

# ICON PROPERTIES PLC

## SUMMARY UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

#### SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

For the six months period ended 30 June 2022

In thousands of Malawi Kwacha

	Unaudited Consolidated 6 months ended 30 June 2022	Unaudited Consolidated 6 months ended 30 June 2021	Audited Consolidated 12 months ended 31 December 2021	Unaudited Separate 6 months ended 30 June 2022	Unaudited Separate 6 months ended 30 June 2021	Audited Separate 12 months ended 31 December 2021
<b>Income</b>						
Rental income	2,505,917	2,438,765	4,875,144	2,146,650	2,084,795	4,165,224
Increase in fair value of investee companies and properties	3,362,223	1,858,991	4,751,608	3,488,262	1,790,242	4,816,105
Income from dividends and income notes	-	-	2,535	-	112,508	115,043
Net investment income	1,450,956	1,437,958	2,917,823	1,431,141	1,423,468	2,883,441
Other income	211,090	201,061	365,140	141,174	141,958	273,149
<b>Total income</b>	<b>7,530,186</b>	<b>5,936,775</b>	<b>12,912,250</b>	<b>7,207,227</b>	<b>5,552,971</b>	<b>12,252,962</b>
Expenses	(1,339,897)	(1,155,008)	(2,953,566)	(1,194,367)	(1,017,028)	(2,663,796)
Profit before income tax	6,190,289	4,781,767	9,958,684	6,012,860	4,535,943	9,589,166
Income tax expense	(1,666,445)	(1,710,317)	(1,235,732)	(1,565,994)	(1,598,745)	(1,138,775)
<b>Profit for the period</b>	<b>4,523,844</b>	<b>3,071,450</b>	<b>8,722,952</b>	<b>4,446,866</b>	<b>2,937,198</b>	<b>8,450,391</b>
<b>Attributable to:-</b>						
Owners of the company	4,523,844	2,983,708	8,612,793			
Non-controlling interest	-	87,742	110,159			
<b>Profit for the period</b>	<b>4,523,844</b>	<b>3,071,450</b>	<b>8,722,952</b>			
<b>Basic and diluted earnings per share (MK)</b>	<b>0.68</b>	<b>0.46</b>	<b>1.29</b>			

#### SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

As at 30 June 2022

In thousands of Malawi Kwacha

	Unaudited Consolidated 30 June 2022	Unaudited Consolidated 30 June 2021	Audited Consolidated 31 December 2021	Unaudited Separate 30 June 2022	Unaudited Separate 30 June 2021	Audited Separate 31 December 2021
<b>ASSETS</b>						
<b>Non-current assets</b>						
Investment properties	71,417,595	67,027,951	67,677,244	64,697,595	60,891,951	61,277,244
Investment in subsidiaries	-	-	-	7,220,872	4,691,612	6,776,058
Investment in associate	3,400,000	-	-	3,400,000	-	-
Financial asset	100,437	94,098	100,437	100,437	94,098	100,437
Office equipment	5,753	9,303	7,535	5,753	9,303	7,535
Investment in treasury notes	11,656,493	11,608,540	11,656,493	11,656,493	11,608,540	11,656,493
<b>Total non-current assets</b>	<b>86,580,278</b>	<b>78,739,892</b>	<b>79,441,709</b>	<b>87,081,150</b>	<b>77,295,504</b>	<b>79,817,767</b>
<b>Current assets</b>						
Trade and other receivables	3,309,265	2,481,765	2,747,037	2,642,823	1,984,164	2,348,828
Tax recoverable	-	547,844	34,554	-	547,844	34,554
Cash and cash equivalents	7,417,790	9,642,371	8,253,790	6,907,084	9,408,883	7,745,535
Assets held for sale	-	-	2,001,000	-	-	2,001,000
<b>Total current assets</b>	<b>10,727,055</b>	<b>12,671,980</b>	<b>13,036,381</b>	<b>9,549,907</b>	<b>11,940,891</b>	<b>12,129,917</b>
<b>Total assets</b>	<b>97,307,333</b>	<b>91,411,872</b>	<b>92,478,090</b>	<b>96,631,057</b>	<b>89,236,395</b>	<b>91,947,684</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Share capital	58,209,424	58,209,424	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	7,841,995	7,841,995
Retained earnings	26,377,306	17,941,121	21,853,462	26,139,093	17,782,234	21,692,227
<b>EQUITY ATTRIBUTABLE TO</b>	<b>92,428,725</b>	<b>83,992,540</b>	<b>87,904,881</b>	<b>92,190,512</b>	<b>83,833,653</b>	<b>87,743,646</b>
Non-controlling Interest	-	1,564,039	-	-	-	-
<b>Total equity</b>	<b>92,428,725</b>	<b>85,556,579</b>	<b>87,904,881</b>	<b>92,190,512</b>	<b>83,833,653</b>	<b>87,743,646</b>
<b>Non-current liabilities</b>						
Deferred tax liability	3,133,656	3,803,242	2,337,351	2,864,944	3,451,439	2,073,349
Deferred Income	408,364	424,067	416,525	408,364	424,067	416,525
<b>Total non-current liabilities</b>	<b>3,542,020</b>	<b>4,227,309</b>	<b>2,753,876</b>	<b>3,273,308</b>	<b>3,875,506</b>	<b>2,489,874</b>
<b>Current liabilities</b>						
Trade and other payables	948,807	1,584,540	1,779,717	839,342	1,527,236	1,714,164
Tax payable	387,781	43,444	39,616	327,895	-	-
<b>Total current liabilities</b>	<b>1,336,588</b>	<b>1,627,984</b>	<b>1,819,333</b>	<b>1,167,237</b>	<b>1,527,236</b>	<b>1,714,164</b>
<b>Total equity and liabilities</b>	<b>97,307,333</b>	<b>91,411,872</b>	<b>92,478,090</b>	<b>96,631,057</b>	<b>89,236,395</b>	<b>91,947,684</b>

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

For the six months period ended 30 June 2022

In thousands of Malawi Kwacha

	Unaudited Consolidated 6 months ended 30 June 2022	Unaudited Consolidated 6 months ended 30 June 2021	Audited Consolidated 12 months ended 31 December 2021	Unaudited Separate 6 months ended 30 June 2022	Unaudited Separate 6 months ended 30 June 2021	Audited Separate 12 months ended 31 December 2021
<b>Balance at the beginning of period</b>	<b>87,904,881</b>	<b>82,522,629</b>	<b>82,522,629</b>	<b>87,743,646</b>	<b>80,063,535</b>	<b>80,063,535</b>
Profit for the year	4,523,844	3,071,450	8,722,952	4,446,866	2,937,198	8,450,391
Reversal of subsidiary deferred tax on reorganisation	-	-	-	-	832,920	832,920
Dividends paid	-	-	(1,603,200)	-	-	(1,603,200)
Dividends paid by subsidiary to non-controlling interest shareholders	-	(37,500)	(37,500)	-	-	-
Derecognition of non-controlling interest	-	-	(1,700,000)	-	-	-
<b>Balance at the end of period</b>	<b>92,428,725</b>	<b>85,556,579</b>	<b>87,904,881</b>	<b>92,190,512</b>	<b>83,833,653</b>	<b>87,743,646</b>

#### SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

For the six months period ended 30 June 2022

In thousands of Malawi Kwacha

	Unaudited Consolidated 6 months ended 30 June 2022	Unaudited Consolidated 6 months ended 30 June 2021	Audited Consolidated 12 months ended 31 December 2021	Unaudited Separate 6 months ended 30 June 2022	Unaudited Separate 6 months ended 30 June 2021	Audited Separate 12 months ended 31 December 2021
Net cash generated from operating activities	490,172	1,021,273	1,120,460	507,311	520,810	497,322
Net cash (used in)/generated from investing activities	(1,326,172)	995,455	481,078	(1,345,762)	1,496,072	3,564,370
Net cash (used in)/generated from financing activities	-	(667,309)	(1,640,700)	-	2,104,958	(1,603,200)
Net (decrease)/increase in cash and cash equivalents	(836,000)	1,349,419	(39,162)	(838,451)	4,121,840	2,458,492
Balance at the beginning of period	8,253,790	8,292,952	8,292,952	7,745,535	5,287,043	5,287,043
<b>Cash and cash equivalents at the end of period</b>	<b>7,417,790</b>	<b>9,642,371</b>	<b>8,253,790</b>	<b>6,907,084</b>	<b>9,408,883</b>	<b>7,745,535</b>

#### PERFORMANCE

The Group reported a 47% increase in profit after tax of K4.5 billion for the six months period ended 30 June 2022 (2021: K 3.1 billion). The Group generated total income of K7.5 billion (2021: K5.9 billion) for the six months period representing an increase of 27%. The main cause of the variance with the corresponding period was due to the impact of the property revaluation gains which improved in the current period. Rental income was affected by recent vacancies which offset the impact of growth from filling of refurbished spaces and annual rental escalations. The KFC "Drive Thru" shell was completed during the period which will add to future revenue growth and portfolio value. The property industry continues to be resilient in turbulent economic times with growth normalising to pre-pandemic levels.

Total expenses for the Group increased to K1.34 billion (2021: K1.16 billion) due to inflationary pressures, non-recurring professional fees and repair and maintenance costs.

The Group made an initial investment in Oasis Hospitality Limited, a subsidiary of Blantyre Hotels plc which is seeking to construct a hotel in Lilongwe. The initial investment at K3.4 billion reduced cash level compared to the level at 31 December 2021.

#### DIVIDEND

The Directors have recommended an interim dividend of K801.6 million (2021: K801.6 million) representing 12 tambala per share (2021: 12 tambala). Members whose names will appear on the register at the close of business on 14 October 2022 will be eligible for this dividend payable on 28 October 2022. The register of members will be closed from 14 October 2022 to 21 October 2022, both dates inclusive and no transfers will be registered during that time.

#### OUTLOOK

Malawi's economic outlook continues to face considerable downside risks with the impact of the weather shocks and the increasing cost of doing business arising from the devaluation of the Malawi Kwacha and the global economic woes.

The headline inflation in the Country for the first half of 2022 averaged 16.25% an increase from an average of 8.77% recorded in the corresponding period in 2021. This is expected to further affect purchasing power of current and potential tenants. The Group is also expected to be affected by rising costs in the short term with rental adjustments to be reflected in the medium term.

The property market is however expected to maintain strength as prospective investors plan for future developments and as investors look to lock value in stable assets.

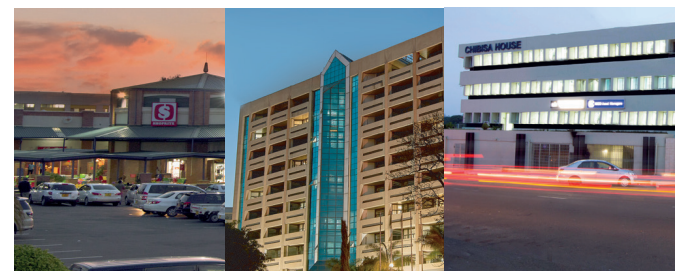
The Group is committed to pushing forward on projects in the pipeline despite the challenging economic environment in the country.

#### APPROVAL OF THE FINANCIAL STATEMENTS

The half year summary unaudited consolidated and separate financial statements were approved by the Board of Directors on 25 August 2022.

**CHAIRMAN**  
E. Chapola

**DIRECTOR**  
D. Kamkwamba



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