



**REVIEWED ABRIDGED INTERIM FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

Short-form Financial Announcement

ISSUED IN TERMS OF PRACTISE NOTE 13 OF THE ZIMBABWE STOCK EXCHANGE

This short form financial announcement is the responsibility of the Directors and is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decisions by the investors and/or shareholders should be based on the full announcement.

A copy of the full announcement has been shared with shareholders using latest email addresses supplied by the shareholders, and is available upon request, and for inspection, at the Company's registered office or via email request to corpserve@escrowgroup.org. The full announcement is also available on the Zimbabwe Stock Exchange website: www.zse.co.zw and the Company website www.axiacorpltd.com

FINANCIAL HIGHLIGHTS



	INFLATION - ADJUSTED		HISTORICAL	
	31 December 2021 Reviewed ZWL (\$ 000)	% change against comparative period	31 December 2021 Unaudited ZWL (\$ 000)	% change against comparative period
Revenue	16 876 226	▲ 14%	15 167 557	▲ 70%
Operating profit before depreciation and fair value adjustments	2 754 291	▲ 60%	3 194 351	▲ 84%
Profit before tax	2 620 158	▲ 111%	3 461 773	▲ 88%
Total assets	14 949 334	▲ 28%	12 485 809	▲ 67%
Total equity	7 670 202	▲ 36%	5 758 657	▲ 94%
Total liabilities	7 279 132	▲ 21%	6 727 152	▲ 49%
Basic earnings per share (ZWL cents)	177.07	▲ 102%	255.56	▲ 81%
Headline earnings per share (ZWL cents)	175.89	▲ 102%	254.52	▲ 81%
Cash generated from operations	2 527 143	▲ 966%	2 480 952	▲ 577%
Interim dividend per share declared (ZWL cents)	66	▲ 169%	66	▲ 169%

DIVIDEND ANNOUNCEMENT

Ordinary shares

The Board has declared an interim cash dividend of ZWL66 cents per share (2021: ZWL 24.5 cents) in respect of all ordinary shares of the Company. The dividend is payable in respect of the interim period ended 31 December 2021 and will be paid in full to all shareholders of the Company registered at close of business on the 8th of April 2022. The payment of this dividend will take place on or around the 15th of April 2022. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the 5th of April 2022 and ex-dividend as from the 6th of April 2022.

Non-voting class "A" ordinary shares

The Board declared an interim cash dividend totaling ZWL\$18.1 million (2021: ZWL\$ 6.2 million) to the Axia Employee Share Trust (Private) Limited which will be paid on or around the same date.

AUDITORS STATEMENT

This short-form financial announcement should be read in conjunction with the abridged set of the reviewed Group interim inflation-adjusted financial statements for the six months ended 31 December 2021. The abridged Group interim inflation-adjusted financial statements have been reviewed by the Group's external auditors, Messrs Deloitte & Touche Chartered Accountants (Zimbabwe), who have issued a modified opinion with respect to non-compliance with International Accounting Standard 21- The Effects of Changes In Foreign Exchange Rates. The auditor's review conclusion on the Group's abridged interim inflation-adjusted financial statements is available for inspection at the Company's registered office.

LEM Ngwerume
LEM Ngwerume
Chairman

24 March 2022

Directors: *L.E.M. Ngwerume (Chairman), J. Koumides (Chief Executive Officer), *Z. Koudounaris,*T.C. Mazingi, R.M. Rambanapasi, *T.N. Sibanda (*Non Executive)



REVIEWED ABRIDGED FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2021



SALIENT FEATURES FOR THE 6 MONTHS ENDED 31 DECEMBER 2021	INFLATION-ADJUSTED		HISTORICAL	
	FY 2022 ZWL (\$ 000)	FY 2021 ZWL (\$ 000)	FY 2022 ZWL (\$ 000)	FY 2021 ZWL (\$ 000)
Revenue	16 876 226	14 847 673 ▲ 14%	15 167 557	8 927 455 ▲ 70%
Operating profit before depreciation and fair value adjustments	2 754 291	1 720 735 ▲ 60%	3 194 351	1 739 094 ▲ 84%
Profit before tax	2 620 158	1 240 171 ▲ 111%	3 461 775	1 840 152 ▲ 88%
Headline earnings per share (cents)	175.89	87.27 ▲ 102%	254.52	140.61 ▲ 81%
Cash generated from operations	2 527 143	237 061 ▲ 966%	2 480 952	366 343 ▲ 577%
Interim dividend declared per share (cents)	66.00	24.50 ▲ 169%	66.00	24.50 ▲ 169%

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS

DIRECTORS' RESPONSIBILITY

The Directors of Axia Corporation Limited are responsible for the preparation and fair presentation of the Group's consolidated financial results and this press release represents an extract thereof. The reviewed interim financial results have been prepared in accordance with International Accounting Standard 34: Interim Financial Reporting and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange listing requirements. The principal accounting policies of the Group are consistent with those applied in the previous annual financial statements.

