



ICON PROPERTIES PLC

SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Profit after tax
K8.7 bn
for the year ended 31 December 2021

Total income
K12.9 bn
for the year ended 31 December 2021

Total assets
K92.5 bn
as at 31 December 2021

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Consolidated 31 December 2021 K'000	Consolidated 31 December 2020 K'000	Separate 31 December 2021 K'000	Separate 31 December 2020 K'000
Income				
Rental income	4,875,144	4,912,249	4,165,224	757,689
Increase in fair value of properties and investee companies	4,751,608	5,279,377	4,816,105	5,352,936
Income from dividends and income notes	2,535	2,311	115,043	1,701,361
Net investment income	2,917,823	2,846,523	2,883,441	2,457,818
Other income	365,140	381,835	273,149	362,096
Total income	12,912,250	13,422,295	12,252,962	10,631,900
Expenses	(2,953,566)	(2,123,344)	(2,663,796)	(504,997)
Profit before income tax	9,958,684	11,298,951	9,589,166	10,126,903
Income tax expense	(1,235,732)	(2,504,841)	(1,138,775)	(2,197,924)
Profit for the year	8,722,952	8,794,110	8,450,391	7,928,979
Attributable to:-				
Owners of the company	8,612,793	8,604,761	-	-
Non-controlling interest	110,159	189,349	-	-
Profit for the year	8,722,952	8,794,110		
Basic and diluted earnings per share (MK)	1.29	1.29		

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Consolidated 31 December 2021 K'000	Consolidated 31 December 2020 K'000	Separate 31 December 2021 K'000	Separate 31 December 2020 K'000
ASSETS				
Non-current assets				
Investment properties	67,677,244	64,144,513	61,277,244	12,769,682
Investment in subsidiaries	-	-	6,776,058	48,658,314
Investment in associate	-	-	-	2,119,316
Financial asset	100,437	94,098	100,437	94,098
Investment in treasury notes	11,656,493	11,571,478	11,656,493	11,571,478
Office Equipment	7,535	-	7,535	-
Total non-current assets	79,441,709	75,810,089	79,817,767	75,212,888
Current assets				
Trade and other receivables	2,747,037	1,825,589	2,348,828	821,641
Tax recoverable	34,554	406,284	34,554	-
Cash and cash equivalents	8,253,790	8,292,952	7,745,535	5,287,043
Held for sale	2,001,000	-	2,001,000	-
Total current assets	13,036,381	10,524,825	12,129,917	6,108,684
Total assets	92,478,090	86,334,914	91,947,684	81,321,572
EQUITY AND LIABILITIES				
Equity				
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	21,853,462	14,957,413	21,692,227	14,012,116
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	87,904,881	81,008,832	87,743,646	80,063,535
Non-controlling interest	-	1,513,797	-	-
Total equity	87,904,881	82,522,629	87,743,646	80,063,535
Non-current liabilities				
Deferred tax liability	2,337,351	3,039,508	2,073,349	1,056,611
Deferred Income	416,525	361	416,525	-
Total non-current liabilities	2,753,876	3,039,869	2,489,874	1,056,611
Current liabilities				
Trade and other payables	1,779,717	644,219	1,714,164	125,318
Tax payable	39,616	128,197	-	76,108
Overdraft	-	-	-	-
Total current liabilities	1,819,333	772,416	1,714,164	201,426
Total equity and liabilities	92,478,090	86,334,914	91,947,684	81,321,572

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Consolidated 31 December 2021 K'000	Consolidated 31 December 2020 K'000	Separate 31 December 2021 K'000	Separate 31 December 2020 K'000
Balance at the beginning of the year	82,522,629	75,234,830	80,063,535	73,604,156
Distributable profit for the year	3,457,477	4,162,197	3,166,901	3,203,402
Non-distributable profit for the year	5,265,475	4,611,913	5,263,490	4,725,577
Reversal of subsidiary deferred tax on reorganisation	-	-	832,920	-
Dividends paid	(1,603,200)	(1,469,600)	(1,603,200)	(1,469,600)
Dividends paid by subsidiary to non-controlling interest shareholders	(37,500)	(36,711)	-	-
Derecognition of non-controlling interest	(1,700,000)	-	-	-
Balance at the end of the year	87,904,881	82,522,629	87,743,646	80,063,535

