PRESS CORPORATION PLC **SUMMARY OF AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024**

PRESSING ON TO HIGHER PERFORMANCE

KEY FINANCIAL HIGHLIGHTS

GROUP REVENUE	PROFIT AFTER TAX	TOTAL ASSETS	SHAREHOLDER FUNDS
42%	68%	35%	32%
K559.63b	K126.35b	K2.17T	K519.01b

In millions of Malawi Kwacha

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

	CONSOLIDATED		SEPARATE	
	2024	2023	2024	2023
Revenue, insurance revenue and interest income	559,633	394,418	557	557
Dividend income	-	-	33,651	28,136
Earnings before interest, tax, depreciation and amortization	243,585	179,084	21,817	25,521
Depreciation and amortization	(30,871)	(31,284)	(217)	(176)
Operating profit before finance costs	212,714	147,800	21,600	25,345
Net interest paid	(14,503)	(12,686)	(1,888)	1,236
Exchange losses	(3,539)	(12,252)	(735)	(735)
Net finance cost	(18,042)	(24,938)	(2,623)	501
Share of profit and impairment reversal of equity-accounted investments	12,790	5,675	-	-
Profit before income tax	207,462	128,537	18,977	25,846
Income tax expense	(81,113)	(53,491)	(3,054)	(2,180)
Profit for the year	126,349	75,046	15,923	23,666
Total other comprehensive income net of tax	29,654	13,189	392,439	184,385
Total comprehensive income for the year	156,003	88,235	408,362	208,051
Profit attributable to:				
Equity holders of the parent	64,673	40,421	15,923	23,666
Non-controlling interests	61,676	34,625	-	-
	126,349	75,046	15,923	23,666
Total comprehensive income attributable to:				
Equity holders of the parent	90,192	55,896	408,362	208,051
Non-controlling interests	65,811	32,339	-	-
	156,003	88,235	408,362	208,051
Earnings per share				
Basic and diluted earnings per share (MK)	538.04	336.28		

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

	CONSOLIDATED		SEPARATE	
	2024	2023	2024	2023
ASSETS				
Non-current assets				
Property, plant and equipment, right of use assets, biological assets and investment properties	265,016	215,216	3,547	3,368
Intangible assets	37,206	25,107	176	196
Investments in subsidiaries, joint ventures and associates	96,890	73,041	1,122,305	726,443
Investments in government securities and equity	395,448	190,671	9,420	7,497
Loans and advances and finance lease receivable	323,358	290,837	-	-
Long term receivables and contract assets	550	737	-	-
Deferred tax assets	10,506	9,368	945	634
	1,128,974	804,977	1,136,393	738,138
Current assets				
Investments in government securities and equity	276,553	246,786	-	-
Loans and advances and finance lease receivable	136,466	107,604	-	-
Trade and other receivables, contract assets and insurance assets	87,484	54,546	2,359	4,822
Other current assets	13,225	8,193	1,129	940
Cash and cash equivalents	496,591	361,459	16,114	12,382
	1,010,319	778,588	19,602	18,144
Assets classified as held for sale	26,210	21,522	6,061	8,941
	1,036,529	800,110	25,663	27,085
Total assets	2,165,503	1,605,087	1,162,056	765,223
EQUITY AND LIABILITIES				
Equity				
Issued capital	1	1	1	1
Share premium	2,097	2,097	2,097	2,097
Reserves and retained earnings	347,339	262,689	1,145,714	743,155
Total equity attributable to equity holders of the parent	349,437	264,787	1,147,812	745,253
Non controlling interests	169,570	127,367	-	-
Total equity	519,007	392,154	1,147,812	745,253
Non-current liabilities				
Deferred tax liabilities	9,967	10,629	-	-
Contract liabilities	1,230	902	-	-
Borrowings and lease liabilities	29,273	46,292	2,418	5,245
	40,470	57,823	2,418	5,245
Current liabilities				
Bank overdraft	8,889	11,716	-	8,020
Borrowings and lease liabilities	28,509	22,516	2,836	5,094
Liabilities directly associated with assets classified as held for sale	27,321	22,765	-	-
Customer deposits	1,305,316	949,090	-	-
Insurance liabilities and other current liabilities	235,991	149,023	8,990	1,611
	1,606,026	1,155,110	11,826	14,725
Total liabilities	1,646,496	1,212,933	14,244	19,970
Total equity and liabilities	2,165,503	1,605,087	1,162,056	765,223

