FIRST MUTUAL PROPERTIES

Go Beyond

Unaudited Abridged Financial Results

For the Half Year ended 30 June 2024

CHAIRMAN'S STATEMENT

Overview of Operating Environment

The property sector's rental performance remained closely tied to the general macro-economic performance dynamics. The dollarisation of the economy was more entrenched during the period, particularly in the informal sector, as the share of USD rentals grew in sympathy with the increased share of USD expenditure by economic agents. The introduction of the ZWG (Zimbabwe Gold) currency in Q2 2024 managed to stabilise the devaluation being experienced by the local currency. However, it remained too early to tell the medium to long term impact of this policy change on the property sectors' performance. The local currency's exchange rate performance was within a 1% corridor and ZWG inflation saw YTD inflation retreating by 2.4% in Q2 2024 whilst USD inflation was between 3.2% to 3.8% in H1 2024. In the outlook we believe that exchange rate distortions have the potential to disrupt the property related income mix between USD and ZWG as patrons can potentially take advantage of any exchange rate premiums and shocks.

According to the Government of Zimbabwe, the impact of the El Nino induced drought is likely to see Zimbabwe's GDP growth slowing to 2% from an initially forecasted growth of 3.5%. The drought has had significant downside implications for the economy as the import bill is expected to rise and thereby narrow the country's current account balance. Growth is however expected to be sustained by the Tourism, Mining and Construction sectors for the balance of the year. Additionally, firmer gold prices and strong diaspora remittances have already been instrumental in shoring up foreign currency liquidity and this trend should counter the downside growth implications arising from the Agricultural sector.

Within the property sector space, management will continue to seek opportunities arising from the significant investments being made in infrastructure which has underpinned several property developments in the country.

Property Market Overview

The supply of space in the Central Business District (CBD) office and urban retail sectors was relatively high as this was driven by increased voids and the migration towards office parks and suburban retail and residential sites.

Most tenants continued to pay rentals in United States Dollars, however in line with the country's laws, most tenants paid operating costs using the local currency which depressed the real value of utility fees and other operating income for the property sector in general.

The market has seen an increase in the development of residential stands, cluster houses and high-rise flats. Furthermore, investors were focused on owner-occupied office park-style buildings and the conversion of residential properties into offices in the suburbs surrounding CBDs and on major arterial routes. Despite the gap for supporting infrastructure, the growth in the development of industrial and warehousing properties in the country remained firm.

Business performance overview

The Group's Net Property Income stood at US$2,378,662 while the revenue was amounted to US$4,342,779. Rental income remains the main source of revenue. The occupancy level averaged 89% for the period under review.

Management continued to engage the tenants for timeous rental payments. For the half year, the collection rate achieved was 56%. The Company is committed to providing its tenants with a quality and safe product (property). To this end, US$412,169 was spent on maintenance in the first half of the year.

Property valuations

An independent property valuation conducted by Knight Frank Zimbabwe as at 30 June 2024 valued the property portfolio at US$124,829,000 (FY 2023: US$121,579,000). The growth in rentals was in line with market developments which was responsible for the growth in the property portfolio's value by 2.7%.

Developments

The Group has strategically positioned itself to generate shareholder value by pursuing various projects at varying execution stages.

The Group's flagship project is the Arundel Office Park extension, whose scope involves building a double-storey office block with a basement, providing a lettable area of 2,616.5 square metres, which is underway. Significant progress has been made on the project and it is nearing completion.

The Group is a co-investor and Project Manager in constructing a 388-bed student accommodation building near the Chinhoyi University of Technology. The project is at an advanced stage of fitting furniture and biometric security features, with completion expected in August 2024.

In Zvishavane, the Group is also a co-investor and Project Manager in the development of mixed-use duplex clusters, three to four-storey apartments, and student hostels, with the proposed designs having been approved by Zvishavane Town Council.

The project is in three phases. Phase A, comprising 6 duplex flats and 20 blocks of double and triple-storey flats, is already underway and completion is targeted for the 30th of September 2024.