AUDITOR'S STATEMENT

The reviewed interim financial results for the six months ended 31 December 2021 have been reviewed by Deloitte & Touche, Chartered Accountants (Zimbabwe) and a modified review conclusion has been issued thereon. The reviewed report carries an adverse conclusion with respect to non-compliance with International Accounting Standard 21: The Effects of Changes in Foreign Exchange Rates. The review conclusion has been made available to management and those charged with governance of Axia Corporation Limited. The Engagement Partner responsible for the review is Mr. Stelios Michael.

COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARD 29: FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES

The Group adopted the Zimbabwe Consumer Price Index (CPI) as the general price index to restate transactions and balances as appropriate. Non-monetary assets and liabilities carried at historic cost have been restated to reflect the change in the general price index. Monetary assets and liabilities and non-monetary assets and liabilities carried at revalued amounts have not been restated as they are presented at the measuring unit current at the end of the reporting period. Items recognized in the statement of profit or loss have been restated by applying the change in the general price index from the dates when the transactions were initially earned or incurred. A net monetary adjustment was recognized in the statement of profit or loss. All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period. Comparative amounts in the Group financial results have been adjusted to reflect the change in the general price index. Interim financial results prepared under the historical cost convention have also been presented as supplementary information. The auditor has not expressed any review conclusion on these historical results.

The CPI increased from 2,986.4 in June 2021 to 3,977.5 in December 2021, representing a 33% increase in the period under review, this is compared to the Reserve Bank of Zimbabwe Auction rate which increased by 29% during the same period. Due to the disparities currently prevailing in the economy, significant distortions can occur in the preparation of inflation-adjusted financial statements in accordance with the requirements of IAS 29. Of significance in the inflation-adjusted financial statements is a net monetary loss of ZWL\$ 238,912 million in the current period.

OPERATING ENVIRONMENT AND OVERVIEW

In the six months to 31 December 2021, the trading environment was characterized by increased levels of inflation, unstable exchange rates and uncertainty. With the easing of COVID-19 lockdown restrictions, business activity improved across the region before the onset of the fourth wave in December 2021. Improved business activity resulted in the Group businesses recording volume growth except for the distribution businesses in Zimbabwe and Zambia. In Zimbabwe, the consumer disposable income benefited from increased economic activity driven by infrastructure spending, improved mining activity and better agriculture output. The increased use of foreign currency in the local market enabled businesses to generate foreign currency which will help the Group to undertake critical capital investments. However, the widening of the gap between the official auction and parallel market exchange rates present pricing and value-preservation challenges to the businesses. The result of this growing level of arbitrage and market distortions have negative effects on the entire economy.

The indexed cost base and high interest rates had a significant impact on the Group's financial results. Management will continue to adapt business units' operating models to manage business growth and sustainability.

FINANCIAL OVERVIEW

Commentary of the Group's financial results is confined to the financial information prepared under the historical cost convention.

The impact of improved business activity during the reporting period improved demand resulting in volumes above those reported in the comparative period. The Group reported revenue of ZWL\$15.168 billion during the period to achieve a 70% growth compared to the prior comparative period. The revenue growth filtered into gross margin which increased by 93% on prior period. Operating expenditure increased by 105% on comparative period due to certain indexed cost base. The Group posted an operating profit of ZWL\$3.194 billion, representing an 84% increase on the comparative period. Profit before tax of ZWL\$3.462 billion was reported which was 88% ahead of prior period. Basic Earnings Per Share and Headline Earnings Per Share both improved by 81%.

The Group's statement of financial position remained solid. Net borrowings decreased by ZWL\$1.19 billion as a result of improved cash sales which improved cash and cash equivalents balances resulting in decreased gearing.

