

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

AUDITED SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

	GROUP		COMPANY	
	31-Dec-23 K'000	31-Dec-22 K'000	31-Dec-23 K'000	31-Dec-22 K'000
Rental income	6 882 542	6 841 041	2 590 041	2 468 693
Increase in fair value of investment properties	8 932 121	6 690 900	3 014 582	2 428 500
Other income	1 532 388	1 027 878	1 830 126	1 183 365
Dividend income from subsidiaries	-	-	400 000	1 716 000
<b>Total income</b>	<b>17 347 051</b>	<b>14 559 819</b>	<b>7 834 749</b>	<b>7 796 558</b>
Total operating expenses and finance costs	(6 408 912)	(5 554 560)	(4 536 902)	(3 543 388)
<b>Profit before taxation</b>	<b>10 938 139</b>	<b>9 005 259</b>	<b>3 297 847</b>	<b>4 253 170</b>
Taxation	(3 871 376)	(867 783)	(242 576)	(784 832)
<b>Profit for the year</b>	<b>7 066 763</b>	<b>8 137 476</b>	<b>3 055 271</b>	<b>3 468 338</b>
<b>APPROPRIATION OF PROFIT FOR THE YEAR</b>				
Realised profits	947 031	1 089 817	259 523	1 600 247
Unrealised profits	4 521 781	4 636 627	2 795 748	1 868 091
Amount attributable to members of the parent company	<b>5 468 812</b>	<b>5 726 444</b>	<b>3 055 271</b>	<b>3 468 338</b>
Amount attributable to non-controlling interests	1 597 951	2 411 032	-	-
	<b>7 066 763</b>	<b>8 137 476</b>	<b>3 055 271</b>	<b>3 468 338</b>
Number of shares used for calculation	2 298 047 460	2 298 047 460		
Basic earnings per share (K)	2.38	2.49		
- Realised (K)	<b>0.41</b>	<b>0.47</b>		
- Unrealised (K)	<b>1.97</b>	<b>2.02</b>		

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

	GROUP		COMPANY	
	31-Dec-23 K'000	31-Dec-22 K'000	31-Dec-23 K'000	31-Dec-22 K'000
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS' EQUITY</b>				
Ordinary share capital	114 902	114 902	114 902	114 902
Realised reserves	6 350 314	5 906 364	9 456 389	9 699 948
Unrealised reserves	42 165 340	37 643 559	20 836 541	18 040 792
Share premium	8 626 938	8 626 938	8 626 938	8 626 938
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY</b>	<b>57 257 494</b>	<b>52 291 763</b>	<b>39 034 770</b>	<b>36 482 580</b>
Non-controlling interests	24 906 546	23 308 595	-	-
<b>Total equity</b>	<b>82 164 040</b>	<b>75 600 358</b>	<b>39 034 770</b>	<b>36 482 580</b>
<b>LIABILITIES</b>				
Non-current liabilities	14 217 191	11 159 743	5 994 324	5 751 748
Current liabilities	5 614 124	5 729 067	4 109 071	1 433 427
Bank overdraft	1 318 971	-	1 318 971	-
<b>Total liabilities</b>	<b>21 150 286</b>	<b>16 888 810</b>	<b>11 422 366</b>	<b>7 185 175</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>103 314 326</b>	<b>92 489 168</b>	<b>50 457 136</b>	<b>43 667 755</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment properties	86 718 868	77 786 747	26 943 289	23 928 707
Other assets	718 739	3 415 988	14 890 366	14 943 309
<b>Total non-current assets</b>	<b>87 437 607</b>	<b>81 202 735</b>	<b>41 833 655</b>	<b>38 872 016</b>
<b>Current assets</b>				
Trade and other receivables	10 454 319	10 906 779	7 245 112	4 720 415
Promissory notes receivable	5 095 690	-	1 369 825	-
Cash and cash equivalents	326 710	379 654	8 544	75 324
<b>Total current assets</b>	<b>15 876 719</b>	<b>11 286 433</b>	<b>8 623 481</b>	<b>4 795 739</b>
<b>TOTAL ASSETS</b>	<b>103 314 326</b>	<b>92 489 168</b>	<b>50 457 136</b>	<b>43 667 755</b>

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

	GROUP		COMPANY	
	31-Dec-23 K'000	31-Dec-22 K'000	31-Dec-23 K'000	31-Dec-22 K'000
<b>At the beginning of the year</b>	<b>75 600 358</b>	<b>68 805 249</b>	<b>36 482 580</b>	<b>33 772 602</b>
Realised profit for the year	947 031	1 089 817	259 523	1 600 247
Amount attributable to minority interests	1 597 951	2 411 024	-	-
Unrealised profit for the period	4 521 781	4 636 627	2 795 748	1 868 090
Dividend declared - Final 2021	-	(436 631)	-	(436 631)
Dividend declared - Interim 2022	-	(321 728)	-	(321 728)
Dividend declared - Final 2022	(503 081)	-	(503 081)	-
Dividend declared to minority interest	-	(584 000)	-	-
	<b>82 164 040</b>	<b>75 600 358</b>	<b>39 034 770</b>	<b>36 482 580</b>

