TWO THOUSAND & TWENTY-FOUR

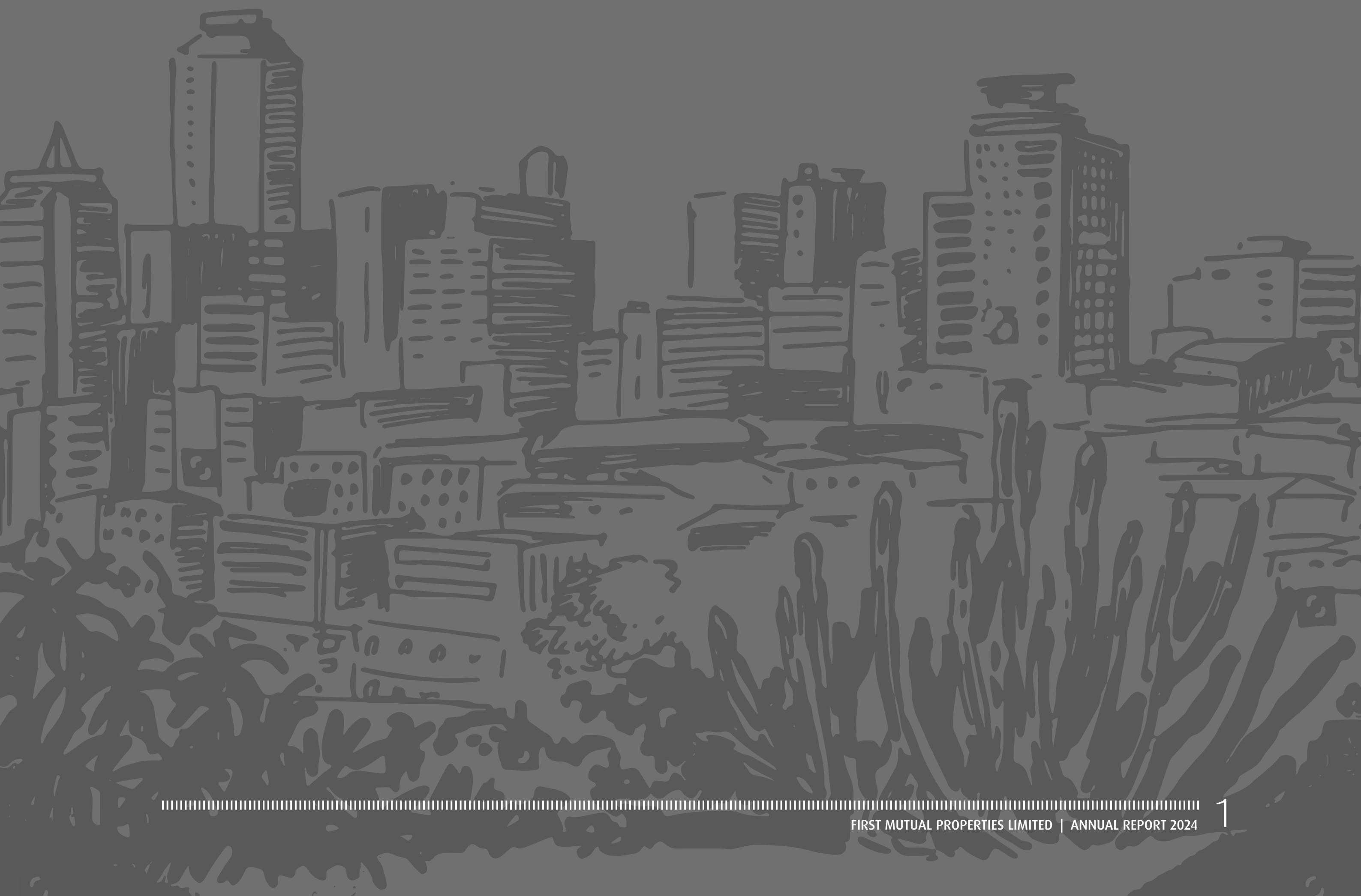
Annual Report

FIRST MUTUAL
PROPERTIES

Go Beyond

TWO THOUSAND & TWENTY-FOUR

Annual Report



NAVIGATING THIS REPORT (IFC)

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We use icons to show:
Material themes that guide our integrated reporting

	Grow Assets Under Management
	Building Financial Resilience (anti-fragility)
	Ethical Conduct and Corporate Governance
	Innovation and Digitalisation
	Human Capital Management
	Macroeconomic Environment and challenging Local Socio-economic Conditions
	Customer/Client-centricity
	Responsible Business (value chain)
	Environmental Impact
	Social Impact and Economic Dignity

Our strategic pillars

	Talent
	Agility
	Relevance
	Growth
	Engagement
	Technology
	Sustainability

	Read more online at https://www.firstmutual.co.zw
	Read more in this report

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ABOUT OUR REPORT

First Mutual Properties Limited, a company listed on the Zimbabwe Stock Exchange (ZSE) since 2007, is pleased to present the annual report for the year ended 31 December 2024. This report integrates both financial and sustainability information to demonstrate our commitment to responsible business practices and values.

OUR APPROACH TO REPORTING

Reporting scope

This report contains information for First Mutual Properties Limited, formerly known as Pearl Properties (2006) Limited incorporated and domiciled in Zimbabwe. In this report all references to 'our', 'we', 'us', 'the business', 'FMP', and 'the Company' refer to First Mutual Properties Limited.

Reporting frameworks

The report was prepared with due consideration of the following:

- The Companies and other Business Entities Act [Chapter 24:31]
- SI.134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules
- International Financial Reporting Standards (IFRS) Accounting Standards
- Global Reporting Initiative (GRI) Standards

Materiality

The disclosures in the report have been selected on the basis of materiality. The process for determining and prioritising material matters, and our disclosure of these, is discussed on page 28.

Sustainability data

The report was compiled using qualitative and quantitative data extracted from Company policy documents, records and from personnel accountable for material issues herein presented. In some cases, estimations were made and confirmed for consistency with business activities.

Assurance

The financial statements were audited by Ernst and Young Chartered Accountants (Zimbabwe) in accordance with the International Standards of Auditing (ISA). The independent auditors' report is found on pages 112 to 116. Sustainability information was validated for compliance with the GRI Standards by the Trialogue Business Consulting and Services, an independent subject matter expert. A GRI content index is contained on page 230 to 232.

Forward-looking statements

This report may contain forward-looking statements that are based on current estimates and projections by First Mutual Properties Limited. However, these statements do not guarantee future developments and results as these may be affected by several anticipated and unanticipated risks and uncertainties. Stakeholders are cautioned against placing undue reliance on forward-looking statements contained herein. We commit to publicly share any revisions of the forward-looking statements to reflect changes in circumstances and/or events after the publication of this report through trading and website updates.

Restatements

First Mutual Properties restated data previously published from Zimbabwean Dollar to United States Dollar. The functional currency changed beginning 1 January 2024 from Zimbabwean Dollar to United States Dollar. The Group has been transacting in both the local currency (ZWG) and foreign currency (US$). The functional currency reassessment carried out by management indicated the US$ as the functional currency of the entity for the period under review.

Board responsibility

The executive directors and senior management have been instrumental in the preparation of this report. They have applied their minds accordingly and are of the opinion this integrated annual report addresses all material matters and offers a balanced view of the Group's risks, opportunities and performance.

Feedback on the report

The Company values opinions and feedback from all stakeholders on how we can improve our operations and reporting. We welcome any suggestions and/or inquiries you may have. Kindly share feedback with Mrs Dulcie Kandwe, Company Secretary, email: dkandwe@firstmutual.co.zw

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FIRST MUTUAL PROPERTIES AT A GLANCE

2024 AT A GLANCE
First Mutual Properties Limited principal activities are property investment, development, and management. The Company is listed on the Zimbabwe Stock Exchange and its growth is centred on property acquisitions and developments.

PERFORMANCE HIGHLIGHTS

FINANCIAL HIGHLIGHTS

Revenue
(US$)
9 027 117
6 896 240 in FY 2023

Net Property Income
(US$)
4 842 676
2 984 485 in FY2023

Operating Profit
(US$)
2 607 011
913 226 in FY2023

Basic Earnings Per Share
(US$ cents)
(5)
8 in FY 2023

Total Assets
(US$)
136 952 491
185 919 843 in FY2023

Occupancy Rate
(%)
86.49
88.06 in FY2023

SUSTAINABILITY HIGHLIGHTS

Total Employees
(Head count) 38
35 FY2023
9% Increase

Training
(Hours) 4
6 FY2023
33% Decrease

Water
(Mega Litres) 193
112 FY 2023
72% Increase

Electricity
(KwH) 111 168
109 472 FY2023
2% Increase

Solar Energy
(KwH) 7 175
7 479 FY2023
2% Decrease

Diesel
(Litres) 12 040
11 620 FY2023
4% Increase

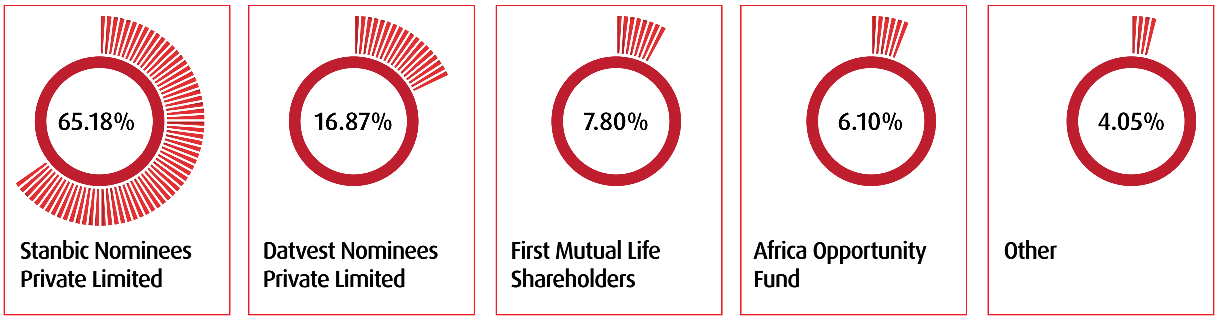
NOTE: The recorded environmental data represents the company's direct usage and does not include tenant-related consumption. In accordance with industry best practices, we've revised historical figures to exclude tenant contributions.

WHO WE ARE

First Mutual Properties Limited at a glance

First Mutual Properties Limited is a renowned real estate development and property management company dedicated to delivering exceptional properties and comprehensive property solutions. With a focus on quality, innovation and sustainability, we strive to exceed client expectations and positively impact the communities we serve.

Ownership



VISION, MISSION AND VALUES

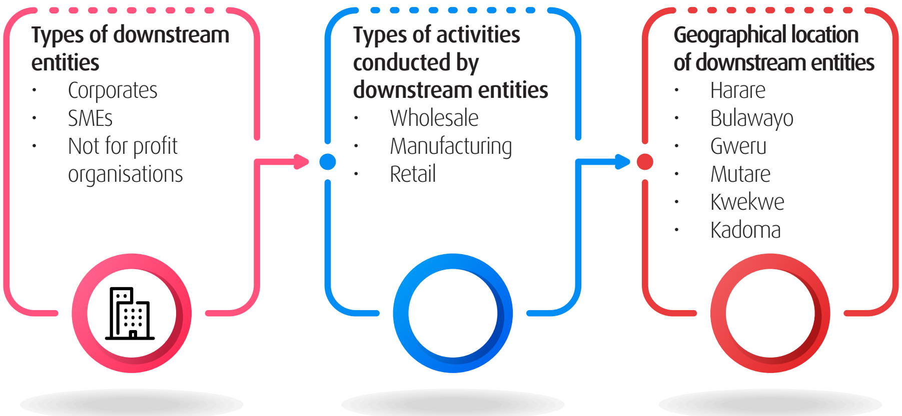
Vision
To be the dominant and best performing real estate company in sub-Saharan Africa, excluding South Africa, in terms of income return.

Mission
To preserve and maximise stakeholder value through innovative real estate solutions.

Values

Integrity	– we are true to self and others
Accountability	– we take accountability for our actions
Professionalism	– we display expert competence in the way we do business
Sustainability	– we believe in the continuance and preservation of future generations
Care	– we show concern and seek the wellbeing of all our stakeholders
Innovation	– we strive for creativity and relevance in our market.

DOWNSTREAM ENTITIES



WHAT WE DO

Our products and services

First Mutual Properties Limited also trades as Oyster Real Estate, which is a fully licensed unit that provides professional property services.

These services include:

- Property management
- Facilities management
- Property development
- Property investment
- Property valuations
- Project management

A detailed description of our products and services can be accessed on www.firstmutual.co.zw

WHERE WE OPERATE

Business profiles

First Mutual Properties

First Mutual Properties is a member of the following:

- Zimbabwe Stock Exchange
- Real Estate Institute of Zimbabwe (REIZ)
- Estate Agency Council of Zimbabwe
- Valuers Council of Zimbabwe
- National Property Owners Association of Zimbabwe

Other professional memberships

- Institute of Chartered Accountants Zimbabwe

Board of Directors

Elisha K Moyo
(Zimbabwean) – Independent, Non-Executive Director
Chairman

Tenure: 12 years
Academic Qualifications:
Master in Business Administration; MBA (UZ); Bachelor of Laws (UZ)
Other directorships:
Chairman at NicozDiamond Insurance Limited; Non-Executive Director of First Mutual Holdings Limited Group; Vice Chairman, National Biotechnology Authority; Councillor of the University of Zimbabwe Council

Sharon Wekwete
(Zimbabwean) – Independent, Non-Executive Director

Tenure: 4 years
Academic Qualifications:
LLB (Hons); MSc Development Studies
Other directorships:
Outbox Consultants (Pvt) Ltd

Douglas Hoto
(Zimbabwean) – Non-Independent, Non-Executive Director

Tenure: 12 years
Academic Qualifications:
Fellow of the Faculty of Actuaries (UK and SA); BSc (Hons) Mathematics
Other directorships: Group Chief Executive Officer of First Mutual Holdings Limited; Trustee of the SV Muzenda Foundation; Rainbow Tourism Group (Chairman); University of Zimbabwe Council (Chairman).

Rueben Java
(Zimbabwean) – Non-Independent, Non-Executive Director

Tenure: 1 year
Academic Qualifications:
BSc (Hons) Mathematics, University of Zimbabwe; Associate Actuary (AIA), Institute and Faculty of Actuaries (UK); MBA, University of Cape Town South Africa
Other directorships: First Mutual Health Company (Pvt) Ltd; First Mutual Health Services (Pvt) Ltd; First Mutual Pharmacies (Pvt) Ltd; Reutin Investments (Pvt) Ltd

Temba Ruvingo
(Zimbabwean) – Independent, Non-Executive Director

Tenure: 4 years
Academic Qualifications:
MBL (UNISA); FCA(Z), AIBZ, BComm Acc (NUST),
Other directorships:
Finance Director Agribank;
Non-Executive Director - Audit Committee member of the National Biotechnology Authority of Zimbabwe

Christopher K Manyowa
(Zimbabwean) – Managing Director

Tenure: 8 years
Academic Qualifications:
Master's in Business Administration (UZ), BSc Rural and Urban Planning (UZ). Fellow-Real Estate Institute of Zimbabwe, Registered Estate Agent (Zimbabwe), also Registered Valuer (Zimbabwe). Member of the Zimbabwe Institute of Regional and Urban Planners.
Other directorships: Trustee, Dialogue on Shelter for the Homeless Trust

Arnold Chidakwa
(Zimbabwean) – Independent, Non-Executive Director

Tenure: 7 years
Academic Qualifications:
PhD; MSc (Econ) (Hons); ACMA; CGMA; Dip. Banking (IOBZ)
Other directorships: Quality Insurance (Pvt) Limited and Zimbabwe Revenue Authority; Director of First Mutual Wealth Management (Pvt) Ltd

Amos Mazarire
(Zimbabwean) – Independent, Non-Executive Director

Tenure: 2 years
Academic Qualifications:
BSc in Land Administration from the University of East London (UK)

Board of Directors (continued)

Samuel V Rushwaya

(Zimbabwean) – Independent, Non-Executive Director

Tenure: 1 year 2 months
Academic Qualifications:
BSc (Sociology) Hons (London); Advanced Diploma in Training Management
Other directorships:
First Mutual Life Assurance Company (Private) Limited; First Mutual Holdings Limited; Sprinkler Fire Services

Susan Mutangadura

(Zimbabwean) – Independent, Non-Executive Director

Tenure: 4 months
Academic Qualifications:
CAS in Arbitration – University of Lausanne/Neuchâtel in cooperation with the Swiss Arbitration Academy; Master of Laws (LLM) - Bangor University, Wales; Master of Business Administration (MBA) - University of Surrey, United Kingdom; Bachelor of Laws Honours (LLB Hons) - University of Zimbabwe
Other directorships:
Legal Resources Foundation; Harare Institute of Technology School of Business and Management Sciences; Medicines Control Authority of Zimbabwe

SENIOR MANAGEMENT

Dumisani Tshabalala, Finance Executive
Qualifications: CA(Z), MBA (UZ), BCom General Accounting (NMU, SA), Member of the Institute of Chartered Accountants of Zimbabwe (ICAZ).

Dulcie Kandwe, Company Secretary
Qualifications: MBA (UZ), LLBS Hons (UZ), Member of the Law Society of Zimbabwe.

Tafadzwa Andrew Muzorewa, Head of Property Portfolio and Services
Qualifications: MSc Real Estate Finance & Investment (UWE, UK), BSc Accounting & Finance (UK).

Andrew Manezhu, Project Manager
Qualifications: MSc Strategic Management (CUT), Project Management Professional certification (PMI, USA), BSc Hons Civil Engineering (UZ). Member of the Zimbabwe Institute of Engineers, Project Management Institute (USA).

Edward Munyangadzi, Property Investment Manager
Qualifications: MSc Property Investment (UCEM, UK). AREIZ, NDREE (UNISA).

Nyaradzo Chingodza, Senior Property Manager
Qualifications: MBA (UZ), MSc in Rural and Urban Planning (UZ), BSc in Rural and Urban Planning (UZ). Member of the Real Estate Institute of Zimbabwe and the Estate Agency Council (EAC).

Shingai Munemero, Financial Accountant
Qualifications: BBA Business Management (Solusi University), Associate Chartered Certified Accountant (in progress)

VALUE-CREATION BUSINESS MODEL

RESOURCES	INPUTS
FINANCIAL RESOURCES The pool of funds supporting business operations, including equity finance, debt and proceeds from capital recycling activities.	· US$ 115 709 852 equity capital. · US$ 4 842 676 net property income. · US$ 2 500 000 in interest-bearing borrowings.
HUMAN RESOURCES The competencies, capabilities and experience of our employees and how they innovate, collaborate and align with FMP's objectives.	· 38 skilled and talented employees (2023: 35). · Experienced and ethical leadership team driving business continuity. · Targeted training, leadership development and up-skilling initiatives. · Performance management systems aligned with business goals.
MANUFACTURED RESOURCES The property assets, facilities and general infrastructure that enable FMP to create value for our stakeholders (tangible assets).	· Independently valued property portfolio of US$ 132 948 000 (2023: US$ 179 772 504). · 127 494 m^2 of lettable space across (2023: 124 877 m^2). · Capital and development expenditure of US$ 1 439 442 during the year (2023: US$ 3 216 866).
INTELLECTUAL RESOURCES The intangibles that sustain the quality of our assets and service offering, and provide FMP's competitive advantage, including innovations, systems and brand reputation. (intangible assets).	· A value-driven culture that supports professionalism, care and innovation. · Recognised brand reputation rooted in service quality and tenant satisfaction. · Stakeholder communication strategies and marketing. · IT infrastructure, including portfolio management systems and data platforms. · Property market analysis, valuations and forecasting tools.
SOCIAL AND RELATIONSHIP RESOURCES The relationships and collaborations we create with our tenants, suppliers, communities, regulators and other stakeholder groups.	· Targeted stakeholder engagement across tenant, regulatory, community and supply chain relationships, including communication systems and platforms. · Local procurement spend: US$3 211 138 to support domestic suppliers and enterprise development. (2023: US$5 069 528). · CSI initiatives spend of US$12 374 focused on education and community upliftment.
NATURAL RESOURCES Renewable and non-renewable resources used by FMP to function.	· 111 168 kWh of electricity consumed in 2024 (2023: 109 472kWh) · 0.605 million litres of borehole water (2023: 0.425 million litres) · 7 600 litres of diesel and 4 780 litres of petrol used to power fleet vehicles (2023: 11 620 and 5 500 litres respectively) · 4 440 litres of diesel for generators (2023: 6 415 litres) · Developed and undeveloped landholdings used for current and future real estate development

VALUE-CREATION ACTIVITIES

Through our business activities of investing, developing sustainable spaces, leasing and managing our assets, as well as recycling assets, we aim to create value across our capitals.

- **Sourcing and evaluating real estate opportunities**
- We assess potential investments based on their alignment with our strategy and expected total return, guiding decisions on capital deployment to create high-quality real estate assets.
- **Investing in assets with long-term potential**
- We acquire, develop and refurbish properties with strong cash flow profiles, high occupancy potential and scope for sustainable performance, supporting the delivery of innovative, efficient and future-fit buildings.
- **Managing a diversified portfolio**
- We actively manage our own assets and those held in property funds, optimising operational performance and enhancing value through responsive tenant relationships and strong reputation management.
- **Recycling capital through strategic disposals**
- We dispose of non-core or end-of-cycle assets to rebalance the portfolio and reinvest in opportunities with superior long-term income and capital growth potential.

Our value-creation process is underpinned by enabling services, including the following.

Support functions
· Finance and treasury.
· Innovation and digitalisation.
· Facilities and utilities management.
· Legal services.

Control functions
· Risk management.
· Compliance and internal audit.
· Health, safety and environment (HSE) oversight.

Corporate governance
· Setting strategic direction and long-term value-creation objectives.
· Overseeing ESG integration across investment, development and operations.
· Monitoring performance, risk and capital allocation.
· Ensuring transparent, ethical and accountable decision-making.

Our business activities are conducted within a wider operating environment, characterised by various risks, matters. (Refer to page 25, Risk and Opportunities.

OUTPUTS	OUTCOMES
• Revenue: US$ 9 027 117 (2023: US$ 6 896 240). • Operating profit: US$ 2 607 011 (2023: US$ 913 226). • Basic earnings per share: US$ 5 cents (2023: US$ 8 cents). • Operational expenditure: US$ 4 184 441 (2023: US$ 3 911 755). • Finance costs: US$ 21 184 (2023: Nil). • Taxes paid: US$ 1 895 514 (2023: US$ 1 236 601) ZWG 15 584 264 (2023: ZWG 1 215 675).	Costly and capital-constrained operating environment, we leverage financial capital to invest in our business and grow our competitive market position. This has a positive impact on human, intellectual and the social and relationship capitals.
• Excellent customer service and tenant experience across the property portfolio • US$ 1 285 938 paid in salaries and benefits (2023: US$ 1 465 359) • 38.38 average training hours per employee (2023: 12 hours) • Strengthened talent pipeline through graduate and internship programmes • Improved workforce diversity through inclusive hiring and accessibility initiatives	Significant people-related investments in initiatives negatively impacts our financial capital in the short term but positively impacts our human, social and relationship capitals, which, over the long term, enables us to have the people and capabilities required to deliver our strategy and performance targets. Our appeal as an employer of choice and our brand value, in turn, increases our intellectual capital.
• A balanced and diversified portfolio. • Quality real estate investments that support secure, long-term cash flows. • Increased asset value and occupancy rates through refurbishment and sustainability-focused improvements.	Acquiring properties diminishes our financial capital while increasing manufactured capital. When disposing of properties, the converse is true. In both activities, we rely on our intellectual and human capital to effectively manage the process to create and retain as much overall value for us and our stakeholders as possible.
• Enhanced ability to anticipate and respond to market and stakeholder needs. • Improved portfolio positioning through informed decision-making. • Efficient property, facilities and contractor management processes. • Strong internal controls that support accountability and reduce risk. • Reinforced brand value through tenant and investor confidence.	Ongoing investment in systems, governance and strategic processes is strengthening our intellectual capital and delivering long-term benefits to our human and social capitals. These investments support better service delivery, stakeholder trust and innovation capacity. However, they represent a short-term draw on financial capital and require continued up-skilling to extract full value.
• Strengthened trust and long-term relationships with tenants, service providers and communities. • Enhanced reputation and stakeholder goodwill. • Stakeholder-informed decision-making and risk mitigation. • Local partnerships that support small business growth and job creation. • Responsiveness to regulatory expectations and alignment with best practice.	Stakeholder-related investments in initiatives reduces our financial capital in the short term but positively impacts our social and relationship capital, which, over the long term, enables us to have the community of stakeholders that are loyal and supportive to our brand and provide our social licence to operate.
• 7 175 kWh of solar energy generated in 2024 (2023: 7 479 kWh). • Scope 2 GHG emissions (electricity-related): 39 082 kg CO_2e (2023: 38 485 kg CO_2e). • 535 tonnes of solid waste generated (2023: 420). • Environmental impact assessments (EIA) prior to development.	FMP's operations have a measurable environmental impact, particularly through energy consumption, fuel use and related emissions. However, strategic investments in solar energy, water infrastructure and biodiversity-sensitive development mitigate this impact and augment long-term environmental resilience. While certain activities reduce our natural capital – such as fossil fuel use and land development – they simultaneously build social, manufactured and financial capital by ensuring tenant satisfaction, operational continuity and future-fit real estate assets.

OUR BUSINESS IN CONTEXT

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MESSAGE FROM THE CHAIRPERSON

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. Mnangagwa 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.

The Group's Net Property Income ***increased by 62% to US$4 842 676*** *(FY2023: US$2 984 485) while revenue was* ***up 31% to US$9 027 117*** *(FY2023: US$6 896 240). Rental income remains the main source of revenue.*

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 by 62% to US$4 842 676 (FY2023: US$2 984 485), while revenue was up 31% to US$9 027 117 (FY2023: US$6 896 240). 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, US$945 231 was spent on infrastructure maintenance during the year.

Property Valuations

An independent property valuation conducted by Knight Frank Zimbabwe valued the property portfolio at US$132 948 000 (FY 2023: US$179 772 504) as of 31 December 2024. The decline in value was due to the adoption of the US dollar as a functional currency. The prior year's Investment Property value was determined by converting the December 2023 local currency value using the official closing interbank rate of US$ ZWL5 935.4572.

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 US$5.1 million. 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
20 February 2025

KEY RELATIONSHIPS

Our Strategy

First Mutual Properties is fully committed to creating long-term value for both our Company and society through sustainable property development and management. Our approach ensures a harmonious blend of social, economic, and environmental values that define the properties and services we offer to our clients. Our strategy revolves around maximising social benefits while minimising negative impacts on the natural environment and ecosystems. This includes taking measures to reduce emissions, waste, and pollutants from our properties and encouraging our tenants to adopt responsible operational practices.

We place a strong emphasis on the development and management of sustainable green buildings. We actively support and promote International Green Certification Standards for our properties, striving to meet and exceed these requirements. Additionally, we continuously evaluate and improve our property evaluation processes, sustainable construction and management practices, resource efficiency, and sustainable procurement processes as outlined in our sustainability plan. We remain dedicated to our sustainability goals, seeking innovative solutions and collaborating with stakeholders to drive positive change and create a better future for all.

Sustainability Performance

As First Mutual Properties Limited, we are committed to minimising our environmental impacts and promoting sustainability. We monitor our operations to ensure the efficient use of environmental resources, such as energy and water, which contribute to operational efficiency and long-term sustainability.

The company is dedicated to ensuring that most of its commercial properties adopt solar energy solutions, thereby reducing reliance on non-renewable energy sources. Prior to development, we conduct impact evaluations in collaboration with the Environmental Management Agency. This ensures that environmental considerations are taken when planning and constructing properties, minimising potential negative impacts. Our diverse property portfolio is managed by a team of real estate and other professionals who are dedicated to achieving key results, including zero demolitions and penalties.

Contractors Management

First Mutual Properties follows a selection process that includes screening out those who do not meet the requirements set by regulators for contractors through tendering procedures. We prioritise suppliers who meet specific criteria to ensure their efficiency in delivering the required services. For contractors involved in construction projects, it is mandatory for them to be legally registered businesses and comply with regulations such as the National Social Security Authority (NSSA) and Occupational Health and Safety regulations. These measures are in place to ensure compliance, safety, and quality in the construction of buildings.

Tenants

First Mutual Properties implements a clearance process for prospective tenants, requiring them to provide identification, employment letters, and bank statements. For companies, we require them to submit registration documents and audit reports, and if they meet the required criteria, we accept the tenants. Routine property inspections are conducted to prevent damages caused by irresponsible practices. These measures ensure responsible tenancy and property maintenance.

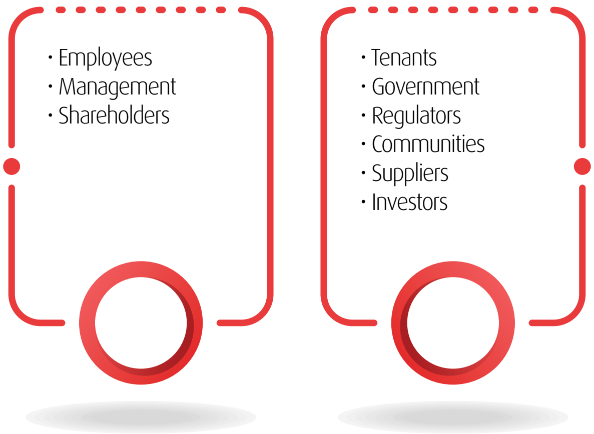
STAKEHOLDER ENGAGEMENT

Our stakeholder engagement is a strategic process involving active participation and collaboration with individuals, groups, or organisations who are directly or indirectly affected by our projects, properties, and decisions. The primary objective is to gain valuable input, insights, address concerns, and incorporate a broad range of perspectives to achieve better outcomes. Through clear and transparent communication, we establish trust, manage risks, and enhance decision-making thus cultivating mutually beneficial relationships and ensuring the alignment of interests among stakeholders.

Defining Stakeholder Groups

First Mutual Properties Limited categorises its stakeholders as individuals or groups whom we interact with and who have a direct or potential impact on our operations. In a corporate setting, the key stakeholders consist of investors, employees, customers, and suppliers. Nevertheless, as corporate responsibility gains more significance, the social perspective has expanded to encompass communities, Governments, and trade associations.

Categorisation of Stakeholders:



Our FY2024 stakeholder engagement was as follows:

Employees	Tenants	Shareholders and potential investors
How did we engage?	**How did we engage?**	**How did we engage?**
• Electronic communication. • Physical meetings. • Engagement surveys.	• Physical meetings. • Print communication. • Operational notices.	• Annual Reports. • Annual general meetings
Key topics covered:	**Key topics covered:**	**Key topics covered:**
• Ethical leadership. • Flexible employment. • Wellness programmes that extend to families. • Retention of employees and recruiting the right talent.	• Creating long-term business partnerships. • Providing tenants with space to thrive with high-quality infrastructure. • Prominently located physical infrastructure and associated property management services.	• High expectations on sustainable returns. They expect management to come up with an effective growth strategy. • Investor confidence.
Mitigation measures:	**Mitigation measures:**	**Mitigation measures:**
• Trust and transparency. • Transformation. • Fair remuneration, recognition, and reward for performance. • Flexible work environment. • Training and development.	• Superior property management services. • Green building initiatives and well-located, quality properties.	• Continuous strengthening and evaluation of governance structures.
Frequency of Engagement	**Frequency of Engagement**	**Frequency of Engagement**
• Monthly. • Quarterly. • Half yearly. • Yearly.	• Daily. • Ad hoc.	• Quarterly. • Bi-annually. • Annually.

KEY RELATIONSHIPS (continued)

Suppliers	Government and Regulators	Communities
How did we engage?	**How did we engage?**	**How did we engage?**
• Physical interactions. • Meetings.	• Tax legislation. • Face to Face. • Meetings. • Emails.	• Face to face. • Communication through marketing specialists.
Key topics covered:	**Key topics covered:**	**Key topics covered:**
• Providing sustainable business and growth opportunities that are mutually beneficial in a manner that is transparent and equitable.	• Fair regulations and policies that encourage investment. • A relationship of trust and transparency.	• Creating long-term relationships with our communities. • Impacting the communities in which we operate in a positive manner.
Mitigation measures:	**Mitigation measures:**	**Mitigation measures:**
• Adherence to payment terms. • Supporting local suppliers, thereby creating employment and upliftment of small to medium enterprises.	• Ongoing engagement with tax consultants on tax-related matters. • Dedicated Group Compliance department that ensures compliance. • Best practice recommendations for accounting and disclosures.	• CSR programs.
Frequency of Engagement	**Frequency of Engagement**	**Frequency of Engagement**
• Daily. • Ad hoc.	• Monthly.	• Annually. • Ad hoc.

SUSTAINABILITY MATERIALITY ASSESSMENT

First Mutual Properties conducts an annual materiality assessment to evaluate the most significant impacts on its business and stakeholders. This assessment recognises that sustainability impacts and stakeholder concerns can vary in nature and importance, necessitating the implementation of appropriate measures.

By conducting the materiality assessment on a regular basis, First Mutual Properties stays informed about emerging sustainability issues, aligns its strategies and initiatives with stakeholder expectations, and addresses the most significant impacts on its business. This enables the Company to take appropriate measures to manage risks, identify opportunities, and create value in a way that is responsible and beneficial to both the business and its stakeholders.

Sustainability Materiality Approach

First Mutual Properties applies a structured methodology for its materiality assessment, guided by the Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) on sector specific matters. The assessment process involves several stages, including review, identification, prioritisation, and approval. The assessment process incorporates a combination of desktop research and senior management surveys. These methods help gather information and insights on various sustainability topics and their importance to the business and stakeholders. Senior management plays a critical role in prioritising and approving the final list of material issues based on their assessment of stakeholders' interests and the Company's strategic priorities. This process ensures that the Company's sustainability efforts and reporting are aligned with stakeholder expectations, industry standards, and global trends, enabling it to address key issues and drive positive impacts.

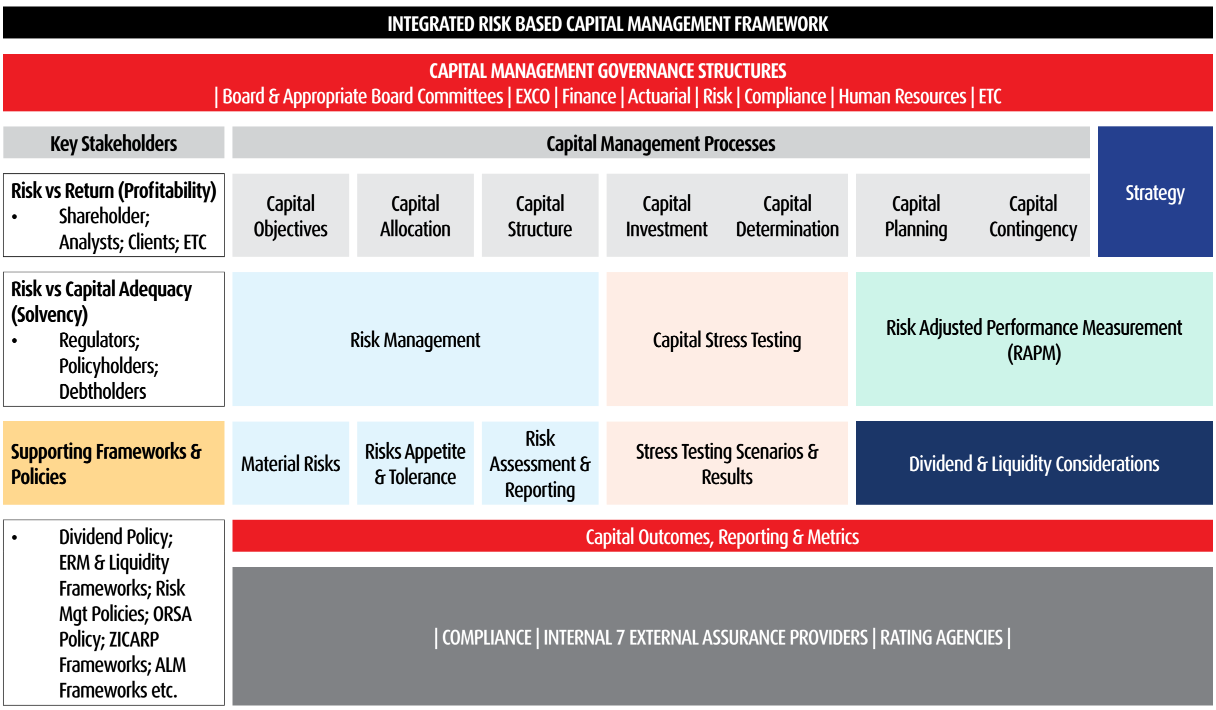
RISKS AND OPPORTUNITIES

The Group operates in a complex and highly dynamic business environment, which gives rise to numerous risks that can either hinder or help achieve its strategic goals. The Group acknowledges that risks are an inherent and integral part of its business. As such, it has adopted a disciplined and structured approach to identify, define and assess the materiality of all known, reasonably foreseeable, emerging and other relevant risks that may impact the Company's ability to continue operations, both in normal and stressed situations.
The following are some of the top risks the Group is managing during the period under review.

Top risks on the radar

Risk category	Description	Mitigation measures
Capital and solvency	The potential for adverse impacts on financial stability, regulatory compliance, business continuity and stakeholder interests arising from inadequate capital levels, suboptimal capital structure, ineffective capital allocation or failure to maintain sufficient capital buffers to absorb unexpected losses, meet regulatory requirements, support strategic initiatives and withstand stress scenarios while maintaining market confidence and operational viability.	• Capital and solvency levels are regularly monitored by the Board with appropriate metrics having been embedded across the Group.
Financial and liquidity	Financial risk: The risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, etc. Liquidity risk: The potential risk that an organization will be unable to meet its short-term financial obligations as they come due or can only do so at significant cost.	• Cash flow forecasting, liquidity contingency plans and liquidity metrics have been implemented across the Group. • Maintaining diversified funding sources to mitigate liquidity constraints. • Currency matching and hedging . • Diversification of the investment portfolio in line with Group-approved investment guidelines.
Technological	Potential risk arising from the absence of updated technology/ systems, failure to fully utilise the existing technologies, systems failures, incompatible systems, lack of system integration, poor IT infrastructure and weak system controls.	• Robust ICT governance structures are in place to provide oversight on significant IT projects and investments, IT risks and IT regulatory compliance issues.
Credit and counterparty	Risk of loss in the value of financial assets owing to borrowers or counterparties failing to meet all or part of their obligations.	• Diversifying counterparty relationships to reduce reliance on a single entity. • Credit control structure.
Regulatory and compliance	Risks as a result of adverse changes in legislation and regulations impacting the business or the failure to comply with legislation, regulations, laws, rules, prescribed practices, internal policies and procedures or ethical standards, which may result in losses, fines, penalties or damage to reputation.	• Influencing policy and favourable laws for the industry. • Regular regulatory engagements. • Participating in industry forums. • Group Compliance Department in place to help the Group to comply with relevant regulations, laws and statutory instruments.

FMHL GROUP INTERGRATED RISK-BASED CAPITAL MANAGEMENT FRAMEWORK OVERVIEW



Arundel Block 13

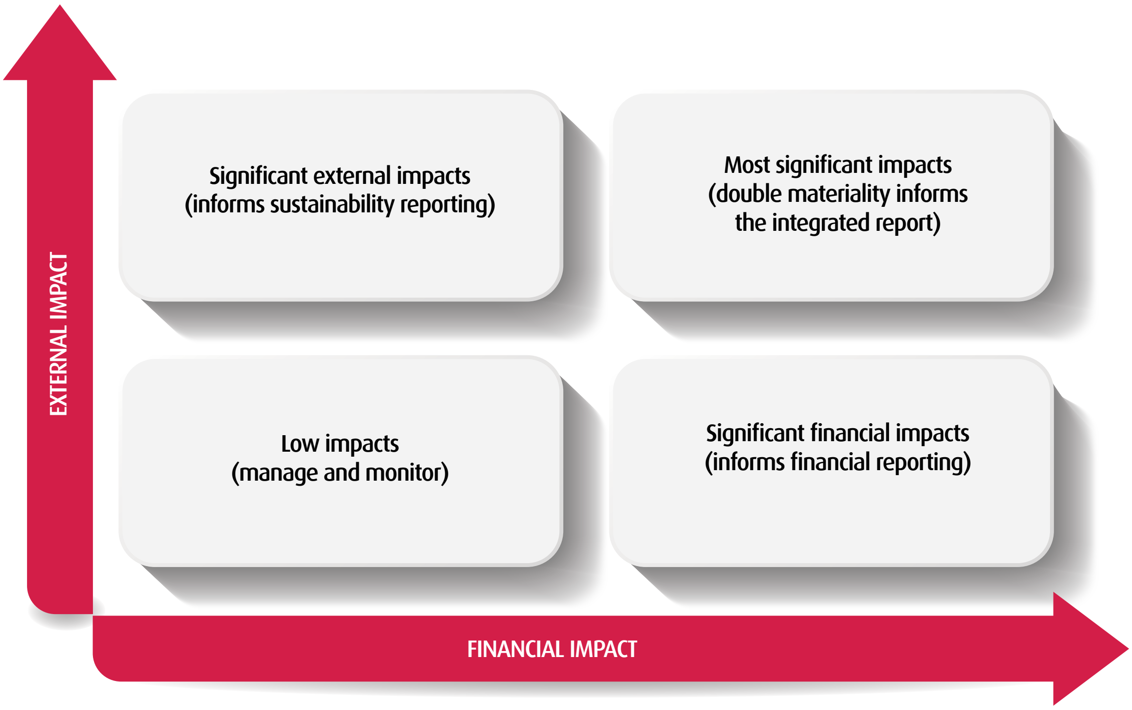
MATERIAL MATTERS

Our approach to materiality

FMP's operations impact the environment and society (inside-out). In turn, the environment and society affect the Group and our performance (outside-in). These impacts may be positive or negative and vary with time. Our approach to 'double materiality' is to disclose the material outside-in impacts in the annual report and the inside-out impacts in the sustainability sections of the report.

Our materiality determination process is subject to Executive Committee and Board review. It identifies our key material matters and the collective themes under which they fall. Given the dynamic environment in which we operate, our top material matters can change.

To ascertain material matters for inclusion in our annual report, we run an independently facilitated materiality survey. Informed by the survey data, members of our executive and senior management teams participate in a multidisciplinary workshop to discuss and prioritise our material issues. Through this process, we identify all those matters that have a significant bearing on enterprise value (financial materiality), as well as our most significant impacts on people, society and the environment (impact materiality).



MATERIAL MATTERS (continued)

Our materiality determination process is as follows.

Identification

Identify potentially relevant material topics for consideration.
Extensive research to identify a wide range of material topics, considering:
- Global and industry-specific sustainability matters
- Matters identified in our previous report
- Internal documentation, including Board packs and risk registers
- Matters raised during internal stakeholder reviews
- Matters disclosed in peers reports
- Emerging matters identified in the media
- Industry guidance: ZSE

Impact evaluation

Evaluate the extent to which good or bad management affects internal and external outcomes.
Internal stakeholders assess and score each potential material topic using a multifaceted ranking system that evaluates impacts from internal and external perspectives. Factors considered include:
- Financial performance
- Regulatory compliance
- Innovation, growth and competitiveness
- Scale, scope and character of external impacts

The resulting data is aggregated to ascertain which topics have the most significant financial and external impact ratings.

Prioritisation

Prioritise matters based on the likelihood of occurrence and magnitude of impact.
At a special workshop, senior representatives discuss and agree on the final rankings of material matters. The final scores are submitted to Exco and Board for review.
The outcome of this process guides the content of our integrated, sustainability and financial reporting.

Strategic integration

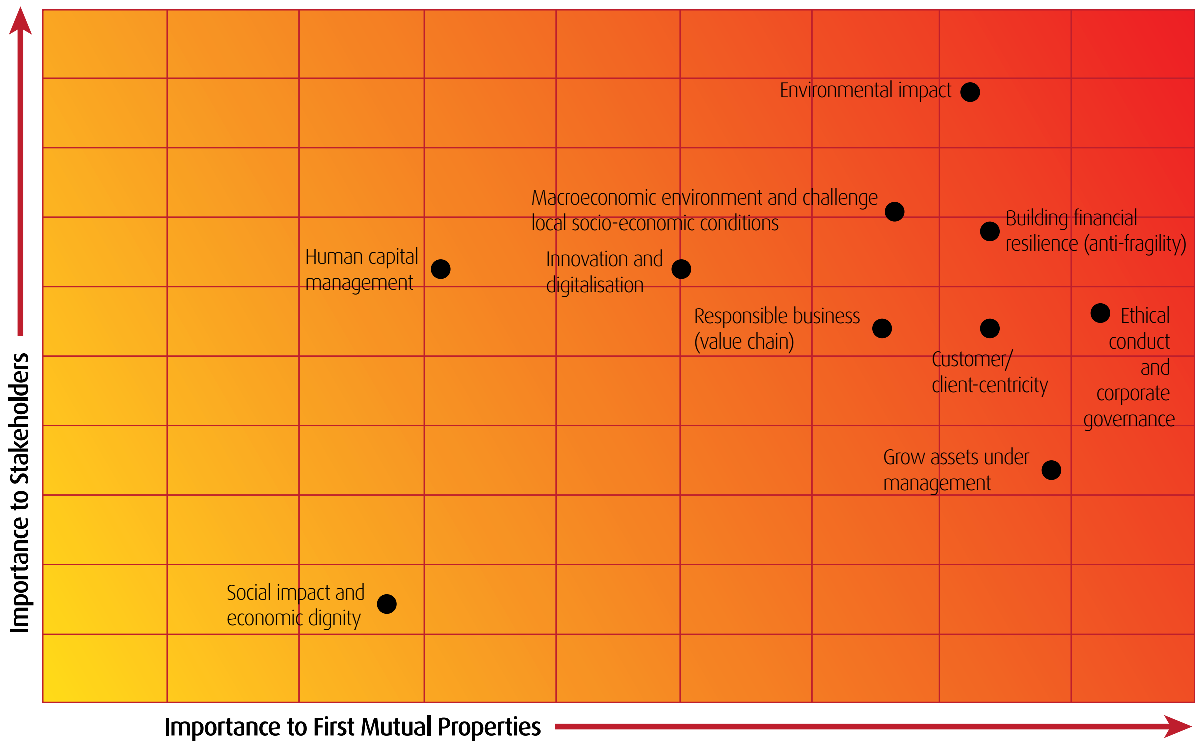
Ensure alignment and integration with strategic priorities.
We respond to our material matters by putting in place:
- Appropriate management actions to capitalise on factors that offer opportunity for greater value creation
- Interventions to mitigate those matters with potential to disrupt value creation

MATERIAL MATTERS (continued)

Here we provide a summary of the material matters identified. We plot each matter on a graph considering both impact materiality and financial materiality.

FMP views all material matters as important both to the company and all its material stakeholders: the numbers do not reflect relative priority.

FMP Double Materiality



In the pages that follow, we detail the material matters, unpacking the implications for value, strategic response, outlook and opportunity for each. We also show links to the United Nations Sustainable Development Goals, our strategic priorities and associated risks.

MATERIAL MATTERS (continued)

MATERIAL MATTERS IMPACTING FMP'S VALUE CREATION

Material topics	Description	Sub-topics
Environmental impact	Advancing sustainability through circular economy practices, emissions reduction and responsible resource stewardship.	• Water stewardship • Land use and biodiversity • Waste and circular economy • Responsible energy management/transition to renewable energy • Greenhouse gas (GHG) reduction
Building financial resilience (anti-fragility)	Strengthening business stability by managing macroeconomic volatility, optimising liquidity and enhancing resilience to climate and financial risks.	• Hyper-inflation and exchange rate volatility • Liquidity conditions • Climate-related risks and opportunities (exposure to physical climate risks and financed emissions) • Business model resilience • Tax efficiency • Capital structure and management • Interest rate adjustments
Ethical conduct and corporate governance	Upholding regulatory compliance, fostering a culture of integrity and ensuring robust risk management to safeguard business competitiveness.	• Regulatory environment • Quality of business risk management • Business competitive behaviour • Anti-fraud and corruption
Innovation and digitalisation	Driving operational excellence and security through cutting-edge digital solutions, automation and AI-driven advancements.	• Automation • Digital innovation • Cybersecurity • Artificial intelligence (AI)
Human capital management	Securing and retaining critical talent while fostering fair labour practices and a resilient workforce	• Critical skills attraction and retention • Freedom of association/collective bargaining
Grow assets under management	Ensuring sustainable wealth creation through high-performing investments, proactive risk mitigation and alignment with market growth and ESG imperatives.	• Superior investment performance • Proactive risk management • Long-term value creation and management of wealth • Resilient investment strategies • Responsible investing/integrating ESG factors • Effective real estate management and management of tenant sustainability impacts • Portfolio alignment (market growth opportunities) • Renewable energy transition (wealth and property)
Macroeconomic environment and challenging local socio-economic conditions	Navigating economic uncertainties and infrastructure strains while adapting to evolving policy landscapes.	• Socio-political and policy uncertainty • Strain on public infrastructure and service delivery • Global and regional macroeconomic volatility
Customer/client-centricity	Enhancing customer relationships through tailored solutions, data privacy safeguards and responsible engagement strategies.	• Innovative and relevant customer/client propositions • Customer/client-centricity • Data privacy • Brand reputation protection and enhancement • Responsible customer/client conduct • Proactive customer/client risk management
Responsible business (value chain)	Ensuring a sustainable and resilient value chain that supports long-term environmental and social wellbeing.	• Sustainable supply chain management • Resilient ecosystems
Social impact and economic dignity	Promoting financial inclusion, affordability and corporate social responsibility to drive equitable economic participation.	• Product accessibility and affordability • Inclusive and innovative solutions/financial inclusion • CSR programme

OUR VALUE-CREATION STRATEGY

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MESSAGE FROM THE MD

Economic Overview

The Group operated in a complex macroeconomic environment during the year, shaped by both global and domestic developments. Globally, while there were signs of easing inflationary pressures, inflation remained persistently above policy targets in many economies. As a result, central banks adopted a cautious stance, maintaining relatively high interest rates. For an import-reliant economy such as Zimbabwe, these global trends had ripple effects on local costs, liquidity, and real estate demand patterns. The introduction of the Zimbabwe Gold (ZWG) currency on 5 April 2024, although intended to stabilise the economy, followed a period of extreme volatility where the previous local currency had depreciated by approximately 72%. Post-introduction, the ZWG also experienced a 48% depreciation during the year, contributing to continued exchange rate instability and these currency movements, alongside wide parallel market premiums, disrupted formal sector activity. These conditions directly impacted rental affordability, collection rates, and capital flows into the property market.

Property market overview

2024 was a year of stabilization and cautious growth for Zimbabwe's property sector. Dollarisation improved pricing clarity, while government housing programs and private sector investments drove development. However, financing constraints, land tenure issues, and infrastructure gaps continued to pose challenges.

With the government's National Housing Delivery Program gaining momentum through collaborations with private developers and foreign investors, affordable housing continued to be a top concern. To handle the increasing urban density, cluster developments grew in major urban areas including Harare, Bulawayo, and Chitungwiza as projects aimed at low- to middle-income earners proliferated. Even while the Harare CBD was still plagued by high vacancy rates, the commercial real estate market was beginning to revive, especially in strategically positioned neighbourhoods like Borrowdale and Avondale.

As developers looked to optimise land usefulness, mixed-use developments which combine retail, office, and residential spaces became more and more popular. Banks continue to prioritise short-term property loans over traditional mortgages, and the mortgage industry is still limited by high interest rates and few long-term financing options. Commercial and industrial real estate saw an increase in foreign investment, especially from South Africa, China, and the United Arab Emirates. Meanwhile, Real Estate Investment Trusts (REITs) attracted interest as an alternative investment option.

Improvements to the Harare- Masvingo-Beitbridge Highway improved communication and raised property values nearby. However, development in high-growth areas was still hampered by ongoing delays in sewage and water infrastructure projects. The year also experienced notable developments as co-working spaces gained popularity among startups and SMEs, with three major operators expanding their Harare footprint. Student accommodation also emerged as a new asset class, driven by growing tertiary enrollment.

MESSAGE FROM THE MD (continued)

Overview of business performance

During the financial year under review, the Group delivered a strong operational performance, with Net Property Income increasing by 62% to US$4.84 million, up from US$2.98 million in FY2023. Total revenue rose by 31% to US$9.03 million, compared to US$6.90 million the previous year. This growth was primarily underpinned by increased rental income which remains our core revenue stream and was further supported by a notable rise in property services income, especially from project management fees, an increase in US dollar-denominated leases, and timely rental reviews across the portfolio.

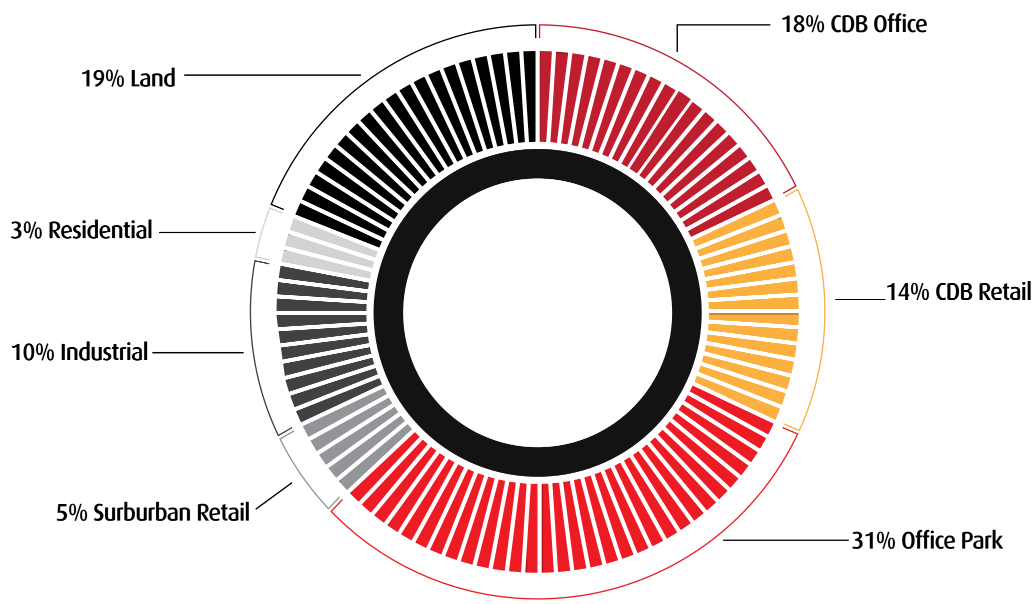
However, we faced some headwinds in rental collections which declined from 85% in 2023 to 75% in 2024, largely due to ongoing financial strain among tenants. In response, our team has intensified engagement with affected tenants to address outstanding arrears and support sustainable tenancy arrangements.

We also made strategic strides in improving the resilience of our portfolio. Efforts to diversify both our tenant base and property portfolio have been escalated as part of a long-term risk mitigation strategy. To maintain the quality and competitiveness of our facilities, we invested US$945,231 in infrastructure maintenance and targeted upgrades during the year. This reflects our commitment to delivering safe, functional, and attractive real estate products to our clients.

Property portfolio structure and performance overview

The diverse nature of our property holdings has consistently strengthened our resilience, especially during times of economic instability and significant exchange rate fluctuations. This diversification not only mitigates risk, but also maximises returns, offering a sound investment opportunity for our shareholders.

Set out below is the property portfolio spread by value.



MESSAGE FROM THE MD (continued)

An independent property valuation conducted by Knight Frank Zimbabwe valued the property portfolio at US$132 948 000 (FY2023: US$179 772 504) as at 31 December 2024.

Valuation movements by sector for FY2024

All figures in US$	FY2024	FY2023	Movement
CBD retail	19 003 000	25 003 543	(24.00%)
CBD offices	23 330 000	32 837 571	(28.95%)
Office park	41 020 000	52 076 864	(21.23%)
Suburban retail	7 150 000	10 401 895	(31.26%)
Industrial	12 810 000	15 968 441	(19.78%)
Residential	3 800 000	5 470 514	(30.54%)
Land	25 835 000	38 013 675	(32.04%)
Total	**132 948 000**	**179 772 504**	**(26.05%)**

The decline in investment property values across the entire portfolio was owing to the adoption of the US$ as a functional currency. The prior year's investment property value was determined by converting the December 2023 hyper-inflated ZWL value using the official closing interbank rate of US$/ZWL 5 935.46

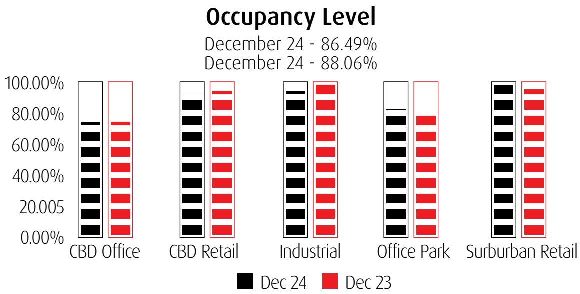
Overview of the property portfolio performance

	CBD retail	CBD office	Office park	Suburban retail	Industrial	Total	Residential	Land	Total
Value (US$)	19 003 000	23 330 000	41 020 000	7 150 000	12 810 000	103 313 000	3 800 000	25 835 000	132 948 000
% portfolio weight by value	14%	18%	31%	5%	10%	78%	3%	19%	100%
Number of properties	18	8	13	3	7	49	33	12	94
Gross lettable area (GLA) m2	21 948	31 681	28 456	7 723	36 997	126 805	-	-	126 805
Land bank area (m2)								643 005	643 005
Effective US$ Rental per m2 at period end	9.86	4.89	9.64	4.30	3.04	6.36	-	0.01	6.36
Occupancy level at period end	93%	75%	82%	99%	94%	86%	100%	-	86%
Rental yield	11.39%	6.32%	6.22%	5.07%	10.11%	7.60%	4.87%	0.07%	6.05%

Occupancy levels

The portfolio occupancy level marginally decreased during the year, closing at 86.49%, down from 88.06% in the year 2023. This was mainly driven by the increase in the portfolio gross lettable area following completion of the new block at the Arundel Office Park. The lowest occupancy was recorded in the CBD office sector, which closed the period at 75% on the back of migration of most businesses from the CBD to surrounding suburbs.

Analysis of the occupancy levels by sector



Arrears management

The collection rate decreased to 75% (FY2023: 85%) despite the property management team's continued efforts to engage tenants to regularly clear dues on time. However, the general illiquidity across the economy is affecting the settlement of obligations across various sectors.

The business will continue to monitor and evaluate collection plans through regular internal and external tenant engagement with an objective to reduce the arrears position.

Sector review

Suburban retail

The suburban portfolio is made up of free-standing supermarkets in medium and high-density areas and a community shopping centre in a low-density residential area. Despite the macro-economic instability, the sector has experienced sustained demand as supermarkets reprice their products to hedge against inflation, while government monetary policies also sought to preserve disposable incomes. Resultantly, performance remained strong within our suburban retail cluster, driven by the location of the assets, the tenant mix and turnover rentals.

