authorised and not contracted for	20.19	38.00	20.19	14.02	26.45	26.45

The capital expenditure will be financed from internally generated resources and existing facilities

2. Contingent liabilities

Legal claims	0.35	0.38	0.35	0.38	2.62	2.62
Malawi Revenue Authority claim	-	0.61	-	-	0.61	0.61
	0.35	0.99	0.35	0.38	3.23	3.23

3. Loans and borrowings

Group and Company - unaudited	Old Mutual Commercial Paper	NICO Asset Managers Commercial Paper	Standard Bank Loan	TOTAL
Opening balance - 1 January 2022	17.68	5.19	14.84	37.71
Additions	-	-	7.86	7.86
Interest charge	1.38	0.37	1.25	3.00
Capital repayments	-	-	(5.50)	(5.50)
Interest paid	(1.35)	(0.37)	(1.25)	(2.97)
Balance as at 30 June 2022	17.71	5.19	17.20	40.10
Long term portion of loans	17.00	-	4.70	21.70
Current portion of loans	0.71	5.19	12.50	18.40
	17.71	5.19	17.20	40.10

Group and Company - unaudited	Old Mutual Commercial Paper	NICO Asset Managers Commercial Paper	Standard Bank Loan	TOTAL
Opening balance - 1 January 2021	15.00	5.00	7.99	27.99
Additions	-	-	10.35	10.35
Interest charge	1.15	0.34	0.68	2.17
Capital repayments	-	-	(5.50)	(5.50)
Interest paid	(0.36)	(0.13)	(0.46)	(0.95)
Balance as at 30 June 2021	15.79	5.21	13.06	34.06
Long term portion of loans	15.00	5.00	7.38	27.38
Current portion of loans	0.79	0.21	5.68	6.68
	15.79	5.21	13.06	34.06

Group and Company - audited	Old Mutual Commercial Paper	NICO Asset Managers Commercial Paper	Standard Bank Loan	TOTAL
Opening balance - 1 January 2021	15.00	5.00	6.26	26.26
Additions	2.00	-	14.16	16.16
Interest charge	2.47	0.72	1.63	4.82
Capital repayments	-	-	(5.74)	(5.74)
Interest paid	(1.79)	(0.53)	(1.47)	(3.79)
Balance as at 31 December 2021	17.68	5.19	14.84	37.71
Long term portion of loans	17.00	-	6.41	23.41
Current portion of loans	0.68	5.19	8.43	14.30
	17.68	5.19	14.84	37.71

Old Mutual Investment Group Limited (OMIGL)

On 26 February 2015, the company secured commercial debt paper of MK5.0 billion. The arranger and administrator was Old Mutual Investment Group Limited (OMIGL). The commercial paper was for a period of 5 years with an option of early repayment in tranches of MK1.0 billion after the third year. The coupon rate was 364 Treasury bill rate plus 200 basis points. The loan was secured with a debenture ranking behind National Bank of Malawi Plc overdraft facility and First Capital Bank Plc overdraft facility debentures and ranking pari passu with the NICO Asset Managers Limited commercial paper debenture. On 25 February 2020 the loan was rolled over for another 5 year period on the same terms.

In 2020, the company secured commercial debt paper of MK10.0 billion. The arranger and administrator is Old Mutual Investment Group Limited (OMIGL). The commercial paper is for a period of 5 years with an option of early repayment in tranches of MK1.0 billion after the third year. The coupon rate is 364 Treasury bill rate plus 175 basis points. The loan is secured with a debenture ranking behind National Bank of Malawi Plc overdraft facility and First Capital Bank Plc overdraft facility debentures and ranking pari passu with the Old Mutual Investment Group commercial paper and NICO Asset Managers Limited commercial paper debentures.

In 2021, the company secured additional commercial paper of MK2.0 billion from Old Mutual Investment Group Limited for a period of 5 years with the same terms as the other existing Old Mutual Investment Group Limited commercial papers.

NICO Asset Managers Limited

On 10 July 2017, the company secured commercial debt paper of MK5.0 billion. The arranger and administrator is Nico Asset Managers Limited. The commercial paper is for a period of 5 years with an option of early repayment in tranches of MK1.0 billion after the third year. The coupon rate is 182 Treasury bill rate plus 180 basis points. The loan is secured with a floating debenture over TNM assets ranking behind National Bank of Malawi Plc overdraft facility and First Capital Bank Plc overdraft facility debentures but ranking pari passu with the Old Mutual Investments Group Limited commercial paper debenture-

NOTES TO THE SUMMARY FINANCIAL STATEMENTS (continued)

In billions of Malawi kwacha

Standard Bank Dual Currency Facility

TNM entered into a revolving credit facility with Standard Bank plc of up to MK24 billion. The purpose of the facility is to finance or refinance capital expenditure. The facility has a tenor of 24 months and attracts interest at a rate of Standard Bank Malawi plc reference rate plus 1.9% effectively 14.1%. TNM has covenanted to maintain a USD denominated account with Standard Bank plc for the lifetime of the facility and to channel all its USD receivables to the said account.

4. Lease liabilities

	Group as at 30-Jun-22 unaudited	Group as at 30-Jun-21 unaudited	Company as at 30-Jun-22 unaudited	Company as at 30-Jun-21 unaudited	Group as at 31-Dec-21 audited	Company as at 31-Dec-21 audited
Lease liabilities	1.91	1.27	1.91	1.27	0.88	0.88
Long-term portion of lease liability	1.07	-	1.07	-	0.23	0.23
Short-term portion of lease liability	0.84	1.27	0.84	1.27	0.65	0.65
	1.91	1.27	1.91	1.27	0.88	0.88

5. Capital expenditure

	Group as at 30-Jun-22 unaudited	Group as at 30-Jun-21 unaudited	Company as at 30-Jun-22 unaudited	Company as at 30-Jun-21 unaudited	Group as at 31-Dec-21 audited	Company as at 31-Dec-21 audited
Acquisition of property, plant and equipment	8.83	11.79	8.83	11.50	28.35	27.08
Acquisition of intangible assets	0.48	3.09	0.48	3.09	0.47	0.18
	9.31	14.88	9.31	14.59	28.82	27.26

6. Depreciation and amortisation

	Group Six months ended 30-Jun-22 unaudited	Group Six months ended 30-Jun-21 unaudited	Company Six months ended 30-Jun-22 unaudited	Company Six months ended 30-Jun-21 unaudited	Group Year ended 31-Dec-21 audited	Company Year ended 31-Dec-21 audited
	9.41	7.65	9.01	7.47	16.33	15.90