The Group generated cash of ZWL\$2.481 billion from operations which was up 577% from the comparative period. This translated into enhanced free cash generation enabling the Group to easily incur capital expenditure for the period totaling ZWL\$217.373 million. The Group's free cash generation will enable it to execute its exciting expansion opportunities.

SUSTAINABILITY REPORTING

The Group continues to apply the Global Reporting Initiatives (GRI's) Sustainability Reporting Guidelines as part of its commitment to ensuring the sustainability of its businesses. The Group will continue to uphold these practices and values across its operations to ensure that long-term business success is achieved in a sustainable manner.

OPERATIONS

The main operating business units in the Axia Corporation Limited Group are TV Sales & Home (TVSH), Distribution Group Africa (DGA) and Transerv. TVSH is Zimbabwe's leading furniture and electronic appliance retailer with sites located countrywide. DGA's core areas of expertise lie in inbound clearing and bonded warehousing, ambient and chilled warehousing logistics, marketing, sales, and merchandising services. Transerv retails automotive spares and accessories through retail stores and fitment centers to service the needs of its customers.

TV Sales & Home

Although the COVID-19 pandemic continued to pose a myriad

of risks, the TVSH group remained focused on driving revenue by taking full advantage of the significantly eased lockdown restrictions since September 2021. The business was able to capitalise on the resumption to normal working hours and improved supply chains. A revenue growth of 115% to prior year was recorded in the first half of the financial year whilst volume performance increased by 10% over prior year. Second quarter volume performance was up 4% compared to the same period in prior year attributable to successful market activation promotions namely Black Friday and Ho-Ho-Home which were well received by consumers. The debtors' book grew by 102% in value and collections on the book have remained solid.

As part of investing in production facilities to boost bed production at Restapedic, TV Sales & Home increased its shareholding in Restapedic from 49% to 60% effective 1 July 2021. An amount of US\$860,000 was paid for this extra investment. This increase in shareholding enabled Restapedic to invest in a 10,000 bed production facility which is under construction in Sunway City, Harare and is estimated to cost US\$4.5 million. Completion of building the factory is estimated to be November 2022. Restapedic bedding attained revenue and volume growth of 33% and 5% respectively compared to prior period.

The lounge suite manufacturing business is on a positive trajectory with revenue and volume performance up 369% and 325% to the comparative period respectively. This performance is attributable to continuous product innovations. TVSH remain focused on giving its customers a world class experience in its retail stores as evidenced by completion of store refurbishment works in Gweru during the period under review. Store refurbishments will continue during the second half of the financial year. The business will continue to expand its retail footprint with a target to open two new retail stores in Harare and one in Bulawayo in the second half of the financial year.

Management will continue to apply mitigatory means to ensure that inflation coupled with the effects of the pandemic do not negatively affect the business' objective of consistent quality product supply.

Distribution Group Africa - Zimbabwe

Management continued to steer the distribution business group professionally and within the confines of regulatory requirements within each jurisdiction. In Zimbabwe, turnover grew by 46% against same period last year. Volumes declined by 22% from same period last year, mainly as a result of discontinuation of ProGroup wholesale business without significant financial impact. The business continues to safeguard and grow shareholder value by embarking on projects that generate positive cash flows and achieve the required returns. Management endeavours to maintain the business' going concern and to propel the business to remain the market leader in the markets that it services.

Management will focus on business re-engineering and remain at the frontier of bringing innovative and value adding solutions in all the business' product offerings. Management will continue to maximise the scalability of all the distribution group businesses to bring about the desired cost efficiencies.

Distribution Group Africa - Region

The new government in Zambia brought about much needed stability to the Zambian currency making planning more predictable. Malawi continues to face shortages of foreign currency. However, the addition of two key distribution agencies in the first quarter of the financial year resulted in improved profitability for Malawi. The combined USD revenue for the regional businesses grew by 53% owing mostly to the new agencies taken on in Malawi. In Zambia, the strengthening Kwacha encouraged the business to take advantage of Forward Exchange Contracts thus enabling pricing at reasonable rates. This enabled the Zambian entity to grow revenues by 21% and improve profitability by over 100%. The combined USD Gross margin for the regional businesses was up 46% as a result of additional distribution agencies established in Malawi. Going forward, management will focus on managing foreign suppliers and ways to generate foreign currency to settle foreign suppliers. New agencies will continuously be evaluated and targeted.

