



# ICON PROPERTIES PLC

## SUMMARY UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021

#### SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

For the six months period ended 30 June 2021  
In thousands of Malawi Kwacha

	Unaudited Consolidated 6 months ended 30 June 2021	Unaudited Consolidated 6 months ended 30 June 2020	Audited Consolidated 12 months ended 31 December 2020	Unaudited Separate 6 months ended 30 June 2021	Unaudited Separate 6 months ended 30 June 2020	Audited Separate 12 months ended 31 December 2020
<b>Income</b>						
Rental income	2,438,765	2,507,472	4,912,249	2,084,795	384,448	757,689
Increase in fair value of investee companies and properties	1,858,991	529,407	5,279,377	1,790,242	502,780	5,352,936
Income from dividends and income notes	-	-	2,311	112,508	839,584	1,701,361
Net investment income	1,437,958	1,333,016	2,846,523	1,423,468	1,165,502	2,457,818
Other income	201,061	223,400	381,835	141,958	132,927	362,096
<b>Total income</b>	<b>5,936,775</b>	<b>4,593,295</b>	<b>13,422,295</b>	<b>5,552,971</b>	<b>3,025,241</b>	<b>10,631,900</b>
Expenses	(1,155,008)	(1,007,042)	(2,123,344)	(1,017,028)	(250,614)	(504,997)
Profit before income tax	4,781,767	3,586,253	11,298,951	4,535,943	2,774,627	10,126,903
Income tax expense	(1,710,317)	(1,474,305)	(2,504,841)	(1,598,745)	(1,084,247)	(2,197,924)
<b>Profit for the period</b>	<b>3,071,450</b>	<b>2,111,948</b>	<b>8,794,110</b>	<b>2,937,198</b>	<b>1,690,380</b>	<b>7,928,979</b>
<b>Attributable to:-</b>						
Owners of the company	2,983,708	2,049,455	8,604,761			
Non-controlling interest	87,742	62,493	189,349			
<b>Profit for the period</b>	<b>3,071,450</b>	<b>2,111,948</b>	<b>8,794,110</b>			
<b>Basic and diluted earnings per share (MK)</b>	<b>0.46</b>	<b>0.32</b>	<b>1.29</b>			

#### SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

As at 30 June 2021

In thousands of Malawi Kwacha

	Unaudited Consolidated 30 June 2021	Unaudited Consolidated 30 June 2020	Audited Consolidated 31 December 2020	Unaudited Separate 30 June 2021	Unaudited Separate 30 June 2020	Audited Separate 31 December 2020
<b>ASSETS</b>						
<b>Non-current assets</b>						
Investment properties	67,027,951	58,723,915	64,144,513	60,891,951	11,294,239	12,769,682
Investment in subsidiaries	-	-	-	4,691,612	44,886,520	48,658,314
Investment in associate	-	-	-	-	1,993,112	2,119,316
Financial asset	94,098	91,933	94,098	94,098	91,933	94,098
Office equipment	9,303	-	-	9,303	-	-
Investment in treasury notes	11,608,540	11,441,722	11,571,478	11,608,540	11,441,722	11,571,478
<b>Total non-current assets</b>	<b>78,739,892</b>	<b>70,257,570</b>	<b>75,810,089</b>	<b>77,295,504</b>	<b>69,707,526</b>	<b>75,212,888</b>
<b>Current assets</b>						
Trade and other receivables	2,481,765	2,320,353	1,825,589	1,984,164	2,468,207	821,641
Tax recoverable	547,844	477,377	406,284	547,844	-	-
Cash and cash equivalents	9,642,371	8,552,453	8,292,952	9,408,883	4,294,778	5,287,043
<b>Total current assets</b>	<b>12,671,980</b>	<b>11,350,183</b>	<b>10,524,825</b>	<b>11,940,891</b>	<b>6,762,985</b>	<b>6,108,684</b>
<b>Total assets</b>	<b>91,411,872</b>	<b>81,607,753</b>	<b>86,334,914</b>	<b>89,236,395</b>	<b>76,470,511</b>	<b>81,321,572</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Share capital	58,209,424	58,209,424	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	7,841,995	7,841,995
Retained earnings	17,941,121	9,871,707	14,957,413	17,782,234	9,243,117	14,012,116
<b>EQUITY ATTRIBUTABLE TO</b>	<b>83,992,540</b>	<b>75,923,126</b>	<b>81,008,832</b>	<b>83,833,653</b>	<b>75,294,536</b>	<b>80,063,535</b>
Non-controlling Interest	1,564,039	1,423,652	1,513,797	-	-	-
<b>Total equity</b>	<b>85,556,579</b>	<b>77,346,778</b>	<b>82,522,629</b>	<b>83,833,653</b>	<b>75,294,536</b>	<b>80,063,535</b>
<b>Non-current liabilities</b>						
Deferred tax liability	3,803,242	2,952,914	3,039,508	3,451,439	642,919	1,056,611
Deferred Income	424,067	541	361	424,067	-	-
<b>Total non-current liabilities</b>	<b>4,227,309</b>	<b>2,953,455</b>	<b>3,039,869</b>	<b>3,875,506</b>	<b>642,919</b>	<b>1,056,611</b>
<b>Current liabilities</b>						
Trade and other payables	1,584,540	808,802	644,219	1,527,236	85,355	125,318
Tax payable	43,444	496,415	128,197	-	447,701	76,108
Overdraft	-	2,303	-	-	-	-
<b>Total current liabilities</b>	<b>1,627,984</b>	<b>1,307,520</b>	<b>772,416</b>	<b>1,527,236</b>	<b>533,056</b>	<b>201,426</b>
<b>Total equity and liabilities</b>	<b>91,411,872</b>	<b>81,607,753</b>	<b>86,334,914</b>	<b>89,236,395</b>	<b>76,470,511</b>	<b>81,321,572</b>