Sustainability

The Group will continue to conduct its operations in a sustainable manner, aligning with the principles of environmental, social, and governance (ESG) requirements. Sustainability principles are embodied in the Group's strategy wherein green operations are a top priority. Therefore, solar power will be prioritised for all new developments and upgrades. The new office block development at Arundel Office Park will incorporate a solar plant to reduce carbon footprint of the property portfolio Further, management is promoting energy efficiency, inclusive facilities and implementing waste management initiatives. The Governance structures around ESGs are also being enhanced to increase equality in the workplace through equal opportunities and representation as well as increased transparency. During the period, the business identified an orphanage in the community to which a donation of key basic products was made. The business will continue offering support going foward.

Dividend

At a meeting held on 27 August 2024, the Board of Directors resolved that no dividend should be paid for the first half of the year 2024, and the available cash be channeled towards the completion of the Arundel Office Park block.

Business Outlook

Despite the ongoing uncertainty, the business plans to navigate the situation by implementing strategic growth strategies that aim to increase shareholder value. This includes investing in lucrative properties that can serve as a safeguard against inflation. Additionally, the business will prioritise maintaining high occupancy levels by effectively managing client relationships and offering quality and secure products through continuous property refurbishment, maintenance, and upgrades.

Acknowledgements

On behalf of the board, I would like to thank my fellow board members, management and staff for their significant contributions to the Company's performance under difficult conditions. I thank our key stakeholders, including strategic investment partners, tenants and service providers, for their invaluable support.

Elisha K. Moyo
Chairman of the board
27 August 2024

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2024

All figures in US$	Note	Unaudited 30 June 2024	Restated 31 Dec 2023
ASSETS			
Non-current Assets			
Investment property	8.1	124 829 000	179 772 504
Investment Property under development		4 450 381	3 131 082
Investment in Associate	9	473 117	446 821
Vehicles and equipment	10	118 259	124 032
Financial assets at fair value through profit or loss - Unquoted shares	11	522 440	473 540
Financial assets at fair value through profit or loss - Quoted shares	12	6 034	4 660
Financial assets at amortised cost	13	195 609	108 062
		130 594 840	**184 060 701**
Current Assets			
Current income tax asset		143 915	-
Inventory		28 175	33 805
Trade and other receivables	14	2 854 680	1 448 672
Cash and cash equivalents	15	954 511	376 665
		3 981 281	**1 859 142**
Total Assets		**134 576 121**	**185 919 843**
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Ordinary share capital		210 265	210 265
Retained earnings		112 268 239	172 799 036
Total Shareholders' Equity		**112 478 504**	**173 009 301**
Non-current liabilities			
Long term Borrowing		2 087 040	-
Deferred tax liabilities	16	16 961 147	10 198 578
		19 048 187	**10 198 578**
Current liabilities			
Current income tax liability		-	126 311
Loans and other payables		710 373	696 228
Trade and other payables	17	2 339 057	1 889 425
		3 049 430	**2 711 964**
Total Liabilities		**22 097 617**	**12 910 542**
Total Equity and Liabilities		**134 576 121**	**185 919 843**

Interim Condensed Consolidated Statement of Comprehensive Income

for the period ended 30 June 2024

All figures in US$	Note	Unaudited 30 June 2024	Restated 30-Jun-2023
Revenue	**18**	**4 342 779**	**1 169 913**
Property expenses	19	(1 610 179)	(782 994)
Provision for credit losses		(353 938)	(192 680)
Net property income (NPI)		**2 378 662**	**194 239**
Employee related expenses		(500 393)	(124 733)
Other expenses		(416 914)	(208 544)
NPI after admin expenses		**1 461 355**	**(139 038)**
Fair value adjustment - investment properties	21	(54 943 504)	74 644 151
Net monetary loss		-	(268 225)
Finance income	22	289 508	241 856
Other income	23	10 880	991 828
Share of profit of associate		9 703	292 840
(Loss)/profit before income tax		**(53 172 058)**	**75 763 412**
Income tax credit (expense)	24	(7 355 529)	(2 167 918)
(Loss)/profit for the period		**(60 527 587)**	**73 595 494**
Other comprehensive income for the period		-	-
Total comprehensive profit/(loss) for the period		**(60 527 587)**	**73 595 494**
Attributable to:			
-Owners of the parent		(60 527 587)	73 595 494
Total (loss)/profit for the period		**(60 527 587)**	**73 595 494**
Basic earnings/(loss) per share (US$ cents)		(5)	6
Diluted earnings/(loss) per share (US$ cents)		(5)	6
Headline earnings/(loss) per share (US$ cents)		(5)	6
Weighted average number of shares in issue		1 236 423 028	1 236 730 102
Diluted weighted average number of shares in issue		1 238 157 310	1 238 157 310

Note: Prior year financial statements are reported as "Restated" as a result of change in functional and reporting currency by translating the restated ZWL financial statements to USD. Refer to note 6 for details of the change in reporting currency.