MESSAGE FROM THE MD (continued)

Summary of key performance areas of the suburban retail sector

Suburban retail	2024	2023	Movement
Value (US$)	7 150 000	10 401 895	(31%)
% portfolio weight by value	5%	6%	(1%)
GLA m2	7 723	7 723	0%
Average rental (US$) per m2 at 31 December	4.30	2.07	108%
Occupancy level at period end	99%	96%	3%
Rental yield	5%	3%	2%

CBD retail

Throughout the year, the retail sector in the central business district has shown strong resilience, attracting tenants through comprehensive leasing efforts and a focus on supporting small and medium enterprises (SME). While SMEs and informal businesses remain the dominant players in the sector, there is still a significant presence of formal, well-established retail outlets within this asset class.

Summary of key performance areas of the CBD retail sector

CBD retail	2024	2023	Movement
Value (US$)	19 003 000	25 003 543	(24%)
% portfolio weight by value	14%	14%	0%
GLA m2	21 948	21 948	0%
Average rental (US$) per m2 at 31 December	9.86	5.99	64%
Occupancy level at period end	93%	95%	(3%)
Rental yield	11%	9%	3%

CBD offices

Despite the challenging overall economic climate for the CBD office industry, the Group's CBD office sector experienced a relatively positive year. Occupancy rates held steady at 75%, supported by strategic leasing initiatives through online platforms and the reconfiguration of spaces to cater to SMEs. However, the CBD's bylaws relating to parking, compliance business licensing and refurbishment requirements continued to pose a significant obstacle for corporate occupiers, leading to an imbalance between supply and demand.

Summary of key performance areas of the CBD office sector

CBD office	2024	2023	Movement
Value (US$)	23 330 000	32 837 571	(29%)
% portfolio weight by value	18%	18%	0%
GLA m2	31 681	31 681	0%
Average rental (US$) per m2 at 31 December	4.89	4.95	(18%)
Occupancy level at period end	75%	75%	0%
Rental yield	6%	6%	0%

Office parks

The office park sector had a steady performance, exhibiting resilience, and an increase of 2% in the occupancy level was observed, from 80% to 82%. The space consistently received favourable inquiries from blue chip corporates and international organisations. Therefore, some of the vacancies were transitional and created as part of strategic leasing efforts to attract high-profile tenants.

The prime location and quality of assets, along with the limited supply of similarly located prime assets in the market, make office park properties premium location for tenants. The sector is the primary focus for expansion because of its ideal location and ambience, away from the unattractive CBD environment.

Summary of key performance areas of the office park sector

Office Park	2024	2023	Movement
Value (US$)	41 020 000	52 076 864	(21%)
% portfolio weight by value	31%	28%	3%
GLA m2	28 456	25 839	10%
Average rental (US$) per m2 at 31 December	9.64	9.41	2%
Occupancy level at period end	82%	80%	2%
Rental yield	6%	6%	0%

Industrial

The industrial sector occupancy decreased significantly from 100% in the previous year to 94% during the period under review. Retail warehousing and light niche industrial remain key potential occupiers in the industrial sector owing to the notable shift towards light industrial and retail warehousing.

Summary of key performance areas of the industrial sector

Industrial	2024	2023	Movement
Value (US$)	12 810 000	15 968 441	(20%)
% portfolio weight by value	10%	9%	1%
GLA m2	36 997	36 997	0%
Average rental (US$) per m2 at 31 December	3.04	2.89	5%
Occupancy level at period end	94%	100%	(6%)
Rental yield	10%	10%	0%

Property 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 US$5.1 million. 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, and is ready for commissioning. Construction of the student accommodation is progressing well.

Outlook

The economic outlook for Zimbabwe remains uncertain, with inflationary pressures and fluctuations in the local currency expected to continue in the near term. However, the government's focus on policy reforms and fiscal discipline presents a promising foundation for improved economic stability and growth. Our strategic direction is aligned with this evolving landscape, and we remain optimistic about our continued growth in the country. Despite these challenges, we are confident in our ability to effectively execute our strategic initiatives, and we remain focused on delivering value to our shareholders, employees and communities. Our dedication to innovation, operational excellence and sustainable growth will remain the cornerstone of our approach, and we look forward to another year of progress and success in Zimbabwe.

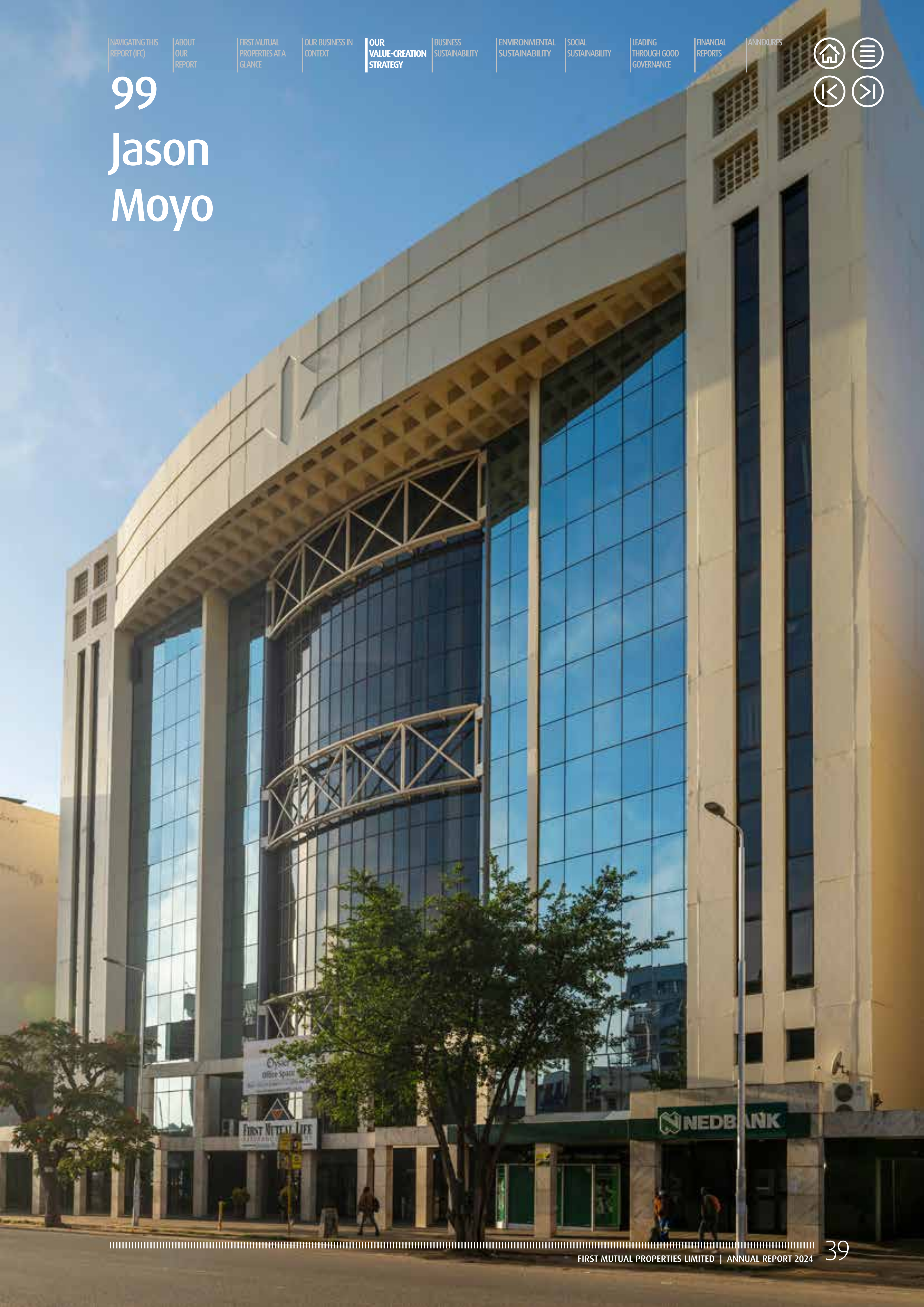
CK Manyowa
Managing Director
Harare

20 February 2025

Business strategy and performance dashboard

This is underpinned by the 'Go Beyond' philosophy that is embedded within each pillar, ensuring FMP continuously evolves, innovates and remains relevant in the market.

99 Jason Moyo



RESPONSIBLE BUSINESS PRACTICES

	TALENT	AGILITY	RELEVANCE
Description	Developing future-ready skills and leadership	Faster decision-making and process optimisation	Governance, ethics and social impact
Objective	Build a highly skilled, adaptable and forward-thinking workforce to drive long-term business success, strengthening collaboration and organisational culture.	Improve FMP's operational responsiveness, efficiency and adaptability to rapidly changing business conditions.	Uphold corporate responsibility, ethical business practices and social impact across FMP's operations.
Key focus areas	• Internal training: FMP offers in-house training programmes for general and specialised skills, including customer service, accounting, actuarial and financial management. • External development: Employees are encouraged to pursue advanced qualifications, with FMP providing reimbursement for successful course completions. • Executive leadership programmes: FMP sponsors leadership development programmes at institutions like Harvard, Wharton, Wits Business School and London Business School to ensure senior leaders are equipped to deliver exceptional results. • Enhancing employee engagement: Regular engagement sessions ensure alignment between leadership objectives and workforce expectations. • Cross-departmental collaboration: Business units are encouraged to work together to break silos and enhance operational effectiveness. • Leadership and culture development: FMP is focused on building a values-driven corporate culture that emphasises teamwork, accountability and inclusivity.	• Digitisation and paperless operations: The Electronic Content Management (ECM) project is streamlining workflows, enhancing efficiency and reducing document retrieval times. • Faster decision-making: The Group is investing in workflow automation and digital tools to eliminate bottlenecks in approvals and process execution. • Operational efficiency: FMP is modernising business processes to reduce manual interventions and improve productivity. • Strategic alliances. • Customer convenience. • Ease of doing business: (liaison with regulators)	• Corporate social responsibility (CSR): FMP, through the First Mutual Foundation, supports education and financial inclusion by providing bursaries for students from primary school to university. • Regulatory compliance: The Company has a strong governance and ethics framework to ensure regulatory adherence and ethical decision-making. • Employee and community engagement: FMP products conduct CSR initiatives aligned with both corporate goals and humanitarian efforts. • Products, processes and innovations. • Penetration of new markets.
Go Beyond	Preparing employees for future business challenges by focusing on up-skilling and lifelong learning. • Supporting career growth through executive leadership training and professional development sponsorships. • Strengthening internal talent pipelines to ensure business continuity and leadership succession. • Strengthening cross-functional collaboration to enhance business performance. • Creating a workplace culture of mutual respect, shared learning, and employee empowerment. • Investing in leadership and employee engagement programmes to drive motivation and productivity.	• Driving faster, data-driven decision-making through digital transformation. • Reducing bureaucratic delays by automating core business processes. • Enhancing customer service responsiveness through real-time access to information.	• Deepening social impact through education sponsorships, financial literacy and youth empowerment programmes. • Ensuring corporate governance best practices in compliance with financial regulations. • Embedding ethical decision-making in FMP's leadership culture.

	GROWTH	ENGAGEMENT	TECHNOLOGY	SUSTAINABILITY
	Setting ambitious yet achievable targets	Delivering on strategic commitments	Leader in evolution of the sector	Embedding ESG in business strategy
	Drive measured and sustainable business growth by expanding FMP's market presence and customer base.	Engaging stakeholders at all levels to ensure FMP is meeting their needs and satisfying their requirements.	Combine self-service convenience, cloud agility, ironclad security, digitalisation and intelligent automation, towards the emergence of the FMP as a leader in the evolution of property services in Zimbabwe and beyond.	Align FMP's business model with environmental, social and governance (ESG) principles to ensure long-term resilience and impact.
	• Strategic expansion: FMP is pursuing growth in property. • Performance commitments: FMP has embedded ESG-linked growth targets into leadership KPIs to ensure sustainability is integrated into business performance metrics.	• Project implementation: FMP is investing in better execution frameworks and accountability structures to ensure business strategies are successfully delivered. • Technology deployment: System modernisation efforts include self-service apps, AI-driven automation and improved customer interfaces. • Measuring outcomes: Performance is tracked through clear KPIs and periodic reviews to measure progress on strategic priorities.	• For customers: Simplicity, speed and security. • For employees: Smarter tools, fewer inefficiencies, greater impact (best-of-breed and current user-workstations, licensed office applications, including AI tools, security awareness programme). • For shareholders: Sustainable growth through digital innovation.	• Environmental responsibility: FMP is formalising its sustainability journey with an ESG committee that ensures all business units embed ESG principles in operations. • Social inclusion and governance: The Group is integrating diversity, equity and inclusion (DEI) policies into HR strategies. • Sustainable finance: FMP is exploring climate-responsive insurance solutions and impact investing.
	• Pursuing growth in a responsible and sustainable manner, ensuring long-term financial stability. • Expanding services to reach underserved and emerging markets. • Aligning growth objectives with FMP's ESG strategy and sustainability commitments.	• Improving execution discipline by aligning project goals with business strategy. • Ensuring visibility and accountability in delivering strategic projects. • Leveraging data analytics and digital solutions to enhance execution speed and accuracy.	• Cloud adoption: Scalability, security and cost efficiency: The Group's ICT function leverages hybrid and multi-cloud solutions to drive agility and resilience. • Cybersecurity: Trust through robust protection. • Process automation: A smarter backbone for FMP. • Employee empowerment: Tools for excellence.	• Ensuring long-term business resilience by integrating ESG into decision-making. • Developing sustainable products. • Reducing FMP's environmental footprint through responsible operations and investments.

Arundel Block 13

RESPONSIBLE BUSINESS PRACTICES

FMP's approach to responsible business is anchored in sound property management, ethical conduct and a commitment to long-term value creation. As a listed property company, we recognise our role in shaping Zimbabwe's built environment and urban future. We manage our assets for both performance and purpose, balancing commercial returns with tenant satisfaction, environmental sustainability and community impact.

By embedding responsible practices into our development, investment and operations, we aim to build a resilient property portfolio that delivers enduring value to stakeholders and contributes to national development.

RESPONSIBLE BUSINESS PRINCIPLES
Ethical leadership and transparent governance
FMP's operations are guided by a strong ethical foundation and robust governance practices that promote transparency, fairness and accountability. We comply with all applicable regulatory frameworks governing real estate investment, property management and development, considering sustainable environmental practices and expect the same from our contractors and tenants. Through consistent oversight and ethical decision-making, we foster trust, manage risk and safeguard long-term stakeholder value.
Responsible property development and management
We manage our properties with a long-term view, ensuring they remain safe, well maintained, resilient and financially viable. Our approach integrates environmental, social and governance (ESG) considerations into development decisions, contractor selection, refurbishment projects and asset lifecycle planning. By prioritising energy efficiency, resource conservation, efficient waste disposal safety standards and climate resilience, we enhance both asset performance and tenant satisfaction, while contributing to national sustainability goals.
Sustainable innovation
We are committed to investing in properties and services that deliver benefits beyond financial returns. This includes infrastructure that addresses environmental and social needs and technologies that improve building performance, energy management and service delivery. Our digital transformation efforts support operational efficiency, reduce environmental impact and improve the tenant experience. These innovations strengthen our long-term competitiveness while supporting sustainable development.
Shared value for tenants and suppliers
Strong relationships with tenants and contractors are essential to our value proposition. We engage regularly with tenants through tenant satisfaction surveys to ensure their needs are understood and addressed, while our property management teams are trained to respond promptly and effectively. In our supply chain, we work with reputable contractors and service providers who uphold sound labour, health and safety and regulatory practices. These partnerships contribute to service excellence, ethical procurement and inclusive economic participation.
Employee development and wellbeing
Our ability to deliver on our strategy depends on a skilled, motivated and engaged workforce. We carry out employee engagement surveys, support our employees through fair employment practices, continuous learning opportunities and a strong culture of professionalism and care. Internal policies promote workplace wellbeing, performance accountability and ethical conduct. By investing in people, we strengthen our organisational capacity and ensure the business is equipped to adapt and thrive.

Taken together, our responsible business principles provide an anchor for our business growth ambition, helping us deliver meaningful outcomes and positive impact in an ever-changing world.

Sustainability focus areas

Although our Group-wide sustainable business strategy is still under development, we are already taking deliberate steps to strengthen and prioritise our ESG practices across the Group.

Our responsible business lens helps us to identify and manage material risks and opportunities, applying a multi-stakeholder approach to align with global sustainability standards such as the GRI and development frameworks such as the United Nations Sustainable Development Goals (UN SDG). It also helps ensure our performance, financial and non-financial, delivers holistic value for all stakeholders.

We acknowledge that resilience of our business strategy depends on understanding and managing both our key dependencies and impacts. Internally, this means addressing the dependencies that pose risks to our business model and ensuring we remain resilient, efficient and aligned with regulatory and stakeholder expectations. Externally, it involves recognising our impact on the environment, society and broader economic systems and taking action to make sure we operate with care and responsibility in every context.

The following broad focus areas reflect how we are applying our responsible business approach across FMP. These focus areas align with our most material matters as well as several of the UN SDGs.

Focus area	Why this matters	What we are doing	Associated material matters	UN SDG contributions
Business sustainability Page 47 to 53	Long-term business sustainability depends on our ability to grow a resilient, income-generating property portfolio that meets market needs, adapts to shifting environmental and economic conditions and generates reliable returns.	We manage our diversified portfolio to optimise long-term value through active asset management, tenant-focused service delivery and disciplined capital allocation. Our investment strategy prioritises quality efficiency, sustainability and resilience.	• Grow assets under management • Building financial resilience (anti-fragility) • Customer/client-centricity • Environmental impact • Innovation and digitalisation	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES
Environmental sustainability Page 57 to 77	Our operations are inherently influenced by the state of planetary health. Managing the environmental impact of our business and value chain helps to reduce risk, minimise harm and increase availability of finite natural resources for future generations through responsible use.	We manage climate-related risks and opportunities, improve energy and water efficiency, reduce emissions and waste and integrate ESG considerations into procurement, investments and asset management decisions.	• Environmental impact • Building financial resilience • Responsible Business (value chain)	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Social sustainability Page 81 to 101	People, including our employees, suppliers, customers and communities, are at the heart of our approach to value creation. Supporting their livelihoods and wellbeing and looking for opportunities to achieve equitable outcomes, strengthens both our business and the societies we serve.	We prioritise employee wellbeing, learning and development, fair pay and inclusion to support a motivated and future-fit workforce. We also support community upliftment through CSR initiatives, local procurement and SME development.	• Human capital management • Social impact and economic dignity • Local socio-economic conditions • Responsible business (value chain)	1 NO POVERTY 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
Governance excellence Page 103 to 109	Ethical conduct and clear accountability – particularly in managing sustainability-related risks and opportunities – are essential to sound operational decision-making and long-term value creation. Strong governance builds trust, protects reputation and ensures we do business with integrity and transparency.	The Board plays an oversight role, sets KPIs and reviews major management decisions on sustainable activities. We uphold high standards of ethics, comply with all applicable laws and manage sustainability-related risks and opportunities through robust internal systems. We engage actively with regulators and are guided by local and global sustainability frameworks in shaping our governance and management approach.	• Ethical conduct and governance • Responsible business (value chain)	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS

Looking ahead

We are currently developing a Group Sustainability strategy, which is focused on unlocking transformative growth while building a sustainable future for FMP and all its stakeholders. Due to be finalised in 2025, the Group Sustainability strategy will clarify our priorities, including ESG targets and accountabilities across the Company.

As our maturity grows in integrating strategic sustainability priorities within our business strategy, we are also formalising a Group-wide responsible business policy to ensure ethical and sustainable business principles and practices are integrated into all policies, procedures and decision-making frameworks.

STATEMENT OF THE DIRECTORS' RESPONSIBILITIES
31 December 2024

Directors' Responsibilities
The Directors of the Company are responsible for maintaining adequate accounting records and for the preparation of financial statements that present fair and accurate information. The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and in a manner required by the Companies and other Business Entities Act [Chapter 24:31]. In discharging this responsibility, the company maintains a system of internal controls designed to provide reasonable assurance that the assets are safeguarded and that transactions are executed and recorded in accordance with International Financial Reporting Standards and in the manner required by the Companies and other Business Entities Act [Chapter 24:31].

The Directors have satisfied themselves that the Company has sound financial positions and adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

E K Moyo
Chairman
Harare
20 February 2025

C K Manyowa
Managing Director
Harare
20 February 2025

CERTIFICATION OF COMPLIANCE BY THE COMPANY SECRETARY

In my capacity as Company Secretary of First Mutual Properties Limited and its subsidiary companies, I confirm that, in terms of the Companies and other Business Entities Act (Chapter 24:31), the Company lodged with the Registrar of Companies all such returns as are required of a public quoted company and private limited liability companies in terms of this Act, and that all such returns are true, correct and up to date.

Dulcie Kandwe
Company secretary
20 February 2025

DECLARATION BY FINANCE EXECUTIVE
31 December 2024

The financial statements on page 117 to 191 and 196 to 226 have been prepared under the supervision of the Finance Executive Dumisani.L. Tshabalala.

Dumisani Leroy Tshabalala
Finance Executive
20 February 2025
CA(Z) BCom General Accounting (NMU) (SA)
Member of the Institute of Chattered Accountants of Zimbabwe (ICAZ)

BUSINESS SUSTAINABILITY

Responsible property investment and management 48

Innovation and digitalisation 53

As an industry leader, FMP is committed to responsible business practices, strategic property investments and continuous innovation to underpin long-term value creation. We manage our portfolio to ensure it remains balanced, well located and fit for purpose, while maintaining and enhancing asset quality. By leveraging technology and digital tools, we improve operational efficiency, reduce costs and deliver better service. This integrated approach builds trust, strengthens compliance, mitigates risk and positions us for sustainable growth.

RESPONSIBLE PROPERTY INVESTMENT AND MANAGEMENT

- Property portfolio
- Property quality
- Tenant satisfaction

TECHNOLOGY AND INNOVATION

- Strategic innovation priorities
- Empowerment through digital transformation

RESPONSIBLE PROPERTY INVESTMENT AND MANAGEMENT

FMP understands that operating as a sustainable business is essential to our long-term performance, resilience and relevance in a dynamic property market. By integrating sustainability into property investment decisions, development practices, tenant engagement and operations, we protect asset value, respond to evolving client expectations and position the business for responsible growth.

Our focus areas

	Why these matter	Our response
Portfolio diversification Page 49	A well-diversified and actively managed property portfolio enables FMP to deliver stable, long-term returns while managing exposure to sectoral, geographic and currency risks. Diversification also ensures our spaces remain relevant and accessible across different market cycles.	We invest in high-demand, high-potential segments while divesting from underperforming assets. Our strategy includes expansion into suburban retail, suburban office, student accommodation and industrial assets. We assess all developments through a financial, environmental and social lens before proceeding.
Portfolio excellence Page 51 t0 52	High-quality assets retain their value, attract premium tenants and reduce operational risk over time. Maintaining safe, modern and efficient buildings also improves user experience, lowers vacancy rates and contributes to positive perceptions of surrounding communities.	We conduct lifecycle-based planning, tenant-driven upgrades and regular building inspections. Asset-level strategies guide refurbishments and service improvements, with sustainability measures built into project management and facility operations.
Tenant satisfaction Page 52	Tenants who feel supported and heard are more likely to renew their leases and promote our properties to others. Positive tenant relationships also reduce arrears, increase stability and create spaces that remain attractive in a challenging market.	Our tenants benefit from well-located and well-maintained properties, supported by open communication channels and responsive property teams. These efforts help us retain existing tenants and attract new ones, sustaining occupancy, reducing arrears and strengthening our long-term revenue base.

Property market overview

Zimbabwe's real estate sector continues to navigate a volatile operating environment characterised by inflationary pressure, currency instability and rising operating costs. While macroeconomic conditions remain challenging, the property market has demonstrated resilience, buoyed by public-private development activity and sustained demand for suburban offices, retail space and mixed-use developments.

Vacancy rates in central business districts (CBD) remain high, driven by shifting tenant preferences and deteriorating infrastructure in older buildings. In contrast, well-maintained suburban office parks – particularly those located along major arterial roads – are experiencing increased demand thanks to better accessibility, improved amenities and local development planning reforms. The shift from large-format retail spaces to smaller, subdivided shops targeting SMEs is also reshaping the retail landscape and supporting occupancy in decentralised locations.

While tenant relocations and portfolio adjustments present opportunities, rising default rates, largely in the industrial and office sectors, pose financial risks for landlords. Managing the cost of deferred maintenance, municipal rates and security remains a key challenge, primarily in underperforming assets. Energy supply shortfalls are prompting a transition towards solar and hybrid power systems, a trend that is influencing property development and asset positioning.

Amid constrained liquidity and investor caution, there are signs of renewed confidence driven by increased US$ rentals, stronger asset management and a growing emphasis on tenant satisfaction. Emerging opportunities lie in responsible investment practices, infrastructure upgrades and the integration of sustainability features, such as green technologies and energy resilience.

FMP's focus on delivering well-located, high-quality and efficiently managed properties remains critical to safeguarding portfolio value, supporting tenant retention and driving long-term growth in a highly competitive and evolving property market.

Associated material matters	Supporting our TARGETS strategy
	

Portfolio diversification

Our property portfolio is central to FMP's ability to generate income, preserve capital and support long-term shareholder value. It also plays a broader role in enabling access to quality commercial, industrial and residential spaces for tenants across Zimbabwe. We apply a structured asset management approach to optimise performance, mitigate risk and guide decisions around acquisition, development and disposal.

Accountability and responsibility	• The Board oversees the overall strategy and performance of the property portfolio. The Investment Committee ensures portfolio management is conducted in accordance with the Group's policies. • FMP's Managing Director and executive team are responsible for implementing the investment strategy, including asset acquisition, property and project management, development and disposal. • Oyster Real Estate, FMP's estate agency division, manages day-to-day operations, including property and project management, property valuations and development advisory services.
Regulatory compliance	• We adhere to legislation, including but not limited to Zimbabwe Investment and Development Agency Act (Chapter 14:38), Regional, Town and Country Planning Act (Chapter 29:12), Estate Agency Act, Valuers Council of Zimbabwe Act, Environmental Management Act for land use and development planning, Companies and Other Business Entities Act Chapter 24:31), Zimbabwe Stock Exchange Listing Rules SI 134/2019 • Property transactions observe the Deeds Registries Act (Chapter 20:05), Capital Gains Tax Act (Chapter 23:01) and other applicable legislation.
Going beyond compliance	• We are proactively investing in non-traditional property segments, such as student accommodation, to address social needs and serve underserved markets. • Climate resilience, resource efficiency and community benefits are embedded in all site assessments and project planning.

Our approach to responsible investment and development is further guided by our following initiatives.

- Strategic sector spread, as part of our 2025-2029 development strategy
- Green construction guidelines, which provides a green framework for our development practices
- Engagement with industry bodies, such as the Real Estate Institute of Zimbabwe and Estate Agency Council of Zimbabwe, to ensure best practices are adopted

Portfolio overview

Our real estate holdings span Zimbabwe's main urban hubs and encompass a broad mix of asset types. As at 31 December 2024, the portfolio was independently valued at US$132.9 million (2023: US$179.8 million), with the decrease primarily owing to the adoption of the US$ as the functional currency. The 2023 US value was determined by restating what were previously ZWL hyperinflationary numbers.

We manage 127 494 m2 of lettable space across high-rise CBD offices, suburban office parks, retail centres, industrial facilities, residential units and strategic land assets. This composition supports long-term stability in a challenging economic environment. We focus on active portfolio oversight, prioritising quality assets and targeting growth in under-represented or high-demand sectors. Capital allocation is guided by risk-adjusted return potential, with diversification used to manage exposure across locations and property categories.

Portfolio performance

Rental income remains our primary source of revenue, supported in 2024 by an increase in US$-based leases and regular rental reviews. Total revenue grew by 31% to US$9.03 million in 2024 (2023:US$6.9 million), while net property income rose by 62% in 2024 to US$4.84 million (2023:US$2.98 million). However, rental collections softened from 85% in 2023 to 75%, driven by tenants' financial constraints. We are actively engaging with tenants to resolve arrears and support long-term occupancy.

We monitor portfolio performance closely and track key metrics to ascertain whether our strategy remains aligned with business goals. Risks such as tenant default, currency exposure and maintenance liabilities are managed through diversification, proactive leasing practices, continuous engagement and ongoing performance reviews.

Property strategy

We apply a structured asset management framework to guide our investment decisions. Each property is classified as:

- Core: High-performing assets in prime locations with stable income profiles
- Value-add: Functional properties with reinvestment potential to enhance returns
- Non-core: Underperforming or ageing assets targeted for disposal where reinvestment in stronger opportunities is justified

Our strategy enables us to balance income generation with long-term capital appreciation while maintaining a defensible, future-ready portfolio. We focus our redevelopment and asset enhancement programmes on suburban locations, where tenant demand is stronger, risk exposure is lower and there is greater opportunity to integrate sustainable design.

We are actively driving growth through strategic developments that respond to evolving market needs. Key projects, such as our office park extensions and student housing developments, demonstrate our commitment to diversification and value creation. By prioritising sectors like industrial properties and suburban retail, we continue to build resilience and adaptability in a dynamic market, reinforcing our position as a forward-thinking real estate business.

As decentralisation trends accelerate, we are repositioning our portfolio in response to the migration of businesses away from the CBD, driven by deteriorating infrastructure and rising vacancy rates in certain hubs. Properties in weaker locations or those requiring unsustainable levels of maintenance are being assessed for potential disposal, with proceeds reinvested into segments that offer greater long-term value and stability.

George Square

Property developments

We are advancing several developments that support our growth strategy and respond to emerging market demands. These include:

- Arundel Office Park extension: Completed in 2024, this US$5.1 million investment added 2 616.5 m^2 of prime office space to our suburban portfolio.
- Chinhoyi student accommodation: A 388-bed residence, developed in partnership with other investors, completed in early 2024.
- Zvishavane mixed-use project: Phase A includes six duplex flats and 20 blocks of apartments, now nearing completion. Future phases include additional residential and student accommodation, along with other investors.
- Marondera SME market and retail centre: This planned development aims to support township enterprise and enhance retail access in underserved areas.
- Bindura residential expansion: We are in the early planning stages for new housing and student accommodation developments in this growth corridor.

All our new investments are subjected to rigorous financial and ESG assessments, with a focus on energy and water availability. From early-stage planning, we incorporate design elements that support climate resilience, responsible land use and community benefit. For example, where access roads were not done by council, we have provided access roads to the Chinhoyi facility. In Zvishavane, we installed electrical transformers plus overhead lines and sewer upgrades. The student accommodation projects benefit the community by providing safe and secure accommodation where this would not otherwise be available. These projects provide employment to locals during and after construction.

Future focus areas

Looking ahead, our primary investment and development goals are:

- Completing student accommodation projects and supporting access to affordable, secure, purpose-built student housing in growing tertiary education hub, which benefit local communities.
- Accelerating the development of suburban retail centres and SME-oriented commercial spaces to meet decentralised retail demand and support informal sector growth and provide communities with secure and affordable space.
- Expanding solar energy integration across suitable properties, building on successful pilot projects to enhance energy security, reduce operating costs and support sustainability goals.

Portfolio excellence

Maximising property value and delivering service excellence are essential to sustaining income, preserving asset worth and meeting tenant expectations. As a property investment and management company, FMP prioritises the operational efficiency, physical condition and market appeal of our buildings through structured maintenance, asset lifecycle planning and continuous quality oversight.

Accountability and responsibility	• The Board oversees FMP's approach to enhancing the quality of our property portfolio. The Group Risk and Audit committees review internal controls related to infrastructure quality, tenant safety and service delivery. • FMP's Managing Director and executive team are responsible for overseeing maintenance planning, capital upgrades and facilities performance. • Oyster Real Estate, FMP's estate agency division, manages the day-to-day operations of the property portfolio, including property and facilities management.
Regulatory compliance	• Our property maintenance and upgrades are governed by Zimbabwe's Model Building By-laws (1977), which set minimum standards for design, construction, fire safety, plumbing and sanitation. • Management practices integrate the Urban Councils Act (Chapter 29:15) and municipal by-laws, ensuring infrastructure upgrades meet local planning and service delivery regulations. • The Company complies with occupational health and safety regulations related to physical safety and facilities upkeep within tenanted and common areas.
Going beyond compliance	• FMP adopts a proactive maintenance strategy, using regular inspections and tenant feedback to anticipate and address infrastructure issues. • Refurbishment decisions are informed by sustainability principles, with a focus on long-term value.

Our approach to responsible property maintenance and upgrades is further guided by the following.

- Ambition to achieve International Green Certification Standards for our properties.
- Internal refurbishment and maintenance procedures, which ensure buildings are regularly upgraded to meet modern standards, reduce operating costs and enhance tenant experience.
- Enterprise risk management framework, which considers building conditions, safety and regulatory non-compliance and ensures regular inspections and mitigatory actions are embedded into operations.

Optimising asset value

Maintaining and enhancing the quality of our portfolio is fundamental to tenant satisfaction, market competitiveness and long-term value creation. High-performing buildings attract and retain quality tenants, reduce vacancy levels and support sustainable rental income. Conversely, deferred maintenance and ageing infrastructure increase operating costs and reduce asset value, particularly in challenging market environments.

In 2024, we invested US$945 231 in infrastructure maintenance, reflecting our commitment to keeping properties operationally efficient, attractive and tenant ready. We aim to optimise operating performance by improving tenant retention and minimising utility-related costs through energy-saving upgrades. Recent refurbishments include common area improvements, solar power integration, passive cooling measures and LED lighting retrofits. These interventions enhance tenant experience and lower operational expenses, extending asset longevity.

To ensure all properties are maintained at high standards, our property and facilities management teams conduct routine building inspections, valuations and dilapidation reviews. FMP takes a strategic approach to ageing infrastructure, particularly in the CBD. Properties are assessed for reinvestment, repositioning or disposal based on long-term potential, tenant demand and sustainability considerations. Compliance with regulatory and quality standards is a priority across all upgrade projects. Internal representatives monitor work in progress and independent consultants are engaged to verify quality and certify outcomes where appropriate.

Our performance is tracked through key indicators, including occupancy rates, yields, property valuations, tenant feedback and comparisons with market benchmarks. By aligning operational practices with best-in-class property management standards, we continue to uphold FMP's reputation for quality and reliability across the Zimbabwean real estate market.

Future focus areas

Looking ahead, we aim to further enhance property quality by:

- Expanding the refurbishment and repurposing of ageing buildings, with a focus on aligning with ESG and sustainability standards.
- Scaling our green building practices, using lessons from flagship properties like First Mutual Park and Arundel Office Park to inform future developments.
- Waste removal and recycling.

Tenant satisfaction

Maintaining high levels of tenant satisfaction is central to supporting revenue stability, tenant retention and the long-term sustainability of our property portfolio. We aim to provide quality spaces, responsive services and a safe, welcoming environment for a wide range of tenants, including retail, commercial, residential and student groups.

Accountability and responsibility	• The Board of Directors oversees FMP's overall performance, including stakeholder relations and tenant satisfaction. • FMP's Managing Director and executive teams are accountable for tenant strategy, retention and relationship management. • Oyster Real Estate manages day-to-day tenant engagement, leasing, facilities management and CRM systems.
Regulatory compliance	• Our tenant relations approach integrates the Estate Agents Act (Chapter 27:17), which sets standards for ethical property leasing and management practices. • Lease terms and dispute resolution are aligned with Zimbabwean common law and contractual best practices as well as the Commercial Premises (Lease Control) Act, (Chapter 14:04) and applicable regulations.
Going beyond compliance	• We are committed to responding to all tenant emails within 24 hours. • Maintenance budgets are allocated to enable timely repairs and tenant-requested improvements. • Tenant feedback directly informs safety and design enhancements.

Our approach to responsive property management is further guided by the following.

- Our stakeholder engagement framework promotes regular two-way communication to align property management decisions with tenant needs and expectations.
- Customer relationship management (CRM) process that helps track tenant issues, feedback and resolution status to support ongoing service improvement.
- Commitment to shared value, which embeds tenant satisfaction as a key lever in driving occupancy, retention and long-term portfolio performance.

Monitoring satisfaction and engagement

We assess tenant satisfaction using a combination of daily interactions, structured surveys and data from our CRM systems. Physical meetings, online communication and operational notices are used to keep tenants informed and engaged. A clear service commitment is in place to respond to all tenant emails within 24 hours, supporting our goal of timely and effective communication. Feedback is also gathered to inform future design choices in terms of energy efficiency, lighting, water use and safety features.

Key performance indicators such as occupancy rates, rental arrears, yield performance and logged CRM issues are used to evaluate the success of our service approach.

Occupancy and loyalty

Despite difficult market conditions, our average occupancy rate remains above 80% and our suburban office parks are largely fully let. Our prime buildings continue to attract and retain long-term tenants. The energy-efficient Arundel Office Park, for example, maintains occupancy levels above 90%, illustrating the strong link between building quality and tenant loyalty.
We allocate annual maintenance budgets to enable responsive repairs and preserve property quality, helping to retain tenants and protect rental income. Survey feedback shows our tenants value FMP's prompt service, modern facilities and well-maintained environments.

Management is actively addressing rental arrears, which increased from 15% in 2023 to 25% in 2024. This is being tackled through closer tenant engagement and restructuring efforts where necessary. Portfolio and tenant diversification are key priorities to reduce risk and support long-term occupancy resilience.

Creating shared value

We aim to deliver spaces that are more than functional; they are places where tenants can thrive. Green features like landscaped areas and aquariums are included in select properties to enhance the tenant experience. In our student accommodation projects, we are providing more than just a place to sleep. We strive to offer safe, dignified living spaces that enhance the student experience and support academic success.

This people-centred approach is aligned with our broader 'Go Beyond' philosophy, ensuring our properties support the long-term goals of those who use them.

Future focus areas

Looking ahead, these are our primary tenant engagement and satisfaction goals:

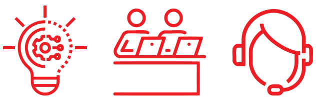
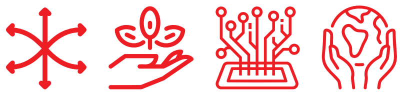
- Intensifying proactive property maintenance in line with customer needs or expectations
- Flexible leasing terms that can accommodate both small and big clients
- Implementing a 24/7 customer support system that will improve query resolution and response time
- Strengthening tenant communication through digitised engagement tools and improved responsiveness across all platforms

INNOVATION AND DIGITALISATION

As a property company operating in a complex and evolving environment, we see innovation and digitalisation as essential to staying competitive and responsive to stakeholder needs. Through process automation, data-driven decision-making and investment in scalable digital infrastructure, we improve service delivery, reduce inefficiencies and strengthen our capacity to create long-term value. These efforts support a smarter, more resilient and client-centric business.

Our focus areas

	Why this matters	Our response
Process automation	Digital process optimisation reduces manual inefficiencies, improves turnaround times and enhances the stakeholder experience across service channels.	We are implementing a next-generation core administration system and automating key workflows, including onboarding, credit scoring, straight-through processing and API integration with payment platforms.
Cloud adoption	Scalable and secure cloud infrastructure underpins business continuity, enables data insight and reduces long-term ICT costs.	A strategic partnership with Microsoft Azure supports the secure hosting of core systems, advanced analytics and disaster recovery protocols. Hybrid cloud models enable agility and zero downtime for critical services.
Tools for excellence	Empowering employees with modern tools and data improves productivity, enables proactive service and strengthens decision-making.	Staff is equipped with licensed office software, standardised workstations and AI-enhanced productivity tools. A central data warehouse supports cross-functional collaboration and customer insight across business segments.
Cybersecurity	Trust and stakeholder confidence depend on robust cybersecurity practices that protect information and digital assets.	We invest in biometric and multi-factor authentication, secure coding practices and regular employee awareness training, including phishing simulations.

Associated material matters	Supporting our TARGETS strategy
	

Strategic innovation

Digital service transformation

We are eliminating inefficiencies across the business by investing in next-generation core administration systems and automating high-volume processes. From automated credit scoring to API integration and self-service onboarding, our innovations are improving speed, security and user experience for customers, employees and partners.

Proving a smarter backbone benefits all FMP stakeholders.

For customers	For employees	For shareholders
Simplicity, speed, and security	Smarter tools, fewer inefficiencies, greater impact	Sustainable growth through digital innovation

Cloud agility and resilience

Our hybrid and multi-cloud architecture provides scalability, cost efficiency and built-in resilience. The Microsoft Azure partnership enables secure data hosting, faster product deployment, AI/ML analytics and robust disaster recovery. Automated backups and geo-redundant servers support uninterrupted business continuity.

Data infrastructure and enablement

Real-time analytics increase our ability to respond to market needs and design responsive solutions.

Secure and trusted platforms

We are strengthening our cybersecurity posture through employee cyber hygiene training, phishing simulations and secure development protocols. Biometric and multi-factor authentication protect our systems and customer data, enhancing digital trust.


THE
COLONNADE

Empowering our people through digital transformation

We equip our teams with modern laptops and licensed productivity tools to maintain secure, seamless collaboration. This supports a digital-first work culture and ensures technology is an enabler of employee efficiency, service excellence and innovation at every level of the business.

Change management and training

We understand digital transformation is not just a technology challenge, but a people one. FMP prioritises structured change management to make sure employees feel supported and empowered as systems evolve.

Training sessions are conducted for each new platform, with change champions identified to support peer learning. Training attendance and feedback are tracked, helping to identify and address any adoption challenges early.

Building a culture of innovation

To support our innovation goals, we implemented an Innovation Remuneration Policy that incentivises employees to contribute ideas that enhance products, services or internal efficiency. Our Innovation Committee provides oversight, evaluating proposals and helping facilitate implementation across business units. This approach supports idea generation and cross-functional collaboration while aligning with Group strategic goals.

Future focus areas

Looking ahead, our primary technology and innovation goals are to combine self-service convenience, cloud agility, ironclad security, digitalisation and intelligent automation, to drive the business forward as a leader in the property sector.

ENVIRONMENTAL SUSTAINABILITY

Responding to climate change 58

Using natural resources responsbily 70

Environmental stewardship is essential to FMP's long-term business sustainability and our responsibility to the communities we serve. As a property developer, investor and manager, we recognise lasting success requires responsible environmental practices across our buildings, developments and operations. We take ownership of the environmental impacts associated with our asset portfolio and service delivery. Given the pervasive impact of climate change, we are actively addressing climate-related risks and opportunities in the built environment as part of our path towards a more sustainable and resilient future.

RESPONDING TO CLIMATE CHANGE

- Climate change impacts on our business and value chain
- Governance and risk management
- Climate risks and opportunity management
- Greenhouse gas (GHG) emissions
- Climate action plan and roadmap

USING NATURAL RESOURCES RESPONSIBLY

- Energy management
- Water stewardship
- Waste management
- Land use and biodiversity

RESPONDING TO CLIMATE CHANGE

FMP recognises climate change as a material risk and opportunity affecting our assets, operations, tenants and the broader property market. Climate-related risks – including extreme weather events, shifting regulatory landscapes and changing stakeholder expectations – have direct implications for our investment decisions, property management practices and long-term portfolio resilience. In response, we are taking a structured, evidence-based approach to integrating climate considerations into our risk management systems and business strategy.

Our focus areas

	Why this matters	Our response
Climate change impacts on our business and value chain **Page 58 to 59**	Climate change has a profound impact on our buildings, facilities and tenants, influencing investment decisions, property maintenance strategies and operational continuity. The forthcoming adoption of IFRS S1 and IFRS S2 in Zimbabwe will introduce new compliance and disclosure expectations.	We are assessing climate risks across our property portfolio, integrating sustainability into asset management and strengthening climate-linked risk tracking. The Group is engaging with regulators to align our disclosures with evolving climate reporting standards.
Governance and risk management **Page 59 to 62**	Effective governance ensures FMP can anticipate, assess and respond to climate-related risks and opportunities. It enables accountability, supports long-term value creation and strengthens our ability to comply with evolving regulatory requirements. Strong governance also guarantees alignment with global sustainability standards and stakeholder expectations.	The Group's ESG Committee, and the ESG Steering and Management committees were established to provide leadership and management oversight of our response to climate risks and opportunities. The Risk Committee monitors climate-related exposures, while FMP's executive team considers climate risks in asset development, insurance coverage and operational planning.
Climate risks and opportunity management **Page 63 to 65**	Climate change presents physical and financial risks to real estate assets, such as extreme weather damage, changing occupancy patterns and evolving building regulations. It opens opportunities for sustainable investments and energy-efficient upgrades.	FMP is embedding ESG considerations into asset planning, development and refurbishment decisions. We are exploring opportunities to expand green-certified buildings and increase investment in solar energy and energy efficiency measures across our portfolio.
GHG emissions management **Page 66 to 69**	Understanding and managing our direct and indirect emissions is key to aligning with climate disclosure frameworks and reducing the carbon footprint of our property operations.	We currently measure and report our Scope 1 and 2 emissions. While Scope 3 emissions reporting is still in development, we are working with experts to strengthen our methodology and improve the completeness of our emissions data.
Climate action plan and roadmap **Page 70 to 79**	A structured climate action plan ensures FMP can transition towards a low-carbon operating model, maintaining asset value, regulatory compliance and long-term financial resilience.	We are taking a phased approach to climate action, prioritising governance enhancements, data and systems improvements, and increased investment in solar energy and efficiency upgrades across our portfolio. We are working towards full IFRS S2 alignment in preparation for future disclosure requirements.

Climate change impacts on our business and value chain

Sub-Saharan Africa is highly vulnerable to the impacts of climate change, with rising temperatures, erratic rainfall and extreme weather events threatening infrastructure, economic stability and community wellbeing. In Zimbabwe, climate-related disruptions such as prolonged droughts or flash floods place strain on municipal services, water security and energy reliability. These shifts have implications for the safety, functionality and value of built assets.

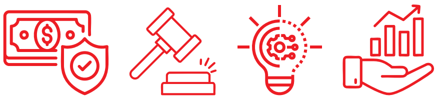
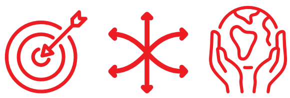
For the real estate sector, climate change presents both direct physical risks and broader systemic risks. Extreme weather events can lead to unprecedented levels of property damage, drive up insurance premiums and make coverage inaccessible in high-risk areas. These dynamics directly affect property valuations, occupancy rates and tenant demand.

At the same time, the transition to a low-carbon economy is influencing investor priorities and regulatory expectations. This has placed growing pressure on real estate companies to reduce their carbon footprint by investing in energy-efficient systems, adopting green building certifications and designing for climate resilience. Climate-related risks are now being incorporated into location assessments, asset valuations and development decisions, particularly in relation to flood exposure, temperature shifts and infrastructure resilience.

However, unlike developed economies, many African nations face the dual challenge of mitigating climate risks while still prioritising economic development, job creation and poverty reduction. This means regulatory policies must carefully balance the transition to lower-carbon economies with the need for inclusive and sustainable economic growth. Despite these challenges, Zimbabwe is proactively taking steps to drive responsible climate-related disclosures aligned with global best practice for climate reporting. The Securities and Exchange Commission of Zimbabwe (SECZ) now requires securities market intermediaries to disclose ESG impact assessments in audited financial statements. The Zimbabwe Stock Exchange's Statutory Instrument 134 of 2019 and the related Practice Note 16 of 2024 encourage disclosures aligned with the GRI Standards, including disclosure of greenhouse gas emissions (Scopes 1 and 2).

FMP recognises the urgency and complexity of climate action and is actively working to strengthen the resilience and sustainability of our property portfolio. We are investing in energy efficiency upgrades, expanding solar installations and integrating climate risk considerations into our asset management strategy. Enhancing building performance not only reduces environmental impact, but also lowers operating costs, improves tenant satisfaction and protects long-term asset value. As disclosure expectations continue to evolve, we remain committed to improving transparency and aligning our reporting with the IFRS S2 disclosure framework.

Climate change implications	
Tenants	Climate events can disrupt business continuity and expose tenants to higher operating costs as a result of rising temperatures, energy insecurity and water shortages, which influences tenant satisfaction and lease renewals.
Property management teams	Our facilities teams must navigate increased wear and tear on infrastructure, cooling demand surges and power instability. These conditions raise maintenance costs and require proactive planning for resilience and emergency response.
Contractors and service providers	FMP prioritises working with architects, engineers and contractors who incorporate green building principles, energy efficiency and sustainable materials into their work, creating procurement opportunities for innovative suppliers.
Investors and shareholders	Rising insurance premiums, physical asset risk and ESG disclosure requirements are influencing investor appetite. Poor environmental performance may lead to valuation pressure or reduced competitiveness in the property market.
Regulators	Regulatory bodies are tightening ESG disclosure expectations, including GHG reporting and climate-related risk assessments. FMP must comply with these evolving requirements to maintain good governance and capital market access.
Local communities	Physical climate risks such as flooding and heatwaves can affect surrounding neighbourhoods and community infrastructure, prompting greater expectations for responsible development.

Associated material matters	Supporting our TARGETS strategy
	

Governance and risk management

FMP operates within a structured ESG governance framework designed to integrate climate-related considerations into decision-making, property operations and long-term strategic planning. Climate-related risks and opportunities are governed through a multi-tiered structure that supports both FMP's business objectives and alignment with evolving regulatory requirements.

Our governance framework is central to developing a responsible and sustainable climate response. It defines clear lines of accountability, decision-making processes and performance monitoring, enabling the Company to identify climate-related risks, set environmental objectives and track our progress.

FMP's Board provides oversight of the Company's climate strategy and risk exposure. While FMP has its own Board and Audit Committee, it shares access to the Group's ESG Committee and Group Risk Committee, ensuring cost-effective governance and benefiting from Group-wide expertise. These structures support integrated thinking, alignment with IFRS S2 and coordinated ESG action across the Group.

The Group ESG Committee is the primary decision-making body at Board level for environmental, social and governance matters. It reviews and approves climate strategies, policies and targets. The Group ESG Steering Committee translates these strategies into action plans, and the ESG Management Committee (Manco) leads operational execution, enabling cross-functional collaboration across business units, including FMP.

Climate risk oversight is supported by the Group Risk Committee, which considers environmental risks as part of enterprise risk management. FMP's risk management function is responsible for implementing climate risk management strategies, in line with our property portfolio exposures. For FMP, this includes understanding the physical and transition risks affecting property assets, tenant resilience and regulatory compliance.

The Board is kept abreast of management's efforts to mitigate risk and deliver against our sustainability framework on a quarterly basis. Read more about FMP's corporate governance practices and our committees' responsibilities on page 105.

George Square


GREENWOOD PHARMACY
Pick n Pay Liquor
BancABC
Asalen

Accountability and responsibility

Below is an outline of FMP's key governance structures and their roles in climate-related governance and sustainability oversight.

Group Investment Committee*

- Ensures FMP's investment decisions consider climate impacts and ESG factors
- Assesses climate risks related to real estate and wealth management investments

FMP Board

Our Board of Directors, supported by the ESG Board Committee, oversees the management of climate-related risks and opportunities, including our strategic approach to climate climate-related commitments, disclosure and risk management.

The Board holds management accountable for climate risk management and sustainability performance.

FMP Audit Committee

- Assesses the reliability of sustainability methodologies, policies, metrics and disclosures
- Ensures transparency and accuracy of data
- Oversees risk integration into internal audit processes and financial reporting

ESG Board Committee*

- Oversees the ESG strategies, policies and action plans
- Ensures climate-related risks and opportunities are factored into business strategy and decision-making

Group Risk Committee*

- Integrates climate-related risks into the Group's enterprise risk management (ERM) framework
- Assesses adequacy of risk mitigation measures
- Monitors regulatory, operational and financial risks associated with climate change

ESG Steering Committee*

Composed of executive leadership, responsible for reviewing ESG initiatives, ensuring implementation across FMP's business units and making recommendations to the ESG Board Committee.

Risk Management Function

FMP's risk management teams assess climate-related financial risks across our property portfolio.

ESG Management Committee*

An operational committee with representatives from all subsidiary business units, responsible for executing ESG policies, monitoring performance metrics and supporting climate reporting.

Operational Risk Mitigation

Property management teams integrate climate considerations into our planning, building maintenance and tenant solutions.

*Shared committee across First Mutual Holdings Group.

Future focus areas

To ensure compliance with regulations, we will strengthen governance by empowering senior responsible owners with greater oversight across the business.

Climate risk management

We continue to embed climate risk within our Group ERM framework, applying a structured approach to identifying and managing risks that may impact our property assets, operations and long-term value creation. While risk oversight is managed at Group level, FMP's risk management function plays a direct role in assessing climate-related exposures across the property portfolio.

Our risk management approach recognises that climate-related risks have a significant impact on FMP's performance and long-term viability. We therefore manage our climate-related risks in the same way we manage any other operational or strategic risks, taking account of the specific skills and competencies needed to evaluate climate risk and assess the related short, medium and long-term impact on the business. In this context, climate risk awareness and training is ongoing across the organisation.

A unified ERM methodology guides the identification, assessment and mitigation of climate risks, ensuring alignment with our strategy, risk appetite and regulatory expectations. FMP applies the Group's Three Lines Model, which make certain operational teams take proactive ownership of risks, supported by risk specialists and internal audit.

Proactive risk management is further guided by our SPEC model.

Embedding climate risk in operations

We are integrating climate risk into our daily operations to ensure it is not treated as a separate function but rather as a fundamental aspect of how we do business. The Group has partnered with a reputable technology vendor to support the digitisation of risk management systems, including enhanced climate risk tracking and compliance monitoring. These tools are expected to streamline internal processes and support integration of climate data into enterprise-wide decision-making.

To further embed risk awareness, we have launched a Risk Champions programme, with designated employees responsible for monitoring climate risk and reporting to the Board.

Refining climate risk analysis

While our actuarial team tracks climate risks through long-term trend analysis, full integration into financial and risk management strategies is still evolving. Currently, we analyse climate trends over 5 to 10-year cycles to refine risk projections and capital planning. We collaborate with stakeholders within the Group, including the actuarial department, to develop appropriate scenario modelling to assist with managing these risks.

We are working closely with the local and regional regulators to refine our climate risk modelling and scenario analysis, ensuring our capital allocation incorporates climate-related financial exposures.

However, we are doing a training programme for finance and risk teams to align with global and national disclosure expectations and we are committed to strengthening internal audit oversight of sustainability-related financial risks.

Compliance and reporting

We are in the early stages of building a sustainability reporting framework that aligns with international best practice. While our current accounting systems are not yet fully equipped to capture ESG data, and sustainability metrics are not yet integrated into our internal audits, we recognise that robust, auditable ESG reporting is essential for long-term value creation.

Our leadership remains committed to this journey. We are investing in ESG capacity-building through ongoing training, policy development and system enhancements. Although our reporting capabilities are still evolving, we are laying the groundwork for full IFRS S1 and S2 alignment, aiming to increase the scope and quality of our disclosures year on year.

Climate risks and opportunity management

The Group recognises climate change risks and opportunities impact our long-term growth prospects. Climate-related risks include physical risks from extreme weather events and transition risks from evolving regulations and market shifts. Conversely, climate-aligned investments, green insurance products and sustainable infrastructure development provide opportunities for business growth and resilience.

We are in the early stages of developing a dedicated climate risk management framework aligned with global best practice to identify, assess, monitor and manage the various climate-related risks and impacts for each Group business.

Our broad risks and opportunities outlined below are presented in no particular order. They reflect our proactive stance in identifying and managing climate-related risks, while positioning for emerging opportunities that support long-term sustainability and resilience.

Climate-related risks

	Risk	Description	Implications for FMP	Response strategy
Physical risks	Property and infrastructure damage	Rising temperatures, flash floods and high wind events threaten the structural integrity of buildings and infrastructure.	• Reduced asset values • Higher repair and maintenance and insurance costs • Rental income volatility • Reputational risk	• Environmental impact assessments are conducted for all new developments • High-risk areas such as wetlands are excluded from site selection • Infrastructure upgrades include stormwater management systems, solar backup and foundation strengthening • Green building certifications and sustainable retrofits enhance resilience and investor confidence
	Water scarcity and energy disruptions	Erratic electricity supply and water shortages disrupt tenant operations and increase reliance on backup systems.	• Increased operational costs • Reputational risk due to service interruptions • Reduced tenant satisfaction	• Expansion of solar installations and energy efficient systems across the portfolio • Water resilience initiatives include boreholes, tanks and rainwater harvesting • Integration of water-sensitive urban design in new developments • Regular maintenance of backup power and water systems
Transition risks	Evolving regulatory environment	Climate-related disclosure regulations such as IFRS S1 and S2 are becoming mandatory. Local standards now require ESG alignment and emission tracking.	• Reputational risk and regulatory penalties if disclosures are inadequate or misaligned • Increased reporting costs and resource demands	• Strengthening ESG governance • Building internal reporting capacity and systems for ESG and climate data • Ongoing engagement with regulators
	Investor and market expectations	Investors and tenants are increasingly favouring environmentally sustainable and climate-resilient properties.	• Lower investment interest or rental uptake for outdated or non-resilient assets • Demand for better ESG disclosures	• Incorporating climate factors into investment strategy and tenant engagement • Use of green building principles to appeal to ESG-focused stakeholders • Enhancing transparency in ESG performance

Climate-related opportunities

Opportunity	Description	Business Benefits	Strategic Actions
Sustainable real estate development	Enhancing energy efficiency, water conservation and disaster resilience in FMP's property portfolio.	• Improved asset value and marketability • Reduced utility and maintenance costs • Stronger tenant demand	• Adopting green building principles • Installing solar and water-saving technologies • Prioritising biodiversity conservation and ecosystem integration in new developments • Ongoing exploration of smart building management systems and green materials
Technological innovation and climate-smart solutions	Leveraging digital platforms, risk management systems and emerging technologies to assess climate risks more efficiently and explore energy-efficient, climate-smart property solutions.	• Enhanced operational efficiency through automation and smart energy management • Greater transparency for investors and tenants through data-driven ESG reporting • Improves decision-making at Board and project levels	• Digitising the risk management system to improve tracking of climate-related exposures • Laying the foundation for future smart building solutions by investing in digital readiness and capacity-building
Reputation and stakeholder trust	Transparent climate performance and forward-looking ESG strategies build trust with stakeholders and position FMP as a responsible property leader.	• Improved brand reputation • Stronger investor confidence • Alignment with stakeholder expectations • New funding and partnership opportunities	• Publishing ESG disclosures aligned with GRI and ZSE guidelines • Expanding communications around climate investments and building resilience • Supporting national sustainability objectives through property innovation

Greenhouse gas emissions management

FMP is committed to tracking and managing our greenhouse gas (GHG) emissions as part of our broader climate strategy and alignment with national decarbonisation goals. While emissions from our own operations are modest relative to high-carbon industries, the real estate sector plays a significant role in global emissions, particularly through building energy use. We therefore aim to monitor our footprint, identify opportunities for efficiency and disclose performance data in line with applicable standards.

Scope 1 emissions

Scope 1 emissions refer to direct GHG emissions from sources we own or control. These primarily arise from our use of Company-owned vehicles and the diesel generators we rely on during power outages.

Scope 1 (kg CO_2e)	Diesel (litres)	Petrol (litres)
2024	12 040	4 780
2023	11 620	5 500
2022	6 700	540
2021	7 800	4 800

Note: We use UK Government GHG conversion factors (DEFRA) to calculate our emissions.

