

ICON PROPERTIES PLC

SUMMARY AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

ICON PROPERTIES PLC

Profit after tax
K16.7 bn
for the year ended 31 December 2022

Total income
K22.8 bn
for the year ended 31 December 2022

Total assets
K108.8 bn
as at 31 December 2022

SUMMARY OF AUDITED CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Consolidated 31 December 2022 K'000	Consolidated 31 December 2021 K'000	Separate 31 December 2022 K'000	Separate 31 December 2021 K'000
Income				
Rental income	5,167,640	4,875,144	4,412,957	4,165,224
Increase in fair value of properties and investee companies	14,298,399	4,751,608	14,029,376	4,816,105
Income from dividends and income notes	1,288	2,535	1,288	115,043
Net investment income	2,837,259	2,917,823	2,768,541	2,883,441
Other income	449,590	365,140	352,297	273,149
Total income	22,754,176	12,912,250	21,564,459	12,252,962
Expenses	(3,189,188)	(2,953,566)	(2,780,601)	(2,663,796)
Profit before income tax	19,564,988	9,958,684	18,803,858	9,589,166
Income tax expense	(2,858,880)	(1,235,732)	(2,535,051)	(1,138,775)
Profit for the year	16,706,108	8,722,952	16,268,807	8,450,391
Attributable to:-				
Owners of the company	16,706,108	8,612,793	-	-
Non-controlling interest	-	110,159	-	-
Profit for the year	16,706,108	8,722,952		
Basic and diluted earnings per share (MK)	2.50	1.29		

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

	Consolidated 31 December 2022 K'000	Consolidated 31 December 2021 K'000	Separate 31 December 2022 K'000	Separate 31 December 2021 K'000
ASSETS				
Non-current assets				
Investment properties	83,984,585	67,677,244	83,984,585	61,277,244
Investment in subsidiaries	-	-	-	6,776,058
Investment in associate and other shares	6,912,000	100,437	6,912,000	100,437
Investment in treasury notes	11,741,508	11,656,493	11,741,508	11,656,493
Office equipment	3,970	7,535	3,970	7,535
Total non-current assets	102,642,063	79,441,709	102,642,063	79,817,767
Current assets				
Trade and other receivables	2,596,673	2,747,037	2,596,673	2,348,828
Tax recoverable	-	34,554	-	34,554
Cash and cash equivalents	3,585,362	8,253,790	3,585,362	7,745,535
Asset for sale	-	2,001,000	-	2,001,000
Total current assets	6,182,035	13,036,381	6,182,035	12,129,917
Total assets	108,824,098	92,478,090	108,824,098	91,947,684
EQUITY AND LIABILITIES				
Equity				
Share capital	58,209,424	58,209,424	58,209,424	58,209,424
Restructuring reserve	8,012,031	7,841,995	8,012,031	7,841,995
Retained earnings	36,951,712	21,853,462	36,951,712	21,692,227
Total equity	103,173,167	87,904,881	103,173,167	87,743,646
Non-current liabilities				
Deferred tax liability	3,436,807	2,337,351	3,436,807	2,073,349
Deferred income	392,905	416,525	392,905	416,525
Total non-current liabilities	3,829,712	2,753,876	3,829,712	2,489,874
Current liabilities				
Trade and other payables	1,558,459	1,779,717	1,558,459	1,714,164
Tax payable	262,760	39,616	262,760	-
Total current liabilities	1,821,219	1,819,333	1,821,219	1,714,164
Total equity and liabilities	108,824,098	92,478,090	108,824,098	91,947,684

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Consolidated 31 December 2022 K'000	Consolidated 31 December 2021 K'000	Separate 31 December 2022 K'000	Separate 31 December 2021 K'000
Balance at the beginning of the year	87,904,881	82,522,629	87,743,646	80,063,535
Distributable profit for the year	3,709,365	3,457,477	3,364,686	3,186,901
Non-distributable profit for the year	12,996,743	5,265,475	12,904,121	5,263,490
Dividends paid	(1,603,200)	(1,603,200)	(1,603,200)	(1,603,200)
Adjustment on reorganisation	165,378	-	763,914	832,920
Dividends paid by subsidiary to non-controlling interest shareholders	-	(37,500)	-	-
Derecognition of non-controlling interest	-	(1,700,000)	-	-
Balance at the end of the year	103,173,167	87,904,881	103,173,167	87,743,646

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

For the year ended 31 December 2022

	Consolidated 31 December 2022 K'000	Consolidated 31 December 2021 K'000	Separate 31 December 2022 K'000	Separate 31 December 2021 K'000
Net cash generated from operating activities	1,000,745	1,120,460	1,784,228	497,322
Net cash (used in)/from investing activities	(4,065,973)	481,078	(4,341,201)	3,564,370
Net cash used in financing activities	(1,603,200)	(1,640,700)	(1,603,200)	(1,603,200)
Net (decrease)/increase in cash and cash equivalents	(4,668,428)	(39,962)	(4,160,173)	2,458,492
Cash and cash equivalents at the beginning of the year	8,253,790	8,292,952	7,745,535	5,287,043
Cash and cash equivalents at the end of the year	3,585,362	8,253,790	3,585,362	7,745,535

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 measurements and recognition requirements of International Financial Reporting Standards. The summary financial statements have been derived from the Annual Consolidated and Separate Financial Statements which were approved by the Board of Directors on 13th April 2023.

