



CHAIRMAN'S STATEMENT

Overview of Operating Environment

Inflationary dynamics remain mixed across global economies. Despite noticeable progress on disinflation, inflation remained "sticky", mainly outside the policy targets. Global central banks took a cautious approach to monetary easing. Against this, the interest rates remained relatively high. Given Zimbabwe's level of import dependency, these factors had a knock-on effect on the country, including the property sector.

Zimbabwe's agricultural production was negatively affected by the El-Nino-induced drought. Further, the mining sector, particularly platinum group metals (PGMs), faced headwinds from low commodity prices. However, other sectors performed relatively well, particularly infrastructure and construction. Thus, the economy grew by 2% in 2024 compared with 3.5% in the prior year.

The local business environment underwent significant changes that materially impacted the property sector. While the multi-currency system was maintained, introducing the ZWG on 5 April 2024 led to notable shifts. Before its introduction, the local currency had depreciated by about 72%. The new currency, however, depreciated by 48% during the year against its introductory value. Exchange rate volatility and an unsustainable parallel market premium adversely affected formal sector activities, including retail. In-store US dollar pricing became uncompetitive, which constrained performance-based rentals as activity shifted to the informal sector. Contractionary fiscal and monetary policies adopted by the authorities also negatively affected liquidity during the year.

Property Market Overview

Zimbabwe's real estate sector is navigating both challenges and opportunities. Both public and private sector investments are driving growth. Nonetheless, investment in infrastructure is required to sustain the property market.

High vacancy rates persist in the Central Business District (CBD) as tenants relocate to suburban offices and office parks. Businesses are moving away from traffic congestion, parking space shortages and unsatisfactory building conditions, such as malfunctioning elevators and air-conditioning systems in the CBD. Recent local plans, such as the Avondale and E.D. Mhangagwa Road Local Development Plans, have also influenced demand as they permit mixed-use developments along major arterial roads.

There have been noticeable real estate developments in the country. In the tourism and hospitality towns, including Victoria Falls, there has been an elevated activity in new hotels, lodges, and resort developments. Further, private developers are increasingly investing in gated communities, town houses, and apartment complexes, particularly in affluent Harare suburbs. Mixed-use developments combining residential, commercial, and retail spaces are also gaining popularity. The commercial property sector is experiencing moderate growth, driven by major cities' demand for retail and office spaces. Sustainable construction practices, including green building technologies, water recycling systems, and solar energy, are gaining traction. However, high construction costs and limited financing options remain key challenges. Public-private partnerships that leverage private sector expertise for large-scale projects are key to the sustainable development of Zimbabwe's property sector.

Rental payments are mainly in US dollars, reflecting broader market trends. In contrast, operating costs, particularly utilities such as electricity and municipal rates, are settled in local currency, in line with the country's legal framework.

Business Performance Review

The Group's Net Property Income increased to ZWG84,109,331 (FY2023: ZWG40,474,388), while revenue increased to ZWG152,660,911 (FY2023: ZWG93,524,051). Rental income remains the main source of revenue. Revenue growth was driven by growth in property services income, predominantly project management fees, an upsurge in pure US dollar rentals, and timely rental reviews.

Due to tenants' financial challenges, rental collection rates fell from 85% in 2023 to 75% in 2024. Management is working closely with tenants to resolve the arrears. There has been an elevated focus on tenant and portfolio diversification. Management is committed to providing quality and secure facilities through targeted upgrades and maintenance. Against this, ZWG16,060,563 was spent on infrastructure maintenance during the year.

Property Valuations

The translated property values stood at ZWG3,425,963,602 (FY 2023: ZWG2,438,002,790) as of 31 December 2024.

Developments

The Group is strategically advancing shareholder value through various projects at different execution stages.

The flagship development, the Arundel Office Park extension, features a double-storey building with a basement, providing 2,616.5 square metres of total lettable space. This project has been completed and is valued at ZWG131,422,920. In Zvishavane, First Mutual Properties is a co-investor and project manager of the development of mixed-use duplex cluster houses, three to four-storey apartments and student accommodation. The project's first phase comprises six duplex flats, which are 90% complete and 20 blocks of double and triple storey flats, which are ready for commissioning. Construction of the student accommodation is progressing well.

