



ICON PROPERTIES PLC

SUMMARY AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Profit after tax
K19.2bn
for the year ended 31 December 2023

Total income
K20.9bn
for the year ended 31 December 2023

Total assets
K122.6bn
for the year ended 31 December 2023

SUMMARY STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2023

	31 December 2023 K'000	31 December 2022 K'000
Income		
Revenue	5,968,590	5,167,640
Increase in fair value of investee companies and properties	11,849,970	14,298,399
Dividend income	2,507	1,288
Finance income	2,365,552	2,837,259
Other income	737,601	449,590
Total income	20,924,220	22,754,176
Expenses	(3,936,441)	(3,189,188)
Profit before income tax	16,987,779	19,564,988
Income tax credit/(expense)	2,171,571	(2,858,880)
Profit for the year	19,159,350	16,706,108

Basic and diluted earnings per share (MK)	2.87	2.50
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SUMMARY STATEMENT OF FINANCIAL POSITION As at 31 December 2023

	31 December 2023 K'000	31 December 2022 K'000
ASSETS		
Non-current assets		
Investment properties	96,090,160	83,984,585
IFRS 16 lease smoothing asset	300,131	-
Investment in associate	8,500,000	6,800,000
Investment in shares	126,548	112,000
Investment in treasury notes	11,826,523	11,741,508
Deferred tax asset	321,656	-
Office equipment	405	3,970
Total non-current assets	117,165,423	102,642,063
Current assets		
Trade and other receivables	1,815,102	2,596,673
Tax recoverable	282,680	-
Cash and cash equivalents	3,299,140	3,585,362
Total current assets	5,396,922	6,182,035
Total assets	122,562,345	108,824,098
EQUITY AND LIABILITIES		
Equity		
Share capital	58,209,424	58,209,424
Restructuring reserve	8,012,031	8,012,031
Retained earnings	54,653,218	36,951,712
Total equity	120,874,673	103,173,167
Non - current liabilities		
Deferred tax liability	-	3,436,807
Deferred income	373,107	392,905
Total non - current liabilities	373,107	3,829,712
Current liabilities		
Trade and other payables	1,314,565	1,558,459
Tax payable	-	262,760
Total current liabilities	1,314,565	1,821,219
Total equity and liabilities	122,562,345	108,824,098

SUMMARY STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2023

	31 December 2023 K'000	31 December 2022 K'000
Balance at the beginning of period	103,173,167	87,904,881
Distributable profit for the year	3,490,553	3,709,365
Non-distributable profit for the year	15,668,797	12,996,743
Adjustment on reorganisation	-	165,378
IFRS 16 lease smoothing adjustment	278,956	-
Dividends paid	(1,736,800)	(1,603,200)
Balance at the end of period	120,874,673	103,173,167

SUMMARY STATEMENT OF CASH FLOWS For the year ended 31 December 2023

	31 December 2023 K'000	31 December 2022 K'000
Net cash generated from operating activities	1,137,688	1,000,745
Net cash generated from/(used in) investing activities	312,890	(4,065,973)
Net cash used in financing activities	(1,736,800)	(1,603,200)
Net decrease in cash and cash equivalents	(286,222)	(4,668,428)
Balance at the beginning of the year	3,585,362	8,253,790
Cash and cash equivalents at the end of the year	3,299,140	3,585,362

BASIS OF PREPARATION

The Directors have prepared the summary 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 statement of financial position, summary statement of comprehensive income, summary statement of changes in equity and summary statement 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 International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The summary financial statements have been derived from the annual audited financial statements which were approved by the Board of Directors on 25 March 2024.

PERFORMANCE

The Company generated a total income of K20.9 billion (2022: K22.8 billion) for the year, including an increase in properties' fair value of K11.8 billion (2022: K14.3 billion). The Company's income performance was lower due to property revaluation gains and finance income. The property revaluation gains on properties were lower than the corresponding year due to normalisation of above normal growth on some properties in the previous year following market realignments. Investment income decreased due to reduced cash balances following additional investment in Oasis Hospitality Limited at K1.7 billion (2022: K6.8 billion), bringing the total investment to K8.5 billion. Oasis Hospitality Limited is in the process of constructing an hotel in Lilongwe led by Blantyre Hotels Plc.

Revenue growth of 15% improved from the previous year's growth of 6% due to executed rental escalations and a consistent occupancy rate of above 90% throughout the financial year.

Total expenses for the year were at K3.9 billion (2022: K3.2 billion) being a 23% increase. Some of the major expense areas included utility costs, repairs and maintenance and administration costs. The Company recorded an aggregate tax credit for the year due to the recalculation of deferred taxes which use annual CPI indices. This year, the recalculation led to a reduction in deferred tax liabilities hence recording a tax credit.

The Company reported a profit after tax of K19.2 billion (2022: 16.7 billion) for the year ended 31 December 2023.

In March 2024, after the year end, the Company finalised piloting of the automated parking management system at Chichiri Shopping Centre, the system is now operational.

In April 2024, the double story classroom block at Mbayani Primary School in Blantyre which was built together with the NICO Foundation, was handed over.

The Company will seek to continue responding to the needs of its tenants and the broader community whilst delivering value to its shareholders.

DIVIDEND

The Directors have recommended a final dividend of MK935.2 million (2022: MK868.4 million) representing 14 tambala per share (2022: 13 tambala). The payment date will be announced after the Company's Annual General Meeting (AGM).

An interim dividend of MK868.4 million (2022: MK801.6 million) representing 13 tambala per share (2022: 12 tambala), was paid on 27 October 2023.

This will bring the total dividend for the year to MK1.804 billion (2022: MK1.670 billion) representing 27 tambala per share.

*OUTLOOK

The country's economic outlook faces volatility owing to rising food and energy prices, global instability including wars, environmental occurrences and changing economic fundamentals such as rising inflation. Following the devaluation of the Malawi Kwacha by 44% as announced by the Reserve Bank of Malawi on 9 November 2023, foreign currency reserves remain low which risks further pressure on the local unit. High inflationary pressures have resulted in suppliers of goods and services hiking their prices hence impacting Company costs as well as disposable income of current and prospective tenants.

Rental growth is expected to continue however as the property market gradually adjusts to changes in the economic landscape. Management will continue controlling expenditure levels whilst ensuring that service delivery is unaffected.

As the Company progresses in its strategic projects it will cautiously manage its cashflows to balance between operational and capital needs.

*Unaudited

APPROVAL OF THE AUDITED FINANCIAL STATEMENTS

The summary audited financial statements were approved by the Board of Directors on 25 March 2024.

By order of the board;

E. Chapala
Chairperson, Board of Directors

D. Kamkwamba
Chairperson, Finance and Audit Committee

Report of the Independent Auditor on the Summary Financial Statements To the shareholders of ICON Properties Plc

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2023, the summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended and related notes, are derived from the audited financial statements of ICON Properties plc for the year ended 31 December 2023.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements of ICON Properties Plc and in accordance with the requirements of the Malawi Stock Exchange Listing Requirements for summary financial statements.

Summary Financial Statements

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

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 19 April 2024. 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 financial statements of the current year.

Directors' Responsibility for the Summary Financial Statements

The Directors are responsible for the preparation of the summary financial statements in accordance with the requirements of the Malawi Stock Exchange Listing Requirements.

Auditor's Responsibility

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

Chartered Accountants
Nkondola Uka
Partner
24 April 2024

Deloitte



Michiru House
Victoria Avenue, Blantyre
P. O. Box 3117, Blantyre, Malawi
Tel: +265 (0) 1 832 085/6
info@iconproperties.mw
www.iconproperties.mw