Transerv

The Company has remained profitable despite major challenges in obtaining foreign currency to always ensure adequate stocking levels. Turnover for the first half increased by 81% over the comparative period which was underpinned by volumes growth of 13%. Management will continue to focus on improving revenue generation, obtaining the right stock mix and managing the operating costs to ensure that the business improves its profitability.

In the second half of the financial year, management will concentrate on expanding the store network throughout the country with the aim of bringing convenience and providing an excellent customer service. In January 2022 a new branch was opened in Chiredzi. Branches in Victoria Falls, Avondale fitment centre (formerly Autocycle) and a fitment centre at the Chikwanha retail shop are all at advanced stages of opening in the next few months. Management is also looking forward to opening stores in Karoi and Zvishavane before the end of the financial year.

IMPACT OF COVID-19

The Group remains focused on ensuring the safety and health of its employees, customers and other stakeholders and thus, will continue to implement and observe COVID-19 guidelines approved by the World Health Organisation and the Ministry of Health and Child Welfare, throughout its operations. The Group applauds the Government on the nationwide vaccination program for COVID-19 and has been encouraging its employees to make use of this opportunity to get vaccinated.

The impact of COVID-19 on businesses globally is and will continue to be significant. Given the ongoing uncertainty around the impact and conclusion of COVID-19, it is not possible to assess, with certainty the full impact the pandemic will have on the Group's financial performance. At present, the financial status of the Group remains healthy, and the impact of COVID-19 has not created any issues from a solvency or liquidity perspective. The Group remains resilient and determined to withstand the risks associated with COVID-19.

PROSPECTS

With the ongoing COVID-19 related cost restrictions periodically affecting global supply chains, management will continue to assess all supply chain constraints for imported and local goods and will thus be working closely with suppliers to ensure adequate product supply. As the business emerges out of the restrictive and disruptive environment surrounding the COVID-19 pandemic, the Group remains optimistic and will continue to focus on its ongoing business optimization and expansion initiatives.

The Zimbabwean business environment remains complex with challenges caused by high inflation. We remain hopeful that progressive and consistent policies will be adopted and that they will be aimed at building confidence in the market.

The Group's management teams will continue to optimally manage gearing levels, that is to align the quantum and cost of debt deployed across the Group. There will be added focus on:

- improving free cash flows,

- investing free cash flows into assets with attractive returns,
- managing foreign currency exposure, and
- protecting the balance sheet in real terms.

The Group is also looking forward to the execution and completion of its exciting opportunities – bed and lounge suite production facilities, expanding retail store networks as well as optimizing major distribution agencies in Zimbabwe and the region.

DIVIDEND

The Board has declared an interim cash dividend of ZWL66 cents per share (2021: ZWL 24.5 cents) in respect of all ordinary shares of the Company. The dividend is payable in respect of the interim period ended 31 December 2021 and will be paid in full to all shareholders of the Company registered at close of business on the 8th of April 2022. The payment of this dividend will take place on or around the 15th of April 2022. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the 5th of April 2022 and ex-dividend as from the 6th of April 2022.

The Board has also declared an interim dividend totaling ZWL\$18.1 million to the Axia Employee Share Trust (Private) Limited which will be paid on the same date.

APPRECIATION

I express my sincere gratitude to the Board of Directors, executives, management and staff for their ongoing efforts during the period under review. Their commitment, despite the challenging operating environment, is greatly appreciated. I also take this opportunity to thank the Group's valued customers, suppliers and other stakeholders for their continued support and trust.