Sustainability

First Mutual Properties remains committed to integrating sustainability across its operations. Sustainable practices are vital for long-term business success and stakeholder value creation. Our 2025 strategy focuses on enhancing environmental, social, and governance (ESG) initiatives, aligning with global standards to ensure future-proofed properties.

Dividend

At a meeting held on 20 February 2025, the Board of Directors recommended that no dividend be paid for the fourth quarter of 2024 and the available cash be directed towards the expansion programme.

Acknowledgements

On behalf of the Board, I sincerely thank my fellow directors, management, and employees for their unwavering dedication and contributions during the year. I also thank our strategic partners, tenants, and service providers for their continued collaboration and support. Your support remains invaluable to our success.

Business Outlook

The business environment remains uncertain. Management will continue to adapt its strategies to protect shareholder value and sustain business operations. Prudent capital management, stakeholder engagement, effective utilisation of the available lettable space (occupancy levels), quality and ambience of our property portfolio will be prioritised.

Elisha K. Moyo
Chairman of the Board
30 April 2025

Translated Statement of Financial Position At 31 December 2024

	Note	Audited 31 Dec 2024 ZWG	Restated 31 Dec 2023 ZWG	Restated 31 Dec 2022 ZWG
All figures in ZWG				
ASSETS				
Non-current Assets				
Investment properties	5	3 425 963 602	2 438 002 790	2 187 410 044
Investment property under development	5.1	-	42 462 479	-
Investment in associate	6	11 245 808	6 059 592	6 078 773
Vehicles and equipment	7	3 018 527	1 682 077	2 450 079
Financial assets at fair value through profit or loss - Unquoted shares	8	6 987 034	6 421 956	1 243 277
Financial assets at fair value through profit or loss - Quoted shares	8.1	198 784	63 210	61 077
Financial assets at amortised cost	8.2	12 413 152	1 475 870	1 586 451
		3 459 826 907	2 496 167 974	2 198 829 701
Current assets				
Inventory		1 294 954	458 463	190 198
Trade and other receivables	9	55 191 725	19 635 922	31 038 413
Cash and cash equivalents	10	12 842 545	5 108 183	13 523 937
		69 329 224	25 202 568	44 752 548
Investment property held for sale	5.2	-	-	768 258
		3 529 156 131	2 521 370 542	2 244 350 507
Total Assets				
Equity and liabilities				
Equity attributable to equity holders of the parent				
Ordinary share capital		5 418 361	2 851 524	5 191 001
Retained earnings		2 976 331 967	2 343 431 387	1 980 842 939
		2 981 750 328	2 346 282 911	1 986 033 940
Non-current liabilities				
Deferred tax liabilities	11	430 812 346	138 309 041	238 374 351
Borrowings - long term portion	12	26 650 526	-	-
		457 462 872	138 309 041	238 374 351
Current liabilities				
Intercompany borrowings*	12.1	19 981 876	9 441 971	-
Borrowings - short term portion	12	22 909 538	-	-
Current income tax liability		3 601 450	1 712 982	299 808
Trade and other payables	13	43 450 067	25 623 637	19 642 408
		89 942 931	36 778 590	19 942 216
Total current liabilities		547 405 803	175 087 631	258 316 567
Total liabilities		3 529 156 131	2 521 370 542	2 244 350 507

*Intercompany borrowings were renamed from loans and other payables to present fairly the nature of the transactions in that account.

Translated Consolidated Statement of Comprehensive Income For the year ended 31 December 2024