GROUP REORGANISATION

Effective 31 December 2022, the assets, liabilities and operations of Kang'ombe Investment Limited (KIL) which is a 100% owned subsidiary of ICON Properties plc were transferred to ICON Properties plc following the acquisition by ICON Properties plc of the 25% shareholding that minority interests held in KIL towards the end of the 2021 financial year. At 31 December 2022, the Company therefore did not have any active subsidiaries to consolidate. This resulted in the Group and Company Statement of Financial Position being the same.

PERFORMANCE

The Group generated total income of K22.8 billion (2021: K12.9 billion) for the year which includes increase in fair value of properties of K14.3 billion (2021: K4.8 billion). The Group's performance was driven by property revaluation gains, rental income and finance income. The revaluation of properties was higher than the corresponding year due to the impact of increased rentals in the property market which continues to recover from adverse economic factors. Rental income growth improved from the previous year due to executed rental escalations. Investment income decreased due to capital investments, particularly in the Oasis Hospitality Limited hotel project in Lilongwe. Occupancy rates across the property portfolio remained above 90% throughout the financial year.

Total expenses for the year were at K3.2 billion (2021: K3 billion), some of the major expense areas included management fees, repairs and maintenance and utility costs.

The Company reported a profit after tax of K16.7 billion (2021: 8.7 billion) for the year ended 31 December 2022.

The Group made an initial investment into Oasis Hospitality Limited, a subsidiary of Blantyre Hotels plc which is in the process of constructing a hotel in Lilongwe. The initial investment at K6.8 billion reduced cash balances compared to balances as at 31 December 2021.

Furthermore, during the year, the Group completed the sale of a property in Blantyre and reinvested part of the sale proceeds in the purchase of land in Lilongwe, the balance of the proceeds will be invested in future projects.

DIVIDEND

The Directors have recommended a final dividend of MK868.4 million (2021: MK801.6 million) representing 13 tambala per share (2021: 12 tambala). The payment date will be announced after the Company's Annual General Meeting (AGM).

An interim dividend of MK801.6 million (2021: MK801.6 million) representing 12 tambala per share (2021: 12 tambala) was paid on 28 October 2022. This would bring the total dividend for the year to MK1,670 billion (2021: MK1,603 billion) representing 25 tambala per share.

UNAUDITED OUTLOOK

The Country's economic outlook faces volatility owing to rising food and energy prices, global instability including wars and pandemics, environmental occurrences including cyclones and changing economic fundamentals such as rising inflation. The recent Cyclone Freddy, which reached Malawi in early March 2023, did not significantly affect the portfolio however, some buildings which were impacted required minor to medium level repairs.

Rental growth is expected to continue as the property market continues to adjust following changes to the economic landscape.

In a bid to contribute towards social needs, the Group embarked on a project to construct a police unit at Chichiri Shopping Centre and is contributing towards the construction of a double story classroom block at Mbayani Primary School in Blantyre which will be done together with the NICO Foundation. The police unit and classroom block are to be launched in the first and second half of the year respectively.

The Group seeks to continue to respond to the needs of its tenants and wider community whilst delivering value to its shareholders.

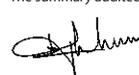
FUTURE PROJECTS

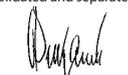
The Group is in the final stages of various negotiations and designs to close on projects in the commercial, hospitality and industrial real estate sectors. Once negotiations are complete, the Group will work towards launching these projects.

As the Group progresses in its strategic projects, it will cautiously manage cashflows to balance between operational and capital needs.

APPROVAL OF THE AUDITED FINANCIAL STATEMENTS

The summary audited consolidated and separate financial statements were approved by the Board of Directors on 13th April 2023.


E. Chapola
Board Chairperson


D. Kamkwamba
Chairperson, Finance and Audit Committee

REPORT OF THE INDEPENDENT AUDITOR 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 2022, 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 2022.

In our opinion, the accompanying summary consolidated and separate financial statements present 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

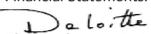
We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 25th May 2023. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement were of most significance 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.


Chartered Accountants
Nkondola Uka
Partner
29th May 2023

Deloitte.



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