L. M. Ngwerume
LE M NGWERUME
 Chairman

24 March 2022

ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

	INFLATION ADJUSTED		HISTORICAL	
	6 months ended 31 December 2021 ZWL (\$ 000)	6 months ended 31 December 2020 ZWL (\$ 000)	6 months ended 31 December 2021 ZWL (\$ 000)	6 months ended 31 December 2020 ZWL (\$ 000)
Revenue	16 876 226	14 847 673	15 167 557	8 927 455
Cost of sales	(11 738 942)	(11 316 473)	(9 851 177)	(6 098 985)
Gross profit	5 137 284	3 531 200	5 316 380	2 828 470
other income	589 570	317 747	463 639	171 872
operating expenses	(2 972 563)	(2 128 212)	(2 585 668)	(1 261 248)
Operating profit before impairment, depreciation and fair value adjustments	2 754 291	1 720 735	3 194 351	1 739 094
financial income	623 175	329 078	577 141	136 118
depreciation of property, plant and equipment and right of use assets	(307 512)	(71 528)	(132 064)	(21 277)
net monetary loss	(238 912)	(724 627)	-	-
fair value adjustments on listed equities	11 838	22 849	18 511	21 768
Profit before interest, equity accounted earnings and tax	2 842 880	1 276 507	3 657 939	1 875 703
net interest expense	(230 870)	(142 096)	(203 635)	(87 954)
equity accounted earnings	8 148	105 760	7 469	52 403
Profit before tax	2 620 158	1 240 171	3 461 775	1 840 152
tax expense	(868 136)	(433 073)	(929 168)	(457 016)
Profit for the period	1 752 022	807 098	2 532 605	1 383 136
Other comprehensive income - to be recycled to profit or loss				
exchange differences arising on the translation of foreign operations	157 822	22 922	157 822	22 921
Other comprehensive income for the period, net of tax	157 822	22 922	157 822	22 921
Total comprehensive income for the period	1 909 844	830 020	2 690 427	1 406 057
Profit for the period attributable to:				
equity holders of the parent	984 286	484 182	1 420 536	777 834
non-controlling interests	767 736	322 916	1 112 069	605 302
	1 752 022	807 098	2 532 605	1 383 136
Total comprehensive income for the period attributable to:				
equity holders of the parent	1 046 861	487 048	1 483 111	780 701
non-controlling interests	862 983	342 972	1 207 316	625 356
	1 909 844	830 020	2 690 427	1 406 056
Earnings per share (cents)				
Basic earnings per share	177.07	87.69	255.56	140.87
Headline earnings per share	175.36	87.27	254.52	140.61
Diluted basic earnings per share	175.36	86.18	253.08	138.45
Diluted headline earnings per share	174.18	85.78	252.05	138.19

GROUP STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	INFLATION ADJUSTED		HISTORICAL	
	At 31 December 2021 Reviewed ZWL (\$ 000)	At 30 June 2021 Audited ZWL (\$ 000)	At 31 December 2021 ZWL (\$ 000)	At 30 June 2021 ZWL (\$ 000)
ASSETS				
Non-current assets				
property, plant and equipment	1 964 162	1 436 772	751 805	385 118
intangible asset	123 448	22 134	83 730	5 023
right of use assets	395 580	529 032	174 293	246 506
investments in associates and joint ventures	63 395	483 439	46 437	151 023
deferred tax assets	49 659	37 529	179 103	119 398
	2 596 244	2 508 906	1 235 368	907 068
Current assets				
financial assets	85 243	120 898	85 243	90 775
inventories	4 547 944	4 461 221	3 712 263	3 072 349
trade and other receivables	5 766 536	3 684 934	5 499 568	2 711 380
cash and cash equivalents	1 953 367	870 044	1 953 367	691 540
	12 353 090	9 137 097	11 250 441	6 566 044
Total assets	14 949 334	11 646 003	12 485 809	7 473 112
EQUITY AND LIABILITIES				
Capital and reserves				
ordinary share capital	3 368	3 367	56	56
share based payment reserve	23 215	21 624	3 568	2 187
share premium	3 635	4 069	16	392
non-distributable reserves	132 933	70 358	132 933	70 358
distributable reserves	4 064 445	3 080 159	2 979 081	1 558 545
Attributable to equity holders of parent	4 227 596	3 179 577	3 115 654	1 631 538
non-controlling interests	3 442 606	2 444 771	2 643 003	1 338 191
Total shareholders' equity	7 670 202	5 624 348	5 758 657	2 969 729
Non-current liabilities				
deferred tax liabilities	716 081	557 194	164 101	89 033
lease liability	85 337	113 654	85 337	144 387
	801 418	670 848	249 438	233 420
Current liabilities				
interest-bearing borrowings	1 309 866	1 530 619	1 309 866	1 238 527
lease liability	90 612	227 381	90 612	118 632
trade and other payables	3 808 677	2 883 272	3 808 677	2 365 789
provisions and other liabilities	104 789	78 141	104 789	59 752
current tax liabilities	1 163 770	631 394	1 163 770	487 263
	6 477 714	5 350 807	6 477 714	4 269 963
Total liabilities	7 279 132	6 021 655	6 727 152	4 503 383
Total equity and liabilities	14 949 334	11 646 003	12 485 809	7 473 112