	Note	Audited 31 Dec 2024 ZWG	Restated 31 Dec 2023 ZWG
All figures in ZWG			
Revenue	14	152 660 911	93 524 051
Property expenses	15	(60 311 384)	(47 827 342)
Provision for credit losses		(8 240 196)	(5 222 321)
Net property income (NPI)		84 109 331	40 474 388
Employee related expenses		(7 455 682)	(14 876 851)
Administration expenses*		(25 277 988)	(13 212 727)
NPI after admin expenses		51 375 661	12 384 810
Fair value adjustment - investment properties	16	(1 354 841 049)	1 240 454 345
Net monetary gain/(loss)		-	1 047 232
Finance income	17	8 142 887	11 990 399
Other (expense)/income **		(2 648 062)	12 687 442
Finance costs		(544 337)	-
Share of (loss)/profit of associate	6	(422 529)	2 471 813
Profit before income tax		(1 298 937 429)	1 281 036 041
Income tax expense	18	(187 463 031)	(15 385 757)
Profit for the period		(1 486 400 460)	1 265 650 284
Other comprehensive income for the period			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax)		-	-
Effects of conversion to presentation currency		-	(893 578 916)
Effects of Associate's conversion to presentation currency		-	(1 484 808)
Exchange Differences (FCTR Impact)		2 122 294 100	-
Total comprehensive profit for the period		635 893 640	370 586 560
Attributable to:			
-Owners of the parent		635 893 640	370 586 560
-Non controlling interest		-	-
Total (loss)/profit for the year		635 893 640	370 586 560
Basic and diluted earnings per share (ZWG cents)		(120)	102
Headline earnings per share (ZWG cents)		(120)	102
Weighted average number of shares in issue		1 236 791 272	1 236 791 272

*Other expenses has been renamed to Administration expenses to provide greater clarity and alignment with the nature of the costs incurred.

**Other Income has been renamed to Other (expenses)/income to more accurately reflect the items within this category.



Translated Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

All figures in ZWG	Audited			Total Shareholders Equity
	Attributable to owners of the parent			
	Ordinary Share Capital	Treasury shares	Retained Earnings	
Restated balance as at 1 January 2023	5 287 194	(96 193)	1 980 842 939	1 986 033 940
Profit for the year	-	-	1 265 650 284	1 265 650 284
Other comprehensive loss for the period	(2 382 827)	43 350	(892 724 247)	(895 063 724)
Acquisition of treasury shares	-	(0)	(101 507)	(101 507)
Dividend paid	-	-	(10 236 082)	(10 236 082)
Restated balance as at 31 December 2023	2 904 367	(52 843)	2 343 431 387	2 346 282 911
Profit of the period	-	-	(1 486 400 460)	(1 486 400 460)
Acquisition of treasury shares	-	-	(426 223)	(426 223)
Other comprehensive loss	2 614 401	(47 564)	2 119 727 263	2 122 294 100
At 31 December 2024	5 518 768	(100 407)	2 976 331 967	2 981 750 328

Translated Consolidated Statement of Cash Flows

For the year ended 31 December 2024

All figures in ZWG	Audited	Restated
	31 Dec 2024	31 Dec 2023
Profit before tax	(1 298 937 429)	1 281 036 041
Adjustment for non-cash items	1 364 082 506	(1 256 117 354)
Cash flows from operating activities before working capital adjustments	65 145 077	24 918 687
Working capital adjustments	(26 806 089)	6 661 095
Cash generated from operations	38 338 988	31 579 782
Tax paid	(20 619 863)	(11 109 419)
Net cash flow from operating activities	17 719 125	20 470 363
Net cash flows used in investing activities	(37 872 360)	(25 990 986)
Net cash flows from financing activities	35 622 831	(4 759 096)
Net increase/(decrease) in cash and cash equivalents	15 469 596	(10 279 719)
Inflation effect on overall cashflows	-	(20 402 035)
Opening cash and cash equivalents	5 108 183	13 523 937
Effects of currency translation on cash and cash equivalents	(17 646 542)	28 360 968
Effects of conversion to presentation currency	-	(6 094 968)
Exchange Differences (FCTR Impact)	9 911 308	-
Cash and cash equivalents at 31 December	12 842 545	5 108 183

*Net cash flow from financing activities is comprised of dividends paid out and repurchase of treasury shares.

Notes to the Translated Consolidated Financial Statements

for the period ended 31 December 2024

1 Corporate information

First Mutual Properties Limited is a public company incorporated and domiciled in Zimbabwe and its shares are publicly traded on the Zimbabwe Stock Exchange. The principal activities of the Group are property investment, development and management. The consolidated financial statements of the Group for the twelve months ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors at a meeting held on 20 February 2025.

