

PRESS CORPORATION PLC

SUMMARY OF UN-AUDITED RESULTS FOR THE PERIOD ENDED 30 JUNE 2022

In millions of Malawi Kwacha

Total equity and liabilities

STATEMENTS OF COMPREHENSIVE INCOME		CONSOLIDAT	FD	SEPARATE				
	Un-audited	Un-audited	Audited	Un-audited	Un-audited	Audited		
	30-Jun-22	30-Jun-21	31-Dec-21	30-Jun-22	30-Jun-21	31-Dec-21		
Continuing operations	00 0dii 22	00 04.1 2.1	0. 500 2.	00 00.1 22	00 0411 21	0. 200 2.		
Revenue and interest income	130,302	117,822	249,073	301	347	693		
Dividend income	-	-	-	10,561	6.191	13,555		
Earnings before interest, tax, depreciation and amortization	46,557	39,007	102,402	7,436	5,359	10,270		
Depreciation and amortization	(12,672)	(11,047)	(22,765)	(26)	(42)	(71		
Results from operating activities	33,885	27,960	79,637	7,410	5,317	10,199		
Net interest paid	(3,575)	(4,335)	(7,843)	930	(861)	(11,739		
Exchange losses	(2,168)	(431)	(1,483)	(14)	-	(14		
Net finance cost	(5,743)	(4,766)	(9,326)	916	(861)	(11,753		
Share of profit of equity-accounted investments	37	(225)	2,489	-	` -			
Profit/(loss) before income tax	28,179	22,969	72,800	8,326	4,456	(1,554		
Income tax expense	(11,576)	(10,105)	(23,236)	(1,056)	(548)	(1,472		
Profit/(loss) for the year from continuing operations	16,603	12,864	49,564	7,270	3,908	(3,026		
Discontinued operations						•		
Loss from discontinued operations	(626)	8	(4,433)	-	-	-		
Profit/(loss) for the year	15,977	12,872	45,131	7,270	3,908	(3,026		
Total other comprehensive income net of tax	3,443	1,182	16,202	8,325	(15,964)	47,71		
Total comprehensive income for the year	19,420	14,054	61,333	15,595	(12,056)	44,684		
Profit/(loss) attributable to:								
Equity holders of the company	6,124	3,634	21,728	7,270	3,908	(3,026		
Non-controlling interest	9.853	9.238	23,403	- ,	-,	(-,		
3	15,977	12,872	45,131	7,270	3,908	(3,026		
Total comprehensive income attributable to:	-,-	,-	-, -	, -	-,	(-,		
Equity holders of the company	8,204	4,603	33,695	15,595	(12,056)	44,684		
Non-controlling interest	11,216	9,451	27,638	-				
	19,420	14,054	61,333	15,595	(12,056)	44,684		
Earnings per share								
Basic and diluted earnings per share (MK)	50.95	30.23	180.77					
"Basic and diluted earnings per share (MK)	E0.40	00.47	047.05					
(continuing operations)"	56.16	30.17	217.65					
STATEMENTS OF FINANCIAL POSITION								
		CONSOLIDATED			SEPARATE			
	Un-audited	Un-audited	Audited	Un-audited	Un-audited	Audited		
	30-Jun-22	30-Jun-21	31-Dec-21	30-Jun-22	30-Jun-21	31-Dec-21		
ASSETS								
Non-current assets								