FIRST MUTUAL PROPERTIES

Go Beyond

Unaudited Abridged Financial Results
For the Half Year ended 30 June 2024

Interim Condensed Consolidated Statement of Changes in Equity
for the period ended 30 June 2024

All figures in US$	Attributable to owners of the parent			
	Ordinary Share Capital	Treasury shares	Retained Earnings	Total Shareholders Equity
At 1 January 2023	**214 161**	**(3 896)**	**80 235 274**	**80 445 539**
Acquisition of treasury shares	-	-	(7,484)	(7,484)
Profit/(loss) of the period	-	-	73 595 494	73 595 494
Dividend paid	-	-	(754,784)	(754,784)
At 30 June 2023	**214 161**	**(3 896)**	**153 068 500**	**153 278 765**
At 1 January 2024	**214 161**	**(3 896)**	**172 799 036**	**173 009 301**
Acquisition of treasury shares	-	-	(3 210)	(3 210)
Profit/(loss) of the period	-	-	(60 527 587)	(60 527 587)
Dividend paid	-	-	-	-
At 30 June 2024	**214 161**	**(3 896)**	**112 268 239**	**112 478 504**

Interim Condensed Consolidated Statement of Cash Flows
for the period ended 30 June 2024

	Unaudited	
		Restated
All figures in US$	**30 June 2024**	**30-Jun-2023**
Profit/(loss) before tax	(53 172 058)	75 763 412
Adjustment for non-cash items:**	54 966 005	(75 743 797)
Cash flows from operating activities before working capital adjustments	**1 793 947**	**19 615**
Working capital adjustments	(1 203 236)	(283 087)
Cash generated from operations	**590 711**	**(263 472)**
Tax paid	(596 550)	(35 014)
Net cash flow from operating activities	**(5 839)**	**(298 486)**
Net cash flows used in investing activities	**(1 036 498)**	**(30 681)**
Net cash flows from financing activities*	**1 612 428**	**(237 947)**
Inflation effect on overall cash flows	-	(81 907)
Net increase/(decrease) in cash and cash equivalents	**570 091**	**(649 021)**
Opening cash and cash equivalents	376 665	307 797
Effects of changes in foreign currency	7 755	984 254
Cash and cash equivalents at 31 December	**954 511**	**643 030**

*Net cash flow from financing activities is entirely comprised of dividends paid out
**Adjustment for non cash items take into account the following

	Unaudited	
		Restated
All figures in US$	**30 June 2024**	**30-Jun-23**
Profit/(loss) before tax	(53 172 059)	75 763 412
Fair value adjustments	54 943 504	(74 644 151)
Impairment of trade receivables	353 938	192 680
Exchange gain	118 098	(899 954)
Other non cash items	(449 534)	(392 372)
Cash flows from operating activities before working capital adjustments	**1 793 947**	**19 615**

Note: Prior year financial statements are reported as "Restated" as a result of change in functional and reporting currency by translating the restated ZWL financial statements to USD. Refer to note 6 for details of the change in reporting currency.

Notes to the Interim Condensed Consolidated Financial Statements
for the period ended 30 June 2024

1 Corporate information

First Mutual Properties Limited ("the company") and its susidiary, (together "the Group") is a public company incorporated and domiciled in Zimbabwe and its shares are publicly traded on the Zimbabwe Stock Exchange. The principal activities of the Group are property investment, development and management. The interim condensed consolidated financial statements of the Group for the half year ended 30 June 2024 were authorised for issue in accordance with a resolution of the directors at a meeting held on 27 August 2024.

2 Statement of compliance

The Group's financial statements have been prepared in accordance with International Accounting Standard 34 ("IAS 34") 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). The 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 consolidated financial results have been adjusted to reflect a change in the functional currency for the Group's operations, as well as a change in the presentation currency, as stipulated by International Accounting Standard 21 (IAS 21) "The Effects of Foreign Exchange Rates".