Scope 2 emissions

Scope 2 emissions include indirect GHG emissions associated with electricity purchased for use in FMP-managed buildings and corporate offices. These emissions are linked to energy supplied by the national power grid and remain a significant contributor to FMP's operational carbon footprint.

Scope 2 (kg CO_2e)	Electricity (kWh)
2024	111 168
2023	109 472
2022	171 231
2021	104 646

Note: Scope 2 emissions were calculated using emission factors obtained from the Southern African Power Pool 2015 using operating margin factors and the global warming potential rates from the Intergovernmental Panel on Climate Change (IPCC).

Scope 3 emissions

Scope 3 emissions refer to indirect GHG emissions that occur across FMP's broader value chain. For property companies, these may include emissions from tenants' energy consumption, construction activities, property development inputs and upstream supply chains. At present, FMP does not have systems in place to fully quantify Scope 3 emissions.

We acknowledge that establishing a Scope 3 baseline is critical to improving our emissions profile and enabling data-informed climate action. As part of our phased approach to climate risk and emissions management, we will begin assessing data availability for selected Scope 3 categories in the next reporting cycle. Establishing this baseline will enable FMP to set future reduction targets, support supplier and tenant engagement, and align with evolving reporting requirements under IFRS S2 and other frameworks.

Carbon reduction initiatives

While we are refining our carbon reduction roadmap, FMP is actively integrating renewable energy, energy-efficient technologies and sustainable operational practices to achieve long-term emissions reductions. Key emission reduction commitments include:

- Targeting 80% renewable energy reliance across core properties by 2030
- Improving energy efficiency by upgrading legacy systems with modern, low-energy alternatives
- Enhancing emissions tracking and reporting to ensure regulatory compliance and improved disclosure practices
-

Read more about our energy management initiatives on pages 71 to 73.

Climate action plan and roadmap

The First Mutual Group is at the early stages of formalising a climate action and transition planning strategy. During the 2024 reporting period, we adopted a structured, governance-led approach to climate integration, establishing new oversight structures to guide our alignment with incoming corporate disclosure expectations (such as those required by IFRS S1 and S2) and helping to steer FMP towards a more resilient, sustainable business model.

As part of our sustainability- and climate-related disclosure readiness journey, we have conducted an IFRS S1 and S2 gap analysis, assessing our current governance, risk management, strategy and sustainability-related disclosures. We have identified areas requiring improvement, particularly in relation to strategic sustainability and climate risk assessments, climate scenario analysis and the development of robust climate metrics and targets. We are now collaborating across the organisation to build internal capacity, define our priorities and establish the systems needed to track performance and ensure compliance.

Our phased sustainability and climate action strategy and roadmap is designed to lay the foundation for future climate-related disclosures and action. Although detailed planning is still in progress, our indicative implementation timeline is structured as follows.

Phase 1 (FY2024–2025)	**Governance and capability building** • Strengthen climate governance at FMP • Roll out ESG training and sustainability competency-building initiatives • Initiate development of climate-aligned data systems to improve reporting readiness • Begin collecting Scope 3 data • Undertake initial identification of strategic sustainability risks and opportunities (SRRO) and climate-related risks and opportunities (CRRO).

Phase 2 (FY2025–2026)	**Integration and risk assessments** • Conduct formal climate risk assessments across our property portfolio • Develop climate scenario models to support risk quantification • Finalise mapping of SRROs and CRROs and integrate them into business strategy • Establish short, medium and long-term climate-related targets for emissions and energy use • Expand internal climate data collection processes and controls to support IFRS-aligned reporting
Phase 3 (FY2027–onwards)	**Disclosure and performance monitoring** • Fully integrate climate risk management and disclosure across our operations • Align annual reporting with IFRS S1 and S2 core content requirements • Embed climate metrics into performance management, investment and capital planning frameworks • Ensure readiness for assurance of sustainability disclosures

We recognise this roadmap is a temporary framework and not a substitute for a comprehensive climate strategy. The actions outlined above are critical to building a credible foundation for future disclosures. Over time, FMP will continue to refine its climate action planning to make sure it not only meets regulatory expectations, but also creates long-term value for all stakeholders.

Future focus areas
Our primary goals to enhance FMP’s climate change response: • Completing ongoing climate risk assessment across the business • Developing specific emissions reduction targets • Embedding climate-related risks and opportunities into business decision-making

Arundel Office Park Solar Farm

USING NATURAL RESOURCES RESPONSIBLY

In an environment marked by water scarcity, power shortages and rising environmental expectations, optimising energy use, water consumption, waste practices and land management is crucial. We acknowledge that sustainable resource use and operational efficiency impact cost management, regulatory compliance and long-term business resilience. Through targeted investments and operational improvements, we are reducing our environmental impact, enhancing financial sustainability and strengthening resilience to climate-related disruptions.

Our focus areas

	Why this matters	Our response
Energy management Page 71 to 73	Reliable and cost-effective energy is critical to our operations, particularly given Zimbabwe's grid instability and rising energy costs. A strategic focus on energy efficiency and renewable energy adoption increases business resilience and supports the transition to a low-carbon economy.	We are strategically integrating renewable energy solutions and energy-efficient design across our operations. By prioritising solar power, energy-efficient buildings and responsible energy use, we aim to reduce our environmental impact while improving operational stability.
Water stewardship Page 73 to 74	Water scarcity poses a significant risk to our properties, tenants and broader business continuity. Efficient water use and long-term water security enhances resilience against climate variability and supports sustainable operations.	We take a proactive approach to water management, focusing on responsible sourcing, conservation and efficiency measures. Our initiatives include alternative water supply solutions, optimised consumption practices and investment in infrastructure that supports long-term resource sustainability.
Waste management Page 74 to 75	Responsible waste management is essential to reducing environmental impact, ensuring compliance with regulations and advancing circular economy principles. Sustainable waste practices support our long-term environmental and operational sustainability.	We are embedding waste minimisation, recycling and responsible disposal into our property management procedures. By implementing optimised waste streams and innovative recycling solutions, we aim to reduce landfill reliance and contribute to a more circular economy.
Land use and biodiversity Page 76 to 77	As a property developer, FMP plays a key role in responsible land use and biodiversity conservation. Sustainable development practices help mitigate environmental risks and ensure compliance with regulatory requirements while preserving natural ecosystems.	We invest in sustainable development and biodiversity protection, integrating environmental impact considerations into our project planning and asset management. Our approach prioritises conservation, responsible land use and green building principles to enhance environmental and community resilience.

Challenges and opportunities

FMP operates in a resource-constrained sub-Saharan African context, where energy insecurity and water scarcity create persistent challenges for businesses. Managing these constraints requires a proactive and adaptive approach to resource efficiency and sustainability. A key challenge is embedding sustainable practices across diverse properties, each with unique environmental footprints and operational needs. Ensuring energy efficiency, waste reduction and responsible land use are integrated into decision-making demands cross-functional alignment, infrastructure investment and ongoing capacity building. At the same time, evolving regulatory frameworks require us to strengthen our sustainability disclosures and data collection to meet investor and stakeholder expectations.

Balancing financial and operational priorities with our sustainability commitments is another challenge. Transitioning to resource-efficient buildings, waste management systems and renewable energy solutions requires significant upfront investment, which can be difficult in a constrained economic environment. Additionally, the adoption of green building standards and biodiversity conservation measures remains in early stages in Zimbabwe, meaning we must navigate emerging best practices and evolving regulatory guidance.

However, the growing emphasis on climate resilience and sustainability-linked investments aligns with our ambition to be recognised as an environmentally responsible real estate company. As circular economy principles gain traction, we also see potential to enhance waste repurposing strategies and explore partnerships that create new value streams from resource recovery. By embedding environmental sustainability more deeply into our operations, we can reduce risk exposure, unlock competitive advantages and position FMP as a leader in responsible business practices.

Associated material matters	Supporting our TARGETS strategy

Our strategic response

Although FMP is in the early stages of developing environmental policies and targets, we are actively integrating environmental considerations into our business practices. The following are our strategic focus areas.

Resource efficiency	Optimising resource consumption to reduce environmental impact and minimising waste streams.
Sustainable investments	Driving long-term environmental and financial sustainability by prioritising green building opportunities.
Sustainable procurement	Enhancing procurement standards and ensuring responsible sourcing across the business.
Protecting and restoring natural habitats	Safeguarding biodiversity and promoting responsible land use within real estate investment and development.

Energy management

Energy efficiency is an important component of FMP's sustainability strategy, cost management and climate resilience initiatives. We recognise that reducing energy consumption, increasing efficiency and transitioning to renewable energy will enhance business resilience, reduce costs and contribute to climate commitments.

Accountability and responsibility	• The Board and ESG Steering Committee oversee FMP's energy efficiency and sustainability strategies. • The Property and Facilities Management teams are responsible for energy optimisation, infrastructure upgrades and renewable energy integration across our properties. • The Risk and Compliance teams ensure compliance with energy regulations and environmental sustainability goals.
Regulatory compliance	• We have established systems and controls to ensure Group-wide compliance with Zimbabwe's energy efficiency guidelines and Environmental Management Authority (EMA) regulations on emissions reduction and sustainable energy use. • Our energy strategy aligns with the National Renewable Energy Policy, which encourages corporate adoption of solar power and other clean energy technologies. • We are aligning our energy performance reporting with global sustainability disclosure standards and regulatory expectations for climate-related financial reporting.
Going beyond compliance	• We are assessing the feasibility of greater solar energy adoption across key properties. • Our commitment to energy efficiency extends to upgrading older facilities in line with green building principles where feasible. • We continue to explore renewable energy partnerships and innovative financing solutions to accelerate our clean energy transition.

FMP has no formal policies on energy management but has organisational commitments to convert all buildings into green, energy efficient buildings. Our approach to energy management is further guided by:

- Responsible business commitments within the Group and property business
- Internal energy efficiency measures, which are implemented to drive down consumption and support cost saving
- Green construction guidelines, which provide a green framework for our property portfolio

Energy efficiency

At FMP, energy efficiency is embedded into our asset management practices, encompassing operational upgrades, tenant engagement and sustainable property development. Our approach supports cost-effective operations, enhances tenant satisfaction and strengthens resilience in the face of unreliable grid power. Our approach to energy efficiency is two-fold:

- Improving energy performance across existing buildings through retrofits, monitoring systems and optimised consumption strategies
- Embedding energy-efficient design principles in new developments, making sure future FMP properties integrate smart energy management from inception

To reduce our electricity demand, we have implemented energy-efficient lighting solutions such as LED lighting, smart thermostats and automated lighting controls in key buildings. Additionally, passive cooling and natural ventilation systems have been integrated into some properties to minimise reliance on air-conditioning. We ensure all new equipment, appliances and facility upgrades meet energy efficiency standards.

We are also refining our energy conservation practices to promote responsible energy use across all business units. We encourage best practices, such as switching off unused appliances, optimising air-conditioning usage and ensuring buildings are operated efficiently to reduce unnecessary energy consumption.

During 2024, we installed auto changeover systems across multiple sites to mitigate disruptions caused by unstable electricity supply. These systems allow for a seamless transition between power sources, maintaining business continuity and minimising downtime. In addition, we are implementing real-time energy tracking systems to improve efficiency and identify high-consumption areas for targeted interventions. While upfront investments in efficiency technologies can be capital-intensive, our long-term aim is to reduce reliance on municipal energy providers, improve operational resilience and align our buildings with evolving sustainability standards. We continue to explore sustainable financing options to support further energy efficiency improvements, particularly in older buildings that require retrofits to align with our energy-saving goals.

Renewable energy initiatives

Given Zimbabwe's energy constraints, FMP has embraced solar energy as a primary alternative to grid electricity. Our strategy focuses on building energy resilience, improving tenant continuity and reducing the environmental footprint of our portfolio.

Key milestones include:

- First Mutual Park, FMP's flagship head office in Harare, now runs on solar power, supported by a battery bank and daily system monitoring
- A recently completed 2,616.51 m^2 office development in Harare was designed with solar integration from the outset, reinforcing our commitment to low-carbon development
- At Arundel Office Park, a 75.5 KWA kVA solar system powers part of the complex, achieving major reductions in grid reliance and operating costs
- Chinhoyi student accommodation development includes a 150 kVA solar plant, developed in partnership with Group subsidiaries and external investors

Despite these achievements, operational challenges remain. Instances of inefficient solar usage have resulted in faster battery depletion and increased fuel consumption from backup generators. In response, we are improving staff awareness and user training to promote responsible solar usage and avoid overloading systems.

We are currently conducting feasibility assessments across our portfolio to identify additional properties suitable for solar expansion. Our long-term goal is to operate 80% of our buildings on natural energy, reducing grid reliance and improving energy autonomy.

Innovative financing mechanisms

Scaling up renewable energy infrastructure remains challenging because of high capital costs, maintenance requirements and long payback periods. To accelerate the transition, FMP is exploring alternative funding models that balance operational needs with financial sustainability.

Current mechanisms include:

- Internal funding, supplemented by small loans, to support cash flow management during project implementation
- Joint ventures and co-investment models, such as the Chinhoyi student accommodation project, which blend FMP capital with partner contributions
- Early-stage exploration of net metering and carbon credit markets, where FMP could monetise excess solar energy generation in future cycles

We have not yet accessed green finance from external sources, we plan to pursue these opportunities in the future. By leveraging partnerships and new instruments, we aim to make clean energy solutions scalable and economically viable across our property portfolio.

Green buildings

We are embedding green building principles into our real estate strategy, ensuring sustainability considerations are integrated into both new developments and existing properties.

One of our leading green properties, Arundel Office Park, has achieved above 90% occupancy rates, demonstrating the commercial viability of sustainable buildings. Additionally, the use of green building principles has attracted premium tenants, reinforcing the business case for environmentally sustainable infrastructure.

Our green buildings feature:
• Energy-efficient designs that maximise natural light and ventilation, reducing reliance on artificial lighting and cooling
• Sustainable construction materials, prioritising low-carbon and locally sourced options
• Integrated water recycling systems to complement energy sufficiency and resource conservation efforts.
• Performance glass installations, designed to act as thermal barriers, improving indoor climate control by keeping heat out in summer and retaining warmth in winter.
• Sustainable gardens featuring native plants that require less water and maintenance.

New property development

We prioritise the use of clean energy, such as solar and sustainable materials in construction. For example, our recent developments incorporate performance glass, which acts as an advanced thermal barrier, improving energy efficiency and indoor comfort despite external temperature changes. This ensures our buildings reflect FMP's commitment to sustainability in both design and operational efficiency.

We are also engaging architects and contractors to explore further climate-responsive solutions. One example includes integrating provisions for mobile cooling systems that can be deployed in individual rooms during extreme heat conditions, providing a practical and energy-efficient alternative to conventional air conditioning. Furthermore, we are aligning with initiatives from the Green Building Council of Zimbabwe, leveraging their insight and global best practices to future-proof our buildings for climate resilience.

Enhancing older buildings

We recognise that some older buildings in our portfolio may not meet the green standards of our newer developments. To address this, we have developed a structured approach to managing and upgrading existing properties:

- Selling buildings that are not feasible for refurbishment and removing them from our portfolio.
- Refurbishing or repurposing buildings for new uses, making certain they align with modern sustainability standards.
- Demolishing and redeveloping outdated structures to make way for new, energy-efficient developments.

We remain committed to continually evaluating and improving our buildings, ensuring green building principles drive our property development decisions and that our portfolio remains aligned with long-term sustainability goals.

Monitoring and measuring performance

We closely monitor energy usage at all properties, enabling us to identify areas for further energy conservation and optimise our energy management practices. We have set goals, targets and indicators to evaluate our progress, such as increased investment in green projects and renewable energy sources, as well as a reduction in overall energy consumption based on the source of energy.

Energy used across our properties

Energy source	2024	2023	2022	2021
Electricity (kWh)	111 168	109 472	171 231	104 646
Solar (kWh)*	7 175	7 479	-	-
Diesel for generators (litres)	12 040	11 620	6 700	7 800

*The tracking of solar usage commenced in 2023.

Fuel used by Company-owned vehicles

Fuel type	2024	2023	2022	2021
Diesel (litres)	7 600	11 620	6 700	7 800
Petrol (litres)	4 780	5 500	540	4 800

Future focus areas

Our primary energy management goals for 2025 are:

- Scaling up solar energy projects, targeting additional properties for installation.
- Strengthening energy efficiency policies, ensuring standardised implementation across all properties.
- Enhancing monitoring systems, introducing AI-driven analytics for better data management.
- Exploring green financing opportunities to enable further investment in energy-efficient infrastructure.

Water stewardship

Water is a critical resource for FMP's properties and surrounding communities. As climate change intensifies, water scarcity and quality are becoming significant risks, affecting business continuity, operational efficiency and stakeholder wellbeing. As part of our ESG commitments, FMP is integrating water efficiency measures into our operations, promoting responsible water consumption and exploring solutions to minimise unprocessed waste water and dependency on municipal water supplies.

Accountability and responsibility	• The Board and ESG Steering Committee provide oversight on FMP's water stewardship strategy. • The Facilities and Procurement teams manage water consumption, conservation initiatives and infrastructure efficiency improvements. • Risk and Compliance teams monitor adherence to local water regulations and corporate sustainability commitments.
Regulatory compliance	• FMP has established systems and controls to monitor ongoing compliance with Zimbabwe's water management regulations, ensuring responsible use and compliance with municipal water policies.
Going beyond compliance	• We invest in boreholes and water reservoirs to reduce reliance on municipal water. • FMP incorporates low-water-use building designs, drought-resistant landscaping and sustainable construction practices to support water efficiency in property developments. • Proactive leak detection and maintenance minimise water loss. • We recycle wastewater through waste management plants.

While FMP does not have a formal policy on water stewardship, water-related initiatives are embedded within broader environmental sustainability efforts and operational risk mitigation measures. Our approach to water management is further guided by the following initiatives.

- Internal protocols for water conservation and monitoring, which guide infrastructure upgrades and daily operations
- Routine site-level water monitoring and maintenance to monitor that consumption remains within acceptable thresholds and infrastructure is well maintained

Water risk management

Zimbabwe faces challenges related to water availability and quality, exacerbated by climate change, infrastructure constraints and increasing urban demand. Prolonged droughts and intermittent water supply disruptions pose operational risks for our property portfolio and broader business interests.

To mitigate these risks, we are diversifying water sources and investing in sustainable infrastructure solutions. Borehole installations, reservoir tanks, rainwater harvesting systems and efficiency measures form the backbone of our strategy to ensure water continuity and reduce reliance on municipal supply. Site assessments for new developments now routinely include investigations into both municipal and underground water availability to guide long-term planning and reduce project risk.

In locations where municipal water infrastructure is lacking or non-functional, such as Chinhoyi, we have adopted alternative solutions including boreholes and rainwater harvesting. In isolated cases where sewer lines are unavailable, we implement safe and sustainable septic tank systems, ensuring waste disposal does not compromise nearby water sources. These measures are particularly critical for high-occupancy developments, such as student housing, where service disruptions have significant consequences.

Borehole installations and water security

Given the lack of reliable municipal water supply in many of our operating regions, we continue to invest in borehole infrastructure across the Group's residential and commercial property portfolio. This includes the installation of 5 000-litre reservoir tanks to provide tenants with backup water during municipal outages and maintain operational continuity. This enhances the attractiveness of properties, making them more desirable to potential tenants or buyers.

To manage groundwater usage responsibly, FMP has equipped boreholes with flow meters to monitor withdrawal rates and prevent over-extraction. While boreholes have proven essential for maintaining water access, we remain aware of the long-term sustainability risks associated with dependence on groundwater. In cases where drilling is not feasible, water is sourced externally and supplied to tenants, although this is not considered a sustainable long-term solution.

We prioritise regular servicing and maintenance of boreholes to sustain optimal performance and longevity. By partnering with competent suppliers and conducting inspections, we minimise breakdowns and costly repairs. Through careful planning, site-specific infrastructure, responsible abstraction practices and continuous monitoring, we aim to balance water security with responsible natural resource use.

Optimising water usage across operations

We have introduced water efficiency measures across our properties to achieve water conservation and reduce costs in our operations. These measures include:

- Tenant-specific water meters, allowing occupants to track and manage their consumption effectively
- Flow regulators and pressure control mechanisms, reducing excessive water usage and minimising wastage
- Regular pipeline maintenance and leak detection, ensuring rapid response to damaged infrastructure to prevent unnecessary losses

These initiatives align with our broader environmental stewardship commitments and support operational cost management by reducing unnecessary municipal water expenditures.

Water reuse and conservation

By integrating water recycling and conservation measures into property management, we contribute to the long-term sustainability of local water ecosystems while ensuring our operations remain resilient to supply disruptions.

Our key water conservation initiatives include:

- Recycling of wastewater through on-site waste management plants, which facilitate the reuse of water resources
- Implementation of dry gardens featuring drought-resistant plants, significantly reducing irrigation requirements while maintaining an aesthetically pleasing environment
- Use of environmentally friendly inputs in construction, reducing water pollution risks

Monitoring and measuring our performance

FMP employs a data-driven approach to tracking water efficiency, ensuring investments in borehole infrastructure and conservation initiatives yield measurable benefits. This includes cost comparisons at properties to evaluate water-related savings before and after the introduction of boreholes. Tenant satisfaction surveys play a key role in assessing the impact of improved water availability, with positive feedback recorded at GS Mews and Kamfinsa following borehole installations.

Our gradual expansion of boreholes is informed by these insights, making sure water security improvements are strategic, efficient and aligned with tenant needs.

	Borehole water (ML)	Municipal water (ML)
2024	605	-
2023	425	-
2022	349	-
2021	345	-

Future focus areas
Our primary water efficiency goals for 2025 are: • Continued focus on borehole expansion to improve water self-sufficiency • Enhancing tracking mechanisms for monitoring water withdrawals and consumption efficiency • Aligning our water initiatives with climate risk disclosure requirements

Waste management

As a property investment and management company, FMP's primary waste streams include construction and refurbishment waste, electronic waste (e-waste), general office waste and waste generated by tenants across our managed buildings. Effective waste management is essential to reducing the environmental impact of our operations, optimising resource use and improving sustainability performance. We are committed to minimising waste generation, promoting recycling and integrating sustainable procurement practices to support a low-waste, circular economy throughout the value chain.

Accountability and responsibility	• The ESG and Risk Management committees oversee FMP's waste reduction strategy. • The Facilities and Procurement teams implement waste management programmes, ensuring efficient waste segregation, recycling and responsible disposal. • The IT department manages e-waste disposal, safeguarding proper handling of obsolete electronic equipment.
Regulatory compliance	• FMP has established systems and controls to monitor ongoing compliance with Environmental Management Agency (EMA) regulations governing waste disposal and recycling.
Going beyond compliance	• Digital transformation initiatives are reducing paper-based processes, lowering FMP's overall waste output. • Internal waste reduction campaigns encourage employees to reduce paper usage and minimise single-use plastics. • We encourage our suppliers to adopt waste-reduction strategies and partner with responsible vendors.

While FMP does not have a stand-alone formal policy on waste management, our approach is guided by our commitment to reduce waste by adopting sustainable procurement and operational efficiency measures. Our approach to responsible waste management is further guided by our:

- Standard operating procedures for waste handling and disposal and reducing environmental risk
- Site-level controls for waste separation and collection, which support responsible disposal and promote recycling where feasible
- Routine waste monitoring and contractor oversight to confirm proper disposal practices

Waste risk management

Although we have made progress in reducing waste, we continue to face operational challenges that require ongoing attention. Delays in municipal waste collection have necessitated the engagement of third-party waste collectors in some areas to ensure timely disposal and minimise health risks. Additionally, inconsistent contractor compliance remains a concern, requiring closer collaboration with construction and facility management partners to align their practices with our waste reduction expectations.

To address these challenges, we are actively working to streamline and enhance our waste management efforts. Our approach focuses on minimising landfill waste, expanding recycling initiatives and ensuring responsible disposal where necessary.

Waste reduction

We are committed to reducing waste at the source, encouraging a recycling culture and ensuring responsible disposal where necessary. Our key initiatives include the following.

Paperless office transformation

While FMP does not generate large volumes of paper waste compared to other industries, the administration of lease agreements and property documentation has traditionally relied heavily on printed materials. As part of the Group's Enterprise

Content Management (ECM) project, we are digitising lease agreements, property records and internal documents to reduce paper consumption and streamline access to information.

These efforts are supported by the adoption of cloud-based systems and employee training on digital workflows. The transition is already improving operational efficiency, reducing physical storage requirements and supporting our broader goal of minimising office waste across the portfolio.

Minimising landfill disposal

We are diverting waste from landfills by improving segregation at source and enhancing responsible disposal practices across our properties. To facilitate this, we have implemented colour-coded bins at key locations, including First Mutual Park, Arundel Office Park and George Square Mews, allowing for the efficient sorting of paper, plastics and metals. This system properly collects and processes recyclable materials, reducing the environmental impact of our waste.

To maintain safe and hygienic waste storage before collection, we have introduced bin houses and bin cages at selected sites. We work closely with municipal waste collection services to ensure timely waste removal and, where necessary, engage third-party waste collectors to address any delays in municipal services. This dual approach helps us mitigate the risk of waste accumulation, particularly in high-traffic commercial properties.

Tenant engagement is playing a growing role in our waste reduction efforts. Key tenants have influenced our adoption of enhanced waste segregation practices, helping to drive better recycling outcomes. Additionally, we conduct regular waste audits to assess the effectiveness of our segregation systems and identify areas for improvement.

Beyond day-to-day waste management, we are also focused on innovative waste repurposing initiatives. FMP has taken a practical approach to reusing construction rubble by donating it for fill for potholes in communities. This initiative supports local infrastructure improvements while significantly reducing the volume of construction waste sent to landfills.

In addition, we are exploring ways to reduce packaging waste in our facility management and office supply procurement processes. By working with suppliers to minimise excess packaging and prioritising sustainable materials, we aim to further reduce landfill dependency and align with circular economy principles.

Recycling and circular economy initiatives

Once projects have been completed, we identify recyclable materials that can be reused for future projects and recycle them. We continue to expand recycling stations with colour-coded bins at our managed properties so that recyclables are collected separately and processed appropriately. To further reduce risks associated with waste storage, we implemented bin houses, which minimise exposure to toxins and harmful substances.

To ensure the separated paper, plastic, metals and organic waste bins are responsibly recycled, we engage reputable waste collection companies to dispose the waste at designated sites. We have partnered with the Zimbabwe Sunshine group to provide training for cleaning companies and staff members at our buildings on handling waste for recycling.

In addition, FMP's procurement strategy contributes to waste reduction by promoting sustainable sourcing and responsible supplier practices. Aligned with this approach, we work with suppliers committed to waste reduction, recyclable materials and sustainable packaging.

To optimise resource consumption and improve operational efficiency, we have implemented the following.

- Evaluating supplier waste management practices to ensure compliance with sustainability standards
- Sourcing environmentally responsible office supplies, including eco-friendly printing materials and refillable stationery
- Partnering with suppliers that prioritise recycled and upcycled materials

By developing circular procurement strategies, we aim to extend material lifecycles, reduce waste and maximise resource efficiencies.

Responsible disposal

We take responsibility for clearing sites after construction or renovations. This includes proper waste collection, disposal and cleaning in an attempt to restore the site to its initial state. We also monitor the waste management practices of subcontracted companies and make sure waste is not dumped or left uncollected at construction sites or buildings, as this contributes to adverse impacts on the environment and local communities.

Hazardous waste

FMP's operations generate limited volumes of hazardous waste, including materials such as paints, adhesives, solvents and industrial cleaning chemicals, which require careful handling and disposal. All hazardous substances are disposed of in accordance with environmental regulations and municipal by-laws, with contractors and service providers working on our sites required to follow safe disposal procedures.

E-Waste

Our commitment to digitalisation has reduced paper waste but we remain focused on the responsible disposal of electronic waste. We work with approved third-party recyclers to safely manage obsolete IT equipment, batteries and electronic components, assessing formal e-waste recycling partnerships to enhance disposal practices. To improve accountability, we are expanding our e-waste tracking systems to strengthen reporting and transparency across our operations.

Monitoring and measuring our performance

To track and manage waste effectively, we are closely monitoring trends in segregation efficiency and recycling rates.

	2024	2023	2022	2021
Solid waste (tonnes)	6.8	7.5	6.2	4.8

Future focus areas

Our primary waste management goals for 2025 are:

- Expanding waste tracking systems to improve reporting accuracy and trend analysis
- Increasing recycling participation across our managed properties through tenant engagement
- Exploring innovation opportunities, including the use of AI and digital tools, to improve waste management efficiency

Land use and biodiversity

FMP's property developments, refurbishments and land use decisions can impact local ecosystems and green spaces. We acknowledge unmanaged biodiversity poses long-term risks to infrastructure, tenant wellbeing and local communities. As part of our commitment to responsible property management, we are taking steps to assess and mitigate these risks by promoting sustainable land use, integrating green design elements and supporting conservation where relevant.

Accountability and responsibility	• The Board ESG and Risk committees oversee biodiversity risk management and sustainability initiatives. • The Investment and Insurance teams integrate biodiversity risk considerations into portfolio management. • The Facilities and Procurement teams make certain FMP's operations and supply chain practices align with biodiversity conservation principles.
Regulatory compliance	• FMP aligns with national environmental protection laws and biodiversity conservation frameworks, ensuring its business activities do not contribute to deforestation, land degradation or ecosystem damage.
Going beyond compliance	• We avoid any developments on ecologically sensitive areas such as wetlands. • During 2024, we partnered with Trees of Harare to plant miombo trees on a portion of land at our Borrowdale Road property. • Our investment and insurance teams receive training on biodiversity risks and ecosystem valuation.

FMP's approach to managing biodiversity is guided by:

- Responsible business commitments within the Group and property business
- Focus on incorporating environmental landscaping and habitat-sensitive design where possible
- Green construction guidelines, which provide a green framework for our property portfolio

Property development planning and construction

We recognise that property development and construction affect natural capital management of biodiversity assets and the availability of ecosystem services to local communities through land-use changes, habitat disturbance and urban expansion. As we expand our property portfolio, we are committed to preserving natural ecosystems by reducing our negative biodiversity impact and achieving nature positive outcomes wherever possible.

Biodiversity considerations are embedded in FMP's project planning and execution. In collaboration with Zimbabwe's EMA, we conduct environmental impact assessments (EIA) where required, especially for projects near sensitive ecological areas such as wetlands. Our site selection process deliberately avoids such high-risk zones, not only to protect the environment, but also to reduce long-term structural and financial risks.

Where development proceeds, we apply our green construction guidelines to minimise environmental disruption. This includes preserving mature trees, rehabilitating disturbed areas, installing wastewater treatment systems and maintaining green spaces within project sites. We also implement nature-based solutions and support biodiversity through tree planting initiatives.

Case study: Restoring ecosystems at Rupurara Resort

Between 2023 and 2024, FMP worked with FMHL on an environmental restoration and water sustainability project at Rupurara Resort, aimed at enhancing biodiversity and strengthening water resilience. The initiative focused on rehabilitating natural landscapes, reviving aquatic systems and securing a reliable, sustainable water supply for the property.

To restore the site's ecological integrity, the landscaping team reintroduced indigenous lawn and wild plant species sourced from the local environment. These drought-resistant plants now cover much of the area, helping to stabilise the soil and prevent erosion, while supporting the regeneration of natural ecosystems.

The project also involved the removal of invasive vegetation from the resort's small dam. This clearance work allowed for better water flow and improved the habitat quality for aquatic life. The dam was de-silted and additional tilapia fish were introduced to help restore biodiversity and support the natural food chain within the ecosystem.

Water management formed a key component of the project. A controlled stream siphoning system was installed to draw water sustainably from a nearby stream. This system includes an auto-cutoff function that halts pumping once the reservoir is full, preventing over-extraction and maintaining the stream's natural flow. To reduce dependency on surface water, three strategically placed boreholes were integrated into the system, adding drought resilience and ensuring year-round water availability.

A semi-automated irrigation system was also implemented to maintain the rehabilitated landscape. This solution uses water efficiently, balancing inputs from the stream, boreholes and stored water to minimise waste and supporting healthy vegetation.

By combining ecological restoration with practical infrastructure upgrades, the Rupurara Resort project demonstrates how nature-positive solutions can be embedded into commercial operations. The result is a revitalised, biodiverse environment that benefits both the resort and the surrounding natural landscape.

Monitoring and measuring our performance

FMP is still in the early stages of formally monitoring and measuring biodiversity performance. However, we track key interventions, such as tree planting, the protection of green spaces on property sites, and biodiversity considerations identified in EIAs, through project-level reporting and regulatory compliance processes. We maintain ongoing communication and engagement with the EMA to support the environmental compliance of our operations.

As our sustainability-related data and information systems mature, we aim to develop more consistent, data-driven indicators to measure biodiversity outcomes and inform future planning.

Biodiversity performance

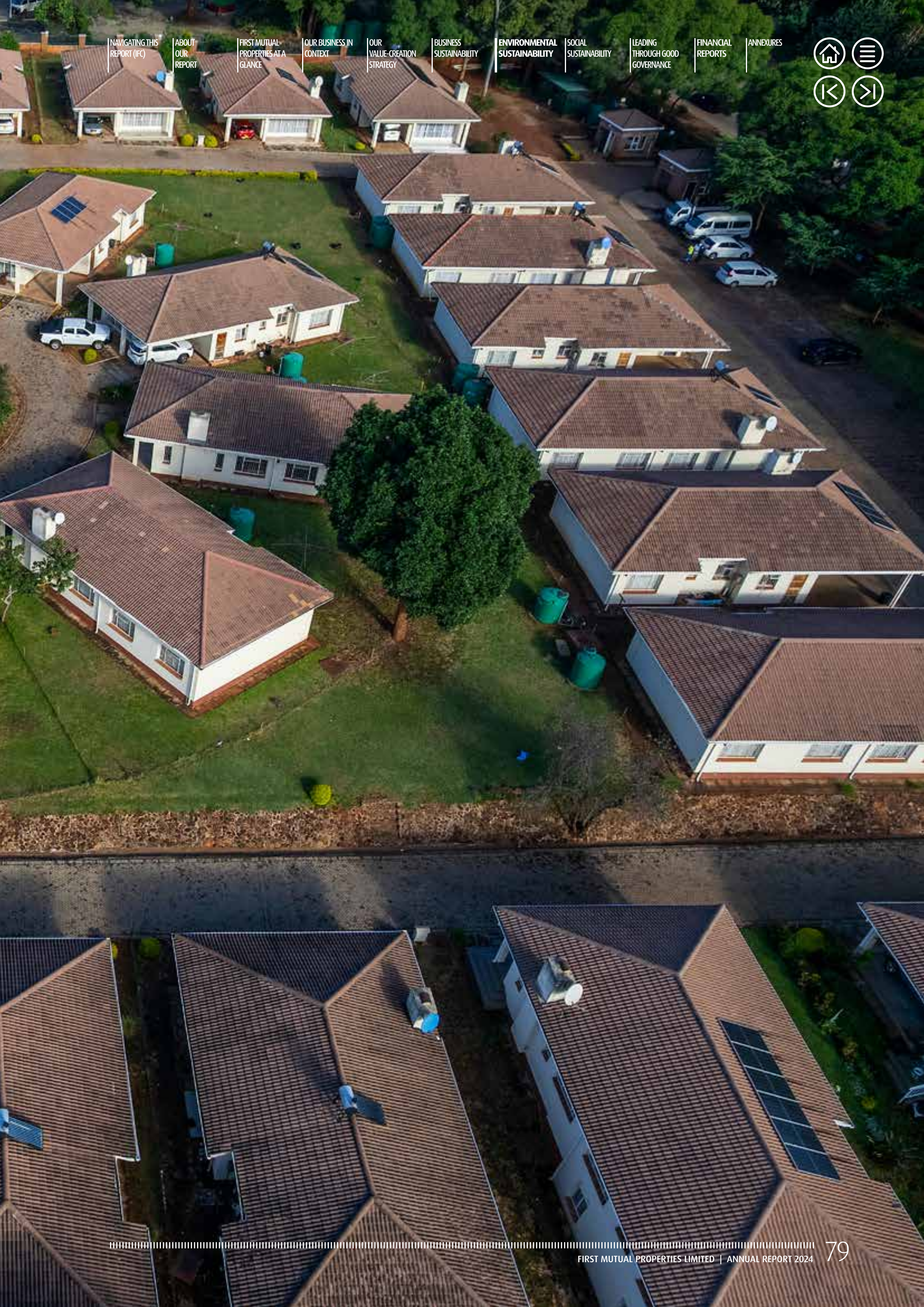
	2024	2023	2022	2021
Number of EIAs conducted	1	1	1	1
Area (hectares) of land protected from development.	52	54	54	54
Number of trees planted in reforestation initiatives	600	0	500	-

Future focus areas

Our primary biodiversity management goals for 2025:

- Enhancing biodiversity impact screening in investment and property development
- Exploring nature-positive financing mechanisms, such as biodiversity credits and ecosystem service funding
- Safeguarding a portion of wetland once property development commences near the Golden Stairs Road landbank in Harare

George Square Mews



SOCIAL SUSTAINABILITY

Human capital	83
Social and economic impact	93

FMP understands that thriving people and communities are vital to the long-term success of our business and country. By investing in social sustainability, we aim to create meaningful change and support long-term prosperity for all.

HUMAN CAPITAL
- Employee relations
- Human capital development
- Employee health and wellness

SOCIAL AND ECONOMIC IMPACT
- Corporate social responsibility
- Responsible procurement
- Economic value generation
- Responsible tax contributions

HUMAN CAPITAL

FMP's ability to create long-term value depends on the strength of our workforce. A highly skilled, engaged and well-supported team enhances business performance, strengthens stakeholder trust and drives sustainable growth. By investing in our people, we ensure organisational resilience and maintain a competitive edge in a rapidly evolving property sector.

Our focus areas	Why these matter	Our response
Employee relations Page 86 to 87	Strong employee relations are fundamental to FMP's organisational culture, workforce stability and long-term business success. Engaged employees are more productive, which enhances the delivery of our strategic goals and supports the sustainability of our business.	We are committed to advancing a workplace environment that promotes trust, collaboration and fairness, where employees feel valued, heard and engaged. By prioritising two-way engagement, fair treatment and transparent labour practices, we aim to strengthen our position as an employer of choice in Zimbabwe's property sector.
Human capital development Page 88 to 91	Equipping employees with critical skills and leadership capabilities is essential for business continuity, competitiveness and growth. A strong focus on human capital development ensures FMP remains agile and future-ready in an evolving operating context.	We invest in structured learning programmes, leadership development and technical upskilling to increase employee potential and ensure a strong leadership pipeline. Our approach to talent management includes succession planning, mentorship and continuous professional development to drive career growth and business sustainability. Skills development forms part of the performance assessment of team leaders.
Employee health and wellness Page 90 to 93	A healthy and resilient workforce is key to sustaining employee satisfaction and productivity. Prioritising employee wellbeing reduces absenteeism, supports mental health and fosters a positive work environment.	We take a holistic approach to employee wellbeing, integrating physical health, mental resilience and occupational safety initiatives. Our comprehensive wellness programmes include preventative healthcare, stress management, flexible work arrangements and employee assistance programmes (EAP) to create a safe, high-performing workplace.

Workforce challenges and opportunities

FMP operates in a dynamic environment where rapid digital transformation, shifting workforce expectations and regulatory changes are reshaping talent management. Skills migration remains a key challenge, as qualified professionals, particularly young talent, seek opportunities in international markets that offer stronger and more stable currencies, as well as greater political stability.

Increasing competition for skilled professionals across our operating markets highlights the need for a strong employee value proposition, while evolving labour and ESG regulations reinforce the importance of transparent workforce management and a sustainability-focused culture. To remain competitive, we must embrace emerging technologies, attract top talent and develop a resilient workforce that aligns with our long-term goals.

Despite these challenges, we are well positioned to leverage key opportunities that strengthen our people and our business. Investments in digital upskilling, workforce analytics and employee engagement enable us to future-proof our workforce and build high-performing teams and individuals. By embedding sustainability into human capital development and aligning remuneration with long-term business and ESG goals, we are creating a workforce that is agile, innovative and committed to sustainable success.


Oyster

Associated material matters	Supporting our TARGETS strategy

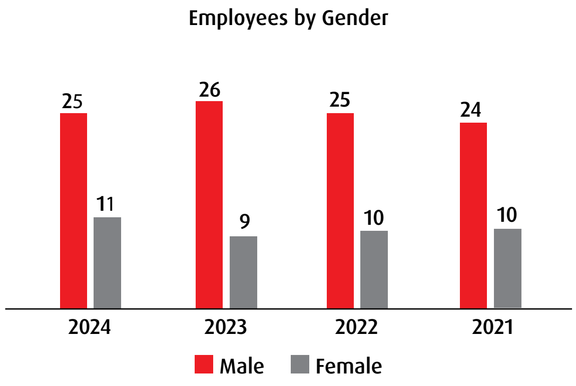
Our strategic response

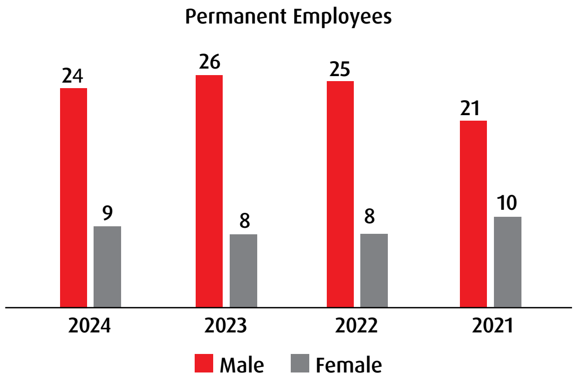
FMP's human resources strategy is built on three key pillars that address both immediate operational needs and long-term growth.

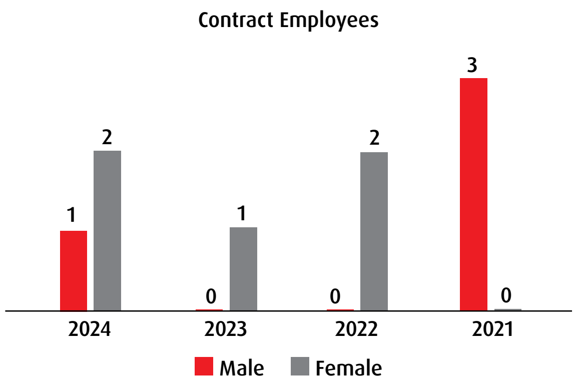
Pillar	Focus areas	Strategic approach
Talent management	Ensuring a pipeline of capable individuals ready to step into key roles.	We drive business continuity through structured talent development, succession planning and long-term career growth initiatives. Executive development programmes ensure leadership readiness.
Remuneration and compensation	Creating an employee value proposition that attracts, retains and motivates top talent.	We balance sustainable pay structures with performance-based incentives to drive engagement and organisational success. Compensation is competitively benchmarked and linked to performance targets and long-term sustainability.
Organisational development	Optimising workforce structures to support business growth and transformation.	We continuously refine organisational structures, supporting mergers, acquisitions and new business development. Integration strategies enable smooth transitions and sustained excellence in evolving business environments.

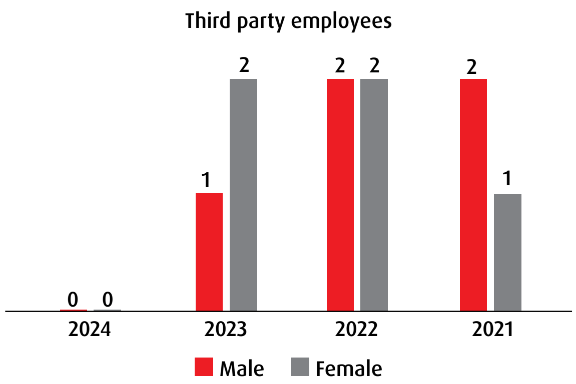
Employee demographics

	2024	2023	2022	2021
Total employees	**36**	**35**	**35**	**34**
· Male employees	25	26	25	24
· Female employees	11	9	10	10
Permanent employees				
· Permanent employees (male)	24	26	25	21
· Permanent employees (female)	9	8	8	10
Contract employees				
· Contract employees (male)	1	0	0	3
· Contract employees (female)	2	1	2	0
Third-party employees				
· Third-party employees (male)	0	1	2	2
· Third-party employees (female)	0	2	2	1









Employee relations

We prioritise proactive engagement to create a positive and supportive workplace and maintain our employee value proposition as an employer of choice.

Accountability and re-sponsibility	• The Board Human Resources and Governance Committee oversees employee relations policies, labour practices and workforce engagement strategies. • The Group HR department is responsible for implementing employee engagement initiatives, labour relations management and dispute resolution. • FMP's HR representative works closely with employees to address grievances, monitor workplace dynamics and drive engagement.
Regulatory compliance	• FMP adheres to the Labour Act (Chapter 28:01) in Zimbabwe, ensuring compliance with workplace rights, dispute resolution frameworks and fair employment practices. • The Group aligns with ILO conventions on Freedom of Association and Collective Bargaining.
Going beyond compli-ance	• Employees engage directly with leadership through regular town halls and feedback forums, fostering open communication and collaboration. • HR audits make certain our workforce management align with best practices and drive continuous improvement. • Diversity and inclusion training strengthens workplace equity by promoting fair treatment, unconscious bias awareness and respectful communication. • Employee awareness programmes on workplace rights, conflict resolution and grievance procedures empower employees with the tools to engage effectively. • Works Council meetings provide a proactive platform for identifying and ad-dressing workforce concerns, reducing disputes and strengthening employee relations. • Managers receive specialised training in labour relations and dispute resolution, equipping them to effectively address workplace concerns.

Our approach to employee relations is guided by:

- Internal Code of Conduct and Ethics Policy: Sets expectations for professional behaviour, workplace respect and ethical conduct.
- Recruitment and selection guidelines: Ensures fair employment practices, prohibiting discrimination based on race, gender, age, religion, disability or other protected characteristics.

- **Onboarding procedure:** Focuses on providing new employees with the necessary support and resources to help them smoothly integrate into the Company.
- **Learning and development programme:** Provides employees with information on accessing developmental programmes to improve their skills and their career opportunities. The Group assists staff with educational loans, which are written off up to a certain percentage should the recipient pass the course
- **Grievance procedure:** Provides a platform for addressing employee concerns promptly and fostering a culture of trust, transparency and fairness.

We also abide by the Works Council Constitution, which provides a structured framework for employee engagement and ensures fair negotiations with worker representatives.

Organisational culture and ethics

FMP fosters a workplace culture that drives excellence, innovation, inclusivity and ethical leadership. We are committed to transparency, collaboration and mutual respect; principles that support open communication and fair treatment of employees across all levels of the organisation. Our people are encouraged to explore new ideas, increase our competitive edge and embrace proactive risk management, contributing to a high-performing work environment.

A strong ethics and compliance framework underpins our culture. FMP enforces an annual ethics acknowledgment process. The business conduct and ethics framework is tailored to the property sector, with quarterly compliance reviews focused on industry-specific risks. We also provide regular ethics training to equip employees with the knowledge needed to uphold professional integrity and workplace fairness.

Employee engagement

FMP is committed to enhancing listening strategies, leadership accessibility and feedback mechanisms to maintain an informed and motivated workforce. We leverage structured engagement surveys, feedback forums and leadership involvement so employees feel valued, supported and empowered to contribute meaningfully.

We conduct periodic feedback sessions and team-building activities to foster collaboration, identify improvement opportunities and strengthen relationships. Insight from these engagements is used to inform policy development and drive a culture of continuous improvement.

Employee engagement survey

Our annual employee engagement and culture survey achieved a 79% response rate in 2024, reflecting strong participation across the workforce. During 2024, we revised our employee engagement assessment frame-work and rebased engagement scores and are therefore unable to report meaningfully on employee engagement trends in this reporting cycle. However, key findings indicate overall engagement levels remain strong, with high scores in alignment with our purpose and strategy.

FMP's HR team monitors engagement scores and retention trends, using insight to refine policies and address emerging workforce needs. Survey feedback highlights the need for the following measures:

- Clear career paths and mentorship initiatives to improve growth opportunities
- Ongoing leadership development programmes to strengthen employee-manager relationships
- More structured recognition and reward mechanisms to increase motivation
- Communication of the Employee Value Proposition to create awareness
- Targeted improvements in work processes and operational efficiencies

We remain committed to sustaining high levels of employee satisfaction, engagement and retention by acting on feedback and recognising employee contributions.

Diversity and inclusion

Our commitment to diversity, equity and inclusion ensures all employees have equal opportunities for growth and are treated fairly. We recognise a culture of equity and belonging strengthens problem-solving, innovation and retention while mitigating risks associated with discrimination and workplace inequality.

To embed inclusivity across all operations, we actively identify and remove barriers that hinder workforce diversity. The business provides awareness training on gender, race, age, disability and cross-cultural topics and has implemented disability enablers, including accessible transportation, parking, buildings and ablution facilities. We also partner with specialised recruitment agencies to expand opportunities for candidates from underrepresented groups.

Workforce representation targets

We have set clear diversity and inclusion long-term targets, focusing on gender, age representation, disability and racial inclusivity. We monitor our progress towards these targets and continually refine our policies, training programmes and recruitment practices to foster a more equitable workplace.

Focus area	2026 target	Current progress (2024)
Gender representation	50% female at managerial level; 50% at executive level	25% female at managerial level; 25% at executive level
Age representation	33.3% under 45 years in management/ executive roles	75% of managers are under 45; 25% of executives are between 25-35 years
Disability inclusion	0.5% of total employees	0% of total employees
Racial representation	At least 1% non-black employees	0% of employees are non-black

Gender-focused initiatives

The Group actively supports policies and workplace practices to meet the unique needs of women in the work-force. Our current initiatives include:

- Breastfeeding and resting rooms for nursing mothers
- A dedicated breastfeeding hour for six months post-delivery
- Maternity leave policies aligned with legal requirements
- Ongoing discussions regarding childcare facilities, with implementation contingent on resource availability

FMP aligns with FMP's broader diversity strategy but has sector-specific initiatives, including:

- Higher gender diversity in non-traditional roles such as female caretakers in property management
- Proactive accessibility measures, such as lifts and designated disabled parking at key properties

We are also committed to pay equity across the organisation. Salaries for employees covered by the National Employment Council (NEC) are governed by collective bargaining agreements (CBA), ensuring standardisation and fairness. For non-NEC employees, our internal salary structures are determined by job grade rather than gender, so that there is no gender-based wage disparity in compensation practices.

Freedom of association and collective bargaining

Worker representatives and unions have recognised FMP's commitment to collective bargaining, reinforcing our reputation for fair and ethical labour practices. We strive to maintain harmonious labour relations, strengthen collective bargaining mechanisms and guarantee transparency in workplace relations.

We hold quarterly engagement forums where worker leadership meets with our CEO to discuss emerging issues and workplace concerns. This proactive approach strengthens employee relations and allows issues to be re-solved efficiently. We also recognise that unresolved disputes may escalate to costly litigation or industrial action, and we take deliberate steps to minimise these risks through open dialogue and early intervention.

FMP aligns the working conditions and terms of employment for non-unionised employees with the nationally accepted collective bargaining agreements relevant to the property sector. In addition, we actively participate in industry platforms that promote responsible labour practices, helping us remain current on evolving trends, standards and compliance requirements. Human resources policies are reviewed regularly to ensure ongoing alignment with labour legislation and industry best practice.

Training and awareness on employee rights

To guarantee fair labour relations, we invest in awareness and training programmes for both employees and management. Supervisors and executives receive training on labour laws and employee rights, equipping them to uphold respectful workplace policies. Employees participate in education programmes on collective bargaining and dispute resolution, empowering them to engage effectively in labour discussions. We also facilitate union and management engagement forums, fostering mutual respect, transparency and open dialogue in all work place interactions.

Labour relations performance

	2024	2023	2022	2021
Number of unionised employees	22	21	21	21
Labour disputes reported and resolved	0	0	0	0

Discipline and grievance management

By maintaining a structured, transparent and employee-centric approach to workplace discipline, we ensure FMP remains a trustworthy and fair employer. We have established clear grievance-handling channels that encourage employees to voice concerns and seek timely resolutions. Our goal is for employees to feel safe and supported when raising workplace concerns.

FMP's discipline management approach is proactive, prioritising education and corrective action over punitive measures. Employees receive training on workplace ethics, conflict resolution and grievance procedures, ensuring they understand their rights and responsibilities. When disciplinary matters arise, we begin with counselling and guidance before resorting to formal disciplinary measures.

The works council, which includes both management and employee representatives, convenes regularly to facilitate constructive discussions and dispute resolution. Since 2013, no employee has appealed a disciplinary decision, reflecting the effectiveness of our investigation processes and clear communication in resolving workplace disputes.

Grievance management performance

	2024	2023	2022	2021
Number of grievances reported	3	0	1	2
Number of grievances resolved	3	0	1	2

Future focus areas

Our primary employee engagement goals for 2025:

- Acting on engagement survey insights to improve workplace satisfaction
- Increasing the representation of women and underrepresented groups in leadership positions and embedding inclusivity in recruitment strategies
- Refining engagement platforms and work processes for better alignment between employee responsibilities and organisational goals

Human capital development

FMP recognises human capital development is a strategic driver of business growth, innovation and long-term competitiveness. We are investing in employee training, leadership development and career progression to ensure we attract, retain and nurture top talent.

Accountability and responsibility	• The Board Human Resources and Governance Committee provides strategic oversight on talent development and succession planning. • The Group HR department leads employee learning and development programmes, career pathing and leadership training initiatives. • The FMP HR manager oversees role-specific skills development and team training programmes.
Regulatory compliance	• FMP aligns its human capital development strategy with national labour regulations and skills development mandates, including property sector competency requirements.
Going beyond compliance	• FMP is committed to creating a learning-oriented culture, ensuring employees have access to the skills, knowledge and career opportunities needed for professional success. • Annual training audits and performance reviews track progress towards our learning and development commitments. • We offer internship and work experience programmes to support talented local students.

Our approach to employee relations is guided by the following initiatives.

- Learning and Development Programme: Our approach to skills enhancement and career progression supports employees in meeting industry certification and professional accreditation requirements.
- Performance Management System: Defines our processes for measuring employee performance and improvement in alignment with the Group's goals.
- Leadership Development and Succession Planning framework: Ensures FMP cultivates future leaders from within.
- Our Group Innovation Remuneration Policy: Incentivises innovative contributions within the workforce.

Talent attraction and retention

The war for talent is intensifying, requiring a more innovative and flexible approach to workforce management. Our employee value proposition is designed to attract and retain skilled professionals by offering competitive remuneration, structured career growth opportunities and increased workplace benefits. In addition, we have implemented initiatives to promote work-life balance, flexible work arrangements and wellness benefits, ensuring our workforce remains engaged and motivated.

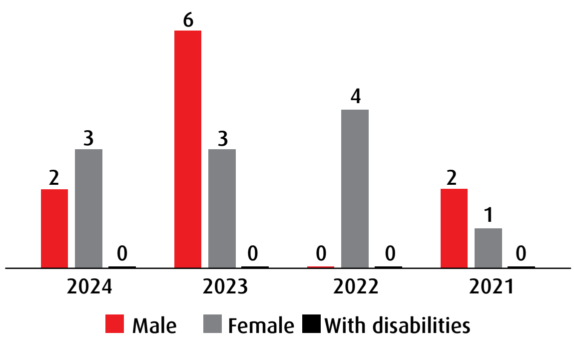
To future-proof our workforce and strengthen business continuity, we are implementing the following.

- Developing a formal leadership and technical competency framework to guide skills development and career progression.
- Implementing a structured performance-potential assessment model to identify and nurture high-potential employees.
- Enhancing succession planning and talent pipeline development to maintain a steady supply of future leaders.
- Aligning remuneration policies with industry benchmarks and optimising reward structures to attract, retain and recognise top talent.

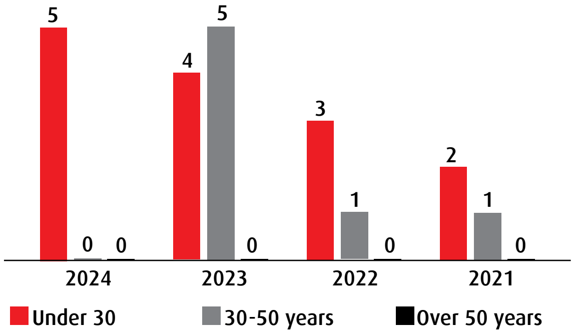
Maintaining a stable and engaged workforce is a key priority. We aim to keep our overall employee turnover rate at or below 7.5%, with a specific focus on retaining key talent in critical roles.

	2024	2023	2022	2021
New employees				
New male employees	2	6	-	2
New female employees	3	3	4	1
New employees with disabilities	-	-	-	
New employees under 30	5	4	3	2
New employees 30-50	-	5	1	1
New employees over 50	-	-	-	-
Turnover				
Turnover (male)	2	4	1	3
Turnover (female)	2	5	2	2
Turnover under 30	4	3	2	-
Turnover 30-50	-	6	1	3
Turnover over 50	-	-	-	2

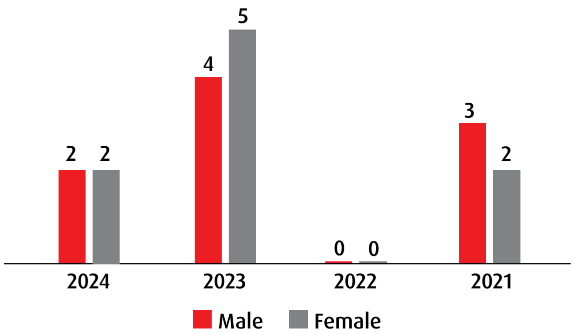
New Employees by gender and abilities



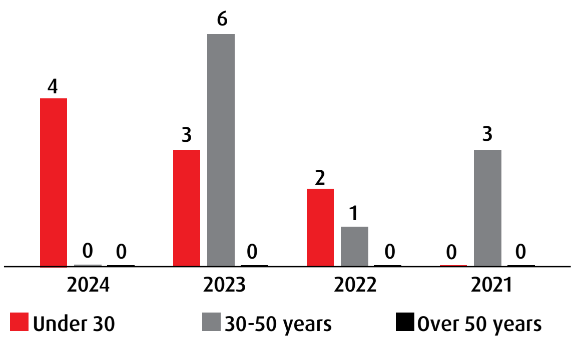
Empoyees by Age



Turnover by Gender



Turnover by Age



Skills development

FMP is building a learning-oriented culture, equipping employees with the skills, knowledge and career opportunities needed to succeed. However, skills shortages in critical areas remain a challenge, particularly in digital finance and technology-driven roles. Ensuring equitable access to training across all levels and balancing operational demands with ongoing development are key focus areas.

To address these challenges, we have strengthened our Learning and Development Programme, which provides employees with structured learning pathways, access to professional development programmes and support mechanisms such as study loans. This includes both formal training and on-the-job development tailored to different career levels and job functions.

We also invest in tools to identify the right talent for specific roles, establish clear performance expectations and provide regular feedback to support individual growth. Learning and development is aligned with performance evaluations, succession planning and internal mobility to ensure employees are empowered to pursue

meaningful career progression. This is reflected in the FMP Finance team, where significant upskilling has enabled several team members to move into senior roles within the broader FMHL Group.