Directors: *L.E.M. Ngwerume (Chairman), J. Koumides (Chief Executive Officer), *Z. Koudounaris, *T.C. Mazingi, R.M. Rambanapasi, *T.N. Sibanda (*Non Executive)



REVIEWED ABRIDGED FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2021



ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE 6 MONTHS ENDED 31 DECEMBER 2021

	INFLATION ADJUSTED							
	Ordinary Share Capital ZWL (\$ 000)	Share premium ZWL (\$ 000)	Share Based Payments Reserve ZWL (\$ 000)	Non-Distributable Reserves ZWL (\$ 000)	Distributable Reserves ZWL (\$ 000)	Total ZWL (\$ 000)	Non-Controlling Interests ZWL (\$ 000)	Total ZWL (\$ 000)
Balance on 1 July 2020	3 366	2 441	20 522	70 971	3 073 498	3 170 798	2 405 194	5 575 992
Profit for the year	-	-	-	-	399 104	399 104	357 515	756 619
Issue of shares	1	2 438	-	-	-	2 439	-	2 439
Other comprehensive income	-	-	-	(613)	-	(613)	26 381	25 768
Realisation of share option reserve	-	16 745	(16 745)	-	-	-	-	-
Share based payments expense	-	-	292	-	-	292	-	292
Dividends paid	-	-	-	-	(392 443)	(392 443)	(344 319)	(736 762)
Balance on 30 June 2021	3 367	21 624	4 069	70 358	3 080 159	3 179 577	2 444 771	5 624 348
Profit for the period	-	-	-	-	984 286	984 286	767 736	1 752 022
Issue of shares	1	1 118	-	-	-	1 119	-	1 119
Other comprehensive income	-	-	-	62 575	-	62 575	95 247	157 822
Share based payments expense	-	-	39	-	-	39	-	39
Realisation of share option reserve	-	473	(473)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	(221 909)	(221 909)
Transactions with owners in their capacity as owners	-	-	-	-	-	-	356 761	356 761
Balance at 31 December 2021	3 368	23 215	3 635	132 933	4 064 445	4 227 596	3 442 606	7 670 202

	HISTORICAL							
	Ordinary Share Capital ZWL (\$ 000)	Share premium ZWL (\$ 000)	Share Based Payments Reserve ZWL (\$ 000)	Non-Distributable Reserves ZWL (\$ 000)	Distributable Reserves ZWL (\$ 000)	Total ZWL (\$ 000)	Non-Controlling Interests ZWL (\$ 000)	Total ZWL (\$ 000)
Balance on 1 July 2020	55	339	774	70 971	559 222	631 361	519 917	1 151 278
Profit for the year	-	-	-	-	1 251 749	1 251 749	996 228	2 247 977
Issue of shares	1	1 372	-	-	-	1 373	-	1 373
Other comprehensive income	-	-	-	(613)	-	(613)	19 808	19 195
Realisation of share option reserve	-	476	(476)	-	-	-	-	-
Share based payments expense	-	-	94	-	-	94	-	94
Dividends paid	-	-	-	-	(252 426)	(252 426)	(197 762)	(450 188)
Balance on 30 June 2021	56	2 187	392	70 358	1 558 545	1 631 538	1 338 191	2 969 729
Profit for the period	-	-	-	-	1 420 536	1 420 536	1 112 069	2 532 605
Issue of shares	-	971	-	-	-	971	-	971
Other comprehensive income	-	-	-	62 575	-	62 575	95 247	157 822
Share based payments expense	-	-	34	-	-	34	-	34
Realisation of share option reserve	-	410	(410)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	(177 236)	(177 236)
Transactions with owners in their capacity as owners	-	-	-	-	-	-	274 732	274 732
Balance at 31 December 2021	56	3 568	16	132 933	2 979 081	3 115 654	2 643 003	5 758 657