3 Subsequent Events

There were no significant subsequent events that required adjustment to or disclosure in the financial statements as at 30 June 2024.

4 Basis of Preparation

The abridged consolidated financial information is presented in United States dollars (US$). The abridged consolidated financial information for the six months ended 31 December 2023 was initially prepared in ZWL under the inflation-adjusted accounting basis in line with the provisions of International Accounting Standard 29 "Financial Reporting in Hyperinflationary Economies"(IAS 29) and converted to US$ using the spot rate at 31 December 2023. The functional currency for the Group changed beginning 1 January 2024 from Zimbabwean dollars to United States dollars and the Group's consolidated financial statements have since been prepared based on the statutory records that are maintained under the historical cost basis.

5 Accounting policies

The principal accounting policies adopted in the presentation of these financial statements are consistent with those of the previous financial year and adhere to applicable amendments to IFRS, with the exception of the modifications related to the change in functional and presentation currency outlined in note 4.

Notes to the Interim Condensed Consolidated Financial Statements
for the period ended 30 June 2024

6 Change in functional Currency

Following the enactment of Statutory Instrument ("SI") 185 of 2020 in July 2020, the business operations witnessed a gradual increase in the use of foreign currency. Subsequently, in June 2022, the government entrenched the multi-currency system into law through statutory Instrument 118A of 2022. The multi-currency system was then extended to 31 December 2030 through Statutory Instrument 218 of 2023 (SI 218/23). This announcement facilitated access to foreign currency and long-term loans, which are critical for working capital and business expansion.

As a result of these developments, the business re-evaluated its functional currency in accordance with IAS 21 ("The Effects of Changes in Foreign Exchange Rates").

In Assessing the functional currency for the business, the following factors were considered:
i) the currency that mainly influences sales prices of goods and services;
ii) the currency which influences labor, material, and other costs of providing goods and services;
iii) the currency in which funds from financing activities are generated; and
iv) the currency in which receipts from operating activities are usually retained.

Based on the above factors, the businesses concluded that there has been a change in the functional currency from ZWL to United States Dollars ("US$") with effect from 1 January 2024.

6.1 Conversion Process to Reporting Currency in United States Dollar

IAS 29 states that when an economy ceases to be hyperinflationary, and an entity discontinues the preparation and presentation of financial statements prepared in accordance with its provisions, it shall treat the amounts expressed in the measuring unit current at the end of the previous reporting as the basis for the carrying amounts in its subsequent financial statements. The business then used the closing balances determined as at 31 December 2023 (audited) to become the opening balances for the half year ending 30 June 2024. The transition in reporting currency from ZWL to US$ was done by translating the restated numbers in the inflation adjusted financial statements using the exchange rate at the last reporting date as required by the IAS 21. Prior period figures are reported as "Restated" as a result of change in the reporting currency by translating the restated ZWL financial statements to US$. The transition of the opening balances to the United States Dollar from the Zimbabwean Dollar was guided by International Accounting Standard 21 "The Effects of Changes in Foreign Exchange Rates"(IAS 21).

Period Ending	Exchange Rate
31-Dec-22	677,8527
31-Dec-23	5 935,4572
30-Jun-23	6 860,2303

Cautionary note on the use of financial information

The Directors advise users to exercise caution when analysing the financial results due to the impacts on the financial performance of the flactuations and disparities in exchange rates and rapid hyperinflation. These disparities impact the reliability of the financial information, as the current year's performance comprises a mix of inflation-adjusted data translated using interbank exchange rates. Whilst the conversion of the inflation-adjusted Zimbabwe Dollar figures into United States Dollar was mathematically accurate in line with IFRS, the resultant financial information may not reflect the underlying business performance due to the transition from hyperinflationary reporting in ZWL to USD reporting. At 30 June 2024 the Group used an exchange rate of US$1:ZWG 13.5970.

7 Going concern assumption

The Directors have assessed the ability of the Group to continue operating as going concerns and believe that the preparation of these interim condensed financial statements on a going concern basis is appropriate based on the Unaudited Historical financial performance for the half year of 2024. The business also continues to implement futuristic plans in response to the market trends to ensure sustainable earnings, with investments planned for Arundel Office Park expansion and participation in FMHL 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 interim condensed financial statements will continue to be prepared under the going concern basis.

