OUR COMMITMENT TO

BUILDING BETTER FUTURES

2024

INTEGRATED ANNUAL REPORT

ICON PROPERTIES Plc

Managed by ERIS Properties





ABOUT OUR COVER/THEME

THEME: OUR COMMITMENT TO BUILDING BETTER FUTURES

The cover photo and report design concept of the 2024 ICON Properties Plc (ICON) Integrated report and Financial Statements outlines how the ICON Properties Plc has been committed to improving the landscape of the country through its property investments and the powerful community engagement that it continues to undertake giving back to the community. This shows how ICON is adding sustainable value to the community, economy, and its stakeholders through various areas of its business, including our overall strategy, finance and risk management, governance, people management, and corporate social responsibility

IMAGERY:

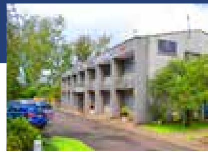
Photography within the report captures the Group’s commitment to community engagement and showcasing ICON Properties Plc’s key properties.

ICON PROPERTIES Plc

Managed by Eris Properties







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ABOUT THE REPORT

Report Overview

ICON Properties Plc is proud to present its Integrated Report and Financial Statements for the year ended 31 December 2024, offering a comprehensive analysis of our financial and non-financial performance. This report reflects our unwavering commitment to sustainable growth, corporate governance, and long-term value creation for our stakeholders.

Scope and Boundaries

This report covers the period from 1 January 2024 to 31 December 2024, offering a comprehensive overview of ICON Properties Plc's strategic direction, corporate governance, business model, material risks, sustainability initiatives, stakeholder engagement, financial performance, and future outlook.

The Audited Annual Financial Statements are included in Part 9 of this report, beginning on page 32.

Reporting process overview

Value Creation and Strategy

Our reporting process began with a strong focus on value creation and strategy. This phase involved engaging extensively with our key stakeholders to understand their priorities and expectations. We also conducted thorough peer benchmarking to identify best practices within our industry. A comprehensive risk assessment was carried out to highlight both opportunities and challenges that could impact our business. This groundwork ensured that our strategic direction is informed, relevant, and resilient.

Integrated Thinking and Materiality

Building on this foundation, we applied integrated thinking to align our reporting with our broader corporate objectives. We undertook a materiality determination process to identify and prioritize the most significant environmental, social, governance, and financial issues affecting our company and stakeholders. This step was essential in ensuring that our report focuses on the topics that truly matter and supports transparent, value-driven decision-making aligned with our long-term strategy.

Reporting and Validation

The final stage involved compiling the report, where all relevant information was gathered and organized cohesively. We then conducted a rigorous validation process to verify the accuracy, completeness, and reliability of the content. This included reviews by internal assurance teams. The completed report was subsequently submitted for approval by the Board and senior management, reflecting our commitment to uphold the highest standards of governance and accountability.

Basis of preparation

This integrated sustainability and annual report has been meticulously prepared in alignment with recognized international reporting standards, including the Global Reporting Initiative (GRI). This commitment underscores our unwavering dedication to transparency, accountability, and excellence in corporate governance.

At ICON, we maintain a rigorous assurance framework to guarantee the accuracy, reliability, and integrity of the information presented. This robust framework integrates both internal and external assurance providers:

- Our Internal Audit function continuously evaluates compliance and internal controls, providing essential ongoing oversight.
- Deloitte conducts independent audits of our financial statements and critically assesses our governance practices.

These comprehensive assurance measures reinforce stakeholder confidence in our reporting, ensuring our disclosures consistently meet the highest standards of corporate governance and financial stewardship.

ABOUT THE REPORT (continued)

Materiality and approach

This report focuses on material issues that significantly affect ICON's ability to create value and are important to our stakeholders. We apply the principle of double materiality, considering both how sustainability issues impact our financial performance and how our operations affect society and the environment.

Material matters were identified through a company-wide process involving risk assessment, stakeholder input, and prioritization. These issues are integrated into our strategy, decision-making, and target-setting, with ongoing monitoring to ensure responsiveness and effectiveness.

For detailed outcomes of our materiality assessment, see the Stakeholder Engagement section, pages 13 to 18.

Responsibility statement/approval of the report

The Board of Directors acknowledges its responsibility for the accuracy and integrity of this Integrated Report, which, in their opinion, presents a true and fair reflection of ICON Properties Plc's activities, material issues, stakeholder relationships, and overall performance.

This report, together with the Company's Annual Financial Statements for the year ended 31 December 2024, was approved by the Board of Directors on 30 June 2025 and signed on its behalf by:

Eric Chapola
ICON Board Chairperson

Contact details

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THE REPORT

ABOUT ICON PROPERTIES PLC

Overview of ICON Properties Plc

ICON Properties Plc is a proudly Malawian property investment company focused on delivering long-term value through strategic investments in real estate — creating spaces that support economic activity, enhance quality of life and contribute to national development.

At ICON, Building Better Futures is more than a tagline, it defines our long-term vision and our everyday actions. Since listing on the Malawi Stock Exchange in 2019, ICON has grown into one of the country's most prominent property investment companies, with a diversified portfolio spanning commercial, industrial, residential and mixed-use assets. We invest in high-impact spaces that shape cities, serve businesses and support the evolving needs of Malawians.

Our footprint in Malawi

ICON Properties Plc offers accommodation solutions in retail, office, industrial, hospitality, residential and other key and other specialized spaces, across Malawi, especially in the main cities.

An overview of the property portfolio is presented in the table below:

Property Type	Number of properties	Number of tenants	Lettable area (Sqm)	Occupancy	Asset Value (MK'000)
Retail	2	104	28,470	100%	66,765,500
Offices	17	64	29,751	97%	39,897,159
Industrial	1	2	3,649	100%	2,168,760
Residential	13	13	4,186	100%	4,699,500
Land Bank	2	N/A	N/A	N/A	2,578,500
Total	**35**	**176**	**66,056**	**98%**	**116,109,819**

As we expand our asset base, we remain focused on delivering long-term, sustainable value, not just for our shareholders, but for our tenants, partners and the communities we serve.

ABOUT ICON PROPERTIES PLC (continued)

Vision:
To be the leading listed company in accommodation solutions in Malawi and beyond.

Mission:
To develop high quality properties that will create value for all stakeholders.

Values:
- Integrity
- Care
- Transparency
- Accountability
- Professionalism

Our operating environment

In 2024, Malawi's economy faced persistent challenges including high inflation averaging 32%, foreign exchange shortages, and limited access to affordable credit. These factors increased construction costs and constrained consumer spending, affecting real estate affordability. Although the official exchange rate remained relatively stable, parallel market pressures raised import costs, impacting key sectors.

Looking ahead to 2025, economic recovery is expected, supported by improvements in agriculture, foreign direct investment, and government focus on infrastructure and industrialization. However, high interest rates, forex shortages, and the political uncertainty surrounding the September 2025 general elections may continue to restrain real estate investment and market confidence.

The property market showed mixed performance across segments. Office demand declined, influenced by government office consolidation policies, while prime retail locations maintained strong occupancy despite slowing rental growth due to broader economic pressures. The residential market remains challenged by affordability, with growth concentrated in owner-funded projects; demand for affordable housing remains a key opportunity. Industrial real estate is underdeveloped but poised for growth with emerging industrial parks and supportive government policies.

Investment activity is cautious amid economic headwinds and political uncertainty. However, institutional interest persists in mixed-use and hospitality projects, and growth prospects in warehousing and logistics are linked to agricultural processing zone developments. The 2025 outlook calls for prudent risk management, cost efficiency, and focus on resilient asset classes to navigate a complex environment and capture strategic opportunities in retail, industrial, and affordable housing sectors

ABOUT ICON PROPERTIES PLC (continued)

Chairperson's Statement

Eric Chapola | Chairperson

It is with great privilege and responsibility that ICON Properties Plc presents its first-ever Integrated Annual Report for the year ended 31 December 2024. This inaugural report marks a significant milestone in the Company's evolution, aligning with the recently enacted reporting requirements of the Malawi Stock Exchange and embracing a more holistic, transparent approach to corporate disclosure.

By combining both financial and non-financial information, this report reflects ICON's commitment to integrated thinking and long-term value creation. It provides a comprehensive view of how the Company is delivering sustainable performance across economic, environmental, social, and governance dimensions, in line with global best practices and local regulatory expectations.

Financial Performance
In 2024, ICON demonstrated resilience in navigating a complex macroeconomic and operating environment. Despite market volatility and rising cost pressures, the Company achieved stable revenue growth, driven by effective asset management, proactive tenant engagement, and disciplined cost control measures. This performance underscores the strength of ICON's financial position, which is supported by prudent investment strategies and robust cash flow management. Continued efforts to improve property performance, enhance occupancy levels, and strategically manage lease expiries contributed to sustained rental income and improved tenant retention across the portfolio.

During the year, the Malawi economy continued to face several challenges due to external and internal factors. The Malawi Kwacha slightly depreciated against the United States Dollar in March 2024 by a further 3% (2023: 64.1%). The average headline inflation for 2024 increased to 32.3% (2023: 28.8%). The increase in inflation was due to increases in both food and non-food inflation.

The Company reported a 27% increase in profit after tax of K24.4 billion for the year ended 31 December 2024 (2023: K19.2 billion).

The Company generated total income of K32.1 billion (2023: K20.9 billion) for the year which included an increase in fair value of properties of K19.8 billion (2023: K11.8 billion).

ABOUT ICON PROPERTIES PLC (continued)

The Company's income performance was higher due to property revaluation gains, fair value gains on equity investments, rental growth and finance income. The property revaluation gains on properties were higher than the corresponding year driven by increased rentals across the portfolio, improved occupancy levels and improved market dynamics. The improved investment income performance resulted from an increase in cash following the redemption of a treasury note in June 2024.

Rental income growth at 18% improved from the previous year growth of 15% due to executed rental escalations and consistent occupancy rate at above 90% throughout the financial year.

Total expenses for the year were at K5.5 billion (2023: K3.9 billion), representing a 41% increase. Some of the major expense areas included insurance, utility costs, repairs and maintenance and administration costs. Total expenses increased by 37% excluding new insurance cover taken in the year 2024 for political violence, terrorism and sabotage and automated parking system related expenses.

Strategic Progress and Portfolio Growth
During the reporting period, ICON advanced its strategic objectives by expanding its footprint in high-potential markets, unlocking value through targeted asset enhancements, and investing in technology-driven property solutions. Digital initiatives-such as the flagship smart parking system and a digitised procurement platform-contributed to improved service delivery and operational efficiency. In parallel, the Company continued to diversify its portfolio through measured investments and strategic collaborations, ensuring alignment with its long-term vision of building a balanced, high-performing, and resilient property portfolio.

ESG and Integrated Thinking
ICON is committed to delivering value that extends beyond financial returns, with operations increasingly guided by Environmental, Social, and Governance (ESG) principles integrated into both corporate strategy and daily decision-making. Environmentally, the Company has laid essential groundwork for a transition toward greener, more resource-efficient buildings. On the social front, ICON has invested in education, community safety, and inclusive stakeholder engagement through meaningful corporate social responsibility (CSR) initiatives. From a governance perspective, the Company upholds high standards of board effectiveness, risk oversight, and regulatory compliance.

ABOUT ICON PROPERTIES PLC (continued)

Chairperson's Statement (continued)

This 2024 Integrated Annual and ESG Report marks a significant milestone in ICON's sustainability journey, aligning with global best practices and responding to the Malawi Stock Exchange's newly introduced ESG disclosure requirements. Our adoption of integrated reporting reflects a firm belief that business success is best measured through long-term impact and value creation across all capitals—financial, human, natural, social, and intellectual.

Governance and Leadership Excellence

Our Board remains unwavering in its commitment to sound corporate governance. In 2024, we maintained full compliance with the Malawi Code II on Corporate Governance, the Companies Act, 2013, and the Malawi Stock Exchange Listing Requirements. We operated with transparency, integrity, and accountability, reinforcing ICON's position as a trusted, ethical market participant.

I extend my sincere appreciation to my fellow Directors for their strategic insight and commitment during a challenging yet productive year. I also commend the executive management team for their steadfast execution of our strategy.

Outlook for 2025 and Beyond

Looking ahead, ICON Properties Plc is strategically positioned to capitalise on emerging opportunities within Malawi's commercial real estate sector. The Company will continue to optimise property returns through proactive asset management, while deepening the integration of environmental, social, and governance (ESG) principles across all operations. Investment in innovative, future-proof infrastructure will support operational efficiency and tenant satisfaction, reinforcing our long-term competitiveness. Sustainability remains a central pillar of our strategy, guiding our transition toward greener, more resource-efficient properties and business practices. As economic and regulatory dynamics evolve, ICON remains confident in its ability to remain agile, resilient, and impactful—delivering long-term value for stakeholders and contributing meaningfully to Malawi's built environment.

Appreciation

On behalf of the Board, I express our deepest gratitude to all stakeholders—our shareholders for their continued confidence; our tenants for their partnership; our employees for their dedication; and our business partners, regulators, and communities for their collaboration and support.

Together, we remain committed to Building Better Futures—by fostering innovation, pursuing sustainable growth, and upholding our responsibility to people, planet, and profit.

Eric Chapola
Chairperson, ICON Properties Plc

BUILDING BETTER FUTURES

INDUSTRIAL | RETAIL | OFFICE | RESIDENTIAL

We are committed to providing excellent accommodation spaces to suit various property needs.

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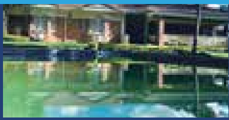
ICON Properties Plc
Michiru House | Victoria Avenue
P.O. Box 3117 | Tel: 01 828 012

Email: info@iconproperties.mw
Website: www.iconproperties.mw

ICON PROPERTIES Plc
Managed by ERIS Properties

ABOUT ICON PROPERTIES PLC (continued)


Overarching Manager's Statement

As we reflect on 2024, Eris Properties Malawi Limited has continued to demonstrate resilience and strategic growth within Malawi's property sector. Despite market fluctuations, our commitment to innovation, operational efficiency, and delivering value to our stakeholders has remained unwavering.

Operational performance

Over the year, our portfolio management strategy prioritized optimizing occupancy rates, enhancing property maintenance, and strengthening tenant relationships. These efforts have resulted in consistently high customer satisfaction while improving the overall quality and accessibility of our properties.

Financial highlights

Our 2024 financial results show stable revenue growth, driven by effective asset utilization and strategic leasing agreements. We maintained cost efficiency to ensure profitability, while reinvesting in property upgrades and modernization initiatives.

Key developments

In 2024, ICON Properties Plc made significant strides in enhancing its property portfolio and operational capacity. Key developments included the installation of a modern smart parking system at Chichiri Shopping Centre, which improved traffic flow, customer experience, and revenue accountability. In Lilongwe, selected properties were refurbished to enhance functionality and tenant satisfaction. The Company also accelerated its digital transformation journey through the digitisation of core operational processes, driving greater efficiency and enabling data-informed decision-making. Additionally, ICON strengthened strategic partnerships with key industry players to explore new investment opportunities and position the business for future growth.

Challenges and market outlook

Despite economic pressures and regulatory changes, we have remained adaptable. The real estate sector in Malawi continues to present growth opportunities, and we anticipate further expansion in 2025 and beyond. Our strategic focus will remain on enhancing long-term asset value, expanding the portfolio, and maintaining high-quality tenant services.

Appreciation

Eris Properties Malawi Limited extends appreciation to all stakeholders, tenants, partners, and employees for their continued support and collaboration throughout 2024. Their contributions were instrumental in enabling effective property management and operational success across the ICON Properties Plc portfolio. The company remains committed to driving growth, innovation, and service excellence in the years ahead.

Eris Properties Mw Limited
Overarching Manager

OUR STRATEGY

Investment and Development Philosophy

ICON Properties plc's investment strategy is focused on acquiring and developing high-rental-yield assets with stable cashflows and strong growth potential. Every investment decision is guided by:

- **Asset quality and strategic fit**
- **Projected project returns and capital structure**
- **Risk-adjusted cashflow potential**
- **Long-term capital appreciation opportunities**

By applying rigorous screening and adopting flexible capital structures, we can optimise financial returns while maintaining operational agility.

Our Strategic Direction: Building for Better

At ICON Properties, Building for Better is more than a strategy, it is a commitment to shaping the future of real estate in Malawi. Grounded in long-term value creation, this strategy reflects our belief that real estate should do more than generate returns; it should empower communities, enhance cities, and support the Nation's broader development vision. As Malawi continues to pursue the aspirations of MW2063, ICON is aligning its investment and development focus with emerging needs in infrastructure, urban renewal and regional inclusion.

The year ahead marks a significant chapter for ICON, with key initiatives reaching advanced stages and new opportunities taking shape across commercial, industrial and hospitality sectors. Performance in 2025 will be driven by our disciplined advancement of these projects, proactive portfolio optimisation and our continued commitment to sustainability, relevance and resilience in a dynamic environment.

Strategic Priorities

Delivering Relevance, Resilience and Return

ICON's strategic priorities are informed by the drive to remain relevant in a changing market, building resilience and delivering sustainable returns to our shareholders. These priorities reflect our ambition to lead in a rapidly evolving sector while aligning with Malawi's development vision. Below is a summary of our strategic direction and the key performance outcomes we are targeting.

