

ICON PROPERTIES PLC

SUMMARY UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

For the six months period ended 30 June 2023
In thousands of Malawi Kwacha

	Unaudited Consolidated 6 months ended 30 June 2023	Unaudited Consolidated 6 months ended 30 June 2022	Audited Consolidated 12 months ended 31 December 2022	Unaudited Separate 6 months ended 30 June 2023	Unaudited Separate 6 months ended 30 June 2022	Audited Separate 12 months ended 31 December 2022
Income						
Rental income	2,827,149	2,505,917	5,167,640	2,827,149	2,146,650	4,412,957
Increase in fair value of investment properties	4,616,875	3,362,223	14,298,399	4,616,875	3,488,262	14,029,376
Dividend income	-	-	1,288	-	-	1,288
Net investment income	1,095,558	1,450,956	2,837,259	1,095,558	1,431,141	2,768,541
Other income	256,795	211,090	449,590	256,795	141,174	352,297
Total income	8,796,377	7,530,186	22,754,176	8,796,377	7,207,227	21,564,459
Expenses	(1,615,278)	(1,339,897)	(3,189,188)	(1,615,278)	(1,194,367)	(2,760,601)
Profit before income tax	7,181,099	6,190,289	19,564,988	7,181,099	6,012,860	18,803,858
Income tax expense	(749,911)	(1,666,445)	(2,858,880)	(749,911)	(1,565,994)	(2,535,051)
Profit for the period	6,431,188	4,523,844	16,706,108	6,431,188	4,446,866	16,268,807

Attributable to:-

Owners of the company	6,431,188	4,523,844	16,706,108
Non-controlling interest	-	-	-
Profit for the period	6,431,188	4,523,844	16,706,108

Basic and diluted earnings per share (MK)

	0.96	0.68	2.50
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SUMMARY STATEMENT OF FINANCIAL POSITION

As at 30 June 2023
In thousands of Malawi Kwacha

	Unaudited Consolidated 30 June 2023	Unaudited Consolidated 30 June 2022	Audited Consolidated 31 December 2022	Unaudited Separate 30 June 2023	Unaudited Separate 30 June 2022	Audited Separate 31 December 2022
ASSETS						
Non-current assets						
Investment properties	88,718,745	71,417,595	83,984,585	88,718,745	64,697,595	83,984,585
Investment in subsidiaries	-	-	-	-	7,220,872	-
Investment in associate and other shares	8,612,000	3,500,437	6,912,000	8,612,000	3,500,437	6,912,000
Office equipment	2,188	5,753	3,970	2,188	5,753	3,970
Investment in treasury notes	11,741,508	11,656,493	11,741,508	11,741,508	11,656,493	11,741,508
Total non-current assets	109,074,441	86,580,278	102,642,063	109,074,441	87,081,150	102,642,063
Current assets						
Trade and other receivables	2,769,675	3,309,265	2,596,673	2,769,675	2,642,823	2,596,673
Tax recoverable	64,050	-	-	64,050	-	-
Cash and cash equivalents	2,712,436	7,417,790	3,585,362	2,712,436	6,907,084	3,585,362
Total current assets	5,546,161	10,727,055	6,182,035	5,546,161	9,549,907	6,182,035
Total assets	114,620,602	97,307,333	108,824,098	114,620,602	96,631,057	108,824,098
EQUITY AND LIABILITIES						
Equity						
Share capital	58,209,424	58,209,424	58,209,424	58,209,424	58,209,424	58,209,424
Restructuring reserve	8,012,031	7,841,995	8,012,031	8,012,031	7,841,995	8,012,031
Retained earnings	43,382,900	26,377,306	36,951,712	43,382,900	26,139,093	36,951,712
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	109,604,355	92,428,725	103,173,167	109,604,355	92,190,512	103,173,167
Non-controlling Interest	-	-	-	-	-	-
Total equity	109,604,355	92,428,725	103,173,167	109,604,355	92,190,512	103,173,167
Non-current liabilities						
Deferred tax liability	3,434,627	3,133,656	3,436,807	3,434,627	2,864,944	3,436,807
Deferred Income	384,744	408,364	392,905	384,744	408,364	392,905
Total non-current liabilities	3,819,371	3,542,020	3,829,712	3,819,371	3,273,308	3,829,712
Current liabilities						
Trade and other payables	1,196,876	948,807	1,558,459	1,196,876	839,342	1,558,459
Tax payable	-	387,781	262,760	-	327,895	262,760
Total current liabilities	1,196,876	1,336,588	1,821,219	1,196,876	1,167,237	1,821,219
Total equity and liabilities	114,620,602	97,307,333	108,824,098	114,620,602	96,631,057	108,824,098