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

	CONSOLIDATED		SEPARATE	
	2024	2023	2024	2023
Cash generated by/(used in) operations	363,200	99,773	(1,764)	(4,661)
Interest received	238,217	166,437	867	603
Interest paid, tax paid and refund	(126,869)	(101,616)	(7,698)	(7,804)
Net cash flows generated from/(used in) operating activities	474,548	164,594	(8,595)	(11,862)
Investing activities				
Proceeds from sale of property, plant and equipment	2,656	674	2	-
Gross receipts from investments	172,618	169,354	-	467
Gross payments from investments	(507,199)	(218,171)	-	-
Decrease/(Increase) in equity and other investments	110,856	(17,505)	-	-
Proceeds from disposal of equity investments	545			
Payment for right of use assets	(11,717)	(1,253)	-	-
Dividend received	5,873	3,212	33,651	28,136
Purchase of property, plant and equipment,intangible assets and investment properties	(61,884)	(35,723)	(122)	(1,202)
Net cash flow from the acquisition of subsidiary	872	-	-	-
Investments in subsidiaries and associates	-	(652)	(2,664)	(6,135)
Net cash flows (used in)/ generated from investing activities	(287,380)	(100,064)	30,867	21,266
Net proceeds and repayment of long term borrowings and leasing liabilities	(17,678)	(14,184)	(5,085)	(4,405)
Changes bank overdrafts with financing component	2,560	(302)	-	-
Dividends paid to shareholders of the Company	(5,803)	(4,626)	(5,803)	(4,626)
Dividend paid to non-controlling interest shareholders	(25,729)	(23,932)	-	-
Net cash flows used in financing activities	(46,650)	(43,044)	(10,888)	(9,031)
Net increase in cash and cash equivalents	140,518	21,486	11,384	373
Cash and cash equivalents at beginning of the year	356,072	334,579	4,362	(698)
Effect on foreign exchange rate changes	1	7	368	4,687
Cash and cash equivalents at end of the year	496,591	356,072	16,114	4,362

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

	CONSOLIDATED			SEPARATE
	Equity Holders of the parent	Non Controlling interest	Total	Total
As at 31 December 2024				
Balance at 1 January 2024	264,787	127,367	392,154	745,253
Comprehensive income for the year				
Profit for the year	64,673	61,676	126,349	15,923
Other comprehensive income	25,038	4,616	29,654	392,439
Total comprehensive income for the year	89,711	66,292	156,003	408,362
Transactions reported directly in equity	742	1,640	2,382	-
Dividend to equity holders of the parent	(5,803)	(25,729)	(31,532)	(5,803)
Balance as at year end	349,437	169,570	519,007	1,147,812
As at 31 December 2023				
Balance at 1 January 2023	212,960	119,018	331,978	541,828
Comprehensive income for the year				
Profit for the year	40,421	34,625	75,046	23,666
Other comprehensive income	15,475	(2,286)	13,189	184,385
Total comprehensive income for the year	55,896	32,339	88,235	208,051
Transactions reported directly in equity	557	(58)	499	-
Dividend to equity holders of the parent	(4,626)	(23,932)	(28,558)	(4,626)
Balance as at year end	264,787	127,367	392,154	745,253