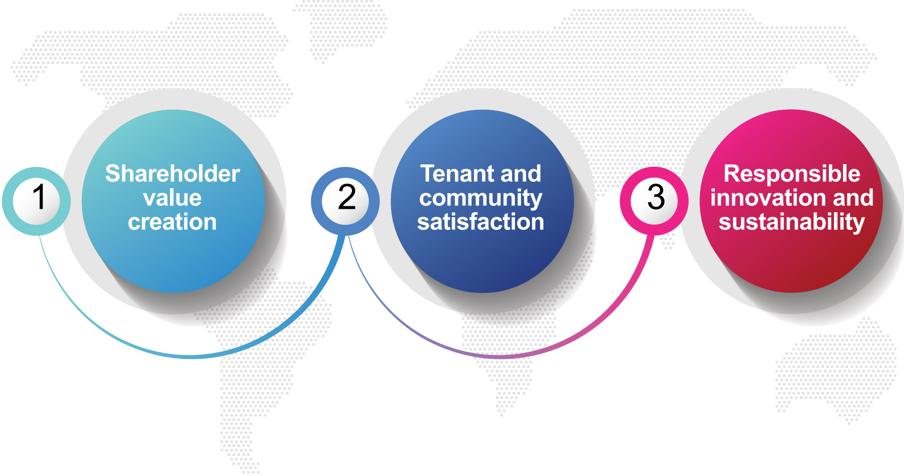
Strategic Priority	Key Focus Area	Key Results Area
Portfolio Resilience & Market Position	Defend and preserve market share	Maintain stable occupancy and tenant retention across core assets
Future Market Relevance	Align product offerings with emerging market needs	Launch and progress new developments in growth sectors (e.g., industrial, hospitality, mixed-use)
Revenue Growth	Grow and diversify income streams	Execute value-enhancing projects and expand non-office asset exposure
Geographic Diversification	Strengthen national footprint	Expand ICON's footprint beyond historical urban centres.
Sustainability and Community Impact	Embed ESG principles in investment and development	Deliver social infrastructure and implement green-building initiatives

OUR STRATEGY (continued)

These priorities form the core of our Building for Better strategy, reinforcing our intent to deliver high-impact infrastructure, responsible investment and inclusive growth with clarity of purpose and operational prudence.

ICON remains steadfast in its vision to be the leading diversified real estate investment company in Malawi, delivering infrastructure solutions that are both commercially sound and socially valuable.

As we evolve, our strategy will continue to prioritise:



OUR STAKEHOLDERS





Material Matters Determination – Double Materiality

At ICON Properties Plc, understanding our impact and dependencies on economic, environmental, and social factors is critical to long-term value creation and business resilience. During 2024, we engaged extensively with both internal and external stakeholders to identify key material issues that influence our operations and strategic direction.

Identification

We gathered insights from diverse stakeholder groups to uncover the most relevant economic, environmental, and social matters affecting ICON's business and its wider ecosystem.

Assessment and Prioritization

Through a structured evaluation process, we analyzed these factors in terms of financial, operational, and sustainability impacts. This enabled prioritization of issues that are most material to ICON and our stakeholders, aligning closely with our strategic objectives.

Integration

The validated material matters have been embedded into our core business strategy and sustainability frameworks. This integration guides target-setting, investment decisions, and operational improvements. We maintain ongoing reviews to ensure relevance amid evolving challenges and opportunities.

Monitoring and Continuous Improvement

Our monitoring framework tracks the ongoing significance of these material matters. This ensures our management approaches remain effective, adaptive, and aligned with stakeholder expectations, strengthening risk management and fostering sustainable value creation.

Key Material Strategic Focus Areas

ICON's identified material matters inform the following strategic focus areas, designed to maximize value creation for all stakeholders and support sustainable business growth. Here is a table presenting ICON Properties Plc's Material Matters using the Double Materiality Perspective, as recommended by the GRI Standards and aligned with integrated reporting principles. The table distinguishes between: Impact Materiality – how ICON's activities impact the economy, environment, and society. Financial Materiality – how external sustainability-related factors impact ICON's ability to create enterprise value.

OUR STAKEHOLDERS (continued)

Material Matter	Impact Materiality (Inside-Out Perspective)	Financial Materiality (Outside-In Perspective)
1. Product Innovation	Enhances responsible consumption by integrating ESG into solutions that support inclusive societal development.	Drives market differentiation, enhances competitiveness, and attracts ESG-conscious investors and tenants.
2. Customer Centricity	Improves inclusivity and accessibility of services, promoting social equity.	Builds tenant loyalty, reduces vacancy risks, and sustains rental income streams.
3. Operating Environment	Promotes responsible business conduct in line with regulatory compliance and ethical standards.	Regulatory or macroeconomic shifts can influence ICON's cost structures and investment timing.
4. Responsible Investments	Directs capital toward sustainable projects, supporting national development and climate resilience.	Enhances long-term returns, manages transition risk, and attracts green financing opportunities.
5. Community Empowerment	Strengthens local economic development, educational outcomes, and social cohesion.	Improves social license to operate, brand reputation, and stakeholder trust.
6. Strategic Partnerships	Enables co-creation of solutions with government, NGOs, and private entities for broader societal benefit.	Facilitates innovation, de-risks investment, and provides access to new markets and financing options.
7. Environment Stewardship	Contributes to climate change mitigation and natural resource preservation.	Reduces operational costs (e.g., energy, waste), mitigates regulatory risk, and enhances asset longevity.

Material Matters and Stakeholder Demands

We recognize that the intersection between material issues and stakeholder expectations is fundamental to sustainable business success. In 2024, ICON refined its approach to ensure our reporting remains relevant, transparent, and reflective of these priorities, thereby driving purposeful action and accountability.

Approach to Stakeholder Engagement

ICON is committed to purposeful and transparent stakeholder partnerships. Our engagement practices in 2024 were tailored to sector-specific dynamics, regulatory requirements, and the evolving needs of our stakeholders. These engagements ensure mutual understanding, informed decision-making, and shared value creation.

Value Created for Our Stakeholders

By identifying key stakeholder groups and customizing our engagement, ICON strengthens trust, drives collaboration, and aligns its strategy with stakeholder interests:

Shareholders and Investors

We maintained consistent, transparent communication through regular updates, performance reporting, and open dialogue, ensuring shareholder confidence in our strategic execution and sustainable growth.

OUR STAKEHOLDERS (continued)

Board of Directors
Our Board provided robust governance and strategic oversight during the year, ensuring alignment with shareholder interests, risk management, and ethical business practices.

Customers and Tenants
We engaged proactively with a diverse customer base, supporting their operational success through responsive asset management and continuous service enhancements informed by their evolving needs.

Suppliers and Business Partners
ICON fostered collaborative relationships with suppliers and service providers, emphasizing mutual accountability, high service standards, and ethical conduct governed by comprehensive Service Level Agreements.

Government and Regulatory Authorities
We maintained active, cooperative dialogue with government bodies and regulators to ensure compliance, support urban development initiatives, and align with national development goals.

General Public, Media, and Civil Society
Recognizing our societal role, we prioritized transparent communication and responsible corporate citizenship through media engagement, social investment, and participation in civic initiatives, fostering community trust and shared prosperity.

This comprehensive stakeholder engagement and materiality framework underscores ICON Properties Plc's commitment to embedding sustainability into all facets of its operations and governance, setting the stage for responsible, resilient growth beyond 2024.

OUR STAKEHOLDERS (continued)

Stakeholder	Key Concerns and expectations	Our response	Value created or preserved	Quality of relationship indicators
Shareholders and Investors	Our shareholders and investors seek consistent financial returns, transparency in decision-making, robust corporate governance and proactive risk management. Increasingly, they also expect the integration of environmental, social and governance (ESG) principles into ICON's strategy and operations.	ICON maintains transparent and frequent engagement through shareholder meetings, periodic reports and disclosures. We uphold strong governance structures and risk frameworks aligned with best practice and ensure ESG commitments are embedded in our long-term investment strategy.	Strengthened investor trust, sustained access to capital and enhanced brand reputation as a responsible and forward-looking property investment company.	Timely publication of audited and interim financial statements; consistent dividend declarations; positive engagement at AGMs and stakeholder forums; adoption of ESG disclosure frameworks.
Customers and Tenants	Our tenants and customers expect service excellence across our offerings. Tenants in particular expect well-managed, clean and secure properties; convenience and prompt issue resolution; responsive communication and fair, transparent lease terms.	ICON continues to invest in centralised management systems that enhance tenant communication and maintenance tracking. Our customer- facing support teams are trained to provide responsive support, while upgrades to facilities and amenities are regularly undertaken to improve satisfaction.	Through service excellence and proactive relationship management, value is created by fostering long-term customer relationships and loyalty. In 2024, ICON achieved an exceptional Tenant Satisfaction Index of 86%	Tenant satisfaction feedback; occupancy and retention rates; turnaround time on service requests; adoption of digital tenancy management tools.
Suppliers/ business partners	Our suppliers and business partners value timely payments, clarity on procurement requirements, fair competition and alignment on ethical business practices.	ICON's digital procurement system ensures transparent and efficient vendor engagement. We emphasise mutual accountability through adherence to codes of conduct and fair dealing.	Reliable and efficient service delivery, enhanced operational efficiency and stronger supplier confidence in ICON as a trusted business client.	Supplier onboarding times; invoice payment cycles; compliance with procurement policies; supplier satisfaction feedback.
Government and regulatory authorities	Expect compliance with applicable laws and regulations, timely submissions, tax compliance, and cooperation in policy and planning matters.	ICON maintains full compliance with regulatory requirements, engages proactively with authorities, and ensures timely submission of statutory and tax filings. We support national development goals through our operations.	Regulatory goodwill, license continuity, national development contribution.	Regulatory audit outcomes, tax compliance status, licensing history.
General public media and civil society	The media and the public expect us to provide accurate information about our business operations and contributions to society and the economy. Our community expects us to participate in community development initiatives that enhance the welfare of the people. Furthermore, the community expects us to provide employment opportunities to locals within the communities we operate in, thereby improving their welfare and contributing to the country's overall economy.	ICON provides ongoing information about our business operations through media engagement and briefings, as well as in local newspapers and on our digital platforms, including websites and social media. Our financial reporting is provided annually for consolidated, audited year-end financial statements and unedited mid-year financial statements.	ICON continues to engage in various community sponsorships to improve the welfare of the people. ICON believes in employing Malawians in the country .	ICON monitors and track our community sponsorships' impact to evaluate effectiveness in addressing community needs and achieving desired social outcomes. Quality and timely information provided in all ICON Communication platforms

OUR STAKEHOLDERS (continued)

Strategic Partnerships

ICON's growth and resilience are strengthened by its strategic partnerships, which provide access to technical expertise, capital and market insight across our investment portfolio. These partnerships are central to ICON's ability to originate, structure and deliver commercially viable projects that align with long-term shareholder value.

NICO Group:

Our primary strategic partner which plays a pivotal role, both directly and through its subsidiaries. The Group offers deep institutional support, governance alignment and access to a broader investment and operational network across financial services and real estate markets.

NICO GROUP
COMPREHENSIVE FINANCIAL SOLUTIONS

NBS Bank
Banking

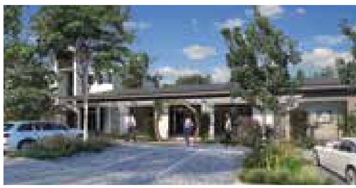
NICO
General Insurance
Life Insurance
Asset Management
Corporate Finance
Pensions
Technology

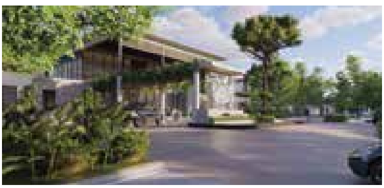
Eris
Infrastructure Solutions

Blantyre Hotels plc:

ICON is also aligned with key project-based partners where it holds equity interests. One key partner is Blantyre Hotels Plc, the sponsor behind the Oasis Hospitality Project - a flagship development in ICON's pipeline.








OUR GOVERNANCE

Introduction

At ICON Properties Plc ("ICON" or "the Company"), good governance was a cornerstone of our strategy and performance in the year ended 31 December 2024. We remained committed to upholding high standards of integrity, transparency, and accountability across all aspects of our operations. Effective governance ensured sound decision-making, promoted ethical leadership, and supported the long-term creation of stakeholder value.

Governance Commitment

The Board of Directors was fully committed to maintaining robust corporate governance practices in accordance with the Companies Act, 2013; the Malawi Code II (Code of Corporate Governance); the Malawi Stock Exchange Listing Requirements; the Companies (Corporate Governance) Regulations, 2016; and other internationally recognised governance standards. This commitment promoted responsible leadership, ensured compliance, and fostered an ethical culture throughout the Company.

The Board was responsible for providing strategic direction and oversight, ensuring effective risk management and internal controls, upholding compliance with statutory and regulatory frameworks, and overseeing performance to deliver value creation for stakeholders. While management handled daily operations, the Board retained ultimate accountability for governance and the Company's long-term sustainability.

Board Composition and Structure

The Board comprised eight Non-Executive Directors, the majority of whom were Independent. This composition ensured diverse viewpoints, constructive challenge, and broad expertise across property investment, finance, legal, and risk management.

Directors' Profiles

Mr. Eric Chapola - 62
Chairperson

Mr. Chapola is a Chartered Insurer (ACII) and Fellow of the Society of Fellows (UK) with a Diploma in Business Studies from the University of Malawi, The Polytechnic. Since 2017, he served as Chief Executive Officer of NICO Life Insurance Company Limited until 2023, providing strategic leadership, particularly in managing the company's property portfolio. Mr. Chapola brings extensive board leadership experience, having chaired the Malawi Revenue Authority (2017–2019) and chaired the Malawi Blood Transfusion Services Board, among other key boards.

Mr. Simeon Banda - 61
Non-executive Director

Mr. Banda is a Chartered Quantity Surveyor and Registered Valuer with 28 years' experience. He holds a Bachelor of Science (Honours) Degree in Quantity Surveying and is a Professional Member of the Royal Institution of Chartered Surveyors (MRICS). His expertise in property valuation and project management is widely recognised.

OUR GOVERNANCE (continued)

Directors' Profiles (continued)

Mr. Dasford Kamkwamba - 71
Non-executive Director

With over 35 years of experience in accounting and corporate governance, Mr. Kamkwamba holds an MBA from Stellenbosch University and is a Fellow of the Chartered Certified Accountants (FCCA). His extensive experience in financial management and strategic leadership underpinned his contributions to the Board.

Mr. Sangwani Hara - 58
Non-executive Director

Mr. Hara is a seasoned finance and accounting professional with over 25 years' experience. He holds a Bachelor's Degree in Commerce (Accountancy) from the University of Malawi and was a Chartered Certified Accountant. His career spans multinational organisations including CDC Group plc and Global Tea & Commodities Limited.

Mr. Joseph Malingamoyo - 62
Non-executive Director

A Chartered Quantity Surveyor with over 35 years' experience, Mr. Malingamoyo holds a Bachelor's Degree (Honours) in Quantity Surveying and Construction Economics, and an LLM in Construction Law and Practice. He is a member of several professional bodies including MRICS and the Chartered Institute of Arbitrators (UK).

Mr. Graham Chipande - 39
Non-executive Director

Mr. Chipande brings over 15 years of experience in banking and finance, serving as Head of Business Banking at Standard Bank Plc. He holds an MBA in Finance and a Bachelor of Science (Honours) in Business Management.

OUR GOVERNANCE (continued)

Directors' Profiles (continued)

Mr. Wise Chigudu - 46
Non-executive Director

Mr. Chigudu is the Chief Executive Officer of NICO Life Insurance Company Limited and a Fellow of the UK Institute of Actuaries. With more than 20 years of global experience in insurance and risk management, he holds an MBA from the University of Oxford and a Bachelor of Commerce from the University of Cape Town.

Mrs. Emily Makuta - 57
Non-executive Director

Mrs. Makuta is a seasoned legal and compliance professional with deep expertise in corporate governance and commercial law. She holds an LLB (Hons) from the University of Malawi and a Master's in International Economic Law from the University of Warwick, UK. In 2007, she became a Chartered Secretary through the Institute of Chartered Secretaries and Administrators (UK) and later earned an International Diploma in Compliance from Manchester Business School and the International Compliance Association.

OUR GOVERNANCE (continued)

Board Committees

To strengthen oversight, the Board operated through two standing committees during the year ended 31 December 2024. Each Committee operated under formally approved Terms of Reference, with delegated authority and reported regularly to the full Board.

The Finance & Audit Committee oversaw the company's financial reporting, internal controls, audit functions, risk management, and regulatory compliance. Members as of 31 December 2024 were:

- Dasford Kamkwamba – Chairperson
- Sangwani Hara
- Wise Chigudu
- Graham Chipande

The Investment Committee provided oversight on investment strategy, project appraisal, capital allocation, and investment portfolio performance. Members during the same period were:

- Simeon Banda – Chairperson
- Joseph Malingamoyo
- Sangwani Hara
- Wise Chigudu
- Emily Makuta

Company Secretary and Board Support

The Company Secretary supported the Board's effective functioning by providing independent governance advice, ensuring compliance with legal and regulatory obligations, facilitating the planning and coordination of Board and Committee meetings, and supporting the induction and ongoing development of Directors. All Directors had unrestricted access to the Company Secretary.

Effective and Ethical Leadership

ICON was led by a diverse and experienced Board committed to the principles of integrity, objectivity, fairness, and accountability. Ethical leadership was promoted through a strong governance framework, a tone-from-the-top approach, and clearly defined codes of conduct and ethical expectations across the organisation. The absence of Executive Directors reinforced the Board's independence, while operational leadership was entrusted to the management team.