SUMMARY STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2023
In thousands of Malawi Kwacha

	Unaudited Consolidated 6 months ended 30 June 2023	Unaudited Consolidated 6 months ended 30 June 2022	Audited Consolidated 12 months ended 31 December 2022	Unaudited Separate 6 months ended 30 June 2023	Unaudited Separate 6 months ended 30 June 2022	Audited Separate 12 months ended 31 December 2022
Balance at the beginning of period	103,173,167	87,904,881	87,904,881	103,173,167	87,743,646	87,743,646
Profit for the year	6,431,188	4,523,844	16,706,108	6,431,188	4,446,866	16,268,807
Reversal of subsidiary deferred tax on reorganisation	-	-	165,378	-	-	763,914
Dividends paid	-	-	(1,603,200)	-	-	(1,603,200)
Balance at the end of period	109,604,355	92,428,725	103,173,167	109,604,355	92,190,512	103,173,167

SUMMARY STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2023
In thousands of Malawi Kwacha

	Unaudited Consolidated 6 months ended 30 June 2023	Unaudited Consolidated 6 months ended 30 June 2022	Audited Consolidated 12 months ended 31 December 2022	Unaudited Separate 6 months ended 30 June 2023	Unaudited Separate 6 months ended 30 June 2022	Audited Separate 12 months ended 31 December 2022
Net cash (used)/generated in operating activities	(151,195)	490,172	1,000,745	(151,195)	507,311	1,000,745
Net cash (used)/generated in investing activities	(721,731)	(1,326,172)	(4,065,973)	(721,731)	(1,345,762)	(4,065,973)
Net cash (used)/generated from financing activities	-	-	(1,603,200)	-	-	(1,603,200)
Net increase/(decrease) in cash and cash equivalents	(872,926)	(836,000)	(4,668,428)	(872,926)	(838,451)	(4,668,428)
Balance at the beginning of period	3,585,362	8,253,790	8,253,790	3,585,362	7,745,535	8,253,790
Cash and cash equivalents at the end of period	2,712,436	7,417,790	3,585,362	2,712,436	6,907,084	3,585,362

PERFORMANCE

The Group reported a 42% increase in profit after tax of K6.4 billion for the six months period ended 30 June 2023 (2022: K 4.5 billion).

The Group generated total income of K8.8 billion (2022: K7.5 billion) for the six months period. The main cause of the variance with the corresponding period was due to the impact of property revaluation gains which improved in the current period. Rental income improved by 13% due to rental escalations. Investment income reduced due to capital investments.

Total expenses for the Group increased to K1.6 billion (2022: K1.3 billion) due to inflationary pressures and related property management related costs. Income tax reduced due to the impact of CPI movements on deferred tax related to properties.

During the period the Group made a further investment into the Blantyre Hotels plc hotel project in Lilongwe amounting to K1.7 billion bringing the total investment to K8.5 billion. After period end, ICON handed over a police unit at Chichiri Shopping Centre in July 2023.

DIVIDEND

The Directors have recommended an interim dividend of K868.4 million (2022: K801 million) representing 13 tambala per share (2022: 12 tambala) being an 8.3% increase in dividend. Members whose names will appear on the register at the close of business on 13 October 2023 will be eligible for this dividend payable on 27 October 2023. The register of members will be closed from the close of business on 13 October 2023 to the close of business on 20 October 2023 and no transfers will be registered during that time.

OUTLOOK

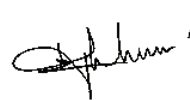
Inflation in the country stood at 27.30% in June 2023 and is expected to average 29.5% for the 2023 year. Malawi's foreign-currency shortages are likely to persist in 2023 putting further pressure on the local currency which may further drive-up inflationary pressures.

The property market is however expected to continue to improve as it gradually aligns to the prevailing macro-economic dynamics.

The Group is committed to continue pushing forward on projects in the pipeline despite the challenging economic environment in the country with announcements to be made in the coming months.

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 2023.



CHAIRMAN
E. Chapola



DIRECTOR
D. Kamkwamba