8 Fair value measurement

The Group's fair values of its investment properties are based on valuations performed by Knight Frank Zimbabwe an accredited independent valuer. Knight Frank is a specialist in valuing these types of investment properties and has recent experience in the location and category of the investment properties being valued. The valuations are based upon assumptions on future rental income, anticipated maintenance costs, future development costs and the appropriate discount rate. Where the market information is available, the valuers make use of market information from transactions of similar properties . Significant judgements were applied as at 30 June 2024 as a result of the uncertainties resulting from the hyperinflationary economic environment, currency shifts, excessive market volatility and lack of recent transactions conducted in US$.

		Unaudited	
8.1	**Investment Properties**		**Restated**
	All figures in US$	**30 June 2024**	**31 Dec 2023**
	At 1 January	179 772 504	88 602 403
	Disposals	-	(360 811)
	Transfer to held for sale	-	68 231
	Improvements to existing properties	-	31 652
	Fair value adjustments	(54 943 504)	91 431 029
	Closing Balance	**124 829 000**	**179 772 504**
9	**Investment in associate**		**RESTATED**
	All figures in US$	**30 June 2024**	**31 Dec 2023**
	At 1 January	446 821	246 224
	Additions	-	71 352
	Reclassification to unquoted	-	(46 003)
	Dividend received	-	(7 020)
	Share of profits	26 296	182 268
	Closing Balance	**473 117**	**446 821**

FIRST MUTUAL

PROPERTIES

Go Beyond

Unaudited Abridged Financial Results

For the Half Year ended 30 June 2024

Notes to the Interim Condensed Consolidated Financial Statements

for the period ended 30 June 2024

		Unaudited	
10	**Vehicles & Equipment**	**Unaudited**	**Restated**
	All figures in US$	**30 June 2024**	**31 Dec 2023**
	At 1 January	124 032	99 242
	Additions	-	54 133
	Depreciation	(5 773)	(29 343)
	Closing Balance	**118 259**	**124 032**

		Unaudited	
11	**Financial Assets at fair value through profit or loss - Unquoted shares**		
	All figures in US$	**30 June 2024**	**31 Dec 2023**
	At 1 January	473 540	50 360
	Additions	-	66 119
	Reclassification from prepaid expenditure	-	28 892
	Reclassification from investment in associate	-	227 621
	Fair value adjustment	48 900	100 548
	Closing Balance	**522 440**	**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.

		Unaudited	
12	**Financial Assets at fair value through profit or loss - Quoted shares**		**Restated**
	All figures in US$	**30 June 2024**	**31 Dec 2023**
	As at January	4 660	2 474
	Additions	-	144
	Disposals	-	(403)
	Fair value adjustment	1 374	2 445
		6 034	**4 660**

These are quoted equity investments in Delta (Pvt)Ltd and African Sun Ltd. The fair value of the shares is determined by the value of the share price and are categorised under level 1 in the IFRS 13.

		Unaudited	
13	**Financial Assets at Amortised Cost**		**Restated**
	All figures in US$	**30 June 2024**	**31 Dec 2023**
	As at 1 January	108 062	64 260
	Additions	88 313	269 771
	Loss due to inflation effect	-	(214 219)
	Amortised interest	6 648	56 772
	Repayments of interest	(6 648)	(56 772)
	Allowance for credit losses	(766)	(11 750)
		195 609	**108 062**

The carrying amounts closely approximate the fair values of the financial assets at amortised cost.
The financial assets are held to maturity.

		Unaudited	
14	**Trade and Other Receivables**		**Restated**
	All figures in US$	**30 June 2024**	**31 Dec 2023**
	Tenant receivables	1 926 099	925 149
	Tenant operating cost recoveries	694 690	491 464
	Trade receivables	2 620 789	1 416 613
	Less: Allowance for credit losses	(754 073)	(400 135)
	Net Trade Receivables	1 866 716	1 016 478
	Prepayments	250 618	273 209
	Other receivables	484 491	128 298
	Related party receivables	252 855	30 687
		2 854 680	**1 448 672**

		Unaudited	
14.1	**Reconciliation of allowance for credit losses**		
	All figures in US$		**Restated**
		30 June 2024	**31 Dec 2023**
	At 1 January	400 135	128 927
	Add: Charge for the year	1 154 208	513 873
	Recovery due to payments	(800 270)	(140 542)
	Effect of inflation	-	(102 123)
		754 073	**400 135**