Directors' Tenure and Appointment

Under Section 20A(4) of the Company's Articles of Association, shareholders holding 10% or more of the issued share capital were entitled to appoint one Director per 10% holding. Such appointments automatically lapsed if shareholding fell below the 10% threshold. All Non-Executive Directors were subject to retirement by rotation, in accordance with the Companies Act, 2013, the Articles of Association, and the Malawi Stock Exchange Listing Rules. Directorships could be terminated by written notice, with no entitlement to predetermined compensation.

Communication with Shareholders

ICON maintained open and transparent communication with its shareholders through annual and interim reports, regulatory announcements, investor briefings, and the Annual General Meeting (AGM), which served as a key forum for direct engagement between shareholders and the Board. The Company complied fully with continuous disclosure obligations and committed to providing timely, clear, and material updates on performance, strategic direction, and key developments.

Compliance with the Malawi Code II

The Board confirmed full compliance with the Malawi Code II on Corporate Governance. Stakeholders with any concerns or queries related to governance matters were encouraged to contact the Company Secretary for clarification or further information.

RISK MANAGEMENT

ICON Risk complex and risk management approach

ICON Properties Plc operates in a dynamic and evolving economic and regulatory landscape, where exposure to diverse risks is inherent to its business model. The company faces a complex risk environment influenced by macroeconomic pressures, currency volatility, shifting fiscal policies, geopolitical uncertainty, climate considerations, and sector-specific challenges. In response, ICON employs a structured enterprise risk management (ERM) framework that enables proactive identification, assessment, and monitoring of risks across its operations. This framework is aligned with international best practices and ensures risks are managed in a systematic, transparent, and integrated manner across all levels of the business.

Risk appetite and tolerance

ICON's Board of Directors defines the company's risk appetite as the amount and type of risk the company is willing to accept in pursuit of its strategic and operational goals. This risk appetite is calibrated to reflect ICON's long-term value creation objectives and its fiduciary responsibility to stakeholders. The company maintains a conservative risk tolerance in areas such as tenant default, regulatory compliance, and foreign exchange exposure, while adopting a more moderate risk stance in growth initiatives, joint ventures, and innovation-driven projects. The Board regularly reviews the risk appetite statement to ensure it remains aligned with prevailing market realities and strategic priorities.

Risk management and governance of risk

The governance of risk at ICON is overseen by the Board through its Finance & Audit Committee and the NICO Group Risk, with operational responsibility residing with senior management and embedded risk champions across business functions. Risk management is fully integrated into strategic planning, investment decisions, and performance monitoring. ICON applies rigorous internal controls, compliance protocols, and scenario planning to mitigate potential disruptions. Independent assurance is provided through internal audit, while collaboration with external advisors supports horizon scanning and specialized risk analysis. Regular reporting to the Board ensures accountability and timely escalation of emerging concerns.

Our key risks

During the 2024 reporting period, ICON Properties Plc faced a range of material risks shaped by economic, regulatory, technological, and geopolitical dynamics. These risks posed significant implications not only for the company's financial and operational performance but also for its broader ability to create value for stakeholders and uphold its sustainability commitments. Each risk is closely linked to ICON's material matters as identified in its stakeholder engagement and double materiality assessments.

Credit risk intensified during the year as a result of persistent economic challenges, which placed pressure on certain tenant groups, particularly those in the public and SME segments. Payment delays became more frequent, leading to a rise in outstanding receivables. This situation directly impacted ICON's liquidity management and necessitated more stringent credit controls and stakeholder engagement efforts. The risk underscores material matters relating to customer centricity, the operating environment, and responsible investment, highlighting the need for resilient financial relationships and agile tenant engagement strategies.

In addition, the company continued to face **limitations stemming from long-term fixed lease agreements** with some tenants. These agreements, while providing stability, lacked the flexibility to respond to inflationary pressures that drove up operational costs across the portfolio. The mismatch between rising expenditures and fixed rental increases affected net returns and introduced structural rigidity in cash flow projections. This risk is closely tied to material concerns around product innovation and the operating environment, demonstrating the importance of more adaptive lease structures that can sustain value through economic cycles.

RISK MANAGEMENT (continued)

Foreign exchange volatility presented further challenges, particularly for ICON's strategic capital investment projects which are budgeted in foreign currency but financed in local currency. As exchange rate movements remained unpredictable, project costs in local terms became increasingly difficult to forecast and control. This exposure is material from both financial and sustainability perspectives, linking to responsible investments, environmental stewardship, and the need for strategic partnerships that can de-risk capital allocation and funding structures.

Geopolitical developments and shifts in international donor policies added an additional layer of uncertainty, especially for tenants who rely on development assistance. Changes in funding priorities or international policy directions could lead to contract terminations or occupancy risks. These geopolitical and policy risks are reflective of broader material issues such as community empowerment, the operating environment, and the importance of stakeholder-aligned partnerships. ICON's response includes close monitoring of geopolitical developments and efforts to diversify its tenant base.

Operational risks also emerged during the year, particularly from the integration of new technologies such as automated systems for parking and tenant services. While these innovations are aligned with ICON's drive for product and service enhancement, they introduced system reliability, user adoption, regulatory compliance, and supply chain dependencies. Such risks reinforce the significance of material matters like product innovation and environmental stewardship, and underscore the importance of procurement planning, compliance monitoring, and robust vendor relationships.

Rising inflation continued to influence operational cost structures, driving up the price of maintenance, repairs, utilities, and services. This created added pressure on financial performance, especially in areas where costs could not be easily passed on to tenants. The need to strike a balance between cost control and service quality emphasized material issues related to the operating environment and customer satisfaction. Management's approach includes strategic cost optimization and preventive maintenance planning to mitigate these inflationary pressures.

Finally, **the political climate ahead** of the national elections introduced uncertainty around policy continuity, operational stability, and investor confidence. Political risk can potentially disrupt business operations, affect insurance premiums, and influence economic policy. As such, it touches on material concerns related to the operating environment and community empowerment. In response, ICON has reviewed its risk management protocols, bolstered its insurance coverage, and updated its business continuity plans to ensure resilience under various political scenarios.

Together, these risks illustrate the complexity of ICON's operating environment and the company's commitment to integrated, proactive risk management. By aligning risk identification and mitigation efforts with its material matters, ICON continues to ensure that both financial and non-financial risks are appropriately addressed in support of long-term stakeholder value and business sustainability.

Identified opportunities that affect ICON

While these risks pose challenges, they also offer strategic opportunities. ICON is leveraging its robust property portfolio to explore new models of property ownership through joint ventures and co-investment structures, enhancing access to capital for development projects. Engagements with tenants and digital enhancements to operations are opening pathways for better client retention, efficiency, and service quality. Evolving ESG expectations will enable ICON to reposition its portfolio with a greater focus on sustainability, unlocking access to green finance and enhancing long-term asset value. Additionally, regulatory engagement and proactive tax management are strengthening compliance resilience and stakeholder trust.

By actively navigating its risk landscape and embracing emerging opportunities, ICON remains committed to building a resilient, adaptive, and forward-looking property investment business.

RISK MANAGEMENT (continued)

Outlook for 2025

Looking ahead, real GDP growth forecasts range from 1.6% to 4.3%, reflecting expectations of improved agricultural performance including operational mega-farm investments. Structural reforms aimed at enhancing price stability, forex availability and export diversification are central to Government plans. Key sectors such as agriculture, mining and tourism present growth opportunities, supported by international partnerships and investments. Further to this, anticipated developments in agricultural processing zones and trade hubs, supported by the Malawi Investment and Trade Centre, could stimulate growth. Additionally, the 2024 Investment and Export Promotion Act provides a strategic policy foundation for long-term industrial sector growth.

This projected sectoral growth could support increased property demand in strategic locations where select opportunities remain, particularly in the retail, industrial and affordable housing sectors. Unlocking value in 2025 will depend on strategic policy support, investor confidence and prudent risk management. ICON's priorities around resilience, relevance and returns position the Company to navigate the evolving property landscape.

SUSTAINABILITY, CSR AND DIGITAL INFRASTRUCTURE

Sustainability in Building Management: Laying the Foundation for Long-Term Impact

As a responsible real estate investment entity, ICON recognized the crucial role that sustainable building management played in driving long-term value creation, resilience, and environmental stewardship. While our sustainability journey was still in its formative stages during 2024, we laid the essential groundwork to transform our portfolio and operational practices into models of resource efficiency, environmental care, and future-ready performance.

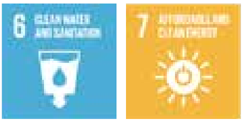
A Foundation for Action

During the year, ICON tracked water and electricity consumption across its managed properties primarily through expenditure metrics. Although this provided an entry point, we acknowledged that sustainable real estate management requires deeper insights. Consequently, we initiated the development of a robust data framework to transition from cost-based tracking to actual resource consumption measurement. This will enable a clearer understanding of usage patterns, operational efficiency, and potential intervention areas.

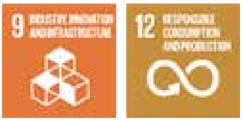
Looking ahead to 2025 and beyond, our focus is on converting existing operational data into baseline environmental performance indicators to inform sustainability improvements, tenant engagement, and investment planning.

Strategic Priorities for Sustainable Operations

Aligned with the United Nations Sustainable Development Goals (SDGs) and industry benchmarks, our sustainability strategy was anchored on the following pillars of building management:



Resource Utilization and Utility Consumption
Alignment: **SDG 6** (Clean Water and Sanitation) and **SDG 7** (Affordable and Clean Energy)



Energy Conservation
Alignment: **SDG 9** (Industry, Innovation and Infrastructure), **SDG 12** (Responsible Consumption and Production)

Waste Management
Alignment: **SDG 11** (Sustainable Cities and Communities) and **SDG 13** (Climate Action)

Emissions Awareness and Reporting
Alignment: **SDG 13** (Climate Action)

Looking Ahead – Setting the Stage for Impact

ICON actively developed a Sustainability Framework to incorporate environmental, social, and governance (ESG) considerations into its investment lifecycle, portfolio management practices, and stakeholder engagement activities. We understand that meaningful change begins with measurement; our initial resource tracking efforts are expected to evolve into structured programs aimed at reducing environmental impact while enhancing operational value.

Our ambition is to transform our buildings into green-aligned assets over time, with long-term goals including:

- Integration of green certifications into future developments
- Active tenant engagement on responsible resource use
- Partnerships with service providers for low-impact operations

We believe a structured and transparent approach to sustainability will position ICON not only as a competitive property investment vehicle but also as a steward of shared value creation within Malawi's built environment as we continue to Build Better Futures.

SUSTAINABILITY, CSR AND DIGITAL INFRASTRUCTURE (continued)

ICON in the Community – CSR Initiatives and Report

ICON Properties remained committed to inclusive and sustainable development through targeted investments. Our Corporate Social Responsibility (CSR) efforts focused on building better futures for all stakeholders and contributing to Malawi's national development.

In 2024, ICON Properties invested MK51.8 million (2023: MK51.2 million) in CSR initiatives.

Building a Better Future in Education

In partnership with NICO Group, ICON Properties Plc handed over a fully furnished double-storey, 4-classroom block at Mbayani Primary School, alleviating pupil congestion. Mbayani, one of Malawi's most congested schools, had 6,723 learners, 93 teachers, and 33 classrooms. The new block not only eased overcrowding but was also designed to set a trend for space maximization in government schools.



Shaping Malawi's Future through Thought Leadership

ICON allocated MK4.0 million to initiatives promoting dialogue aimed at improving national development decisions. Notably, ICON sponsored the inaugural National Housing Symposium.

Other Community Work: Building Better Communities through Safety

In 2023, ICON handed over a fully furnished Police Unit at Chichiri Shopping Centre to the Malawi Police Service. The MK 88 million project is fully operational and equipped to deliver comprehensive police services. Since its commissioning, security at the shopping centre and surrounding community has significantly improved, enhancing safety for customers and residents alike.

In 2024, the Company donated K5 million towards the 2024 Presidential Charity Golf Tournament held at Limbe Country Golf Club on 11 and 12 October 2024. The tournament was aimed at raising funds to support victims of tropical cyclones and university students facing financial hardships.

In 2024, the Company also made various donations amounting to K4.8 million towards various sponsorships and societal activities which among others include; Mbayani Primary School fire extinguishers, Malawi Law Society Conference and MUBAS School of Built Engineering Symposium.



Processes and Systems – Digital Infrastructure

Operational Excellence Through Digital Infrastructure

At ICON, operational efficiency was critical to delivering consistent value to tenants, shareholders, and the communities we serve. As part of our long-term strategy, we embraced digital transformation as a central enabler of business agility, service excellence, and future readiness.

Our focus was on systems and technologies that simplify operations, enhance transparency, and empower the Company and its partners to deliver with greater speed and accuracy. These systems are not standalone investments but part of a deliberate effort to future-proof ICON's operations and strengthen our platform for scalable growth.

Our Core Digital Infrastructure

ICON's digital infrastructure underpinned our drive toward smarter, greener, and more efficient operations. Spanning contract management, procurement, and finance, these investments enabled long-term value and sustainability.

The integrated management systems laid the foundation for real-time contract tracking and more responsive customer relationship management, allowing us to move toward proactive, data-informed service delivery. Similarly, the recently digitised procurement platform strengthened governance through transparent workflows, structured vendor engagement, and improved spend control.

Collectively, these digital investments were critical enablers of our transition to a low-paper, environmentally conscious business model. They supported smarter data capture, predictive maintenance, and real-time insights, positioning ICON to scale sustainably with greater operational resilience.

Smart Parking: A Flagship of Innovation

A highlight of our digital advancements was the Parking Management System at Chichiri Shopping Centre. Deployed at this strategic location, the system delivered a significantly improved customer experience through streamlined traffic flow and user-friendly access, while enabling data-driven pricing models and robust revenue accountability.

Beyond convenience, the system supported our broader digital strategy by integrating seamlessly with financial controls and reporting mechanisms. As a result, parking evolved from a simple amenity into a well-managed, revenue-generating asset—demonstrating ICON's commitment to leveraging technology for value creation and operational excellence.

Commitment to Cybersecurity and Data Protection

Security and integrity of information were central to our digital strategy. Through partnerships with technology providers, we benefitted from structured cybersecurity oversight, including regular awareness campaigns, incident prevention protocols, and backup systems safeguarding operational data and customer information.

Our proactive approach, aligned with best practices, was embedded in our governance structure, ensuring that as we digitised, we remained safe, compliant, and trustworthy.

GRI CONTEXT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Report overview (1.1)
	2-3 Reporting period, frequency and contact point	Report overview (1.1)
	2-6 Activities, value chain and other business relationships	About ICON (2)
	2-9 Governance Structure and Composition	Our governance (5)
	2-11 Chair of the governance body	Our governance (5)
	2-12 Role of the highest governance body in overseeing management	Our governance (5)
	2-13 Delegation of responsibility for managing impact	Our governance (5)
	2-14 Role of the highest governance body in sustainability reporting	Our governance (5)
	2-17 Collective knowledge of the highest governance body	Our governance (5
	2-22 Statement on sustainable development strategy	Our governance (5)
	2-24 Embedding policy commitments	Sustainability (7)
	2-25 Processes to remediate negative impacts	Our stakeholders (4.5)
	2-27 Compliance with laws and regulations	Our stakeholders (4.5)
	2-29 Approach to stakeholders' engagement	Our stakeholders (4.4, 4.5)
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our stakeholders (4.1)
	3-2 List of material topics	Our stakeholders (4.3)
	3-3 Management of material topics	Our stakeholders (4.3)
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Chairman's statement (2.5), Managers statement (2.6)
	203-2 Significant Indirect economic impacts	CSR – ICON in the community (7.4)

GRI CONTEXT INDEX (continued)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 207: Tax 2019	207-1 Approach to tax 207-2 Tax governance, control and risk management	Our stakeholders (4.5) Our stakeholders (6.5)
GRI 302: Energy 2016	302-4 Energy conservation	Sustainability (4.2, 7.3)
GRI 303: Water and effluents 2018	303-1 Interaction with water as a shared resource 303-5 Water consumption	Sustainability (7.2, 7.3)
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	Our stakeholders (4.2) Sustainability (7.3)
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs Energy conservation	CSR - ICON in the Community (7.4)

FINANCIAL STATEMENTS

ICON PROPERTIES Plc

Managed by Eris Properties

DIRECTORS' REPORT

For the year ended 31 December 2024

The directors have pleasure in submitting their report together with the annual audited financial statements of ICON Properties Plc ("the Company") for the year ended 31 December 2024.

NATURE OF BUSINESS

The Company is a property holding company formed with the objective of owning, leasing, managing, and developing office, retail, residential and industrial properties. The Company has properties in Blantyre, Zomba, Lilongwe and Mzuzu.

INCORPORATION

The Company was incorporated in Malawi as a private limited company on 4 June 2018. It began operations on 1 November 2018 and on this date, the then existing shareholders transferred the shareholding they held in various property companies, namely Kang'ombe Investment Limited, Chichiri Shopping Centre Limited, Lilongwe City Mall Limited, and NICO Properties Limited, as well as various property interests into the Company in exchange for shares in ICON Properties Limited. The Company was registered and converted to a public limited company on 8 November 2018 and later that month announced its intention to list its shares on the Malawi Stock Exchange. The Company listed on the Malawi Stock Exchange on 21 January 2019.

