

FIRST MUTUAL

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SHORT-FORM FINANCIAL RESULTS

For the Year Ended 31 December 2023

This short form financial announcement is the responsibility of the Directors which has been issued in terms of the Zimbabwe Stock Exchange (ZSE) Practice note 13. This announcement is only a summary of the information contained in the full preliminary report of the abridged consolidated financial statements for the year ended 31 December 2023. Any investment decision by investors and/or shareholders should be based on consideration of the preliminary report of the abridged consolidated financial results for the year ended 31 December 2023. The abridged consolidated financial statements have been released on the ZSE Data Portal: www.zse.co.zw and the Company's website: <https://firstmutualholdingsinvestor.com/>. The full preliminary report is available for inspection, at no charge, at the registered offices of First Mutual Holdings Limited at the office of the Company Secretary on working days between 8:00am and 4:30pm.

Unaudited Preliminary Comprehensive Income highlights

	Inflation adjusted			Historical cost		
	31-Dec-23 ZWL Billion	31-Dec-22 ZWL Billion	Growth %	31-Dec-23 ZWL Billion	31-Dec-22 ZWL Billion	Growth %
Insurance contract revenue	1,088.8	400.7	172%	503.3	47.2	966%
Insurance service result	141.3	74.9	89%	55.2	6.7	724%
Rental income	39.1	13.1	199%	23.7	2.1	1,029%
Net Investment return	76.7	(35.1)	-319%	184.3	9.4	1,861%
Fair value gains-investment property	528.7	164.1	222%	952.5	89.0	970%
Profit after tax	348.3	90.5	285%	583.2	48.3	1,108%
Basic Earnings per Share (Cents)	20,585	5,698	261%	37,673	3,084	1,122%
Headline Earnings per Share (Cents)	20,585	5,698	261%	37,673	3,084	1,122%

Unaudited Preliminary Financial position highlights

	Inflation adjusted			Historical cost		
	31-Dec-23 ZWL Billion	31-Dec-22 ZWL Billion	Growth %	31-Dec-23 ZWL Billion	31-Dec-22 ZWL Billion	Growth %
Total assets	1,703	836.8	104%	1,649.7	171.2	864%
Total equity	683	303.8	125%	639.3	61.6	938%
Total Liabilities	1,020	533.0	91%	1,010.4	109.6	822%

OPERATIONS REVIEW

The Insurance Contract Revenue (ICR) grew by 172%, in inflation adjusted terms, to ZWL1.1 trillion for the year ended 31 December 2023 compared to prior year. In historical cost terms, an ICR growth to ZWL503.3 billion was recorded, up 966% on prior year. The notable growth in comparison to the previous year was largely driven by the migration from ZWL policies to USD policies as well as continued revaluation of ZWL insurance policy values to ensure adequate cover. The actual USD business that was written by the Group for the twelve-month period constituted 74% of the total ICR, at US\$98.4 million, a growth of 53%. compared to a prior year figure of US\$62.7 million.

Insurance service result

The insurance service result grew by 89% to ZWL141.3 billion compared to the prior year in inflation adjusted terms. In historical cost terms there was an increase of 724% compared to the prior year figure of ZWL6.7 billion. The growth was primarily due to the increase in insurance contract revenue.

Rental Income and Investment return

Rental income grew by 199% to ZWL39.1 billion compared to the prior year figure of ZWL13.1 billion in inflation adjusted terms. In historical cost terms, a rise of 1,029% to ZWL23.7 billion compared to the prior year was recorded. The growth arose from a migration to United States Dollars (USD) denominated leases as well as inflation driven adjustments on ZWL rentals. The occupancy levels stood at 76.7% compared to prior year of 85.52% and the average rental per square metre was US\$5.29 compared to prior year of US\$3.51. The overall Group net investment returns amounted to ZWL41.8 million in inflation adjusted terms and ZWL184.3 million in historical cost terms, representing an increase of 146% in hyperinflation adjusted terms and 1,860% above the prior year in historical terms. The positive investment out-turn was mainly due to fair value gains on the ZSE.

Profit for the period.

For the year ended 31 December 2023 a consolidated profit for the year of ZWL348.3 billion was achieved, representing growth of 285% relative to the prior year in inflation adjusted terms. In historical cost terms the profit rose by 1,108% to ZWL583.2 billion compared to the prior year. The growth was attributable to the

increases in ICR, rental income, net fair value gains in investment properties as well as listed equities.

Statement of financial position

The consolidated total assets grew by 104% to ZWL1.7 trillion in inflation adjusted terms and by 864% to ZWL1.6 trillion in historical cost terms compared to 31 December 2022. The growth in both inflation adjusted, and historical cost terms principally arose from positive net fair value adjustments on investment properties and quoted and unquoted equities as well as the impact of the depreciation of the ZWL on USD denominated current assets, including cash and balances with banks.

Dividend

Notice is hereby given that the Board has declared a final dividend of US\$1,000,000 payable in United States Dollars from the profits of the Company for the year ended 31 December 2023 which represents zero point one three six (0.136) United States cents per share. This dividend, when combined with the interim dividend of US\$500,000 results in total dividends for the year of US\$1,500,000. The dividend will be payable from the Company's operating cashflows of the company for the year ended 31 December 2023 on or about 26 June 2024 to all shareholders of the Company registered at close of business on 21 June 2024. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to 18 June 2024 and ex-dividend as from 19 June 2024. The applicable shareholders' tax will be deducted from the Gross Dividends. Shareholders are requested to submit / update their mailing and banking details with the Transfer Secretaries to enable the payment of their dividends.

Regarding the dividend, the FMHL Board acknowledges that there is a potential payout that may be due from FML in pursuance of the settlement agreement with IPEC. Further, notwithstanding the potential payout, the Board of Directors of FMHL is satisfied that it is reasonable and prudent to declare a dividend in the circumstances. The company will remain in sound financial health after payment of the dividend and should it be called to make a financial settlement contemplated under the settlement agreement between FML and IPEC.