Notes to the Interim Condensed Consolidated Financial Statements

for the period ended 30 June 2024

Analysis of Allowance for Expected Credit Losses

June 2024

	Current	**30 days +**	**60 days +**	**90 days +**	**120 days +**	**Total**
	Current	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due ***	**More than 120 days past due ***	
30 June, 2024						**Total**
Expected loss rate	8,26%	15,74%	24,64%	46,00%	100%	
Gross carrying amount-trade receivables provided for	628 883	511 749	492 245	311 851	376 376	2 321 104
Credit loss allowance*	48 615	75 806	113 913	125 444	376 376	740 154
Expected loss rate	4,64%	4,64%	4,64%	4,64%	4,64%	
Gross carrying amount-trade receivables provided for	51 376	33 498	19 718	91 846	103 247	299 685
Credit loss allowance**	2 386	1 556	916	4 266	4 795	13 919
Total credit loss allowance	**51 001**	**77 362**	**114 829**	**129 710**	**381 171**	**754 073**

December 2023

	Current	**30 days +**	**60 days +**	**90 days +**	**120 days +**	**Total**
	Current	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due ***	**More than 120 days past due ***	
31 December, 2023						**Total**
Expected loss rate	8,26%	15,74%	24,64%	46,00%	100%	
Gross carrying amount-trade receivables provided for	500 032	137 484	81 012	91 252	259 389	1 069 169
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 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**

*Credit loss allowance at different loss rates
**Credit loss allowance at 4.64%

		Unaudited	
15	**Cash and cash equivalents**		**Restated**
	All figures in US$	**30 June 2024**	**31 Dec 2023**
	Short-term Investments	172 799	205 065
	Cash at Bank: US$	701 392	15 145
	ZWG	80 320	156 455
		954 511	**376 665**

		Unaudited	
16	**Deferred Tax Liability**		
	All figures in US$		**Restated**
		30 June 2024	**31 Dec 2023**
	At 1 January	10 198 578	9 655 500
	- Arising on inventory	-	2 972
	- Arising from prepayments	-	(30 046)
	- Arising on vehicles and equipment	(4 261)	11 179
	- Arising on investment properties	6 837 279	606 509
	- Arising on provision for leave pay and Profit share	(89 969)	1 323
	- Arising on provisions for credit losses	-	(69 947)
	- Arising on indirect property fund	19 520	21 088
		16 961 147	**10 198 578**

		Unaudited	
17	**Trade and Other Payables**		
	All figures in US$		**Restated**
		30 June 2024	**31 Dec 2023**
	Tenant payables	635 862	180 486
	Related party payables	212 020	452 899
	Sundry payables	802 427	479 049
	Trade payables	652 277	463 246
	Leave pay provision	7 881	17 869
	Group company payables	28 590	295 876
		2 339 057	**1 889 425**

		Unaudited	
18	**Revenue**		
	All figures in US$		**Restated**
		30 June 2024	**31 Dec 2023**
	Rental income	4 133 495	1 147 901
	Property Services income	209 284	22 012
		4 342 779	**1 169 913**

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 | +263 778 917 309.

FIRST MUTUAL

PROPERTIES

Go Beyond

Unaudited Abridged Financial Results

For the Half Year ended 30 June 2024

Notes to the Interim Condensed Consolidated Financial Statements

for the period ended 30 June 2024

19 Property Expenses

All figures in US$	Unaudited 30 June 2024	Restated 31 Dec 2023
Maintenance costs	412 169	102 592
Property security and utilities	37 462	15 292
Valuation fees	9 788	4 634
Property sales cost	610	962
Operating cost under recoveries	247 582	171 931
Staff Costs	606 567	360 642
Other costs	296 001	126 941
	1 610 179	**782 994**

20 Profit/(Loss) before income tax takes into account the following

All figures in US$	Unaudited 30 June 2024	Restated 31 Dec 2023
Directors fees -for services as directors	98 402	25 648
Audit fees	37 785	7 637
Information communication and technology expenses	12 220	5 256
Fees and other charges	71 842	30 379
Depreciation	3 646	1 803
Office costs	24 843	27 346
Group shared services	143 740	98 758

21 Fair value adjustments

All figures in US$	Unaudited 30 June 2024	Restated 31 Dec 2023
Fair value adjustment on investment properties	(54 943 504)	74 644 151
	(54 943 504)	**74 644 151**