2 Statement for compliance

The Group's special purpose financial statements have been prepared in accordance with Monetary Policy Statement of 6 February 2025. The ZWG financials are prepared based on the Group's USD audited financial statements for the year ended 31 December 2024. The underlying USD audited financial statements were prepared in accordance with International Financial Reporting Standard ("IFRS") as issued by the International Accounting Standards Board ("the IASB"), International Financial Reporting Interpretations Committee ("IFRIC") as issued by the IFRS Interpretations Committee ("IFRS IC") and in a manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) of 2019. The Group and Company financial statements are based on statutory records that are maintained under the historical cost convention except for investment properties and equity securities at fair value through profit or loss that have been measured on a fair value basis.

The Group financial statements have been adjusted to reflect a change in the functional currency, as well as a change in the presentation currency, as stipulated by International Accounting Standard 21 (IAS 21) "The Effects of Foreign Exchange Rates".

2.1 Basis of preparation

The Group financial statements were presented in Zimbabwean Gold (ZWG). The Group and the Company have been transacting in both the local currency (ZWG) and foreign currency (US\$) and the functional currency reassessment carried out by management indicated the US\$ as the functional currency of the entities for the period under review. The functional currency changed beginning 1 January 2024 from Zimbabwean Dollar to United States Dollar, and the Group's consolidated financial statements have since been prepared based on the statutory records that are maintained under the historical cost basis.

2.2 Change in functional currency

Following the enactment of Statutory Instrument ("SI") 185 of 2020 on 24 July 2020, the Group's operations witnessed a gradual increase in the use of foreign currency across its operations. Subsequently, in June 2022, the government established the multi-currency system into law until 31 December 2025 through Statutory Instrument 118A of 2022. Moreover, on 27 October 2023, Statutory Instrument 218 of 2023 (SI 218/23) extended the settlement of transactions in foreign currency until 31 December 2030, assuring businesses regarding the continuity of the multi-currency system. This has since been confirmed through the Finance Act No.13 of 2023. This announcement facilitated access to foreign currency and long-term loans critical for working capital and business expansion.

As a result of these developments, the Group re-evaluated its functional currency in accordance with IAS 21 ("The Effects of Changes in Foreign Exchange Rates"). In assessing functional currency for the businesses, the following factors were considered:

- the currency that mainly influences sales prices for goods and services (the currency in which sales prices for goods and services are denominated and settled).
- the currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services.
- the currency which influences labour, material and other costs of providing goods and services.
- the currency in which funds from financing activities are generated.
- the currency in which receipts from operating activities are usually retained.

Notes to the Translated Consolidated Financial Statements

for the period ended 31 December 2024

Based on the above factors, the Group concluded that there has been a change in functional currency from Zimbabwe Dollar (ZWL) to United States Dollars ("US\$") with effect from 1 January 2024. The change was driven by majority of the factors under IAS 21.9-10 being assessed in favour of the USD from 1 January 2024 hence the change to the USD as the functional currency.

2.3 Change in presentation currency

Following the introduction of the ZWG as a currency by the Reserve bank of Zimbabwe on the 5th of April 2024, The government pronounced that all listed entities on the Zimbabwe Stock Exchange are required to publish financial statements using the ZWG as their presentation currency. In compliance with this pronouncement, the group has prepared a set of special purpose financial statements using the ZWG as the presentation currency.

2.4 Conversion to the presentation currency

The Group and Company transitioned its reporting currency from US\$ to ZWG following the monetary policy statement pronounced by the Reserve Bank of Zimbabwe on the 6th of February 2025 which required all entities to adopt the common presentation currency, ZWG, for reporting purposes. The group adopted the ZWG common currency as the presentation currency even though the functional currency for the group was determined to be US\$.

In line with the provisions of IAS 21, the Company converted its US\$ balances as at 31 December 2024 to ZWG using the interbank closing rate of 1:25.7692 (2022 and 2023: 1:13.5616). On the 5th of April 2024, Statutory Instrument 60 of 2024, was gazetted, giving effect to a new currency, Zimbabwe Gold (ZWG). The S.I. introduced the new base currency tagged ZWG. As the ZWG was not available prior to the 5th of April 2024 the Group made use of an implied exchange rate between the ZWG and the US\$ by referring to the ZWG rate on the 5th of April (1:13.5616). Comparative figures were therefore translated to ZWG at this implied exchange rate (1:13.5616).