Equity holders of the company	8,204	4,603	33,695	15,595	(12,056)	44,684		
Non-controlling interest	11,216	9,451	27,638	-	-	-		
	19,420	14,054	61,333	15,595	(12,056)	44,684		
Earnings per share								
Basic and diluted earnings per share (MK)	50.95	30.23	180.77					
"Basic and diluted earnings per share (MK)								
(continuing operations)"	56.16	30.17	217.65					
STATEMENTS OF FINANCIAL POSITION								
		CONSOLIDA	TED	SEPARATE				
	Un-audited	Un-audited	Audited	Un-audited Un-audited Audited				
	30-Jun-22	30-Jun-21	31-Dec-21	30-Jun-22	30-Jun-21	31-Dec-21		
ASSETS								
Non-current assets								
Property, plant and equipment, right of use assets, biological								
assets and investment properties	184,787	177,855	176,021	1,680	1,568	1,704		
Intangibles	23,124	22,571	24,117	215	207	223		
Investments in subsidiaries, joint ventures and associates	57,634	48,080	55,438	403,201	319,464	393,311		
Other investments	140,370	98,389	161,847	3,139	3,531	3,532		
Loans and advances	129,102	149,179	161,519	-				
Long term receivables and contract assets	2,593	2,490	3,176	2,539	1,816	1,926		
Deferred tax assets	13,783	12,858	13,254	2,000	1,010	1,020		
Deletted tax assets	551,393	511,422	595,372	410,774	326,586	400,696		
Current assets	331,393	311,422	393,372	410,774	320,300	400,090		
Other investments	263,616	195,374	257,893	_	_			
Loans and advances	164,492	69,930	76,316	-	-	_		
Trade and other receivables and contract assets		40,106	•	2.065	7.001	0.011		
Other current assets	29,915 9,690		30,037	2,065 744	7,001	2,211		
		14,745	10,171		641	691		
Assets classified as held for sale	20,053	-	24,010	7,564	13,552	7,564		
Cash and cash equivalents	107,394	101,286	91,900	7,795	267	8,434		
Total	595,160	421,441	490,327	18,168	21,461	18,900		
Total assets	1,146,553	932,863	1,085,699	428,942	348,047	419,596		
FOURTY AND LIABILITIES								
EQUITY AND LIABILITIES								
Equity								
Issued capital	0.007	1	1	1	1	1		
Share premium	2,097	2,097	2,097	2,097	2,097	2,097		
Reserves and retained earnings	202,397	160,699	186,542	408,948	271,698	393,353		
Total equity & earnings attributable to equity	004 405	100 707	100.010	444.040	070 700	005.454		
holders of the parent	204,495	162,797	188,640	411,046	273,796	395,451		
Minority interest	109,319	94,574	107,186	-	-	-		
Total equity	313,814	257,371	295,826	411,046	273,796	395,451		
Non-current liabilities								
Deferred tax liabilities	5,775	5,190	5,782	-	58,745	-		
Contract liabilities	-	297	392	-	-	-		
Financial guarantees	-	-	-		-	7,956		
Borrowings and lease liabilities	49,100	62,891	44,557	10,322	4,890	3,260		
	54,875	68,378	50,731	10,322	63,635	11,216		
Current liabilities						_		
Bank overdraft	6,955	13,467	11,545	2,179	7,135	6,457		
Borrowings and lease liability	32,836	17,233	24,372	4,376	1,630	1,630		
Liabilities directly associated with assets classified as held for sale	16,294	-	33,541	-	-	-		
Financial guarantees	-	-	-	-	-	2,275		
Other current liabilities	721,779	576,414	669,684	1,019	1,851	2,567		
	777,864	607,114	739,142	7,574	10,616	12,929		
Total liabilities	832,739	675,492	789,873	17,896	74,251	24,145		
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932.863 1.085.699

STATEMENTS OF CASH FLOWS						
		CONSOLIDATED			SEPARATE	
	Un-audited	Un-audited	Audited	Un-audited	Un-audited	Audited
	30-Jun-22	30-Jun-21	31-Dec-21	30-Jun-22	30-Jun-21	31-Dec-21
Cash generated by / (used in) operations	63,261	36,245	49,545	(2,433)	(5,837)	(3,655)
Interest received	1,692	895	1,738	1,330	419	944
Interest paid, tax paid and refund	(19,817)	(21,846)	(31,255)	(2,951)	(1,639)	(3,921)
Net cash from / (used in) operating activities	45,136	15,294	20,028	(4,054)	(7,057)	(6,632)
Investing activities						
Proceeds from sale of property, plant and equipment	404	278	217	1	1	1
Proceeds on disposal of investments	-	-	9,586	(2,165)	-	9,586
Proceeds from contingent consideration on the sale of OCL	-	-	512	-	-	512
Dividend received	810	400	3,402	10,561	6,191	13,555
Purchase of property, plant and equipment	(15,859)	(18,165)	(37,794)	-	(18)	(320)
Cash inflow on acquisition of Akiba Bank	-	7,867	-	-		
Investment in subsidiaries and associates	-	(766)	(766)	(1,174)	(1,510)	(5,081)
Net cash (used in) / from investing activities	(14,645)	(18,253)	(16,976)	7,223	4,664	18,253
Financing activities						
Net proceeds and repayment of long term borrowings and leasing liabilities	(2,833)	13,839	8,852	(894)	(33)	(1,663)
Dividends paid to shareholders of the Company	` ' -	· -	(3,728)	` -	`-'	(3,728)
Dividend paid to non-controlling interest shareholders	(8,984)	(5,315)	(10,291)	-	-	
Net cash used in financing activities	(11,817)	8,524	(5,167)	(894)	(33)	(5,391)
Net (decrease) / increase in cash and cash equivalents	18,674	5,565	(2,115)	2,275	(2,426)	6,230
Cash and cash equivalents at beginning of the year	80,355	82,254	82,254	1,977	(4,442)	(4,442)
Effect on foreign exchange rate changes	1,410	-	216	1,364	-	189
Cash and cash equivalents at end of the year	100,439	87,819	80,355	5,616	(6,868)	1,977