SEGMENTAL PERFORMANCE

	Financial Services	Telecommunications	Energy	All other segments	Total
December 2024					
Revenue					
External revenues	335,295	163,347	58,957	2,034	559,633
Inter-segment revenue	1,817	5,477	-	558	7,852
Segment revenue	337,112	168,824	58,957	2,592	567,485
Segment operating profit	169,421	31,434	21,664	25,513	248,032
Segment interest income	-	415	770	1,992	3,177
Segment interest expense	(2,274)	(15,478)	(130)	(5,499)	(23,381)
Segment income tax expense	(65,437)	(5,282)	(7,015)	(3,379)	(81,113)
Segment Profit	101,710	11,089	15,289	18,627	146,715
Depreciation and amortization	10,228	19,469	1,267	639	31,603
Segment assets	1,730,204	242,788	60,727	1,196,581	3,230,300
Segment liabilities	1,459,531	189,800	16,785	13,903	1,680,019
Capital additions	25,610	47,134	12,342	173	85,259
Reconciliation of profit on reportable segments to IFRS measures					
Total profit for reportable segments	101,710	11,089	15,289	18,627	146,715
Elimination of dividend income from Group companies	-	-	-	(33,329)	(33,329)
Share of profit of equity accounted investees	-	-	-	12,672	12,672
Impairment reversal of equity accounted investee	-	-	-	118	118
Profit from increase in controlling interest from associates	-	-	-	173	173
Consolidated profit	101,710	11,089	15,289	(1,739)	126,349
December 2023					
Revenue					
External revenues	227,908	122,070	43,123	1,317	394,418
Inter-segment revenue	1,282	3,852	-	557	5,691
Segment revenue	229,190	125,922	43,123	1,874	400,109
Segment operating profit	121,105	13,184	15,014	26,660	175,963
Segment interest income	-	306	1,718	5,562	7,586
Segment interest expense	(976)	(25,961)	(4)	(6,424)	(33,365)
Segment income tax expense	(48,170)	2,478	(5,166)	(2,633)	(53,491)
Segment profit/(loss)	71,959	(9,993)	11,562	23,165	96,693
Depreciation and amortization	7,155	23,076	792	446	31,469
Segment assets	1,271,996	189,396	44,095	793,375	2,298,862
Segment liabilities	1,064,221	147,982	11,757	18,852	1,242,812
Capital additions	13,784	29,394	5,809	1,352	50,339
Reconciliation of profit on reportable segments to IFRS measures					
Total profit/(loss) for reportable segments	71,959	(9,993)	11,562	23,165	96,693
Elimination of dividend income from Group companies	-	-	-	(27,999)	(27,999)
Share of profit of equity accounted investees	-	-	-	4,056	4,056
Impairment of equity accounted investee	-	-	-	1,619	1,619
Impairment reversal of goodwill impairment	-	-	-	677	677
Consolidated profit/(loss)	71,959	(9,993)	11,562	1,518	75,046

OTHER INFORMATION

	CONSOLIDATED		SEPARATE	
	2024	Audited 2023	2024	Audited 2023
Authorised and contracted for	44,726	19,884	-	-
Authorised but not yet contracted for	33,900	22,488	719	515
Finance lease commitments	9,099	5,408	-	-
Contingent liabilities	20,068	8,023	-	-
Listed investments at market value	28,181	17,300	951,566	435,840
Unlisted investments at directors' valuation	2,829	1,275	180,159	104,302
Capital expenditure	85,259	40,434	124	301
Bank overdraft	8,889	11,716	-	8,020
Interest on bank overdraft	3,417	3,680	1,110	1,474
Loans and Borrowings:				
Opening balance as at 1 January 2024	72,098	60,155	14,744	4,890
Additions	8,925	25,120	-	3,200
Interest charge	11,819	11,500	2,679	2,858
Interest repayments	(12,105)	(11,236)	(2,906)	(2,858)
Capital repayments	(23,674)	(25,558)	(4,858)	(4,233)
Foreign currency fluctuations	318	1,230	-	-
Reclassified from held for sale	-	10,887	-	10,887
Balance as at 31 December 2024	57,381	72,098	9,659	14,744

PRESS CORPORATION PLC

SUMMARY OF AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

PRESSING ON TO HIGHER PERFORMANCE

SEGMENTAL PERFORMANCE HIGHLIGHTS

The Financial Services Segment: NBM plc — PROFIT K101.71b — 41%

The Telecommunications Segment: TNM plc and MTL — PROFIT K11.09b — 11%

The Energy Segment: PressCane Limited and EthCo Limited — PROFIT K15.29b — 32%

PROFIT K18.63b — The All-Other Segment's reported profit of MK18.63 billion for 2024 was almost at the same level as that of the prior year.

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PERFORMANCE OVERVIEW

The Board of Press Corporation plc (PCL) is pleased to announce the audited financial results for the Group for the year ended 31st December 2024.