22 Finance Income

All figures in US$	Unaudited 30 June 2024	Restated 31 Dec 2023
Interest on overdue tenants accounts	282 860	232 560
Interest on money market investments	6 648	9 296
	289 508	**241 856**

23 Other Income

All figures in US$	Unaudited 30 June 2024	Restated 31 Dec 2023
Exchange (loss)/ gains	(118 098)	899 952
Shared service recoveries	111 213	65 624
Sundry income*	7 953	24 477
Profit on disposal	-	1 260
Other income**	9 812	515
	10 880	**991 828**

*Sundry income consists of investment income, lease fees, OP Cost fee income and bad debts recovered.
** Other income consist of Other income, dividend receivable and profit on disposal.

24 Income Tax Expense

All figures in US$	Unaudited 30 June 2024	Restated 31 Dec 2023
Current income tax	592 227	64 085
Deferred tax	6 763 302	2 103 833
	7 355 529	**2 167 918**

Notes to the Interim Condensed Consolidated Financial Statements

for the period ended 30 June 2024

2024

25 Segment Reporting for the half year ended 30 June 2024

All figures in US$	Office	Retail	Industrial	Other	Consolidation Jrnls	Total
Revenue	2 284 997	847 007	619 638	27 525	563 612	4 342 779
Property expenses and allowance for credit losses	(1 131 864)	(459 934)	(178 311)	(194 008)	-	(1 964 117)
Segment results	**1 153 133**	**387 073**	**441 327**	**(166 483)**	**563 612**	**2 378 662**
Fair value adjustment - Investment properties	(27 384 436)	(10 131 438)	(3 828 441)	(13 599 189)	-	(54 943 504)
Segment profit	**(26 231 303)**	**(9 744 365)**	**(3 387 114)**	**(13 765 672)**	**563 612**	**(52 564 842)**
Employee related expenses	-	-	-	(500 393)	-	(500 393)
Other Expenses	(220 210)	(58 134)	(28 048)	(480 272)	369 750	(416 914)
Finance income	194 833	56 793	20 546	17 336	-	289 508
Other income	46	-	-	-	10 834	10 880
Share of profit of associate	-	-	-	9 703	-	9 703
Profit before income tax expense	**(26 256 634)**	**(9 745 706)**	**(3 394 616)**	**(14 719 298)**	**944 196**	**(53 172 058)**

Reconciliation of Segment Results for 30 June 2024

All figures in US$	Office	Retail	Industrial	Other	Consolidation Jrnls	Total
Assets						
Investment Properties	57 530 000	25 274 000	12 140 000	29 885 000	-	124 829 000
Trade receivables	1 165 806	503 560	156 016	41 594	(260)	1 866 716
Segment Assets	**58 695 806**	**25 777 560**	**12 296 016**	**29 926 594**	**(260)**	**126 695 716**
Other non-current assets	-	-	-	5 765 840	-	5 765 840
Current assets	-	-	-	2 114 565	-	2 114 565
Total Assets	**58 695 806**	**25 777 560**	**12 296 016**	**37 806 999**	**(260)**	**134 576 121**
Current Liabilities	920 869	280 223	176 349	1 669 324	2 665	3 049 430
Capital expenditure	**1 319 299**	**-**	**-**	**14 430**	**-**	**1 333 729**

2023

Segment Reporting for the half year ended 30 June 2023

All figures in US$	Office	Retail	Industrial	Other	Consolidation Jrnls	Total
Revenue	657 827	310 116	156 622	412 495	(367 147)	1 169 913
Property expenses and allowance for credit losses	(567 896)	(237 423)	(81 976)	(88 379)	-	(975 674)
Segment results	**89 931**	**72 693**	**74 646**	**324 116**	**(367 147)**	**194 239**
Fair value adjustment - Investment properties	34 908 672	14 736 923	6 883 020	18 115 536	-	74 644 151
Segment profit	**34 998 603**	**14 809 616**	**6 957 666**	**18 439 652**	**(367 147)**	**74 838 390**
Employee related expenses	-	-	-	(124 733)	-	(124 733)
Other Expenses	(1 620)	(38)	-	(574 033)	98 922	(476 769)
Share of profit in associate	-	-	-	292 840	-	292 840
Finance income	159 242	58 328	17 761	6 525	-	241 856
Other income	498 478	-	360	492 990	-	991 828
Profit before income tax expense	**35 654 703**	**14 867 906**	**6 975 787**	**18 533 241**	**(268 225)**	**75 763 412**