GROUP RE-ORGANISATION

The directors resolved and approved to have the Company undergo a re-organisation where the assets and liabilities of NICO Properties Limited, Lilongwe City Mall Limited, and Chichiri Shopping Centre Limited which were 100% owned subsidiaries of ICON Properties Plc (ICON) be transferred to ICON Properties Plc effective 1 January 2021. The transfer was executed at book value for all assets and liabilities for all components as at the effective date. The effect of this was that these subsidiary companies were made inactive.

Effective 31 December 2022, the assets, and liabilities of Kang'ombe Investment Limited (KIL), 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 Press Trust had in KIL towards the end of the 2021 financial year. At this date the Company ceased to be a group as all subsidiary companies were inactive.

DIRECTORS' REPORT (CONTINUED)
For the year ended 31 December 2024

SHARE CAPITAL

The authorized share capital of the Company is 10 000 000 000 shares. The issued share capital is 6 680 000 000, fully paid at year end. The shareholders and their respective shareholding as at year end were as follows:

Shareholder	2024 % Holding	2023 % Holding
NICO Life Insurance Company Limited	56	56
Standard Bank Malawi Pension Fund	8	8
National Bank of Malawi Pension Fund	4	4
Magetsi Pension Fund	3	3
Other shareholders*	29	29
	100	100

*Other shareholders include other pension funds and the general public.

REGISTERED OFFICE

The physical address of the Company's registered office is:
Michiru House
Victoria Avenue
P O Box 648
Blantyre
Malawi

FINANCIAL PERFORMANCE

The results and state of affairs of the Company are set out in the accompanying statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and accompanying material accounting policy information and notes to the financial statements.

PROFIT

The profit for the year ended 31 December 2024 attributable to the owners of the parent was K24.4 billion (2023: K19.2 billion).

DIVIDEND

During the year the Company paid a final dividend of K935.2 million for the year ended 31 December 2023 (2022: K868.4 million) and an interim dividend of K935.2 million for the year ended 31 December 2024 (2023: K868.4 million).

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2024

CORPORATE GOVERNANCE

The Company has a unitary Board of Directors comprising eight non-executive directors of which four are independent. During the year, one director, Mrs. Emily Makuta, resigned from the Board effective 18 September 2024. Effective July 2024, Mr. Wise Chigudu an Executive Officer of NICO Life Insurance Company Limited was appointed to the Board of Directors through NICO Holdings Plc, a majority shareholder in NICO Life Insurance Company Limited.

The Company embraces best practices in corporate governance as enshrined in the Malawi Code II: Code of Best Practice in Corporate Governance in Malawi ("the Malawi Code/the Code").

The Board adopted the Malawi Code and is committed to comply with all applicable laws and regulations. The Company has a clearly defined governance framework which will be reviewed from time to time to ensure effective oversight by the Board.

Board of Directors

The following directors and secretary served in office during the year:

Mr. E. Chapola	Chairman*	All year
Mr. D. Kamkwamba	Director**	All year
Mr. S. Banda	Director**	All year
Mr. J. Malingamoyo	Director**	All year
Mr. G. Chipande	Director**	All year
Mr. Sangwani Hara	Director*	All year
Mrs. Emily Makuta	Director*	(up to September 2024)
Mr. Wise Chigudu	Director*	(from July 2024)
Mr. Kizito Kumwenda	Company Secretary	All year

Non-Executive Director *
Non-Executive Independent Director **

In terms of the Memorandum and Articles of Association, any member who holds 10% or more in nominal value of the issued share capital of the Company may from time to time appoint one director of the Company in respect of every 10% shares held.

At the annual general meeting of the Company in every year one-third of the directors for the time being (but excluding any executive director during his term of appointment to such office), or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office and can be re-elected if they are available.

Main Board and Board committee meetings

The Board and Board committees meet quarterly, and ad-hoc meetings are held when necessary. The directors are provided with comprehensive Board documentation prior to each of the scheduled meetings.

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2024

CORPORATE GOVERNANCE (CONTINUED)

Investment Committee

The Investment Committee is responsible for oversight on investment matters. The committee consists of four non-executive Directors but in the current year it had five non-executive directors for only three months from July to September 2024 due to the onboarding of Mr. Wise Chigudu before resignation of Mrs. Emily Makuta who resigned in September 2024. The committee meets at least four times in a year.

Finance and Audit Committee

The Finance and Audit committee is responsible for reviewing quarterly financial performance, annual reports and annual financial statements. This committee also monitors the adequacy of the overall control environment including accounting systems. The committee oversees the work of both the external and internal auditors. The committee consists of four non-executive directors. The company's external auditors attend by invitation. The committee meets at least four times in a year.

The following are the details of members and attendance for the Board meetings and committee meetings:

Main Board of Directors – Meeting Attendance

Name of Director	25/03/2024	27/05/2024	19/08/2024	10/09/2024	23/10/2024	09/12/2024
Mr. Eric Chapola	√	√	√	A	√	√
Mr. Simeon Banda	√	A	√	√	√	√
Mr. Joseph Malingamoyo	√	√	√	√	√	√
Mr. Dasford Kamkwamba	√	√	√	√	√	√
Mr. Sangwani Hara	√	√	√	A	√	√
Mr. Graham Chipande	A	√	√	√	√	√
Mrs. Emily Makuta	A	√	√	√	N/A	N/A
Mr. Wise Chigudu	N/A	N/A	√	√	A	√

Investment Committee - Meeting Attendance

Name of Director	19/03/2024	21/03/2024	22/05/2024	13/08/2024	22/10/2024	25/11/2024
Mr. Simeon Banda	√	√	√	√	√	√
Mr. Joseph Malingamoyo	√	√	√	√	√	√
Mrs. Emily Makuta	√	A	√	√	N/A	N/A
Mr. Sangwani Hara	√	√	√	√	√	A
Mr. Wise Chigudu	N/A	N/A	N/A	A	√	√

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2024

CORPORATE GOVERNANCE (CONTINUED)

Finance and Audit Committee - Meeting Attendance

Name of Director	21/03/2024	24/05/2024	15/08/2024	27/11/2024
Mr. Dasford Kamkwamba	√	√	√	√
Mr. Graham Chipande	√	√	√	A
Mr. Sangwani Hara	√	√	√	A
Mr. Wise Chigudu	N/A	N/A	A	√

Key:
√ = Attendance A = Apology N/A = Not Applicable

DIRECTORS' REMUNERATION

There were both executive and non-executive directors on the Board of Directors of the Company. The directors' fees and remuneration for the Company were as follows:

	2024 K'000	2023 K'000
Directors' fees and other expenses	74 169	48 934

EXTERNAL AUDITOR'S REMUNERATION

The remuneration of external auditors for the Company is as presented below:

	Auditor's Remuneration	
	2024 K'000	2023 K'000
Year-end audit	132 302	101 093
Mid-year review	26 910	20 946
Prior year under provision	677	-
Total	159 889	122 039

DONATIONS

	2024 K'000	2023 K'000
Donations	51 752	51 165

The Company, in collaboration with NICO Foundation, contributed towards the construction of a double-storey classroom block at Mbayani Primary School. The Company contributed K38 million towards the project in the year 2024.

The Company donated K5 million towards the 2024 Presidential Charity Golf Tournament held at Limbe Country Golf Club on 11 and 12 October 2024. The tournament was aimed at raising funds to support victims of tropical cyclones and university students facing financial hardships.

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2024

DONATIONS (CONTINUED)

In the year, the Company also made various donations amounting to K8.8 million towards various sponsorships and societal activities which among others include; Mbayani Primary School fire extinguishers, National Housing Symposium, Real Estate, Property and Infrastructure Development Summit and MUBAS School of Built Engineering Symposium.

DIRECTORS' INTERESTS

Register of interests:

Standing Notice of Disclosure for Mr. Wise Chigudu for his position as an executive officer at NICO Life Insurance Company Limited (which is the majority shareholder of ICON Properties Plc.) and whose majority shareholder is NICO Holdings plc. He held no shares in the Company during the year.

Standing Disclosure for Mr. Graham Chipande because of his association with Standard Bank Pension Fund. Mr. Graham Chipande is a Senior Manager at Standard Bank Plc. He held no shares in the Company during the year.

Standing Notice of disclosure for Mr. Sangwani Hara for his position as a NICO Holdings Plc director (which is the majority shareholder of NICO Life Insurance Company Limited, the majority shareholder of ICON Properties Plc). He held no shares in the Company during the year.

Standing Notice of Disclosure for Mrs. Emily Makuta for her position as a NICO Holdings Plc executive (which is the majority shareholder of NICO Life Insurance Company Limited, the majority shareholder of ICON Properties Plc). Director Makuta served on the board up to 18 September 2024. At the time of her departure, Director Makuta directly held 318 788 shares in the Company.

ACTIVITIES

The Company has an associate and other investment interests in companies as follows:

Name of associate	% Holding	Type of business
Oasis Hospitality Limited	44.27*	Property letting

Name of investment in shares	% Holding	Type of business
Plantation House Investment Limited	4.98	Property letting
Blantyre Hotels Plc (BHL)	10.31**	Hospitality

Name of subsidiary	% Holding	Type of business
Dove Nest Limited	100***	Property letting

*In the year 2022, the Company invested in a special purpose vehicle company, Oasis Hospitality Limited (Oasis), which is constructing a four-star hotel in Lilongwe. The hotel project construction and management were being driven by Blantyre Hotels Plc as the lead project sponsor. Blantyre Hotels Plc is a Malawi-based hospitality company and is listed on the Malawi Stock Exchange.

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2024

ACTIVITIES (CONTINUED)

As at 31 December 2024 the Company had contributed 44.27% (2023: 50%) of the first phase of committed capital into the hotel project. The total capital raising was, however, not concluded as at 31 December 2024, hence the shareholding in the investment is subject to further change with future capital calls. ICON Properties Plc had significant influence over Oasis Hospitality Limited and has accounted for it as an associate of ICON Properties Plc as at 31 December 2024. After year end, the Board of Directors of Oasis Hospitality Limited approved further capital injection by Blantyre Hotels Plc (BHL) into Oasis Hospitality Limited. This has resulted in a decrease of ICON Properties Plc's shareholding in Oasis Hospitality Limited from 44.27% as at 31 December 2024 to 29% as at 23 April 2025.

**In the current year, the Company entered into an underwriting agreement with Blantyre Hotels Plc (BHL) to underwrite BHL's rights issue. The Company's commitment to underwrite BHL's rights issue was K10 billion representing 807,754,443 take-up shares. At the conclusion of the BHL's rights issue ICON Properties Plc took up 605,815,832 shares in Blantyre Hotels Plc worth K7.5 billion.

*** In May 2021, the Company registered and incorporated a private limited liability Company, Dove Nest Limited, to explore an opportunity in a student accommodation project. The project, however, had not commenced, hence Dove Nest Limited has remained inactive to date. The Company continues to explore opportunities in the student accommodation sector, hence will keep Dove Nest open for the foreseeable future.

LEGAL ADVISORS

The management company, Eris Properties Malawi Limited provides inhouse legal services. The Company does not have a legal firm on retainership as such outsources legal advice from external lawyers on an ad-hoc basis.

PRINCIPAL BANKERS

The Company's principal bankers are Standard Bank of Malawi and NBS Bank Plc.

MANAGEMENT

The Company has no staff of its own, the directors appointed Eris Properties (Malawi) Limited to be the overarching manager of the Company. Eris Properties (Malawi) Limited is a joint venture between NICO Holdings Plc and ERIS South Africa Limited. The current contract effective 1 April 2022 is for a five-year period.

The directors delegated NICO Asset Managers Limited, a subsidiary of NICO Holdings Plc to provide transfer secretarial services. The current contract effective 01 January 2022 was for three years up to 31 December 2024 and due for renewal on 01 January 2025.

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2024

AUDITORS

Messrs. Deloitte, Chartered Accountants, have expressed their willingness to continue in office as auditors. A resolution to confirm their appointment as auditors of the Company for the year ending 31 December 2025 and to authorise the directors to determine their remuneration is to be proposed at the forthcoming Annual General Meeting.

…………………………………………

Chairperson
Mr. Eric Chapola

…………………………………………

Director
Mr. Dasford Kamkwamba

DIRECTORS' RESPONSIBILITIES STATEMENT

For the year ended 31 December 2024

The directors are responsible for the preparation and fair presentation of the annual financial statements of ICON Properties Plc, comprising the statement of financial position as at 31 December 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of material accounting policy information and other explanatory notes, in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and in the manner required by the Companies Act, 2013. In addition, the directors are responsible for preparing the directors' report.

The Companies Act, 2013 also requires the directors to ensure that the Company maintains proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and ensure the financial statements comply with the Companies Act, 2013.

In preparing the financial statements, the directors accept responsibility for the following:

- Maintenance of proper accounting records;
- Selection of suitable accounting policies and applying them consistently;
- Making judgements and estimates that are reasonable and prudent;
- Compliance with applicable accounting standards, when preparing financial statements;
- Preparation of financial statements on a going concern basis unless it is inappropriate to presume the Company will continue in business; and
- Safeguarding the Company's assets.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have assessed the Company's ability to continue as a going concern and have no reason to believe that the Company will not be a going concern in the year ahead.

The external auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and the requirements of Companies Act, 2013.

Approval of the financial statements

The financial statements of ICON Properties Plc as identified in the first paragraph, were approved by the Board of Directors on 23 April 2025 and are signed on its behalf by:

....	....
Chairperson	**Director**
Mr. Eric Chapola	**Mr. Dasford Kamkwamba**

INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2024

Deloitte.

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Blantyre
Malawi

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Registered Auditors
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ICON PROPERTIES PLC

Opinion

We have audited the financial statements of ICON Properties Plc ("the Company") set out on pages 46 to 98, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and of its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and in the manner required by the Companies Act, 2013.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to performing audits of financial statements in Malawi. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MAKING AN IMPACT THAT MATTERS since 1845

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

For the year ended 31 December 2024

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties	
The Company owns investment properties which are carried at fair value in accordance with IAS 40: *Investment Property* (IAS 40) and IFRS13: *Fair Value Measurement* (IFRS 13). Significant judgement is required by the directors in determining the fair value of the investment properties. We identified the valuation of investment properties as a key audit matter due to the significance of the balance to the financial statements as a whole, combined with methods used to value the investment properties, the judgement and estimation uncertainty associated with determining the amounts. **The significance of the amount to the financial statements** The most significant assets for the Company are investment properties. As disclosed in note 4 of the financial statements, the Company's value of the investment properties is K116 billion which makes up approximately 80% of the total assets of the Company.	To address the key audit matter, we carried out the following audit procedures: • Assessed the design and implementation of key controls; • Assessed the competence and objectivity of the management's property valuation experts; • Tested the judgements and assumptions used; • Evaluated the accuracy and completeness of the input data used in the valuation by management's experts; • Using our property valuation expert, we sampled the properties and tested the reasonableness of the judgements used by management's experts; • Evaluated the conclusions reached in light of our understanding of the Company and its business; and • For a sample of investment properties, we involved our property valuation expert to evaluate the appropriateness and correctness of the valuations. The specialist procedures included evaluating the appropriateness of the valuation methodologies used by the management expert valuers based on their knowledge of the industry, reperforming the valuations and challenging the inputs used against industry benchmarks and available market information.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

For the year ended 31 December 2024

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties (Continued)	
The use of judgement and assumptions by the valuers and complexity of the methods used • The investment properties were revalued as at 31 December 2024 by professional independent property valuation experts using the income and market methods and where appropriate, direct comparison for developed land and buildings and vacant land, and these techniques are complex. • The valuation of investment properties is of a specialised nature and relies on judgmental inputs and assumptions. Key areas of judgement relating to inputs into the valuation of investment properties include: i. Capitalisation rates: The capitalisation rate (equivalent yield) which is derived from widely available market related data, and which is continuously updated based on current market conditions. This requires management to exercise their judgement in the selection of a point in the capitalisation rate range, which is based on the category, condition, gross lettable area (GLA), location and grade of a property. ii. Vacancy rates and projected rental income growth and property expenses are judgemental and determined by management based on property specific information. The accounting policies relating to investment properties are disclosed in note 3.5 and significant accounting judgements, estimates and assumptions in note 3.3.2(i) of the financial statements for investment properties disclosures.	We found the valuation of the investment properties to be appropriate. We have evaluated the sufficiency and accuracy of disclosures and noted that the disclosures in the financial statements are appropriate, comprehensive and in accordance with IFRS 13 *Fair Value Measurement and IAS 40 Investment Property*.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

For the year ended 31 December 2024

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report and the Statement of Directors' Responsibilities, as required by the Companies Act, 2013 which we obtained prior to the date of this auditor's report and the Annual Report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and the requirements of Companies Act, 2013, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

For the year ended 31 December 2024

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors , we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte.