OPERATING ENVIRONMENT

The Malawi economy is estimated to have grown by 1.8 % in 2024, which is slightly lower than the 2023 growth rate of 1.9%. The slow economic growth is mainly attributed to lower agricultural yields caused by inputs supply challenges and weather-related shocks (notably the El-Nino weather phenomenon) and persistent foreign exchange shortages. Consequently, inflation has persistently been high. The average annual year-on-year inflation rate for 2024 was 32.2%, higher than the 28.8% recorded in 2023. In an effort to curb this high inflation, the Monetary Policy Committee revised upwards the Liquidity Reserve Requirement Ratio to 10% (2023: 7.75%) and the policy rate to 26% (2023: 24%). The economy continued to experience foreign exchange shortages, which constrained the importation of essential commodities and inputs. In 2024, the average yearly official exchange rate between the Malawi Kwacha and the US Dollar was MK1,741.11/USD, compared with MK1,173.96/USD in 2023.

GROUP RESULTS

Despite the challenging economic environment, the PCL Group has shown its tenacity by achieving a profit after tax of MK126.35 billion for the year ended December 31, 2024, which represents 68% growth over the profit of MK75.05 billion achieved in the year 2023. The growth in profitability was driven by a 42% increase in revenue as well as continued implementation of cost containment measures. A 212% increase in the share of profit from equity-accounted investments, from MK4.06 billion to MK12.67 billion, also significantly contributed to the growth in profitability. If not for the challenging economic conditions, which included high interest and inflation rates as well as shortages of foreign exchange, the Group performance would have been even higher.

SEGMENTAL PERFORMANCE

The Financial Services Segment: National Bank of Malawi plc

Driven primarily by a strong revenue performance, the Financial Services segment reported profit after tax for the year 2024 of MK101.71 billion, which was 41% higher than the prior year profit of MK71.96 billion. Overall, net revenue grew by 46%. This outturn was attributed to an increase in customer deposits by 37%, which fueled growth of the loan book and fixed income securities by 15% and 65%, respectively. Due to the aforementioned challenging operating environment, the net impairment losses increased by 75% from MK7.25 billion in 2023 to MK12.66 billion in 2024, which was a drawback to the performance. The performance was further negatively affected by a net loss of MK3.94 billion reported by its foreign investment, Akiba Commercial Bank plc (Akiba) in Tanzania, due to weak revenue performance, staff rationalization costs and an increase in net impairment charges. Turnaround strategies are being implemented in Akiba in order to reverse the persistent negative trend in its performance.

During the course of the year 2024, the bank acquired a controlling stake in United General Insurance Company Limited (UGI) by increasing its shareholding from 47% to 57%. As a result, UGI became a subsidiary and has since contributed a profit of MK2.17 billion to group performance.

The Telecommunications Segment: Telekom Networks Malawi plc and Malawi Telecommunications Limited

The Telecommunications Segment registered a remarkable turnaround and became profitable after a couple of years of negative performance. The segment registered a profit of MK11.09 billion, against a prior year loss of MK9.99 billion. Both Telekom Networks Malawi plc and Malawi Telecommunications Limited reported profits during the year. The improved performance was mainly as a result of revenue growth and reduced interest expenses. Revenue grew by 34% to MK168.82 billion compared to MK125.92 billion reported in 2023. The segment's interest expenses went down by 40%, from MK25.96 billion to MK15.48 billion. Prior year interest expenses were adversely affected by foreign exchange losses of MK12.25billion (2024: MK2.80 billion).

The Energy Segment: PressCane Limited and Ethanol Company Limited

The Energy Segment's 2024 profit outturn of MK15.29 billion was 32% above the prior year's profit of MK11.56 billion, mostly as a result of increased revenues. The segment's revenues grew by 37%, from MK43.12 billion to MK58.96 billion. This was due to an increase in production volumes and price adjustments. The segment however faced production challenges and delays in commissioning projects partly due to foreign exchange challenges and adverse weather conditions, thus affecting current year's performance.

All-Other Segment: PCL Company, The Foods Company Limited and Press Properties Limited

The All-Other Segment's reported profit of MK18.63 billion for 2024 was almost at the same level as that of the prior year. High provisions impacted on the segment's performance, while the prior year's profitability was enhanced by MK4.7 billion foreign exchange gains. The Foods Company Limited aquaculture production activities remained halted throughout the year, and only research and development activities were conducted. Plans are currently underway to revamp all business units that have proven to have potential following positive results from research activities.

