



# ICON PROPERTIES PLC

## SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

**Profit after tax**  
**K8.8 bn**  
for the period ended 31 December 2020

**Total income**  
**K13.4 bn**  
for the period ended 31 December 2020

**Total assets**  
**K86.3 bn**  
as at 31 December 2020

### SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Consolidated 31 December 2020 K'000	Consolidated 31 December 2019 K'000	Separate 31 December 2020 K'000	Separate 31 December 2019 K'000
<b>Income</b>				
Rental income	4,912,249	5,099,376	757,689	756,863
Increase in fair value of investee companies and properties	5,279,377	4,070,975	5,352,936	4,169,297
Income from dividends and income notes	2,311	2,496	1,701,361	1,665,711
Investment income	2,846,523	2,320,669	2,457,818	2,038,803
Other income	381,835	336,859	362,096	313,663
<b>Total income</b>	<b>13,422,295</b>	<b>11,830,375</b>	<b>10,631,900</b>	<b>8,944,337</b>
<b>Expenses</b>	<b>(2,123,344)</b>	<b>(2,295,793)</b>	<b>(504,997)</b>	<b>(576,779)</b>
Profit before income tax	11,298,951	9,534,582	10,126,903	8,367,558
Income tax expense	(2,504,841)	(2,120,950)	(2,197,924)	(1,325,047)
<b>Profit for the period</b>	<b>8,794,110</b>	<b>7,413,632</b>	<b>7,928,979</b>	<b>7,042,511</b>
<b>Attributable to-</b>				
Owners of the company	8,604,761	7,248,622		
Non-controlling interest	189,349	165,010		
<b>Profit for the year</b>	<b>8,794,110</b>	<b>7,413,632</b>		
<b>Basic and diluted earnings per share (K)</b>	<b>1.29</b>	<b>1.09</b>		

### SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

	Consolidated 31 December 2020 K'000	Consolidated 31 December 2019 K'000	Separate 31 December 2020 K'000	Separate 31 December 2019 K'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment properties	64,144,513	57,900,447	12,769,682	11,114,799
Investment in subsidiaries	-	-	48,658,314	44,494,350
Investment in associate	-	-	2,119,316	1,905,622
Investment in shares	94,098	91,933	94,098	91,933
Investment in treasury notes	11,571,478	11,441,722	11,571,478	11,441,722
<b>Total non-current assets</b>	<b>75,810,089</b>	<b>69,434,102</b>	<b>75,212,888</b>	<b>69,048,426</b>
<b>Current assets</b>				
Trade and other receivables	1,825,589	1,469,180	821,641	1,421,115
Tax recoverable	406,284	528,415	-	-
Cash and cash equivalents	8,292,952	7,946,760	5,287,043	3,995,490
<b>Total current assets</b>	<b>10,524,825</b>	<b>9,944,355</b>	<b>6,108,684</b>	<b>5,416,605</b>
<b>Total assets</b>	<b>86,334,914</b>	<b>79,378,457</b>	<b>81,321,572</b>	<b>74,465,031</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	58,209,424	58,209,424	58,209,424	58,209,424
Restructuring reserve	7,841,995	7,841,995	7,841,995	7,841,995
Retained earnings	14,957,413	7,822,252	14,012,116	7,552,737
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>	<b>81,008,832</b>	<b>73,873,671</b>	<b>80,063,535</b>	<b>73,604,156</b>
Non-controlling interest	1,513,797	1,361,159	-	-
<b>Total equity</b>	<b>82,522,629</b>	<b>75,234,830</b>	<b>80,063,535</b>	<b>73,604,156</b>
<b>Non-current liabilities</b>				
Deferred tax liability	3,039,508	2,288,682	1,056,611	160,080
Deferred income	361	722	-	-
<b>Total non-current liabilities</b>	<b>3,039,869</b>	<b>2,289,404</b>	<b>1,056,611</b>	<b>160,080</b>
<b>Current liabilities</b>				
Trade and other payables	644,219	1,268,032	125,318	174,723
Tax payable	128,197	586,191	76,108	526,072
<b>Total current liabilities</b>	<b>772,416</b>	<b>1,854,223</b>	<b>201,426</b>	<b>700,795</b>
<b>Total equity and liabilities</b>	<b>86,334,914</b>	<b>79,378,457</b>	<b>81,321,572</b>	<b>74,465,031</b>

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

For the year ended 31 December 2020

	Consolidated 31 December 2020 K'000	Consolidated 31 December 2019 K'000	Separate 31 December 2020 K'000	Separate 31 December 2019 K'000
<b>Balance at the beginning of period</b>	<b>75,234,830</b>	<b>68,536,891</b>	<b>73,604,156</b>	<b>67,229,645</b>
Distributable profit for the year	4,182,197	3,774,503	3,203,402	2,793,392
Non-distributable profit for the year	4,611,913	3,639,129	4,725,577	4,249,119
Dividends paid	(1,469,600)	(668,000)	(1,469,600)	(668,000)
Dividends paid by subsidiary to non-controlling interest shareholders	(36,711)	(47,693)	-	-
<b>Balance at the end of period</b>	<b>82,522,629</b>	<b>75,234,830</b>	<b>80,063,535</b>	<b>73,604,156</b>

### SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

For the year ended 31 December 2020

	Consolidated 31 December 2020 K'000	Consolidated 31 December 2019 K'000	Separate 31 December 2020 K'000	Separate 31 December 2019 K'000
Net cash generated from/(used in) operating activities	100,279	1,615,977	(851,588)	(3,176,835)
Net cash generated from/(used in) investing activities	1,752,224	(11,007,313)	3,612,741	(7,825,712)
Net cash used in financing activities	(1,506,311)	(715,693)	(1,469,600)	(668,000)
Net increase/(decrease) in cash and cash equivalents	346,192	(10,107,029)	1,291,553	(11,670,547)
Balance at the beginning of the year	7,946,760	18,053,789	3,995,490	15,666,037
<b>Cash and cash equivalents at the end of the year</b>	<b>8,292,952</b>	<b>7,946,760</b>	<b>5,287,043</b>	<b>3,995,490</b>

#### BASIS OF PREPARATION

The Directors have prepared the summary consolidated and separate financial statements to meet the listing requirements of the Malawi Stock Exchange. The Directors have considered the requirements of the Malawi Stock Exchange and believe that the summary consolidated and separate statements of financial position, summary consolidated and separate statements of comprehensive income, summary consolidated and separate statements of changes in equity and summary consolidated and separate statements of cash flows are sufficient to meet the requirements of the users of the summary financial statements. The amounts in the summary financial statements are prepared in accordance with the framework concepts and the measurements and recognition requirements of International Financial Reporting Standards. The summary financial statements have been derived from the Annual Financial Statements which were approved by the Board of Directors on 31 March 2021.

#### PERFORMANCE

The Group generated total income of K13.4 billion (2019: K11.8 billion) for the year which includes increase in fair value of properties of K5.3 billion (2019: K4.1 billion). The Group's performance was driven by property revaluation gains and finance income as rental income reduced compared to the previous year. The valuation of properties this year considered the refurbishments of several properties that were completed during the year. Investment income increased due to interest earned on a treasury note held for a full year in the current period. Rentals reduced due to accommodating tenants who were heavily affected by the pandemic. Occupancy rates across the property portfolio remained above 90% throughout the reporting period.

Total expenses for the period were at K2.1 billion (2019: K2.3 billion), some of the major expense areas included property and administrative management fees, repairs and maintenance and utility costs. The Group reported a profit after tax of K8.8 billion (2019: K7.4 billion) for the year ended 31 December 2020.

The Group issued a trading statement on 15 March 2021 stating that the performance of the year would be above 20% compared to the previous year based on unaudited results. The final audited results have increased by 19% above the previous year due to an adjustment made to a property revaluation surplus at subsidiary level.

#### CHALLENGES

The COVID-19 pandemic significantly affected the Group's performance in the year. The first wave in the first half of the year affected rental collection as tenants were visibly affected by the changes in consumer patterns. To protect cash flows, several maintenance projects were postponed until further notice, whereas capital projects faced several delays. The fourth quarter of the year saw improvement in the pandemic affected conditions which allowed the Group to close with a stronger position.

#### OUTLOOK

The improvement in business activities over the festive season was summarily halted at the beginning of the 2021 year mainly due to the spike in COVID-19 positive cases. Although the number of reported COVID-19 cases has reduced significantly following various government measures, Malawi's economic outlook still faces considerable downside risks including weather shocks and pressure on the Malawi Kwacha.

The pandemic is expected to continue having an impact on the portfolio. Although ICON is expected to remain competitive, rental growth is expected to continue to be impacted with the retail sector expected to face challenges during recovery.

Compliance and adherence to COVID-19 measures, reduction of receivables, selective implementation of projects and scenario-based planning will form the basis of ICON's response paving the way to recovery.

#### DIVIDEND

The Directors have recommended a final dividend of K801.6 million (2019: K734.8 million) representing 12 tambala per share (2019: 11 tambala). The payment date will be announced after the Company's Annual General Meeting (AGM).

An interim dividend of K734.8 million (2019: K668 million) representing 11 tambala per share (2019: 10 tambala) was paid on 6 November 2020.

This brings the total dividend for the year to K1.536 billion (2019: K1.403 billion) representing 23 tambala per share (2019: 21 tambala).

#### APPROVAL OF THE FINANCIAL STATEMENTS

The audited consolidated and separate financial statements were approved by the Board of Directors on 31 March 2021.

CHAIRMAN  
Mr. Robert Scharar

DIRECTOR  
Mr. Dasford Kamkwamba

#### Independent Auditor's Report on the Summary Consolidated and Separate Financial Statements

To the shareholders of ICON Properties plc

#### Opinion

The summary consolidated and separate financial statements, which comprise the summary consolidated and separate statements of financial position as at 31 December 2020, the summary consolidated and separate statements of comprehensive income, summary consolidated and separate statements of changes in equity and summary consolidated and separate statements of cash flows for the year then ended and related notes, are derived from the audited consolidated and separate financial statements of ICON Properties plc for the year ended 31 December 2020.

In our opinion, the accompanying summary consolidated and separate financial statements present a fair summary of the audited consolidated and separate financial statements, as described in the Basis of Preparation paragraph.

#### Summary Consolidated and Separate Financial Statements

The summary consolidated and separate financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated and separate financial statements and the auditor's report thereon, therefore, is not a substitute for reading the consolidated and separate audited financial statements and the auditor's report thereon. The summary consolidated and separate financial statements and the audited consolidated and separate financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the consolidated and separate audited financial statements.

#### The Audited Consolidated and Separate Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 30 April 2021. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement were of most significance in our audit of the consolidated and separate financial statements of the current year.

#### Directors' Responsibility for the Summary Consolidated and Separate Financial Statements

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated and separate financial statements are a fair summary of the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised) Engagements to Report on Summary Financial Statements.

**Deloitte.**

Chartered Accountants  
KONDWANI MSIMUKO  
Partner  
30 April 2021



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