However, the Group used the average rate for the current year consolidated statements of other comprehensive income and the rates are shown below:

Month	2024 Rate
	ZWG
January	13.5616
February	13.5616
March	13.5616
April	12.8621
May	12.8621
June	13.5161
July	13.7432
August	13.7968
September	14.3238
October	26.6871
November	25.8735
December	25.6956

3 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been changed from prior years to align with the Monetary Policy of 6 February 2025, which dictates that all statutory financial statements should be presented in ZWG.

4 Fair value measurement

The Group's fair values of its investment properties are based on valuations performed by Knight Frank Zimbabwe an accredited independent valuer. Knight Frank is a specialist in valuing these types of investment properties and has recent experience in the location and category of the investment properties being valued. The valuations are based upon assumptions on future rental income, anticipated maintenance costs, future development costs and the appropriate discount rate. Where the market information is available, the valuers make use of market information from transactions of similar properties. Significant judgements were applied as at 31 December 2024 as a result of the uncertainties resulting from the hyperinflationary economic environment, currency shifts, excessive market volatility and lack of recent transactions conducted in US\$.

5 Investment Properties

	Audited	Restated
	31 Dec 2024	31 Dec 2023
	ZWG	ZWG
At 1 January	2 438 002 790	2 187 410 044
Disposals	(4 481 599)	(4 893 171)
Additions	152 692 637	-
Reclassification to held for sale	-	925 328
Improvements to existing properties	-	429 247
Fair value adjustments	(1 354 841 047)	1 240 454 346
Exchange differences (FCTR Impact)	2 194 590 821	(986 323 004)
Closing Balance	3 425 963 602	2 438 002 790

5.1 Investment property under development

	Audited	Restated
	31 Dec 2024	31 Dec 2023
	ZWG	ZWG
Arundel Office Park - block 13 (under development)		
At 1 January	42 462 479	-
Development costs reclassified from prepaid expenditure	29 174 794	8 478 821
Non-cash development costs incurred during the year	-	6 918 139
Cash development costs incurred during the year	36 286 957	26 610 501
Interest capitalised	6 545 413	455 018
Reclassification to investment property	(152 692 637)	-
Exchange differences (FCTR Impact)	38 222 994	-
	-	42 462 479

During 2023, the fair value of Block 13 at Arundel Office Park under development could not be reliably measured but management expected the fair value of the property to be reliably measurable when development was complete, and therefore measured at cost until either its fair value became reliably measurable or development was completed (whichever is earlier). In 2024, this was reclassified to investment property following completion.

During the financial year 2024, Block 13 was reclassified to completed investment property and measured at fair value. The fair value movement arising from this transfer has been recognised in statement of profit or loss.



Notes to the Translated Consolidated Financial Statements for the period ended 31 December 2024

5.2 Investment Property held for sale

During the year ended 31 December 2023, a residential parcel of land, known as 472 Goodhope, Harare was reclassified from investment property held for sale to investment property as a result of a change in intention. The directors of First Mutual Properties decided not to dispose the parcel of land for development since the area in which the land is located had seen an increase in developments and some plans for a shift of the CBD which makes the area prime. Conditions for reclassification from held for sale (as stipulated in IFRS 5 - Non-current assets held for sale and discontinued operations) were met as at 30 September 2023. The asset was reclassified from investment property held for sale to investment property as disclosed below. This is a parcel of land falling under the other segment.

	Audited 31 Dec 2024 ZWG	Restated 31 Dec 2023 ZWG
At 1 January	-	422 020
Reclassification to held for sale	-	(925 328)
Fair value adjustment	-	503 308
Closing Balance	-	-

6 Investment in associate

	Audited 31 Dec 2024 ZWG	Restated 31 Dec 2023 ZWG
As at 1 January	6 059 592	6 078 773
Additions	496 206	967 652
Reclassification to unquoted shares	-	(623 871)
Dividend received	(459 358)	(95 199)
Share of profits	(422 529)	2 471 825
Effects of conversion to presentation currency	-	(1 254 781)
Share of Other Comprehensive loss of Associate	-	(1 484 807)
Exchange differences (FCTR Impact)	5 571 897	-
Closing Balance	11 245 808	6 059 592