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

	GROUP		COMPANY	
	31-Dec-23 K'000	31-Dec-22 K'000	31-Dec-23 K'000	31-Dec-22 K'000
<b>Cash flows from operating activities</b>	<b>1 668 526</b>	<b>4 103 207</b>	<b>570 270</b>	<b>1 244 935</b>
Cash generated from operations	-	-	-	1 716 000
Dividend received	1 097 564	900 847	353 979	284 096
Interest received	(778 603)	(720 909)	(226 583)	(167 126)
Interest paid	(503 082)	(758 359)	(503 082)	(758 359)
Dividend paid	-	(584 000)	-	-
Dividend paid to non-controlling shareholders				
<b>Cash flows generated from operating activities</b>	<b>1 484 405</b>	<b>2 940 786</b>	<b>194 584</b>	<b>2 319 546</b>
Taxation paid	(2 233 075)	(1 443 688)	(1 579 453)	(1 209 198)
<b>Net cash (used in)/generated by operating activities</b>	<b>(748 670)</b>	<b>1 497 098</b>	<b>(1 384 869)</b>	<b>1 110 348</b>
<b>Cash flows from investing activities</b>				
Additions to plant and equipment	(19 190)	(30 628)	(13 765)	(23 442)
(Costs)/proceeds on disposal of equipment	(893)	2 223	(893)	2 223
Receipts from staff long-term loans	13 776	13 324	13 776	13 324
<b>Net cash used in investing activities</b>	<b>(6 307)</b>	<b>(15 081)</b>	<b>(882)</b>	<b>(7 895)</b>
<b>Cash flows from financing activities</b>				
Repayment of borrowings	(616 938)	(437 095)	-	-
<b>Net cash used in financing activities</b>	<b>(616 938)</b>	<b>(437 095)</b>	<b>-</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1 371 915)</b>	<b>1 044 922</b>	<b>(1 385 751)</b>	<b>1 102 453</b>
Cash and cash equivalents at the beginning of the year	379 654	(665 268)	75 324	(1 027 129)
Cash and cash equivalents at the end of the year	<b>(992 261)</b>	<b>379 654</b>	<b>(1 310 427)</b>	<b>75 324</b>

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 06 March 2024 and are available on the company's website, [www.mpicomw.com](http://www.mpicomw.com).

2023 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 2023.

Core operations registered strong growth, with profit before tax increasing by 21% to MK10.93 billion in 2023 from MK9.0 billion in 2022 due to improved income at MK17.35 billion (2022: MK14.56 billion). However, profit after tax decreased by 13% to MK7.07 billion in 2023 from MK8.14 billion in 2022 on account of a once-off deferred tax adjustment of MK2.6 billion following de-recognition of prior year deferred tax asset relating to investment properties. The Board determined that based on current taxable profits projections deferred tax asset relating to investment properties may not be fully utilised during the allowable period.

Rental income marginally increased by 1% to MK6.9 billion in 2023 from MK6.8 billion in 2022. Although the business achieved the planned rent reviews during the year, rental income growth year on year was limited by voids due to economic challenges. On the other hand, total operating expenditure for the year increased by 15% to MK6.41 billion in 2023 from MK5.55 billion in 2022 as efforts to manage expenses continued.

Government rental arrears decreased to MK3.5 billion as at 31 December 2023 from MK6.0 billion the same period in 2022 due to payments made by Government during the year. Further payment was received post year end leaving rental arrears at MK2.1 billion as at 29 February 2024.

Outlook\*

The Reserve Bank of Malawi (RBM) projects GDP growth of 3.8% in 2024 from 1.5% in 2023 subject to the performance of the agricultural season, foreign exchange availability and the International Monetary Fund's (IMF) Extended Credit Facility (ECF) Program. However, inflation outlook remained elevated due to potentially below-average maize harvest, and the second-round effects of currency re-alignment. The Board will continue to monitor the economic developments and take appropriate actions to preserve value for all stakeholders.

Dividend

The Directors are recommending a final dividend amounting to MK873 million in respect of 2023 profits, representing 38 tambala per share. There was no interim dividend for 2023. The final and interim dividends in respect of 2022 profits were K503 million and K322 million, respectively making a total dividend of K825 million for 2022 representing 36 tambala per share. The Dividend will be paid after approval by the Annual General Meeting (AGM) to be held in June 2024. By order of the Board.

*Edmund Hami*  
**Edmund Hami**  
**DIRECTOR**  
**\* Unaudited**

*Edith Jiya*  
**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 2023, 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 2023.

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 on 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 2 April 2024. That report also includes the communication of key audit matters. 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 Standard on Auditing 810 (Revised) *Engagements to Report on Summary Financial Statements*.

*Deloitte*  
**Chartered Accountants**  
**Christopher Kapenda**  
**Partner**  
**24 April 2024**

**Deloitte**