Chartered Accountants
Christopher Kapenda
Partner

25 April 2025

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

	Note	2024 K'000	2023 K'000
ASSETS			
Non-current assets			
Investment properties	4a	116 211 404	96 090 160
IFRS 16 lease smoothing asset	4c	267 700	300 131
Deferred tax asset	7	-	321 656
Investment in shares	6	8 947 260	126 548
Investment in associate	5	8 280 973	8 500 000
Investment in treasury notes	9.2	-	11 826 523
Equipment	4d	343 402	405
Total non-current assets		134 050 739	117 165 423
Current assets			
Trade and other receivables	8	1 938 894	1 815 102
Tax recoverable	7.2	59 437	282 680
Cash and cash equivalents	9.1	9 412 757	3 299 140
Total current assets		11 411 088	5 396 922
TOTAL ASSETS		145 461 827	122 562 345
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	10	58 209 424	58 209 424
Restructuring reserve	11	8 012 031	8 012 031
Retained earnings	12	77 207 310	54 653 218
Total Equity		143 428 765	120 874 673
Non-current liabilities			
Deferred tax	7	36 094	-
Deferred income	14	355 152	373 107
Total non-current liabilities		391 246	373 107
Current liabilities			
Trade and other payables	13	1 641 816	1 314 565
Total current liabilities		1 641 816	1 314 565
TOTAL EQUITY AND LIABILITIES		145 461 827	122 562 345

The financial statements of ICON Properties Plc were approved by the Board of Directors on 23 April 2025 and are signed on its behalf by:

....
Chairperson
Mr. Eric Chapola

....
Director
Mr. Dasford Kamkwamba

The notes on pages 50 to 98 form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOM

For the year ended 31 December 2024

	Note	2024 K'000	2023 K'000
INCOME			
Revenue	4b	7 084 380	5 947 415
IFRS 16 lease smoothing rental revenue	4b	(32 431)	21 175
Deferred revenue – rental income		17 955	19 798
Total rental and deferred income on rentals		7 069 904	5 988 388
Fair value adjustment - investment properties	4a	19 812 465	11 835 422
Fair value adjustment - investment in shares	6	1 320 712	14 548
Dividend income*		2 118	2 507
Other income	15	1 208 461	717 803
Total income		29 413 660	18 558 668
EXPENSES			
Administrative expenses	16	(2 665 267)	(2 140 688)
Operating expenses	17	(2 651 598)	(1 637 036)
Expected credit losses	8	(173 737)	(158 717)
Total expenses		(5 490 602)	(3 936 441)
Profit before share of associate loss, finance income and tax		23 923 058	14 622 227
Share of associate loss	5	(219 027)	-
Finance income	18	2 905 552	2 365 552
Profit before tax		26 609 583	16 987 779
Taxation (charge)/credit	19	(2 185 091)	2 171 571
Profit for the year		24 424 492	19 159 350
Basic and diluted earnings per share (tambala)	20	366	287

There were no items of other comprehensive income during the year (2023: nil).

* Dividend income was received in respect of equity investment in Plantation House Limited.

The notes on pages 50 to 98 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Notes	Share Capital K'000	Restructuring Reserve K'000	Retained earnings K'000	Total K'000
2024					
Balance at 1 January	10	58 209 424	8 012 031	54 653 218	120 874 673
Profit for the year		-	-	24 424 492	24 424 492
Dividends paid		-	-	(1 870 400)	(1 870 400)
Balance at 31 December		58 209 424	8 012 031	77 207 310	143 428 765
2023					
Balance at 1 January	10	58 209 424	8 012 031	36 951 712	103 173 167
Profit for the year		-	-	19 159 350	19 159 350
Straight-lining of rental revenue adjustment*		-	-	278 956	278 956
Dividends paid		-	-	(1 736 800)	(1 736 800)
Balance at 31 December		58 209 424	8 012 031	54 653 218	120 874 673

The notes on pages 50 to 98 form an integral part of these financial statements.

*Investment properties leased out under operating leases are reflected as investment properties on the statement of financial position. Where there are fixed increments in rental income, the income is recognised on a straight-line basis over the term of the lease in accordance with IFRS 16: Leases. The resulting difference arising from the straight-line basis of accounting and contractual cash flows is recognised as an operating lease obligation or asset. This interpretation and adoption of IFRS 16 Leases means that all rental concessions, incentives, and escalations are spread evenly on a straight-line basis over the lease term, termed the lease smoothing effect on rental income. Prior to 2023 financial year, rental income was being recognised based on contracted annual rental income received and not spread on a straight-line basis over the lease term. In the 2023 financial statements, balances were not restated to conform to this classification and the resulting change in presentation.

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 K'000	2023 K'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		26 609 583	16 987 779
Adjusted for the following non – cash movements:			
Fair value adjustments – investment properties	4a	(19 812 465)	(11 835 422)
Fair value adjustments – investment in shares	6	(1 320 712)	(14 548)
Unrealised foreign exchange gains		(3 123)	-
Share of associate loss	5	219 027	-
IFRS 16 lease smoothing rental revenue	4b	32 431	(21 175)
Interest income	18	(2 905 552)	(2 365 552)
Dividend received		(2 118)	(2 507)
Profit on sale of office equipment		(1 395)	-
Depreciation	16	26 530	3 565
Cash flows before working capital changes		2 842 206	2 752 140
(Increase)/decrease increase in trade and other receivables		(123 792)	781 571
Increase/(decrease) in trade and other payables and deferred income		309 296	(263 691)
Cash generated from operations		3 027 710	3 270 020
Income tax paid		(1 604 098)	(2 132 332)
Net cash generated from operating activities		1 423 612	1 137 688
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received		2 118	2 507
Interest received		2 905 552	2 280 536
Additions to investment properties	4a	(64 189)	(82 522)
Investment in Blantyre Hotels Plc	6	(7 500 000)	-
Additions to work in progress	4a	(244 590)	(187 631)
Additions to equipment	4d	(369 527)	-
Proceeds from sale of office equipment		1 395	-
Treasury note redemption	9.2	11 826 523	-
Investment in Oasis Hospitality Limited	5	-	(1 700 000)
Net cash generated from investing activities		6 557 282	312 890
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(1 870 400)	(1 736 800)
Net cash used in financing activities		(1 870 400)	(1 736 800)
Net increase/(decrease) in cash and cash equivalents		6 110 494	(286 222)
Unrealised foreign exchange gains		3 123	-
Cash and cash equivalents at 1 January		3 299 140	3 585 362
Cash and cash equivalents at 31 December	9.1	9 412 757	3 299 140

The notes on pages 50 to 98 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. INTRODUCTION

1.1 General information

ICON Properties Plc was incorporated in Malawi as a private limited Company on 4 June 2018. ICON is a property Company formed with the objective of owning, leasing, managing, and developing office, retail, residential and industrial property.

The physical address of registered office is Michiru House, Victoria Avenue, P.O. Box 648, Blantyre.

1.2 Group restructuring and reorganisation

In 2018, ICON Properties Plc.'s shareholders had investments in properties and property owning companies. The shareholders restructured the property portfolio to hold the various property interests in one company, ICON Properties Plc., which was eventually listed on the Malawi Stock Exchange to increase its options for raising capital to fund its future investment plans. The restructuring, therefore, involved the then existing shareholders of Kang'ombe Investment Limited, Chichiri Shopping Centre Limited, Lilongwe City Mall Limited and NICO Properties Limited transferring their shareholding and property interests in the respective companies in exchange for shares in ICON Properties Plc. In addition, NICO Life Insurance Company Limited, Standard Bank Plc Pension Fund and Toyota Malawi Limited Pension Fund transferred their interests in the properties to ICON Properties Plc. The shares were allocated to investors on the basis of the value of their gross investment as adjusted for the related deferred capital gains tax, i.e., the net investment after tax. The consideration was in the form of exchange of shares in the respective companies for shares in ICON Properties Plc.

Under the Taxation Act, the transfer of the assets to ICON Properties Plc is a deemed disposal and subject to capital gains tax. The restructuring was carried out using Section 70E of the Taxation Act, whereby the related capital gains tax on the deemed disposals of these investments was deferred and transferred to ICON Properties Plc. The quantum of the deferred capital gains tax as at 1 January 2018 was agreed with the Malawi Revenue Authority and was included as part of the financial statements in that year.

In 2021, the Company underwent a re-organization effective 1 January 2021 where the assets and liabilities of NICO Properties Limited, Lilongwe City Mall Limited, and Chichiri Shopping Centre Limited which were 100% owned subsidiaries of ICON were transferred to ICON.

In 2022, the Company underwent a further reorganisation and effective 31 December 2022, the assets and liabilities of Kang'ombe Investment Limited which was a 100% owned subsidiary of ICON Properties Plc, were also transferred to ICON. All the subsidiaries are now inactive.

Following the restructuring, ICON Properties Plc now prepares financial statements for the company only. All the subsidiaries are dormant. Details of the Company's subsidiaries at the end of the reporting period were as follows

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

1. INTRODUCTION (CONTINUED)

1.2 Group restructuring and reorganisation (Continued)

Name of subsidiary	Principal Activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company 2024	Proportion of ownership interest and voting power held by the Company 2023
NICO Properties Limited	Inactive	Malawi	100%	100%
Chichiri Shopping Centre Limited	Inactive	Malawi	100%	100%
Lilongwe City Mall Limited	Inactive	Malawi	100%	100%
Kang'ombe Investment Limited	Inactive	Malawi	100%	100%

The group consolidated financial statements were prepared for the last time for the year ended 31 December 2022 and these are available at the Company's registered office at Michiru House, Victoria Avenue, Blantyre, and the company's website at www.iconproperties.mw.

1.3 Going concern basis of accounting

The financial statements have been prepared on a going concern basis, which assumes that the Company will have adequate resources to continue in operation for the foreseeable future.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

2.1 Standards and Interpretations affecting amounts reported and/or disclosed in the financial statements

In the current year, the entity has adopted those new and revised Standards and Interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee of the International Accounting Standards Board that are relevant to its operations and are effective for annual reporting periods beginning on 1 January 2024.

Effective date	Standard, Amendment or Interpretation
Annual reporting periods beginning on or after 1 January 2024	Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.
Annual reporting periods beginning on or after 1 January 2024	Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.
Annual reporting periods beginning on or after 1 January 2024	Non-current Liabilities with Covenants (Amendments to IAS 1) The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS(CONTINUED)

2.1 Standards and Interpretations affecting amounts reported and/or disclosed in the financial statements (Continued)

Effective date	Standard, Amendment or Interpretation
Annual reporting periods beginning on or after 1 January 2024	IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.
Annual reporting periods beginning on or after 1 January 2024	IFRS S2 Climate-related Disclosures IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

The adoption of these new and revised Standards and Interpretations did not have a significant impact on the financial statements of the Company.

2.2 Standards and Interpretations in issue, not yet effective

A number of new standards, amendments to standards and interpretations are issued and effective for annual periods beginning on or after 1 January 2025 and have not been applied in preparing these financial statements. The entity does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

Effective date	Standard, Amendment or Interpretation
Annual reporting periods beginning on or after 1 January 2025	Lack of Exchangeability (Amendments to IAS 21) The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.
Annual reporting periods beginning on or after 1 January 2025	Amendments to the SASB standards to enhance their international applicability. The amendments remove and replace jurisdiction-specific references and definitions in the SASB standards, without substantially altering industries, topics or metrics
Annual reporting periods beginning on or after 1 January 2026	Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

2.2 Standards and Interpretations in issue, not yet effective (Continued)

Effective date	Standard, Amendment or Interpretation
Annual reporting periods beginning on or after 1 January 2026	Annual Improvements to IFRS Accounting Standards — Volume 11 The pronouncement comprises the following amendments: • IFRS 1: Hedge accounting by a first-time adopter • IFRS 7: Gain or loss on derecognition • IFRS 7: Disclosure of deferred difference between fair value and transaction price • IFRS 7: Introduction and credit risk disclosures • IFRS 9: Lessee derecognition of lease liabilities • IFRS 9: Transaction price • IFRS 10: Determination of a 'de facto agent' • IAS 7: Cost method
Annual reporting periods beginning on or after 1 January 2027	IFRS 18 Presentation and Disclosures in Financial Statements IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.
Annual reporting periods beginning on or after 1 January 2027	IFRS 19 Subsidiaries without Public Accountability: Disclosures IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

The directors anticipate that other than IFRS 18 Presentation and Disclosures in Financial Statements and amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments, these Standards and Interpretations in future periods will have no significant impact on the financial statements of the Company. IFRS 18 will impact the presentation and disclosure of information in financial statements and IFRS 7 and IFRS 9 will impact the classification and measurement of financial instruments. The directors are unable to quantify the impact that adoption of these Standards and Interpretations in future periods will have on the financial statements of the Company.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and the requirements of Companies Act, 2013.

Basis of preparation

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, equity, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.1 Statement of compliance (Continued)

Basis of preparation (Continued)
about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Basis of accounting
The financial statements have been prepared on the historical cost basis except for the following items in the statement of financial position:
- Financial instruments at fair value through profit or loss are measured at fair value;
- Investment property is measured at fair value; and
- Investments in joint ventures and associates are accounted for using the equity method.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 and 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety as disclosed in note 24.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently.

3.2 Investments in associates and Joint Ventures

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 *Non-Current Assets Held of Sale and Discontinued Operations*.

Under the equity method, an investment in an associate or a joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Company's share of losses of an associate or a joint venture exceeds the Company's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate or joint venture), the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill,

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)
3.2 Investments in associates and Joint Ventures (Continued)

which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 *Impairment of Assets* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Company's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 *Impairment of Assets* to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Company retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Company measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9 *Financial Instruments*.

The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Company accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss and other comprehensive income on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

The Company continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

When the Company reduces its ownership interest in an associate or a joint venture but the Company continues to use the equity method, the Company reclassifies to profit or loss and other comprehensive income the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

3.3 Significant accounting judgements, estimates and assumptions

3.3.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.3 Significant accounting judgements, estimates and assumptions (Continued)

3.3.1 Judgements (Continued)

(i) Leases

The Company applied the following judgements that significantly affect the determination of the amount and timing of income from lease contracts where the Company acts as a lessor:

- **Determination of the lease term**
  As a lessor, the Company enters into lease agreements that contain options to terminate or to extend the lease. These options are generally exercisable after an initial period of 4 to 6 years. At commencement date, the Company determines whether the lessee is reasonably certain to extend the lease term or not to terminate the lease.

- To make this analysis, the Company takes into account any difference between the contract terms and the market terms, any significant investments made by the lessee in the property, costs relating to the termination of the lease and the importance of the underlying asset to the lessee's operations. In many cases the Company does not identify sufficient evidence to meet the required level of certainty.

- **Property lease classification – the Company as lessor**
  The Company has entered into office, retail, residential and industrial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the properties and the present values of the minimum lease payments not amounting to substantially all of the fair values of the properties, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases

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(ii) Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determination of performance obligations

With respect to the sale of property, the Company concluded the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property under development mainly include design work, procurement of materials and development of the property. Generally, the Company is responsible for all these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, the Company accounts for them as a single performance obligation because they are not distinct in the context of the contract. The Company uses those goods and services as inputs and provides a significant service of integrating them into a combined output i.e., the completed property for which the customer has contracted.

In relation to the services provided to tenants of investment property (such as cleaning, security, landscaping, reception services, catering) as part of the lease agreements into which the Company enters as a lessor, the Company has determined that the promise is the overall property management service and that the service performed each day is distinct and substantially the same. Although the individual activities that comprise the performance obligation vary significantly throughout the day and

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.3 Significant accounting judgements, estimates and assumptions (Continued)

3.3.1 Judgements (Continued)

(ii) Revenue from contracts with customers (Continued)

from day to day, the nature of the overall promise to provide management service is the same from day to day.

Therefore, the Company has concluded that the services to tenants represent a series of daily services that are individually satisfied over time, using a time-elapsed measure of progress, because tenants simultaneously receive and consumes the benefits provided by the Company.

Principal versus agent considerations – services to tenants

The Company arranges for certain services provided to tenants of investment property included in the contract the Company enters into as a lessor, to be provided by third parties. The Company has determined that it controls the services before they are transferred to tenants, because it has the ability to direct the use of these services and obtain the benefits from them. In making this determination, the Company has considered that it is primarily responsible for fulfilling the promise to provide these specified services because it directly deals with tenants' complaints, and it is primarily responsible for the quality or suitability of the services.

In addition, the Company has discretion in establishing the price that it charges to the tenants for the specified services. Therefore, the Company has concluded that it is the principal in these contracts. In addition, the Company has concluded that it transfers control of these services over time, as services are rendered by the third-party service providers, because this is when tenants receive and at the same time, consume the benefits from these services.

(iii) Business model assessment

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

(iv) Deferred tax on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the Company's investment property portfolios and concluded that the Company's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Company's deferred tax on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.3 Significant accounting judgements, estimates and assumptions (Continued)

3.3.1 Judgements (Continued)

(iv) Deferred tax on investment properties (Continued)

are recovered entirely through sale is not rebutted. As a result, the Company has recognised any deferred taxes on changes in fair value of investment properties as the Company is subject to income taxes on the fair value changes of the investment properties on disposal.

3.3.2 Estimates and assumptions

The key assumptions concerning future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Valuation of investment properties

The fair value of investment property is determined by real estate valuation experts using recognised valuation techniques and the principles of *IFRS 13 Fair Value Measurement*. Investment properties is measured based on estimates prepared by independent real estate valuation experts, except where such values cannot be reliably determined.

(ii) Taxes

Significant judgment is required in determining the provision for current and deferred taxes. There are several transactions and calculations involved in determining the ultimate tax position, including elements that are uncertain. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits which can be uncertain. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

(iii) Loss allowance for trade and other receivables

The Company provides credit terms to some customers. Management is aware that certain debts due to the Company may not be recoverable either in part or in full. The Company always recognises lifetime ECL for trade receivables and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

(iv) Investment in shares

The fair value of the Company's investment in public listed equity is determined based on the market share price as at the end of the reporting period.