SEPARATE CONSOLIDATED As at 30 June 2022 Balance at 1 January 2022 188,640 107,186 295,826 395,451 Comprehensive income for the year 11,216 21,695 15,595 Total comprehensive income for the year 10,479 109,319 204,495 411,046 As at 31 December 2021 Balance at 1 January 2021 as previously stated 157.942 85.687 243.629 Prior year adjustment Balance at 1 January 2021 as restated 158,454 85,687 244.141 Comprehensive income for the year Profit for the year Total comprehensive income for the year 33,695 44,684

STATEMENTS OF CHANGES IN EQUITY

Transactions reported directly in equit

Segment Profit

Segment assets Segment liabilities Capital additions

348.047 419.596

Depreciation and amortization

Consolidated profit/(loss)

Fotal profit/(loss) for reportable segments

Elimination of dividend income from Group companies Share of profit of equity accounted investee

conciliation of profit on reportable segments to IFRS measures

Dividend to equity holders Balance as at period end	(3,728) 188,640	(10,291) 107,186	(14,019) 295,826	(3,728) 395,451		
SEGMENTAL PERFORMANCE	Financial Services	Telecommunications	Energy	Consumer Goods	All other segments	Total
June 2022 Revenue External revenues Inter-segment revenue Segment revenue —	75,449 212 75,661	48,049 2,136 50,185	5,531 - 5,531	- - -	1,273 317 1,590	130,302 2,665 132,967
Segment operating profit Segment interest income Segment interest expense Segment income tax expense	34,041 (500) (10,804)	2,567 58 (6,084) 775	165 710 - (280)	- - -	7,437 2,698 (2,353) (1,267)	44,210 3,466 (8,937) (11,576)
Segment Profit/(loss)	22,737	(2,684)	595	-	6,515	27,163
Depreciation and amortization Segment assets Segment liabilities Capital additions	2,857 868,103 715,582 3,488	9,420 163,795 111,862 29,788	350 33,249 4,171 5,277	- - -	214 454,402 29,740 528	12,841 1,519,549 861,355 39,081
Reconciliation of profit on reportable segments to IFRS measures Total profit/(loss) for reportable segments Elimination of dividend income from Group companies Share of profit of equity accounted investees Loss from discontinued operation Consolidated profit/(loss)	22,737 - - - 22,737	(2,684)	595 - - - - - 595	- - - -	6,515 (10,561) 37 (662) (4,671)	27,163 (10,561) 37 (662) 15,977
June 2021 Revenue External revenues Inter-segment revenue Segment revenue	54,435 474 54,909	48,341 1,419 49,760	8,750 - 8,750	5,161 - 5,161	1,135 429 1,564	117,822 2,322 120,144
Segment operating profit Segment interest income Segment interest expense	19,928 - (596)	9,265 209 (3.362)	1,298 724 (1)	(1,324) 8 (980)	5,518 425 (1,727)	34,685 1,366 (6,666)

12,753

12.753

12,753

3,964

3,964

3,964

1,362

1,362

1,362

PERFORMANCE OVERVIEW

The Board of Press Corporation PLC (PCL) is pleased to announce unaudited interim financial results for the Group for the six months' period ended 30th June 2022.

The operating environment during the first half of 2022 was challenging with severe foreign exchange scarcity that resulted in the devaluation of the Malawi Kwacha by 25 percent in May 2022. The effects of the COVID-19 pandemic and disruptions to global supply of key commodities such as fuel, edible oils, fertilizers and grain as a result of the ongoing Russia/Ukraine war exerted significant pressure on inflation. Headline inflation rose significantly peaking at 23.5 percent as at June 2022. As a result of this and other factors, the policy rate was revised upwards by 200 basis points from 12 to 14 percent in May 2022.