Developing future-fit skills

To maintain an agile, future-ready and competitive workforce, we offer a range of targeted learning and development opportunities.

- Specialised training in property management, real estate valuation and facilities maintenance to build sector-relevant expertise
- Leadership workshops and management training to strengthen decision-making, strategic thinking and business acumen
- E-learning platforms and self-paced learning resources that support continuous development and flexibility
- Mentorship and coaching programmes that prepare employees for leadership roles and support career development

FMP has a target of 24 hours of training per employee per year to support our commitment to continuous learning.

Performance and training impact

	2024	2023	2022
Average training hours per employee	38.38	12.05	14.08
Employees participating in leadership development programmes	2	1	1
Digital skills training participation	36	34	0

Internships and graduate programmes

Our internship and graduate programmes play a vital role in strengthening our talent pipeline, equipping young professionals with the skills needed to succeed. These structured programmes offer hands-on experience, mentorship and career development across key business areas, ensuring interns gain practical exposure and workplace readiness. High-performing interns are offered full-time positions, contributing to workforce diversity and skills retention.

During 2024, we recruited one young graduate trainee into our internship programme (2023 total: 2). In 2023, two of our Graduate Trainees became full-time employees.

Mitigating skills-related risks

FMP measures the impact of skills development not only through training participation rates, but also by assessing workforce resilience and business continuity. Ensuring critical roles remain filled, employees develop in-demand skills and operational disruptions are minimised is central to our strategy. We have implemented the following.

- Resilience testing, encouraging employees to take leave to make certain teams function without over-reliance on individuals
- Tracking time-to-fill for key vacancies, ensuring critical roles are replenished efficiently (target: within two months)
- Competency assessments, monitoring how well employees apply acquired skills to their roles

Sustainable remuneration

FMP offers competitive remuneration aligned with market standards, business priorities and long-term value creation. Our balanced compensation model rewards employees for financial performance, sustainability contributions, operational excellence and organisational growth. As an employer of choice, we are consistently recognised in employee surveys as one of Zimbabwe's top employers in terms of remuneration.

We follow a structured remuneration framework that defines salary ranges across different grades, in full compliance with the minimum salary provisions of the commercial industries Collective Bargaining Agreement (CBA). This is complemented by a performance management system, which enables us to identify and appropriately reward high performers. We differentiate between employees who consistently deliver strong results and those with high potential for leadership growth, ensuring top achievers receive additional incentives.

As part of our performance-based remuneration approach, we have eliminated the traditional 13th cheque for junior employees in favour of a fully performance-driven bonus system across the Group. High performers are not only rewarded through bonuses, but may also receive supportive benefits, such as housing assistance for promising young employees. This model enhances employee motivation, retention and loyalty, contributing to a resilient and engaged workforce.

While talent retention remains a key focus, we acknowledge talent migration to international markets offering Dollar-based salaries presents a challenge, particularly in Zimbabwe. However, within Zimbabwe, our competitive and structured remuneration strategy positions FMP as a preferred employer, supporting long-term workforce stability.

Elements of total remuneration

Category	Fixed pay	Variable incentives – short-term incentives	Variable incentives – long-term incentives
Total guaranteed package	Yes	Yes	Yes
Purpose	To attract and retain employees through competitive fixed pay.	To attract and retain employees and to drive a high-performance culture.	To align the interests of the employees with shareholders and other stakeholders by growing the value of the Company.
Who	All employees	All employees	Senior management and above, including general managers and executives.
Description	Basic salary plus benefits and allowances.	Annual bonuses payable on the provision that certain Group and individual performance targets are met.	Share-based compensation, where granted to an employee, vests over at least a three-year period.
Settlement method	Cash	Cash	Either cash or shares
Frequency	Monthly	Annually	Annually
Performance	Based on personal performance ratings, internal and external parity.	Performance conditions are determined annually on a Group basis. Individual performance is measured via the performance management system.	Performance conditions are determined for each allocation. Individual performance is measured via the performance management system

Linking performance to sustainability goals

Sustainability metrics are integrated into short- and long-term incentives, with executive and management remuneration tied to measurable sustainability targets. These targets cascade throughout the organisation, ensuring sustainability remains a core priority alongside financial and operational goals.

To further align with industry benchmarks and evolving employee expectations, we are:

- Refining incentive structures to strengthen the link between reward and sustainability performance
- Enhancing transparency in performance evaluations to clarify how sustainability metrics influence remuneration
- Expanding ESG awareness to reinforce accountability and long-term value creation

Future focus areas
As we continue to evolve our talent strategy, our focus remains on ensuring employees see long-term career prospects within FMP while contributing meaningfully to our success. Our primary employee training and development goals for 2025: • Developing change management programmes to assure the smooth implementation of business process and digitalisation projects. • Strengthening leadership and technical skills, enhancing succession planning and optimising reward structures to attract and retain top talent. • Refining performance-potential assessments to identify high-potential employees. • Ensuring remuneration remains competitive and rewarding strategic and sustainability performance.

Employee health and wellness

Our approach to health and wellness integrates employee wellbeing initiatives with occupational health and safety standards, ensuring a holistic framework that prioritises both preventative care and workplace safety.

Accountability and responsibility	• The Board Human Resources and Risk committees oversee FMP's strategic direction for employee wellness and workplace safety policies, as well as compliance with workplace safety laws. • The Group HR and Facilities teams implement wellness initiatives, health and safety procedures, workplace risk management and emergency response plans. • Line managers and employees play an active role in ensuring compliance with safety protocols and reporting potential hazards.
Regulatory compliance	• FMP complies with Occupational Safety and Health regulations across all markets in which we operate, strictly following workplace safety regulations. • The Group adheres to global OHS standards, including ISO 45001, to enhance risk management and employee wellbeing. • Annual OHS audits and workplace inspections are conducted to identify safety risks and ensure regulatory adherence.
Going beyond compliance	• We invest in preventative health programmes, including regular health screenings, ergonomic assessments and mental wellness initiatives. • Employee assistance programmes (EAP) offer counselling and psychological support to improve workforce resilience. • The Group actively raises awareness on mental health and stress management through training sessions and leadership engagement. • FMP is strengthening digital reporting systems to improve safety incident tracking and response efficiency.

Our employee health and wellness management approach is supported by the following.

- Occupational Health and Safety Policy: Outlines safety measures, hazard identification and emergency response protocols.
- Our Workforce Wellness programme: Outlines initiatives for physical, mental and emotional wellbeing.
- Crisis and Emergency Response framework: Maintains a structured approach to incident management and employee safety.
- Incident Reporting and Investigation framework: Ensures thorough reviews of workplace accidents and continuous improvement in safety practices.

Supporting workforce wellbeing

The COVID-19 pandemic underscored the importance of employee wellness, leading FMP to increase our focus on initiatives that support employees' overall wellbeing, improving business continuity and resilience. We are committed to creating a supportive work environment that promotes physical, mental and emotional health.

Employee wellness initiatives

To maintain employee health and work-life balance, we have implemented a range of structured wellness programmes, including:

- Preventative health screenings to enable early detection of health risks and promote proactive healthcare.
- Workplace stress management and resilience training, equipping employees with tools to handle job-related pressures.
- On-site fitness and wellness programmes, including wellness days and awareness sessions, that encourage physical activity and a balanced lifestyle.
- EAPs providing confidential counselling, mental health support and financial wellness coaching.
- Wellness talks and health awareness snippets, promoting holistic health education and preventative care.
- Flexible work arrangements to improve work-life balance, enhance productivity and reduce burnout.

We conduct quarterly wellness initiatives and an annual employee health assessment, where employees consult with health practitioners to identify potential health risks and adopt corrective lifestyle measures. These assessments provide valuable feedback, helping us tailor human capital strategies and strengthen workforce support structures.

Employee welfare and benefits

FMP supports employees' long-term financial security through pension contributions.

Pension contributions	2024 (US$)	2023 (US$)	2022 (US$)	2021 (US$)
National Social Security Authority (NSSA)	18 686	23 258	3 728	2 058
Group Pension Fund	71 494	67 947	5 378	1 604

FMP incorporates ergonomic workplace design to support employees working in field roles. Health and wellness screenings are extended to on-site building and facilities management teams, ensuring proactive risk identification for employees who work in high-traffic properties. These additional measures align with FMP's sector-specific workforce risks, and employees in operational roles receive tailored support for their physical and mental wellbeing.

FMP also recognises the importance of family support and offers comprehensive parental leave benefits. Employees are supported before, during and after their leave period via our parental leave policy, reinforcing our commitment to work-life balance and gender inclusivity.

Occupational health and safety

FMP is committed to creating a safe and compliant work environment, ensuring all employees, contractors and stakeholders operate in conditions that minimise workplace risks and promote overall wellbeing. Our occupational health and safety (OHS) management system is designed to prevent injuries, illnesses and incidents and safeguard the overall health of our workforce.

Safety management approach

Our proactive approach to OHS includes structured policies and initiatives that identify, assess and mitigate hazards before they escalate into incidents. Core elements of our workplace safety framework include:

- Comprehensive risk assessments to detect and address potential hazards in the workplace
- Mandatory health and safety training for employees and managers, reinforcing safe work practices
- Emergency preparedness drills, including annual fire drills to test response protocols
- Incident reporting and investigation mechanisms that enable timely response and corrective action
- Technology-driven safety tracking, integrating digital reporting systems to enhance workplace safety compliance

We conduct annual emergency preparedness exercises, supported by regular training in first aid, firefighting, and safety, health and environment representative responsibilities. These programmes make sure employees are equipped to respond effectively in critical situations. Wellness, safety and health marshals serve as on-the-ground liaisons, while senior leadership receives structured guidance to ensure informed and proactive OHS decision-making.
FMP's OHS approach aligns with property sector-specific risks and includes:

- Specialised workplace safety training covering property management, real estate operations and facilities maintenance
- Fire prevention and property safety audits to guarantee regulatory compliance
- Facilities inspections and contractor safety protocols that address risks in managed properties
- Emergency drills tailored to high-occupancy buildings
- Mandatory safety inductions for employees in maintenance, security and tenant-facing roles

Hazard identification and risk management

All employees are encouraged to report hazards, which are formally assessed by the Human Resources and Risk Management departments, in collaboration with area-based employee representatives. This process includes:

- Regular inspections and documentation of hazards reported
- Root-cause investigations and implementation of corrective actions
- Continuous review of safety protocols and adjustment of risk controls

We have also implemented hazard identification and risk assessment procedures and maintain scenario-based response plans to prepare for events such as fire, crime or evacuation emergencies.

Performance and compliance

Our safety system undergoes regular internal, external and ISO audits, helping us identify improvement areas and ensure sustained compliance with high standards. Employees report increased awareness of workplace safety protocols, reflecting the effectiveness of our training and communication initiatives. Ongoing collaboration between safety teams, HR, employee reps and senior management helps maintain a safety-conscious culture across all business units.

Key OHS performance indicators for 2024

	2024	2023	2022	2021
Workplace accident and injury rate	-	-	-	-
Lost-time injury frequency rate (LTIFR)	-	-	-	-
Employee participation in OHS training	90%			
Workplace safety audits and compliance rate	100% compliance			

Employees report increased awareness of workplace safety protocols, reflecting the effectiveness of our training and communication initiatives. Ongoing collaboration between safety teams, HR, employee reps and senior management helps maintain a safety-conscious culture across all business units.

Future focus areas

Our primary health and wellness goals for 2025:

- Expanding mental health and resilience programmes to improve employee wellbeing
- Increasing awareness and leadership engagement around work-life balance and mental health
- Enhancing data-driven risk assessments to proactively identify and address workplace hazards
- Integrating advanced digital reporting tools for safety compliance and wellness tracking

SOCIAL AND ECONOMIC IMPACT

FMP understands that creating sustainable value extends beyond financial performance to encompass meaningful contributions to our communities and the local economy. In Zimbabwe's dynamic socio-economic landscape, our social and economic efforts strengthen community resilience, support livelihoods, drive inclusive growth and underpin our social licence to operate.

Our focus areas

	Why this matters	Our response
Corporate social responsibility Page 94 to 96	Strong community ties enhance social stability and stakeholder trust, vital for sustainable operations in Zimbabwe's challenging context.	We invest in primary, secondary and tertiary education for underprivileged students and support vulnerable communities in times of need, building resilience and opportunity.
Responsible procurement Page 96 to 98	Ethical and sustainable supply chains bolster local economies and reduce operational risks amid market volatility.	We centralise procurement to optimise costs and quality, embedding sustainability principles to support local suppliers and resilience.

Economic value generation Page 98 to 99	Robust financial performance drives employment, shareholder returns and community investments, essential for stability and local growth.	We pursue growth in revenue and assets under management, reinvesting profits into expansion and stakeholder value creation.
Responsible tax contributions Page 99 to 101	Transparent tax contributions fund public services, supporting societal development while ensuring compliance in a regulated environment.	We prioritise full compliance and tax efficiency, aligning with high governance standards to sustain cash flows and public benefit.

Challenges and opportunities

FMP operates in a dynamic environment shaped by macroeconomic volatility, evolving stakeholder expectations and regulatory changes that increasingly emphasise long-term sustainability. Zimbabwe's multi-currency system, coupled with inflation and exchange rate fluctuations, continues to influence the business environment, affecting areas such as asset valuations, construction input costs and long-term investment planning. Broader economic shifts, including the growth of the informal sector, place additional pressure on infrastructure and service delivery, presenting both operational challenges and opportunities for the private sector to contribute meaningfully to inclusive development.

At the same time, these pressures create space for innovation and impact. FMP's strategic shift towards mixed-use developments, student housing and infrastructure-linked commercial nodes positions the business to meet unmet demand in under-served areas. Rising ESG awareness among stakeholders offers a chance to deepen social impact through strategic CSR and responsible procurement, aligning with global standards while addressing local needs. By embedding sustainability across the development and property management value chain, FMP can strengthen community resilience, unlock new sources of long-term value and position itself as a forward-thinking leader in Zimbabwe's real estate sector.

Associated material matters	Supporting our TARGETS strategy

Our strategic response

Our commitment to 'Go Beyond' reflects a deep awareness of managing our business in a socially responsible manner. We believe in delivering impact that extends beyond business services, ensuring our investments, property services and engagements contribute meaningfully to people's lives and the broader economy. As an organisation, we have an important role to play today, tomorrow and for generations to come. This philosophy is deeply embedded in our company culture, shaping how we innovate, serve customers and support the communities we operate in.

We aim to improve the social and economic dignity of the people and communities we serve.

- Investing in socially responsive developments such as student accommodation, SME markets and infrastructure-linked retail, which expand access to essential services and economic opportunity.
- Enhancing tenant and community wellbeing through responsible property management practices and infrastructure upgrades.
- Supporting community upliftment through targeted CSR initiatives that respond to local needs in areas such as health, education, shelter and dignity.
- Strengthening local supply chains by sourcing materials and services from domestic suppliers and subcontractors, supporting enterprise growth and job creation.
- Embedding ESG criteria in project development to ensure long-term environmental, economic and social sustainability across our value chain.

Corporate social responsibility

FMP's commitment to CSR supports delivery on our social impact goals, aligning with our 'Go Beyond' philosophy. By investing in education, including student housing, and channelling resources towards disadvantaged communities in Zimbabwe, FMP seeks to empower communities, reduce social inequalities and support national development goals while enhancing stakeholder trust.

Accountability and responsibility	• The Board ESG Committee oversees FMP's CSR programmes. • The First Mutual Foundation ensures effective implementation of our education-focused initiatives. • The CSR and Sustainability teams are responsible for selecting, implementing and monitoring ad hoc community support projects.
Regulatory compliance	• We comply with corporate governance and CSR reporting requirements, ensuring transparent disclosure of social impact initiatives. • The Group aligns its CSR strategy with national development priorities.
Going beyond compliance	• The First Mutual Foundation, established in 2014, targets disadvantaged communities to mitigate educational and health access gaps, as well as community resilience. • FMP independently identifies and addresses urgent community needs, such as providing disaster relief, orphanage support, disability assistance and gender empowerment initiatives.

Our approach to CSR is guided by:

- CSR Guidelines: Outlines FMP's approach to community investment, social impact measurement and stakeholder engagement.
- CSR Impact Measurement framework: Ensures CSR programmes are monitored, evaluated and aligned with sustainability goals.

First Mutual Foundation

The First Mutual Foundation is the primary vehicle used by FMHL and FMP for delivering the Group's CSR initiative. Rooted in the Group's purpose and values, the Foundation focuses on building resilient communities and improving quality of life across Zimbabwe through targeted investments in social and economic development.

The Foundation's activities are structured around four pillars:

- Education, the core focus area, with long-term investment in school and tertiary support.
- Community partnerships, often implemented with civil society or local government stakeholders.
- National emergency support, activated in response to significant social or environmental disruptions.
- Ad hoc giving, including philanthropic donations to registered organisations or causes aligned with FMP's values.

In 2024, the Foundation was allocated US$138 000, with a significant portion dedicated to supporting education initiatives. This includes the First Mutual Foundation Scholarship Fund, which has been integral to education support. Over the years, more than 1 000 students have benefited from this programme, which provides academic support as well as long-term opportunities for the recipients.

Scholarship selection is conducted in partnership with Bantwana Zimbabwe, a child welfare and education-focused NGO. Beneficiaries are selected based on humanitarian need, academic performance and community referrals. The process is overseen by the Corporate Social Investment team, with input from World Education Zimbabwe, school authorities and FMP.

Education

Education plays a vital role in Zimbabwe, where economic challenges and limited public funding can make schooling less accessible for many families, contributing to ongoing disparities. Through the First Mutual Foundation, we provide financial and material support to students from underprivileged backgrounds, making sure they have the resources needed to progress through primary, secondary and tertiary education. Beyond covering school fees and examination costs, the programme assists with essential educational needs such as stationery and uniforms.

As a result of the First Mutual Foundation's educational initiatives:

- 105 children received financial and material support (2023: 98)
- 54 learners were provided with uniforms
- 93 students were retained in primary and secondary education
- School attendance averaged above 85%
- 15 students sat for public examinations at Grade 7, O-level and A-level

For tertiary students, the Foundation bursary covers tuition and accommodation, as well as a monthly stipend for each tertiary student on the scheme. Additionally, first year university students receive laptops as part of their onboarding. The Foundation currently supports 15 students across five state-owned universities, including four local and two regional students at Africa University. By alleviating financial barriers, we help improve school attendance, retention and completion rates, empowering students to pursue their academic goals.

The First Mutual Africa University Scholarship further extends our commitment to higher education access. One of our key priorities is the efficient administration of these programmes, ensuring timely fee payments and sustained student support. The positive impact of these initiatives is evident in the increased transition rates between education levels and the overall success of beneficiaries in their studies.

Supporting learning through student accommodation

FMP has also extended its social impact through the development of student accommodation, a non-traditional investment class for the business that responds to a pressing national need. The expansion of tertiary institutions across Zimbabwe has outpaced the provision of housing, resulting in poor living conditions for many students.

In response, FMP has invested in purpose-built student accommodation near major universities. These developments aim to go beyond simply providing beds. They offer a safer, more dignified and supportive environment for students to pursue their studies. With integrated solar energy systems, secure facilities and communal spaces, the accommodation is designed to enhance students' academic and personal experience.

Case study: Employee success through leadership development

Testimonial: A career journey shaped by growth opportunities

"When I joined First Mutual Properties, I was eager to grow but uncertain about the path ahead. Through the company's TOPP programme, I gained the skills, mentorship and confidence to take on greater responsibilities.

Starting as a Finance Officer, I progressed to Assistant Financial Accountant, where I now contribute to the preparation of the company's financial statements and lead a high-performing team.

The leadership training not only helped me grow as a finance professional, it also changed how I support and develop others. By applying strategies such as data-driven decision-making, my team has delivered measurable results. First Mutual Properties invests in its people, and that investment has enabled me to grow professionally while making a meaningful contribution to our success."

– Prosper Jayaguru

Community support

Beyond our focus on education, FMP provides community support for vulnerable groups in response to pressing social needs. We recognise that communities face complex and evolving challenges, and we remain committed to addressing these through targeted, flexible interventions. While many initiatives are delivered through the broader FMP Group and First Mutual Foundation, FMP also initiates and funds ad hoc projects that align with local needs in the areas where we operate.

Community donations include:

- Humanitarian assistance and disaster relief in response to natural disasters, socio-economic crises and unexpected hardships
- Material and financial assistance to orphanages and child welfare organisations, including school supplies, clothing and food donations
- Support for terminally ill patients, focusing on palliative care services and improving access to compassionate end-of-life care

Case study: Restoring dignity at Fairy Patch Orphanage, Goromonzi

In 2024, First Mutual Properties (FMP) partnered with the Fairy Patch Foundation, an NGO dedicated to supporting orphanages through clean energy and basic infrastructure, to uplift the lives of children at the XTREME Trans Foundation Orphanage in Goromonzi.

The orphanage was facing severe hardship. Children lacked warm clothing and basic bedding, some shared beds, and meals were often irregular. The home also had no reliable power or water supply, and one young girl had to be carried by others owing to the lack of a wheelchair.

FMP responded by donating solar panels, lithium batteries, a borehole pump, blankets and mattresses for all 35 children. These upgrades provided a stable water source, a sustainable energy supply and basic comforts to improve daily living conditions, just in time for winter.

This initiative reflects FMP's commitment to fostering social responsibility and creating lasting impact in the communities where it operates. By addressing urgent needs and investing in renewable energy and infrastructure, FMP is helping to build a safer, more nurturing environment for vulnerable children.

Looking ahead, FMP has pledged to deepen its support. A second phase of the initiative proposes the construction of two dormitories, a kitchen and a shared living space. The Company has also committed to adopting the orphanage and paying school fees for disadvantaged children, ensuring long-term care and educational access.

This project forms part of a broader strategy by the FMP Group to embed sustainability in its core operations and contribute positively to the lives of those most in need.

In addition, FMP supports property-specific CSR initiatives such as waste recycling and solar energy installations in select properties. These initiatives align with our corporate strategy while contributing to community upliftment.

Monitoring and managing CSR performance

FMP tracks the effectiveness of its CSR initiatives through financial and progress reports from implementing partners, routine monitoring visits and review meetings to assess project delivery. Additional oversight is maintained through structured funding agreements and clear performance expectations, supported by AI-driven impact assessment tools to measure CSR project outcomes. To ensure effective management of potential impacts on CSR, FMP promptly address any challenges or crises that may arise within our initiatives.

Although current impact measurement is largely qualitative, plans are underway to strengthen monitoring and evaluation frameworks.

As part of our 2025 planning, FMP aims to formalise its approach by allocating a defined portion of revenue to social investment and establishing clearer metrics to assess outcomes. This will allow us to scale our efforts so our CSR activities deliver measurable value to the communities we support.

KPI	2024	2023	2022	2021
CSR investment (US$)	US$12 374	US$7 522	US$5 211	US$10 005

Future focus areas

Our primary CSR goals for 2025:

- Expanding CSR engagement across FMP's regional markets
- Refining and formalising our strategic social impact approach
- Measuring long-term impact of social initiatives beyond short-term metrics

Responsible procurement

We source goods and services from a variety of providers and understand that our procurement process can have a significant impact on the environment, economy and people's rights. By embedding sustainability criteria into procurement decisions, FMP aims to drive supply chain resilience, reduce costs, create opportunities for local suppliers and enhance corporate reputation.

Accountability and responsibility	• The Board ESG and Risk committees oversee FMP's sustainable procurement strategy and policy compliance. • The Procurement and Supply Chain teams are responsible for integrating sustainability criteria into vendor selection and contract management. • Risk and Compliance teams ensure adherence to ethical procurement standards, supplier due diligence and ESG reporting requirements.
Regulatory compliance	• We comply with Zimbabwean procurement regulations, including the Public Procurement and Disposal of Public Assets Act (PPDPA), enabling transparent supplier selection and upholding anti-corruption standards.
Going beyond compliance	• ESG principles are integrated into supplier management through our Supplier Code of Ethics as well as supplier screening, audits and training. • Our suppliers are encouraged to reduce waste, incorporate recyclable materials and adopt resource-efficient production methods to align with circular economy principles. • We prioritise procurement from local SMEs and community-based suppliers.

FMP's approach to responsible procurement is guided by:

- Procurement procedures: Defines the Group's approach to centralised, cost-effective and sustainable sourcing, ensuring supplier quality as well as local benefits.
- Green procurement preferences: Mandates supplier compliance with ESG criteria, ethical sourcing and responsible supply chain management.

- Supplier Code of Conduct: Establishes expectations on human rights, fair labour practices, environmental sustainability and anti-corruption.

Managing our supply chain

As a property company operating in a complex and high-value project environment, we recognise the need to manage procurement carefully to support cost efficiency, risk reduction and ethical business practices. FMP's procurement practices are designed to deliver high-quality outcomes while promoting fair competition, sustainability and good governance.

The Group's centralised procurement system ensures efficiency, cost-effectiveness and supplier accountability. This includes a competitive three-quote system, standardised procurement policies and tracking systems to enhance transparency and cost control. Consolidating procurement across our business lines has improved negotiation power with suppliers, resulting in better pricing, shorter delivery times and more consistent execution across projects.

All suppliers are required to undergo a structured onboarding process. This includes submission of company profiles and documentation that demonstrates tax compliance, registration with relevant regulatory bodies, and professional accreditation. Approved suppliers are included on a formal supplier list and are given equal opportunity to quote for available work.
We monitor supplier performance through weekly requisition tracking, quarterly audits, AI-driven analytics and dashboards that provide data on procurement cycle times and delivery efficiency. Regular supplier feedback sessions help identify procurement challenges, while open communication channels enable continuous improvement and relationship building.

Supply chain risk mitigation

To safeguard against supply chain disruptions, we have implemented risk mitigation measures to address bottlenecks, inefficiencies and regulatory non-compliance. These include diversifying supplier networks for critical goods and services, ensuring supplier contracts include performance-based clauses and sustainability criteria, and automating workflows to reduce human error.

In 2024, the expansion of FMP's student accommodation and infrastructure-linked retail developments increased supplier activity. Although most engagements involved experienced contractors, SME subcontractors were included in select packages. The complexity and scale of new projects prompted additional supplier onboarding to meet quality and compliance expectations.

To ensure delivery standards are met, internal representatives are deployed on-site during major project phases to monitor contractor performance and procedural compliance. Where quality concerns arise, we do not hesitate to challenge approvals. In some cases, third-party consultants are brought in to independently assess work and maintain accountability.

Procurement in infrastructure is inherently exposed to governance risk. Issues such as lobbying, shortcutting and procedural non-compliance are proactively addressed through orientation and enforcement of our internal policies. While we have not encountered incidents of bribery, we have taken corrective action in cases where workmanship or safety standards were not met. These measures help safeguard the integrity of our procurement process and protect long-term value for all stakeholders.

Promoting sustainable business practices

We integrate sustainability and ethical business practices into FMP's supplier management processes to ensure our supply chain aligns with ESG principles. The Group's approach includes a Supplier Code of Ethics, supplier screening, audits, training programmes and strict compliance measures to promote responsible business conduct.

<table>
<tr><td colspan="3">Supplier Code of Ethics
We require all suppliers to adhere to FMPs Supplier Code of Ethics. This ensures procurement partners uphold the following:
• Compliance with anti-corruption, labour rights and fair competition laws
• Fair labour practices, including prohibition of child labour, forced labour and discrimination
• Maintenance of high health and safety standards
• Environmental responsibility through efforts to reduce waste reduction and adopt eco-friendly production processes</td></tr>
<tr><td>Supplier screening</td><td>Supplier audits and compliance monitoring</td><td>Supplier training and capacity building</td></tr>
<tr><td>FMP implements a supplier vetting process to assess all procurement partners on regulatory compliance, ESG commitments and business practices before engagement.

Only suppliers meeting these criteria are approved for contracts to ensure sustainability and operational efficiency.</td><td>FMP monitors our suppliers to evaluate ethical compliance, operational performance and environmental impact. Key supplier audit measures include quarterly compliance reviews, on-site ESG assessments and performance scorecards tracking delivery efficiency, quality and sustainability.

Non-compliant suppliers are given corrective action plans and, in cases of repeated violations, may be disqualified from our supply chain.</td><td>FMP provides supplier training programmes to educate and empower our procurement partners. These initiatives include workshops on sustainable business practices, training on our procurement policies and compliance requirements and guidance on improving labour conditions and workplace safety.</td></tr>
</table>

Developing local suppliers

FMP prioritises support for local suppliers and SMEs as part of our responsible procurement strategy. This approach supports economic growth and job creation, reducing reliance on imports, shortening supply chains and improving operational efficiency.

Increasing procurement from local suppliers

A significant portion of our procurement spend supports Zimbabwean businesses. Efforts to increase this spend include dedicated procurement targets for local businesses, lowering entry barriers for SMEs and strengthening long-term partnerships with reliable local vendors.

Supporting SME growth

We appreciate that many local SMEs lack access to resources, training and market opportunities, which can limit their ability to meet corporate procurement standards. To address this, FMP invests in supplier development through capacity-building workshops, mentorship and financial literacy training to enhance SME capabilities and competitiveness. In addition, we aim to ensure historically underrepresented businesses gain access to corporate procurement opportunities. We encourage procurement from women-owned and youth-led businesses and form partnerships with cooperatives and small enterprises, helping these SMEs to compete alongside larger vendors.

Monitoring and measuring our performance

	2024	2023	2022	2021
Procurement spend total (US$)	3 335 153	5 188 597	1 590 847	1 824 621
Procurement spend on local suppliers (US$)	3 211 138	5 069 528	1 498 047	66 363
Procurement spend on international suppliers (US$)	124 015	119 069	92 800	57 000
Number of suppliers	1 600	1 500	1 450	1 400
Number of local suppliers	1 521	1 421	1 320	1 371

Future focus areas

To further align procurement with ESG goals and drive positive impact across our value chain, FMP is evaluating opportunities to achieve the following objectives:

- Enhance supplier data collection to track ESG-related performance metrics.
- Introduce sustainability-linked contract clauses that require measurable environmental and social commitments.
- Strengthen supplier environmental audits to improve compliance.
- Explore new financing mechanisms for SMEs, ensuring access to capital for business expansion.
- Enhance supplier onboarding processes, making it easier for SMEs to qualify as FMP vendors.

Economic value generation

FMP emphasises value creation over the long term and does this in a way that generates benefits for employees, contractors, tenants, investors, government and local communities. We align our value creation and distribution with stakeholder expectations and long-term financial sustainability by ensuring the following:

Accountability and responsibility	• The Board and Audit committees oversee FMP's economic performance strategy and financial decision-making. • The Finance Executive and Finance team manages financial planning, financial sustainability, economic value generation and reporting.
Regulatory compliance	• We comply with Zimbabwean financial regulations, including Reserve Bank of Zimbabwe (RBZ) guidelines, ensuring transparent revenue and profit reporting. • Regular audits and financial reviews ensure alignment with corporate governance and financial sustainability requirements.
Going beyond compliance	• We reinvest profits into regional projects and innovative products, creating jobs and enhancing financial resilience.

Our approach to sustainable economic value creation is guided by:

- Financial strategy framework: Outlines FMP's approach to revenue growth, asset management and profit reinvestment for economic value.
- Investment Policy: Guides sustainable wealth creation through high-performing, ESG-aligned investments.
- Risk Management framework: Mitigates financial risks, including currency volatility and market fluctuations.

Revenue growth and profit reinvestment

We generate economic value through strong revenue growth and disciplined capital reinvestment. Despite a challenging economic landscape marked by currency volatility and inflationary pressures, the Group exceeded budget targets for revenue in 2024. However, a reported loss for the year reflects the impact of the change in functional currency from ZWL to US$, which aligns our reporting with a more stable and relevant basis but temporarily affects comparability. Prudent capital management has allowed FMP to sustain growth initiatives, such as asset acquisitions and infrastructure investments, ensuring long-term financial resilience.

Infrastructure and property development

We continued to expand our property portfolio in 2024, enhancing Zimbabwe's commercial and residential infrastructure. The Arundel Office Park extension, valued at US$5.1 million, has increased lettable space and attracted blue-chip corporates, reinforcing our position in the commercial property sector. Additionally, FMP is co-investing in Zvishavane's mixed-use development, comprising student accommodation, duplex cluster houses and apartments, with key phases nearing completion.

These projects drive job creation and economic activity, supporting national development priorities and improving Zimbabwe's built environment. By sourcing materials locally, we stimulate domestic industries, strengthening supply chain growth and economic resilience. Furthermore, our operations attract indirect foreign currency, bolstering Zimbabwe's foreign exchange reserves. We have also strategically increased US$-denominated revenue streams to mitigate exchange rate risk.

Delivering value to shareholders

FMP's decision to forgo dividends in 2024 in favour of reinvesting in growth initiatives reflects a strategic focus on long-term value creation. The Company identified high-return opportunities that could generate greater future shareholder value than immediate dividend payouts.

Strategic capital allocation has enhanced portfolio performance, supporting our broader financial stability objectives. This growth reinforces our ability to generate sustainable value and contribute meaningfully to economic development.

Our long-term goal is to become the dominant and best-performing real estate company in sub-Saharan Africa in terms of income return. To achieve this, we have set clear targets, including growing our property portfolio to 200 000 m^2 of lettable space under management and developing a real estate investment trust structure.

We track our performance using key indicators such as occupancy rates, rental yields, Green Building Index (AAA) certification, Sustainability Index (A+) scores and Net Promoter Score (NPS) and tenant satisfaction metrics. These measures help make sure our investments deliver not only financial returns, but also quality, sustainability and service excellence. Positive tenant feedback and consistent portfolio growth reflect the effectiveness of our long-term strategy.

Providing fair remuneration and benefits to employees

We recognise that talent retention and workforce stability are critical to economic value creation. In 2024, our employee value proposition and sustainable remuneration approach helped reduce staff turnover, ensuring continuity and productivity. The compensation structure includes:

- Performance-driven bonuses, incentivising employees to contribute to FMP's growth
- Share-based payments for executives, aligning leadership interests with long-term financial success
- Market-competitive salaries, based on external benchmarks, enhancing our ability to attract and retain top talent

As part of our commitment to employee wellbeing, we regularly benchmark remuneration against industry standards and adjust compensation policies to remain competitive in a fluctuating economic environment.

Read more about our approach to Employee Wellness on page 92.

Monitoring and measuring our performance

FMP employs robust governance and oversight mechanisms to ensure our financial strategies remain effective. Key performance tracking measures include:

- Quarterly strategy review sessions to assess economic performance against targets
- Monthly Exco meetings to monitor business unit performance and address emerging risks
- Board-level oversight on cash flow, capital allocation and financial sustainability
- Bi-annual external audits and ad hoc internal audits, reinforcing financial discipline and compliance

To measure the wealth we create through our operations and the subsequent allocation of our revenue by stakeholder group, we utilise direct economic value generated and distributed metrics. The difference between value created and distributed is the economic value retained by FMP, which goes towards further developing our business.

Direct economic value generated and distributed

	Stakeholder	2024 US$	2023 US$	2022 US$	2021 US$
Direct economic value generated		**9 027 117**	**6 896 240**	**4 319 825**	**5 473 162**
Revenue from rendering of services	Wide variety of stakeholders				
Rental income		8 233 600	6 684 140	4 200 494	5 358 318
Revenue from financial investments					
Other operating income		793 513	212 100	119 330	114 844
Economic value distributed					
Operating expenses	Suppliers and contractors	3 454 021	3 526 674	2 683 777	2 225 719
Wages and other payments to employees	Employees	2 148 375	2 562 343	1 389 160	1 404 653
Payments to providers of capital					
Payments to shareholders	Shareholders and investors	-	617 892	379 439	518 628
Payments to creditors					
Payments to government	Government authorities				
Including income tax expense		1 262 207	819 182	406 207	437 304
Community investments	**Local communities**				
Economic value retained		(57 282 908)	93 326 030	47 033 148	53 513 762

Future focus areas

Our primary economic value creation goals for 2025:

- Increasing revenue above prior-year levels and at least meet budget expectations to sustain business expansion
- Enhancing profit margins through cost efficiency, optimised capital allocation and higher investment returns.
- Investing in digital transformation initiatives to improve efficiency, expand service offerings and streamline operations

Responsible tax contributions

Tax transparency and responsible tax practices are essential to FMP's financial sustainability, regulatory compliance and our contribution to national economic development. As a leading financial services provider, we ensure our tax strategy aligns with legal requirements, corporate governance best practices and ethical financial management principles.

Accountability and responsibility	•	The Board Audit and Group Risk Committee oversees tax governance, compliance and risk management. • The Managing Director, assisted by the Finance Executive and Finance department, is responsible for tax planning, reporting and regulatory compliance. • Risk and Compliance teams monitor tax-related financial risks and ensure adherence to regulatory frameworks
Regulatory compliance	•	FMP adheres to Zimbabwe Revenue Authority (ZIMRA) regulations and international tax reporting standards. • We maintain full compliance with corporate income tax, VAT, withholding tax and PAYE obligations.
Going beyond compliance	•	We optimise tax efficiency to fund business growth and public services, enhancing societal infrastructure beyond legal obligations.

FMP's approach to responsible tax is guided by:

- Tax Risk Management framework: Identifies and mitigates risks related to tax audits and regulatory changes.
- Cash Flow Optimisation strategy: Ensures tax planning supports liquidity and reinvestment opportunities.
- Transfer Pricing documentation: Demonstrates compliance with arm's length principles and supports transparency in inter-company transactions.

Tax compliance and reporting

FMP maintains strict compliance with Zimbabwean tax laws, ensuring full adherence to regulatory requirements despite the complexities of economic volatility and multi-currency taxation. We act both as a taxpayer and a tax collection agent on behalf of the Zimbabwe Revenue Authority (ZIMRA), administering VAT, withholding tax and other statutory deductions in line with legal obligations.

Our tax strategy is designed to minimise tax liability through legal means, optimise cash flow and uphold ethical business practices, while recognising the critical role taxes play in national development. To mitigate risks associated with non-compliance, penalties and litigation, we take a proactive approach to tax management. A qualified and dedicated tax administrator, reporting to the financial accountant, ensures timely and accurate tax filings and conducts research on the tax implications of special transactions. This role also serves as the primary point of contact for tax-related stakeholder engagement and maintains regular liaison with ZIMRA. FMP has also designated the Managing Director as the Company's public officer, formally assuming responsibility for legal tax compliance, statutory filings and proactive regulatory communication.

Oversight is further strengthened through the Group Compliance Officer. Our internal tax compliance framework includes monthly reporting, internal audits, reconciliations and external reviews to ensure full regulatory alignment and operational accuracy. Our systems are fully integrated with ZIMRA's electronic tax platform, enabling efficient submissions and transparent declaration of economic activities.

Our internal target remains full compliance with zero penalties, supported by KPIs that include the absence of litigation or adverse findings. In 2024, FMP successfully secured tax clearance certificates across all subsidiaries and associates.

Tax risk management

FMP adopts a conservative and responsible approach to tax planning. We avoid practices that may undermine long-term tax sustainability or public trust. Our tax policy includes monitoring of transfer pricing regulations, ensuring inter-company transactions are compliant with the arm's length principle and defensible.

Tax risk is monitored via various channels.

- Internal and external audits and reconciliations
- Regular tax health checks
- Monthly compliance reporting
- Alignment with FMP Group-wide compliance assessments

Our team regularly attends ZIMRA tax seminars and regulatory updates, making certain all staff involved in tax management are equipped to respond to changes in legislation. In complex matters, the Legal department collaborates with external specialists to interpret regulatory shifts and safeguard risk mitigation.

Stakeholder engagement

We maintain open and structured engagement with stakeholders to ensure our tax management decisions are aligned with regulatory requirements, business objectives and stakeholder expectations.

Internal engagement

Formal processes for tax-related discussions are in place, including monthly Group Executive Committee meetings, quarterly Board meetings and Audit Committee meetings. These platforms facilitate constructive dialogue, risk assessment and strategic decision-making, ensuring both internal and external perspectives are considered in the Group's tax approach.

Additionally, internal tax compliance training is provided to financial teams, ensuring employees remain informed of regulatory changes and evolving tax obligations.

External engagement

To ensure tax compliance, we verify the tax compliance status of all our business partners at the beginning of our relationship. For tenants, compliance is required upon inception, and for suppliers, it is a prerequisite for registration.

For effective and ongoing dialogue and to enable a collaborative relationship with the tax authority, our designated public officer maintains open lines of communication with ZIMRA. This enables us to address any queries or concerns promptly.

Monitoring and measuring our performance

The following table presents FMP's contributions to national revenue through various tax obligations. The significant increase in tax payments in 2023 reflects the impacts of hyperinflation.

Tax payments (ZWG)	2024	2023	2022	2021
Corporate tax – Group	8 804 719	866 509 565	112 684 402	29 400 000
Corporate tax – Subsidiaries	1 438 630	87 367 784	16 665 227	–
Value Added Tax (VAT) – Group	2 761 474	898 323 451	100 399 917	31 596 000
Value Added Tax (VAT) – Subsidiaries	349 662	55 910 631	–	–
PAYE	2 088 536	892 366 165	75 171 175	21 244 000
Withholding Tax >20% on Directors' fees		20 064 079	3 652 373	1 022 000
Withholding Tax >30% – Subsidiaries	2 045	–	–	515 000
Withholding tax – 1/3				
	17 104 230	5 357 777	–	
Aids Levy	62 656	26 770 985	2 255 135	637 000
IMTT – Group	74 485	49 961 808	–	–
IMTT – Subsidiaries	2.057	2 555 259	–	–
Total	**15 584 264**	**2 917 620 108**	**316 186 006**	**85 222 000**

Tax payments (US$)	2024	2023	2022	2021
Corporate Tax – Group	542 017	304 378	82 424	266 438
Corporate Tax – Subsidiaries	165 566	201 639	93 265	–
Value Added Tax (VAT) – Group	672 258	366 346	186 796	315 020
Value Added Tax (VAT) – Subsidiaries	171 059	149 347	186 796	315 020
PAYE	267 713	145 297	76 327	28 955
Withholding Tax >20% on Directors' fees	38 151	24 199	7 290	2 555
Withholding tax – ⅓		3 100	4 936	–
Aids Levy	8 031	12 155	2 290	866
IMTT – Group	23 538	25 148	–	–
IMTT – Subsidiaries	6 610	4 992	–	–
Total	**1 895 514**	**1 236 061**	**640 124**	**948 754**

Future focus areas

Our primary tax management goals for 2025:

- Fully automating our tax compliance processes to streamline tax submissions.
- Interfacing our systems with tax authority platforms to enhance accuracy in tax declarations.
- Eliminating tax penalties, with an internal target of maintaining a zero-penalty status.

LEADING THROUGH GOOD GOVERNANCE

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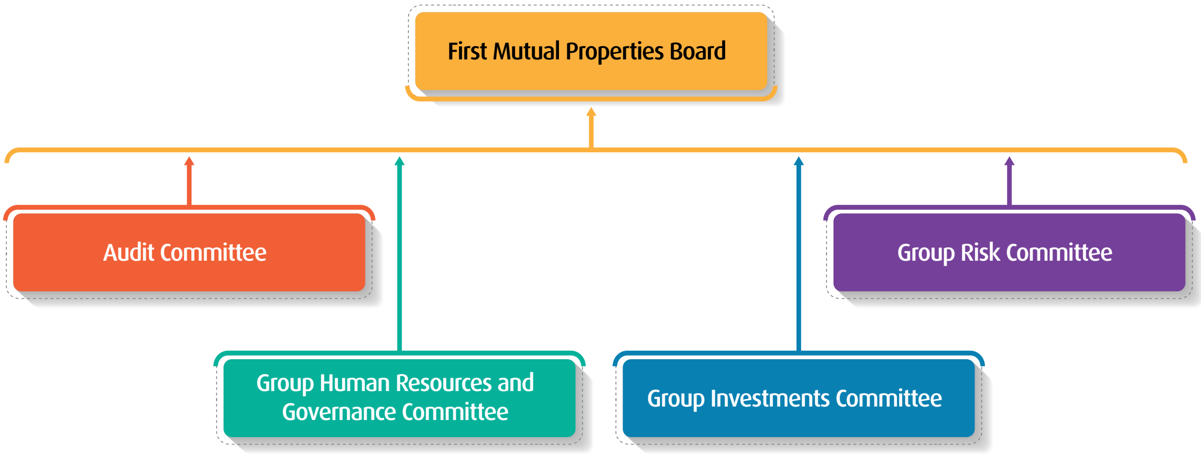
CORPORATE GOVERNANCE

As First Mutual Properties, integrity is a core value that permeates all our operations and processes, serving to safeguard the interests of our stakeholders. Our corporate governance principles guide us in ensuring compliance with the National Code on Corporate Governance in Zimbabwe (ZIMCODE), SI.134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rule, and the Companies and Other Business Entities Act (24:31). We are dedicated to upholding excellent corporate governance standards based on international practices. The Human Resources and Governance Committee holds the responsibility for overseeing our corporate governance practices.

Board structure



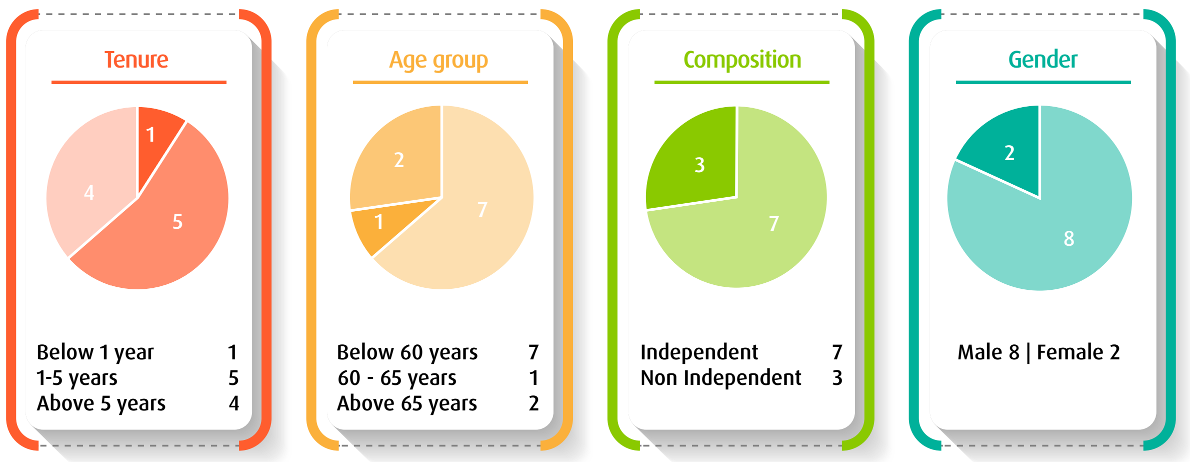
Note: An ESG Committee was constituted in Q1 2025.

Board composition

The Board of Directors is led by an independent non-executive director who serves as the Chairman. It consists of one executive director, who holds the position of Managing Director, as well as two non-independent non-executive directors and six independent non-executive directors. The diverse composition of the Board allows for the inclusion of various contributions, skills, expertise and talents from its members, enhancing the overall effectiveness of the Board's decision-making processes.

The Board composition is shown below:

Tenure	Age group	Composition	Gender
Below 1 year: 1	Below 60 years: 7	Independent: 7	Male: 8
1-5 years: 5	60-65 years: 1	Non-independent: 3	Female: 2
Above 5 years: 4	Above 65 years: 2		



Board responsibility

The primary responsibility of the Board is to establish the Company's overall policies, objectives and strategies, and to guarantee their professional and ethical implementation. Further, the Board is accountable for maintaining the integrity of the Company's accounting and financial reporting systems, which includes independent audits, risk management and compliance with regulatory requirements. To ensure transparency and oversight, Board members have unrestricted access to information regarding the Company's operations, which is shared through Board meetings, and strategic planning activities organised by the Company. In line with Companies and other Business Entities Act Chapter 24:31, one-third of the directors are required to retire on a rotational basis each year, along with any director(s) appointed during the year. Executive directors are employed under performance-driven service contracts that outline their specific duties. These contracts are renewed based on the Executive Director's fulfilment of the performance targets set for them.

The Board conducts regular meetings to oversee corporate strategy, risk management procedures, annual budgets and business plans. In cases where urgent matters or decisions arise, special Board meetings may be convened. The Company Secretary maintains an attendance register for directors to track their participation in scheduled meetings throughout the year, enabling directors to assess their commitment to the business. The Board of Directors and its committees meet at least once every quarter, and additional meetings may be scheduled as circumstances require. Committee meetings are held prior to each Board meeting. The Company's shareholders convene at least once annually and, at each annual general meeting, the independent auditors present their report.

Stakeholder direct communication with the Board

The Company prioritises stakeholder engagement and offers various platforms for interaction with the Board of Directors and management. Shareholders exercise their voting rights during annual general meetings and information is shared through press releases, analyst briefings, annual reports and the Company's website. Communication channels with clients include in-person, telephone, mail and digital platforms like WhatsApp, Facebook and email. Additionally, a call centre is available for client inquiries and support.

Board nomination

Based on recommendations of the Group Human Resources and Governance Committee and the Group's Nominations Policy, the Board is responsible for the election of new members and filling any vacancies that occur between annual shareholder meetings. The assessment process focuses on evaluating the Board's contribution to the Company, with a specific emphasis on identifying areas where improvements can be made, as identified by the Board or management. This ensures the Board continually strives to enhance its effectiveness and overall impact on the Company's operations.

Board evaluation

The Board of Directors conduct an annual evaluation of its own performance, as well as that of its committees. All directors participate by providing feedback and comments to the Group Human Resources and Governance Committee. The committee then assesses the Board's performance and presents its findings to the Board. The evaluation process is carried out annually by the Group Company Secretary, with the involvement of an external consultant every three years to provide additional expertise.

Board committees

The Board of Directors is supported by several committees that assist in fulfilling its responsibilities. These committees meet at least four times a year to assess the performance of the business and provide guidance on operational and policy matters. The composition of the committees is periodically reviewed to align with the prevailing business environment. Each committee operates under specific written terms of reference, which delegate certain Board tasks and outline clear objectives. The Board reviews and approves the terms of reference and committee membership on an annual basis.

The Audit Committee plays a crucial role in reviewing the effectiveness of controls. Additionally, it is worth noting that some Board committees are shared between the parent Company, First Mutual Holdings and First Mutual Properties, ensuring collaboration and synergy between the entities.

The structure and composition of the committees are subject to continuous review and the state as at 31 December 2024 is outlined below.

Board meetings

The Board conducts meetings to oversee corporate strategy, risk management procedures, annual budgets and business plans. In cases where urgent matters or decisions arise, special Board meetings may be convened. The Company Secretary maintains an attendance register for Directors to track their participation in scheduled meetings throughout the year, enabling Directors to assess their commitment to the business. The Board of Directors and its Committees meet at least once every quarter, and additional meetings may be scheduled as circumstances require. Committee meetings are held prior to each Board meeting. The Company's shareholders convene at least once annually, and at each Annual General Meeting, the independent auditors present their report.

The Company's meetings are held throughout the year and the Directors ensure that they give adequate time to discharge their duties effectively.

The table below sets out details of each Director's attendance at Board meetings during the year ended 31 December 2024:

Board Member Name	Board Attendance	Audit Committee	Human Resource and Remuneration Committee	Investments Committee	Risk Committee
Elisha K Moyo	7 out of 7	-	5 out of 7	-	4 out of 4
Sharon Wekwete	5 out of 7	4 out of 4	-	-	4 out of 4
Douglas Hoto	6 out of 7	-	7 out of 7	4 out of 4	-
Temba Ruvingo	7 out of 7	4 out of 4	-	-	-
Christopher K Manyowa	7 out of 7	4 out of 4	-	2 out of 4	-
Arnold Chidakwa	6 out of 7	-	-	3 out of 4	-
Amos Mazarire	7 out of 7	-	-	-	-
Samuel V Rushwaya	7 out of 7	-	7 out of 7	-	-
Susan Mutangadura**	4 out of 4	-	-	-	-
Rueben Java***	7 out of 7	-	-	4 out of 4	-

** Ms. Susan Mutangadura was appointed to the Board with effect from 1 August 2024.
*** Mr. Rueben Java was appointed to the Board with effect from 1 January 2025.

Committee members and responsibilities

Committee	Members	Responsibilities
Audit	T Ruvingo (Chairperson) S Wekwete R Kupara	The Audit Committee has written terms of reference and is tasked with ensuring financial discipline within the Company, sound corporate values and financial procedures. This committee is further tasked with reviewing and approving the interim and annual consolidated financial statements and considering any accounting practice changes. The committee deliberates on the reports and findings of internal and independent auditors and recommends the appointment of independent external auditors and recommends the approval of their fees by the Board. The Managing Director attends the committee on invitation. The audit partner and audit manager are invited to attend all meetings. Both the internal and independent auditors have unrestricted access to the Audit Committee to ensure their independence and objectivity.
Human Resources and Governance	SV Rushwaya (Chairperson) EK Moyo ART Manzai	Three non-executive directors from First Mutual Holdings Group make up the Human Resources and Governance Committee, one of whom serves as chair. This committee's responsibilities include managing employee development, establishing remuneration guidelines that are applicable to the whole First Mutual Holdings Limited Group, and approving compensation plans for executives and non-executive directors. In accordance with the strategy, the committee is responsible for assessing the supporting organisational structure and making recommendations to the Board. The committee also considers wider corporate governance issues and related party transactions. The Human Resources and Governance Committee re-views recruitment procedures and strives to ensure employee remuneration packages remain competitive. Additionally, the committee acts as the Nomination Committee for Directors in the First Mutual Holdings Limited Group.
Investment Committee	I Ndlovu (Chairman) M Mukondomi A Manzai A Chidakwa	The Investment Committee comprises four non-executive directors, three of which are from the First Mutual Holdings Limited Board. It formulates investment strategy and policy as well as reviews the performance of money market, equity and property investments within the First Mutual Holdings Limited Group (including First Mutual Properties). The committee assists the Board in the implementation of its investment policies and ensures portfolio management is conducted in accordance with the Company's policies.
Risk Committee	G Baines (Chairman) EK Moyo J Katurura J Mberi	The Risk Committee comprises four non-executive directors, two of which are from First Mutual Holdings Board, one of whom is the chairperson. The committee advises on the Group's overall risk strategy, current risk exposures and risk governance. It considers and approves the remit of the risk management function and reviews reports on material breaches of risk limits, as well as the adequacy of remedial action. It also advises the Board on the risk aspects of proposed strategic transactions.

The Company's meetings are held throughout the year and the directors ensure they give adequate time to discharge their duties effectively.

Directors' declaration and conflict of interest

In compliance with the Companies and Other Business Entities Act (Chapter 24:31) and the Company's Articles of Association, directors are obligated to disclose in writing any material interests they hold in significant contracts with the Company that may result in a conflict of interest. This requirement ensures transparency and addresses potential conflicts that could impact the directors' decision-making processes.

Share dealing

In compliance with the Zimbabwe Stock Exchange Listing Requirements, the Company adheres to a 'closed period' before the publication of its interim and year-end financial results. During this period, directors and employees are prohibited from engaging in any direct or indirect transactions involving the shares of First Mutual Properties Limited. This restriction aims to prevent any potential insider trading or market manipulation, ensuring fairness and transparency in the trading of the Company's shares.

Ethical conduct

The Company places a strong emphasis on promoting the highest standards of ethical behaviour among its employees. It holds all employees accountable for conducting business in a manner that is beyond reproach in all reasonable circumstances. To reinforce this commitment, all employees are obligated to adhere to the Company's Code of Ethics. Additionally, the Company implemented a fraud hotline system that is independently operated. This system provides a confidential channel for reporting any suspected fraudulent activities or unethical behaviour, so that potential issues can be addressed promptly and appropriately.

Remuneration

The Group Human Resources and Governance Committee is responsible for determining the fees of non-executive directors and the compensation packages of executive directors. The Committee's objective is to attract and retain highly qualified individuals who make substantial contributions to the business, enabling the Company to remain competitive at the highest levels. In addition to a basic salary package, the Company provides a performance-related profit share to its employees, including executive directors. To ensure the Remuneration Policy aligns with market standards, the Committee utilises external market survey data from independent advisors. The compensation of non-executive directors is regularly reviewed in line with industry benchmarks, making sure it remains appropriate and competitive. This approach aims to incentivise and reward directors for their valuable contributions to the Company's success.

Works Council

The Company holds Works Council meetings on a quarterly basis, providing a platform for employees to actively participate in the decision-making process and address their concerns with management. These meetings serve as a forum for open dialogue and discussion between employees and management, fostering a collaborative environment where employees' voices are heard, and their perspectives are valued.

Internal controls

The Company adheres to internal controls outlined in relevant procedures manuals established by the First Mutual Holdings Limited Group, which define the required standards and key control activities. Management is responsible for monitoring and evaluating these systems to ensure accountability at all levels. Internal controls encompass activities such as loss prevention, detection of irregularities and prevention of fraudulent activities.

The internal audit function plays a vital role in evaluating and assessing the Company's operations. Its mandate includes examining the accuracy and completeness of financial and operational data, internal regulatory systems, asset protection strategies, efficient utilisation of resources and operational effectiveness. The head of Internal Audit has unrestricted access to the Chairperson of the First Mutual Properties' Audit Committee. The Internal Audit function provides quarterly reports to the directors, promptly communicating any serious matters that require immediate attention.

The accounting policies are periodically reviewed by the First Mutual Properties Limited Audit Committee as well as the independent auditors. This review process is supported by IT-generated data, operational policies and procedure manuals that are regularly updated to reflect changes and mitigate commercial risks associated with the Company's principal activities.

Sustainability governance

The Managing Director, supported by heads of department, holds the ultimate responsibility for sustainability issues. This team identifies and presents sustainability concerns to the Managing Director, while the topics included in the sustainability report are approved by senior executives. By establishing this structure, we ensure sustainability is integrated into our decision-making processes and that our actions align with our sustainability goals, driving positive change and progress.

The Group's ESG Committee, and the ESG Steering and ESG Management committees were recently established to provide leadership and management oversight of sustainability issues.

ETHICS AND INTEGRITY

Ethics

The business acknowledges the significance of employee and customer loyalty, which brings about valuable outcomes such as good brand reputation, increased shareholder returns, a decline in misconduct and improved compliance. To uphold business conduct, ethics and compliance, we established a dedicated Group Compliance department within the Group Legal department, tasked with overseeing and ensuring adherence to compliance measures across the Company.

In accordance with the Listing Agreement requirements of the stock exchange, we implemented a Code of Ethics for the Board and senior management. Additionally, all employees, including the Board and senior executives, receive an annual Code of Conduct that they sign to signify their commitment to compliance. Emphasising a value-based approach to ethics and compliance, the Company fosters a culture where every employee takes responsibility for upholding these principles, considering them an integral part of our culture. To support this commitment, First Mutual Properties established a dedicated Deloitte Tip-off Anonymous platform, enabling employees to report any concerns confidentially.