THE EQUITY ACCOUNTED INVESTMENTS

The profit contribution from equity-accounted investments to the Group for the year ended 31 December 2024 was K12.67 billion, a 212% increase over the K4.06 billion contribution from the previous year. Increased sales volumes, enhanced operational efficiencies, expansion programs and improved profit margins, led to the notable improvement in performance. Nonetheless, the performance of equity-accounted investments was impacted by the lack of foreign exchange. Open Connect Limited continued reporting losses and facing liquidity challenges. The company's shareholders have subsequently resolved to sale the entire business.

DIVIDEND

An interim dividend of MK1.35 billion (2023: MK1.08 billion) was paid by the company in October 2024, for the year ended 31 December, 2024. This amounted to MK11.25 per ordinary share (2023: MK9.00). A final dividend for the year ended 31 December, 2024 will be considered before the date of the next Annual General Meeting.

BUSINESS DIVESTURE - MALAWI TELECOMMUNICATIONS LIMITED (MTL)

PCL will be divesting its 52.7% stake in MTL in view of a strategic re-organization of its footprint in the telecommunication sector aimed at optimizing shareholder value. Exclusive negotiations to this effect are currently in progress and are expected to be concluded soon. Shareholders are, therefore, advised to exercise caution and consult their professional advisors before dealing in their shares in PCL until a full announcement is made on the outcome of the negotiations.

OUTLOOK AND EXPANSION BEYOND THE BORDERS

The economy is expected to bounce back in 2025 on account of the expected recovery of the agricultural sector following favourable weather conditions. Accordingly, headline inflation, albeit still high, is expected to slow down in 2025. Given the nation's widening trade deficit gap, however, pressure for the Kwacha to weaken against major foreign currencies is anticipated to persist in the near future. This poses a significant risk to the anticipated economic recovery and inflation containment. The Group has, however, strengthened its framework for managing these risks in order to minimise their impacts on shareholder value. PCL will remain focused on its growth-oriented strategies in all operating segments, in order to deliver sustainable returns.

As we "Press On" with our diversification strategy, subsequent to the year end, PCL acquired 10% shareholding in Liberia Merchant Capital Limited (LMC). LMC is a Liberian financial services institution licensed by the Central Bank of Liberia. The company also entered into a revenue sharing agreement with Africa Fortesa Corporation (AFC) of Senegal in an oil and gas exploration investment in Senegal, with the intention of drawing lessons from such ventures and domesticating the same in Malawi when the opportunity arises.

BY ORDER OF THE BOARD

Mr Randson Mwadiwa
Chairman

Mrs Bettie Mahuka
Chair – Audit and Finance Committee

Ms Moureen Mbeye
Chief Finance and Administration Executive

Dr Ronald Mangani
Chief Executive Officer

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REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The summary consolidated and separate financial statements, which comprise the summary statements of financial position as at 31 December 2024, the summary statements of profit or loss and other comprehensive income, summary statements of changes in equity and summary statements of cash flows for the year then ended and related notes, are derived from the audited consolidated and separate financial statements of Press Corporation plc for the year ended 31 December 2024.

In our opinion, the accompanying summary consolidated, and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements, in accordance with *IFRS Accounting Standards* as issued by the International Accounting Standards Board (IASB), *IAS 29 Directive* as issued by the Institute of Chartered Accountants in Malawi (ICAM) and the requirements of the Malawi Stock Exchange.

SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The summary consolidated and separate financial statements do not contain all the disclosures required by *IFRS Accounting Standards* as issued by the International Accounting Standards Board (IASB) and the requirements of the Malawi Stock Exchange. 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 **30 April 2025**. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of 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 *IFRS Accounting Standards* as issued by the International Accounting Standards Board (IASB), IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and in compliance with the Malawi Stock Exchange; and for such internal control as the directors determine is necessary to enable the preparation of the summary consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our responsibility is to express an opinion on whether the summary consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*

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Chartered Accountants (Malawi)
Macdonald Kamoto - Partner
Registered Practicing Accountant
30 April 2025