



SUMMARY AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

MPICO PLC REG. NO 1495

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | GROUP | | COMPANY | |
|--|----------------------|----------------------|--------------------|--------------------|
| | 31-Dec-22 K'000 | 31-Dec-21 K'000 | 31-Dec-22 K'000 | 31-Dec-21 K'000 |
| Rental income | 6,841,041 | 6,613,794 | 2,468,693 | 2,392,500 |
| Increase in fair value of investment properties | 6,690,900 | 5,425,600 | 2,428,500 | 1,737,000 |
| Other income | 1,027,878 | 1,155,745 | 1,183,365 | 1,999,034 |
| Dividend income from subsidiaries | - | - | 1,716,000 | - |
| Total income | 14,559,819 | 13,195,139 | 7,796,558 | 6,128,534 |
| Total operating expenses and finance costs | (5,554,560) | (5,505,991) | (3,543,388) | (2,973,065) |
| Profit before tax | 9,005,259 | 7,689,148 | 4,253,170 | 3,155,469 |
| Income tax | (867,783) | (1,266,558) | (784,832) | (961,538) |
| Profit for the year | 8,137,476 | 6,422,590 | 3,468,338 | 2,193,931 |
| Distributable profits | 1,089,817 | 1,140,863 | 1,600,247 | 870,033 |
| Non-distributable profits | 4,636,627 | 3,564,801 | 1,868,091 | 1,323,898 |
| Amount attributable to members of the parent | 5,726,444 | 4,705,664 | 3,468,338 | 2,193,931 |
| Amount attributable to non-controlling interests | 2,411,032 | 1,716,926 | - | - |
| | 8,137,476 | 6,422,590 | 3,468,338 | 2,193,931 |
| Issued shares | 2,298,047,460 | 2,298,047,460 | | |
| Basic earnings per share (K) | 2.49 | 2.05 | | |
| - Distributable (K) | 0.47 | 0.50 | | |
| - Unrealised (K) | 2.02 | 1.55 | | |

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

| | GROUP | | COMPANY | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 31-Dec-22 K'000 | 31-Dec-21 K'000 | 31-Dec-22 K'000 | 31-Dec-21 K'000 |
| EQUITY AND LIABILITIES | | | | |
| SHAREHOLDERS' EQUITY | | | | |
| Ordinary share capital | 114,902 | 114,902 | 114,902 | 114,902 |
| Distributable reserves | 5,906,364 | 5,574,906 | 9,699,948 | 8,858,060 |
| Unrealised reserves | 37,643,559 | 33,006,932 | 18,040,792 | 16,172,702 |
| Share premium | 8,626,938 | 8,626,938 | 8,626,938 | 8,626,938 |
| EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY | 52,291,763 | 47,323,678 | 36,482,580 | 33,772,602 |
| Non-controlling interests | 23,308,595 | 21,481,571 | - | - |
| TOTAL EQUITY | 75,600,358 | 68,805,249 | 36,482,580 | 33,772,602 |
| LIABILITIES | | | | |
| Non-current liabilities | 11,159,743 | 13,801,893 | 5,751,748 | 5,238,579 |
| Current liabilities | 5,729,067 | 1,823,706 | 1,433,427 | 730,393 |
| Bank overdraft | - | 1,092,570 | - | 1,092,570 |
| TOTAL LIABILITIES | 16,888,810 | 16,718,169 | 7,185,175 | 7,061,542 |
| TOTAL EQUITY AND LIABILITIES | 92,489,168 | 85,523,418 | 43,667,755 | 40,834,144 |
| ASSETS | | | | |
| NON-CURRENT ASSETS | | | | |
| Investment properties | 77,786,747 | 71,095,847 | 23,928,707 | 21,500,207 |
| Other assets | 3,415,988 | 2,609,980 | 14,943,309 | 15,011,669 |
| Total non-current assets | 81,202,735 | 73,705,827 | 38,872,016 | 36,511,876 |
| CURRENT ASSETS | | | | |
| Trade and other receivables | 10,906,779 | 8,321,307 | 4,720,415 | 3,496,577 |
| Promissory notes receivable | - | 3,068,982 | - | 760,250 |
| Assets held for sale | - | - | - | - |
| Cash and cash equivalents | 379,654 | 427,302 | 75,324 | 65,441 |
| Total current assets | 11,286,433 | 11,817,591 | 4,795,739 | 4,322,268 |
| TOTAL ASSETS | 92,489,168 | 85,523,418 | 43,667,755 | 40,834,144 |

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

| | GROUP | | COMPANY | |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 31-Dec-22 K'000 | 31-Dec-21 K'000 | 31-Dec-22 K'000 | 31-Dec-21 K'000 |
| At the beginning of the year | 68,805,249 | 63,514,134 | 33,772,602 | 32,497,894 |
| Distributable profit for the year | 1,467,262 | 1,345,355 | 1,600,247 | 870,033 |
| Non-distributable profit for the year | 6,670,206 | 5,077,233 | 1,868,090 | 1,323,898 |
| Dividend declared - Final 2021 | (436,631) | (855,706) | (436,631) | (643,456) |
| Dividend declared - Interim 2022 | (905,728) | (275,767) | (321,728) | (275,767) |
| | 75,600,358 | 68,805,249 | 36,482,580 | 33,772,602 |