The Audit Committee reviews procedures related to the handling of complaints, including confidential and anonymous submissions by employees, regarding accounting, internal accounting controls or auditing matters. These procedures include ensuring adequate safeguards against victimisation of employees who utilise the reporting mechanism and providing a direct channel to the Chairman of the Audit Committee for exceptional cases. Regular risk assessments are conducted to identify potential areas of concern. Compliance and ethics are recognised as an ongoing process that necessitates continuous improvement in response to the evolving business environment. Our goal is to establish a strong compliance and ethics culture and, during the year, no penalties or corrective orders have been issued by regulators.

Recent incidents of corporate frauds in the country have raised the drive for ethical behaviour and effective compliance programmes. In response to these incidents, we took proactive measures that have proven to be effective in reducing incidences within the Company. Senior executives and Board members are held accountable, not only for complying with the financial reporting provisions of the legislation, but also for upholding ethical standards and ensuring compliance throughout the Company. This approach demonstrates our commitment to fostering an ethical culture and maintaining compliance with regulatory requirements.

Anti-fraud

First Mutual Properties demonstrated a dedication to combating corruption and maintaining the highest ethical standards. Our efforts have maintained compliance with legal and regulatory requirements and fostered a culture of integrity and accountability throughout the Company. We experienced significant positive outcomes through the implementation of Deloitte's Tip-off Anonymous facility and the inclusion of anti-corruption clauses in finance policies. Our commitment to deter gift acceptance in finance policies safeguards fair and transparent procurement processes. By discouraging the acceptance of gifts and tokens of appreciation, we maintain a level playing field for all parties involved and foster trust among stakeholders.

We conduct training and awareness programmes to inform employees about the policies and procedures in place, ensuring they are well informed. Clear guidelines on identifying and reporting corruption or fraud empower employees to act while maintaining confidentiality and protection. Regular follow-up audits and ad hoc audit assignments track the effectiveness of the mitigation measures, providing reassurance to employees and demonstrating our commitment to transparency and ethics. The absence of reported cases of corruption or fraud in 2024 indicates the success of the implemented measures. The establishment of the Tip-off Anonymous facility and the inclusion of anti-corruption clauses in finance policies have played a significant role in this achievement.

Diversity and inclusion

As First Mutual Properties, our recognition of the significance of diversity and inclusion is continuously growing. We are consistently cultivating a workforce that embraces diversity and promotes an inclusive environment. The diverse and inclusive working atmosphere at FMP fosters a sense of belonging and acceptance, leading to higher employee satisfaction and retention rates. Embracing diversity has allowed the Company to tap into a wider pool of talent with unique perspectives, experiences and skill sets. This expanded our capacity for innovation, creativity and problem-solving. However, implementing diversity and inclusion initiatives may encounter resistance from some employees who perceive it as a threat to their existing power or privileges, thereby leading to a fragmented working environment. Effective diversity and inclusion programmes at times require significant financial and resource investments, which may pose challenges when the budget is limited.

We are committed to actively managing diversity and inclusion by implementing policies aimed at identifying and removing barriers that may hinder the participation and advancement of diverse employees, with a specific emphasis on gender, age, race and disability. We conduct awareness trainings on inclusivity to educate our employees and promote a greater understanding of these issues. Additionally, we made physical adjustments to our facilities to ensure accessibility and accommodate the needs of individuals with disabilities. This includes providing disability enablers such as transportation, designated parking spaces, accessible buildings and suitable ablution facilities. Further, we established partnerships with talent sources that specialise in recruiting and selecting diverse candidates, particularly focusing on race, gender and disability. We organise team-building activities that promote understanding, trust and collaboration among colleagues from various backgrounds and provide cross-cultural training.

To ensure our initiatives are yielding positive results, we conduct quarterly reporting on all diversity and inclusion activities, as well as monitor employee movements and align recruitments with diversity and inclusion. By the year 2026, we anticipate increasing the representation of women at managerial and executive levels and engaging young, competent individuals in management and executive roles. We look forward to ensuring the inclusion of disabled employees at all levels and promoting diversity among all races. We made notable progress towards our goals in FY2023; for instance, we successfully increased the percentage of employees below the age of 45 years in managerial roles. Through our engagement with stakeholders, such as facilitators who assist in policy crafting, we gained valuable insight and incorporated them into our operational policies and procedures.

Human rights

We prioritise creating a sustainable workplace that eliminates discrimination, promotes freedom of association and enhances the overall wellbeing of employees. Our commitment extends to promoting equality, fair treatment and a safe, inclusive working environment for all employees. By fostering a diverse and harmonious workplace, we aim to enhance employee morale and wellbeing. However, we acknowledge the adverse impacts of poor human rights management, such as increased turnover, legal penalties and damage to our reputation. We continuously strive to improve our practices to ensure the protection of human rights and meet the expectations of our employees and stakeholders.

To demonstrate our commitment, we strictly adhere to both local and international labour laws, ensuring that human rights are respected throughout the Company. Our Recruitment Policy serves as a guiding framework, promoting the principles of respect for human rights at every stage of the recruitment process. We fully comply with government regulations on safety and health, creating a caring and supportive environment for our employees. Effective communication channels and wellness programmes are implemented to promote employee wellbeing. To address concerns and foster dialogue, we established a Works Council that regularly convenes to discuss management and employee issues. This platform facilitates collaboration and ensures the voices and perspectives of all stakeholders are heard and taken into consideration.

To ensure compliance with laws, regulations and standards, we conduct regular internal and external audits at First Mutual Properties. These audits verify that our Company operates in alignment with established guidelines and requirements. Our strong focus on employee engagement resulted in positive outcomes, including decreased turnover rates, disputes and complaints. These indicators reflect our ongoing efforts to cultivate a workplace that values and supports our employees, demonstrating our commitment to upholding human rights.

Business competitive behaviour

Competitive behaviour involves actively engaging in strategies and actions with the aim of outperforming competitors, gaining a competitive advantage and, ultimately, achieving desired outcomes. By constantly striving to surpass industry rivals, the business can stimulate innovation and foster a creative environment. This drive for competitiveness prompts the Group to continually improve processes, leading to enhanced efficiency and overall performance. However, it is important to approach competitive behaviour with caution. While healthy competition can be beneficial, the Group is mindful of potential pitfalls. One possible risk is the emergence of price wars, where companies engage in aggressive price reductions to attract clients, eventually eroding profit margins.

Our approach to competitive behaviour is rooted in a strategic mind-set that prioritises continuous improvement and growth. We understand competition is an inherent part of the business landscape and we embrace it as an opportunity to push ourselves beyond boundaries. The management team fosters a culture of innovation, encouraging employees to think outside the box and explore new ideas that can give us a competitive edge. We believe that by staying at the forefront of industry trends and anticipating customer needs, we can proactively adapt and meet market demands.

To achieve our competitive goals, we invest in research and development, ensuring we are constantly evolving and offering cutting-edge services. We closely monitor the activities of our competitors, analysing their strategies and identifying areas where we can differentiate ourselves.

This allows us to capitalise on our strengths and exploit market gaps. While we are committed to achieving a competitive advantage, we also recognise the importance of ethical conduct. We emphasise fair and transparent practices that uphold the integrity of our brand and foster trust with our stakeholders.

Cybersecurity and privacy protection

As First Mutual Properties, we consistently demonstrate a strong commitment to maintaining the security and privacy of client data. Our track record in protecting data not only instils confidence in our clients, but also positions us as a leader in the industry, reinforcing our reputation for reliability and trustworthiness. However, we acknowledge that non-compliance with cybersecurity and privacy regulations poses a significant risk, potentially leading to legal and reputational consequences.

As part of our data protection efforts, we adhere to the principles of data protection: quality of data; lawfulness; transparency and fairness; purpose limitation; accessibility; accuracy; consent; storage limitation; and confidentiality and integrity. These principles serve as the foundation for our approach to handling personal information with utmost care, ensuring compliance with legal requirements and industry best practices. Through the formulation and enforcement of an Information Security Policy, we created a framework that guides our employees in maintaining the confidentiality and integrity of client data, while also promoting transparency and accountability.
Our commitment to proactive risk management is evident through our ongoing efforts to track the effectiveness of our cybersecurity practices. Regular internal and external audits, disaster recovery drills, vulnerability assessments and penetration tests are conducted to identify potential vulnerabilities and ensure the resilience of our systems and infrastructure. By setting clear goals and targets, such as system uptime and data leakage rates, First Mutual Properties establishes key performance indicators to measure its progress and drive continuous improvement. This diligent approach to managing cybersecurity risks underscores our dedication to maintaining a high standard of professionalism and ensuring the utmost protection of client data.

ENTERPRISE RISK MANAGEMENT

As First Mutual Properties, we understand the importance of managing enterprise risks effectively to ensure sustainable growth and success. To achieve this, we developed a comprehensive risk management framework that serves as the basis for designing, implementing, monitoring, reviewing and continually improving risk management throughout our operations. We prioritise the needs of both our internal and external stakeholders to ensure we meet their requirements while maintaining the highest level of safety and security. Our framework is based on the Risk Management Principles and Guidelines developed by the International Organisation for Standardisation, which ensures our risk management practices are aligned with global best practices.

First Mutual Holdings' enterprise risk management (ERM) framework aims to improve business performance by maximising growth opportunities and integrate ERM into decision-making and key processes. The framework anticipates and communicates uncertainties, increases proactive risk management, complies with legal and regulatory requirements, creating, protecting and enhancing stakeholder value.

Financial risk

First Mutual Properties acknowledges all economic activities are exposed to diverse risks, which are the fundamental principles of financial risk. The Company comprehends various types of financial risks, such as credit, foreign exchange, liquidity and inflation risk. To mitigate these risks, we use various financial instruments and adopt both quantitative and qualitative approaches to financial risk management. Our investment and financial risk management involves managing the relationship between the internal aspects of financial institutions and the external factors that affect investment.

Sustainability risk

We are dedicated to prioritising sustainability in all our business practices, and we implemented a sustainability risk management (SRM) strategy to align our profit goals with our environmental policies. Our objective is to create a sustainable business and preserving the environment for future generations. Our SRM framework is designed to help identify emerging issues that may impact our supply chain, operations and production. We recognise that issues such as the availability of renewable energy sources, depletion of non-renewable resources, and changing government regulations can have a significant impact on our business.

The objective of our SRM is to ensure this alignment is efficient enough to sustain and grow the business while simultaneously preserving the environment. To strengthen our credibility, we embedded sustainability in our monthly management reports and nominated sustainability champions to spearhead the sustainability drive internally.

Residual risks

Risk category	Description	Mitigation measures
Regulatory compliance	Potential risk arising from unethical employee actions or deviations from internal policies e.g. Code of Conduct. The potential risks that may arise from industry regulatory violations or adverse regulatory amendments, rulings or decisions.	• The Compliance department distributes a Code of Conduct that every employee must read, understand and sign to acknowledge. • A calendar that lists all statutory payments and returns is distributed to all compliance officers. • Training on compliance is conducted regularly.
Health and safety	Potential risks to human capital and public safety from threats and inadequate safeguards.	• The Property Management team conducts regular building inspections to ensure safety.
Human capital	Potential risk of inadequate skill set availability for job requirements.	• The Human Resources department carefully selects employees, who are then trained by a dedicated team.

Compliance statement

First Mutual Properties' management and directorate are responsible for always ensuring compliance with applicable legal and other regulatory requirements. Some of the regulatory requirements are as follows.

- The Companies and Other Business Entities Act (Chapter 24:31)
- Real Estate Institute of Zimbabwe (REIZ) Regulations
- Regional, Town and Country Planning Act (Chapter 29:12)
- Environmental Management Act (Chapter 20:27)
- Public Accountants and Auditors Board Zimbabwe (PAABZ) Pronouncements
- Securities and Exchange Commission of Zimbabwe (SECZIM)
- SI134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules

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Independent Auditor's Report

To the Shareholders of First Mutual Properties Limited

Report on the Audit of the Consolidated and Company Financial Statements

Opinion

We have audited the consolidated and company financial statements of First Mutual Properties Limited ('the Group and Company) as set out on pages 117 to 191, which comprise of the consolidated and company statements of financial position as at 31 December 2024, and the consolidated and company statements of profit or loss and other comprehensive income, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and notes to the consolidated and company financial statements, including material accounting policy information.

In our opinion, the consolidated and company financial statements present fairly, in all material respects, the consolidated and company financial position of the group and company as at 31 December 2024 and its consolidated and company financial performance and consolidated and company cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies and Other Business Entities Act(Chapter 24:31).

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 Consolidated and Company Financial Statements* section of our report. We are independent of the group and company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our 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.

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 company financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and company financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated and Company Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and company financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and company financial statements.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the matter</th></tr>
<tr><td colspan="2">Issue: Valuation of Investment Properties (Consolidated and Company)</td></tr>
<tr><td>
Consolidated
▪ Note 6 - Investment Property
▪ Note 6.1 - Fair Value Hierarchy
Company
▪ Note 1 - Investment Property
▪ Note 1.1 - Fair Value Hierarchy
As included in the above notes to the consolidated and company financial statements the below accounts have been an area where significant judgements were applied:
▪ Investment property amounting to USD 132 948 000 for the Group and USD79 028 000 for the Company.
In determining the fair values of investment property, the directors make use of independent external valuers. The determination of the fair value of investment property was a matter of most significance to our current year audit due to the following:
▪ Extensive research and use of market comparable transactions.
▪ Determination of capitalization rates and appropriate discount factors to adjust for different factors such as geographical location of properties and physical state of properties.
▪ The amount of time which was spent by both the audit team and the experts in validating the methodologies and key assumptions which were adopted by the management's expert.
</td><td>
We performed audit procedures to assess the adequacy of the valuation which included the following:
▪ Assessed the competence, capabilities and objectivity of management's valuation expert and obtained an understanding of their work.
▪ Inspected profiles of the individuals performing the valuation, in order to assess their experience and competence.
▪ We involved our valuation experts to review the work done by management's expert.
▪ Assessed the appropriateness of the valuation methodologies adopted by management's specialist based on our knowledge of the industry.
▪ We performed audit procedures to assess the Compared the inputs used in the valuation by management's valuation expert with available market data.
▪ Where possible we reperformed the adjustments done by management's valuation expert so as to compare if we would come to the same conclusion.
▪ Identified, evaluated, and tested significant assumptions used by management's valuation expert by comparing them to those used by other valuers in the industry.
▪ Assessed completeness and appropriateness of the investment properties disclosures in accordance with the relevant financial reporting standards.
</td></tr>
</table>

Key Audit Matter	How our audit addressed the matter
Issue: Valuation of Investment Properties (Consolidated and Company)	
The investment properties have the most significant balance as they make up about 97% of the total assets on the Consolidated Statement of Financial Position and about 85% of the total assets on the Company Statement of Financial Position. Due to the high level of estimation, significant judgement and complexity involved in determining the fair values of the investment properties the valuation of the investment properties was a Key Audit Matter.	

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 consolidated and company financial statements and our auditor's report thereon. Our opinion on the consolidated and company 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 consolidated and company financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and company financial statements 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.

Responsibilities of the Directors for the Consolidated and Company Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and company financial statements, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of consolidated and company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and company financial statements, the directors are responsible for assessing the group and 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 group and company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and company 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 based on these consolidated and company financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and company 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 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 and 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 group and 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 consolidated and company 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 and/or the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and company financial statements, including the disclosures, and whether the consolidated and company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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 consolidated and company 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.

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

Ernst & Young

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Harare

01 April 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

ASSETS	**Note**	**Audited 2024 US$**	**Audited Restated 2023 US$**	**Audited Restated at 1 Jan 2023 US$**
Non-current assets				
Completed investment property	6	132 948 000	179 772 504	161 294 393
Investment property under development	6.2	-	3 131 082	-
Investment in associate	7	436 405	446 820	448 234
Vehicles and equipment	8	117 137	124 032	180 663
Financial assets at fair value through profit or loss- Unquoted shares	10	271 139	473 540	91 676
Financial assets at fair value through profit or loss - Quoted shares	10.1	7 714	4 661	4 504
Financial assets at amortised cost	9	481 705	108 827	116 981
		134 262 100	**184 061 466**	**162 136 451**
Current assets				
Inventories		50 252	33 806	14 026
Trade and other receivables	11	2 141 771	1 447 906	2 288 698
Cash and cash equivalents	12	498 368	376 665	997 223
		2 690 391	**1 858 377**	**3 299 947**
Investment property held for sale	6.3	-	-	56 649
Total assets		**136 952 491**	**185 919 843**	**165 493 047**
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Ordinary share capital	13	210 265	210 265	382 772
Retained earnings		115 499 587	172 799 035	146 062 628
Total shareholders' equity		**115 709 852**	**173 009 300**	**146 445 400**
Non-current liabilities				
Long term borrowing	15	1 034 201	-	-
Deferred tax liabilities	14	16 718 111	10 198 578	17 577 155
Total non current liabilities		**17 752 312**	**10 198 578**	**17 577 155**
Current liabilities				
Short-term portion of the long-term borrowing	15	889 028	-	-
Intercompany borrowings*	15.1	775 417	696 228	-
Trade and other payables	16	1 686 124	1 889 426	1 448 384
Current income tax liability	26	139 758	126 311	22 108
		3 490 327	**2 711 965**	**1 470 492**
Total liabilities		**21 242 639**	**12 910 543**	**19 047 647**
Total equity and liabilities		**136 952 491**	**185 919 843**	**165 493 047**

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

Note: The Comparative Statement of Financial Position (31 December 2023 & 31 December 2022) was previously reported in ZWL. These were stated by converting the Group's new presentation currency, US$. Refer to note 2.3 for details of the change in presentation currency.

The notes on pages 121 to 172 are an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 20 February 2025 and signed on its behalf by:

CHAIRMAN
E. K. MOYO
20 February 2025

MANAGING DIRECTOR
C. K. MANYOWA
20 February 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Audited 2024 US$	Audited Restated 2023 US$
Revenue	17	9 027 117	6 896 240
Allowance for credit losses	18	(730 420)	(385 081)
Property expenses	19	(3 454 021)	(3 526 674)
Net property income		**4 842 676**	**2 984 485**
Employee related expenses	20	(862 437)	(1 096 983)
Administration expenses*	21	(1 373 228)	(974 276)
Net property income after administration expenses		**2 607 011**	**913 226**
Fair value adjustments	22	(52 575 984)	91 468 141
Other (expenses)/ income**	23	(84 706)	935 542
Finance income	24	486 755	884 143
Finance costs	25	(21 184)	-
Share of (loss)/profit of associate	7	(11 845)	182 267
Net monetary gain / (loss)		-	77 220
Profit/(loss) before income tax		**(49 599 953)**	**94 460 539**
Income tax expense	26	(7 682 955)	(1 134 509)
Profit/(loss) for the year		**(57 282 908)**	**93 326 030**
Other comprehensive income for the year			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax).			
Effects of Group's conversion to presentation currency		-	(65 890 374)
Effects of Associate's conversion to presentation currency		-	(109 487)
Total comprehensive profit/(loss) for the year		**(57 282 908)**	**27 326 169**
Attributable to:			
-Owners of the parent		(57 282 908)	27 326 169
Profit/(loss) for the year		**(57 282 908)**	**27 326 169**
Basic earnings/(loss) per share (US$ cents)	27	(5)	8
Diluted earnings/(loss) per share (US$ cents)	27	(5)	8

*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.

Note: The Consolidated Statement of Comprehensive Income was previously reported in ZWL. This was stated by converting the Group's new presentation currency, US$. Refer to note 2.3 for details of the change in presentation currency.

The notes on pages 121 to 172 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Audited			
	Attributable to owners of the parent			
	Ordinary Shares US$	Treasury Shares US$	Retained earnings US$	Shareholders' equity US$
Restated balance as at 1 January 2023	389 865	(7 093)	146 062 628	146 445 400
Other comprehensive income	(175 704)	3 197	(65 827 354)	(65 999 861)
Profit for the year	-	-	93 326 030	93 326 030
Total comprehensive income for the year	**(175 704)**	**3 197**	**27 498 676**	**27 326 169**
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares		-	(7 485)	(7 485)
Dividend declared and paid		-	(754 784)	(754 784)
Restated balance as at 31 December 2023	**214 161**	**(3 896)**	**172 799 035**	**173 009 300**
	-			
Total equity at the beginning of the financial year	214 161	(3 896)	172 799 035	173 009 300
Profit for the year	-	-	(57 282 908)	(57 282 908)
Total comprehensive income for the year	**-**	**-**	**(57 282 908)**	**(57 282 908)**
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares	-	-	(16 540)	(16 540)
Balance as at 31 December 2024	**214 161**	**(3 896)**	**115 499 587**	**115 709 852**

Note: The Consolidated Statement of Changes in Equity was previously reported in ZWL. This was stated by converting the Group's new presentation currency, US$. Refer to note 2.3 for details of the change in presentation currency.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Audited 2024 US$	Audited Restated 2023 US$
Cash flows from operating activities			
Profit/(loss) before income tax		(49 599 953)	94 460 539
Adjustment for non-cash items and other adjustments:			
Depreciation	8	38 185	29 343
Finance costs	25	21 184	-
Allowance for credit losses	18	730 420	385 081
Fair value adjustment on investment property	22	52 575 984	(91 468 141)
Fair value movement on unquoted shares	10	202 401	(100 548)
Gain on loss of significant influence	23	-	(181 618)
Fair value movement on quoted shares	10.1	(53)	(2 445)
Finance income	24	(486 755)	(884 143)
Exchange (gain) / loss		163 151	(354 414)
Net monetary (gain) / loss		-	138 270
Dividend received		(18 309)	(2 214)
Share of profit/(loss) of associate	7	11 845	(182 266)
Cash flows generated from operating activities before working capital adjustments		**3 638 100**	**1 837 445**
Working capital adjustments			
Increase in trade and other receivables		(1 388 094)	(576 523)
Increase in inventory		(16 446)	(26 102)
Increase/(Decrease) in trade and other payables		(203 303)	1 093 798
Cash flow from operating activities after working capital adjustments		**2 030 257**	**2 328 618**
Income tax paid	26	(1 262 207)	(819 182)
Net cash generated from operating activities		**768 050**	**1 509 436**
Cash flows from investing activities			
Investment property under development	6.2	(1 408 152)	(1 962 195)
Improvements to investment property	6	-	(31 652)
Purchase of vehicles and equipment	8	(31 290)	(54 133)
Investment in associate	7	(19 256)	(71 352)
Acquisitions of equities	10 & 10.1	(3 000)	(66 263)
Proceed on disposal of property, plant and equipment		-	-
Proceed on disposal of investment property		173 913	255 778
Acquisitions of financial assets at amortised cost	9	(420 058)	(269 771)
Proceeds on disposal of financial assets at amortised cost	9	4	-
Maturity of long term investments		-	403
Finance income received	24	345 596	280 458
Dividend received		18 309	2 215
Net cash from / (used) in investing activities		**(1 343 934)**	**(1 916 514)**
Cash flows from financing activities			
Proceeds from borrowings	15	2 497 000	273 892
Repayment of borrowing -third party : Principal	15	(573 771)	-
: Interest	15	(218 423)	-
Repayment of borrowing - Intercompany loan : Principal	15.1	(249 123)	-
: Interest	15.1	(56 762)	-
Repurchase of treasury shares		(16 540)	(7 485)
Dividends paid to Company's shareholders		-	(617 332)
Net cash from / (used) in financing activities		**1 382 379**	**(350 925)**
Inflation effect on cashflows		-	(1 504 397)
Net (decrease)/increase in cash and cash equivalents		**806 495**	**(2 262 400)**
Cash and cash equivalents at the beginning of the year		376 665	997 223
Effects of currency translation on cash and cash equivalents		(684 792)	2 091 270
Effects of conversion to presentation currency		-	(449 428)
Cash and cash equivalents at end of the year	**12**	**498 368**	**376 665**

Note: The Consolidated Statement of Cash Flows was previously reported in ZWL. This was stated by converting the Group's new presentation currency, US$. Refer to note 2.3 for details of the change in presentation currency.

The notes on pages 121 to 172 are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 GENERAL INFORMATION

First Mutual Properties Limited ("the Company") and its subsidiary, (together "the Group"), principal activities are property investment, development and management. The Company and its subsidiary are incorporated and domiciled in Zimbabwe. The Company is a public limited company, which is listed on the Zimbabwe Stock Exchange and its parent company is First Mutual Holdings Limited, which is also listed on the Zimbabwe Stock Exchange.

The registered office of the Company is First Floor, First Mutual Park, 100 Liberation Legacy Way, Borrowdale, Harare, Zimbabwe.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Statement of Compliance

The Group and Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards" - hereafter referred to as "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 and Company's 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.

2,2 Basis of preparation

The Group and Company's financial statements were presented in United States dollars (US$). The Group and the Company have been transacting in both the local currency (ZWG) and foreign currency (US$) 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.

2.3 Change in functional currency and presentation currency

2.3.1 Change in functional currency

Following the enactment of Statutory Instrument ("SI") 185 of 2020 on 24 July 2020, the Group and Company'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 and Company 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:
(i) 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)
(ii) the currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services.
(iii) the currency which influences labour, material and other costs of providing goods and services.
(iv) the currency in which funds from financing activities are generated
(v) the currency in which receipts from operating activities are usually retained

Based on the above factors, the group and company concluded that there has been a change in functional currency from Zimbabwe Dollar (ZW$) to United States Dollars ("US$") 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 US$ from 1 January 2024 hence the change to the US$ as the functional currency.

2.3.2 Change in presentation currency.

Based on the conclusion reached to change the functional currency from Zimbabwean Dollar (ZW$) to United States Dollars (US$), the group and company also changed its presentation currency for 2024 financial statements The change was made to better reflect the economic environment in which the group and company operates, as the majority of its revenues, expenses, and financing activities are now denominated in United States Dollars (US$). This change is consistent with the requirements of IAS 21 "The Effects of Changes in Foreign Exchange Rates". The change in presentation currency has been applied retrospectively in accordance with IAS 8.

As a result, the comparative inflation adjusted financial statements for the year ended 31 December 2023 have been restated from ZW$ to US$ using the closing interbank exchange rate of ZW$ 5,935.4572 :1. Furthermore, the comparative inflation adjusted financial statements for the year ended 31 December 2022 have been restated from ZW$ to US$ using the closing interbank exchange rate of ZW$ 677.8527 :1. The restatement and translation effect of the above has been recognised in other comprehensive income.

2.4 Conversion of Comparative numbers to the presentation currency

The Group and Company transitioned its reporting currency from ZW$ to US$, following the restatement of its financial statements in line with IAS 29, "Financial Reporting in Hyperinflationary Economies" as described above. According to IAS 21, "The Effects of Changes in Foreign Exchange Rates," entities operating in hyperinflationary economies must translate their previously reported inflation-adjusted financial statements using the exchange rate at the last reporting date when changing their functional currency.

2.4.1 Caution on Financial reporting Conversion

The business reporting framework has undergone transformation by changing its functional and presentation currency to US$ from ZWL as explained above. It is important to highlight that the financial balances may exhibit notable disparities when viewed from a market perspective due to the disparities in exchange rates. While the conversion process is mathematically accurate, users of these financial statements are advised to exercise caution when analysing these balances. Acknowledging these challenges, management is of the view that the Statement of Financial Position as at 31 December 2024 provides the best possible estimation of the business financial position.

2.5 Foreign Currency Transactions and Balances

In preparing the financial statements of the Group and Company, transactions in currencies other than the United States Dollar are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of cost in a foreign currency are retranslated at the prevailing interbank rate on the transaction date. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 New standards, interpretations and amendments

2.6.1 New standards, interpretations and amendments, effective for the first time for 31 December 2024 year ends that are relevant to the Group and Company.

Standard/interpretation	Effective date	Executive summary
Classification of Liabilities as Current or Noncurrent and Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024	In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify: ,What is meant by a right to defer settlement , That a right to defer must exist at the end of the reporting period, That classification is unaffected by the likelihood that an entity will exercise its deferral right , That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification After an overall assessment of the Group and Company liabilities, it was noted that the new standard does not have significant impact since the loans held do not have caveats that give a right to deferal. Furthermore, the debt cover ratios are sufficient to service the debts into the foreseable future.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 New standards, interpretations and amendments (continued)

2.6.1 New standards, interpretations and amendments, effective for the first time for 31 December 2024 year ends that are relevant to the Group and Company.

Standard/interpretation	Effective date	Executive summary
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	1 January 2024	In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendments to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFSR 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller lessee determines "lease payments" or "revised lease payments" in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFSR 16. The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining "lease payments" that are different from the general definition of lease payments in Appendix A of IFSR 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8. A seller-lessee applies the amendment to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted and that fact must be disclosed. No material impact for the Group and Company based on current operations.
General Requirements for Disclosure of Sustainability-related Financial Information IFRS S1	1 January 2024	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. By adopting this standard the Group and Company will enhance accountability and aligns with broader societal trends towards sustainability, ultimately impacting their long term viability and success. Currently, adoption of the standard is not mandatory and management will continue to assess the impact.
Climate-related Disclosures IFRS S2	1 January 2024	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. By adopting IFRS S2, The Group and the Company will have shifted towards greater accountability and transparency in sustainability reporting. The Group and Company can better position themselves for future challenges and opportunities in a rapidly evolving market focused on sustainability and responsible investment. Management will continue to assess the impact of the standard to the group and company since it is currently not mandatory.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 New standards, interpretations and amendments (continued)

2.6.1 New standards, interpretations and amendments, effective for the first time for 31 December 2024 year ends that are relevant to the Group and Company.

Standard/interpretation	Effective date	Executive summary
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024	In May 2024, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose. The amendments must be applied prospectively. Early application is permitted and must be disclosed. The impact on the Group and Company is not material since supplier finance arrangements are not part of the current nature of operations of the entity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 New standards, interpretations and amendments (continued)

2.6.2 New standards, interpretations and amendments issued but not effective for 31 December 2024 year ends that are relevant to the Group and Company but have not been early adopted

Standard/interpretation	Effective date	Executive summary
IFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027	In April 2024, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosures of management-defined performance measures (as defined) and includes new requirements for location, aggregation and disaggregation of financial information. **Statement of profit or loss** An entity will be required to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, IFRS 18 requires an entity to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'. **Main business activities** For the purposes of classifying its income and expenses into the categories required by IFRS 18, an entity will need to assess whether it has a 'main business activity' of investing in assets or providing financing to customers, as specific classification requirements will apply to such entities. Determining whether an entity has such a specified main business activity is a matter of fact and circumstances which requires judgement. An entity may have more than one business activity. **Management-defined performance measures** IFRS 18 introduces the concept of a management-defined performance measure (MPM) which it defines as a subtotal of income and expenses that entity uses in public communications management's view of an aspect of the financial performance of the entity as a whole to users. IFRS 18 requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM, including how the measure is calculated and a reconciliation to the most comparable subtotal specified by IFRS 18 or IFRS accounting standard. **Location of information, aggregation and disaggregation** IFRS 18 differentiates between 'presenting' information in the primary financial statements and 'disclosing' it in the notes, and introduces a principle of determining the location of information based on the identified roles of the primary financial statements and the notes. IFRS 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics. The amendments must be applied retrospectively. Early application is permitted and must be disclosed. The Impact on the Group and Company is expected to be material.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 New standards, interpretations and amendments (continued)

2.6.2 New standards, interpretations and amendments issued but not effective for 31 December 2024 year ends that are relevant to the Group and Company but have not been early adopted

Standard/interpretation	Effective date	Executive summary
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027	In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures, which allows eligible entities to elect to apply reduced disclosures requirements while still applying the recognition, measurement, and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS accounting standards compliance statement. IFRS 19 requires an entity whose financial statements comply with IFRS accounting standards including IFRS 19 to make an explicit and unreserved statement of such compliance. An entity may elect to apply IFRS 19 if at the end of the reporting period: It is a subsidiary as defined in IFRS 10; It does not have a public accountability; and it has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards. **Public accountability** An entity has public accountability if: its debt or equity instruments are traded in a public market, or it is in the process of issuing such instruments for trading in a public market; or it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (i.e., not for reasons incidental to its primary business). IFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted and should be disclosed The amendments must be applied retrospectively. The Impact on the Group and Company is not expected to be material.
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28		In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted. The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors 'interests in the associate or joint venture. The amendments must be applied prospectively and early application is permitted and must be disclosed. The Impact on the Group and Company is not expected to be material.
Contracts Referencing Nature - dependent Electricity - Amendments to IFRS 9 and IFRS 7	1 January 2026	Effective for annual periods beginning on or after 1 January 2026. In December 2024, the Board issued Contracts Refencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments include: Clarifying the application of the own-use' requirements; Permitting hedge accounting if these contracts are used as hedging instruments; and Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Early adoption is permitted, but will need to be disclosed. The Impact on the Group and Company is not expected to be material.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 New standards, interpretations and amendments (continued)

2.6.2 New standards, interpretations and amendments issued but not effective for 31 December 2024 year ends that are relevant to the Group and Company but have not been early adopted

Standard/interpretation	Effective date	Executive summary
Lack of exchangeability – Amendments to IAS 21	01-Jan-25	In August 2024, the Board issued Lack of Exchangeability (Amendments to IAS 21). The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. The Group and Company is assessing the impact of the amendments and the materiality is still being assessed.
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7		In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) The ammendments clarifies on how a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. Clarifies how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. In addition, it clarifies the treatment of non-recourse assets and contractually linked instruments. This ammendment also requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income Group and Company is assessing the impact of the amendments and it is not expected to have material impact.
Annual Improvements to IFRS Accounting Standards—Volume 11		In May 2022, the International Accounting Standards Board (IASB) issued the Annual Improvements to IFRS Accounting Standards—Volume 11, which include amendments to IFRS 1: First-time Adoption of International Financial Reporting Standards, IFRS 9: Financial Instruments, IFRS 16: Leases, and IAS 1: Presentation of Financial Statements. The Group and Company is assessing the impact of the amendments and the materiality is still being assessed.

2.7 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The consolidated financial statements comprise the financial statements of First Mutual Properties Limited and its subsidiary as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:
- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
• the contractual arrangement with other equity holders of the investee;
• rights arising from other contractual arrangements and
• the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control of the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Group's financial results from the date the Group gains control until the date the Group ceases to control the subsidiary.

(b) Loss of control

If the Group loses control of the subsidiary, it:
• derecognises the assets (including goodwill) and liabilities of the subsidiary;
• derecognises the carrying amount of any non-controlling interest;
• derecognises the cumulative translation differences recorded in equity;
• recognises the fair value of the consideration received or receivable;
• recognises the fair value of any investment retained;
• recognises any surplus or deficit in profit or loss; and
• reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(c) Separate financial statements of the Company

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost. These are then eliminated at consolidation.

2.8 Segment reporting

Operating segments are reported in a manner consistent with the international reporting that is done to the chief operating decision maker ("CODM"). Where appropriate two or more segments are aggregated into a single operating segment. The CODM who is responsible for allocating resources and assessing performance has been identified as the management committee, which is made up of the managing director, Finance Executive, property investments manager and Head of Property Portfolio and Services.

2.9 Investment property

Investment property comprises completed property and property under construction or development and undeveloped land that is held to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property is included in the profit or loss in the period in which they arise. Fair values are determined annually by an accredited external independent valuer, applying valuation models recommended by the International Valuation Standards Committee.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the profit or loss in the year of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under vehicles and equipment up to the date of change in use. The difference between the cost-based measurement and fair value is treated as a revaluation adjustment.

A full valuation of investment property that incorporates physical inspection of the property being valued is conducted by the Group after every three years, in the quarterly desktop valuations are conducted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Investment in associate

An associate is an entity over which the Group 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.

Significant influence generally accompanies a shareholding of between 20% and 50% of the voting rights. The Group's investment in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Investment in associate is accounted for at cost in the company financials.

2.11 Vehicles and equipment

Vehicles and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the vehicles and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of vehicles and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the vehicles and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the asset as follows:

Motor vehicles	5 years
Computers	4 years
Equipment and machinery	5 years
Office equipment	5 years
Office furniture	10 years

The depreciable amount of an asset is determined after deducting its residual value. If the assets' residual values and useful lives differ from the previous estimates, the Group and Company account prospectively for the change in estimate.

An item of vehicles and equipment and any significant part initially recognized is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

2.12 Impairment of non-financial assets

The Group and Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's ("CGU") fair value less costs of disposal or its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available.

The Group and Company bases its impairment calculation on detailed budgets and forecast financial information, which are prepared separately for each of the Group and Company's CGUs to which the individual assets are allocated. These budgets and forecast financial information generally cover a period of five years.

For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognised impairment allowances may no longer exist or may have decreased. If such indication exists, the Group and Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment allowance is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment allowance was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment allowance been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

2.12.1 Financial instruments - initial recognition and subsequent measurement

2.12.2 Investments and other financial assets

(i) Classification of financial assets at amortised cost

The Group and Company classifies its financial assets as at amortised cost only if both of the following criteria are met:
- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Classification of financial assets at fair value through profit or loss
The Group and Company classifies the following financial assets at fair value through profit or loss ("FVPL"):
- debt investments that do not qualify for measurement at amortised cost; and
- equity investments for which the Group and Company has not elected to recognise fair value gains and losses through other comprehensive income ("OCI").

(ii) Initial recognition and measurement of financial assets

Measurement

At initial recognition, the Group and Company 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 that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(iii) Subsequent measurement of financial assets

Financial assets at fair value through profit and loss

These assets are subsequently measured at fair value. Net gains and losses including any interest on dividend income are recognised in profit or loss.

Financial asset at amortised cost

These asset are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gain and losses and impairment are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12.2 Financial instruments - initial recognition and subsequent measurement (continued)

2.12.2 Financial assets (continued)

(iv) Impairment of financial assets

Simplified approach

The Group and Company applies the simplified approach forward looking to measure expected credit losses. The simplified approach uses a lifetime expected credit loss allowance for all trade receivables. To measure the expected credit losses, rental receivables and operating cost receivables have been grouped based on shared credit characteristics and the days past due. The Group applied the practical expedient to calculate expected credit losses using a provision matrix. . However, in order to comply with the IFRS 9 requirements, The Group took into account how current and forward-looking information might affect its customers' default rates and, consequently, the effect of the information on current expectations and estimates of expected credit losses. The expected credit loss rates are based on the following:

(a) Occupancy status of the tenant

Where a tenant who remains in occupancy of the premises and continues to default on the payment of rent and operating costs, the past due account remains covered under general allowance for credit losses. The tenant who relinquishes occupancy of premises and honours agreed payment plans will not be considered for specific write-off and they will be provided for at 100%.

(b) Length of time of non-payment

The length of time a tenant stays without making payment towards past due balances is used as a measure of the extent of delinquency of outstanding amounts. All past due amounts over three months are referred to collection agencies and lawyers for collection while amounts that are over six months past due may qualify for specific write-off subject to the fulfilment of additional qualification criteria. All tenant account balances that are over three months are profiled with relevant percentages of general allowance applied to arrive at a general allowance for credit losses amount.

(c) Analysis of results of collection efforts undertaken so far in order to recover amounts that are past due

When the efforts of lawyers, collection agencies or direct approaches by the Group and Company to tenants does not yield significant recovery of past due amounts and the prospects of significant recoveries consider remote, the outstanding balance is considered for specific write off. All material write offs are approved by the Audit Committee. Significant managerial judgment is exercised in analysing the likelihood of success of current collection efforts with assessment of prospects of recovery rated from more highly probable to remote.

The Audited credit loss rates are adjusted to reflect current and forward looking information on macroeconomic factors (such as market interest rates or growth rates) affecting the ability of the cedants to settle the receivables.

General approach

The Group and Company applies the general approach on financial assets such as debt instruments measured at amortised cost. The Group and Company considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

The Group and Company recognises an allowance for expected credit losses (ECLs) for all debt instrument except those held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group and Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and Company may also consider a financial asset to be in default when internal or external information indicates that the Group and Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Write-off

Debt instruments are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group and Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group and Company's procedures for recovery of amounts due.

2.12.3 Financial liabilities

(i) Initial recognition and measurement: recognition and measurement

The Group's and Company's financial liabilities comprise interest-bearing loans and borrowings and trade and other payables. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings as appropriate. All financial liabilities are recognised initially at fair value and, net of directly attributable transaction costs. Trade and other payables, these amounts represents liabilities for goods and services provided to the Group and Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after reporting period. They are recognised initially at their fair value.

(ii) Subsequent measurement

After initial recognition, borrowings, loans and other payables and trade and other payable balances are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortization process.

(iii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. 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 a 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 profit or loss.

If the modification is not substantial, the original financial liability is not derecognized. Instead, the modification is accounted for as a continuation of the existing liability, and any costs or fees incurred are recognized as an adjustment to the carrying amount of the liability and amortised over the remaining term of the liability using the effective interest method.

The Group and Company assesses whether a modification of a financial liability, including intercompany loans, is substantial by comparing the present value of the remaining cash flows of the original liability (discounted at the original effective interest rate) with the present value of the cash flows under the modified terms (discounted at the original effective interest rate). If the difference between the present values is at least 10% of the present value of the remaining cash flows of the original liability, the modification is considered substantial.

This policy is applied consistently to all financial liabilities, including intercompany loans.

2.12.4 Off-setting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.13 Trade and other receivables

These are amounts due from tenants and other customers for services offered in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group and Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group and Company's allowance for impairment policies and the calculations are provided in note 11.

2.14 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk changes in value. For the purposes of the statement of cash flows, cash and cash equivalents comprise of bank and cash balances and short term deposits as defined above.

2.15 Fair value measurement

The Group and Company measures financial instruments, such as equity investments and non-financial assets such as investment property, at fair value at reporting date.

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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group and Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
• level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
• level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
• level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.16 Leases
The Group and Company has numerous leasing contracts as the lessor of investment property. The leases are operating leases, which are those leases where the Group and Company retains a significant portion of risks and rewards of ownership. Contractual rental income is recognised on a straight-line basis over a period of lease term.

2.17 Borrowing costs
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

2.18 Inventories

Consumables
Consumables are valued at cost (based on invoice value).

Property classified as inventory
Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value ("NRV") based on the specific identification of the property.

Cost includes, amount paid to acquire the land, amounts paid to contractors for construction, borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

The cost of inventory recognised in profit or loss from disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2.19 Share capital

(a) Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(b) Treasury shares (repurchase and reissue of ordinary shares)
When share capital recognised as equity is bought back the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as an equity deduction. The Company's own shares reacquired in a share buyback scheme are deducted from equity and are classified as treasury shares and are presented in a separate reserve for owned shares. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within the share premium.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Provisions

Provisions are recognised when the Group and Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group and Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

2.21 Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as trade and other payables in the balance sheet.

2.22 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.23 Current versus non-current classification

Asset is current when it is:
- expected to be realized or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading; or
- expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
- it is expected to be settled in normal operating cycle;
- it is held primarily for the purposes of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

2.24 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group and Company expects to be entitled in exchange for those goods. The Group and Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the customer.

2.25 Revenue recognition (continued)

(i) Rental income

The Group and Company are the lessors on operating lease transactions. 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 profit or loss due to its operating nature. 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. Rental income is recognised over time for the duration of a lease contract.

Services and management charges are recognised in the accounting period in which they are incurred.

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 directors are reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in profit or loss when the right to receive them arises.

(ii) Property services income

Property services income comprises income due from property-related services to other parties. The income is recognised at a point in time when the related services have been provided. Property services income will be generated from the following services:
- project management;
- property management;
- property valuations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) Finance income/expenses

For all financial instruments measured at amortised cost , interest income or expense is recorded using the effective interest method ("EIM"), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period.

2.26 Current income and deferred tax

(i) Income tax

The income tax expense for the year is the tax payable on the current years taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unusual tax losses. Income tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in Zimbabwe where the Group and Company operate and generate taxable income.

Income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes liabilities where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

2.27 Current income and deferred tax (continued)

(ii) Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in relation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period.

2.28 Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax, except when the value added tax incurred on purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of value added tax recoverable from or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

2.29 Post-employment benefits

(i) Post-employment benefits

The Group and Company operates one defined contribution pension plan, which requires contributions to be made to the fund. The pension plan is funded by payments from employees and the Group and Company. The Group and Company contribution to the defined contribution pension plan is charged to the profit or loss in the period to which the contributions relate.

Retirement benefits are also provided for the Group and Company's employees through the National Social Security Authority ("NSSA") Scheme. The cost of retirement benefits applicable to the NSSA Scheme is determined by the systematic recognition of legislated contributions.

(ii) Termination benefits

The Group and Company recognises termination benefits as a liability and/or expense when there is a demonstrable commitment to either terminate the employment of an employee or a group of employees before normal retirement date or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

2.30 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to ordinary equity holders of the entity, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2,31 Non-current assets held for sale

First Mutual Properties Limited classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The Group and Company classifies assets as held for sale when the following criteria are met;

- the assets must be available for immediate sale in their present condition
- sale must be highly probable
- the asset must be currently marketed actively at a price that is reasonable in relation to its current fair value
- the sale should be completed, or expected to be so, within a year from the date of the classification, and
- the actions required to complete the planned sale will have been made, and it is unlikely that the plan will be significantly changed or withdrawn.

Assets classified as held for sale cease to be depreciated at the date at which they qualify to be reclassified. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Additional disclosures are provided in Note 6.2

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group and Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

3.1 Significant estimates and assumptions

The Group and Company based their estimates and assumptions 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 beyond the control of the Group and Company. Such changes are reflected in the assumptions when they occur.

3.1.1 Valuation of investment property

The Group and Company carry investment property at fair value, with changes in fair value being recognised in of profit or loss which is inline with guidance given under IAS 40- Investment property.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3.1 Significant estimates and assumptions (continued)

Valuation approach

The valuations have been undertaken using the appropriate valuation methodologies and professional judgement.

Valuations of commercial and industrial properties are based on the comparative and investment methods. The investment method involves the capitalisation of expected rental income by an appropriate yield. The comparative approach seeks to ascribe to the subject property a value similar to that achieved for comparable properties. Through the comparative method, rental value rates and capitalisation rates for similar properties sold are assessed. After appropriate adjustments to the comparable to reflect the type of the property, quality, location and risk, the rental value and capitalisation rates of the subject property are determined.

With regards to the residential properties and pieces of undeveloped stands, we took into consideration sales evidence either achieved or on the market, of similar properties situated in comparable suburbs as that of the subject properties.

The market/fair value reflects the price that would be paid for a property on the open market and therefore is more accurately representative of the property's worth in terms of achievable value.

Refer note 6 for the carrying amount of investment property and the estimates and assumptions used to value investment property.

3.1.2 Allowance for credit losses

The Group and Company assesses its allowance for credit losses at each reporting date. Key assumptions applied in this calculation are the estimated trade receivables recovery rates within the Group's debtors' book, as well as an estimation or view on current and future market conditions that could affect the trade receivables recovery rates.

Refer to note 2.9.1 and note 4.1 for further details on the allowance for credit losses and the carrying amount of trade and other accounts receivables.

3.2 Going concern assumption

The Directors have assessed the ability of the Group and Company to continue operating as going concerns and believe that the preparation of these consolidated financial statements on a going concern basis is appropriate based on the financial performance for the year 2024. The business also continues to implement futuristic plans in response to the market trends to ensure sustainable earnings, with investments planned for Golden Stairs development and participation in FMP Group projects, retail land acquisitions and tenant driven expansion initiatives. In addition, borrowing capabilities continue to be pursued due to the positive cash flow generation. These all provide evidence of business continuity and the thrust to implement strategic plans and targets. It is to this effect that First Mutual Properties Limited consolidated financial statements will continue to be prepared under the going concern basis.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise borrowings and trade payables which arise directly from the Group and Company's operations. The Group has various financial assets such as trade and other receivables, and cash and cash equivalents which arise directly from its operations. The main risks arising from the Group's financial instruments are credit risk, liquidity and market risk .

The Group's senior management oversees the management of these risks within the Board approved framework of the risk management matrix. As such, the Group's senior management is supported by Group Internal Audit Management Department that advise on financial risks and the appropriate financial risk governance framework for the Group. The Group Audit Department provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies on risk management.

These risks are managed as follows:

4.1 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its investing and operating activities, including deposits with banks and other financial institutions and financial assets measured at amortised cost.

The credit rating of tenants is assessed according to the Group's criteria prior to entering into lease arrangements.

(i) Risk management

Credit risk is managed on a Group basis. If tenants are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors on a case by case basis, to assess the recoverability of the receivable. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.1 Credit risk (continued)

Analysis by credit quality of trade receivables is as follows:
Tenants are assessed according to the Group's criteria prior to entering into lease arrangements. Credit risk is managed by requiring tenants to pay rentals in advance. The credit quality of the tenant is assessed based on an extensive credit rating criteria at the time of entering into a lease agreement. At inception of the lease tenants are classified into good, acceptable and watch list categories. Outstanding tenants' receivables are regularly monitored and all tenants that accrue arrears are classified in watch list category as rental obligations are payable in advance. An impairment analysis is performed at each reporting date on an individual basis for major tenants paying in US$. The remainder of the tenants who pay in US$ currency are assessed collectively.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The analysis of impairment and risk exposure of trade receivables is as follows:

Group - Audited

31 December 2024	Current	More than 30 days past due	More than 60 day past due	More than 90 days past due	More than 120 days past due	Total
Expected loss rate	10.77%	27.28%	40.50%	56.71%	100.00%	
Gross carrying amount-trade receivables provided for	351 162	598 550	205 944	409 345	553 763	2 118 764
Credit loss allowance*	37 827	163 270	83 416	232 151	553 763	1 070 427
Expected loss rate	4.53%	4.53%	4.53%	4.53%	4.53%	
Gross carrying amount-trade receivables relating to related party tenants provided for	82 696	87 904	61 641	174 308	138 621	545 170
Credit loss allowance**	3 747	3 983	2 793	7 898	6 281	24 702
Total credit loss allowance	**41 574**	**167 253**	**86 209**	**240 049**	**560 044**	**1 095 129**

Group - Audited
Restated

31 December 2023	Current	More than 30 days past due	More than 60 day past due	More than 90 days past due	More than 120 days past due	Total
Expected loss rate	8.26%	15.74%	24.64%	46.00%	100.00%	
Gross carrying amount-trade receivables provided for	500 032	137 484	81 011	91 252	259 389	1 069 168
Credit loss allowance*	41 303	21 640	19 961	41 705	259 389	383 998
Expected loss rate	4.64%	4.64%	4.64%	4.64%	4.64%	
Gross carrying amount-trade receivables relating to related party tenants provided for	123 858	92 798	37 457	28 205	65 126	347 444
Credit loss allowance**	5 752	4 310	1 740	1 310	3 025	16 137
Total credit loss allowance	**47 055**	**25 950**	**21 701**	**43 015**	**262 414**	**400 135**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

Company - Audited

	Current	More than 30 days past due	More than 60 day past due	More than 90 days past due	More than 120 days past due	Total
31 December 2024						
Expected loss rate	10.77%	27.28%	40.50%	56.71%	100.00%	
Gross carrying amount-trade receivables provided for	365 450	586 801	170 506	287 108	433 290	1 843 155
Credit loss allowance*	39 367	160 065	69 062	162 827	433 290	864 611
Expected loss rate	4.53%	4.53%	4.53%	4.53%	4.53%	
Gross carrying amount-trade receivables relating to related party tenants provided for	82 696	87 904	61 641	174 308	138 621	545 170
Credit loss allowance**	3 747	3 983	2 793	7 898	6 281	24 702
Total credit loss allowance	**43 114**	**164 048**	**71 855**	**170 725**	**439 571**	**889 313**

Company - Audited
Restated

	Current	More than 30 days past due	More than 60 day past due	More than 90 days past due	More than 120 days past due	Total
31 December 2023						
Expected loss rate	8.26%	15.74%	24.64%	46.00%	100.00%	
Gross carrying amount-trade receivables provided for	420 775	128 552	77 997	55 583	243 430	926 337
Credit loss allowance*	34 737	20 228	19 221	25 137	243 430	342 753
Expected loss rate	4.64%	4.64%	4.64%	4.64%	4.64%	
Gross carrying amount-trade receivables relating to related party tenants provided for	123 858	92 798	37 457	28 205	65 126	347 444
Credit loss allowance**	5 753	4 310	1 740	1 310	3 025	16 138
Total credit loss allowance	**40 490**	**24 538**	**20 961**	**26 447**	**246 455**	**358 891**

*Credit loss allowance at different loss rates

**Credit loss allowance for 2024 is 4.53% (2023: 4.64%). Related party balances are provided for at a same rate over different bands as they have low default probability.

Change of provisioning matrix
At 31 December 2024, the Group revised its Expected Credit Loss (ECL) provisioning matrix in line with changes in market and economic conditions affecting the tenants ability to settle their arrears. The revision resulted in higher ECL rates being applied in the year ended 2024 as compared to the prior year. The revision took into account historical data for the past three years. Forward looking information was incorporated by adjusting historical loss rates using estimated GDP movements in the Zimbabwean economy. The increase in the ECL provision was thus a result of the assessment of historical data together with forward looking information and the movement in the receivables in light of the operating environment.

The closing credit loss allowances for trade receivables as at 31 December 2024 reconcile to the opening loss allowances as follows:

	Audited			
	Group		Company	
	2024 US$	Restated 2023 US$	2024 US$	Restated 2023 US$
Opening credit loss allowances	400 135	234 702	358 891	184 515
Increase in credit loss allowance recognised in profit or loss during the year	694 994	373 331	530 422	337 819
Receivables written off during the year as uncollectable	-	-	-	-
Inflation effect	-	(102 123)	-	(80 284)
Effects of conversion to presentation currency	-	(105 775)	-	(83 159)
Closing expected credit losses allowances	1 095 129	400 135	889 313	358 891

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.1 Credit risk (continued)

	Audited 2024 US$	Audited Restated 2023 US$
The Group's maximum exposure to credit risk by class of financial asset is as follows:		
Financial assets at fair value through profit or loss - Unquoted shares (note 10)	271 139	473 540
Financial assets at fair value through profit or loss - Quoted shares (note 10.1)	7 714	4 661
Financial assets at amortised cost (note 9)	481 705	108 828
Trade other receivables (excluding prepayments) (note 11)	3 105 993	1 574 831
Cash and cash equivalents (note 12)	498 368	376 665
	4 364 919	**2 538 525**

	Audited 2024 US$	Audited Restated 2023 US$
The Company's maximum exposure to credit risk by class of financial asset is as follows:		
Financial assets at fair value through profit or loss - Unquoted shares	271 139	473 540
Financial assets at fair value through profit or loss - Quoted shares	7 714	4 661
Financial assets at amortised cost (note 5 and 7.1)	2 404 934	108 828
Trade other receivables (excluding prepayments) (note 8)	2 830 385	1 432 000
Cash and cash equivalents (note 9)	293 905	521 973
	5 808 077	**2 541 002**

Financial assets at amortised cost
The Group and Company hold treasury bills which are classified as financial assets at amortised cost. The financial assets are assessed under the 12-month ECLs, as there has been no significant increases in credit risk since initial recognition. Assessment of the credit risk of these financial assets involves looking at the government's ability to payback. The company receives coupon payments bi-annually and there has not been any defaults so far. The coupon payment is insignificant which made it easier for the Government to settle its coupon obligations, which further reduces the probability of default closer to nil. Therefore these financial assets have little to no credit risk.

The Group and Company also hold long term investments with First Mutual Microfinance (FMM) which are classified as financial assets at amortised cost. The financial assets are assessed under the 12-month ECLs, as there has been no significant increases in credit risk since initial recognition. Assessment of the credit risk of these financial assets involves looking at FMM ability to payback.

The Group and Company's debt instruments at amortised cost comprise of Government treasury bills and debt securities held at First Mutual Microfinance that are graded good investments and, therefore, are considered to be low credit risk investments. It is the Group and Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group and Company uses the rate of meeting principal and interest repayments both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Provision for expected credit losses of financial assets at amortised cost
The Group and Company uses a the country's default rate to calculate ECLs for financial assets at amortised cost. The default rates takes into account forward looking information as it incorporates inflation and GDP of the country.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group and Company is exposed to credit risk from its operating activities and from its financing activities.

Set out below is the movement in the allowance for expected credit losses of financial assets at amortised cost:

	Audited 2024 US$	Audited Restated 2023 US$
As at 1 January	11 750	-
Provision for expected credit losses	35 426	11 750
As at 31 December	**47 176**	**11 750**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

An impairment analysis is performed at each reporting date using country default rate to measure expected credit losses The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Risk management
Credit risk is managed on a Group basis. The credit risk of financial assets at amortised cost is assessed separately, for Government Treasury Bills the risk is very low as the Government always meets its payments when they fall due and for debt securities invested through First Mutual Microfinance, the risk profile marginally escalates from the Government Treasury Bills levels to match the risk profile allocated to Group related Companies. The fellow Group companies will be backed by the Holding company in times of liquidity crises thereby reducing the risk profile of related party transactions.

Liquidity and solvency status of the tenant
As may be revealed by a review of the tenant's financial records and through other means such as reading press reports, it may be determined that a deteriorating liquidity and solvency status of a defaulting tenant renders the past due amount uncollectable and therefore such balances are written off after Audit Committee approval has been granted.

Security arrangements
The Group considers directors guarantees as vital security in the event that all other means of recovery of past due amounts does not yield meaningful results. Unsecured past due amounts that have gone through all reasonable recovery effort and remain uncollectable are specific write-off subject to fulfilment of additional such balances are written off after Audit Committee approval has been granted.

The Group and Company holds no collateral in respect of these trade receivables. Trade receivables that are past due, without payment plans and whose chances of recovery are rated remote are considered for specific write-off. An assessment of amounts that has been done based on the history of the tenant account and management is satisfied with the chances of recovery. Estimation process used with regards to the assessment of the credit quality of trade receivables, using the following broad criteria:
- occupancy status of the tenant;
- length of period of non-payment or adherence to agreed payment plans;
- analysis of results of collection efforts undertaken so far in order to recover the amounts that are past due through inspection of subsequent receipts from tenants, consideration of adherence to payment plans that were in place, and through inspection;
- liquidity, solvency and past payment status of the tenant; and
- security arrangements in place.

Related party expected credit losses
Related party receivables are short term receivables arising from leases entered into with related parties, mainly fellow subsidiaries of First Mutual Holdings Limited and the Company. The Group has assessed that the related parties have sufficient liquidity at the reporting date to be able to repay the receivable on demand. The related party receivables have a different risk profile as compared to third parties therefore separate expected credit loss rates was applied.

4.2 Liquidity risk
The Group and Company monitors its risk to shortage of funds using a recurring liquidity planning tool. This tool involves daily, weekly and monthly cash flow forecasts and considers the maturity of both its financial investments and financial assets (tenant debtors, other financial assets). The Group and Company objective is to maintain a balance between continuity of funding and flexibility through use of bank loans or borrowings from related parties within the Group.