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.3 Significant accounting judgements, estimates and assumptions (Continued)

3.3.2 Estimates and assumptions (Continued)

(iv) Investment in shares (Continued)

To determine the fair value of the Company's investment in unlisted equity, valuations are performed as of the end of the reporting period by professional valuers who hold recognised and relevant professional qualifications and have recent experience in Company valuations.

(v) Depreciation

The carrying amount of the Company's equipment is at depreciated cost. Depreciation is charged on straight line basis, and the depreciation rates are as follows:

Office Equipment (iPads)	33.33%
Automated parking Equipment	10%

3.4 Foreign currency translation

3.4.1 Functional and presentation currency

The financial information is presented in Malawi Kwacha, which is the Company's functional and presentation currency. Except as indicated, financial information presented in Malawi Kwacha has been rounded to the nearest thousand.

3.4.2 Transactions and balances

Transactions in currencies other than the Company's functional currency (foreign currencies) are translated at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are re-translated to the functional currency at the rates prevailing at that date. Foreign currency gains or losses arising on the settlement of monetary items, and on the translation of monetary items, are included in the profit or loss. When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss and other comprehensive income in the period in which they arise.

3.5 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction cost, and borrowing costs where applicable.

After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location, or condition of the specific asset. Valuations are performed as of the end of the reporting period by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements.

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.5 Investment property (Continued)

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised when they have been disposed. If an investment property becomes owner-occupied, it is reclassified as property and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

3.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

3.6.1 Financial assets

3.6.1.1 Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15 *Revenue from Contracts with Customers*, all financial assets are initially measured at fair value adjusted for transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- Amortised cost;
- Fair value through profit or loss (FVTPL); and
- Fair value through other comprehensive income (FVTOCI).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument; therefore, the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.6 Financial instruments (Continued)

3.6.1 Financial assets (Continued)

3.6.1.1 Classification and initial measurement of financial assets (Continued)

The Company applies the following business models:-

(i) Holding financial instruments for trading to maximize income and reduce losses;

(ii) Holding financial instruments to maturity. Thus the Company receives only principal and interest from the financial instruments; and

(iii) Holding financial instruments for liquidity management.

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15 Revenue from Contract with Customers.

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g., if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with the basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to the basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

The Company recognises loss allowances for expected credit losses on the financial instruments that are not measured at FVTPL but are carried at amortised cost: No impairment loss is recognised on equity investments. IFRS 9 eliminates impairment assessment requirements for investments in equity instruments as they are only measured at FVPL or FVTOCI without recycling of fair value changes to profit and loss.

3.6.1.2 Subsequent measurement of financial assets

Subsequently, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.6 Financial instruments (Continued)

3.6.1 Financial assets (Continued)

3.6.1.3 Financial assets at amortised cost (debt instruments)

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. For financial assets other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.6 Financial instruments (Continued)

3.6.1 Financial assets (Continued)

3.6.1.3 Financial assets at amortised cost (debt instruments) (Continued)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income calculated using the effective interest method, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

3.6.1.4 Financial assets designated at fair value through OCI (equity instruments)

On initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Gains and losses arising from changes in fair value of these financial assets are recognised in other comprehensive income and accumulated in the investment's revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9 except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its non-listed equity investments under this category.

3.6.1.5 Financial assets at fair value through profit or loss

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial; and

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)
3.6 Financial instruments (Continued)

3.6.1 Financial assets (Continued)

3.6.1.5 Financial assets at fair value through profit or loss (Continued)

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss and other comprehensive income to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss and other comprehensive income includes any dividend or interest earned on the financial.

3.6.1.6 Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Foreign exchange gains and losses are recognised as follows:

- on financial assets at FVTPL and at amortised cost, are recognised in profit or loss and other comprehensive income;
- on equity instruments at FVTOCI are recognised in other comprehensive income; and
- on debt instruments held at FVTOCI are recognised in profit or loss and other comprehensive income, with the foreign currency element not based on the amortised cost being recognised in other comprehensive income.

3.6.1.7 Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company recognises lifetime ECL for its financial instruments unless there has been no significant increase in credit risk since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. Both Lifetime ECL and 12-month ECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Expected credit losses on trade receivables, finance lease receivables are determined using the simplified approach. Under this approach expected credit losses are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.6 Financial instruments (Continued)

3.6.1 Financial assets (Continued)

3.6.1.7 Impairment of financial assets (Continued)

to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

3.6.1.8 Significant increase in credit risk

The Company performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

3.6.1.9 Significant increase in credit risk

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g., a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default; and

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.6 Financial instruments (Continued)

3.6.1 Financial assets (Continued)

3.6.1.9 Significant increase in credit risk (Continued)

- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk where the borrower has a strong capacity to meet their contractual cashflow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. It also considers assets in the investment grade category to be low credit risk assets.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3.6.1.9 Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3.6.1.10 Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) Significant financial difficulty of the issuer or the borrower;
(b) A breach of contract, such as a default or past due event;
(c) The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) The disappearance of an active market for that financial asset because of financial difficulties.

3.6.1.11 Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.6 Financial instruments (Continued)

3.6.1 Financial assets (Continued)

3.6.1.11 Write-off policy (Continued)

severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or in the case of trade receivables, when the Company's collection efforts have been exhausted and it is no longer cost effective to continue collection efforts.

Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3.6.2 Financial liabilities and equity

3.6.2.1 Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.6.2.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue, or cancellation of the Company's own equity instruments.

3.6.2.3 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value. The Company's financial liabilities include trade and other payables, and derivative financial instruments.

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below.

Subsequent measurement

<u>Financial liabilities at FVTPL</u>

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.6 Financial instruments (Continued)

3.6.2 Financial liabilities and equity (Continued)

3.6.2.3 Financial liabilities (Continued)

Subsequent measurement (Continued)

of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL. A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing it in the near term;
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together;
- And has a recent actual pattern of short-term profit-taking; or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship (see Hedge accounting policy). The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at FVTPL are recognised in profit or loss and other comprehensive income.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)
3.6 Financial instruments (Continued)

3.6.2 Financial liabilities and equity (Continued)
3.6.2.3 Financial liabilities (Continued)
Subsequent measurement (Continued)

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not:-

(i) contingent consideration of an acquirer in a business combination,
(ii) held-for-trading, or
(iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contract liabilities
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- The amount of the loss allowance determined in accordance with IFRS 9; and
- The amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.6 Financial instruments (Continued)

3.6.2 Financial liabilities and equity (Continued)

3.6.2.3 Financial liabilities (Continued)

Subsequent measurement (Continued)

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'finance costs" line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured at amortised cost in the statement of financial position.

3.8. Leases

Company as a lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.8. Leases (Continued)

Company as a lessor (Continued)

When a contract includes both lease and non-lease components, the Company applies IFRS 15 to allocate the consideration under the contract to each component.

Company as a lessee

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.9 Income and deferred tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company’s financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.9 Income and deferred tax (Continued)

differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss and other comprehensive income, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in the accounting for the business combination.

3.10 Provision

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability.

3.11 Revenue recognition

The Company's key sources of income include rental income, services to tenants, and interest income. The accounting for each of these elements is discussed below. The Company's main revenue is own property rentals and interest income.

(i) Rental income

The Company earns revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property. In addition, the Company subleases investment property acquired under head leases with lease terms exceeding 12 months at commencement. Subleases are classified as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying investment property. All the Company's subleases are classified as operating leases. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.11 Revenue recognition (Continued)

(i) Rental income (Continued)

Lease incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Company is reasonably certain that the tenant will exercise that option.

(ii) Revenue from services to tenants

For investment property held primarily to earn rental income, the Company enters as a lessor into lease agreements that fall within the scope of IFRS 16. These agreements include certain services offered to tenants (i.e., customers) including common area maintenance services (such as cleaning, security, and landscaping as well as other support services (e.g., reception services, catering and other event related services). The consideration charged to tenants for these services are reimbursement of certain expenses incurred. These services are specified in the lease agreements and separately invoiced.

The Company has determined that these services constitute distinct non-lease components (transferred separately from the right to use the underlying asset) and are within the scope of IFRS 15. The Company allocates the consideration in the contract to the separate lease and revenue (non-lease) components on a relative stand-alone selling price basis.

In respect of the revenue component, these services represent a series of daily services that are individually satisfied over time because the tenants simultaneously receive and consume the benefits provided by the Company. The Company applies the time elapsed method to measure progress. The consideration charged to tenants for these services is based on a percentage of the rental income. The variable consideration only relates to the non-lease component and is allocated to each distinct period of service (i.e., each day) as it meets the variable consideration allocation exception criteria.

The Company arranges for third parties to provide certain of these services to its tenants. The Company concluded that it acts as a principal in relation to these services as it controls the specified services before transferring them to the customer. Therefore, the Company records revenue on a gross basis.

(iii) Interest income

Interest income for all interest-bearing financial instruments except for those classified as held for trading or designated at fair value through profit and loss are recognised within “revenue” in the statement of profit or loss and other comprehensive income using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.11 Revenue recognition (Continued)

(iii) Interest income (Continued)

For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

(iv) Income from investments

Income from investments includes dividend income and increase in fair value of investments in unlisted companies.

Dividend income is recognised when the right to receive income is established.

Increase in fair value of investments designated at fair value through profit or loss and other comprehensive income includes all realised and unrealised fair value changes.

(iv) Other income

The Company's other revenue arises mainly from income from activities held at shopping centres.

To determine whether to recognise revenue, the Company follows a 5-step process:

- Identifying the contract with a customer;
- Identifying the performance obligations;
- Determining the transaction price;
- Allocating the transaction price to the performance obligations; and
- Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers. Revenue is measured at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services and excludes any amounts collected on behalf of third parties.

3.12 Share capital and dividends

i) Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12 – Income taxes.

ii) Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the directors.

iii) Dividend per share

The calculation of dividend per share is based on the ordinary dividends recognised during the period divided by the number of ordinary shareholders on the register of shareholders on the date of payment.

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.12 Share capital and dividends (Continued)

iv) Earnings per share

The calculation of basic earnings per share is based on the profit or loss attributable to ordinary shareholders for the year and the weighted average number of shares in issue throughout the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees. Where new equity shares have been issued by way of capitalisation or subdivision, the profit is apportioned over the shares in issue after the capitalisation or subdivision and the corresponding figures for all earlier periods are adjusted accordingly.

v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3.13 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e., the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data, or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price. Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Company on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.13 Fair value measurement (Continued)

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

4a. INVESTMENT PROPERTIES

	Vacant land K'000	Buildings K'000	Work in progress K'000	Total K'000
2024				
As at 1 January	2 182 500	93 616 231	291 429	96 090 160
Additions	-	64 189	244 590	308 779
Transfer from work in progress	-	434 437	(434 437)	-
Fair value adjustment	396 000	19 416 465	-	19 812 465
As at 31 December 2024	2 578 500	113 531 322	101 582	116 211 404
2023				
As at 1 January	1 624 000	81 908 181	452 404	83 984 585
Additions	24 040	58 482	187 631	270 153
Transfer from work in progress	-	348 606	(348 606)	-
Fair value adjustment	534 460	11 300 962	-	11 835 422
As at 31 December 2023	2 182 500	93 616 231	291 429	96 090 160

The additions relate to value enhancing capital expenditure. There was no property under development in the current year as well as in 2023.

The fair value of the investment properties for the Company as at 31 December 2024 has been arrived at on the basis of a valuation carried out by:

- T.G. Msonda, Bsc, MRICS, MSIM Chartered Valuer for ICON direct portfolio and Lilongwe City Mall;
- Nickson S.C. Mwanyali, Bsc (Est. Man), Dip (Bus Mngt), MSIM of Knight Frank for Chichiri Shopping Centre and Kang'ombe building; and
- G. M. Wawanya, Bsc, PGdip, MRIC, MSIM of Landed Property Agents for the portfolio of properties previously owned by ex-NICO Properties Limited.

All valuers were independent, professionally qualified, and not related to the Company. Each valuer holds a recognised relevant professional qualification and has recent experience in valuation of properties in the locations and segments of the investment properties valued.

The fair value of developed land was determined based on the capitalisation of net income derived from the properties. The income has been capitalised at market related rates after consideration of the rental profiles and all relevant factors affecting the property market. The fair value of vacant land has been determined on the basis of a collation and analysis of appropriate comparable transactions, together with the evidence of demand within the vicinity of the subject properties.

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

4a. INVESTMENT PROPERTIES (CONTINUED)

In estimating the fair value of the properties, the highest and best use of the property is their current use.

Details of the Company's investment properties and information about the fair value hierarchy as at 31 December 2024 are as follows:

	Level 1 K'000	Level 2 K'000	Level 3 K'000	Total K'000
Vacant land	-	2 578 500	-	2 578 500
Capital work in progress	-	101 582	-	101 582
Developed land and buildings	-	-	113 531 322	113 531 322
Total	-	2 680 082	113 531 322	116 211 404

There were no transfers between levels 1 and 2 during the year.

The Company's investment properties and information about the fair value hierarchy as at 31 December 2023 were as follows:

	Level 1 K'000	Level 2 K'000	Level 3 K'000	Total K'000
Vacant land	-	2 182 500	-	2 182 500
Capital work in progress	-	291 429	-	291 429
Developed land and buildings	-	-	93 616 231	93 616 231
Total	-	2 473 929	93 616 231	96 090 160

There were no transfers between levels 1 and 2 during the year.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The valuation approach of Open Market Value was adopted as a result of a consideration of both the income and market approach and where appropriate direct comparison. The income approach relies much on rental income of the property while comparable approach relies on recent sales data and all relevant factors pertaining to the property like age of the buildings and remaining lease life for the land. The rental is benchmarked to market rentals as opposed to rack end rentals that a subject property may be raking due to different varying factors. Similarly, rental yields used are those that are derived from actual sales on the market on similar properties within the period of the valuation.	The following unobservable inputs were used in the current year by the independent valuers in estimating the fair value of the investment properties. • Capitalisation rates of between 2.8% to 10% (2023: 3% to 11%) • Market rental growth rate 17% to 27% (2023: 15% to 25%) • Vacancy rates: The valuation was based on market rentals assuming the premises were vacant.	An increase of 100 basis points in the capitalisation rates and rental would increase (decrease) the estimated fair value of the investment properties by K1 161 million (2023: K958 million) for the Company. The rental market is likely to remain reasonably strong on the back of inflationary pressures as landlords continue to hedge against inflation and currency depreciation. On the basis of the general economic trends observed so far it appears likely that the sales market will improve in the near term.

The fair value measurements have been categorised as Level 2 and Level 3 for value based on inputs to the valuation techniques used.

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

4b. REVENUE

Revenue comprises gross rental income earned from investment properties. The Company's investment properties are situated principally in the two major cities in Malawi and others in Mzuzu and Zomba. The following shows the Company's rental income for the year. The disclosure of revenue by geographical location is consistent with the revenue information that is disclosed under note 21.

	2024 K'000	2023 K'000
Revenue	7 084 380	5 947 415
IFRS 16 lease smoothing – rental revenue*	(32 431)	21 175
Total	7 051 949	5 968 590

4c. LEASE SMOOTHING ASSET

	2024 K'000	2023 K'000
Opening balance as at 1 January	300 131	-
Movement for the year	(32 431)	300 131
Closing balance as at 31 December	267 700	300 131

The Lease smoothing asset relates to a receivable that rose as a result of the Company recognising rental income on a straight-line basis over the lease term in line with IFRS 16 Leases. This is applicable to leases that are not renewable on annual basis and have fixed rental escalations.

* Investment properties leased out under operating leases are reflected as investment properties on the statement of financial position. Where there are fixed increments in rental income, the income is recognised on a straight-line basis over the term of the lease in accordance with IFRS 16: Leases. The resulting difference arising from the straight-line basis of accounting and contractual cash flows is recognised as an operating lease obligation or asset. This interpretation and adoption of IFRS 16 Leases means that all rental concessions, incentives, and escalations are spread evenly on a straight-line basis over the lease term, termed the lease smoothing effect on rental income.

4d. EQUIPMENT

The Company installed an Automated Parking Management System (APMS) at Chichiri Shopping Centre. The equipment was recognised at cost and is being depreciated on a straight line basis over its useful life.

	Equipment K'000
2024	
Equipment	
Cost as at 1 January	10 803
Additions	369 527
Disposals	(2 161)
Cost as at 31 December 2024	378 169
2024	
Depreciation	
As at 1 January	10 398
Charge for the year	26 530
Disposals	(2 161)
Accumulated depreciation as at 31 December	34 767

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

4d. EQUIPMENT (CONTINUED)

	Equipment K'000
2024	
Net Carrying Amount	
Cost as at 31 December	378 169
Accumulated depreciation as 31 December	(34 767)
Net Book Value as at 31 December	343 402
2023	
Equipment	
Cost as at 1 January	10 803
Cost as at 31 December	10 803
2023	
Depreciation	
Accumulated depreciation as at 1 January	6 833
Charge for the year	3 565
Accumulated depreciation as at 31 December	10 398
2023	
Net Carrying Amount	
Cost as at 31 December	10 803
Accumulated depreciation as 31 December	(10 398)
Net Book Value as at 31 December	405

5. INVESTMENT IN ASSOCIATE

Oasis Hospitality Limited

	2024 K'000	2023 K'000
Opening balance	8 500 000	6 800 000
Capital contribution	-	1 700 000
Share of associate loss*	(219 027)	-
Closing balance	8 280 973	8 500 000

Oasis Hospitality Limited

In 2022 the Company invested in a special purpose vehicle Company, Oasis Hospitality Limited (Oasis), which is constructing a four-Star hotel in Lilongwe. The Hotel project construction and management is being driven by Blantyre Hotels Plc as the lead project sponsor. Blantyre Hotels Plc is a Malawi-based company in the hospitality industry and is listed on the Malawi Stock Exchange.