7 Vehicles & Equipment

	Audited 31 Dec 2024 ZWG	Restated 31 Dec 2023 ZWG
At 1 January	1 682 077	2 450 079
Additions	806 318	734 133
Depreciation	(983 997)	(397 936)
Effects of conversion to presentation currency	-	(1 104 199)
Exchange differences (FCTR Impact)	1 514 129	-
Closing Balance	3 018 527	1 682 077

8 Financial Assets at fair value through profit or loss - Unquoted shares

	Audited 31 Dec 2024 ZWG	Restated 31 Dec 2023 ZWG
As at January	6 421 956	1 243 277
Additions	-	896 680
Reclassification from prepaid expenditure	-	391 827
Reclassification from investment in associate	-	3 086 900
Fair value adjustment	(5 215 722)	1 363 590
Effects of conversion to presentation currency	-	(560 318)
Exchange differences (FCTR Impact)	5 780 800	-
Closing Balance	6 987 034	6 421 956

8.1 Financial Assets at fair value through profit or loss - Quoted shares

	Audited 31 Dec 2024 ZWG	Restated 31 Dec 2023 ZWG
As at January	63 210	61 077
Additions	77 303	1 959
Disposals	-	(5 460)
Fair value adjustment	1 359	33 160
Effects of change in presentation currency	-	(27 526)
Exchange differences (FCTR Impact)	56 912	-
Closing Balance	198 784	63 210

8.2 Financial Assets at Amortised Cost All figures in ZWG

	Audited 31 Dec 2024 ZWG	Restated 31 Dec 2023 ZWG
As at 1 January	1 475 870	1 586 451
Additions	10 824 564	3 658 524
Loss due to inflation adjustment	-	(2 894 766)
Amortised interest	409 936	769 919
Repayments of interest	(409 936)	(769 919)
Repayments of principal	(109)	-
Allowance for credit losses	(1 215 676)	(159 353)
Effects of conversion to presentation currency	1 328 503	(714 986)
Exchange differences (FCTR Impact)	-	-
Closing Balance	12 413 152	1 475 870

9 Trade & Other Receivables All figures in ZWG

	Audited 31 Dec 2024 ZWG	Restated 31 Dec 2023 ZWG
Tenant receivables	51 040 616	12 546 495
Tenant operating cost recoveries	17 606 832	6 665 040
Trade receivables	68 647 448	19 211 535
Less: Allowance for Credit Losses	(28 220 598)	(5 426 473)
Net Trade Receivables	40 426 850	13 785 062
Prepayments	3 373 369	3 705 167
Other receivables	1 919 445	1 729 546
Related party receivables	9 472 061	416 147
Closing Balance	55 191 725	19 635 922

Notes to the Translated Consolidated Financial Statements for the period ended 31 December 2024

9.1 Reconciliation of allowance for credit losses All figures in ZWG

	Audited 31 Dec 2024 ZWG	Restated 31 Dec 2023 ZWG
As at 1 January	5 426 473	3 182 938
Add: charge for the year	38 531 761	6 968 942
Recovery due to payments	(20 622 325)	(1 905 973)
Inflation effect	-	(1 384 951)
Effects of conversion to presentation currency	4 884 689	(1 434 483)
Closing Balance	28 220 598	5 426 473

10 Cash & Cash Equivalents

	Audited 31 Dec 2024 ZWG	Restated 31 Dec 2023 ZWG
Short-term Investments	4 830 849	2 781 008
Cash and cash equivalents:	6 937 095	205 399
	1 074 601	-
	-	2 121 776
	USD	-
	ZWG	-
	ZWL	-
Closing Balance	12 842 545	5 108 183

