



# ICON PROPERTIES PLC

## SUMMARY AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

**Profit after tax**  
**K7.41 bn**  
for the period ended 31 December 2019

**Total income**  
**K11.83 bn**  
for the period ended 31 December 2019

**Total assets**  
**K79.4 bn**  
as at 31 December 2019

### SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

For year ended 31 December 2019  
In thousands of Malawi Kwacha

	Consolidated 12 months ended 31 Dec 2019	Consolidated 2 months ended 31 Dec 2018	Separate 12 months ended 31 Dec 2019	Separate 2 months ended 31 Dec 2018
<b>Income</b>				
Rental income	5,099,376	813,358	756,863	117,831
Increase in fair value of investee companies and properties	4,070,975	516,369	4,169,297	888,872
Income from dividends and income notes	2,496	-	1,665,711	102,580
Net investment income	2,320,669	51,438	2,038,803	258
Other income	336,859	57,517	313,663	59,519
<b>Total income</b>	<b>11,830,375</b>	<b>1,438,682</b>	<b>8,944,337</b>	<b>1,169,060</b>
Expenses	(2,295,793)	(631,874)	(576,779)	(168,222)
Profit before income tax	9,534,582	806,808	8,367,558	1,000,838
Income tax (expense)/credit	(2,120,950)	469,100	(1,325,047)	177,388
<b>Profit for the period</b>	<b>7,413,632</b>	<b>1,275,908</b>	<b>7,042,511</b>	<b>1,178,226</b>
<b>Attributable to:-</b>				
Owners of the company	7,248,622	1,241,630	-	-
Non-controlling interest	165,010	34,278	-	-
<b>Profit for the period</b>	<b>7,413,632</b>	<b>1,275,908</b>		
<b>Basic and diluted earnings per share (MK)</b>	<b>1.09</b>	<b>0.19</b>		

### SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019  
In thousands of Malawi Kwacha

	Consolidated 31 Dec 2019	Consolidated 31 Dec 2018	Separate 31 Dec 2019	Separate 31 Dec 2018
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment properties	57,900,447	51,962,000	11,114,799	10,099,000
Investment in subsidiaries	-	-	44,494,350	41,212,005
Investment in associate	-	-	1,905,622	1,741,379
Financial asset	91,933	65,505	91,933	65,505
Office equipment	-	5,144	-	-
Investment in treasury notes	11,441,722	-	11,441,722	-
Deferred tax asset	-	226,220	-	177,388
<b>Total non-current assets</b>	<b>69,434,102</b>	<b>52,258,869</b>	<b>69,048,426</b>	<b>53,295,277</b>
<b>Current assets</b>				
Trade and other receivables	1,469,180	1,538,403	1,421,115	242,933
Tax recoverable	528,415	769,906	-	289
Cash and cash equivalents	7,946,760	18,252,613	3,995,490	15,666,073
<b>Total current assets</b>	<b>9,944,355</b>	<b>20,560,922</b>	<b>5,416,605</b>	<b>15,909,295</b>
<b>Total assets</b>	<b>79,378,457</b>	<b>72,819,791</b>	<b>74,465,031</b>	<b>69,204,572</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	58,209,424	58,209,424	58,209,424	58,209,424
Restructuring reserve	7,841,995	7,841,995	7,841,995	7,841,995
Retained earnings	7,822,252	1,241,630	7,552,737	1,178,226
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>	<b>73,873,671</b>	<b>67,293,049</b>	<b>73,604,156</b>	<b>67,229,645</b>
Non-controlling Interest	1,361,159	1,243,842	-	-
<b>Total equity</b>	<b>75,234,830</b>	<b>68,536,891</b>	<b>73,604,156</b>	<b>67,229,645</b>
<b>Non-current liabilities</b>				
Deferred tax liability	2,288,682	1,746,628	160,080	-
Deferred Income	722	1,082	-	-
<b>Total non-current liabilities</b>	<b>2,289,404</b>	<b>1,747,710</b>	<b>160,080</b>	<b>-</b>
<b>Current liabilities</b>				
Trade and other payables	1,268,032	2,308,604	700,795	1,974,891
Tax payable	586,191	27,762	-	-
Overdraft	-	198,824	-	36
<b>Total current liabilities</b>	<b>1,854,223</b>	<b>2,535,190</b>	<b>700,795</b>	<b>1,974,927</b>
<b>Total equity and liabilities</b>	<b>79,378,457</b>	<b>72,819,791</b>	<b>74,465,031</b>	<b>69,204,572</b>

### SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

For year ended 31 December 2019  
In thousands of Malawi Kwacha

	Consolidated 12 months ended 31 Dec 2019	Consolidated 2 months ended 31 Dec 2018	Separate 12 months ended 31 Dec 2019	Separate 2 months ended 31 Dec 2018
Balance at the beginning of period	68,536,891	-	67,229,645	-
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 year	3,774,503	473,965	2,793,392	271,119
Non-distributable profit for the year	3,639,129	801,943	4,249,119	907,107
Dividends paid	(668,000)	-	(668,000)	-
Dividends paid by subsidiary to non-controlling interest shareholders	(47,693)	-	-	-
<b>Balance at the end of period</b>	<b>75,234,830</b>	<b>68,536,891</b>	<b>73,604,156</b>	<b>67,229,645</b>

### SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

For year ended 31 December 2019  
In thousands of Malawi Kwacha

	Consolidated 12 months ended 31 Dec 2019	Consolidated 2 months ended 31 Dec 2018	Separate 12 months ended 31 Dec 2019	Separate 2 months ended 31 Dec 2018
Net cash generated from/(used in) operating activities	1,615,977	2,203,305	(3,176,835)	1,692,808
Net cash (used in)/from investing activities	(11,007,313)	(78,893)	(7,825,712)	86,017
Net cash (used in)/ generated from financing activities	(715,693)	13,887,212	(668,000)	13,887,212
Net (decrease)/ increase in cash and cash equivalents	(10,107,029)	16,011,624	(11,670,547)	15,666,037
Balance at the beginning of period	18,053,789	2,042,165	15,666,037	-
<b>Cash and cash equivalents at the end of period (Including Overdraft)</b>	<b>7,946,760</b>	<b>18,053,789</b>	<b>3,995,490</b>	<b>15,666,037</b>

### BASIS OF PREPARATION

The Directors have prepared the summary consolidated and separate financial statements to meet the listing requirements of the Malawi Stock Exchange. The Directors have considered the requirements of the Malawi Stock Exchange and believe that the summary consolidated and separate statements of financial position, 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 are sufficient to meet the requirements of the users of the summary financial statements. The amounts in the summary financial statements are prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards. The summary financial statements have been derived from the Annual Financial Statements which were approved by the Board of Directors on 12 May 2020 and can be accessed at registered office of the Company's fund managers, NICO Asset Managers Limited.

### PERFORMANCE

In the Group's first full year of operation, the average occupancy rate across the property portfolio remained above 90% throughout the reporting period. The Group generated total income of K11.8 billion for the year which includes increase in fair value of properties of K4.1 billion. Total expenses for the period were at K2.3 billion, some of the major expense areas included property and administrative management fees, repairs and maintenance and utility costs. The Group reported a profit after tax of K7.4 billion for the year ended 31 December 2019.

### CHALLENGES

The continued political impasse prolonged general uncertainty in the business environment. Additional security charges were incurred in the year to protect customer, tenants and buildings.

### COVID 19 RESPONSE

The COVID-19 pandemic which has spread rapidly throughout the world in the first quarter of 2020 has not spared Malawi. The effects of social distancing and several other measures put in place by authorities to slow the spread of the virus may reduce economic activity and depress growth in the real estate sector. The Group has put in place measures to ensure that the business is able to continue serving clients needs with minimal disruption.

### OUTLOOK

The full impact of the pandemic cannot be fully ascertained, however the Group is closely monitoring the situation and taking necessary actions to limit any potential adverse effects. Cost containment will be key during the period of uncertainty whilst refining the plans for projects earmarked to create value for all stakeholders.

### DIVIDEND

The Directors have recommended a final dividend of MK734.8 million (2018: nil) representing 11 tambala per share. The payment date will be announced after the Company's Annual General Meeting. An interim dividend of MK668 million (2018: nil) representing 10 tambala per share was paid in October 2019. This brings the total dividend for the year to MK1,403 billion (2018: nil) representing MK21 tambala per share.

### APPROVAL OF THE FINANCIAL STATEMENTS

The summary audited consolidated and separate financial statements were approved by the Board of Directors on 12 May 2020.

### CHAIRMAN

R. Scharar

### DIRECTOR

D. Kamkwamba

### 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, which comprise the summary consolidated and separate statements of financial position as at 31 December 2019, 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 related notes, are derived from the audited consolidated and separate financial statements of ICON Properties plc for the year ended 31 December 2019.

In our opinion, the accompanying summary consolidated and separate financial statements are a fair summary of the audited consolidated and separate financial statements, as described in 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 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 consolidated and separate audited 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 consolidated and separate audited 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 12 May 2020. 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 of the current year.

#### Directors' Responsibility for the Summary Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of the summary consolidated and separate financial statements on 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 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.

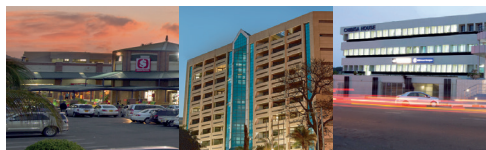
**Deloitte.**

Chartered Accountants

Kondwani Msimuko

Partner

12 May 2020



Chibisa House  
19 Glyn Jones Road, Blantyre  
P. O. Box 3117, Blantyre, Malawi  
Tel: +265 (0) 1 832 085/6  
info@iconproperties.mw  
www.iconproperties.mw