The Group's profit after tax for the period was K15.98 billion, representing a 24 percent growth above prior year profit of K12.87 billion. The growth in profitability was driven by an 11 percent growth in revenue, improved gross profit margin by 4 percent and successful implementation of cost containment measures. Disposal of PTC has also contributed to the improved results as losses associated with this investment (2021: K2.3 billion) are no longer part of the Group results.

SEGMENTAL PERFORMANCE

The Financial Services Segment (National Bank of Malawi PLC)

National Bank of Malawi PLC reported a 78 percent growth in its profit after tax to K22.7 billion (2021: K12.8 billion) driven mainly by a 48 percent growth in net interest income and a 13 percent increase in trading income This follows increased level of deposits and a marked growth of the loan book of 34 percent and 31 percent respectively. Investment in fixed income securities grew by 48 percent.

The Telecommunications Segment (mobile phone company: TNM, and the fixed telephony and broad band company: MTL)

The segment registered a 168 percent decrease in profit after tax as both MTL and TNM registered losses during the reporting period. The losses were exacerbated by the devaluation of the local currency resulting in exchange losses of K2.2 billion for the period. The Group is confident that the segment will soon benefit from fresh strategies currently being implemented that seek to arrest the losses and reverse the segment's performance.

The search for equity investors in the fixed telephony business is continuing

The Energy Segment (ethanol manufacturing: PressCane and EthCo)

The segment registered a 56 percent drop in its profitability from prior period due to production start-up timing differences. In 2021, PressCane started production early compared to 2022 due to feedstock availability Nevertheless, both companies are currently on track and it is expected that in the second half of the year, the overall performance will improve markedly as full production resumes and both companies are expected to meet their respective annual targets.

All-Other Segment: (fish farming: Maldeco; and real estate: Press Properties)

Press Properties Ltd registered a profit after tax of K0.5 billion (2021: K0.4 billion). The Foods Company on the other hand made a loss of K1.2 billion (2021: K1.1 billion) due to persistent interruption in the fish feeding regime resulting from supply chain challenges brought about by the impact of the COVID-19 pandemic and increased finance cost. The performance is expected to improve from the third quarter of the year as the company starts harvesting fish from its aquaculture operations. The critical project of establishing locally a floating feed mill is about to start. The feed mill will complement the aquaculture expansion program which is also currently being

The search for an equity investor in the Foods Company is on-going

Joint Ventures: PUMA, a fuel distribution company and Macsteel, a steel processing and trading company PUMA delivered good performance when compared to prior period because of increased volumes and expansion projects. Macsteel on the other hand was negatively impacted by high exchange losses following the devaluation of the Kwacha but the company has started making significant positive strides in the second half of the year.

Associated companies: Limbe Leaf, a tobacco processing company; and LifeCo, a Life insurance company. Open Connect Limited: a telecom fibre backbone infrastructure company

Open Connect Limited continued reporting losses following strategic re-positioning i.e. product repricing to retain key customers and delay in commercialisation of key revenue generating projects. The performance is expected to improve in the second half of the year following the commissioning of its flagship products. Results from tobacco processing and trading were affected by its seasonality and are expected to improve in the second half of the year. During the period, LifeCo Holdings performance grew significantly, and it surpassed the entire business volume underwritten in the whole of 2021.

The Board of Directors resolved that the company should pay an interim dividend amounting to K841.79 million (2021: K721.20 million) representing K7.00 per share (2021: K6.00 per share). The dividend will be paid on Friday, 28th October 2022 to shareholders whose names appear on the register as at the close of business on

OUTLOOK

(10,105)

19,280

12,872

3,497

(6,191) (225)

(2,911)

223 371,227 76,263 106

(2.296)

511 3,844 19,063

(2,296)

(2.296)

The Group remains steadfast in delivering on its strategy despite operating in a very challenging environment Scarcity of foreign exchange, the pressure on inflation and persistent power blackouts remain significant risks to Group performance. The Group will continue implementing turnaround strategies in companies whose performance is unsatisfactory. Further investment opportunities are also being explored in various sectors to rurther diversify the Group and its portfolio mix in market presence. There has been significant progress in scoping for a 50MW solar power production project.

BY ORDER OF THE BOARD



Chairman

Ms Moureen Mbeye Chief Finance and Administration Executive Mrs Betty Mahuka Chair - Audit and Finance Committee

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Lyton Chithambo Ph.D. **Acting Chief Executive**