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

For the year ended 31 December 2021

	Consolidated 31 December 2021 K'000	Consolidated 31 December 2020 K'000	Separate 31 December 2021 K'000	Separate 31 December 2020 K'000
Net cash generated from/(used in) operating activities	1,120,460	100,279	497,322	(851,588)
Net cash generated from investing activities	481,078	1,752,224	3,564,370	3,612,741
Net cash used in financing activities	(1,640,700)	(1,506,311)	(1,603,200)	(1,469,600)
Net increase/(decrease) in cash and cash equivalents	(39,162)	346,192	2,458,492	1,291,553
Balance at the beginning of the year	8,292,952	7,946,760	5,287,043	3,995,490
Cash and cash equivalents at the end of the year	8,253,790	8,292,952	7,745,535	5,287,043

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 Financial Statements which were approved by the Board of Directors on 28 March 2022.

PERFORMANCE

The Group generated total income of K12.9 billion (2020: K13.4 billion) for the year which included increase in fair value of properties of K4.8 billion (2020: K5.3 billion). The Group's performance was driven by property revaluation gains and finance income as rental income reduced compared to the previous year. The revaluation of properties this year was lower than the corresponding year due to normalisation of gains following higher revaluation gains attained in the corresponding year after completion of major refurbishments. Investment income increased due to availability of more funds to invest during the period. Lower rental income was affected by the refurbishment of Kapeni and Michiru Houses as well as lingering effects of the COVID-19 pandemic which slowed down rental growth. Occupancy rates across the property portfolio remained above 90% throughout the reporting period.

Total expenses for the period were at K3 billion (2020: K2.1 billion), some of the major expense areas included stamp duty, property and administrative management fees, repairs and maintenance and non-recoverable utility costs. Stamp duty costs were paid on the transfer of properties from subsidiary companies to the parent Company as part of the Group reorganization.

The Group reported a profit after tax of K8.7 billion (2019: 8.8 billion) for the year ended 31 December 2021.

CHALLENGES

The COVID-19 pandemic continued to affect the Group's performance in the year. Recovery from the early waves of the pandemic has been slower than desired evidenced partly by marginal rental growth.

Despite the challenging economic environment, the Group managed to maintain the earnings per share, increase total dividend from the previous year and embarked on major refurbishments of two buildings.

The completion and commencement of the refurbishments of Kapeni House and Michiru House respectively in Blantyre have given the buildings a new lease of life which will lead to better future returns.

OUTLOOK

Malawi's economic outlook poses risks warranting consideration of business re-engineering with the impact of the COVID-19 pandemic, weather shocks and fiscal slippages. The local currency has steadily depreciated against major currencies during the year which has added to inflationary pressures in the Country.

The selective implementation of projects, scenario-based planning and plans to enhance the customer experience will form the basis of ICON's growth plan. The projects in the pipeline will allow the Company to balance its investment portfolio to take advantage of current and future trends and opportunities.

The Group is in the process of completing land purchases in Lilongwe and Mzuzu to enable execution of some of the projects in the pipeline. The Group is also in the process of concluding the sale of two properties based in Lilongwe and Blantyre, the proceeds of which will be reinvested into the property portfolio.

The Group further looks forward to continuing its reorganization drive by transferring the assets, liabilities and operations of Kang'ombe Investment Limited, which the Group now wholly owns, to the parent Company which will further improve operations.

DIVIDEND

The Directors have recommended a final dividend of MK801.6 million (2020: MK801.6 million) representing 12 tambala per share (2020: 12 tambala). The payment date will be announced after the Company's Annual General Meeting (AGM).

An interim dividend of MK801.6 million (2020: MK734 million) representing 12 tambala per share (2020: 11 tambala) was paid on 22 October 2021.

This brings the total dividend for the year to MK1.603 billion (2020: MK1.536 billion) representing 24 tambala per share (2020: 23 tambala).

APPROVAL OF THE FINANCIAL STATEMENTS

The summary audited consolidated and separate financial statements were approved by the Board of Directors on 28 March 2022

CHAIRMAN

Mr. E. Chapola

DIRECTOR

Mr. 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 2021, 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 2021.

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 20 May 2022. 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

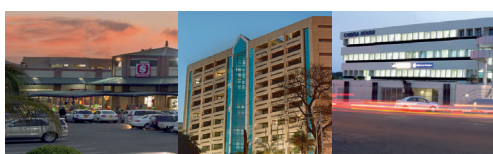
The Directors are responsible for the preparation of the summary consolidated and separate financial statements on the basis described in the Basis of Preparation paragraph.

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
NKONDOLA UKA
Partner
20 May 2022



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