11 Deferred Tax Liability

	Audited 31 Dec 2024 ZWG	Restated 31 Dec 2023 ZWG
At 1 January	138 309 041	238 374 351
Recognised in the statement of profit or loss		
-Arising on inventory	(80 904)	40 309
-Arising from prepayments	(529 315)	(407 473)
-Arising on vehicles and equipment	(829 462)	151 602
-Arising on investment properties	174 931 251	8 225 231
-Arising on financial assets held through profit or loss	(266 775)	285 989
-Arising on provisions for credit losses	(5 069 949)	(948 598)
-Arising on leave pay provisions	(151 684)	17 936
Recognised in other comprehensive income		
-Effects of conversion to presentation currency	-	(107 430 306)
-Exchange differences (FCTR Impact)	124 500 143	-
As at 31 December 2024	430 812 346	138 309 041

12 Borrowings

	Audited 31 Dec 2024 ZWG	Restated 31 Dec 2023 ZWG
At 1 January	-	-
Loan drawdown	64 345 693	-
Amortised Interest	5 628 573	-
Repayments of interest	(5 628 573)	-
Repayments of principal	(14 785 629)	-
As at 31 December 2024	49 560 064	-
Short-term portion	22 909 538	-
Long-term portion	26 650 526	-
Closing Balance	49 560 064	-

The loan facility was sourced from a local financial institution to partially fund the development of the Arundel Office Park expansion and will be administered under the following terms:

Security	Immovable property, title 0004163/2007, being Stand 18259 Harare Township of Stand 14908 Salisbury Township.
Tenure	3 Years
Interest	Base rate minus 1% p.a. (Base rate at draw down - 13% p.a.)

12.1 Intercompany borrowings

	Audited 31 Dec 2024 ZWG	Restated 31 Dec 2023 ZWG
At 1 January	9 441 971	-
Loans advanced*	8 460 338	10 815 983
Interest charged	1 462 740	455 019
Exchange loss	(1 462 740)	-
Inflation effect	-	1 399 764
Loan repayments made	(6 419 697)	(3 228 795)
Exchange differences (FCTR Impact)	8 499 264	-
Closing Balance	19 981 876	9 441 971

*In 2023, part of the loan was an amount which First Mutual Health Company (Private) Limited paid the suppliers directly for First Mutual Properties Limited so the liability increased but no cash flow. In 2024, the full loan advanced was an amount which First Mutual Health Company (Private) Limited paid the suppliers directly for First Mutual Properties Limited.

The loan facilities were sourced as bridging finance from a fellow subsidiary of the parent to partially fund the development of Block 13 at Arundel Office Park and is administered under the following terms:

Significant terms and conditions
All the loans were utilised in the development of investment property under development
The deal status are all bridging finance
There is no security on the loans advanced
The loans are going to mature within 12 months
Coupon rate is 15% per annum

13 Trade & Other Payables

	Audited 31 Dec 2024 ZWG	Restated 31 Dec 2023 ZWG
Tenant payables	5 007 962	2 447 679
Related party payables	4 643 001	6 142 037
Sundry creditors	12 172 640	6 496 683
Suppliers creditors	16 474 746	6 282 352
Provision for leave days	1 473 379	242 336
Group company payables	3 678 339	4 012 550
Closing Balance	43 450 067	25 623 637



Notes to the Translated Consolidated Financial Statements for the period ended 31 December 2024

14	Revenue	Audited	Restated
		31 Dec 2024	31 Dec 2023
		ZWG	ZWG
	Rental income	136 864 464	90 647 634
	Property Services income	15 796 447	2 876 417
		152 660 911	93 524 051

15	Property Expenses	Audited	Restated
		31 Dec 2024	31 Dec 2023
		ZWG	ZWG
	Maintenance costs	16 060 563	11 028 823
	Property security and utilities	1 070 604	1 099 807
	Valuation fees	402 827	221 556
	Property cost of sales	73 666	23 207
	Operating costs under recoveries	13 326 592	8 090 865
	Employee costs	22 315 707	19 872 613
	Other expenses	7 061 425	7 490 471
		60 311 384	47 827 342

Notes to the Translated Consolidated Financial Statements for the period ended 31 December 2024

16	Fair value adjustments	Audited	Restated
		31 Dec 2024	31 Dec 2023
		ZWG	ZWG
	Fair value adjustment on investment properties	(1 354 841 049)	1 239 951 038
	Fair value adjustment on investment property held for sale	-	503 307
		(1 354 841 049)	1 240 454 345