Reconciliation of Segment Results for 31 December 2023

All figures in US$	Office	Retail	Industrial	Other	Consolidation Jrnls	Total
Assets						
Investment Properties	84 914 436	35 405 438	15 968 441	43 484 189	-	179 772 504
Trade receivables	634 813	274 202	84 955	22 649	(141)	1 016 478
Segment Assets	**85 549 249**	**35 679 640**	**16 053 396**	**43 506 838**	**(141)**	**180 788 982**
Other non-current assets	-	-	-	4 288 197	-	4 288 197
Current assets	-	-	-	842 664	-	842 664
Total Assets	**85 549 249**	**35 679 640**	**16 053 396**	**48 637 699**	**(141)**	**185 919 843**
Current Liabilities	1 001 665	162 561	298 915	1 248 682	141	2 711 964
Capital expenditure	**3 176 093**	**13 685**	**-**	**2 708 089**	**-**	**5 897 867**

FIRST MUTUAL PROPERTIES

Go Beyond

Unaudited Abridged Financial Results

For the Half Year ended 30 June 2024

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 June 2024 (EXTRACT)

Unaudited Supplementary information – United States Dollars Financial Statements

1. Background

Since 2018, Zimbabwe has undergone gone several changes in the economic and monetary policy framework including the re-introduction of the Zimbabwe dollar in a multi-currency environment. During the year, macroeconomic developments continued to be negatively impacted by price and exchange rate volatility. Another trend was increasing dollarisation of economy. Significant policy interventions were implemented towards the end of the period aimed at slowing down the rate of local currency depreciation and resultant inflationary pressures. To curb against the risk of currency volatility and to maintain product relevance, most of our clients either migrated to USD policies or maintained ZWG policies that adjusted in line with inflation trends. The above developments resulted in First Mutual Properties Limited earning approximately, 80% of its rental income in foreign currency.

Over time, the ZWL inflation adjusted financial information has become less useful to users due to distortions arising from multiple exchange rates in the environment and the moderate correlation between inflation and exchange rate trends. Supplementary information has been added to provide a more complete picture of the performance of the Group to our stakeholders. To enhance usefulness of the supplementary information presented below, several assumptions which consider the various economic and policy developments that the country is currently experiencing, including but not limited to inflation and exchange rate movements.

2. Methodology

The following methodology was undertaken in preparing the financial information presented below:

i. Segregate the pure USD transactions and balances (including all transactions denominated in other foreign currencies) from the pure ZWG transactions and balances.

ii. For the Statement of profit or loss the historical ZWG transactions were translated using an average estimated economic rate and then combined with the pure USD transactions to determine at the USD equivalent amounts.

iii. For the Statement of Financial Position, non-monetary items are converted at the estimated economic rate on the date of acquisition or disposal and for monetary items the estimated closing economic rate is used with resultant foreign exchange gain or losses arising from non-USD currencies.

Shown below is summarised information:

Consolidated Statement of Profit or Loss for the period ended 30 June 2024

	30-Jun-24 USD000	30-Jun-23 USD000	Growth %
Rental Income	3 967	2 880	38%
Net foreign exchange movements	(49)	(43)	(14%)
Net operating income	**3 918**	**2 837**	**38%**
Net gains from fair value adjustments to investment properties	3 250	5 811	(44%)
Profit before taxation	**5 120**	**7 015**	**(27%)**
Profit for the period	**3 802**	**5 180**	**(27%)**

Consolidated Statement Financial Position as at 30 June 2024

	30-Jun-24 USD000	31-Dec-23 USD000	Growth %
ASSETS			
Other assets	7 941	5 781	37%
Investment property	124 829	121 579	3%
Cash and cash equivalents	955	262	265%
Total assets	**133 725**	**127 622**	**5%**
EQUITY AND LIABILITIES			
Shareholder equity	115 978	113 124	3%
Total equity	**115 978**	**113 124**	**3%**
Total liabilities	**17 747**	**14 498**	**22%**
Total equity and liabilities	**133 725**	**127 622**	**5%**