The total capital raising is however not concluded hence the Company's shareholding is subject to change. As at 31 December 2024 the Company held shareholding of 44.27% (2023: 50%) in Oasis. The shareholding therefore deemed the Company to have significant influence over Oasis, therefore the investment has been accounted for as an associate.

In the current year, although capital raising for the project is still ongoing, following developments in capital raising and projects agreements, previous uncertainties have been cleared, and it is now expected that final shareholding will be estimated at around 20%. Oasis Hospitality Limited will

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

5. INVESTMENT IN ASSOCIATE (CONTINUED)

Oasis Hospitality Limited (Continued)

therefore remain accounted for as an associate for the foreseeable future. The loss is due to costs incurred during construction that could not be capitalised hence expensed. As the hotel is yet to be completed the investment is not yet earning income to offset against these costs.

* In prior years, the Company did not recognise its share of the profit or loss in Oasis due to uncertainties around treatment of profit or loss elements in Oasis as well as uncertainty over the Company's final shareholding. The investment was therefore carried at cost since cost was deemed to be the most reliable measure of the investment at the time. The Company has recognised share of associate loss for both current year (K64 million) and prior years (K156 million) directly in the statement of profit or loss.

6. INVESTMENTS IN SHARES

	At the beginning of the year K'000	Acquisition K'000	Fair value adjustment K'000	Fair value Total K'000
As at 31 December 2024				
Plantation House Investment Limited	126 548	-	6 092	132 640
Blantyre Hotels Plc (BHL)	-	7 500 000	1 314 620	8 814 620
Total investments in shares	126 548	7 500 000	1 320 712	8 947 260
As at 31 December 2023				
Plantation House Investment Limited	112 000	-	14 548	126 548

Plantation House Investment Limited

The Company has a 4.98% shareholding in Plantation House Investment Limited, which is a Company registered in Malawi and owns property for lease to third parties. The investment is measured at fair value with fair value changes recognised in profit or loss.

A valuation was carried out largely based on the two valuation techniques namely the Discounted Free Cash Flow (DCF) Model and the Net Asset Value (NAV) Model.

The NAV model was deemed the most appropriate model for this Company. NAV model is preferred for companies with a balance sheet dominated by investment property where the intrinsic value of the Company is derived from the assets it holds.

The Net Asset Value valuation method takes into account the Company's net asset value or fair market value of its total assets minus its total liabilities. The method does not take into account the historic, current and future earnings generation of the business. It incorporates additional capital investments and outgoings over the valuation period of the Company.

The Company's major asset is investment properties located in Central Business District of Blantyre namely, Plantation House and Livingstone House. The investment properties are carried at fair value, and they are revalued every year.

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

6. INVESTMENTS IN SHARES (CONTINUED)

Blantyre Hotels Plc (BHL)

In the current year, the Company entered into an underwriting agreement with Blantyre Hotels Plc (BHL) to underwrite BHL's rights issue. The Company's commitment to underwrite BHL's rights issue was K10 billion representing 807,754,443 take-up shares. At the conclusion of the BHL's rights issue ICON Properties Plc took up 605,815,832 shares in Blantyre Hotels Plc worth K7.5 billion representing 10.31% shareholding as at 31 December 2024. At year end, the equity investment was marked to market share price resulting in a fair value gain of K1.3 billion. The shares were subscribed at K12.38 per share and the closing market price per share was K14.55 resulting in a K2.17 gain per share.

7. DEFERRED TAX

The deferred tax balance arises from:

	Assets K'000	Liabilities K'000	Net K'000
2024			
Revaluation of investment properties	-	3 748	3 748
Other temporary differences	(116 276)	-	(116 276)
Impairment allowance on trade receivables	(256 832)	-	(256 832)
Equipment	-	25 085	25 085
Revaluation of investments in shares	(14 017)	394 386	380 369
Net deferred tax (asset)/liability	(387 125)	423 219	36 094
2023			
Revaluation of investment properties	(1 197 251)	1 200 999	3 748
Other temporary differences	(116 946)	-	(116 946)
Impairment allowance on trade receivables	(204 710)	-	(204 710)
Revaluation of investments in shares	(3 748)	-	(3 748)
Net deferred tax (asset)/liability	(1 522 655)	1 200 999	(321 656)

The Company had a huge, deferred tax asset movement which resulted from the rebasing of the Consumer Price Indices (CPIs) indices in the year 2023 coupled with the continued worsening economic factors in Malawi which continued in year 2024 particularly high inflation that further affected the indexation factors which are a key input in determining tax bases. This resulted in higher tax bases compared to accounting bases therefore giving rise to a huge, deferred tax asset.

The Company has therefore not recognised deferred tax asset amounting to K8.1 billion (2023: K4 billion) arising from investment properties and unlisted equity as per IAS 12 Income taxes assessment on recoverability of deferred tax asset. Additionally, the Taxation Act (S.28(4)) does not provide for the deductibility of deferred tax assets (capital losses) on assets on which tax depreciation is not applicable.

The deferred tax asset has not been recognised due to the uncertainty regarding the future recoverability of this tax benefit. Management will continue to assess the recoverability of the deferred tax asset at each reporting period. Should future taxable profits be realised, the deferred tax asset may be recognised to the extent that it is probable that future tax benefits will be realised. The Company's policy on deferred taxes is disclosed in note 3.3 (ii).

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

7. DEFERRED TAX (CONTINUED)

Below is the breakdown of deferred tax assets as at December 2024:

Description	2024 K'000
Deferred tax on property	(8 040 590)
Deferred tax on temporary differences	36 094
Net deferred tax asset	(8 004 496)
Movement in unrecognised deferred asset	
Opening balance	321 656
Movement	(7 682 840)
Deferred tax (charge)/credit	(357 750)
Movement not recognised	(8 040 590)

7.1 Deferred taxation

Deferred tax movement analysis:

2024	Balance as at 1 January K'000	Recognised in profit and loss K'000	Balance as at 31 December K'000
Revaluation of investment properties	3 748	-	3 748
Impairment allowance on trade receivables	(205 085)	(52 121)	(257 206)
Revaluation of investment in shares	(3 748)	384 117	380 369
Equipment	-	25 085	25 085
Other temporary differences	(116 571)	669	(115 902)
Net deferred tax (asset)/liability	(321 656)	357 750	36 094
2023			
Revaluation of investment properties	3 813 922	(3 810 174)	3 748
Impairment allowance on trade receivables	(197 624)	(7 461)	(205 085)
Revaluation of investment in shares	4 908	(8 656)	(3 748)
Other temporary differences	(184 399)	67 828	(116 571)
Net deferred tax liability/(asset)	3 436 807	(3 758 463)	(321 656)

7.2 Tax recoverable/(payable)

	2024 K'000	2023 K'000
Opening balance	282 680	-
Current tax provision	(1 802 986)	(1 586 641)
Tax paid	1 603 886	1 826 710
Tax refunds/ (offsets)/prior year adjustments	(24 143)	42 611
Total	59 437	282 680

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

8. TRADE AND OTHER RECEIVABLES

	2024 K'000	2023 K'000
Trade receivables		
Rental receivables	1 843 536	1 650 990
Expected credit loss (ECL)	(856 103)	(682 366)
Net trade receivables	987 433	968 624
Expected credit loss movement analysed as:		
Balance at the beginning of the year	682 366	657 491
Increase in ECL recognised in profit or loss	173 737	158 717
Bad debts write-off	-	(133 842)
Balance at end of the year	856 103	682 366
Other receivables		
Input VAT claimable	244 527	252 279
Accrued interest on money market fixed deposits	174 345	45 066
Land purchase deposit	255 000	255 000
BHL rights issue commission	174 750	-
Other receivables*	34 567	21 767
Prepaid land rates	537	705
Service charge recoveries	25 792	44 421
Prepaid city rates	36 201	15 621
Other prepaid costs	4 981	2 896
NICO Technologies Limited	77	-
Advances to contractors	-	208 039
Clearing accounts	684	684
Total other receivables	951 461	846 478
Total trade and other receivables	1 938 894	1 815 102

A refundable deposit was paid to NBS Bank Plc for a plot of land to be purchased in Lilongwe amounting to K255 million (2023: K255 million) for the purpose of an upcoming planned construction project. The underwriting commission receivable from Blantyre Hotels Plc amounting to K175 million (2023: nil) relates to the BHL rights issue that was concluded in December 2024.

*Included in other receivables are refunds from contractors, refunds from tenants and Automated Parting System collections on 31 December 2024 received in January 2025.

Advances to contractors relate to cash paid in advance to contractors. There were no outstanding advances at year end (2023: K208 million) for capital expenditure projects for which performance guarantees were obtained to manage performance risk.

The average credit period on rental receivables is 30 days. Interest is chargeable on overdue rental receivables on a case-by-case basis and in the current year, K65 million (2023: nil) interest was charged on Malawi Government outstanding amounts. An individual assessment was performed on trade receivables as at 31 December 2024. The Company has recognised an impairment on rental receivables using the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance.

8. TRADE AND OTHER RECEIVABLES (C0NTINUED)

Trade receivables

Below is the aged analysis of the Company's rental receivables:

	30 days K'000	30-60 days K'000	61-90 days K'000	Over 90 days K'000	Total K'000
2024					
Gross carrying amount	82 208	32 866	55 235	1 673 227	1 843 536
Loss allowance	(18 852)	(6 084)	(125)	(831 042)	(856 103)
Net carrying amount	63 356	26 782	55 110	842 185	987 433
2023					
Gross carrying amount	(203 638)	114 893	(53 294)	1 793 029	1 650 990
Loss allowance	(3 185)	(5 019)	(120)	(674 042)	(682 366)
Net carrying amount	(206 823)	109 874	(53 414)	1 118 987	968 624

9.1 CASH AND CASH EQUIVALENTS

	2024 K'000	2023 K'000
Fixed deposits	8 675 329	2 606 812
Bank balances and cash	737 428	692 328
Cash and cash equivalents in the statement of cash flows	9 412 757	3 299 140

The fixed deposits interest rates ranged from 22.5% to 24.7% per annum with maturity of 30 to 90 days. Bank balances earn an interest rate of 0.1 % to 5% (2023: 0.1% to 4%). Bank balances are denominated in Malawi Kwacha (K448 million) and United States Dollars - US$167 thousand (K289 million) and are held with locally registered banks which include NBS Bank Plc and Standard Bank Plc. NBS Bank Plc is a related party by virtue of common ownership and the transactions are at arm's length.

9.2 INVESTMENT IN TREASURY NOTES

	2024 K'000	2023 K'000
Opening balance	11 826 523	11 741 508
Accrued interest	-	85 015
Redemption	(11 826 523)	-
	-	11 826 523

The Company invested in a seven-year Government of Malawi treasury note with a coupon rate of 15.5% (2023: 15.5%) measured at amortised cost. The treasury note was redeemed in June 2024 to fund the Company's capital commitments.

10. SHARE CAPITAL

	2024	2023
Number of authorised shares ('000)	10 000 000	10 000 000
Number of issued and fully paid shares ('000)	6 680 000	6 680 000
Issued and fully paid (K'000)	58 209 424	58 209 424

The Company's shares were issued with no par or nominal value.

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

11. RESTRUCTURING RESERVE

	2024 K'000	2023 K'000
Restructuring reserve	8 012 031	8 012 031

The restructuring reserve arose from a historical internal restructuring that was performed in 2018 by the Company as detailed in note 1.2.

Following the conclusion of the reorganisation in 2022 which collapsed the subsidiaries Kang'ombe Investment Limited, NICO Properties Limited, Chichiri Shopping Centre Limited and Lilongwe City mall into ICON Properties plc, these reserves now form part of non-distributable retained earnings. The restructuring reserve has however been maintained to differentiate these reserves from reserves from operations and other gains. Kang'ombe Investment Limited, NICO Properties Limited, Chichiri Shopping Centre Limited and Lilongwe City Mall are now inactive subsidiaries of the Company.

12. RETAINED EARNINGS

	2024 K'000	2023 K'000
Realised reserves		
Opening balance as at 1 January	11 782 762	9 750 053
Distributable profit for the period	3 894 459	3 769 509
Less dividends paid	(1 870 400)	(1 736 800)
As at 31 December	13 806 821	11 782 762
Revaluation reserves		
Opening balance as at 1 January	42 870 456	27 201 659
Movement in fair values	21 133 177	11 849 970
Share of associate loss (note 5)	(219 027)	-
Deferred tax on shares and investment properties	(384 117)	3 818 827
As at 31 December	63 400 489	42 870 456
Total retained earnings	77 207 310	54 653 218

The application of IAS 40 Investment Property, IAS 28 *Investments in Associates and Joint Ventures* and IFRS 9 *Financial Instruments* requires that the unrealised profits of the Company's underlining assets, and the related tax effect, be dealt with in the statement of profit or loss.

13. TRADE AND OTHER PAYABLES

	2024 K'000	2023 K'000
Trade and other payables		
Accrued expenses	228 993	309 632
BHL rights issue underwriting refund	415 614	-
Unpaid dividend	46 916	50 842
Audit fees	92 876	79 207
Rent received in advance	272 096	294 579
Rental deposits	80 975	63 966
Marketing fund	45 774	37 882
Accrued NCIC levy	5 771	1 355
Withholding tax payable	18 469	12 716
NICO Holdings Plc	2 816	-
Eris Properties (Malawi) Limited	4 439	4 568
Contractor retentions	75 980	114 767
Sundry and other payables*	325 966	328 238
Unidentified receipts	25 131	16 813
Total	1 641 816	1 314 565

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

13. TRADE AND OTHER PAYABLES TAX (CONTINUED)

The directors consider that the carrying amounts of these amounts approximate to their fair value. These amounts do not attract any interest.

*Included in sundry and other payables are; dividend tax on 2023 final dividend and 2024 interim dividend, contractors' liabilities, provision for VAT payable to Malawi Revenue Authority following the VAT audit conducted in November 2024 and refund received from the Malawi Roads Authority to reinstate the damaged perimeter wall at Lilongwe City Mall after the road works in Lilongwe City Mall are completed.

14. DEFERRED INCOME

	2024 K'000	2023 K'000
Opening balance	373 107	392 905
Transfer to statement of profit or loss	(17 955)	(19 798)
Total	355 152	373 107

The amount relates to a twenty-year long-term lease paid in advance. The amount is being amortised on a straight-line basis over the twenty-year period of the lease. Current year rentals reduce the deferred income balance and are recognised within rental income in the income statement.

15. OTHER INCOME

	2024 K'000	2023 K'000
Service charges recoveries	708 837	609 107
Sundry income	320 356	108 696
BHL rights issue refund	174 750	-
Profit on equipment disposal	1 395	-
Unrealised foreign exchange gain	3 123	-
Total	1 208 461	717 803

Service charge recoveries relate to costs recovered from tenants on utility and other costs paid on behalf of tenants. Sundry income arises from income from third-party outdoor events/activities held at Chichiri Shopping Centre and Lilongwe City Mall. In the current year, sundry income also included parking fees generated from the Automated Parking System implemented at Chichiri Shopping Centre and an unrealised exchange gain on foreign currency bank balances.

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

16. ADMINISTRATION EXPENSES

	2024 K'000	2023 K'000
Listing expenses	38 708	32 502
Management fees	1 773 438	1 446 168
Legal and professional fees	45 167	26 077
Property revaluation fees	29 693	36 819
Directors' fees expenses and allowances	74 169	48 934
Sundry expenses	1 124	1 446
IT and system costs	237 058	99 053
Printing and stationery	62 733	5 520
Post office fees	1 607	1 201
Advertising and marketing expenses	67 288	44 172
Transfer secretarial fees	31 786	24 080
Bank charges	6 661	7 522
External audit fees	159 889	122 039
Shared services	57 664	44 778
Depreciation	26 530	3 565
Consultancy	-	9 147
Corporate social responsibility	51 752	51 165
Reorganisation costs and stamp duty	-	136 500
Total	2 665 267	2 140 688

17. OPERATING EXPENSES

	2024 K'000	2023 K'000
Property repairs and maintenance	510 051	346 792
Insurance*	653 903	245 492
Cleaning	138 496	89 185
City rates	161 878	149 235
Land rental	6 157	12 871
Pest and disinfection costs	47 686	34 554
Electricity and water expenses	469 880	334 549
Refuse removal costs	32 630	36 606
Security charges	471 187	248 391
Gardening	25 302	19 930
Genset costs	47 296	51 377
Letting commission	58 180	44 885
Resident technician	28 952	23 169
Total operating expenses	2 651 598	1 637 036

*Insurance cost increased due to additional insurance covers in the year on political violence, terrorism and sabotage and burglary.