As at 31 December 2024, the table below analyses the maturity profile of the Group's and Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group

Maturity profile Audited	On demand US$	Less than 3 months US$	3 - 12 months US$	1 to 5 years US$	Total US$
Year ended 31 December 2024					
Trade and other payables	1 543 381	-	-	-	1 543 381
Intercompany borrowings	-	-	775 416	-	775 416
Amounts owing to Group companies (Note 28.1.2)	142 742	-	-	-	142 742
Short-term portion of the long-term borrowing	-	222 257	666 771	-	889 028
Long term borrowing	-	-	-	1 367 731	1 367 731
	1 686 123	**222 257**	**1 442 187**	**1 367 731**	**4 718 298**

Audited					
Restated					
Year ended 31 December 2023					
Trade and other payables	1 593 550	-	-	-	1 593 550
Intercompany borrowings	-	-	696 228	-	696 228
Amounts owing to Group companies (Note 28.1.3)	295 876	-	-	-	295 876
	1 889 426	**-**	**696 228**	**-**	**2 585 654**

Company

Maturity profile	On demand US$	Less than 3 months US$	3 - 12 months US$	1 to 5 years US$	Total US$
Audited					
Year ended 31 December 2024					
Trade and other payables	1 451 685	-	-	-	1 451 685
Amounts owing to Group companies (Note 13)	142 742	-	-	-	142 742
Short-term portion of the long-term borrowing	-	222 257	666 771	-	889 028
Long term borrowing	-	-	-	1 367 731	1 367 731
	1 594 427	**222 257**	**666 771**	**1 367 731**	**3 851 186**
Audited					
Restated					
Year ended 31 December 2023					
Trade and other payables	1 546 926	-	-	-	1 546 926
Amounts owing to Group companies (Note 13)	295 869	-	-	-	295 869
	1 842 795	**-**	**-**	**-**	**1 842 795**

During the year 2024, Group's current assets are less than current liabilities which renders reduced capacity to meet short term financial obligations when they fall due, however management is managing the risk as in 2024 there was contined use of internal cashflows to finance Arundel office park developments in addition to borrowings for the same for which repayments started during the course of the year hence reduction in current assets.

Changes in liabilities arising from financing activities
2024

	1 January 2024	Cashflows	Interest	Other*	31 December 2024
Long term borrowing**	-	1 704 806	218 423	-	1 923 229
Intercompany borrowings	696 228	(305 887)	56 763	328 313	775 417
Total liabilities from financing activities	**696 228**	**1 398 919**	**275 186**	**328 313**	**2 698 646**

2023

	1 January 2023	Cashflows	Interest	Other*	31 December 2023
Long term borrowing**	-	-	-	-	-
Intercompany borrowings	-	273 892	33 552	388 784	696 228
Total liabilities from financing activities	**-**	**273 892**	**33 552**	**388 784**	**696 228**

*Other includes amounts paid for First Mutual Properties by First Mutual Health directly to suppliers, the liability increased but no cash flow and the inflation effect.
The new disclosure is provided due to external borrowings being relevant from the current year therefore, necessitating the breakdown of financial liabilities for financing activites in the statement of cash flows.
**The liquidity risk associated with the long term loan is also applicable to Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

4.3 Market risk

(i) Interest rate risk

Interest rate risk is the risk that the future cash flows of a loan will fluctuate because of changes in market interest rates. The group and company's exposure to the risk of changes in market interest rates relates primarily to the group's borrowings with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of intercompany loans and third party loans.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates of loans and borrowings.
With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings, as follows:
The table below demonstrates the sensitivity of pre tax profits and equity to a 5% change in interest. The method used assumes either a 5% increase or decrease in the in interest and illustrates the impact on the profit and equity. This disclosure is applicable to both the group and Company.

Audited Group and Company		Change in interest	Effect on profit before income tax US$	Effect on equity US$
	2024	+5%	96 161	71 400
		-5%	(96 161)	(71 400)
Audited Restated	2023	+5%	-	-
		-5%	-	-

(ii) Equity price risk

The Group and Company's listed and unlisted securities are susceptible to market price risk arising from uncertainties about the future values of the investments. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis.

Equity price sensitivity

The table below demonstrates the sensitivity of pre tax profits and equity to a 5% change in equity price. The effects are assumed to have arisen from movements in quoted equity value. The method used assumes either a 5% increase or decrease in the equity price and illustrates the impact of the profit and equity. There has been no change from prior periods in the method and assumptions used.

Group		Change in Equity price	Effect on profit before income tax US$	Effect on equity US$
Audited	2024	+5%	386	290
		-5%	(386)	(290)
Audited Restated	2023	+5%	233	175
		-5%	(233)	(175)

Company		Change in Equity price	Effect on profit before income tax US$	Effect on equity US$
Audited	2024	+5%	386	290
		-5%	(386)	(290)
Audited Restated	2023	+5%	233	175
		-5%	(233)	(175)

(iii) Currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group and company's exposure to foreign exchange risk relates mainly to operating activities i.e. rental income denominated in foreign currency and foreign currency balances. The Group and company are exposed to foreign currency risk through its exposure to ZWG cash balances held, and 20% of rentals which are received in ZWG in 2024. In 2023, the Group and Company were exposed through US$ cash balances held and US$ rental income.

The Group and company manages its foreign currency risk by tracking lease rentals to movements in foreign currency exchange rates. Rentals are pegged at US$ rates and payable at the equivalent ZWG rate each month (2023:ZWL rate). In 2024, risk is managed by holding most of the rental receipts in US$ (foreign currency in 2023) i.e. US$ which is more stable than the ZWG currency.

Foreign currency sensitivity

The table below demonstrates the sensitivity of pre tax profits and equity to a 5% change in ZWG exchange rates for 2024 and US$ exchange rates for 2023. The effects are assumed to have arisen from movements in foreign denominated rental income and cash and cash equivalents. The method used assumes either a 5% increase or decrease in the exchange rate and illustrates the impact of the profit and equity. There has been no change from prior periods in the method and assumptions used.

Group		Change in ZWG rate	Effect on profit before income tax US$	Effect on equity US$
Audited	2024	+5%	92 962	69 024
		-5%	(92 962)	(69 024)
		Change in US$ rate	**Effect on profit before income tax US$**	**Effect on equity US$**
Audited Restated	2023	+5%	215 138	180 789
		-5%	(215 138)	(180 789)

Company		Change in ZWG rate	Effect on profit before income tax US$	Effect on equity US$
Audited	2024	+5%	83 072	61 681
		-5%	(83 072)	(61 681)
		Change in US$ rate	**Effect on profit before income tax US$**	**Effect on equity US$**
Audited Restated	2023	+5%	155 589	143 226
		-5%	(155 589)	(143 226)

4.4 Capital management

Capital of the Group and Company comprises borrowings, equity and retained earnings. The primary objective of the Group and Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise shareholder value.

The Group and Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and Company adjusts the dividend payments to shareholders or issue new shares.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

	Audited 2024 US$	Audited Restated 2023 US$
Group maximum borrowing limit (50% of shareholders 'equity)	57 854 926	86 504 650
Borrowings	(2 698 645)	(696 228)
Borrowing headroom	**55 156 281**	**85 808 422**

	Audited 2024 US$	Audited Restated 2023 US$
Company maximum borrowing limit (50% of shareholders 'equity)	39 129 498	55 592 643
Borrowings	(1 923 229)	-
		-
Borrowing headroom	**37 206 269**	**55 592 643**

The directors shall borrow an aggregate principal amount at any one time not exceeding 50% of the total shareholders equity as set out in the latest consolidated and separate audited statement of financial position of the Group and Company. As at 31 December 2024, the Group and Company had financial covernants as stated in note 15 (2023: no exposure).

The Group and Company monitors capital using a gearing ratio, which is net debt divided by total capital plus debt. The Group and Company includes within net debt interest bearing loans and borrowings less cash and cash equivalents. No changes were made in the objective or processes for managing capital during the years ended 31 December 2024 and 31 December 2023.

A gearing ratio is a non-IFRS measure.

The table below sets out the Group's capital position;	Audited 2024 US$	Audited Restated 2023 US$
Net debt		
Borrowings	-	-
Loans and other payables	2 698 645	696 228
Less: cash and cash equivalents	(498 368)	(376 665)
	2 200 277	**319 563**
Capital		
Ordinary share capital	214 161	214 161
Treasury shares	(3 896)	(3 896)
Retained earnings	115 499 587	172 799 035
Total capital	**115 709 852**	**173 009 300**
Capital and net debt	**117 910 129**	**173 328 863**

The table below sets out the Company's capital position;	Audited 2024 US$	Audited Restated 2023 US$
Net debt		
Borrowings/overdraft	1 923 229	-
Less: cash and cash equivalents	(293 905)	(521 973)
	1 629 324	**(521 973)**
Capital		
Ordinary share capital	214 161	214 161
Treasury shares	(3 896)	(3 897)
Retained earnings	78 048 731	110 975 021
Total capital	**78 258 996**	**111 185 285**
Capital and net debt	**79 888 320**	**110 663 312**

5 SEGMENTAL REPORTING

For investment property that include offices, retail and industrial properties, financial information is provided to the management committee, for each of the segments in the property portfolio. The information provided includes gross rentals, property expenses and valuation gains or losses. The individual properties are aggregated into segments with similar economic characteristics. The directors consider that this is best achieved by aggregating into retail, office and industrial segments. The Group's segments are all domiciled in Zimbabwe.

Aggregated segments
The Office and Retail segments have two segments each that have been aggregated into a single operating segment because the aggregated segments have similar economic characteristics and the nature of the products and type of customers are similar: The segments that have been aggregated are;
- CBD offices and Office Parks for the office segment and
- CBD retail and Suburban retail for the retail segment.

Consequently the Group is considered to have three reportable operating segments: office, retail and industrial properties.

Office segment
The office segment acquires, develops and leases offices in the central business district and office parks. Office comprise the high rise central business district buildings and office parks in Zimbabwe.

Retail segment
The retail segment acquires, develops and leases shops in the central business district and selected suburban locations throughout Zimbabwe

Industrial segment
The industrial segment comprises properties situated in designated industrial areas of Zimbabwe.

Other segment
Other comprises residential properties, undeveloped land and income generated from other property services, and Group administration costs, profit or loss from disposals of investment property, finance income and income taxes are not reported to the board on a segment basis.

Other assets (both current and non-current) are not allocated to segments and have been provided in the reconciliation of segment assets to assets disclosed in the statement of financial position.

Adjustment segment
The adjustment column relates to rental income for space occupied by First Mutual Properties Limited and management fees charged. The Company occupies an insignificant portion of the property and management has classified this property as investment properties as opposed to owner occupied. Management fees relates to asset management fees charged by First Mutual Properties Limited to its subsidiaries for properties managed on behalf of the subsidiaries.

Major customer
First Mutual Holdings Limited, the parent of the Company and its other subsidiaries contributed 10.78% (United Nations Development Programme (UNDP), FY2023 13.78%) of total revenue. The operating leases are for lettable space within the office segment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

Segment reporting FOR THE YEAR ENDED 31 DECEMBER 2024

	Audited					
All figures in US$	**Office**	**Retail**	**Industrial**	**Other**	**Consolidation adjustment**	**Total**
Revenue	4 651 646	2 015 745	1 318 800	1 065 052	(24 126)	9 027 117
Allowance for credit losses	(387 263)	(242 370)	(61 681)	(39 106)	-	(730 420)
Property expenses	(1 947 748)	(775 771)	(335 441)	(395 061)	-	(3 454 021)
Segment results	**2 316 635**	**997 604**	**921 678**	**630 885**	**(24 126)**	**4 842 676**
Net gain from fair value adjustment on investment property	(26 489 830)	(9 252 438)	(3 158 441)	(13 675 275)	-	(52 575 984)
Segment profit/(loss)	**(24 173 195)**	**(8 254 834)**	**(2 236 763)**	**(13 044 390)**	**(24 126)**	**(47 733 308)**
Employee related expenses	-	-	-	(862 437)	-	(862 437)
Other expenses	(745 685)	(196 856)	(94 976)	(1 587 771)	1 252 060	(1 373 228)
Finance costs	-	-	-	(21 184)	-	(21 184)
Other income	202	-	-	(84 908)	-	(84 706)
Share of profit of associate	-	-	-	(11 845)	-	(11 845)
Finance income	354 137	75 039	45 835	11 744	-	486 755
Profit before income tax	**(24 564 541)**	**(8 376 651)**	**(2 285 904)**	**(15 600 791)**	**1 227 934**	**(49 599 953)**

Reconciliation of segment assets for 2024

All figures in US$	**Office**	**Retail**	**Industrial**	**Other**	**Consolidation adjustment**	**Total**
Assets						
Investment property	64 350 000	26 153 000	12 810 000	29 635 000	-	132 948 000
Trade receivables (note 11)	970 508	429 899	133 194	35 510	(306)	1 568 805
Segment assets	**65 320 508**	**26 582 899**	**12 943 194**	**29 670 510**	**(306)**	**134 516 805**
Other non-current assets	-	-	-	1 314 100	-	1 314 100
Other current assets	-	-	-	1 121 586	-	1 121 586
Total assets	**65 320 508**	**26 582 899**	**12 943 194**	**32 106 196**	**(306)**	**136 952 491**
Current liabilities	**1 142 029**	**349 533**	**219 967**	**1 775 474**	**3 324**	**3 490 327**
Capital expenditure *	**1 408 152**	**-**	**-**	**31 290**	**-**	**1 439 442**

*Capital expenditure is for investment property, vehicles and equipment.

5 SEGMENTAL REPORTING (continued)

Segment reporting FOR THE YEAR ENDED 31 December 2023

Audited
Restated

All figures in US$	Office	Retail	Industrial	Other	Consolidation adjustment	Total
Revenue	3 650 626	1 694 004	1 108 980	467 393	(24 763)	6 896 240
Allowance for credit losses	(207 031)	(125 756)	(32 004)	(20 290)	-	(385 081)
Property expenses	(2 062 274)	(754 205)	(326 116)	(384 079)	-	(3 526 674)
Segment results	**1 381 321**	**814 043**	**750 860**	**63 024**	**(24 763)**	**2 984 485**
Net gain from fair value adjustment on investment property	43 455 341	17 919 301	8 055 144	22 038 355	-	91 468 141
Segment profit	**44 836 662**	**18 733 344**	**8 806 004**	**22 101 379**	**(24 763)**	**94 452 626**
Employee related expenses	-	-	-	(1 096 983)	-	(1 096 983)
Other expenses	(514 603)	(135 852)	(65 544)	(1 122 334)	864 057	(974 276)
Finance costs	-	-	-	-	-	-
Other income	3 929	-	-	931 613	-	935 542
Share of profit of associate	-	-	-	182 267	-	182 267
Finance income	595 027	173 443	62 745	52 928	-	884 143
Net monetary adjustment	-	-	-	-	77 220	77 220
Profit before income tax	**44 921 015**	**18 770 935**	**8 803 205**	**21 048 870**	**916 514**	**94 460 539**

Reconciliation of segment assets for 2023

All figures in US$	Office	Retail	Industrial	Other	Consolidation adjustment	Total
Assets						
Investment property	84 914 436	35 405 438	15 968 441	43 484 189	-	179 772 504
Trade receivables (note 11)	634 813	274 202	84 955	22 650	(142)	1 016 478
Segment assets	**85 549 249**	**35 679 640**	**16 053 396**	**43 506 839**	**(142)**	**180 788 982**
Other non-current assets	-	-	-	4 288 962	-	4 288 962
Other current assets	-	-	-	841 899	-	841 899
Total assets	**85 549 249**	**35 679 640**	**16 053 396**	**48 637 700**	**(142)**	**185 919 843**
Current liabilities	**1 001 664**	**162 561**	**298 915**	**1 248 683**	**142**	**2 711 965**
Capital expenditure*	**3 176 093**	**13 685**	**-**	**27 088**	**-**	**3 216 866**

*Capital expenditure is for investment property, vehicles and equipment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

6 COMPLETED INVESTMENT PROPERTY	Audited 2024 US$	Audited Restated 2023 US$
As at 1 January	179 772 504	161 294 393
Improvements to existing property	-	31 652
Reclassification from held for sale	-	68 231
Reclassification from investment property under development	5 925 393	-
Disposals	(173 913)	(360 811)
Fair value adjustments	(52 575 984)	91 468 141
Effects of conversion to presentation currency	-	(72 729 102)
As at 31 December	**132 948 000**	**179 772 504**

6.1 Fair value hierarchy

The following table shows an analysis of the fair values of investment property recognised in the statement of financial position by level of the fair value hierarchy;

Audited Group

All figures in US$ 31 December 2024	Level 1	Level 2	Level 3	Total	Total gain/ (loss)in the period inthe statement of profit or loss
CBD offices	-	-	23 330 000	23 330 000	(9 507 571)
Office parks	-	-	41 020 000	41 020 000	(16 982 258)
CBD retail	-	-	19 003 000	19 003 000	(6 000 543)
Suburban retail	-	-	7 150 000	7 150 000	(3 251 895)
Industrial	-	-	12 810 000	12 810 000	(3 158 441)
Residential	-	-	3 800 000	3 800 000	(1 496 602)
Land*	-	-	25 835 000	25 835 000	(12 178 674)
Total	**-**	**-**	**132 948 000**	**132 948 000**	**(52 575 984)**
				-	

*This consists of land earmarked for future developments.

Audited Restated

31 December 2023	Level 1	Level 2	Level 3	Total	Total gain/ (loss)
CBD offices	-	-	32 837 571	32 837 571	16 804 774
Office parks	-	-	52 076 864	52 076 864	26 650 568
CBD retail	-	-	25 003 543	25 003 543	12 654 723
Suburban retail	-	-	10 401 895	10 401 895	5 264 578
Industrial	-	-	15 968 441	15 968 441	8 055 144
Residential	-	-	5 470 514	5 470 514	2 772 528
Land	-	-	38 013 676	38 013 676	19 265 826
Total	**-**	**-**	**179 772 504**	**179 772 504**	**91 468 141**

Refer to Note 15 where an item of investment property (First Mutual Park) is held as security for borrowings.

Gains and losses recorded in profit or loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to a loss of US$52.5 million (2023: US$91.5 million gain) and are presented in the consolidated statement of profit or loss in line item 'fair value adjustments'

All gains and losses recorded in profit or loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy are attributable to changes in unrealised gains or losses relating to investment property held at the end of the reporting period.

Valuation techniques used to derive level 3 fair values

The table below presents the following for each class of the investment property:
- the fair value measurements at the end of the reporting period;
- the level of the fair value hierarchy (in this case level 3) within which the fair value measurements are categorized in their entirety;
- a description of the valuation techniques applied;
- the inputs used in the fair value measurement, including the ranges of rent charged to different units within the same building; and
- level 3 fair value measurements, quantitative information about the significant unobservable inputs used in the fair value measurement.

Audited

All amount in US$

Class of property	**Fair value 31 December 2024**	**Valuation technique**	**Key unobservable inputs**	**Range**	**weighted average**
CBD offices	23 330 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US$4.00 - US$6.00 10.00%-11%	26%
Office parks	41 020 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US$8.00 - US$10.00 7.00%-9.00%	4%
CBD retail*	19 003 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US$10.00 - US$30.00 8.5%-10.00%	0%
Suburban retail*	7 150 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US$10.00 - US$30.00 7.00%-10.00%	0%
Industrial	12 810 000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US$2.00 - US$5.00 12% - 14% 0	0%
Residential	3 800 000	Market comparable	Comparable transacted properties prices		
Land - residential	3 435 000	Market comparable	Rate per square metre	US$20.00 - US$40.00	
Land - commercial	22 400 000	Market comparable	Rate per square metre	US$40.00 - US$80.00	
Total	**132 948 000**				

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

All amount in US$

Class of property	Fair value 31-Dec-23	Valuation technique	Key unobservable inputs	Range	weighted average
CBD offices	32 837 571	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US$4-US$6 5.5%-8.5%	23%
Office parks	52 076 864	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US$8-US$10 5%-6%	6%
CBD retail*	25 003 543	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US$8-US$15 4.5%-6%	0%
Suburban retail*	10 401 895	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US$10-US$30 4%-5.5%	4%
Industrial	15 968 441	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US$2-US$5 7%-10%	10%
Residential	5 470 514	Market comparable	Comparable transacted properties prices		
Land - residential	5 548 611	Market comparable	Rate per square metre	US$2-US$29	
Land - commercial	32 465 065	Market comparable	Rate per square metre	US$29-US$129	
Total	**179 772 504**				

6 INVESTMENT PROPERTY (continued)

6.1 Fair value hierarchy (continued)

The table below shows an analysis of the lettable space of the portfolio, split per sector and its respective contribution to the total portfolio.

GROUP	Lettable space m2		% of portfolio	
	December 2024	December 2023	December 2024	December 2023
Sector				
CBD offices	31 681	31 681	25%	26%
Office park	28 456	25 839	22%	21%
CBD retail	21 948	21 948	17%	18%
Suburban retail	7 723	7 723	6%	6%
Industrial	36 997	36 997	30%	29%
Total	**126 805**	**124 188**	**100%**	**100%**

COMPANY	December 2024	December 2023	December 2024	December 2023
Sector				
CBD offices	31 681	31 681	29%	30%
Office park	10 013	7 397	9%	7%
CBD retail	21 948	21 948	20%	21%
Suburban retail	7 723	7 723	7%	7%
Industrial	36 997	36 997	35%	35%
Total	**108 362**	**105 746**	**100%**	**100%**

Descriptions and definitions

The table above includes the following descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining the fair values:

i. Income approach / Income capitalisation method

Under the income capitalisation method, a property's fair value is estimated based on the annualised net operating income generated by the property, which is divided by the capitalisation rate (discounted by the investor's rate of return). Under the income capitalisation method, over (above market rent) and under-rent situations are separately capitalised (discounted).

ii. Market approach / Market comparable method

Under the market comparable method, a property's fair value is estimated based on comparable transactions. The unit of comparison applied by the Group is the price per square metre ("sqm").

iii. Rent per square metre

The rent at which space could be let in the market conditions prevailing at the date of valuation. The unit of comparison is the rental rate per square metre.

iv. Vacancy rate

The Group determines the vacancy rate which can be based on the percentage of estimated vacant space divided by the total lettable area.

v. Prime yield

The prime yield is defined as the internal rate of return of the cash flows from the property, assuming a rise to Estimated Rental Value ("ERV") at the next review, but with no further rental growth.

Leasing arrangements

Some of the investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

GROUP	Audited 2024 US$	Audited Restated 2023 US$
Within 1 year	505 755	155 132
Between 1 and 2 years	1 583 019	932 145
Between 2 and 3 years	2 464 183	1 941 724
Between 3 and 4 years	6 713 024	2 177 241
Between 4 and 5 years	2 887 417	4 634 197
Later than 5 years	-	-
Total	**14 153 398**	**9 840 439**

COMPANY	Audited 2024 US$	Audited Restated 2023 US$
Within 1 year	472 530	155 086
Between 1 and 2 years	1 456 697	932 084
Between 2 and 3 years	2 259 255	1 941 651
Between 3 and 4 years	6 508 332	2 177 136
Between 4 and 5 years	2 924 400	4 634 198
Later than 5 years	-	-
Total	**13 621 214**	**9 840 155**

Sensitivity analysis to significant changes in unobservable inputs within Level 3 of the hierarchy.

Yield rate risk and sensitivity
The rental rate represents the net income expected in year zero divided by the current property values (audited historical and/or trailing income yield). The risk arises when vacancy levels in the portfolio increase. This increase will consequently result in a reduction in net incomes. Where net incomes remain constant, a reduction in the yield rates will result in the increased property values. The table below highlights the sensitivity to a reasonable possible change in the yield rate applied to values of the investment properties. With all other variables held constant, the Group's profit before income tax, investments property, and deferred tax are affected through the impact on the fluctuating yield rate as follows:

Group Sensitivity analysis.	Audited 2024		Audited Restated 2023	
All figures in US$	Increase in yield 10% US$	Decrease in yield 10% US$	Increase in yield 10% US$	Decrease in yield 10% US$
Investment property	(18 478 236)	25 592 305	(54 540 976)	138 702 664
Deferred tax effect	4 758 146	(6 590 019)	14 044 301	(35 715 936)
Profit for the year	(13 720 090)	19 002 286	(40 496 675)	102 986 728
Equity	(13 720 090)	19 002 286	(40 496 675)	102 986 728

Company Sensitivity analysis.	2024		2023	
All figures in US$	Increase in yield 10% US$	Decrease in yield 10% US$	Increase in yield 10% US$	Decrease in yield 10% US$
Investment property	(7 147 749)	8 726 254	(28 038 500)	58 046 784
Deferred tax effect	1 840 545	(2 247 011)	7 219 914	(14 947 047)
Profit for the year	(5 307 203)	6 479 244	(20 818 586)	43 099 737
Equity	(5 307 203)	6 479 244	(20 818 586)	43 099 737

Significant increases/(decreases) in the comparable transacted properties and rental per square metre in isolation would result in a significant higher/(lower) fair value measurement. Significant increases/(decreases) in the long-term vacancy rate and prime yield in isolation would result in a significant lower/(higher) fair value measurement.

Investment property is stated at fair value, which was determined based on valuations performed by Knight Frank Zimbabwe, an independent property valuer, as at 31 December 2024 and 31 December 2023. Investment property is stated based on a full valuation. Knight Frank Zimbabwe is an industry specialist in valuing the types of properties owned by the Group and Company. The fair values of the property portfolio have been determined using income capitalisation method except for land and residential properties whose fair values are determined using comparable transactions. Valuation models in accordance with those recommended by the International Valuation Standards Committee have been applied.

6.1 INVESTMENT PROPERTY (continued)

Valuation process

Management Committee that determines the Group's policies and procedures for property valuations comprises the Managing Director, Finance Executive, Property Investment Manager and Head of Property Portfolio and Services. Each year, the Management Committee decides and recommends to the Audit Committee, which external valuer to appoint to be responsible for the external valuations of the Group's property portfolio. The selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Consideration is normally given to rotate external valuers every five years. In addition, the Managing Director is responsible for recruiting personnel in the Group's internal Valuation Department. The Group's internal Valuation Department comprises two employees, both of whom hold relevant internationally recognised professional qualifications and are experienced in valuing the types of properties in the applicable locations.

The Management Committee decides, after discussions with the Group's external valuers and the Group's internal Valuation Department;

- whether a property's fair value can be reliably determined;
- which valuation method should be applied for each property (the methods that are applied for fair value measurements categorized within level 3 of the fair value hierarchy are market comparable and the income capitalization method) and;
- the assumptions made for the unobservable inputs that are used in the valuation methods (the major unobservable inputs are rental per square metre, rate per square metre, vacancy rate and prime yield).

As at each year-end, all properties are valued by external valuers. At each reporting date, the internal Valuation Department analyses the movements in each property's value. For this analysis, the internal Valuation Department verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts (for example rent amounts in lease agreements), market reports (for example market rent, capitalisation rates in property market reports) and other relevant documents. In addition, the accuracy of the computation is tested on a sample basis. For each property, the latest valuation is compared with the valuations of the preceding annual period. If fair value changes (positive or negative) are abnormal, the changes are further analysed for example by having discussions with external valuers.

The internal Valuation Department also compares each property's change in fair value with relevant external sources (e.g. the investment property database or other relevant benchmark) to determine whether the change is reasonable.

On an annual basis, after the Management Committee has discussed the valuations with the internal Valuation Department, they present the valuation results to the Audit Committee and the Group's independent auditor. This includes a discussion of the major assumptions used in the valuations, with an emphasis on:

- properties with fair value changes that are abnormal; and
- investment properties under construction.

6,2 Investment property under development

	Audited 2024 US$	Audited Restated 2023 US$
Arundel Office Park - block 13 (under development)		
As at 1 January	3 131 082	-
Development costs reclassified from prepaid expenditure	1 132 158	625 208
Non-cash development costs incurred during the year	-	510 127
Cash development costs incurred during the year	1 408 152	1 962 195
Interest capitalised	254 001	33 552
Reclassification to investment property	(5 925 393)	-
	-	**3 131 082**

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.

6.3 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

Investment property held for sale	**Audited 2024 US$**	**Audited Restated 2023 US$**
As at 1 January	-	56 649
Fair value adjustment	-	37 113
Reclassification (to)/from Investment property	-	(68 232)
Effects of conversion to presentation currency	-	(25 530)
As at 31 December	**-**	**-**

7 INVESTMENT IN ASSOCIATE

	Audited 2024 US$	**Audited Restated 2023 US$**
As at 1 January	446 820	448 234
Additions	19 256	71 352
Reclassification to unquoted shares	-	(46 003)
Dividend received	(17 826)	(7 020)
Share of profits	(11 845)	182 267
Effects of conversion to presentation currency	-	(92 523)
Share of Other Comprehensive loss of Associate	-	(109 487)
As at 31 December	**436 405**	**446 820**

The Group has a 24.41% interest in Infrastructure Fund Zimbabwe (Private) Limited, which is involved in the supply of solar power at First Mutual Park in Harare, Zimbabwe. The group made an additional contribution during the year 2024. However, there was no change in the percentage shareholding as the group contributed in proportion to the interest in the Inrastructure Fund Zimababwe (Pvt) Limited. Infrastructure Fund Zimbabwe (Private) Limited is a private entity that is not listed on any public exchange. The Group's interest in Infrastructure Fund Zimbabwe (Private) Limited was accounted for at cost in the Group consolidated financial statements since operations of Infrastructure Fund Zimbabwe (Private) Limited are yet to commence.

The Group's interest in Greencroft Properties (Private) Limited increased from 29.49% in 2023 to 30.95% in 2024 as a result of an additional contribution. Greencroft Properties (Private) Limited is a private entity that is not listed on any public exchange. The Group's interest in Greencroft Properties (Private) Limited was accounted for at cost in the Group consolidated financial statements. Interest in Greencroft Properties (Private) Limited arose from the Group participating in purchase of land at which development is yet to start for the construction of a hospital. The acquisition is in line with the Group strategy to increase the portfolio.

The Group has a 37.48% interest in Builstate Investments (Private) Limited , which is involved in Fast-moving consumer goods in Harare, Zimbabwe. Builstate Investments (Private) Limited is a private entity that is not listed on any public exchange. The Group's interest in Builstate Investments (Private) Limited was accounted for using the equity method in the consolidated financial statements.

The breakdown of the costs capitalised and carrying amounts are shown below:

	% Holding	**Audited 2024 US$**	**Audited Restated 2023 US$**
Infrastructure Fund Zimbabwe (Private) Limited	24.41%	52 601	43 530
Greencroft Properties (Private) Limited	30.95%	113 068	102 883
Builstate Investments (Private) Limited*	37.48%	270 736	300 407
		436 405	**446 820**

*The 2023 balance includes the other comprehensive income impact of ($109 487) relating to a change in the associate's presentation currency.

7 INVESTMENT IN ASSOCIATE

During the current financial year, the Builstate Investments (Pvt) Limited changed its functional and presentation currency from ZW$ to US$. The change was made to better reflect the economic environment in which the associate operates in, as the majority of its revenues, expenses, and financing activities are denominated in United States Dollars (US$). The change became effective from on 1 January 2024 and has been applied retrospectively in accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates.

The following table shows the summarised financial information of the Group's interest in Builstate Investments (Private) Limited:

	Audited 2024 US$	Audited Restated 2023 US$
Current assets	168 046	266 821
Non-current assets	630 693	690 764
Current liabilities	(13 160)	(5 434)
Non - Current liabilities	(63 230)	(150 639)
Equity	**722 349**	**801 512**
Group's share of equity - 37.48%	270 736	300 407
Group's carrying amount of the investment	**270 736**	**300 407**
Revenue	91 528	375 218
Cost of sales	(22 463)	(48 388)
Finance costs	-	(83)
Fair value adjustment	(60 764)	673 543
Monetary loss	-	(367 582)
Profit before tax	**8 301**	**632 708**
Income tax expense	(39 903)	(146 408)
Profit for the year	**(31 602)**	**486 300**
Other comprehensive loss		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax).		
Effects of conversion to presentation currency	-	(292 119)
Total comprehensive profit for the year	**(31 602)**	**194 182**
Group's share of profit for the year	(11 845)	182 267
Group's share of other comprehensive loss for the year	**-**	**(109 487)**
Group's share of total comprehensive income for the year	**(11 845)**	**72 780**

The associate had no contingent liabilities or capital commitments as at 31 December 2024 and this was the same as at 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

8 VEHICLES AND EQUIPMENT

All figures in US$

	Audited Group					
	Motor vehicles	Computers	Office equipment	Equipment and machinery	Office furniture	Total
Year ended 31 December 2023*						
Opening net book amount	**138 000**	**24 522**	**9 628**	**458**	**8 055**	**180 663**
Effects of conversion to presentation currency	(62 194)	(11 052)	(4 339)	(206)	(3 630)	(81 421)
Additions	-	9 862	5 410	37 969	892	54 133
Disposals	-	-	-	-	-	-
Depreciation disposal	-	-	-	-	-	-
Depreciation charge	(15 681)	(5 327)	(912)	(6 452)	(971)	(29 343)
Closing net book amount	**60 125**	**18 005**	**9 787**	**31 769**	**4 346**	**124 032**
As at 31 December 2023*						
Cost	78 489	48 105	44 938	67 348	21 262	260 142
Accumulated depreciation	(18 364)	(30 100)	(35 151)	(35 579)	(16 916)	(136 110)
Net book amount	**60 125**	**18 005**	**9 787**	**31 769**	**4 346**	**124 032**
						-
Year ended 31 December 2024						
Opening net book amount	60 125	18 005	9 787	31 769	4 346	124 032
Additions	-	24 034	-	-	7 256	31 290
Disposals	-	-	-	-	-	-
Depreciation disposal	-	-	-	-	-	-
Depreciation charge	(15 688)	(10 537)	(2 862)	(7 650)	(1 448)	(38 185)
Closing net book amount	**44 437**	**31 502**	**6 925**	**24 119**	**10 154**	**117 137**
As at 31 December 2024						
Cost	78 489	72 139	44 938	67 348	28 518	291 432
Accumulated depreciation	(34 052)	(40 637)	(38 013)	(43 229)	(18 364)	(174 295)
Net book amount	**44 437**	**31 502**	**6 925**	**24 119**	**10 154**	**117 137**

*The 2023 figures are audited restated. There are no contractual commitments for the acquisition of property, plant and equipment

9 FINANCIAL ASSETS AT AMORTISED COST

	Audited 2024	Audited Restated 2023
As at 1 January	108 827	116 981
Additions	420 058	269 771
Loss due to inflation adjustment	-	(213 453)
Amortised interest	15 908	56 772
Repayments of interest	(15 908)	(56 772)
Repayments of principal	(4)	-
Allowance for credit losses	(47 176)	(11 750)
Effects of conversion to presentation currency	-	(52 722)
As at 31 December	**481 705**	**108 827**

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNQUOTED SHARES

All figures in US$	Audited 2024	Audited Restated 2023
As at 1 January	473 540	91 676
Additions	-	66 119
Reclassification from prepaid expenditure	-	28 892
Reclassification from investment in associate	-	227 621
Fair value adjustment	(202 401)	100 548
Effects of conversion to presentation currency	-	(41 316)
As at 31 December	**271 139**	**473 540**

The Group has an investment of 8.91% of the ordinary shares of First Mutual Property Fund One (Private) Limited ("FMPFO") which is incorporated and domiciled in Zimbabwe and is unquoted. The fair value of the Group's investment in FMPFO is based on the net asset value of FMPFO. FMPFO is a property holding company which owns one building that is leased out to one tenant. The building constitutes 98% of the total assets of FMPFO. The fair value of the building was therefore a significant element in determining the net asset value of FMPFO. The building was valued by an independent valuer using the income approach. The investment in FMPFO is categorised as level 3 in the IFRS 13 'Fair value measurement' hierarchy. This implies that the fair value is determined with reference to unobservable inputs. Key unobservable inputs used in the valuation included rental per square metre and the capital rate/prime yield. The total lettable space is 2 508 square metres (2023: 2 508 square metres).

The Group has an interest of 0.23% in Sterling Holdings. (2023: 3.83%). In the current year there was a dilution of ownership by other investors who increased their shareholding in Sterling Holdings. Sterling Holdings is incorporated and domiciled in Zimbabwe and is unquoted. Sterling Holdings owns student accommodation. The building was valued by an independent valuer using the market comparable approach. The investment in Sterling Holdings is categorised as level 3 in the IFRS 13 'Fair value measurement' hierarchy. This implies that the fair value is determined with reference to unobservable inputs. Key unobservable inputs used in the valuation included the capital rate/prime yield.

The Group has an investment of 2.79% of the shares in First Mutual Properties Fund Two (Private) Limited ("FMPFT") which is incorporated and domiciled in Zimbabwe and is unquoted. The fair value of the Group's investment in FMPFT is based on the valuation of FMPFT. FMPFT is a property holding company which owns student accommodation which will be lease after completion of all the works. The building was valued by an independent valuer using the market comparable approach. The investment in FMPFT is categorised as level 3 in the IFRS 13 'Fair value measurement' hierarchy

Description of significant unobservable inputs to valuation*:
The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 December 2024 and 2023 are shown below:

	Valuation technique	**Significant unobservable inputs**	**Range of inputs 2024**	**2023**	**Sensitivity of the input to fair value**
Non-listed equity investments – FMPFO	Income Capitalisation	Rental per square metre	US$1.50-US$2.00	US$10-US$30	10% (2023: 10%) increase (decrease) in the rentals would result in an increase (decrease) in fair value by US$7 206 (2023: US$96 033)
		Capital rate/yield	9%-10%	4.00%-5.50%	5% (2023: 5%) increase (decrease) in the capital rate would result in an increase (decrease) in fair value by US$ 3 603 (2023: US$48 017)
Non-listed equity investments – Sterling Holdings	Market comparable	Capital rate/yield	8.5%-10%	4.00%-5.50%	5% increase (decrease) in the capital rate would result in an increase (decrease) in fair value by US$ 9 264 (2023: US$11 381)
Non-listed equity investments – FMPFT	Market comparable	Capital rate/yield	8.5%-10%	4.00%-5.50%	5% increase (decrease) in the capital rate would result in an increase (decrease) in fair value by US$ 690 (2023: US$8 085)

Reconciliation of fair value measurement of non-listed equity investments classified as equity instruments designated at fair value through profit or loss (Level 3):

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	Audited US$ 2024	Audited Restated US$ 2023
As at 1 January	473 540	91 676
Additions	-	66 119
Fair value adjustment	(202 401)	100 548
Reclassification	-	256 513
Effects of conversion to presentation currency	-	(41 316)
As at 31 December	**271 139**	**473 540**

10.1 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - QUOTED SHARES

All figures in US$	Audited 2024	Audited Restated 2023
As at 1 January	4 661	4 504
Additions	3 000	144
Disposals	-	(403)
Fair value adjustment	53	2 445
Effects of conversion to presentation currency	-	(2 029)
As at 31 December	**7 714**	**4 661**

These are quoted equity investments in Delta (Pvt)Ltd, African Sun Limited and Innscor Africa Limited. The fair value of the shares is determined by the value of the share price, which falls under Level 1 hierarchy.

11 TRADE AND OTHER RECEIVABLES

	Audited 2024 US$	Audited Restated 2023 US$
Tenant receivables	1 980 683	925 149
Tenant operating cost recoveries	683 251	491 464
Trade receivables	**2 663 934**	**1 416 613**
Less: allowance for credit losses	(1 095 129)	(400 135)
Net trade debtors	**1 568 805**	**1 016 478**
Prepayments - other	130 907	273 210
Staff debtors	74 486	127 533
Group companies receivables	367 573	30 685
Total trade and other receivables	**2 141 771**	**1 447 906**

Reconciliation of gross trade receivables	Audited 2024 US$	Audited Restated 2023 US$
As at 1 January	1 416 613	985 020
Increase in trade receivables	8 233 600	6 684 140
Recovery due to payments	(6 986 279)	(7 402 634)
Inflation effect	-	1 594 015
Effects of conversion to presentation currency	-	(443 928)
As at 31 December	**2 663 934**	**1 416 613**
Reconciliation of allowance for credit losses		
As at 1 January	400 135	234 702
Add: charge for the current year	1 495 264	513 873
Recovery due to payments	(800 270)	(140 542)
Inflation effect	-	(102 123)
Effects of conversion to presentation currency	-	(105 775)
As at 31 December	**1 095 129**	**400 135**

(i) Classification of trade receivables Trade receivables are amounts due from tenants for space leased in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group and Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Refer below for the movements in the allowance for credit losses:

		Audited	
Year ended 31 December 2023	**Individually impaired US$**	**Collectively impaired US$**	**Total US$**
As at 1 January	208 189	26 513	234 702
Charge for the year	259 389	113 942	373 331
Inflation Effect	(90 587)	(11 536)	(102 123)
Effects of conversion to presentation currency	(93 826)	(11 949)	(105 775)
As at 31 December 2023	**283 165**	**116 970**	**400 135**
Year ended 31 December 2024			
As at 1 January	283 165	116 970	400 135
Charge for the year	622 427	72 567	694 994
As at 31 December 2024	**905 592**	**189 537**	**1 095 129**

Trade receivables are normally on 30 day terms. Tenants are charged interest at 32% (2023: 152%) per annum on overdue amounts that remain outstanding after 30 days.

12 CASH AND CASH EQUIVALENTS

		Audited 2024 US$	Audited Restated 2023 US$
Short-term investments		187 466	205 065
Cash at bank and in hand :	ZWG	41 701	-
	ZWL	-	156 455
	US$	269 201	15 145
At 31 December		**498 368**	**376 665**

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and Company and earn interest at the short-term deposit rates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

12 CASH AND CASH EQUIVALENTS (continued)

Reconciliation of cash flow statement
The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	Audited 2024 US$	Audited Restated 2023 US$
Bank balances:	498 368	376 665
Bank overdraft	-	-
Balances as per cash flow statements	**498 368**	**376 665**

13 ORDINARY SHARE CAPITAL

Authorised	2024 Audited Shares	2024 Audited US$
2 000 000 000 ordinary shares with a nominal value of US$0.0000002 per share	2 000 000 000	337
Issued and paid		
1 238 157 310 ordinary shares with a nominal value of US$0.0000002 per share	1 238 157 310	214 161
Less: treasury shares		
Repurchased in 2016 at a price of 0.000003 cents per share.	(1 229 638)	(3 461)
Repurchased in 2019 at a price of 0.000003 cents per share.	(136 400)	(434)
Repurchased in 2022 at an average price of 0.1476 cents per share.	(233 324)	(1)
Repurchased in 2023 at an average price of 1.4119 cents per share.	(369 342)	(0)
Repurchased in 2024 at an average price of 0.0248 cents per share.	(498 743)	(0)
As at 31 December	**1 235 689 863**	**210 265**

The shareholders at an annual general meeting held on 22 February 2023 passed an ordinary resolution for the Company to purchase its shares in terms of section 129 of the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange Listing Requirements. Purchased shares will be used for treasury purposes. Acquisitions shall be of ordinary share which, in aggregate in any one financial year shall not exceed 10% (2022: 10%)of the Company's issued ordinary share capital.

ORDINARY SHARE CAPITAL

Authorised	'2023 Audited Restated Shares	US$
2 000 000 000 ordinary shares with a nominal value of US$0.0000002 per share	2 000 000 000	337
Issued and paid		
1 238 157 310 ordinary shares with a nominal value of US$0.0000002 per share	1 238 157 310	214 161
Less: treasury shares		
Repurchased in 2016 at a price of 0.000003 cents per share.	(1 229 638)	(3 461)
Repurchased in 2019 at a price of 0.000003 cents per share.	(136 400)	(434)
Repurchased in 2022 at an average price of 0.1476 cents per share.	(233 324)	(1)
Repurchased in 2023 at an average price of 1.4119 cents per share.	(369 342)	(0)
As at 31 December	**1 236 188 606**	**210 265**

14 DEFFERED TAX LIABILITIES

	Audited 2024 US$	Audited Restated 2023 US$
As at 1 January	10 198 578	17 577 155
Recognised in the statement of profit or loss		
-Arising on inventory	(3 140)	2 972
-Arising from prepayments	(20 541)	(30 046)
-Arising on vehicles and equipment	(32 188)	11 179
-Arising on investment properties	6 788 385	606 509
-Arising on financial assets at fair value through profit or loss	(10 352)	21 088
-Arising from investment property held for sell	-	-
-Arising on leave pay provision	(5 886)	1 323
-Arising on provision for credit losses	(196 745)	(69 947)
Recognised in other comprehensive income		
-Effects of conversion to presentation currency	-	(7 921 653)
As at 31 December	**16 718 111**	**10 198 578**
Deferred tax liability		
-Arising on inventory	-	3 140
-Arising from prepayments	-	20 541
-Arising on vehicles and equipment	(4 629)	27 559
-Arising on investment properties	17 017 957	10 229 572
-Arising on financial assets at fair value through profit or loss	13 650	24 002
-Arising from investment property held for sell	-	-
-Arising on leave pay provision	(10 305)	(4 418)
-Arising on provision for credit losses	(298 562)	(101 818)
As at 31 December	**16 718 111**	**10 198 578**

Deferred tax liabilities arose as a result of temporary differences arising from carrying amounts higher than income tax values.
Investment properties are the main contributor.

15 BORROWINGS

	Audited 2024 US$	Audited Restated 2023 US$
As at 1 January	-	-
Loan drawdown	2 497 000	-
Amortised interest	218 423	-
Repayment of interest	(218 423)	-
Repayment of capital	(573 771)	-
As at 31 December	**1 923 229**	**-**
Short-term portion	889 028	-
Long-term portion	1 034 201	-
	1 923 229	**-**

	Maturity	2024 US$	2023 US$
Current interest bearing loan			
Short-term portion of the long-term borrowing	25 December 2025	889 028	-
Non current interest bearing loan			
Long term borrowing	25 February 2027	1 034 201	-
		1 923 229	**-**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

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:

Tenure	3 Years	
Repayment	In equal instalments over the tenure of the loan	
Security	Immovable property, title 0004163/2007, being Stand 18259 Harare Township of Stand 14908 Salisbury Township called First Mutual Park in the name of First Mutual Park (Private) Limited registered to cover US$2 500 000 First Mutual Park property has a fair value of US$ 9 500 000 **Terms** • Property shall be revalued by an independent valuer at First Mutual Properties expense • The borrower shall arrange for the bank to be nominated as loss payee on insurance policies taken out in relation to the property • The borrower shall not, without written consent from the bank, create or subsist any security over the property unless at the same time the borrower offers to grant equivalent pari passu security in favour of the bank and to the extent that the bank accepts the offer.	
Interest rate	Base rate minus 1% p.a. (Base rate at draw down - 13% p.a.)	
		US$
Fees	Drawdown fee of 0.5%	12 485
	Arrangement fee of 1.00%	25 500
	Management fee 1.00% p.a.	24 970

The secured bank loan is subject to the following financial covenants during the tenure of the loan:

(i) Interest Cover -The ratio of cashflow to finance charges shall not fall below 5 times to 1

(ii) Rental Interest Cover-Net Rental Income for the Relevant Perios shall exceed 10 times finance charges for such relevant period

(iii) Gearing -Gross Borrowings minus consolidated total cash at the end of each relevant period shall not exceed 100% of Net Tangible Assets

(iv) Net Rental Income for the Relevant Period shall exceed 2 times Debt Service for such Relevant Period

Financial covenants shall be tested by reference to audited accounts, unaudited interim accounts and quarterly statements. As at 31 December 2024, the business was compliant will all covenants in relation to the secured facility. The Group has no indications that it will have any difficulty in comlying with these covenants.

The carrying amounts of variable interest rate borrowings approximates fair value as the interest rates charged are considered market related.

15.1 Related party loan

	Audited 2024 US$	Audited Restated 2023 US$
At 1 January	696 228	-
Loans advanced*	328 312	797 545
Interest charged	56 762	33 552
Repayment of interest	(56 762)	-
Exchange loss	-	103 215
Inflation effect**	-	(238 084)
Loan repayments made	(249 123)	-
	775 417	**696 228**

*In 2023, part of the loan was an amount which FMH paid the suppliers directly for FMP so the liability increased but no cash flow. In 2024, the full loan advanced was an amount which FMH paid the suppliers directly for FMP.

** The loans advanced in both years were in US$.

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

FMH advanced some loans to Arundel Office Park for the construction of an additional block.
Loans advanced in 2023 matured in 2024. Upon maturity, part of loan was rolled ovcer for an additional period and are payable within 12 months.
The impact of the rollover on the loan has been determined to be immaterial.

Financial liability modification test was done, in accordance with IFRS 9. Based on this assessment, the Group and Company determined that the modifications were not substantial, as the difference between the present values of the cash flows was less than 10% of the present value of the remaining cash flows of the original liabilities.
As a result, the original financial liabilities were not derecognised and the modifications were accounted for as a continuation of the existing liabilities.

		Audited 2024 US$	Audited Restated 2023 US$
16	**TRADE AND OTHER PAYABLES**		
	All figures in US$		
	Tenant payables	194 339	180 486
	Related party payables	180 176	452 899
	Sundry payables*	472 372	479 050
	Suppliers creditors	639 319	463 246
	Provision for leave days**	57 176	17 869
	Group company payables	142 742	295 876
	As at 31 December	**1 686 124**	**1 889 426**

* Sundry payables include accrued expenses, good tenant deposits, VAT and Share appreciation rights

		Audited 2024 US$	Audited Restated 2023 US$
16	****Leave pay provision reconciliation**		
	At 1 January	17 869	42 269
	Recognised during the period	60 056	33 946
	Transfer of leave days from staff movement	-	2 462
	Utilised during the period	(20 749)	(1 113)
	Inflation effect	-	(40 645)
	Effects of conversion to presentation currency	-	(19 050)
	At 31 December	**57 176**	**17 869**

		Audited 2024 US$	Audited Restated 2023 US$
17	**REVENUE**		
	Rental income	8 233 600	6 684 140
	Property services income	793 517	212 100
		9 027 117	**6 896 240**

18	**ALLOWANCE FOR CREDIT LOSSES**		
	Allowance for credit losses for trade receivables	694 994	373 331
	Specific write-offs	-	-
	Allowance for credit losses for financial assets at amortised cost	35 426	11 750
			-
		730 420	**385 081**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

19 PROPERTY EXPENSES

	Audited 2024 US$	Audited Restated 2023 US$
Operating costs under recoveries	699 350	596 601
Maintenance costs	945 231	813 239
Valuation fees	20 213	16 337
Employee costs	1 285 938	1 465 359
Other expenses	426 668	552 329
Property transaction cost	3 155	1 711
Property security and utilities	73 466	81 098
As at 31 December	**3 454 021**	**3 526 674**
Property expenses arising from investment properties that generated rental income	3 377 401	3 443 866
Property expenses arising from investment properties that did not generate rental income	76 620	82 808
	3 454 021	**3 526 674**

Operating costs under recoveries relate to the operating costs attributable to the vacant spaces on buildings within the portfolio.

20 EMPLOYEE COSTS

	Audited 2024 US$	Audited Restated 2023 US$
Salaries	130 564	91 081
Staff training	15 256	14 898
NSSA and levies	8 846	7 608
Pension contributions	14 299	11 345
General allowances	70 515	273 819
Motor vehicle allowance	42 584	46 159
Performance bonus	540 952	602 828
Other staff costs*	39 421	49 245
	862 437	**1 096 983**

*Other staff costs include staff transport, staff meals, housing allowances and long service awards

21 ADMINISTRATION EXPENSES *

	Audited 2024 US$	Audited Restated 2023 US$
Directors' fees		
-For services as directors	220 191	176 792
Auditors' fees:		
-current year	28 529	1 290
-prior year	83 436	44 119
Information and communication technology expenses	33 823	34 313
Depreciation	7 637	5 869
Communication expenses	2 117	4 343
Fees and other charges**	106 589	112 903
Investment fees	12 848	12 670
Office costs	89 172	69 334
Travel and entertainment expenses	70 169	17 890
Group shared services	697 538	473 118
Advertising	21 179	21 635
	1 373 228	**974 276**

*Other expenses has been renamed to Administration expenses to provide greater clarity and alignment with the nature of the costs incurred.
**Fees and other charges include bank charges, registration fees and listing fees

		Audited 2024 US$	Audited Restated 2023 US$
22	**FAIR VALUE ADJUSTMENTS**		
	Fair value adjustment - investment property	(52 575 984)	91 431 029
	Fair value adjustments- Investment property held for sale	-	37 112
		(52 575 984)	**91 468 141**
23	**OTHER (EXPENSES)/INCOME***		
	Exchange Gains/(Losses)	(163 151)	354 414
	Shared services	262 135	286 184
	Fair value gain on financial assets at fair value through profit and loss	(202 350)	102 993
	Gain on loss of significant influence	-	181 618
	Sundry income**	18 660	10 333
		(84 706)	**935 542**

*Other Income has been renamed to Other (expenses)/income to more accurately reflect the items within this category.
**Sundry income comprises lease fees, bank interest, operating cost fee income, and dividend received from shares.

		Audited 2024 US$	Audited Restated 2023 US$
24	**FINANCE INCOME**		
24	**Finance income for statement of profit or loss**		
	Interest on overdue tenant accounts	470 847	844 769
	Interest on investments	15 908	39 374
		486 755	**884 143**
24	**Finance income for statement of cash flows**		
	Finance income received	345 596	280 458
	Finance income accrued	141 159	603 685
		486 755	**884 143**

		Audited 2024 US$	Audited Restated 2023 US$
25	**FINANCE COST**		
	All figures in US$		
	Borrowings	21 184	-
		21 184	**-**

		Audited 2024 US$	Audited Restated 2023 US$
26	**INCOME TAX EXPENSE**		
	Current income tax	1 163 422	591 432
	Deferred tax	6 519 533	480 024
	Impact of tax rate changes	-	63 053
		7 682 955	**1 134 509**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

26.1 Reconciliation of income tax charge	**Audited 2024**	**Audited Restated 2023**
Accounting Profit/(loss)	(49 599 953)	94 460 539
Tax at Standard rate	25.75%	24.72%
Notional accounting tax at standard rate	(12 771 987)	23 350 645
Expenses not deductible for tax purposes*	738 167	1 060 543
Effect of different tax rates- Investment property	20 010 117	(22 879 269)
Impact of future tax rate change***	-	63 054
Impact of rebasing of unclaimed capital allowances	-	-
Income not subject to tax**	(293 342)	(674 787)
Other**	-	-
Inflation effect on adoption of IAS 29	-	214 323
Effective tax for the period	**7 682 955**	**1 134 509**

*Expenses not deductible for tax purposes relate to disallowable deductions which are added back in the tax reconciliation, you e.g. staff meals, entertainment expenses, donations and excess management fees.

**Income not subject to tax relate to non taxable income which is deducted in the tax reconciliation, e.g. profit on disposal of PPE and investment property, fair value gains on investment property that do not qualify for capital allowances and unrealised foreign exchange gains.

***During the 2024 budget speech held, it was announced that the corporate income tax rate will be increased from 24% to 25% for companies with years of assessment ending 31 December 2024. This change affected recorded deferred tax liabilities at 31 December 2023 and the standard income tax rate there onwards.

26.2 Reconciliation of income tax rate	**2024**	**2023**
Notional tax rate	25.75%	24.72%
Expenses not deductible for tax purposes*	(1.49%)	1.12%
Effect of different tax rates- Investment property	(40.34%)	(24.22%)
Impact of future tax rate change	0.00%	0.07%
Impact of rebasing of unclaimed capital allowances	0.00%	0.00%
Income not subject to tax	0.59%	(0.71%)
Other	0.00%	0.00%
Inflation effect on adoption of IAS 29	0.00%	0.23%
Effective tax rate for the period	**(15.49%)**	**1.20%**

26.3 Reconciliation of income tax paid	**Audited 2024 US$**	**Audited Restated 2023 US$**
Tax assets at beginning of the year	-	-
Tax liability at beginning of the year	126 311	22 107
Current income tax expense (note 26)	1 163 422	591 432
Provision/(reversal) of interest and penalties/Exchange rate movement	112 232	132 408
Tax liability at end of the year	(139 758)	(126 311)
Effects of inflation after adoption of IAS 29	-	209 509
Effects of conversion to presentation currency	-	(9 963)
Income tax paid	**1 262 207**	**819 182**

*Tax assets relates to receivables from Zimra for income tax paid for First Mutual Properties Limited and its subsidiaries.

27.1 EARNINGS PER SHARE

27.1.1 Basic earnings per share

Basic earnings/(loss) per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. As there are no dilutive equity instruments outstanding, basic and diluted earnings/(loss) per share are the same. The following reflects the income and ordinary share data used in the computations of basic and diluted earnings/(loss) per share:

	Audited 2024	Audited Restated 2023
Earnings attributable to ordinary equity holders of the parent for basic earnings per share	(57 282 908)	93 326 030
Issued ordinary shares at 1 January	1 238 157 310	1 238 157 310
Effect of treasury shares held	(2 139 307)	(1 738 397)
Weighted average number of ordinary shares at 31 December	**1 236 018 003**	**1 236 418 913**
Basic earnings per share (US$ cents)	(5)	8

27.1.2 Diluted earnings per share

The Group has no arrangements or contracts that could result in dilution therefore, the diluted earnings per share are the same as the basic earnings per share. However diluted earnings per share has been calculated including the effect of treasury shares.

	Audited 2024	Audited Restated 2023
Earnings attributable to ordinary equity holders of the parent for basic earnings per share	(57 282 908)	93 326 030
Issued ordinary shares at 1 January	1 238 157 310	1 238 157 310
Weighted average number of ordinary shares at 31 December	**1 238 157 310**	**1 238 157 310**
Diluted earnings per share (US$ cents)	(5)	8

28 RELATED PARTY DISCLOSURES

The financial statements include transactions between First Mutual Properties Limited Group and First Mutual Holdings Limited and its other subsidiaries.

28 Transactions and balances with related companies

28.1 Parent company's effective shareholding

First Mutual Holdings Limited directly owns 3.09% (2023: 3.09%) and controls 70.66% (2023: 70.66%) of the ordinary shares of First Mutual Properties Limited through a shareholding in the companies/funds listed below:

	2024	2023
First Mutual Life Assurance Company (Private) Limited, policyholders	40.85%	40.85%
First Mutual Life Assurance Company (Private) Limited, shareholders	17.67%	17.67%
FMRE Company (Private) Limited Shareholders	2.21%	2.21%
First Mutual Insurance Company Limited	0.35%	0.35%
First Mutual Life Medical Savings fund	5.35%	5.35%
First Mutual Life Managed Fund	0.65%	0.65%
FML - Econet Pension Fund	0.26%	0.26%
First Mutual Holdings Limited	3.09%	3.09%
First Mutual Wealth Management (Private) Limited	0.15%	0.15%
First Mutual Properties Limited	0.10%	0.10%
	70.66%	**70.66%**

28.1.2 Summary of related party transactions

The following table provide the total amount of transactions that have been entered into with related parties for the Group and Company during the year ended 31 December 2024:

Audited

All figures in US$	Relationship to First Mutual Properties Limited	Rentals charged to related parties	Purchases from related parties	Amount owed to related parties	Amount owed by related parties	Group shared services
First Mutual Holdings Limited	Parent	180 157	-	-	306 910	74 327
First Mutual Life Assurance Company (Private) Limited	Intermediate Parent	481 758	77 660	-	27 701	58 966
First Mutual Wealth Management (Private) Limited	Fellow subsidiary	18 785	4 066	-	1 766	-
FMRE Company (Private) Limited	Fellow subsidiary	41 516	-	8 592	-	10 921
First Mutual Health Company (Private) Limited	Fellow subsidiary	249 032	226 704	-	-	137 850
First Mutual Health Services (Private) Limited	Fellow subsidiary			-	28 911	-
NicozDiamond Insurance Company (Private) Limited	Fellow subsidiary	20 383	339 228	134 150	-	284 328
First Mutual Microfinance (Private) Limited	Fellow subsidiary	10 943	-	-	482	-
First Mutual Funeral (Private) Limited	Fellow subsidiary	24 368	-	-	1 803	-
Totals		**1 026 942**	**647 658**	**142 742**	**367 573**	**566 392**
Key management personnel of the Group Amounts owing to Key management				409 414		
Other directors interests**		88 622	-		-	-

**During 2024 the Group rented out premises to Eazstar Investments (Private) Limited, of which the spouse of one of the directors of the Company, is director and controlling shareholder. The Group also rented out premises to Arup Zimbabwe (Private) Limited of which one of the directors of the Company has 25.5% shareholding. The rentals were at market rates.