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

For the six months period ended 30 June 2021

In thousands of Malawi Kwacha

	Unaudited Consolidated 6 months ended 30 June 2021	Unaudited Consolidated 6 months ended 30 June 2020	Audited Consolidated 12 months ended 31 December 2020	Unaudited Separate 6 months ended 30 June 2021	Unaudited Separate 6 months ended 30 June 2020	Audited Separate 12 months ended 31 December 2020
<b>Balance at the beginning of period</b>	<b>82,522,629</b>	<b>75,234,830</b>	<b>75,234,830</b>	<b>80,063,535</b>	<b>73,604,156</b>	<b>73,604,156</b>
Distributable profit for the year	1,999,351	802,079	4,182,197	1,909,754	1,056,348	3,203,402
Non-distributable profit for the year	1,072,099	1,309,869	4,611,913	1,027,444	634,032	4,725,577
Reversal of subsidiary deferred tax on reorganisation	-	-	-	832,920	-	-
Dividends paid	-	-	(1,469,600)	-	-	(1,469,600)
Dividends paid by subsidiary to non-controlling interest shareholders	(37,500)	-	(36,711)	-	-	-
<b>Balance at the end of period</b>	<b>85,556,579</b>	<b>77,346,778</b>	<b>82,522,629</b>	<b>83,833,653</b>	<b>75,294,536</b>	<b>80,063,535</b>

#### SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

For the six months period ended 30 June 2021

In thousands of Malawi Kwacha

	Unaudited Consolidated 6 months ended 30 June 2021	Unaudited Consolidated 6 months ended 30 June 2020	Audited Consolidated 12 months ended 31 December 2020	Unaudited Separate 6 months ended 30 June 2021	Unaudited Separate 6 months ended 30 June 2020	Audited Separate 12 months ended 31 December 2020
Net cash generated/(used) in operating activities	1,021,273	(435,566)	100,279	520,810	(1,426,997)	(851,588)
Net cash generated/(used) in investing activities	995,455	(294,060)	1,752,224	1,496,072	(68,830)	3,612,741
Net cash (used)/generated from financing activities	(667,309)	1,333,016	(1,506,311)	2,104,958	1,795,115	(1,469,600)
Net increase/(decrease) in cash and cash equivalents	1,349,419	603,390	346,192	4,121,840	299,288	1,291,553
Balance at the beginning of period	8,292,952	7,946,760	7,946,760	5,287,043	3,995,490	3,995,490
<b>Cash and cash equivalents at the end of period (Including Overdraft)</b>	<b>9,642,371</b>	<b>8,550,150</b>	<b>8,292,952</b>	<b>9,408,883</b>	<b>4,294,778</b>	<b>5,287,043</b>

#### GROUP REORGANISATION

As reported in the annual financial statements for the year ended 31 December 2020, the Group embarked on a reorganisation which saw three of its wholly owned subsidiaries transfer their assets and liabilities as well as their business operations, to the parent Company. The Company separate accounts therefore now include the results of the wholly owned subsidiary companies effective 1 January 2021. This has resulted in significant variances in the separate Company accounts compared to the corresponding period.

#### PERFORMANCE

The Group reported a 45.4% increase in profit after tax of K3.1 billion for the six months period ended 30 June 2021 (2020: K 2.1 billion).

The Group generated total income of K5.9 billion (2020: K4.6 billion) for the six months period. The increase over the corresponding period was due to the impact of property revaluation gains which improved in the current period. Rental income was affected by the refurbishment of Kapeni House as well as the lingering effects of the COVID-19 pandemic that have slowed rental growth. The refurbishment of Kapeni House in Blantyre was completed and handed over after the half year period end. Total expenses for the Group increased to K1.15 billion (2020: K1 billion) due to inflationary pressures, spending on measures to prevent the spread of COVID-19 as well as other property management related costs.

#### CHALLENGES

The COVID-19 pandemic continues to affect all aspects of life in the country. Some tenants showed signs of difficulties to meet obligations due to the second wave of the pandemic, this affected recoverability of rentals early on. Collection efficiencies however improved in the second quarter.

#### OUTLOOK

Malawi's economic outlook faces downside risks with the impact of the COVID-19 pandemic, weather shocks and fiscal slippages. However, with the arrival of additional COVID-19 vaccines and expected favorable agricultural season harvest, a gradually favorable economic outlook is projected.

Although ICON is expected to remain competitive, rental growth is expected to be impacted with the retail sector continuing to be adversely affected by the pandemic. Various strategies formulated to counter the effects of COVID-19 and increasing competition are ongoing and are being adapted accordingly as the environment changes.

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

#### DIVIDEND

The Directors have recommended an interim dividend of K801.6 million (2020: K734 million) representing 12 tambala per share (2019: 11 tambala) being a 9% increase in dividend. The dividend payment date will be announced in due course.

#### APPROVAL OF THE FINANCIAL STATEMENTS

The half year summary unaudited consolidated and separate financial statements were approved by the Board of Directors on 26 August 2021.

DIRECTOR

S. Hara

DIRECTOR

D. Kamkwamba



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