SUMMARY CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

| | GROUP | | COMPANY | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 31-Dec-22 K'000 | 31-Dec-21 K'000 | 31-Dec-22 K'000 | 31-Dec-21 K'000 |
| Cash flows from operating activities | | | | |
| Net cash generated by/used in operations | 4,103,207 | 3,519,871 | 1,244,935 | 1,314,853 |
| Returns on investment and servicing of finance | | | | |
| Dividend received | - | - | 1,716,000 | 557,750 |
| Interest received | 900,847 | 1,036,240 | 284,096 | 279,786 |
| Interest paid | (720,909) | (737,444) | (167,126) | (175,921) |
| Dividend paid | (758,359) | (919,223) | (758,359) | (919,223) |
| Dividend paid to non-controlling shareholders | (584,000) | (212,250) | - | - |
| Net cash flow generated from returns on investment and servicing of finance | 2,940,786 | 2,687,194 | 2,319,546 | 1,057,245 |
| Taxation paid | (1,443,688) | (1,840,436) | (1,209,199) | (781,137) |
| Net cash generated from operating activities | 1,497,098 | 846,758 | 1,110,348 | 276,108 |
| Cash flow from financing activities | | | | |
| Additions to plant and equipment | (30,628) | (63,385) | (23,442) | (39,519) |
| Proceeds on disposal of equipment | 2,223 | 68,377 | 2,223 | 68,371 |
| Additions in capital work in progress | - | (12,651) | - | - |
| Staff long-term loan granted | 13,324 | (35,252) | 13,324 | (35,248) |
| Net cash used in investing activities | (15,081) | (42,911) | (7,895) | (6,396) |
| Cash flow from financing activities | | | | |
| Repayment of borrowings | (437,095) | (284,439) | - | - |
| Net cash used in financing activities | (437,095) | (284,439) | - | - |
| Net increase in cash and cash equivalents | 1,044,922 | 519,408 | 1,102,453 | 269,712 |
| Cash and cash equivalents at the beginning of the year | (665,268) | (1,184,676) | (1,027,129) | (1,296,841) |
| Cash and cash equivalents at the end of the year | 379,654 | (665,268) | 75,324 | (1,027,129) |

BASIS OF PREPARATION

The summary consolidated and separate financial statements are prepared in order to meet the Malawi Stock Exchange Listing Requirements for summarised financial statements. The directors have considered the requirements of the Malawi Stock Exchange and believe that the summary statements of financial position, summary statements of comprehensive income, summary statements of changes in equity and summary statements of 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 requirements of International Financial Reporting Standards. The summary consolidated and separate financial statements have been derived from the Annual Consolidated and Separate Financial Statements which were approved by the Board of Directors on 14 March 2023 and is available on the company's website, www.mpicow.com.

2022 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 2022. Rental income increased by 3% to MK6.8 billion in 2022 from MK6.6 billion in 2021. The increase is mainly due to rent reviews and improved occupancy levels. Total operating expenditure for the year marginally increased by 1% to K4.85 billion from MK4.79 billion in 2021.

Profit after tax increased to MK8.1 billion in 2022 from MK6.4 billion in 2021, representing a year-on-year increase of 27% due to improved total income.

Government debt increased to MK6.0 billion as at 31 December 2022 (2021: MK4.8 billion) and continued to negatively impact on Group's operations. After the reporting date, further engagements with Government did yield positive results. Promissory notes amounting to MK2.9 billion were collected on 05 April 2023.

Government is processing promissory notes amounting to MK2.6 billion and has committed to release them by 31 May 2023.

Outlook*

The economy is projected to grow by 2.5% in 2023 in real terms according to the International Monetary Fund (IMF), compared to an estimated real GDP growth of 0.9% in 2022. Weather shocks such as the Tropical Cyclone Freddy combined with electricity outages and foreign currency challenges, may result in lower than projected economic growth and pressure on inflation.

The Board will continue to monitor the economic developments and take appropriate actions to preserve value for all stakeholders.

Dividend

The Company paid an interim dividend of MK321.7 million in December 2022 (2021: MK275.8 million). The Directors are recommending a final dividend amounting to MK505.6 million (2021: MK436.6 million) making a total dividend of MK827.3 million (2021: MK712.3 million) in respect of 2022 profits representing 36 tambala per share (2021: 31 tambala per share). The Dividend will be paid after approval by the AGM to be held in June 2023.

By order of the Board

Edmund Hami
DIRECTOR

* Unaudited

Edith Jiya
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 2022, 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 2022.

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, according to 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 5 May 2023. That report also 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 (ISA)810 (Revised), Engagements to Report on Summary Financial Statements.

Deloitte
Chartered Accountants
Vilengo Beza
Partner
26 May 2023