28.1.3 RELATED PARTY DISCLOSURES (CONTINUED)

28.1.3 Summary of related party transactions (continued)

The following table provide the total amount of transactions that have been entered into with related parties during the year ended 31 December 2023:

Audited
Restated

All figures in US$	Relationship to First Mutual Properties Limited	Rentals charged to related parties	Purchases from related parties	Amount owed to related parties	Amount owed by related parties	Group shared services
First Mutual Holdings Limited	Parent	250 492	-	-	4 610	137 964
First Mutual Life Assurance Company (Private) Limited	Intermediate Parent	588 860	-	7 079	-	93 508
First Mutual Wealth Management (Private) Limited	Fellow subsidiary	26 787	14 719		7 001	2
FMRE Company (Private) Limited	Fellow subsidiary	55 191	-	-	5 270	4 225
First Mutual Health Company (Private) Limited	Fellow subsidiary	273 749	334 501	229 201	-	87 531
NicozDiamond Insurance Company (Private) Limited	Fellow subsidiary	11 179	872 136	59 596	-	149 887
First Mutual Microfinance (Private) Limited	Fellow subsidiary	6 314	-	-	27	-
First Mutual Funeral (Private) Limited	Fellow subsidiary	11 604	-	-	1 140	-
First Mutual Health Services (Private) Limited	Fellow subsidiary	-	-	-	12 637	-
Totals		**1 224 176**	**1 221 356**	**295 876**	**30 685**	**473 117**
Key management personnel of the Group Amounts owing to Key management				598 928		
Other directors interests**		2 385	-		-	-

**During 2023 the Group and Company rented out premises to Eazstar Investments (Private) Limited, of which the spouse of one of the directors of the Company, is director and controlling shareholder. The Group also rented out premises to Arup Zimbabwe (Private) Limited of which one of the directors of the Company has 25.5% shareholding. The rentals were at market rates.

Expense recognised during the period in respect of expected credit losses due from related parties for the Group and Company

	Audited 2024 US$	Audited Restated 2023 US$
Allowance for credit losses	24 702	15 534
	24 702	**15 534**

For allowance for credit losses provided for related parties refer to note 4.1.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

28.2 Terms and conditions of transactions with related parties

There have been no guarantees provided or received for any related party receivables or payables.

The sale and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Expenses relating to bad or doubtful debts in respect of amounts owed by related parties have been accounted for in accordance with IFRS 9 and are included in note 27.1.

27.3 Remuneration of key management

	Audited 2024 US$	Restated 2023 US$
Details of transactions with directors are set out in the directors' report.		
The following remuneration was paid to key management during the year:		
Short term employee benefits	192 708 990	85 119
Post-employment benefits	15 722 035	6 944
Share appreciation rights	-	114 862
	208 431 025	**206 925**

Key management team includes executive directors and members of the management committee. Directors fees are disclosed on note 21.

28.3 BOND SECURITY AGREEMENT WITH FIRST MUTUAL Microfinance LIMITED

First Mutual Microfinance Limited, a fellow subsidiary of First Mutual Holdings Limited, intended to raise US$ 5,000,000.00 (Five million United States Dollars) by way of a bond issue to the market for the purposes of on-lending to customers in the key sectors of the economy. First Mutual Properties Limited agreed to provide a guarantee to cover amounts claimed by bondholders in the event First Mutual Microfinance fails to service their bond obligations. As at 31 December 2024 no funds were raised by First Mutual Microfinance based on the bond security agreement.

29 FIRST MUTUAL HOLDINGS LIMITED GROUP PENSION FUNDS

First Mutual Properties Limited contributes to the First Mutual Holdings Limited Group Staff Pension and Life Assurance Scheme which is a defined contribution scheme managed by First Mutual Life Assurance Company (Private) Limited.

All employees are members of the First Mutual Holdings Limited Group Staff Pension and Life Assurance Scheme. The Group's contributions to the defined contribution pension plan are charged to the statement of profit or loss in the period to which they relate.

	Audited 2024 US$	Audited Restated 2023 US$
All employees contribute to the pension fund at the same prescribed rate.		
Total employer contributions amounted to:	71 494	11 345

National Social Security Authority Scheme
The Group and its employees also contribute to the National Social Security Authority Scheme. This is a social security scheme which was set up under the National Social Security Act (Chapter 17.04). The Group's obligations under the scheme are limited to specific contributions as legislated from time to time.

	Audited 2024 US$	Audited Restated 2023 US$
Total employer contributions amounted to:	44 229	7 608

30 CONTINGENCIES AND COMMITMENTS

30 Commitments

As at 31 December 2024, the Group has no capital expenditures contracted but not yet incurred. All planned capital expenditures remain uncommitted as of the date of this report.

Contingencies

The Group and the Company do not have significant contingent liabilities that require disclosure as at 31 December 2024 and this was the same as at 31 December 2023.

31 Events after the balance sheet date

There were no events after the reporting date which need to be disclosed in the financial statements.

32 Dividend declaration

At a meeting held on 20 February 2025, the Board of Directors recommended that no dividend should be paid for the full year, and the available cash be channelled towards the expansion programme.

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		Audited 2024	Audited Restated 2023	Audited Restated at 1 Jan 2023
ASSETS	**Notes**	**US$**	**US$**	**US$**
Non-current assets				
Investment property	1	79 028 000	108 473 027	98 097 784
Investments in subsidiaries	2	8 104 991	8 104 991	14 754 562
Investment in associate	3	176 341	157 085	239 815
Vehicles and equipment	4	116 967	123 863	180 354
Financial assets at amortised cost	5	481 705	108 828	116 981
Financial assets at fair value through profit or loss- Unquoted shares	6.1	271 139	473 540	91 676
Financial assets at fair value through profit or loss - Quoted shares	6.2	7 714	4 661	4 504
Long-term loan receivable -Intercompany	7.1	1 034 201	-	-
Total non-current assets		**89 221 058**	**117 445 995**	**113 485 676**
Current assets				
Inventories		50 846	37 027	14 600
Short-term portion loan receivable -Intercompany	7.1	889 028	-	-
Loans and other receivables	7.2	183 673	168 399	-
Trade and other receivables	8	2 070 926	1 336 411	1 195 872
Cash and cash equivalents	9	293 905	521 973	213 576
Total current assets		**3 488 378**	**2 063 810**	**1 424 048**
Investment property held for sale	1.2	-	-	56 649
Total assets		**92 709 436**	**119 509 805**	**114 966 373**
EQUITY AND LIABILITIES				
Ordinary share capital	10	210 265	210 265	382 772
Retained earnings		78 048 731	110 975 021	102 123 007
Total shareholders' equity		**78 258 996**	**111 185 286**	**102 505 779**
Non-current liabilities				
Long term borrowing	12	1 034 201	-	-
Deferred tax liabilities	11	10 796 452	6 389 910	11 108 509
		11 830 653	**6 389 910**	**11 108 509**
Current liabilities				
Short-term portion of the of long-term loan payable	12	889 028	-	-
Current tax payable	22.4	136 332	91 814	9 890
Loans and other payables		-	-	6 764 385
Trade and other payables	13	1 594 427	1 842 795	1 342 195
		2 619 787	**1 934 609**	**1 352 085**
Total liabilities		**14 450 440**	**8 324 519**	**12 460 594**
Total equity and liabilities		**92 709 436**	**119 509 805**	**114 966 373**

Note: The Comparative Statement of Financial Position (31 December 2023 & 31 December 2022) was previously reported in ZWL. These were stated by converting the Company's new presentation currency, US$. Refer to note 2.3 for details of the change in presentation currency.

The notes on pages 177 to 191 are an integral part of these financial statements.

The financial statements were authorised for issue by the Board of directors on 20 February 2025 and signed on its behalf by:

E. K. MOYO
CHAIRMAN
20 February 2025

C. K. MANYOWA
MANAGING DIRECTOR
20 February 2025

COMPANY STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Audited 2024 US$	Audited Restated 2023 US$
Revenue	14	7 947 331	6 121 866
Allowance for credit losses	15	(565 848)	(349 569)
Property expenses	16	(3 035 040)	(3 171 134)
Net property income		**4 346 443**	**2 601 163**
Employee related expenses	17	(853 157)	(1 097 194)
Administration expenses*	18	(1 959 935)	(1 472 419)
Net property income after administration expenses		**1 533 351**	**31 550**
Fair value adjustments	19	(29 271 114)	54 885 718
Other (expenses)/ income**	20	(133 829)	914 831
Finance income	21.1	683 634	837 358
Finance costs	12	(218 423)	-
Net monetary gain/ (loss)		-	(328 591)
Profit before income tax		**(27 406 381)**	**56 340 866**
Income tax expense	22.1	(5 503 369)	(701 892)
Profit for the year		**(32 909 750)**	**55 638 974**
Effects of conversion to presentation currency		-	(46 197 198)
Total comprehensive profit for the year		**(32 909 750)**	**9 441 776**
Profit attributable to:			
-Owners of the parent		(33 036 515)	-
Profit for the year		**(33 036 515)**	**-**
Attributable to:			
-Owners of the parent		(32 909 750)	9 441 776
Profit for the year		**(32 909 750)**	**9 441 776**

*Other expenses has been reclassified and 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.

Note: The Consolidated Statement of Comprehensive Income was previously reported in ZWL. This was stated by converting the Company's new presentation currency, US$. Refer to note 2.3 for details of the change in presentation currency.

The notes on pages 177 to 191 are an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Audited Attributable to owners of the parent			
	Ordinary Shares US$	**Treasury Shares US$**	**Retained earnings US$**	**Shareholders equity US$**
Restated balance as at 1 January 2023	**389 865**	**(7 093)**	**102 123 007**	**102 505 779**
Other comprehensive income	(175 704)	3 197	(46 024 691)	(46 197 198)
Profit for the year	-	-	55 638 974	55 638 974
Restated total comprehensive income for the year	**(175 704)**	**3 197**	**9 614 283**	**9 441 776**
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares	**-**	**-**	**(7 485)**	**(7 485)**
Dividend declared and paid	-	-	(754 784)	(754 784)
Restated balance as at 31 December 2023	**214 161**	**(3 896)**	**110 975 021**	**111 185 286**
Total equity at the beginning of the financial year	**214 161**	**(3 896)**	**110 975 021**	**111 185 286**
Profit for the year	-	-	(32 909 750)	(32 909 750)
Total comprehensive income for the year	**-**	**-**	**(32 909 750)**	**(32 909 750)**
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares	-	-	(16 540)	(16 540)
Balance AS AT 31 DECEMBER 2024	**214 161**	**(3 896)**	**78 048 731**	**78 258 996**

Note: The Consolidated Statement of Changes in Equity was previously reported in ZWL. This was stated by converting the Company's new presentation currency, US$. Refer to note 2.3 for details of the change in presentation currency.

The notes on pages 177 to 191 are an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Audited 2024 US$	Audited Restated 2023 US$
Cash flows from operating activities			
Profit before income tax		(27 406 381)	56 340 866
Adjustment for non-cash items and other adjustments:			
Depreciation	4	38 186	29 343
Finance costs	12	218 423	-
Allowance for credit losses	15	565 847	349 569
Fair value adjustment on investment property	19	29 271 114	(54 885 718)
Fair value movement on unquoted shares	6.1	202 401	(100 548)
Gain on loss of significant influence		-	(181 618)
Fair value movement on quoted shares	6.2	(53)	(2 445)
Finance income	21.1	(683 634)	(837 358)
Exchange (gain)	20	212 272	(330 624)
Net monetary loss/(gain)		-	209 068
Dividend income		(18 309)	(13 509)
Cash flows generated from operating activities before working capital adjustments		**2 399 866**	**577 026**
Working capital adjustments			
(Increase) in trade and other receivables		(1 264 937)	(1 029 828)
Decrease/(increase) in inventory		(13 819)	(29 007)
Increase/(Decrease) in trade and other payables		(248 366)	1 105 499
Cash flow from operating activities after working capital adjustments		**872 744**	**623 690**
Income tax paid	22.4	(952 972)	(563 209)
Net cash generated from operating activities		**(80 228)**	**60 481**
Cash flows from investing activities			
Improvements to investment property	1	-	(29 825)
Purchase of vehicles and equipment	4	(31 290)	(54 133)
Investment in associate	3	(19 256)	(71 352)
Acquisitions of equities	6.1, 6.2	(3 000)	(66 263)
Issuance of short term loan		-	(185 385)
Issuance of long term loan - Intercompany loan	7	(2 497 000)	-
Repayments of Loans Receivable- Intercompany loan	7	573 771	-
Proceed on disposal of investment property		173 913	255 778
Acquisitions of financial assets at amortised cost	5	(420 057)	(269 771)
Disposal of financial assets at amortised cost	5	4	-
Maturity/(Issuance) of long term investments		-	403
Finance income received	21.2	548 723	272 130
Dividend received		18 309	9 233
Net cash generated from investing activities		**(1 655 883)**	**(139 185)**
Cash flows from financing activities			
Proceeds from borrowings	12	2 497 000	-
Repayment of borrowing -third party : Principal	12	(573 771)	-
: Interest	12	(218 423)	-
Repurchase of treasury shares		(16 540)	(7 485)
Dividends paid to Company's shareholders		-	(617 332)
Net cash used in financing activities		**1 688 266**	**(624 817)**
Inflation effect on cashflows		-	(757 694)
Net (decrease)/increase in cash and cash equivalents		**(47 845)**	**(1 461 216)**
Cash and cash equivalents at the beginning of the year		521 973	213 576
Effects of currency translation on cash and cash equivalents		(180 223)	1 865 867
Effects of conversion to presentation currency		-	(96 254)
Cash and cash equivalents at end of the year		**293 905**	**521 973**

Note: The Consolidated Statement of Cash Flows was previously reported in ZWL. This was stated by converting the Company's new presentation currency, US$. Refer to note 2.3 for details of the change in presentation currency.

The notes on pages 177 to 191 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

The accounting policies for Group are applicable to the Company as well unless otherwise stated.

1 INVESTMENT PROPERTY	**Audited 2024 US$**	**Audited Restated 2023 US$**
As at 1 January	108 473 027	98 097 784
Improvements to existing property	-	29 825
Reclassification (to)/from held for sale	-	68 231
Disposals	(173 913)	(360 811)
Additions to investment property	-	-
Fair value adjustments	(29 271 114)	54 848 606
Effects of conversion to presentation currency	-	(44 210 608)
		-
As at 31 December	**79 028 000**	**108 473 027**

1.1 Fair value hierarchy

The following table shows an analysis of the fair values of investment property recognised in the statement of financial position by level of the fair value hierarchy;

Audited

Company

All amount in US$	**Level 1**	**Level 2**	**Level 3**	**Total**	**Total gain/ (loss) Total gain/ (loss) in the period in the statement of of profit or loss**
31 December 2024					
CBD offices	-		23 330 000	23 330 000	(9 507 571)
Office parks	-		9 500 000	9 500 000	(3 742 451)
CBD retail	-		19 003 000	19 003 000	(6 000 543)
Suburban retail	-		7 150 000	7 150 000	(3 251 895)
Industrial	-		12 810 000	12 810 000	(3 158 441)
Residential	-		3 800 000	3 800 000	(1 496 599)
Land*	-		3 435 000	3 435 000	(2 113 614)
Total	**-**	**-**	**79 028 000**	**79 028 000**	**(29 271 114)**

1.1 INVESTMENT PROPERTY (continued)

Audited Restated

Fair value hierarchy (continued)

Company

31 December 2023	**Level 1**	**Level 2**	**Level 3**	**Total**	**in the period in the statement of profit or loss**
CBD offices	-	-	32 837 571	32 837 571	16 615 317
Office parks	-	-	13 242 451	13 242 451	6 700 481
CBD retail	-	-	25 003 543	25 003 543	12 651 416
Suburban retail	-	-	10 401 895	10 401 895	5 263 202
Industrial	-	-	15 968 441	15 968 441	8 079 791
Residential	-	-	5 470 514	5 470 514	2 767 997
Land*	-	-	5 548 612	5 548 612	2 807 514
			-	-	-
Total	**-**	**-**	**108 473 027**	**108 473 027**	**54 885 718**

*This consists of land earmarked for future developments.

Losses and gains recorded in profit or loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to a loss of US$ 29.271 million (2023: Gain of US$ 54.886 million) and are presented in the statement of profit or loss in line item 'fair value adjustments'.

All gains and losses recorded in profit or loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy are attributable to changes in unrealised gains or losses relating to investment property held at the end of the reporting period.

Valuation techniques used to derive level 3 fair values
The table below presents the following for each class of the investment property:

- the fair value measurements at the end of the reporting period;
- the level of the fair value hierarchy (in this case level 3) within which the fair value measurements are categorized in their entirety;
- a description of the valuation techniques applied;
- the inputs used in the fair value measurement, including the ranges of rent charged to different units within the same building; and
- level 3 fair value measurements, quantitative information about the significant unobservable inputs used in the fair value measurement.

Audited

All amount in US$

Class of property	**Fair value 31-Dec-24**	**Valuation technique**	**Key unobservable inputs**	**Range**	**weighted average**
CBD offices	23,330,000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US$4.00 - US$6.00 10.00%-11%	26%
Office parks	9,500,000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US$8.00 - US$10.00 7.00%-9.00%	4%
CBD retail*	19,003,000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US$10.00 - US$30.00 8.5%-10.00%	0%
Suburban retail*	7,150,000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US$10.00 - US$30.00 7.00%-10.00%	0%
Industrial	12,810,000	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US$2.00 - US$5.00 12% - 14%	0%
Residential	3,800,000	Market comparable	Comparable transacted properties prices		
Land - residential	50,000	Market comparable	Rate per square metre	US$20.00 - US$40.00	
Land - commercial	3,385,000	Market comparable	Rate per square metre	US$40.00 - US$80.00	
Total	**79,028,000**				

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

All amount in US$

Class of property	Fair value 31-Dec-23	Valuation technique	Key unobservable inputs	Range	weighted average
CBD offices	32,837,571	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US$4-US$6 5.5.00%-8.5%	23%
Office parks	13,242,451	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US$8-US$10 5.00%-6.00%	6%
CBD retail*	25,003,543	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US$8-US$15 4.50%-6.00%	0%
Suburban retail*	10,401,895	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US$10-US$30 4.00%-5.50%	4%
Industrial	15,968,441	Income capitalisation	Optimal Rental per square metre Capital rate/ prime yield Vacancy rate	US$2-US$5 7.00%-10.00%	10%
Residential	5,470,514	Market comparable	Comparable transacted properties prices		
Land - residential	57,283	Market comparable	Rate per square metre	US$2-US$29	
Land - commercial	5,491,329	Market comparable	Rate per square metre	US$29-US$129	
Total	**108,473,027**				

*Rent is also charged based on a percentage of turnover revenue.
For further information refer to note 6.1 in the consolidated financial statements.

1.2 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 disountinued operations) were met as at 30 September 2023. The asset was reclassified from investment property held for sale to investment property as disclosed below.

Investment property held for sale	**Audited 2024 US$**	**Audited Restated 2023 US$**
At 1 January	-	56 649
Fair value adjustment	-	37 113
Reclassification (to)/from Investment property	-	(68 231)
Effects of conversion to presentation currency		(25 531)
	-	-

2 INVESTMENTS IN SUBSIDIARIES

	% Holding	Audited 2024 US$	Audited Restated 2023 US$
Arundel Office Park (Private) Limited	100%	8 094 613	8 094 613
Sticklip Enterprises (Private) Limited	100%	10 378	10 378
			-
		8 104 991	8 104 991

3 INVESTMENT IN ASSOCIATE

	% Holding	Audited 2024 US$	Audited Restated 2023 US$
Infrastructure Fund Zimbabwe (Private) Limited	24.41%	52 601	43 530
Greencroft Properties (Private) Limited	30.95%	113 068	102 883
Builstate Investments (Private) Limited	37.48%	10 672	10 672
			-
		176 341	**157 085**

The Company has a 24.41% interest in Infrastructure Fund Zimbabwe (Private) Limited, which is involved in the supply of solar power at First Mutual Park in Harare, Zimbabwe. Infrastructure Fund Zimbabwe (Private) Limited is a private entity that is not listed on any public exchange. The company made an additional contribution during the year 2024. However, there was no change in the percentage shareholding as the company contributed in proportion to the interest in the Inrastructure Fund Zimbabwe (Pvt) Limited. The Company's interest in Infrastructure Fund Zimbabwe (Private) Limited was accounted for at cost in the Company separate financial statements

The Company's interest in Greencroft Properties (Private) Limited increased from 29.49% in 2023 to 30.95% in 2024 as a result of an additional contribution. Greencroft Properties (Private) Limited is involved in development of properties in Harare, Zimbabwe. Greencroft Properties (Private) Limited is a private entity that is not listed on any public exchange. The Company's interest in Greencroft Properties (Private) Limited was accounted for at cost in the Company separate financial statements. Interest in Greencroft Properties (Private) Limited arose from the Compnay participating in purchase of land at which development is yet to start for the construction of a hospital. The acquisation is in line with the Company strategy to increase the portfolio.

The Company has a 37.48% interest in Builstate Investments (Private) Limited , which is involved in Fast-moving consumer goods in Harare, Zimbabwe. Builstate Investments (Private) Limited is a private entity that is not listed on any public exchange. The Company's interest in Builstate Investments (Private) Limited was accounted for at cost in the Company separate financial statements.

INVESTMENT IN ASSOCIATE RECONCILIATION

	Audited 2024 US$	Audited Restated 2023 US$
As at 1 January	157 085	239 815
Additions	19 256	71 352
Reclassification	-	(46 002)
Effects of conversion to presentation currency	-	(108 080)
As at 31 December	**176 341**	**157 085**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

4 VEHICLES AND EQUIPMENT

All figures in US$

Audited Company	Motor vehicles	Computers	Office equipment	Equipment and machinery	Office furniture	Total
Year ended 31 December 2023*						
Opening net book amount	138 000	24 521	9 320	458	8 056	180 355
Effects of conversion to presentation currency	(62 192)	(11 051)	(4 201)	3 967	(7 805)	(81 282)
Additions	-	9 862	5 410	37 969	892	54 133
Disposal						
Depreciation on disposal						
Depreciation charge	(15 682)	(5 327)	(911)	(6 452)	(971)	(29 343)
Closing net book amount	**60 126**	**18 005**	**9 618**	**35 942**	**172**	**123 863**
As at 31 December 2023*						
Cost	**78 489**	**48 105**	**44 938**	**58 340**	**30 271**	**260 143**
Accumulated depreciation	(18 363)	(30 100)	(35 320)	(22 398)	(30 099)	(136 280)
Net book amount	**60 126**	**18 005**	**9 618**	**35 942**	**172**	**123 863**
Year ended 31 December 2024						
Opening net book amount	60 126	18 005	9 618	35 942	172	123 863
Additions	-	24 034			7 256	31 290
Disposals	-	-	-	-	-	-
Depriciation disposal	-	-	-	-	-	-
Depreciation charge	(15 686)	(10 538)	(2 862)	(7 650)	(1 450)	(38 186)
Closing net book amount	**44 440**	**31 501**	**6 756**	**28 292**	**5 978**	**116 967**
AS AT 31 DECEMBER 2024						
Cost	78 489	72 139	44 938	58 340	37 527	291 433
Accumulated depreciation	(34 049)	(40 638)	(38 182)	(30 048)	(31 549)	(174 466)
Net book amount	**44 440**	**31 501**	**6 756**	**28 292**	**5 978**	**116 967**

*The 2023 figures are audited restated.
There are no contractual commitments for the acquisition of property, plant and equipment

5 FINANCIAL ASSETS AT AMORTISED COST

	Audited 2024 US$	Audited Restated 2023 US$
As at 1 January	108 828	116 981
Additions	420 057	269 771
Loss due to inflation adjustment	-	(213 453)
Amortised interest	15 908	56 772
Repayments of interest	(15 908)	(56 772)
Repayments of principal	(4)	-
Allowance for credit losses	(47 176)	(11 750)
Effects of conversion to presentation currency	-	(52 721)
As at 31 December	**481 705**	**108 828**
Short-term portion		
Long-term portion	481 705	108 828
		-
Total	**481 705**	**108 828**

The carrying amounts closely approximate the fair values of the financial assets at amortised cost.

6.1 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNQUOTED SHARES

	Audited	Audited Restated
	US$	US$
As at 1 January	473 540	91 677
Additions	-	66 119
Reclassification from prepaid expenditure	-	28 892
Reclassification from Investment in Associate	-	227 621
Fair value adjustment	(202 401)	100 548
Effects of conversion to presentation currency	-	(41 317)
		-
As at 31 December	**271 139**	**473 540**

The Company has an investment of 8.91% of the ordinary shares of First Mutual Property Fund One (Private) Limited ("FMPFO") which is incorporated and domiciled in Zimbabwe and is unquoted. The fair value of the Company's investment in FMPFO is based on the net asset value of FMPFO. FMPFO is a property holding company which owns one building that is leased out to one tenant. The building constitutes 98% of the total assets of FMPFO. The fair value of the building was therefore a significant element in determining the net asset value of FMPFO. The building was valued by an independent valuer using the income approach. The investment in FMPFO is categorised as level 3 in the IFRS 13 'Fair value measurement' hierarchy. This implies that the fair value is determined with reference to unobservable inputs. Key unobservable inputs used in the valuation included rental per square metre and the capital rate/prime yield. The total lettable space is 2 508 square metres (2023: 2 508 square metres).

The Company has an interest of 0.23% in Sterling Holdings. (2023: 3.83%). In the current year there was a dilution of ownership by other investors who increased their shareholding in Sterling Holdings Sterling Holdings is incorporated and domiciled in Zimbabwe and is unquoted. Sterling Holdings owns student accomodation. The building was valued by an independent valuer using the market comparable approach. The investment in Sterling Holdings is categorised as level 3 in the IFRS 13 'Fair value measurement' hierarchy. This implies that the fair value is determined with reference to unobservable inputs. Key unobservable inputs used in the valuation included the capital rate/prime yield.

The Company has an investment of 2.79% of the shares in First Mutual Propertes Fund Two (Private) Limited ("FMPFT") which is incorporated and domiciled in Zimbabwe and is unquoted. The fair value of the Group's investment in FMPFT is based on the valuation of FMPFT. FMPFT is a property holding company which owns student accomodation which will be lease after completion of all the works. The building was valued by an independent valuer using the market comparable approach. The investment in FMPFT is categorised as level 3 in the IFRS 13 'Fair value measurement' hierarchy

Description of significant unobservable inputs to valuation*:
The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 December 2023 and 2024 are shown below:

Audited

	Valuation technique	**Significant unobservable inputs**	**Range of inputs**		**Sensitivity of the input to fair value**
			2024	**2023***	
Non-listed equity investments – FMPFO	Income Capitalisation	Rental per square metre	US$1.50-US$2.00	US$10-US$30	10% (2023: 10%) increase (decrease) in the rentals would result in an increase (decrease) in fair value by US$7 206 (2023: US$96 033)
		Capital rate/yield	9%-10%	4.00%-5.50%	5% (2023: 5%) increase (decrease) in the capital rate would result in an increase (decrease) in fair value by US$ 3 603 (2023: US$48 017)
Non-listed equity investments – Sterling Holdings	Market comparable	Capital rate/yield	8.5%-10%	4.00%-5.50%	5% increase (decrease) in the capital rate would result in an increase (decrease) in fair value by US$ 9 264 (2023: US$11 381)
Non-listed equity investments – FMPFT	Market comparable	Capital rate/yield	8.5%-10%	4.00%-5.50%	5% increase (decrease) in the capital rate would result in an increase (decrease) in fair value by US$ 690 (2023: US$8 085)

*Ranges for the year 2023 are audited restated.

Reconciliation of fair value measurement of non-listed equity investments classified as equity instruments designated at fair value through profit or loss (Level 3):

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

	Audited US$
Restated as at 1 January 2023	91 676
Remeasurement recognised in profit or loss*	100 548
Additions	66 119
Reclassifications	256 513
Effects of conversion to presentation currency	(41 316)
Restated as at 1 January 2024	473 540
Additions	-
Reclassification	-
Remeasurement recognised in profit or loss*	(202 401)
As at 31 December 2024	**271 139**

*The fair value adjustments form part of the line item "Other income" on the statement of comprehensive income.

6.2 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - QUOTED SHARES

	Audited 2024 US$	Audited Restated 2023 US$
As at 1 January	4 661	4 504
Additions	3 000	144
Disposals	-	(403)
Fair value adjustment	53	2 445
Effects of conversion to presentation currency	-	(2 029)
		-
As at 31 December	**7 714**	**4 661**

These are quoted equity investments in Delta (Pvt)Ltd, African Sun Limited and Innscor Africa Limited. The fair value of the shares is determined by the value of the share price, which falls under Level 1 hierarchy.

7.1 Long term loan receivable - Intercompany

	Audited 2024 US$	Audited 2023 US$
As at 1 January	-	-
Loan issued	2 497 000	-
Amortised interest	218 423	-
Repayment of interest	(218 423)	-
Repayment of capital	(573 771)	-
As at 31 December	**1 923 229**	**-**
Short-term portion	889 028	-
Long-term portion	1 034 201	-
	1 923 229	**-**

	Maturity	2024 US$	2023 US$
Current interest bearing loan receivable			
Short-term portion of the long-term borrowing	25 December 2025	889 028	-
Non current interest bearing loan receivable			
Long term borrowing	25 February 2027	1 034 201	-
		1 923 229	**-**

The Company advanced a long term loan to Arundel Office Park for the construction of an additional block.
Significant terms and conditions

The loan has a tenure of 3 years
There is no security on the loans advanced
Repayment: In equal instalments over the tenure of the loan
The loan was issued at a base rate minus 1% per annum.(Base rate at issuance - 13% per annum.)
The loan recievable was not provided for expected credit loss as it was issued to a subsidiary which is 100% owned by the Company and loan repayment is done within the Group and there was no significant risk at reporting date.

7.2 Loans and other receivables	Audited 2024 US$	Audited Restated 2023 US$
At 1 January	168 399	-
Loans issued to Arundel Office Park		185 385
Interest received	15 274	2 302
Inflation effect	-	(19 288)
		-
Loans and other receivables	**183 673**	**168 399**

The Company advanced some loans to Arundel Office Park for the construction of an additional block.
Loans advanced in 2023 matured in 2024. Upon maturity, these loans were rolled over for an additional period and are now payable within 12 months from the rollover date.
The impact of the rollover on the loan has been determined to be immaterial.
The rollover was undertaken to manage liquidity and ensure continued financing for ongoing operation

Significant terms and conditions
Loans receivables were 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

7.3 Related party loan disclosure

Various transactions were entered into between related parties. These transactions were entered into at market related terms.

	2024 Audited Income	2024 Audited Receivable	2023 Restated Audited Income	2023 Restated Audited Receivable
Inter-company loan receivable				
Arundel Office Park Private Limited	233 697	2 106 902	2 302	168 399

The loan receivables from Arundel Office Park Private Limited Ltd is unsecured. Interest is charged at market rates.
There were no guarantees provided.
The loan recievables were not provided for expected credit loss as it was issued to a subsidiary which is 100% owned by the Company and loan repayment is done within the Group and there was no significant risk at reporting date.

8 TRADE AND OTHER RECEIVABLES	Audited 2024 US$	Audited Restated 2023 US$
Tenant receivables	1 776 503	833 109
Tenant operating cost recoveries	611 822	440 673
		-
Trade receivables	**2 388 325**	**1 273 782**
Less: allowance for credit losses	(889 313)	(358 891)
Net trade debtors	**1 499 012**	**914 891**
Prepayments - other	129 854	263 302
Staff debtors	74 487	127 533
Group companies receivables	367 573	30 685
		-
Total trade and other receivables	**2 070 926**	**1 336 411**
Reconciliation of gross trade receivables		
As at 1 January	1 273 782	768 391
Increase in trade receivables	6 412 317	5 059 492
Recovery due to payments	(5 297 774)	(5 048 691)
Inflation effect	-	840 887
Effects of conversion to presentation currency	-	(346 297)
		-
As at 31 December	**2 388 325**	**1 273 782**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

Reconciliation of allowance for credit losses		
As at 1 January	358 891	184 515
Add: charge for the year	1 248 204	448 308
Recovery due to payments	(717 782)	(110 489)
Inflation effect	-	(80 285)
Effects of conversion to presentation currency		(83 158)
		-
As at 31 December	**889 313**	**358 891**

(i) Classification of trade receivables

Trade receivables are amounts due from tenants for space leased in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group and Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Refer below for the movements in the allowance for credit losses:

Year ended 31 December 2023	**Audited Individually impaired**	**Collectively impaired**	**Total**
	US$	**US$**	**US$**
Restated as at 1 January	158 002	26 513	184 515
Charge for the year	243 430	94 389	337 819
Inflation Effect	(68 750)	(11 536)	(80 286)
Effects of conversion to presentation currency	(71 208)	(11 949)	(83 157)
Restated as at 31 December 2023	**261 474**	**97 417**	**358 891**
Year ended 31 December 2024			
As at 1 January	261 474	97 417	358 891
Charge for the year	355 158	175 264	530 422
As at 31 December 2024	**616 632**	**272 681**	**889 313**

Trade receivables are normally on 30 day terms. Tenants are charged interest at 32% (2023: 152%) per annum on overdue amounts that remain outstanding after 30 days.

9 CASH AND CASH EQUIVALENTS		**Audited 2024 US$**	**Audited Restated 2023 US$**
Short-term investments		80 691	98 251
Cash at bank and in hand :	US$	175 119	89 436
	ZWL	-	334 286
	ZWG	38 095	-
At 31 December		**293 905**	**521 973**

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Company and earn interest at the short-term deposit rates.

Reconciliation of cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	Audited 2024 US$	**Audited Restated 2023 US$**
Bank balances:	293 905	521 973
Bank overdraft	-	-
		-
Balances as per cash flow statements	**293 905**	**521 973**

10 ORDINARY SHARE CAPITAL

	2024 Audited Shares	Audited Restated US$
Authorised		
2 000 000 000 ordinary shares with a nominal value of US$0.0000002 per share	2 000 000 000	337
Issued and paid		
1 238 157 310 ordinary shares with a nominal value of US$0.0000002 per share	1 238 157 310	214 161
Less: treasury shares		
Repurchased in 2016 at a price of 0.000003 cents per share.	(1 229 638)	(3 461)
Repurchased in 2019 at a price of 0.000003 cents per share.	(136 400)	(434)
Repurchased in 2022 at an average price of 0.1476 cents per share.	(233 324)	(1)
Repurchased in 2023 at an average price of 1.4119 cents per share.	(369 342)	-
Repurchased in 2024 at an average price of 0.0248 cents per share.	(498 743)	-
As at 31 December	**1 235 689 863**	**210 265**

The shareholders at an annual general meeting held on 16 February 2024 passed an ordinary resolution for the Company to purchase its shares in terms of section 129 of the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange Listing Requirements. Purchased shares will be used for treasury purposes. Acquisitions shall be of ordinary share which, in aggregate in any one financial year shall not exceed 10% (2023: 10%)of the Company's issued ordinary share capital.

ORDINARY SHARE CAPITAL

	2 023 Audited Shares	Audited Restated US$
Authorised		
2 000 000 000 ordinary shares with a nominal value of US$0.0000002 per share	2 000 000 000	337
Issued and paid		
1 238 157 310 ordinary shares with a nominal value of US$0.0000002 per share	1 238 157 310	214 161
Less: treasury shares		
Repurchased in 2016 at a price of 0.000003 cents per share.	(1 229 638)	(3 461)
Repurchased in 2019 at a price of 0.000003 cents per share.	(136 400)	(434)
Repurchased in 2022 at an average price of 0.1476 cents per share.	(233 324)	(1)
Repurchased in 2023 at an average price of 1.4119 cents per share.	(369 342)	-
As at 31 December	**1 236 188 606**	**210 265**

11 DEFFERED TAX LIABILITIES

	Audited 2024 US$	Audited Restated 2023 US$
As at 1 January	6 389 910	11 108 509
Recognised in the statement of profit or loss		
-Arising on inventory	(3 914)	3 665
-Arising from prepayments	(17 546)	(22 590)
-Arising on vehicles and equipment	(32 425)	11 002
-Arising on investment properties	4 522 568	340 131
-Arising on financial assests at fair value through profit or loss	(10 354)	21 088
-Arising on leave pay provision	(5 887)	1 323
-Arising on provision for credit losses	(45 900)	(66 847)
Recognised in other comprehensive income		
-Effects of conversion to presentation currency	-	(5 006 371)
As at 31 December	**10 796 452**	**6 389 910**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

Deferred tax liability		
-Arising on inventory	-	3 914
-Arising from prepayments	-	17 546
-Arising on vehicles and equipment	(4 629)	27 797
-Arising on investment properties	10 935 537	6 412 969
-Arising on financial assests at fair value through profit or loss	13 649	24 002
-Arising on leave pay and profit share provision	(10 305)	(4 417)
-Arising on provision for credit losses	(137 800)	(91 901)
As at 31 December	**10 796 452**	**6 389 910**

Deferred tax liabilities arose as a result of temporary differences arising from carrying amounts higher than income tax values. Investment properties are the main contributor.

12 BORROWINGS	Audited 2024 US$	Audited 2023 US$
As at 1 January	-	-
Loan drawdown	2 497 000	-
Amortised interest	218 423	-
Repayment of interest	(218 423)	-
Repayment of capital	(573 771)	-
As at 31 December	**1 923 229**	**-**
Short-term portion	889 028	-
Long-term portion	1 034 201	-
	1 923 229	**-**

	Maturity	2024 US$	2023 US$
Current interest bearing loan			
Short-term portion of the long-term borrowing	25 December 2025	889 028	-
Non current interest bearing loan			
Long term borrowing	25 February 2027	1 034 201	-
		1 923 229	**-**

The loan facility was sourced from a local financial institution to provide financing to Arundel office Park (a wholly owned subsidiary) to partially fund the development of the Arundel Office Park expansion and will be administered under the following terms:

US$
12 485
25 500
24 970

The secured bank loan is subject to the following financial covenants during the tenure of the loan:
(i) Interest Cover -The ratio of cashflow to finance charges shall not fall below 5 times to 1
(ii) Rental Interest Cover-Net Rental Income for the Relevant Perios shall exceed 10 times finance charges for such relevant period
(iii) Gearing -Gross Borrowings minus consolidated total cash at the end of each relevant period shall not exceed 100% of Net Tangible Assets
(iv) Net Rental Income for the Relevant Period shall exceed 2 times Debt Service for such Relevant Period

Financial covenants shall be tested by reference to audited accounts, unaudited interim accounts and quarterly statements.
As at 31 December 2024, the business was compliant will all covenants in relation to the secured facility.
The Company has no indications that it will have any difficulty in comlying with these covenants.

The carrying amounts of variable interest rate borrowings approximates fair value as the interest rates charged are considered market related.

		Audited 2024 US$	Audited Restated 2023 US$
13	**TRADE AND OTHER PAYABLES**		
	Rentals received in advance	132 855	149 768
	Sundry payables*	498 495	547 392
	Trade payables	549 784	378 889
	Leave pay provision	57 176	17 869
	Related party payables	213 375	453 008
	Group company payables	142 742	295 869
			-
	As at 31 December	**1 594 427**	**1 842 795**

* Sundry payables include accrued expenses, good tenant deposits, VAT and Share appreciation rights

		Audited 2024	Audited Restated 2023
13.1	***Leave pay provision reconciliation**		
	At 1 January	17 869	42 269
	Recognised during the period	60 056	33 946
	Transfer of leave days from staff movement	-	2 462
	Utilised during the period	(20 749)	(1 113)
	Inflation effect	-	(40 645)
	Effects of conversion to presentation currency	-	(19 050)
	At 31 December	**57 176**	**17 869**

		Audited 2024 US$	Audited Restated 2023 US$
14	**REVENUE**		
	Rental income	6 412 317	5 059 491
	Property services income	1 535 014	1 062 375
			-
		7 947 331	**6 121 866**

		Audited 2024 US$	Audited Restated 2023 US$
15	**ALLOWANCE FOR CREDIT LOSSES**		
	Allowance for credit losses for trade recievables	530 422	337 819
	Allowance for credit losses for financial assets at amortised cost	35 425	11 750
		565 847	**349 569**

		Audited 2024 US$	Audited Restated 2023 US$
16	**PROPERTY EXPENSES**		
	Operating costs under recoveries	596 555	486 276
	Maintenance costs	692 974	628 848
	Valuation fees	20 213	16 337
	Employee costs	1 285 938	1 465 359
	Other expenses	426 668	552 329
	Property transaction cost	3 155	4 663
	Property security and utilities	9 537	17 322
	As at 31 December	**3 035 040**	**3 171 134**
	Property expenses arising from investment properties that generated rental income	3 025 503	3 153 812
	Property expenses arising from investment properties that did not generate rental income	9 537	17 322
			-
		3 035 040	**3 171 134**

Operating costs under recoveries relate to the operating costs attributable to the vacant spaces on buildings within the portfolio.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

		Audited 2024 US$	Audited Restated 2023 US$
17	**EMPLOYEE COSTS**		
	Salaries	130 564	91 081
	Staff training	15 256	14 942
	NSSA and levies	8 846	7 608
	Pension contributions	14 299	11 345
	General allowances	38 253	273 985
	Motor vehicle allowance	42 584	46 159
	Performance bonus	530 118	602 828
	Other staff costs	73 237	49 246
		853 157	**1 097 194**

*Other staff costs include staff transport, staff meals, housing allowances and long service awards

		Audited 2024 US$	Audited Restated 2023 US$
18	**ADMINISTRATION EXPENSES ***		
	Directors' fees		
	-For services as directors	220 191	176 792
	Auditors' fees:		-
	-current year	28 529	1 290
	-prior year	83 436	44 119
	Information and communication technology expenses	33 823	34 313
	Depreciation	7 637	5 869
	Communication expenses	2 117	4 343
	Fees and other charges**	693 295	606 154
	Investment fees	12 848	12 670
	Office costs	89 172	74 180
	Travel and entertainment expenses	70 169	17 945
	Group shared services	697 538	473 118
	Advertising	21 180	21 628
		1 959 935	**1 472 419**

*Other expenses has been renamed to Administration expenses to provide greater clarity and alignment with the nature of the costs incurred.
**Fees and other charges include bank charges, registration fees and listing fees

		Audited 2024 US$	Audited Restated 2023 US$
19	**FAIR VALUE ADJUSTMENTS**		
	Fair value adjustment - investment property	(29 271 114)	54 848 606
	Fair value adjustments- Investment property held for sale	-	37 113
			-
		(29 271 114)	**54 885 718**

		Audited	Audited Restated
20	**OTHER (EXPENSES)/INCOME***		
	Exchange Gains/(Losses)	(212 272)	330 624
	Shared services	262 134	286 184
	Fair value gain on financial assets at fair value through profit and loss	(202 350)	102 993
	Gain on loss of siginificant influence	-	181 618
	Sundry income**	18 659	13 412
			-
		(133 829)	**914 831**

**Other Income has been renamed to Other (expenses)/income to more accurately reflect the items within this category.
**Sundry income comprises lease fees, bank interest, operating cost fee income, and dividend received from shares.

		Audited 2024 US$	Audited Restated 2023 US$
21	**FINANCE INCOME**		
21.1	**Finance income for statement of profit or loss**		
	Interest on overdue tenant accounts	434 030	802 080
	Interest on loans and other receivables	15 274	-
	Interest on long-term loan receivable - Intercompany	218 422	-
	Interest on investments	15 908	35 278
		683 634	**837 358**
21.2	**Finance income for statement of cash flows**		
	Finance income received	548 723	272 130
	Finance income accrued	134 911	565 228
		683 634	**837 358**

		Audited 2024 US$	Audited Restated 2023 US$
22.1	**INCOME TAX EXPENSE**		
	Current income tax	1 096 826	414 120
	Deferred tax	4 406 543	245 736
	Impact of tax rate changes	-	42 036
		5 503 369	701 892

		Audited 2024	Audited Restated 2023
22.2	**Reconciliation of income tax charge**		
	Accounting Profit	(27 406 379)	56 340 866
	Tax at Standard rate	25.75%	24.72%
	Notional accounting tax at standard rate	(7 057 143)	13 927 462
	Expenses not deductible for tax purposes*	537 645	968 577
	Effect of different tax rates- Investment property	12 139 032	(13 798 029)
	Impact of future tax rate change***	-	42 036
	Income not subject to tax**	(116 163)	(588 617)
	Inflation effect on adoption of IAS 29	-	150 463
	Effective tax for the period	**5 503 371**	**701 892**

*Expenses not deductible for tax purposes relate to disallowable deductions which are added back in the tax reconciliation, e.g staff meals, entertainment expenses, donations and excess management fees.

**Income not subject to tax relate to non taxable income wich is deducted in the tax reconciliation, e.g. profit on disposal of PPE and investment property,fair value gains on investment property that do not qualify for capital allowances and unrealised foreign exchange gains.

***During the 2024 budget speech held, it was announced that the corporate income tax rate will be increased from 24% to 25% for companies with years of assessment ending 31 December 2024. This change affected recorded deferred tax liabilities at 31 December 2023 and the standard income tax rate there onwards.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

	Audited 2024	Audited Restated 2023
22.3 Reconciliation of income tax rate		
Notional tax rate	25.75%	24.72%
Expenses not deductible for tax purposes	(1.96%)	1.72%
Effect of different tax rates- Investment property	(44.29%)	(24.49%)
Impact of rebasing of unclaimed capital allowances	0.00%	0.00%
Impact of future tax rate change	0.00%	0.07%
Income not subject to tax	0.42%	-1.04%
Inflation effect on adoption of IAS 29	0.00%	0.27%
Effective tax rate for the period	**-20.08%**	**1.25%**

22.4 Reconciliation of income tax paid	**Unaudited 2024 US$**	**Audited Restated 2023 US$**
Tax liability at beginning of the year	91 814	9 890
Current income tax expense (note 22.1)	1 096 826	414 120
Provision/(reversal) of interest and penalties/Exchnage rate movement	(99 336)	112 991
Tax liability at end of the year	(136 332)	(91 814)
Effects of inflation after adoption of IAS 29	-	122 480
Effects of conversion to presentation currency	-	(4 458)
		-
Income tax paid	**952 972**	**563 209**

Risk Disclosures

The Company has the same risk profile as the Group as a whole. The disclosures are shown on the notes to the Group financial statements under note 4.

Refer to note 28,29, 30 and 31 for disclosures relating to related parties, First Mutual Holdingd Limited Group Pension Funds, contingencies and commitments and events after the reporting period in the Group financial statements.

TRANSLATED

GROUP FINANCIAL STATEMENTS (ZWG)

31 DECEMBER 2024

Shape the future
with confidence

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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 196 to 226, 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.

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:

- 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

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors

Harare

30 April 2025

TRANSLATED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

ASSETS	Note	Audited 2024 ZWG	Restated 2023 ZWG	Restated at 1 Jan 2023 ZWG
Non-current assets				
Completed investment property	4	3 425 963 602	2 438 002 790	2 187 410 044
Investment property under development	4.3	-	42 462 479	-
Investment in associate	5	11 245 808	6 059 592	6 078 773
Vehicles and equipment		3 018 527	1 682 077	2 450 079
Financial assets at fair value through profit or loss- Unquoted shares	6	6 987 034	6 421 956	1 243 277
Financial assets at fair value through profit or loss - Quoted shares		198 784	63 210	61 077
Financial assets at amortised cost		12 413 152	1 475 870	1 586 451
		3 459 826 907	**2 496 167 974**	**2 198 829 701**
Current assets				
Inventories		1 294 954	458 463	190 198
Trade and other receivables	7	55 191 725	19 635 922	31 038 413
Cash and cash equivalents	8	12 842 545	5 108 183	13 523 937
		69 329 224	**25 202 568**	**44 752 548**
Investment property held for sale		-	-	768 258
Total assets		**3 529 156 131**	**2 521 370 542**	**2 244 350 507**
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
Total shareholders' equity		**2 981 750 328**	**2 346 282 911**	**1 986 033 940**
Non-current liabilities				
Long term borrowing	10	26 650 526	-	-
Deferred tax liabilities	9	430 812 346	138 309 041	238 374 351
Total non current liabilities		**457 462 872**	**138 309 041**	**238 374 351**
Current liabilities				
Short-term portion of the long-term borrowing	10	22 909 538	-	-
Intercompany borrowings*	11	19 981 876	9 441 971	-
Trade and other payables	12	43 450 067	25 623 637	19 642 408
Current income tax liability		3 601 450	1 712 982	299 808
		89 942 931	**36 778 590**	**19 942 216**
Total liabilities		**547 405 803**	**175 087 631**	**258 316 567**
Total equity and 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.

Prior year figures were restated from inflation adjusted ZWL to US$. For special purpose presentation the restated US$ was translated to ZWG. Refer to note 2.3 for more detail of the translations.

The notes on pages 201 to 226 are an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 30 April 2025 and signed on its behalf by:

CHAIRMAN
E. K. MOYO
30 April 2025

MANAGING DIRECTOR
C. K. MANYOWA
30 April 2025

TRANSLATED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Audited 2024 ZWG	Restated 2023 ZWG
Revenue	13	152 660 911	93 524 051
Allowance for credit losses	14	(8 240 196)	(5 222 321)
Property expenses	15	(60 311 384)	(47 827 342)
Net property income		**84 109 331**	**40 474 388**
Employee related expenses	16	(7 455 682)	(14 876 851)
Administration expenses*	17	(25 277 988)	(13 212 727)
Net property income after administration expenses		**51 375 661**	**12 384 810**
Fair value adjustments	18	(1 354 841 049)	1 240 454 345
Other (expenses)/income**		(2 648 062)	12 687 442
Finance income	19.1	8 142 887	11 990 399
Finance costs		(544 337)	-
Share of profit of associate		(422 529)	2 471 813
Net monetary adjustment		-	1 047 232
(Loss)/Profit before income tax		**(1 298 937 429)**	**1 281 036 041**
Income tax expense	20	(187 463 031)	(15 385 757)
(Loss)/Profit for the year		**(1 486 400 460)**	**1 265 650 284**
Other comprehensive income for the year			
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/(loss) for the year		**635 893 640**	**370 586 560**
Attributable to:			
-Owners of the parent		635 893 640	370 586 560
Profit/(loss) for the year		**635 893 640**	**370 586 560**
Basic earnings/(loss) per share (ZWG cents)		**(120)**	**102**
Diluted earnings/(loss) per share (ZWG cents)		**(120)**	**102**

The notes on pages 201 to 226 are an integral part of the financial statements.

Prior year figures were restated from inflation adjusted ZWL to US$. For special purpose presentation, the restated US$ was translated to ZWG. Refer to note 2.3 for more detail of the translations.

*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 (expense)/income to accurately reflect the items within this category

TRANSLATED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Audited Attributable to owners of the parent Ordinary Shares ZWG	Treasury Shares ZWG	Retained earnings ZWG	Shareholders' equity ZWG
Restated balance as at 1 January 2023	5 287 194	(96 193)	1 980 842 939	1 986 033 940
Other comprehensive income	(2 382 827)	43 350	(892 724 247)	(895 063 724)
Profit for the year	-	-	1 265 650 284	1 265 650 284
Total comprehensive income for the year	**(2 382 827)**	**43 350**	**372 926 037**	**370 586 560**
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares		-	(101 507)	(101 507)
Dividend declared and 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**
Total equity at the beginning of the financial year	2 904 367	(52 843)	2 343 431 387	2 346 282 911
Other comprehensive income	2 614 401	(47 564)	2 119 727 263	2 122 294 100
Profit for the year	-	-	(1 486 400 460)	(1 486 400 460)
Total comprehensive income for the year	**2 614 401**	**(47 564)**	**633 326 803**	**635 893 640**
Transactions with owners in their capacity as owners:				
Acquisition of treasury shares		-	(426 223)	(426 223)
Balance as at 31 December 2024	**5 518 768**	**(100 407)**	**2 976 331 967**	**2 981 750 328**

The notes on pages 201 to 226 are an integral part of the financial statements.

Prior year figures were restated from inflation adjusted ZWL to US$. For special purpose presentation, the restated US$ was translated to ZWG. Refer to note 2.3 for more detail of the translations.

TRANSLATED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Audited 2024 ZWG	Restated 2023 ZWG
Cash flows from operating activities			
Profit/(loss) before income tax		(1 298 937 429)	1 281 036 041
Adjustment for non-cash items and other adjustments:			
Depreciation		983 997	397 936
Finance costs		544 337	-
Allowance for credit losses		8 240 196	5 222 321
Fair value adjustment on investment property	4	1 354 841 047	(1 240 454 347)
Fair value movement on unquoted shares	6	5 215 722	(1 363 591)
Gain on loss of significant influence		-	(2 463 029)
Fair value movement on quoted shares		(1 359)	(33 160)
Finance income	19.1	(8 142 887)	(11 990 399)
Exchange (gain)		2 336 526	(4 806 412)
Net monetary adjustment		-	1 875 161
Dividend received		(357 602)	(30 021)
Share of profit of associate		422 529	(2 471 813)
Cash flows generated from operating activities before working capital adjustments		**65 145 077**	**24 918 687**
Working capital adjustments			
Increase in trade and other receivables		(43 796 003)	(7 818 572)
Increase in inventory		(836 488)	(353 983)
Increase/(Decrease) in trade and other payables		17 826 402	14 833 650
Cash flow from operating activities after working capital adjustments		**38 338 988**	**31 579 782**
Income tax paid		(20 619 863)	(11 109 419)
Net cash generated from operating activities		**17 719 125**	**20 470 363**
Cash flows from investing activities			
Investment property under development	4.3	(36 286 957)	(26 610 501)
Improvements to investment property		-	(429 247)
Purchase of vehicles and equipment		(806 318)	(734 133)
Investment in associate	5	(496 206)	(967 652)
Acquisitions of equities		(77 303)	(898 639)
Proceed on disposal of investment property	4	4 481 599	3 468 753
Acquisitions of financial assets at amortised cost		(10 824 564)	(3 658 524)
Proceeds on disposal of financial assets at amortised cost		109	-
Maturity/(Issuance) of long term investments		-	5 460
Finance income received	19.2	5 779 676	3 803 462
Dividend received		357 604	30 035
Net cash generated from investing activities		**(37 872 360)**	**(25 990 986)**

The notes on pages 201 to 226 are an integral part of the financial statements.

Prior year figures were restated from inflation adjusted ZWL to US$. For special purpose presentation, the restated US$ was translated to ZWG. Refer to note 2.3 for more detail of the translations.

TRANSLATED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2024

		Note	Audited 2024 ZWG	Restated 2023 ZWG
Cash flows from financing activities				
Proceeds from borrowings		10, 11	64 345 692	3 714 416
Repayment of borrowing -third party	:Principal	10	(14 785 628)	-
	:Interest	10	(5 628 573)	-
Repayment of borrowing - Intercompany loan	:Principal	11	(6 419 697)	-
	:Interest	11	(1 462 740)	-
Repurchase of treasury shares			(426 223)	(101 503)
Dividends paid to Company's shareholders			-	(8 372 009)
Net cash used in financing activities			**35 622 831**	**(4 759 096)**
Inflation effect on cashflows			-	(20 402 035)
Net (decrease)/increase in cash and cash equivalents			**15 469 596**	**(30 681 754)**
Cash and cash equivalents at the beginning of the year			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 end of the year			**12 842 545**	**5 108 183**

The notes on pages 201 to 226 are an integral part of the financial statements.

Prior year figures were restated from inflation adjusted ZWL to US$. For special purpose presentation, the restated US$ was translated to ZWG. Refer to note 2.3 for more detail of the translations.

NOTES TO THE TRANSLATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 GENERAL INFORMATION

First Mutual Properties Limited ("the Company") and its subsidiary, (together "the Group"), principal activities are property investment, development and management. The Company and its subsidiary are incorporated and domiciled in Zimbabwe. The Company is a public limited company, which is listed on the Zimbabwe Stock Exchange and its parent company is First Mutual Holdings Limited, which is also listed on the Zimbabwe Stock Exchange.

The registered office of the Company is First Floor, First Mutual Park, 100 Liberation Legacy Way, Borrowdale, Harare, Zimbabwe.

2 SUMMARY OF SIGNIFICANT 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.

2.1 Statement of 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 US$ audited financials statements for the year ended 31 December 2024. The underlying US$ 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.

2.2 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.

2.3 Change in functional currency and presentation currency

2.3.1 Change in functional currency

Following the enactment of Statutory Instrument ("SI") 185 of 2020 on 24 July 2020, the Group and Company'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 and Company 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:

(i) 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)
(ii) the currency which influences labour, material and other costs of providing goods and services.
(iii) the currency in which funds from financing activities are generated
(iv) the currency in which receipts from operating activities are usually retained

Based on the above factors, the group and company concluded that there has been a change in functional currency from the local currency to United States Dollar ("US$") with effect from 1 January 2024.

2.3.2 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 rates for the current year 'consolidated statements of other comprehensive income and the rates are as 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

2.5 New standards, interpretations and amendments

2.5.1 New standards, interpretations and amendments, effective for the first time for 31 December 2024 year ends that are relevant to the Group and Company.

Standard/interpretation	Effective date	Executive summary
Classification of Liabilities as Current or Noncurrent and Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024	In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify: ,What is meant by a right to defer settlement , That a right to defer must exist at the end of the reporting period, That classification is unaffected by the likelihood that an entity will exercise its deferral right , That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2.5 New standards, interpretations and amendments

2.5.1 New standards, interpretations and amendments, effective for the first time for 31 December 2024 year ends that are relevant to the Group and Company.

Standard/interpretation	Effective date	Executive summary
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	1 January 2024	In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendments to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFSR 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller lessee determines "lease payments" or "revised lease payments" in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFSR 16. The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining "lease payments" that are different from the general definition of lease payments in Appendix A of IFSR 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8. A seller-lessee applies the amendment to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted and that fact must be disclosed. No material impact is expected for the Group and Company.
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	1 January 2024	In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted. The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The amendments must be applied prospectively. Early application is permitted and must be disclosed. The impact on the Group and Company is not expected to be material.

2.5 New standards, interpretations and amendments

2.5.1 New standards, interpretations and amendments, effective for the first time for 31 December 2024 year ends that are relevant to the Group and Company.