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

18. FINANCE INCOME

	2024 K'000	2023 K'000
Interest income – bank balances and fixed deposits	2 905 552	2 365 552
Total finance income	2 905 552	2 365 552

19. INCOME TAX CHARGE

	2024 K'000	2023 K'000
Current tax provision	1 802 986	1 586 641
Tax on dividends	212	251
Prior period tax charge	24 143	-
Deferred tax charge/(credit)	357 750	(3 758 463)
Total income tax charge/(credit)	2 185 091	(2 171 571)
Deferred tax (credit)/charge analysed as:		
Deferred tax arising from components of revaluation reserves	384 117	(3 818 827)
Deferred tax arising from components ofrealised reserves	(26 367)	60 364
Total	357 750	(3 758 463)

Reconciliation of the tax rate

Reconciliation of effect tax rates to standard rates	Rate	2024 K'000
Profit before tax		26 609 583
Income tax based on profit before tax	30%	7 982 874
Non-deductible expense	(1.4%)	(377 664)
Income not subject to tax at 30%	-	-
Re-base of tax base on investment property	(20.39%)	(5 420 119)
Effective tax rate	8.21%	2 185 091

20. EARNINGS PER SHARE

	2024	2023
Weighted average number of shares ('000)	6 680 000	6 680 000
Profit attributable to ordinary shareholders (K'000)	24 424 492	19 159 350
Earnings per share (tambala)	366	287

There were no dilutive instruments in issue.

21. SEGMENTAL INFORMATION

21.1 Operating segments

The Company does not have components that meet the definition of an Operating Segment as per IFRS 8 *Operating segments* to be identified as Operating Segments. Therefore, voluntarily, the Company has disclosed additional information about how its business is managed which is not segmental information.

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

21. SEGMENTAL INFORMATION (CONTINUED)

21.2 Products and services from which the Company derives its revenue

The Company has one principal line of business - rental of investment properties. Information reported to and used by the Board of Directors for decision making for the purposes of resource allocation and assessment of segment performance is more specifically focused on each of the Company's current investment properties. One of the properties contributed K1 812 million (2023: K 1 678 million) representing 26% (2023: 28%) of the total rental revenue in the current year and was valued at K32 656 million (2023: K27 198 million) as at 31 December 2024 and 2023 respectively being 28% (2023: 29%) of the total investment portfolio value. None of the investment properties contributed over 30% of the total revenue from customers.

21.3 Additional information

The Company's investment properties are situated principally in the two major cities in Malawi - Lilongwe and Blantyre and others in Mzuzu and Zomba.

The following analysis shows the rental income, investment property values and property fair value movements by geographical mark.

	Rental income K'000	Property values K'000	Fair value increase K'000
2024			
Blantyre	2 897 216	53 410 668	9 028 562
Lilongwe	4 036 797	61 225 091	10 657 456
Other markets	117 936	1 575 645	126 447
Total	7 051 949	116 211 404	19 812 465
2023			
Blantyre	2 537 971	44 195 485	4 916 974
Lilongwe	3 338 118	50 445 478	6 790 666
Other markets	92 501	1 449 197	127 782
Total	5 968 590	96 090 160	11 835 422

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

22. RELATED PARTIES

During the year, the Company entered into the following transactions with related parties:

Company	Relationship	Type	2024 Transactions K'000	2024 Balance K'000	2023 Transactions K'000	2023 Balance K'000
NICO Holdings Plc	Indirect significant influence through NICO Life Insurance Company Ltd shareholding	Rental income	78 721	18 382	60 143	8 883
		Shared services fees	(57 664)	-	(43 284)	-
		Expense recoveries (payable)/prepaid	(4 898)	(2 816)	(2 229)	-
				1 459	-	930
NICO Asset Managers Ltd	Common ownership	Rental income	37 534	(6 571)	27 196	(9 427)
		Secretarial fees	(31 786)	-	(24 080)	-
ERIS Properties (Mw) Limited	Common ownership	Management fees	(1 773 438)	(54 774)	(1 446 168)	(167 040)
		Letting commission	(58 180)	-	(44 885)	-
		Expense recoveries	(129 530)	(35 450)	(76 114)	(13 351)
		Rental income	13 175	3 181	9 788	(10 691)
		Tenants' cash in transit	-	5 681	-	15 826
						79 236
NBS Bank Plc	Common ownership	Rental income	746 908	80 812	551 760	(4 049)
		Land deposit	-	255 000	-	255 000
NICO Capital Limited	Common ownership	Rental income	9 601	3 649	7 222	2 286
		Tenant installation recovery	12 254	12 254	-	-
NICO Technologies Limited	Common ownership	Rental income	27 848	16 357	21 888	18 097
						(129)
		IT services	(55 706)	2 808	(38 150)	1 311
NICO Life Insurance Company Ltd	Common ownership	Rental income	54 534	31 026	43 073	47 651
		Expense recoveries	-	575	575	575
		Tenants' cash in transit	-	-	-	(4 737)
NICO General Insurance Company Limited	Common ownership	Rental income	16 153	1 282	13 008	4 825
		Insurance	(653 903)	(2 314)	245 492	-
Blantyre Hotels Plc	Common ownership	Underwriting commission	174 750	174 750	-	-
		Underwriting refund	(415 614)	(415 614)	-	-

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

22. RELATED PARTIES (CONTINUED)

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Service organisation compensation:
The Company has no staff of its own, effective 1 April 2022 the directors appointed Eris Properties (Malawi) Limited to be the overarching manager of the Company. Eris Properties (Malawi) Limited is a joint venture between NICO Holdings Plc and ERIS South Africa Limited. The current contract effective 1 April 2022 is for a five-year period.

The directors delegated NICO Asset Managers Limited, a subsidiary of NICO Holdings Plc to provide transfer secretarial services for an initial period of 3 years from 01 January 2019. The current contract effective 01 January 2022 is for three years up to 31 December 2024 and due for renewal on 01 January 2025.

	2024 K'000	2023 K'000
Management fees for the year amounted to: -		
ERIS Properties (Malawi) Limited	1 773 438	1 446 168
Transfer secretarial fees for the year amounted to:-		
NICO Asset Managers Limited	31 786	24 080

23. OVERVIEW OF THE COMPANY'S FINANCIAL RISK MANAGEMENT FRAMEWORK

Financial instrument and associated risk

The Company has exposure to the following risks from its use of financial instruments:
(i) Market risk;
(ii) Interest rate risk;
(iii) Liquidity risk;
(iv) Credit risk; and
(v) Foreign currency risk.

Categories of financial instruments

	At amortised cost K'000	At FVPL K'000	Total K'000
2024			
Financial assets			
Investment in shares and associate	-	17 228 233	17 228 233
Trade and other receivables	1 694 367	-	1 694 367
Cash and cash equivalents	9 412 757	-	9 412 757
Total financial assets	11 107 124	17 228 233	28 335 357
Financial liabilities			
Trade and other payables	1 641 816	-	1 641 816
Total financial liabilities	1 641 816	-	1 641 816

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

23. OVERVIEW OF THE COMPANY'S FINANCIAL RISK MANAGEMENT FRAMEWORK (CONTINUED)

Financial instrument and associated risk (Continued)

	At amortised cost K'000	At FVPL K'000	Total K'000
2023			
Financial assets			
Investment in shares and associate	-	8 826 548	8 826 548
Trade and other receivables	1 562 823	-	1 562 823
Investment in treasury notes	11 826 523	-	11 826 523
Cash and cash equivalents	3 299 140	-	3 299 140
Total financial assets	16 688 486	8 826 548	25 515 034
Financial liabilities			
Trade and other payables	1 314 565	-	1 314 565
Total financial liabilities	1 314 565	-	1 314 565

Risk Management Approach

It is the Board of Directors' ultimate responsibility for the establishment and monitoring of risk management framework.

The risk management framework is established to identify and analyse the risks faced by the Company, to set appropriate risk management limits and controls, and to monitor risks and adherence to limits. Reviews of the policies and systems are done regularly to reflect changes in market conditions and activities.

The Company's approach to risk management is based on the Company's investment objectives. The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. The Board delegates risk related responsibilities to the Company's management, who manage the distribution of the financial resources to achieve the Company's investment objectives. The Company's overall financial instruments position is monitored on a quarterly basis by the Board of Directors.

Categories of financial instruments risks

i) Market risk

Market risk is the risk that changes in market prices, such as interest rate, foreign exchange rates and credit spreads will affect the Company's income or the value of holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. Overall authority for market risk management is vested in management. The Company monitors this risk on a continuing basis.

ii) Interest rate risk

Interest rate risk is generally referred to as the exposure of the net interest income to adverse movements in interest rates as a result of assets and liabilities re-pricing at different times which

23. OVERVIEW OF THE COMPANY'S FINANCIAL RISK MANAGEMENT FRAMEWORK (CONTINUED)

Categories of financial instruments risks (Continued)

ii) Interest rate risk

has therefore a direct impact on the interest margins. The Company adopts a policy of ensuring that its exposure to changes in interest rates is on a fixed rate basis. The Board monitors the movement of interest rates and takes necessary precautions to hedge. Interest rate sensitivity analysis as on the reporting date is set out below:

The following table details the company's exposure to interest rate risk:

	bearing K'000	Non-Interest bearing K'000	interest Total K'000
2024			
Financial assets			
Trade and other receivables	-	1 694 367	1 694 367
Cash and cash equivalents	9 412 757	-	9 412 757
Total financial assets	9 412 757	1 694 367	11 107 124
Financial liabilities			
Trade and other payables	-	1 641 816	1 641 816
Total financial liabilities	-	1 641 816	1 641 816
2023			
Financial assets			
Trade and other receivables	-	1 562 823	1 562 823
Cash and cash equivalents	3 299 140	-	3 299 140
Investment in treasury notes	11 826 523	-	11 826 523
Total financial assets	15 125 663	1 562 823	16 688 486
Financial liabilities			
Trade and other payables	-	1 314 565	1 314 565
Total financial liabilities	-	1 314 565	1 314 565

iii) Liquidity risk

This is the risk that the Company will encounter difficulties in meeting obligations associated with its financial liabilities. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate assets at reasonable prices and in a timely manner.

Management of liquidity risk

The Board is responsible for managing overall liquidity by setting guidelines and limits for anticipated liquidity gaps. Liquidity position is monitored on a regular basis to ensure sufficient liquidity. The Board continually assesses liquidity risk by identifying and monitoring changes in funding requirements for business operations.

23. OVERVIEW OF THE COMPANY'S FINANCIAL RISK MANAGEMENT FRAMEWORK (CONTINUED)

Categories of financial instruments risks (Continued)
iii) Liquidity risk (Continued)

Management of liquidity risk (Continued)
An analysis of the Company's assets and liabilities based on the contractual period to maturity as at 31 December 2024 is shown below:

	Up to 1 month K'000	1 to 6 months K'000	Total K'000
2024			
Financial assets			
Trade and other receivables	1 694 367	-	1 694 367
Bank balances and cash	737 428	-	737 428
Fixed deposits	5 973 988	2 701 341	8 675 329
Total financial assets	8 405 783	2 701 341	11 107 124
Financial liabilities			
Trade and other payables	1 641 816	-	1 641 816
Total financial liabilities	1 641 816	-	1 641 816
Liquidity	**6 763 967**	**2 701 341**	**9 465 308**
Cumulative liquidity	**6 763 967**	**9 465 308**	**9 465 308**

	Up to 1 month K'000	1 to 6 months K'000	Over 1 year K'000	Total K'000
2023				
Financial assets				
Trade and other receivables	1 562 823	-	-	1 562 823
Investment in treasury notes	-	-	11 826 523	11 826 523
Bank balances and cash	692 328	-	-	692 328
Fixed deposits	877 147	1 729 665	-	2 606 812
Total financial assets	3 132 298	1 729 665	11 826 523	16 688 486
Financial liabilities				
Trade and other payables	1 314 565	-	-	1 314 565
Total financial liabilities	1 314 565	-	-	1 314 565
Liquidity	**1 817 733**	**1 729 665**	**11 826 523**	**15 373 921**
Cumulative liquidity	**1 817 733**	**3 547 398**	**15 373 921**	**15 373 921**

23. OVERVIEW OF THE COMPANY'S FINANCIAL RISK MANAGEMENT FRAMEWORK (CONTINUED)

Categories of financial instruments risks (Continued)
iv) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Board of Directors has a policy put in place to monitor on an ongoing basis, the management of Credit risk. The Board has delegated responsibility for the management of credit risk to the Finance and Audit committees which have oversight of the credit risk.

Exposure to credit risk
As at 31 December 2024, there were no significant concentrations of credit risk. The maximum exposure to credit risk is presented by the carrying amount of each financial asset in the statement of financial position.

	2024 K'000	2023 K'000
Financial assets		
Trade and other receivables	1 938 894	1 562 823
Investment in treasury notes	-	11 826 523
Fixed deposits – money market	8 675 329	2 606 812
Total financial assets	10 614 223	15 996 158

Trade and other receivables largely consist of rental receivables from a large number of customers, spread across diverse industries. Amounts of K308 million (2023: K308 million) and K838 million (2023: K528 million) were due from Stansfield Motors Limited and Malawi Government respectively and represent 16.7% (2023: 18.7%) and 45.5% (2023: 32%) of the Company's total rental receivables respectively. The Company does not have any other exposures to any single counterparty that are in excess of 5% of total rental receivables. Credit risk is managed by continuous engagement with counter parties and arriving at agreements to clear arrears.

v) Foreign Exchange Risk
Foreign exchange risk refers to the risk that a business' financial performance or financial position will be impacted by changes in the exchange rates between currencies.

Exposure to credit risk
As at 31 December 2024, there were no significant concentrations of foreign exchange risk. The maximum exposure to foreign exchange risk is presented by the carrying amount of cash balances dominated in foreign currency (United States Dollar) in the statement of financial position.

	2024 K'000	2023 K'000
Financial assets		
Cash balances denominated in foreign currency	289 366	-

The Company had cash balances held in US Dollars with Standard Bank Malawi Plc amounting to US$167 thousand (2023: nil). The balance constitutes 3% of the cash and cash equivalent balance in the statement of financial position as at 31 December 2024. Other than the cash balances held in foreign currency, the Company did not have any foreign exchange risk exposure relating of other financial assets and liabilities.

24. FAIR VALUE MEASUREMENTS

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

Valuation techniques and assumptions applied for the purposes of measuring fair value

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures, and perpetual notes).
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair value.

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

With the exception of the Company's investment in the shares of Blantyre Hotels Plc and Plantations House Investment Limited, the Company did not have any financial assets and financial liabilities that were measured at fair value at the end of the reporting period. The Company's investment in Blantyre Hotel Plc and Plantation House Investments Limited are measured at fair value with related value changes recognised in profit or loss. The fair value measurements are classified as level one and three respectively on the fair value hierarchy.

Details of the Company's investment in shares and information about the fair value hierarchy as at 31 December 2024 are as follows:

Financial Asset	Type	Fair Value as at		Fair Value Hierarchy	Valuation technique(s) and key input(s)
		31/12/2024 K'000	31/12/2023 K'000		
Investment in Blantyre Hotels Plc (note 6)	Listed Equity	8 814 620	-	Level 1	Quoted share price on an active market
Investment in Plantation House Limited (note 6)	Unlisted Equity	132 640	126 548	Level 3	Net Asset Value
Oasis Hospitality Limited (note 5)	Unlisted Equity	8 280 973	8 500 000	Level 3	Net Asset Value

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

25. CONTINGENT LIABILITIES

The Company received a preliminary report on findings relating to a tax audit conducted by the Malawi Revenue Authority (MRA) with claims estimated at K611 million (2023: nil). The Company is in the early stages of discussions with the MRA on the matters raised. The results of the discussions will inform the crystallization of the liability.

26. CAPITAL COMMITMENTS

The Company committed to invest a further MK2.5 billion in Oasis Hospitality in 2025 (2023: nil).

27. IMPACT OF CLIMATE CHANGE

The Company assessed the impact of climate change on the business. Climate change did not have a significant impact on the property portfolio being the significant income generating asset for the Company. There will however be minor to medium repairs required on some affected buildings.

Malawi has experienced the impact of climate change with cyclones striking the country more often. The Company assessed that climate change has not had any impact on the going concern, useful life, or impairment of the property portfolio which in return did not have a direct impact on revenue.

28. ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING

The Company is aware of the new standards on Environmental, Social and Governance Reporting (ESG) which became effective 1 January 2024. The Company is establishing policies and processes to comply with the Malawi Stock Exchange (MSE) requirements. The MSE reference guidance on ESG reporting is the Global Reporting Initiative (GRI) as such the Company will adopt the GRI framework and include its report on ESG in the annual report. However, where applicable, the Company will also follow the guidance provided by the International Financial Reporting Standards on Sustainability (IFRSS); namely IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*.

29. EVENTS AFTER THE REPORTING PERIOD

After year end, the Board of Directors of Oasis Hospitality Limited approved further capital injection by Blantyre Hotels Plc (BHL) into Oasis Hospitality Limited. This has resulted in a decrease of ICON Properties Plc's shareholding in Oasis Hospitality Limited from 44.27% as at 31 December 2024 to 29% as at 23 April 2025.

30. EXCHANGE AND INFLATION RATES

The average of the period-end buying and selling rates of the foreign currencies most affecting the performance of the Company are stated below, together with the increase in the National Consumer Price Index, which represents an official measure of inflation.

NOTES TOTHE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2024

30. EXCHANGE AND INFLATION RATES (CONTINUED)

	2024	2023
Kwacha/Rand	95	94
Kwacha/US Dollar	1 734	1 683
Kwacha / British Pound	2 312	2 212
Inflation rate (%)	28.1	35.0

At the date of approval of the financial statements, the above noted rates had moved as disclosed below:

Kwacha/Rand	96
Kwacha/US Dollar	1 734
Kwacha /British Pound	2 377
Inflation rate (%) (February 2025)	30.7

ICON PROPERTIES Plc

Managed by ERIS Properties

INDUSTRIAL | RETAIL | OFFICE | RESIDENTIAL

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