17	Finance income	Audited	Restated
		31 Dec 2024	31 Dec 2023
		ZWG	ZWG
	Interest on overdue tenants accounts	7 873 450	11 456 422
	Interest on money market investments	269 437	533 977
		8 142 887	11 990 399

18	Income Tax Expense	Audited	Restated
		31 Dec 2024	31 Dec 2023
		ZWG	ZWG
	Current income tax	19 459 869	8 020 761
	Deferred tax	168 003 162	6 509 887
	Impact of tax rate changes	-	855 109
		187 463 031	15 385 757

FIRST MUTUAL

PROPERTIES

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Independent Auditor's Report

To the Shareholders of First Mutual Properties Limited

Report on the Audit of the Translated Financial Report

Opinion

We have audited the Translated Financial Report of First Mutual Properties Limited and its subsidiaries (the Group), set out on pages 8 to 40, which comprise the Translated Consolidated Statement of Financial Position as at 31 December 2024, and Translated Consolidated Statement of Profit or Loss and Other Comprehensive Income, Translated Consolidated Statement of Changes in Equity and the Translated Consolidated Statement of Cashflows for the year then ended, and a select of material notes.

In our opinion, the accompanying Translated Financial Report of First Mutual Properties Limited as at 31 December 2024 is prepared in all material respects, in accordance with the Regulatory Notice Number: SECZ070325 ; pursuant to paragraph 21 of the First Schedule of the Securities and Exchange Act [Chapter 24:25], paragraph 194 of the Monetary Policy Statement presented by the Reserve Bank of Zimbabwe Governor on 6 February 2025 and the Zimbabwe Stock Exchange Notice dated 12 March 2025.

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 entity in accordance with the International Code of Ethics for professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the Chairman's Statement and the Directors' Report and the Statement of Corporate Governance and Responsibility but does not include the Translated Financial Report and our auditor's report thereon.

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

In connection with our audit of the Translated Financial Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Translated Financial Report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Independent Auditor's Report (Continued)

First Mutual Properties Limited

Emphasis of Matter: Basis of Accounting

We draw attention to Notes 2.2 to 2.4 to the financial statements, which describe the basis of accounting. The Translated Financial Report is prepared to assist First Mutual Properties Limited to comply with the Regulatory Notice Number: SECZ070325; pursuant to paragraph 21 of the First Schedule of the Securities and Exchange Act [Chapter 24:25], paragraph 194 of the Monetary Policy Statement presented by the Reserve Bank of Zimbabwe Governor on 6 February 2025 and the Zimbabwe Stock Exchange Notice dated 12 March 2025. Consequently, the Translated Financial Report and the related auditor's report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other matters

The Group has prepared a general-purpose set of financial statements for the year ended 31 December 2024 in accordance with IFRS accounting standards as issued by the International Accounting Standards Board on which we issued a separate auditor's report to the shareholders of the Group dated 01 April 2025. Further, this is the first year the directors have prepared this Translated Financial Report to comply with the basis of preparation as indicated in notes 2.2 to 2.4, therefore the ZWG comparative financial information presented on the Translated Financial Report for the year ended 31 December 2023 was not audited.

Responsibilities of the Director for the Financial Statements

The Directors of First Mutual Properties Limited are responsible for the preparation and presentation of the financial statements in accordance with the financial reporting provisions established by the Regulatory Notice Number: SECZ070325 ; pursuant to paragraph 21 of the First Schedule of the Securities and Exchange Act [Chapter 24:25], paragraph 194 of the Monetary Policy Statement presented by the Reserve Bank Governor on 6 February 2025 and the Zimbabwe Stock Exchange Notice dated 12 March 2025 and for such internal control as the directors determine is necessary to enable the preparation of the special purpose consolidated 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 Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Translated Financial Report as a whole is 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 International Standards on Auditing (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 judgment and maintain professional scepticism throughout the audit. We also:

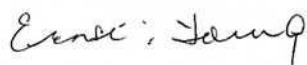
Independent Auditor's Report (Continued)

First Mutual Properties Limited

- 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 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Group to cease to continue as a going concern.

We communicate with those charged with governance 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr Fungai Kuipa (PAAB Practicing Certificate Number 335).



Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Harare

30 April 2025