



ICON PROPERTIES PLC

SUMMARY AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE TWO MONTHS PERIOD ENDED 31 DECEMBER 2018

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

For the two months period ended 31 December 2018
In thousands of Malawi Kwacha

	Consolidated 2018	Separate 2018
Income		
Rental income	813,358	117,831
Increase in fair value of investee companies and properties	516,369	888,872
Net investment income	51,438	258
Other income	57,517	162,099
Total income	1,438,682	1,169,060
Expenses	(631,874)	(168,222)
Profit before income tax	806,808	1,000,838
Income tax credit	469,100	177,388
Profit for the period	1,275,908	1,178,226
Attributable to:-		
Owners of the company	1,241,630	1,178,226
Non-controlling interest	34,278	-
Profit for the period	1,275,908	1,178,226
Basic and diluted earnings per share (MK)	0.19	

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

As at 31 December 2018

In thousands of Malawi Kwacha

	Consolidated 2018	Separate 2018
ASSETS		
Non-current assets		
Investment property	51,962,000	10,099,000
Investment in subsidiaries	-	41,212,005
Investment in associate	-	1,741,379
Financial asset	65,505	65,505
Office equipment	5,144	-
Deferred tax asset	226,220	177,388
Total non-current assets	52,258,869	53,295,277
Current assets		
Trade and other receivables	1,538,403	242,933
Tax recoverable	769,906	289
Deposits and bank and cash balances	18,252,613	15,666,073
Total current assets	20,560,922	15,909,295
Total assets	72,819,791	69,204,572
EQUITY AND LIABILITIES		
Equity		
Share capital	58,209,424	58,209,424
Restructuring reserve	7,841,995	7,841,995
Retained earnings	1,241,630	1,178,226
Equity attributable to equity holders of the parent company	67,293,049	67,229,645
Non-controlling interest	1,243,842	-
Total equity	68,536,891	67,229,645
Non-current liabilities		
Deferred tax liability	1,746,628	-
Deferred income	1,082	-
Total current liabilities	1,747,710	-
Current liabilities		
Trade and other payables	2,336,366	1,974,891
Bank overdraft	198,824	36
Total current liabilities	2,535,190	1,974,927
Total equity and liabilities	72,819,791	69,204,572

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

For the two months period ended 31 December 2018

In thousands of Malawi Kwacha

	Consolidated 2018	Separate 2018
Share exchange	52,164,207	52,164,207
Non-controlling interest arising from share exchange	1,209,564	-
Issue of shares	14,700,000	14,700,000
Share issue costs	(812,788)	(812,788)
Distributable profit for the period	473,965	271,119
Non-distributable profit for the period	801,943	907,107
Balance at 31 December 2018	68,536,891	67,229,645

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

For the two months period ended 31 December 2018

In thousands of Malawi Kwacha

	Consolidated 2018	Separate 2018
Net cash generated from operating activities	2,203,305	1,692,808
Net cash used in investing activities	(130,331)	(16,821)
Net cash generated from financing activities	13,938,650	13,990,050
Net increase in cash and cash equivalents	16,011,624	15,666,037
Cash and cash equivalents at acquisition date	2,042,165	-
Cash and cash equivalents at 31 December 2018	18,053,789	15,666,037

Profit after tax

K1.28 bn
for the two months period

Total income

K1.44 bn
for the two months period

Total assets

K72.8 bn
as at 31 December 2018

INCORPORATION AND LISTING

ICON Properties plc was incorporated in Malawi as a private limited company on 4 June 2018. It commenced its activities on 1 November 2018 and therefore had operated for two months in 2018. On 1 November 2018, the Company acquired the shareholding of various property companies, namely Kang'ombe Investment Limited (75%), Chichiri Shopping Centre Limited (100%), Lilongwe City Mall Limited (100%) and NICO Properties Limited (100%), as well as various direct properties in exchange for shares in ICON Properties plc.

The Company was registered and converted to a public limited company on 8 November 2018, later that month it announced its intention to list its shares on the Malawi Stock Exchange. Following the public offer which closed on 28 December 2018 the Company successfully listed on the Malawi Stock Exchange. The listing of the shares was concluded on 21 January 2019.

PERFORMANCE

Although ICON only operated for a period of two months, the investments held by ICON were in operation for much longer. Average occupancy rate across the property portfolio was above 90% throughout the reporting period. The Company generated total income of K1.44 billion for the two months period which includes increase in fair value of investee companies and properties of K516 million. Total expenses for the period were at K631 million, the major items included in this figure were pre-listing and listing expenses, property management fee and property operating costs which amounted to K452 million.

The Company reported a profit after tax of K1.28 billion for the two months period ended 31 December 2018.

Trade and other receivables include rental receivables amounting to K924 million, the majority of these were taken on from subsidiary companies through the Company restructuring.

DIVIDEND

The Directors have not recommended a dividend for the two months period ended 31 December 2018.

OUTLOOK

The property market continues to remain stable and declining inflation levels may lead to growth in the short to medium term. The Company is poised to maintain good performance throughout the year 2019. The Company will focus on maintaining its occupancy levels, improving its property standards, reducing receivables and actively looking to deploy the IPO proceeds in various property investments.

BASIS OF PREPARATION

The accompanying summary consolidated and separate financial statements have been prepared in accordance with the Malawi Stock Exchange listing requirements for summarized financial statements. The Directors have considered the requirements of the Malawi Stock Exchange and believe that the summary consolidated and separate statements of financial position, comprehensive income, changes in equity and 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 Consolidated and Separate Financial Statements which were approved by the Board of Directors on 30 July 2019.

CHAIRMAN

R. Scharar

DIRECTOR

V. Kumwenda

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ICON PROPERTIES PLC

Opinion

The summary consolidated and separate financial statements of ICON Properties plc, which comprise the summary statements of financial position as at 31 December 2018, and the summary statements of comprehensive income, summary statements of changes in equity and summary statements of cash flows for the period then ended, and related notes, are derived from the audited consolidated and separate financial statements of ICON Properties plc for the two months period ended 31 December 2018.

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 of the Company, and the basis described in the *basis of preparation* paragraph.

Summary Financial Statements

The summary consolidated and separate financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated and separate financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and our 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 31 July 2019. That report also includes the communication on 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 period.

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 described in 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 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 810 (Revised) *Engagements to Report on Summary Financial Statements*.

Deloitte.

Chartered Accountants

Nkondola Uka

Partner

31 July 2019

Building Better Futures

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