Standard/interpretation	Effective date	Executive summary
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024	In May 2024, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments clarify the characteristics of supplier finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose. The amendments must be applied prospectively. Early application is permitted and must be disclosed. The impact on the Group and Company is not expected to be material.
Foreign Currency Trading Reserves (FCTR) – Amendments to IAS 21	6-Feb-25	In February 2025, the Reserve Bank of Zimbabwe (RBZ) issued the Monetary Policy Statement introducing the Zimbabwe Gold (ZWG) as the official presentation currency, backed by Foreign Currency Trading Reserves (FCTR). The accounting policy for FCTR is as follows: FCTR is recognized initially at fair value and subsequently revalued at each reporting date using the official RBZ exchange rate. Exchange differences arising from revaluation are recognized in [Profit or Loss / Other Comprehensive Income (OCI)] in accordance with IAS 21 Since the functional currency is ZWG, foreign currency reserves (FCTR) are translated at the closing RBZ rate, with gains/losses disclosed per IAS 21 requirements. The policy is effective for annual reporting periods beginning on or after 1 January 2024 and is applied retrospectively. The Group has assessed the impact of this policy on financial statements and compliance with RBZ regulations and an early adoption of the policy was done.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2.5.2 New standards, interpretations and amendments issued but not effective for 31 December 2024 year ends that are relevant to the Group and Company but have not been early adopted

Standard/interpretation	Effective date	Executive summary
IFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027	In April 2024, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosures of management-defined performance measures (as defined) and includes new requirements for location, aggregation and disaggregation of financial information. **Statement of profit or loss** An entity will be required to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, IFRS 18 requires an entity to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'. **Main business activities** For the purposes of classifying its income and expenses into the categories required by IFRS 18, an entity will need to assess whether it has a 'main business activity' of investing in assets or providing financing to customers, as specific classification requirements will apply to such entities. Determining whether an entity has such a specified main business activity is a matter of fact and circumstances which requires judgement. An entity may have more than one business activity. **Management-defined performance measures** IFRS 18 introduces the concept of a management-defined performance measure (MPM) which it defines as a subtotal of income and expenses that entity uses in public communications management's view of an aspect of the financial performance of the entity as a whole to users. IFRS 18 requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM, including how the measure is calculated and a reconciliation to the most comparable subtotal spacified by IFRS 18 or IFRS accounting standard. **Location of information, aggregation and disaggregation** IFRS 18 differentiates between 'presenting' information in the primary financial statements and 'disclosing' it in the notes, and introduces a principle of determining the location of information based on the identified roles of the primary financial statements and the notes. IFRS 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics. The amendments must be applied retrospectively. Early application is permitted and must be disclosed. The Impact on the Group and Company is expected to be material.

2.5.2 New standards, interpretations and amendments issued but not effective for 31 December 2024 year ends that are relevant to the Group and Company but have not been early adopted

Standard/interpretation	Effective date	Executive summary
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027	In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures, which allows eligible entities to elect to apply reduced disclosures requirements while still applying the recognition, measurement, and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS accounting standards compliance statement. IFRS 19 requires an entity whose financial statements comply with IFRS accounting standards including IFRS 19 to make an explicit and unreserved statement of such compliance. An entity may elect to apply IFRS 19 if at the end of the reporting period: It is a subsidiary as defined in IFRS 10; It does not have a public accountability; and it has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards. **Public accountability** An entity has public accountability if: its debt or equity instruments are traded in a public market, or it is in the process of issuing such instruments for trading in a public market; or it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (i.e., not for reasons incidental to its primary business). IFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted and should be disclosed The amendments must be applied retrospectively. The Impact on the Group and Company is expected not to be material.
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28		In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted. The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors 'interests in the associate or joint venture. The amendments must be applied prospectively and early application is permitted and must be disclosed.
Contracts Referencing Nature - dependent Electricity - Amendments to IFRS 9 and IFRS 7	1 January 2026	Effective for annual periods beginning on or after 1 January 2026. In December 2024, the Board issued Contracts Refencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments include: Clarifying the application of the own-use' requirements; Permitting hedge accounting if these contracts are used as hedging instruments; and Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Early adoption is permitted, but will need to be disclosed.

2.5.2 New standards, interpretations and amendments issued but not effective for 31 December 2024 year ends that are relevant to the Group and Company but have not been early adopted

Standard/interpretation	Effective date	Executive summary
Lack of exchangeability – Amendments to IAS 21	1-Jan-25	In August 2024, the Board issued Lack of Exchangeability (Amendments to IAS 21). The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. The Group and Company will assess the impact of the amendments to determine the impact they will have .

2.6 Basis of consolidation

(a) Subsidiaries
Subsidiaries are all entities (including structured entities) over which the Group has control. The consolidated financial statements comprise the financial statements of First Mutual Properties Limited and its subsidiary as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:
- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- the contractual arrangement with other equity holders of the investee;
- rights arising from other contractual arrangements and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control of the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Group's financial results from the date the Group gains control until the date the Group ceases to control the subsidiary.

(b) Loss of control
If the Group loses control of the subsidiary, it:
- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received or receivable;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings,
- as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(c) Separate financial statements of the Company
In the Company's separate financial statements, investments in subsidiaries are accounted for at cost. These are then eliminated at consolidation.

(d) Common control transactions

A combination involving entities or businesses under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and the control is not transitory. Common control transactions are excluded from the scope of IFRS 3, "Business combinations". The Board of Directors made a policy choice to use predecessor accounting for common control transactions.

No assets or liabilities are restated to their fair values. Instead, the acquirer incorporates predecessor carrying values. These are the carrying values of the acquired entity. They are generally the carrying amounts of assets and liabilities of the acquired entity from the consolidated financial statements of the highest entity that has common control for which consolidated financial statements are prepared. These amounts include any goodwill recorded at the consolidated level in respect of the acquired entity. If no consolidated financial statements are produced, the values used are those from the financial statements of the acquired entity. Gain or losses on acquisition are accounted directly in the statement of changes in equity utilising available reserves.

The acquired entity's results and statement of financial position are incorporated prospectively from the date on which the business combination between entities under the same carrying occurred. Consequently, the financial statements do reflect the results of the acquired entity for the period after the transaction occurred.

2.7 Segment reporting

Operating segments are reported in a manner consistent with the international reporting that is done to the chief operating decision maker ("CODM"). Where appropriate two or more segments are aggregated into a single operating segment. The CODM who is responsible for allocating resources and assessing performance has been identified as the management committee, which is made up of the managing director, Finance Executive, property investments manager and Head of Property Portfolio and Services.

2.8 Investment property

Investment property comprises completed property and property under construction or development and undeveloped land that is held to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property is included in the profit or loss in the period in which they arise. Fair values are determined annually by an accredited external independent valuer, applying valuation models recommended by the International Valuation Standards Committee.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the profit or loss in the year of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under vehicles and equipment up to the date of change in use. The difference between the cost-based measurement and fair value is treated as a revaluation adjustment.

A full valuation of investment property that incorporates physical inspection of the property being valued is conducted by the Group after every three years, in the quarterly desktop valuations are conducted.

2.9 Investment in associate

An associate is an entity over which the Group 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.

Significance influence generally accompanies a shareholding of between 20% and 50% of the voting rights. The Group's investment in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Investment in associate is accounted for at cost in the company financials.

2.10 Vehicles and equipment

Vehicles and equipment are stated at inflation adjusted cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the vehicles and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of vehicles and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the vehicles and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the asset as follows:

Motor vehicles	5 years
Computers	4 years
Equipment and machinery	5 years
Office equipment	5 years
Office furniture	10 years

The depreciable amount of an asset is determined after deducting its residual value. If the assets' residual values and useful lives differ from the previous estimates, the Group and Company account prospectively for the change in estimate.

An item of vehicles and equipment and any significant part initially recognized is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

2.11 Impairment of non-financial assets

The Group and Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's ("CGU") fair value less costs of disposal or its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available.

The Group and Company bases its impairment calculation on detailed budgets and forecast financial information, which are prepared separately for each of the Group and Company's CGUs to which the individual assets are allocated. These budgets and forecast financial information generally cover a period of five years.

For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognised impairment allowances may no longer exist or may have decreased. If such indication exists, the Group and Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment allowance is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment allowance was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment allowance been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

2.11.1 Financial instruments - initial recognition and subsequent measurement

2.11.2 Investments and other financial assets

(i) Classification of financial assets at amortised cost

The Group and Company classifies its financial assets as at amortised cost only if both of the following criteria are met:
- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Classification of financial assets at fair value through profit or loss

The Group and Company classifies the following financial assets at fair value through profit or loss ("FVPL"):
- debt investments that do not qualify for measurement at amortised cost; and
- equity investments for which the Group and Company has not elected to recognise fair value gains and losses through other comprehensive income ("OCI").

(ii) Initial recognition and measurement of financial assets

Measurement

At initial recognition, the Group and Company 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 that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(iii) Subsequent measurement of financial assets

Financial assets at fair value through profit and loss

These assets are subsequently measured at fair value. Net gains and losses including any interest on dividend income are recognised in profit or loss.

Financial asset at amortised cost

These asset are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gain and losses and impairment are recognised in profit or loss.

(iv) Impairment of financial assets

Simplified approach

The Group and Company applies the simplified approach forward looking to measure expected credit losses. The simplified approach uses a lifetime expected credit loss allowance for all trade receivables. To measure the expected credit losses, rental receivables and operating cost receivables have been grouped based on shared credit characteristics and the days past due. The Group applied the practical expedient to calculate expected credit losses using a provision matrix. . However, in order to comply with the IFRS 9 requirements, The Group took into account how current and forward-looking information might affect its customers' historical default rates and, consequently, the effect of the information on current expectations and estimates of expected credit losses. The expected credit loss rates are based on the following:

(a) Occupancy status of the tenant

Where a tenant who remains in occupancy of the premises and continues to default on the payment of rent and operating costs, the past due account remains covered under general allowance for credit losses. The tenant who relinquishes occupancy of premises and honours agreed payment plans will not be considered for specific write-off and they will be provided for at 100%.

(b) Length of time of non-payment

The length of time a tenant stays without making payment towards past due balances is used as a measure of the extent of delinquency of outstanding amounts. All past due amounts over three months are referred to collection agencies and lawyers for collection while amounts that are over six months past due may qualify for specific write-off subject to the fulfilment of additional qualification criteria. All tenant account balances that are over three months are profiled with relevant percentages of general allowance applied to arrive at a general allowance for credit losses amount.

(c) Analysis of results of collection efforts undertaken so far in order to recover amounts that are past due

When the efforts of lawyers, collection agencies or direct approaches by the Group and Company to tenants does not yield significant recovery of past due amounts and the prospects of significant recoveries consider remote, the outstanding balance is considered for specific write off. All material write offs are approved by the Audit Committee. Significant managerial judgment is exercised in analysing the likelihood of success of current collection efforts with assessment of prospects of recovery rated from more highly probable to remote.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

The Audited Historical credit loss rates are adjusted to reflect current and forward looking information on macroeconomic factors (such as market interest rates or growth rates) affecting the ability of the cedants to settle the receivables.

General approach

The Group and Company applies the general approach on financial assets such as debt instruments measured at amortised cost. The Group and Company considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

The Group and Company recognises an allowance for expected credit losses (ECLs) for all debt instrument except those held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group and Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and Company may also consider a financial asset to be in default when internal or external information indicates that the Group and Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Write-off

Debt instruments are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group and Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group and Company's procedures for recovery of amounts due.

2.11.3 Financial liabilities

(i) Initial recognition and measurement: recognition and measurement

The Group's and Company's financial liabilities comprise interest-bearing loans and borrowings and trade and other payables. Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings as appropriate. All financial liabilities are recognised initially at fair value and, net of directly attributable transaction costs. Trade and other payables, these amounts represents liabilities for goods and services provided to the Group and Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after reporting period. They are recognised initially at their fair value.

(ii) Subsequent measurement

After initial recognition, borrowings, loans and other payables and trade and other payable balances are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortization process.

(iii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. 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 a 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 profit or loss.

2.11.4 Off-setting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.12 Trade and other receivables

These are amounts due from tenants and other customers for services offered in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group and Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group and Company's allowance for impairment policies and the calculations are provided in note 11.

2.13 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk changes in value. For the purposes of the statement of cash flows, cash and cash equivalents comprise of bank and cash balances and short term deposits as defined above.

2.14 Fair value measurement

The Group and Company measures financial instruments, such as equity investments and non-financial assets such as investment property, at fair value at reporting date.

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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group and Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.15 Leases

The Group and Company has numerous leasing contracts as the lessor of investment property. The leases are operating leases, which are those leases where the Group and Company retains a significant portion of risks and rewards of ownership. Contractual rental income is recognised on a straight-line basis over a period of lease term.

2.16 Borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

2.17 Inventories

Consumables

Consumables are valued at cost (based on invoice value).

Property classified as inventory

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and net realisable value ("NRV") based on the specific identification of the property.

Cost includes, amount paid to acquire the land, amounts paid to contractors for construction, borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

The cost of inventory recognised in profit or loss from disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2.18 Share capital

(a) Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(b) Treasury shares (repurchase and reissue of ordinary shares)
When share capital recognised as equity is bought back the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as an equity deduction. The Company's own shares reacquired in a share buyback scheme are deducted from equity and are classified as treasury shares and are presented in a separate reserve for owned shares. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within the share premium.

2.19 Provisions

Provisions are recognised when the Group and Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group and Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

2.20 Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as trade and other payables in the balance sheet.

2.21 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.22 Current versus non-current classification

Asset is current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading; or
- expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purposes of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

2.23 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group and Company expects to be entitled in exchange for those goods. The Group and Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the
customer.

(i) Rental income
The Group and Company are the lessors on operating lease transactions. 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 profit or loss due to its operating nature. 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. Rental income is recognised over time for the duration of a lease contract.

Services and management charges are recognised in the accounting period in which they are incurred.

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 directors are reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in profit or loss when the right to receive them arises.

(ii) Property services income

Property services income comprises income due from property-related services to other parties. The income is recognised at a point in time when the related services have been provided. Property services income will be generated from the following services:

- project management;
- property management;
- property valuations.

(iii) Finance income/expenses

For all financial instruments measured at amortised cost , interest income or expense is recorded using the effective interest method ("EIM"), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period.

2.24 Current income and deferred tax

(i) Income tax

The income tax expense for the year is the tax payable on the current years taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unusual tax losses. Income tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in Zimbabwe where the Group and Company operate and generate taxable income.

Income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes liabilities where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not
- a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

(ii) Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in relation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

2.25 Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax, except when the value added tax incurred on purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of value added tax recoverable from or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

2.26 Post-employment benefits

(i) Post-employment benefits

The Group and Company operates one defined contribution pension plan, which requires contributions to be made to the fund. The pension plan is funded by payments from employees and the Group and Company. The Group and Company contribution to the defined contribution pension plan is charged to the profit or loss in the period to which the contributions relate.

Retirement benefits are also provided for the Group and Company's employees through the National Social Security Authority ("NSSA") Scheme. The cost of retirement benefits applicable to the NSSA Scheme is determined by the systematic recognition of legislated contributions.

(ii) Termination benefits

The Group and Company recognises termination benefits as a liability and/or expense when there is a demonstrable commitment to either terminate the employment of an employee or a group of employees before normal retirement date or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

2.27 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.28 Non-current assets held for sale

First Mutual Properties Limited classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The Group and Company classifies assets as held for sale when the following criteria are met;

- the assets must be available for immediate sale in their present condition
- sale must be highly probable
- the asset must be currently marketed actively at a price that is reasonable in relation to its current fair value
- the sale should be completed, or expected to be so, within a year from the date of the classification, and
- the actions required to complete the planned sale will have been made, and it is unlikely that the plan will be significantly changed or withdrawn.

Assets classified as held for sale cease to be depreciated at the date at which they qualify to be reclassified. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Additional disclosures are provided in Note 6.2

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group and Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

3.1 Significant estimates and assumptions

The Group and Company based their estimates and assumptions 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 beyond the control of the Group and Company. Such changes are reflected in the assumptions when they occur.

3.1.1 Valuation of investment property

The Group and Company carry investment property at fair value, with changes in fair value being recognised in of profit or loss which is inline with guidance given under IAS 40- Investment property.

Valuation approach

The valuations have been undertaken using the appropriate valuation methodologies and professional judgement.

Valuations of commercial and industrial properties are based on the comparative and investment methods. The investment method involves the capitalisation of expected rental income by an appropriate yield. The comparative approach seeks to ascribe to the subject property a value similar to that achieved for comparable properties. Through the comparative method, rental value rates and capitalisation rates for similar properties sold are assessed. After appropriate adjustments to the comparable to reflect the type of the property, quality, location and risk, the rental value and capitalisation rates of the subject property are determined.

With regards to the residential properties and pieces of undeveloped stands, we took into consideration sales evidence either achieved or on the market, of similar properties situated in comparable suburbs as that of the subject properties.

The market/fair value reflects the price that would be paid for a property on the open market and therefore is more accurately representative of the property's worth in terms of achievable value.

Refer note 6 for the carrying amount of investment property and the estimates and assumptions used to value investment property.

3.1.2 Allowance for credit losses

The Group and Company assesses its allowance for credit losses at each reporting date. Key assumptions applied in this calculation are the estimated trade receivables recovery rates within the Group's debtors' book, as well as an estimation or view on current and future market conditions that could affect the trade receivables recovery rates.

Refer to note 2.9.1 and note 4.1 for further details on the allowance for credit losses and the carrying amount of trade and other accounts receivables.

3.2 Going concern assumption

The Directors have assessed the ability of the Group and Company to continue operating as going concerns and believe that the preparation of these consolidated financial statements on a going concern basis is appropriate based in the Historical financial performance for the year 2024. The business also continues to implement futuristic plans in response to the market trends to ensure sustainable earnings, with investments planned for Golden Stairs development and participation in FMP Group projects, retail land acquisitions and tenant driven expansion initiatives. In addition, borrowing capabilities continue to be pursued due to the positive cash flow generation. These all provide evidence of business continuity and the thrust to implement strategic plans and targets. It is to this effect that First Mutual Properties Limited consolidated financial statements will continue to be prepared under the going concern basis.

4 COMPLETED INVESTMENT PROPERTY

	Audited 2024 ZWG	Restated 2023 ZWG
As at 1 January	2 438 002 790	2 187 410 044
Improvements to existing property	-	429 247
Reclassification from held for sale	-	925 328
Reclassification from investment property under development	152 692 637	-
Disposals	(4 481 599)	(4 893 171)
Fair value adjustments	(1 354 841 047)	1 240 454 347
Effects of conversion to presentation currency	-	(986 323 005)
Exchange differences (FCTR Impact)	2 194 590 821	-
As at 31 December	**3 425 963 602**	**2 438 002 790**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

4.1 Fair value hierarchy

The following table shows an analysis of the fair values of investment property recognised in the statement of financial position by level of the fair value hierarchy;

All figures in ZWG	Level 1	Level 2	Audited Group Level 3	Total	Total gain/(loss) in the period in the statement of profit or loss
31 December 2024					
CBD offices	-	-	601 195 436	601 195 436	(245 002 511)
Office parks	-	-	1 057 052 584	1 057 052 584	(437 619 201)
CBD retail	-	-	489 692 108	489 692 108	(154 629 196)
Suburban retail	-	-	184 249 780	184 249 780	(83 798 721)
Industrial	-	-	330 103 452	330 103 452	(81 390 506)
Residential	-	-	97 922 960	97 922 960	(38 566 229)
Land*	-	-	665 747 282	665 747 282	(313 834 685)
Total	**-**	**-**	**3 425 963 602**	**3 425 963 602**	**(1 354 841 049)**

*This consists of land earmarked for future developments.

	Level 1	Level 2	Restated Level 3	Total	Total gain/(loss) in the period in the statement of profit or loss
31 December 2024					
CBD offices	-	-	445 330 009	445 330 009	227 899 618
Office parks	-	-	706 245 605	706 245 605	361 424 338
CBD retail	-	-	339 088 050	339 088 050	171 618 291
Suburban retail	-	-	141 066 333	141 066 333	71 396 096
Industrial	-	-	216 557 614	216 557 614	109 240 645
Residential	-	-	74 188 919	74 188 919	37 599 913
Land	-	-	515 526 260	515 526 260	261 275 444
Total	**-**	**-**	**2 438 002 790**	**2 438 002 790**	**1 240 454 345**

Refer to Note 15 where an item of investment property (First Mutual Park) is held as security for borrowings.

Gains and losses recorded in profit or loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to a loss of ZWG 1 354 841 049 (2023: ZWG 1 240 454 345 gain) and are presented in the consolidated statement of profit or loss in line item 'fair value adjustments'

All gains and losses recorded in profit or loss for recurring fair value measurements categorised within level 3 of the fair value hierarchy are attributable to changes in unrealised gains or losses relating to investment property held at the end of the reporting period.

4 INVESTMENT PROPERTY (continued)

4.2 Fair value hierarchy (continued)

The table below shows an analysis of the lettable space of the portfolio, split per sector and its respective contribution to the total portfolio.

GROUP	Lettable space m2		% of portfolio	
	December 2024	December 2023	December 2024	December 2023
Sector				
CBD offices	31 681	31 681	25%	26%
Office park	28 456	25 839	22%	21%
CBD retail	21 948	21 948	17%	18%
Suburban retail	7 723	7 723	6%	6%
Industrial	36 997	36 997	30%	29%
Total	**126 805**	**124 188**	**100%**	**100%**

COMPANY	December 2024	December 2023	December 2024	December 2023
Sector				
CBD offices	31 681	31 681	29%	30%
Office park	10 013	7 397	9%	7%
CBD retail	21 948	21 948	20%	21%
Suburban retail	7 723	7 723	7%	7%
Industrial	36 997	36 997	35%	35%
Total	**108 362**	**105 746**	**100%**	**100%**

Descriptions and definitions

The table above includes the following descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining the fair values:

i. Income approach / Income capitalisation method

Under the income capitalisation method, a property's fair value is estimated based on the annualised net operating income generated by the property, which is divided by the capitalisation rate (discounted by the investor's rate of return). Under the income capitalisation method, over (above market rent) and under-rent situations are separately capitalised (discounted).

ii. Market approach / Market comparable method

Under the market comparable method, a property's fair value is estimated based on comparable transactions. The unit of comparison applied by the Group is the price per square metre ("sqm").

iii. Rent per square metre

The rent at which space could be let in the market conditions prevailing at the date of valuation. The unit of comparison is the rental rate per square metre.

iv. Vacancy rate

The Group determines the vacancy rate which can be based on the percentage of estimated vacant space divided by the total lettable area.

v. Prime yield

The prime yield is defined as the internal rate of return of the cash flows from the property, assuming a rise to Estimated Rental Value ("ERV") at the next review, but with no further rental growth.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

4.3 Investment property under development	**Audited 2024 ZWG**	**Restated 2023 ZWG**
Arundel Office Park - block 13 (under development)		
As 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**

The fair value of Block 13 at Arundel Office Park under development could not be reliably measured but management expects the fair value of the property to be reliably measurable when development is complete, and therefore measured at cost until either its fair value becomes reliably measurable or development is completed (whichever is earlier).

4.4 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.

Investment property held for sale	**Audited 2024 ZWG**	**Restated 2023 ZWG**
As at 1 January	-	768 258
Fair value adjustment	-	503 308
Disposal	-	-
Reclassification (to)/from Investment property	-	(925 335)
Effects of conversion to presentation currency	-	(346 231)
As at 31 December	**-**	**-**

5 INVESTMENT IN ASSOCIATE	**Audited 2024 ZWG**	**Restated 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	(422 529)	(95 199)
Share of profits	(305 224)	2 471 826
Effects of conversion to presentation currency	-	(1 254 781)
Share of Other Comprehensive loss of Associate	-	(1 484 808)
Exchange differences (FCTR Impact)	5 417 763	-
As at 31 December	**11 245 808**	**6 059 592**

The Group has a 24.41% interest in Infrastructure Fund Zimbabwe (Private) Limited, which is involved in the supply of solar power at First Mutual Park in Harare, Zimbabwe. The group made an additional contribution during the year 2024. However, there was no change in the percentage shareholding as the group contributed in proportion to the interest in the Infrastructure Fund Zimbabwe (Pvt) Limited. Infrastructure Fund Zimbabwe (Private) Limited is a private entity that is not listed on any public exchange. The Group's interest in Infrastructure Fund Zimbabwe (Private) Limited was accounted for at cost in the Group consolidated financial statements since operations of Infrastructure Fund Zimbabwe (Private) Limited are yet to commence.

The Group's interest in Greencroft Properties (Private) Limited increased from 29.49% in 2023 to 30.95% in 2024 as a result of an additional contribution. Greencroft Properties (Private) Limited is a private entity that is not listed on any public exchange. The Group's interest in Greencroft Properties (Private) Limited was accounted for at cost in the Group consolidated financial statements. Interest in Greencroft Properties (Private) Limited arose from the Group participating in purchase of land at which development is yet to start for the construction of a hospital. The acquisition is in line with the Group strategy to increase the portfolio.

The Group has a 37.48% interest in Builstate Investments (Private) Limited, which is involved in Fast-moving consumer goods in Harare, Zimbabwe. Builstate Investments (Private) Limited is a private entity that is not listed on any public exchange. The Group's interest in Builstate Investments (Private) Limited was accounted for using the equity method in the consolidated financial statements.

The breakdown of the costs capitalised and carrying amounts are shown below:

	% Holding	Audited 2024 ZWG	Restated 2023 ZWG
Infrastructure Fund Zimbabwe (Private) Limited	24%	1 355 483	590 330
Greencroft Properties (Private) Limited	31%	2 913 671	1 395 252
Builstate Investments (Private) Limited*	37%	6 976 654	4 074 010
		11 245 808	**6 059 592**

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - UNQUOTED SHARES

All figures in ZWG	Audited 2024	Restated 2023
As at 1 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)	1 363 591
Effects of conversion to presentation currency	-	(560 319)
Exchange differences (FCTR Impact)	5 780 800	-
As at 31 December	**6 987 034**	**6 421 956**

The Group has an investment of 8.91% of the ordinary shares of First Mutual Property Fund One (Private) Limited ("FMPFO") which is incorporated and domiciled in Zimbabwe and is unquoted. The fair value of the Group's investment in FMPFO is based on the net asset value of FMPFO. FMPFO is a property holding company which owns one building that is leased out to one tenant. The building constitutes 98% of the total assets of FMPFO. The fair value of the building was therefore a significant element in determining the net asset value of FMPFO. The building was valued by an independent valuer using the income approach. The investment in FMPFO is categorised as level 3 in the IFRS 13 'Fair value measurement' hierarchy. This implies that the fair value is determined with reference to unobservable inputs. Key unobservable inputs used in the valuation included rental per square metre and the capital rate/prime yield. The total lettable space is 2 508 square metres (2023: 2 508 square metres).

The Group has an interest of 0.23% in Sterling Holdings. (2023: 3.83%). In the current year there was a dilution of ownership by other investors who increased their shareholding in Sterling Holdings. Sterling Holdings is incorporated and domiciled in Zimbabwe and is unquoted. Sterling Holdings owns student accommodation. The building was valued by an independent valuer using the market comparable approach. The investment in Sterling Holdings is categorised as level 3 in the IFRS 13 'Fair value measurement' hierarchy. This implies that the fair value is determined with reference to unobservable inputs. Key unobservable inputs used in the valuation included the capital rate/prime yield.

The Group has an investment of 2.79% of the shares in First Mutual Properties Fund Two (Private) Limited ("FMPFT") which is incorporated and domiciled in Zimbabwe and is unquoted. The fair value of the Group's investment in FMPFT is based on the valuation of FMPFT. FMPFT is a property holding company which owns student accommodation which will be lease after completion of all the works. The building was valued by an independent valuer using the market comparable approach. The investment in FMPFT is categorised as level 3 in the IFRS 13 'Fair value measurement' hierarchy

Description of significant unobservable inputs to valuation*:
The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 December 2024 and 2023 are shown below:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

7 TRADE AND OTHER RECEIVABLES	Audited 2024 ZWG	Restated 2023 ZWG
Tenant receivables	51 040 616	12 546 495
Tenant operating cost recoveries	17 606 832	6 665 041
Trade receivables	**68 647 448**	**19 211 536**
Less: allowance for credit losses	(28 220 598)	(5 426 473)
Net trade debtors	**40 426 850**	**13 785 063**
Prepayments - other	3 373 369	3 705 165
Staff debtors	1 919 445	1 729 547
Group companies receivables	9 472 061	416 147
Total trade and other receivables	**55 191 725**	**19 635 922**

Reconciliation of gross trade receivables	Audited 2024 ZWG	Restated 2023 ZWG
As at 1 January	19 211 535	13 358 449
Increase in trade receivables	212 173 280	90 647 634
Recovery due to payments	(180 030 810)	(100 391 563)
Inflation effect	-	21 617 387
Effects of conversion to presentation currency	-	(6 020 372)
Exchange differences (FCTR Impact)	17 293 443	-
As at 31 December	**68 647 448**	**19 211 535**

Reconciliation of allowance for credit losses		
As at 1 January	5 426 473	3 182 938
Add: charge for the current year	38 531 761	6 968 942
Recovery due to payments	(20 622 326)	(1 905 973)
Inflation effect	-	(1 384 951)
Effects of conversion to presentation currency	-	(1 434 483)
Exchange differences (FCTR Impact)	4 884 690	-
		-
As at 31 December	**28 220 598**	**5 426 473**

(i) Classification of trade receivables Trade receivables are amounts due from tenants for space leased in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group and Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Refer below for the movements in the allowance for credit losses:

Year ended 31 December 2023	Individually impaired ZWG	Restated Collectively impaired ZWG	Total ZWG
As at 1 January	2 823 380	359 558	3 182 938
Charge for the year	3 517 731	1 545 238	5 062 969
Inflation Effect	(1 228 501)	(156 450)	(1 384 951)
Effects of conversion to presentation currency	(1 272 425)	(162 058)	(1 434 483)
As at 31 December 2023	**3 840 185**	**1 586 288**	**5 426 473**
Year ended 31 December 2024		**Audited**	
As at 1 January	3 840 185	1 586 288	5 426 473
Charge for the year	16 039 456	1 869 994	17 909 450
Exchange differences (FCTR Impact)	3 456 753	1 427 922	4 884 675
As at 31 December 2024	**23 336 394**	**4 884 204**	**28 220 598**

Trade receivables are normally on 30 day terms. Tenants are charged interest at 32% (2023: 152%) per annum on overdue amounts that remain outstanding after 30 days.

8 CASH AND CASH EQUIVALENTS

		Audited 2024 ZWG	Restated 2023 ZWG
Short-term investments		4 830 849	2 781 008
Cash at bank and in hand :	ZWG	1 074 601	-
	ZWL	-	2 121 776
	US$	6 937 095	205 399
		-	
At 31 December		**12 842 545**	**5 108 183**

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and Company and earn interest at the short-term deposit rates.

Reconciliation of cash flow statement
The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	Audited 2024 ZWG	Restated 2023 ZWG
Bank balances:	12 842 545	5 108 183
Bank overdraft	-	-
Balances as per cash flow statements	**12 842 545**	**5 108 183**

9 DEFFERED TAX LIABILITIES

	Audited 2024 ZWG	Restated 2023 ZWG
As 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 property plant and equipment	(829 462)	151 602
-Arising on investment properties	174 931 251	8 225 231
-Arising on financial assets at fair value through profit or loss	(266 775)	285 989
-Arising on leave pay provision	(151 683)	17 936
-Arising on provision for credit losses	(5 069 949)	(948 598)
Recognised in other comprehensive income		
-Effects of conversion to presentation currency	-	(107 430 306)
Exchange differences (FCTR Impact)	124 500 142	-
As at 31 December	**430 812 346**	**138 309 041**
Deferred tax liability		
Arising on inventory	-	42 577
Arising from prepayments	-	278 563
-Arising on property plant and equipment	(119 287)	373 746
-Arising on investment properties	438 539 138	138 729 364
-Arising on financial assets at fair value through profit or loss	351 750	325 512
-Arising on leave pay provision	(265 539)	(59 919)
-Arising on provision for credit losses	(7 693 716)	(1 380 802)
As at 31 December	**430 812 346**	**138 309 041**

Deferred tax liabilities arose as a result of temporary differences arising from carrying amounts higher than income tax values. Investment properties are the main contributor.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

	Audited 2024 ZWG	Restated 2023 ZWG
10 BORROWINGS		
As at 1 January	-	-
Loan drawdown	64 345 692	-
Amortised interest	5 628 573	-
Repayment of interest	(5 628 573)	-
Repayment of capital	(14 785 628)	-
As at 31 December	**49 560 064**	**-**
Short-term portion	22 909 538	-
Long-term portion	26 650 526	-
	49 560 064	-

	Maturity	Audited 2024	Restated 2023
Current interest bearing loan			
Short-term portion of the long-term borrowing	25 December 2025	22 909 538	-
Non current interest bearing loan			
Long term borrowing	25 February 2027	26 650 526	-
		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:

Tenure	3 Years
Repayment	In equal instalments over the tenure of the loan
Security	Immovable property, title 0004163/2007, being Stand 18259 Harare Township of Stand 14908 Salisbury Township called First Mutual Park in the name of First Mutual Park (Private) Limited **Terms** • Property shall be revalued by an independent valuer at First Mutual Properties expense • The borrower shall arrange for the bank to be nominated as loss payee on insurance policies • taken out in relation to the property • The borrower shall not, without written consent from the bank, create or subsist any security • over the property unless at the same time the borrower offers to grant equivalent pari passu • security in favour of the bank and to the extent that the bank accepts the offer.

The secured bank loan is subject to the following financial covenants during the tenure of the loan:

(i) Interest Cover -The ratio of cashflow to finance charges shall not fall below 5 times to 1
(ii) Rental Interest Cover-Net Rental Income for the Relevant Period shall exceed 10 times finance charges for such relevant period
(iii) Gearing -Gross Borrowings minus consolidated total cash at the end of each relevant period shall not exceed 100% of Net Tangible Assets
(iv) Net Rental Income for the Relevant Period shall exceed 2 times Debt Service for such Relevant Period

Financial covenants shall be tested by reference to audited accounts, unaudited interim accounts and quarterly statements.
As at 31 December 2024, the business was compliant will all covenants in relation to the secured facility. The Group has no indications that it will have any difficulty in complying with these covenants.

The carrying amounts of variable interest rate borrowings approximates fair value as the interest rates charged are considered market related.

11 Related party loan

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

*In 2023 , part of the loan was an amount which FMH paid the suppliers directly for FMP so the liability increased but no cash flow. In 2024, the full loan advanced was an amount which FMH paid the suppliers directly for FMP.
** The loans advanced in both years were in US$.

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

FMH advanced some loans to Arundel Office Park for the construction of an additional block.
Loans advanced in 2023 matured in 2024. Upon maturity, part of loan was rolled over for an additional period and are payable within 12 months.

12 TRADE AND OTHER PAYABLES

	Audited 2024 ZWG	Restated 2023 ZWG
Tenant payables	5 007 962	2 447 679
Related party payables	4 643 001	6 142 037
Sundry payables*	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
As at 31 December	**43 450 067**	**25 623 637**

* Sundry payables include accrued expenses, good tenant deposits, VAT and Share appreciation rights

13 REVENUE

	Audited 2024 ZWG	Restated 2023 ZWG
Rental income	136 864 464	90 647 634
Property services income	15 796 447	2 876 417
	152 660 911	**93 524 051**

14 ALLOWANCE FOR CREDIT LOSSES

Allowance for credit losses for trade receivables	7 327 299	5 062 969
Allowance for credit losses for financial assets at amortised cost	912 897	159 352
	8 240 196	**5 222 321**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

15 PROPERTY EXPENSES	Audited 2024 ZWG	Restated 2023 ZWG
Operating costs under recoveries	13 326 592	8 090 865
Maintenance costs	16 060 564	11 028 823
Valuation fees	402 827	221 556
Employee costs	22 315 707	19 872 613
Other expenses	7 061 424	7 490 471
Property transaction cost	73 666	23 207
Property security and utilities	1 070 604	1 099 807
As at 31 December	**60 311 384**	**47 827 342**
Property expenses arising from investment properties that generated rental income	58 973 504	46 704 328
	-	-
Property expenses arising from investment properties that did not generate rental income	1 337 880	1 123 014
	60 311 384	**47 827 342**

Operating costs under recoveries relate to the operating costs attributable to the vacant spaces on buildings within the portfolio.

16 EMPLOYEE COSTS	Audited 2024 ZWG	Restated 2023 ZWG
Salaries	2 177 022	1 235 203
Staff training	1 742 704	202 035
NSSA and levies	146 801	103 182
Pension contributions	240 308	153 858
General allowances	1 094 041	3 713 423
Motor vehicle allowance	708 156	625 986
Performance bonus	540 952	8 175 319
Other staff costs*	805 698	667 845
	7 455 682	**14 876 851**

*Other staff costs include staff transport, staff meals, housing allowances and long service awards

17 ADMINISTRATION EXPENSES *	Audited 2024 ZWG	Restated 2023 ZWG
Directors' fees		
-For services as directors	3 921 485	2 397 579
Auditors' fees:		
-current year	401 081	17 493
-prior year	1 173 022	598 320
Information and communication technology expenses	559 878	465 335
Depreciation	146 223	79 587
Communication expenses	33 631	58 900
Fees and other charges**	3 420 785	1 531 151
Investment fees	393 402	171 830
Office costs	1 796 017	940 286
Travel and entertainment expenses	807 527	242 617
Group shared services	12 246 860	6 416 242
Advertising	378 077	293 387
	25 277 988	**13 212 727**

*Other expenses has been renamed to Administration expenses to provide greater clarity and alignment with the nature of the costs incurred.
**Fees and other charges include bank charges, registration fees and listing fees

		Audited 2024 ZWG	Restated 2023 ZWG
18	**FAIR VALUE ADJUSTMENTS**		
	Fair value adjustment - investment property	(1 354 841 049)	1 239 951 038
	Fair value adjustments- Investment property held for sale	-	503 307
		(1 354 841 049)	**1 240 454 345**

		Audited 2024 ZWG	Restated 2023 ZWG
19	**FINANCE INCOME**		
19.1	**Finance income for statement of profit or loss**		
	Interest on overdue tenant accounts	7 873 450	11 456 422
	Interest on investments	269 437	533 977
		8 142 887	**11 990 399**
19.2	**Finance income for statement of cash flows**		
	Finance income received	5 779 676	3 803 462
	Finance income accrued	2 363 211	8 186 937
		8 142 887	**11 990 399**
		-	-
20	**INCOME TAX EXPENSE**		
	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**

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TOP 20 SHAREHOLDERS

FOR THE YEAR ENDED 31 DECEMBER 2024

Rank	Names	Country	Industry	Shares	Percentage %
1	STANBIC NOMINEES (PVT) LTD.	ZIM	LN	805,724,770	65.18
2	CBZ HOLDINGS DATVEST	ZIM	INV	208,545,152	16.87
3	FIRST MUTUAL LIFE SHAREHOLDERS	ZIM	INS	96,403,627	7.80
4	AFRICA OPPORTUNITY FUND L P	CAY	LC	75,449,610	6.10
5	MUTARE MART	ZIM	LC	4,305,054	0.35
6	WORLDOVER CAPITAL LTD	ZIM	LC	3,451,513	0.28
7	CIMAS MEDICAL AID SOCIETY	ZIM	PF	3,289,000	0.27
8	HIPPO VALLEY ESTATE PF-DATVEST	ZIM	PF	3,190,773	0.26
9	AFRICA OPPORTUNITY CAYMAN LTD	CAY	LC	3,173,498	0.26
10	ZIMBABWE ELECTRICITY IND. PF	ZIM	PF	2,429,261	0.20
11	ZB LIFE ASSURANCE LIMITED	ZIM	PF	1,341,061	0.11
12	ZB FIN HOLDINGS GROUP PF	ZIM	PF	1,278,358	0.10
13	Marsh Ret. Enhance Fund-Datvest	ZIM	FM	1,003,079	0.08
14	MULTIMANAGER POOL-DATVEST	ZIM	PF	988,606	0.08
15	MORGAN AND CO MULTI-SECTOR ETF	ZIM	LC	956,100	0.08
16	OAK TRUST	ZIM	LR	900,000	0.07
17	SCB NOMINEES 033667800003	ZIM	LN	890,226	0.07
18	NATFOODS PENSION FUND-DATVEST	ZIM	PF	825,184	0.07
19	INNSCOR AFRICA PF - DATVEST	ZIM	PF	802,744	0.06
20	PUBLIC SERVICE COMMISS PF-DATV	ZIM	PF	758,588	0.06

Selected shares	**1,215,706,204**	**98.35**
Non - selected shares	**22,451,106**	**1.65**
Issued shares	**1,238,157,310**	**100.00**

GRI CONTENT INDEX

First Mutual Properties has reported the information cited in this GRI content index for the period 01 January 2024 and 31 December 2024 with reference to the GRI Standards. The index uses GRI 1: Foundation 2021 as a reference.

GRI standard	Disclosure	Location	Page
GRI 2: General Disclosures 2021	2-1 Organisational details	About this report Corporate information	4
	2-2 Entities included in the organisation's sustainability reporting	Where we operate	10
	2-3 Reporting period, frequency and contact point	About this report	5
	2-4 Restatements of information	About this report, restatements	5
	2-5 External assurance	About this report, assurance	5
	2-6 Activities, value chain and other business relationships	What we do Our value-creation business model	10
	2-7 Employees	Human capital, employee demographics	85
	2-8 Workers who are not employees	Human capital, employee demographics	85
	2-9 Governance structure and composition	Corporate governance, Board structure and Board composition	104
	2-10 Nomination and selection of the highest governance body	Corporate governance, Board appointments	105
	2-11 Chair of the highest governance body	Our leadership, Board of Directors	12, 13, 14
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate governance, Board responsibility Responding to climate change, Accountability and responsibility	104
	2-13 Delegation of responsibility for managing impacts	Corporate governance, Board responsibility Corporate governance, Board committees Responding to climate change, Accountability and responsibility	105
	2-14 Role of the highest governance body in sustainability reporting	Responding to climate change, Accountability and responsibility	107
	2-15 Conflicts of interest	Corporate governance, Directors' Declaration and Conflict of Interest	107
	2-16 Communication of critical concerns	Corporate governance, Board meetings Responding to climate change, Accountability and responsibility	107
	2-17 Collective knowledge of the highest governance body	Our leadership, Board of Directors Corporate governance, Board composition	104
	2-18 Evaluation of the performance of the highest governance body	Not disclosed	
	2-19 Remuneration policies	Corporate governance, Remuneration	106
	2-20 Process to determine remuneration	Human capital development, Sustainable remuneration	90
	2-21 Annual total compensation ratio	Human capital development, Sustainable remuneration	90
	2-22 Statement on sustainable development strategy	Responsible business	40
	2-23 Policy commitments	Responsible business	40
	2-24 Embedding policy commitments	Responsible business	40
	2-25 Processes to remediate negative impacts	Employee relations, Discipline and grievance management Ethics and integrity, Human rights	88
	2-26 Mechanisms for seeking advice and raising concerns	Ethics and integrity, Business ethics compliance Employee relations, Accountability and responsibility	86
	2-27 Compliance with laws and regulations	No fines or penalties in 2024	
	2-28 Membership associations	Where we operate, Business profiles	10
	2-29 Approach to stakeholder engagement	Key relationships	9
	2-30 Collective bargaining agreements	Employee relations, Freedom of association and collective bargaining	88
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material matters, Our approach to materiality	28
	3-2 List of material topics	Material matters impacting FMP's value creation	31
	3-3 Management of material topics	Material matters impacting FMP's value creation	31
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic value generation, Direct economic value generated and distributed	98
	201-2 Financial implications and other risks and opportunities due to climate change	Responding to climate change, Climate risks and opportunity management	58

GRI CONTENT INDEX (continued)

GRI standard	Disclosure	Location	Page
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Economic value generation, Revenue growth and profit reinvestment	98
	203-2 Significant indirect economic impacts	Economic value generation	98
		Corporate social responsibility, First Mutual Foundation	94
	203-3 Defined benefit plan obligations and other retirement plans	Employee health and wellness, Employee welfare and benefits	92
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Responsible procurement, Monitoring and measuring our performance	96
GRI 205: Anti-corruption 2016	205-2 Anti-corruption policies and procedures	Ethics and integrity, Anti-corruption	107
GRI 207: Tax 2019	207-1 Approach to tax	Responsible tax contributions	99
	207-2 Tax governance, control, and risk management	Responsible tax contributions, Tax risk management	100
	207-3 Stakeholder engagement and management of concerns related to tax	Responsible tax contributions, Stakeholder engagements	100
	207-4 Country-by-country reporting	Not disclosed	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Not disclosed	
	301-2 Recycled input materials used	Not disclosed	
	301-3 Reclaimed products and their packaging materials	Waste management, Recycling and circular economy initiatives	74
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Energy management, Monitoring and measuring performance	72
	302-2 Energy consumption outside of the organisation	Energy management, Monitoring and measuring performance	72
	302-3 Energy intensity	Energy management, Monitoring and measuring performance	72
	302-4 Reduction of energy consumption	Energy management, Energy efficiency, Renewable energy initiatives, and Green buildings	72
	302-5 Reduction in energy requirements of products and services	Energy management, Renewable energy initiatives, and Green buildings	72
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water stewardship, Water risk management	74
	303-3 Water withdrawal	Water stewardship, Monitoring and measuring our performance	72
	303-5 Water consumption	Water stewardship, Monitoring and measuring our performance	72
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Land use and biodiversity, Property development planning and construction	76
	304-2 Significant impacts of activities, products and services on biodiversity	Land use and biodiversity, Property development planning and construction, and Biodiversity risks and opportunities in insurance	76
	304-3 Habitats protected or restored	Land use and biodiversity, Monitoring and measuring our performance	77
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Responding to climate change, Greenhouse gas emissions management	66
	305-2 Energy indirect (Scope 2) GHG emissions	Responding to climate change, Greenhouse gas emissions management	66
	305-5 Reduction of GHG emissions	Responding to climate change, Climate Action Plan and Roadmap	66
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste management, Waste risk management	74
	306-2 Management of significant waste-related impacts	Waste management, Waste reduction and responsible waste disposal	75
	306-3 Waste generated	Waste management, Monitoring and measuring our performance	75
	306-4 Waste diverted from disposal	Waste management, Monitoring and measuring our performance	75
	306-5 Waste directed to disposal	Waste management, Monitoring and measuring our performance	75

GRI CONTENT INDEX (continued)

GRI standard	Disclosure	Location	Page
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human capital, Talent attraction and retention	89
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human capital, Employee welfare and benefits	92
	401-3 Parental leave	Human capital, Employee welfare and benefits	92
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Employee health and wellness, Occupational health and safety	92
	403-2 Hazard identification, risk assessment, and incident investigation	Employee health and wellness, Occupational health and safety	92
	403-3 Occupational health services	Employee health and wellness, Supporting workforce wellbeing	92
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee health and wellness, Performance and compliance	93
	403-5 Worker training on occupational health and safety	Employee health and wellness, Occupational health and safety	92
	403-6 Promotion of worker health	Employee health and wellness, Supporting workforce wellbeing	92
	403-9 Work-related injuries	Employee health and wellness, Performance and compliance	93
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human capital development, Skills development	89
	404-2 Programs for upgrading employee skills and transition assistance programs	Human capital development, Talent attraction and retention, and Skills development	89
	404-3 Percentage of employees receiving regular performance and career development reviews	Human capital development, Sustainable remuneration (partial disclosure)	90
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Employee relations, Diversity and inclusion	87
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Responsible procurement, Promoting responsible business practices	97
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Corporate social responsibility, Community support	95

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Second Annual General Meeting of First Mutual Properties Limited is to be held at First Mutual Office Park, 100 Liberation Legacy Way, Borrowdale, Harare on **Wednesday 30 July 2025** at **9.00am** for the purpose of transacting the business set out in this AGM Notice.

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements and Reports of the Directors and Auditors for the financial year ended 31 December 2024.

2. To confirm Directors' resolution not to declare a dividend having considered the need to preserve cashflow and to reinvest into the business.
(NOTE: *In terms of section 70 of the Memorandum and Articles of Association of the Company, Directors are authorised to declare a dividend to be distributed to shareholders. The Directors deemed it fit not to declare a dividend during the year and that the available cash be directed towards the expansion programme.*)

3. **Election of Directors**

   i. To re-elect as an independent non-executive director Ms Sharon Wekwete, who retires by rotation in terms of the Memorandum and Articles of Association of the Company, and being eligible, offers herself for re-election. Ms. Wekwete is a lawyer and international development professional with an LLB Honours degree from the University of Zimbabwe, a Master of Science degree MSc in Development Studies, and professional qualifications from the American University Washington College of Law in Washington, DC.

   ii. To re-elect as an independent non-executive director, Mr Temba Ruvingo, who retires by rotation in terms of the Memorandum and Articles of Association of the Company, and being eligible, offers himself for re-election. Mr Ruvingo is a Chartered Accountant with over 10 years of experience and is currently the Finance Director at AFC Commercial Bank. He has held senior finance roles at NMB Bank and has in-depth expertise in IFRS, financial management, and local tax frameworks.

   iii. To re-elect as an independent non-executive director, Mr Amos Mazarire, who retires by rotation in terms of the Memorandum and Articles of Association of the Company, and being eligible, offers himself for re-election. Mr Mazarire is a senior real state consultant with over 40 years of experience and holds a BSc degree in Land Administration from the UK. He has extensive expertise in property development, valuation, and investment advisory.

   iv. In terms of the Memorandum and Articles of Association of the Company, Ms Susan Mutangadura, having been appointed to the Board during the year, retires at the Annual General Meeting and being eligible, offers herself for re-appointment. Ms Mutangadura is a seasoned legal practitioner and corporate governance expert with over 25 years of senior management and board experience. She is a Fellow of the Institute of Directors Zimbabwe and certified international arbitrator. Susan has held prominent leadership roles including Country Manager for AON Zimbabwe and Group Managing Director for SFG Insurance Holdings. She has served on boards in various sectors and currently serves on the Harare Institute of Technology School of Business and Management Sciences, Medicines Control Authority of Zimbabwe and the Legal Resources Foundation

4. To approve the Directors' remuneration for the financial year ended 31 December 2024 in the sum of USD 220,191.00.
(NOTE: *The Directors' Remuneration Report shall be available for inspection by shareholders at the registered office of the Company.*)

5. To confirm the remuneration of the Auditors, Ernst & Young Chartered Accountants (EY), for the past audit in the sum of USD119,533.50.

6. To appoint Axcentium Chartered Accountants as Auditors of the Company until the conclusion of the next Annual General Meeting.
(NOTE: *EY served five years as external auditors of the Company and has stepped down in accordance with section 191(11) of the Companies and Other Business Entities Act (Chapter 24:31. The Board of Directors recommends the appointment of Axcentium Chartered Accounts, formerly Messrs Deloitte and Touche for the ensuing financial year.*)

SPECIAL BUSINESS

To consider and, if deemed fit, pass with or without modification, the following additional resolutions:

7. **Loans to Executive Directors**

AS AN ORDINARY RESOLUTION

THAT the Company be and is hereby authorised to make any loan to any Executive Director or to enter into any guarantee or provide any security in connection with a loan to such Executive Director for the purpose of enabling him/her to properly perform his/her duty as an officer of the Company as may be determined by the Group Human Resources and Governance Committee, provided that the amount of the loan or the extent of the guarantee or security shall not exceed the annual remuneration of that Director. Any such loans, securities or guarantees made or provided during the six months preceding this Annual General Meeting are hereby ratified.

8. **General Authority to Buy Back Shares**

AS A SPECIAL RESOLUTION
THAT the Company authorises in advance, in terms of section 129 of the Companies and other Business Entities Act [Chapter 24:31] and the Zimbabwe Stock Exchange Listing Requirements the purchase by the Company of its own shares subject to the following terms and conditions:

a. The authority in terms of this resolution shall expire on the date of the Company's next Annual General Meeting; and
b. Acquisitions shall be of ordinary shares which, in the aggregate in any one financial year shall not exceed 10% of the Company's issued ordinary share capital; and
c. The maximum and minimum prices, respectively, at which such ordinary shares may be acquired will not be more than 5% (five per centum) above and 5% (five per centum) below the weighted average of the market price at which such ordinary shares are traded on the ZSE, as determined over the 5 (five) business days immediately preceding the date of purchase of such ordinary shares by the Company.

(NOTES:
i. The Directors will only exercise the authority if they believe that to do so would be in the best interests of shareholders generally.
ii. All shares purchased pursuant to this resolution shall be cancelled from time to time.
iii. If the maximum number of shares that can be purchased pursuant to the authority is purchased, the Directors believe that the Company will be able, in the ordinary course of business, to pay its debts for a period of twelve months after the date of this notice; the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group; there will be adequate ordinary capital and reserves in the Company for a period of 12 months after the date of this notice; and there will be adequate working capital in the Company and the Group for a period of 12 months after the date of this notice.
iv. a press announcement will be published as soon as the Company has acquired ordinary shares constituting, on a cumulative basis in the period between annual general meetings, 3% (three per centum) of the number of ordinary shares in issue prior to the acquisition.)

9. **Any Other Business**
To transact any other business competent to be dealt with at a general meeting.

i. *NOTES: Members may follow proceedings live on the Company website via a link which will be uploaded on the website or join the meeting virtually using the following link; https://escrowagm.com/eagmZim/Login.aspx*
ii. *Shareholders are advised to update their contact details with the transfer secretaries on the following contacts: Corpserve Registrars (Private) Limited, Second Floor, ZB Centre, Corner First Street and Kwame Nkrumah Avenue, Harare Telephone: +263 242 751 559 – 61, Email: corpserve@escrowgroup.org*
iii. *In terms of the Companies and Other Business Entities Act (Chapter 24:31) a member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his stead. A proxy need not be a member of the Company.*
iv. *Proxy forms must be lodged at the registered office of the Company or the transfer secretaries not less than forty-eight hours before the time for holding the meeting.*
v. *Members may request a copy of the 2024 Annual Report from the registered office of the Company or from the office of the transfer secretaries. The 2024 Annual Report is also available for download from the Company's website https://firstmutualpropertiesinvestor.com*

BY ORDER OF THE BOARD

D.D Kandwe (Mrs.)
Company Secretary
HARARE
8 July 2025

Registered Office
First Mutual Park
100 Borrowdale Road
Borrowdale
HARARE

PROXY FORM

I /We, ____
(full names)
of ____
(full address)
being the registered holder/s of ______________________________ ordinary shares in

FIRST MUTUAL PROPERTIES LIMITED, do hereby appoint:

____
(full names)
of ____
(full address)

as my/our proxy to vote for me/us on my/our behalf at the **ANNUAL GENERAL MEETING** of the Company to be held on **Wednesday 30 July 2025** at 9:00 am and at any adjournment thereof.

I/We instruct my/our proxy or proxies to vote in the following way:
(Please mark the appropriate box with an "X" next to each resolution)

	ORDINARY BUSINESS	For	Against	Abstain
1	Adoption of the Audited Financial Statements and Reports of the Directors and Auditors for the financial year ended 31 December 2024			
2	To confirm Directors' resolution not to declare a dividend having considered the need to preserve cashflow and to reinvest into the business.			
3	Re-election of Ms Sharon Wekwete as a director of the Company			
4	Re-election of Mr Temba Ruvingo as a director of the Company			
5	Re-election of Mr Amos Mazarire as a director of the Company			
6	Confirmation of appointment of Ms Susan Mutangadura as director of the Company			
7	Confirmation of the remuneration of the Directors for the period ended 31 December 2024			
8	Confirmation of the remuneration of the Auditors, Ernst & Young Chartered Accountants Zimbabwe, for the past audit			
9	Confirmation of appointment of Axcentium Chartered Accountants(Formerly Deloitte) as Auditors of the Company until the conclusion of the next Annual General Meeting			
	SPECIAL BUSINESS			
10	THAT the Company be authorised to make loans to Executive Directors in terms of Section 208 of the Companies and Other Business Entities Act [Chapter 24:31], subject to certain conditions.			
11	As a Special Resolution THAT the Company be authorised in terms of section 129 of the Companies & Other business Entities Act to purchase its own shares, subject to certain conditions.			

Details of the above resolutions are set out in the Notice of the Annual General Meeting.

Signed this ______________________ day of ______________________ 2025

____
SIGNATURE OF SHAREHOLDER

NOTES:

1. Members may follow proceedings live on the Company website via a link which will be uploaded on the website or join the meeting virtually using the following link; https://escrowagm.com/eagmZim/Login.aspx.
2. Shareholders are encouraged to participate in the AGM and to make use of proxy voting, as outlined in the AGM Notice.
3. In terms of section 171 of the Companies and Other Business Entities Act (Chapter 24:31), a member of the Company is entitled to appoint one or more persons to act in the alternative as his proxy, to attend and vote and speak in his stead. A proxy need not be a shareholder of the Company.
4. Unless otherwise instructed, the proxy will vote as he/she thinks fit.
5. This proxy form must be deposited at the Registered Office of the Company which is situated at First Floor, First Mutual Park, Borrowdale Road, Harare so as to be received by the Secretary not less than 48 hours before the meeting.
6. The proxy form must be signed and dated for it to be valid. Any alterations or corrections to this form must be initialled.
7. Anyone signing this proxy form in a representative capacity must be authorised to do so. Please stamp this form with your company or organisation's stamp and enclose proof of authorisation.
8. The return of this proxy form will not prevent you from attending the meeting and voting in person. However, should this happen, the proxy will be revoked.

CORPORATE INFORMATION

Registered Office and Head Office
First Mutual Park
100 Liberation Legacy Way
Borrowdale
Harare
Zimbabwe
Tel: +263 (242) 886 121 - 4
Email: info@frstmutualproperties.co.zw
Website: www.frstmutal.co.zw

Postal Address:
P O Box MP373
Mount Pleasant
Harare
Zimbabwe

Company Secretary
Dulcie Kandwe (Mrs)

Principal Bankers
First Capital Bank Limited
FCDA Branch
Barclays House
Corner 1st Street and Jason Moyo Avenue
P O Box 1279
Harare
Zimbabwe

Stanbic Bank Limited
Stanbic Centre
59 Samora Machel Avenue
Box 300
Harare
Zimbabwe

Independent Auditor
Ernst & Young Chartered Accountants (Zimbabwe)
Angwa City
Cnr Julius Nyerere Way, Kwame Nkrumah Avenue
Harare, Zimbabwe

Sustainability Advisors
Trialogue
Block C,
Aintree Business Park
c/o Doncaster Road & Loch Road
Kenilworth
7708
South Africa

Transfer Secretaries
Corpserve Secretaries (Private) Limited
2nd Floor, ZB Centre
1st Street and Kwame Nkrumah Avenue
Harare
Zimbabwe

Principal Property Valuers
Knight Frank Zimbabwe (Private) Limited
P.O Box 3526
1st Floor Finsure House
Harare
Zimbabwe

Principal Legal Advisors
Atherstone and Cook Legal Practitioners
Praetor House
119 Josiah Chinamano Avenue
Harare
Zimbabwe

Gill, Godlonton, and Gerrans
7th Floor, Beverley Court
100 Nelson Mandela Avenue
Harare
Zimbabwe

FIRST MUTUAL

PROPERTIES

Go Beyond

First Mutual Properties, First Mutual Park,

First Floor, 100 Liberation Legacy Way, Borrowdale, Harare, Zimbabwe

P O Box MP 373, Mt Pleasant, Harare

Tel: +263 (242) 886 121 - 4

Email: info@firstmutualproperties.co.zw | **Website:** www.firstmutual.co.zw