ABRIDGED GROUP STATEMENT OF CASH FLOWS

FOR THE 6 MONTHS ENDED 31 DECEMBER 2021

	INFLATION ADJUSTED		HISTORICAL	
	31 December 2021 Reviewed ZWL (\$ 000)	31 December 2020 Reviewed ZWL (\$ 000)	31 December 2021 ZWL (\$ 000)	31 December 2020 ZWL (\$ 000)
Cash generated from operations	2 527 143	237 061	2 480 952	366 343
net interest paid	(230 870)	(142 096)	(202 661)	(87 954)
tax paid	(353 239)	(422 167)	(306 664)	(258 155)
Net cash generated from / (utilised in) operating activities	1 943 034	(327 202)	1 971 627	20 234
Investing activities	(526 736)	(321 658)	(420 727)	(181 127)
Net cash inflow/(outflow) before financing activities	1 416 298	(648 860)	1 550 900	(160 893)
Financing activities	(332 975)	411 395	(289 073)	393 345
Increase/(decrease) in cash and cash equivalents	1 083 323	(237 465)	1 261 827	232 452
Cash and cash equivalents at the beginning of the year	870 044	1 668 107	691 540	657 598
Cash and cash equivalents at the end of the period	1 953 367	1 430 642	1 953 367	890 050

NOTES AND SUPPLEMENTARY INFORMATION

FOR THE 6 MONTHS ENDED 31 DECEMBER 2021

1 Corporate Information

The Company is incorporated and domiciled in Zimbabwe.

2 Operating Segments

The following table represents the summarised financial information of the Group's operating segments for the half year ended 31 December 2021:

	INFLATION ADJUSTED			
	Zimbabwe ZWL (\$ 000)	Region ZWL (\$ 000)	Intersegment adjustments ZWL (\$ 000)	Total ZWL (\$ 000)
Revenue				
31 December 2021	14 613 513	2 262 713	-	16 876 226
31 December 2020	13 595 066	1 252 607	-	14 847 673
Operating profit before impairment, depreciation and fair value adjustments				
31 December 2021	2 534 087	220 204	-	2 754 291
31 December 2020	1 622 935	97 800	-	1 720 735
Depreciation and amortisation				
31 December 2021	(294 028)	(13 484)	-	(307 512)
31 December 2020	(64 500)	(7 028)	-	(71 528)
Equity accounted earnings				
31 December 2021	8 148	-	-	8 148
31 December 2020	105 760	-	-	105 760
Profit before tax				
31 December 2021	2 396 734	223 424	-	2 620 158
31 December 2020	1 204 840	35 331	-	1 240 171
Segment assets				
31 December 2021	13 055 757	1 906 712	(13 135)	14 949 334
30 June 2021	10 407 500	1 254 588	(16 085)	11 646 003
Segment liabilities				
31 December 2021	5 973 240	1 316 764	(10 872)	7 279 132
30 June 2021	5 023 381	1 012 095	(13 821)	6 021 655
Capital expenditure				
31 December 2021	197 622	52 764	-	250 386
31 December 2020	325 287	1 563	-	326 850

NOTES AND SUPPLEMENTARY INFORMATION

FOR THE 6 MONTHS ENDED 31 DECEMBER 2021

HISTORICAL

	Zimbabwe ZWL (\$ 000)	Region ZWL (\$ 000)	Intersegment adjustments ZWL (\$ 000)	Total ZWL (\$ 000)
Revenue				
31 December 2021	12 904 844	2 262 713	-	15 167 557
31 December 2020	7 674 848	1 252 607	-	8 927 455
Operating profit before impairment, depreciation and fair value adjustments				
31 December 2021	2 974 147	220 204	-	3 194 351
31 December 2020	1 641 294	97 800	-	1 739 094
Depreciation and amortisation				
31 December 2021	(118 580)	(13 484)	-	(132 064)
31 December 2020	(14 249)	(7 028)	-	(21 277)
Equity accounted earnings				
31 December 2021	7 469	-	-	7 469
31 December 2020	52 403	-	-	52 403
Profit before tax				
31 December 2021	3 238 349	223 424	-	3 461 773
31 December 2020	1 804 821	35 331	-	1 840 152
Segment assets				
31 December 2021	10 592 231	1 906 712	(13 135)	12 485 808
30 June 2021	6 234 609	1 254 588	(16 085)	7 473 112
Segment liabilities				
31 December 2021	5 421 259	1 316 764	(10 872)	6 727 151
30 June 2021	3 505 109	1 012 095	(13 821)	4 503 383
Capital expenditure				
31 December 2021	164 609	52 764	-	217 373
31 December 2020	182 488	1 563	-	184 051

	INFLATION ADJUSTED		HISTORICAL	
	6 months ended 31 December 2021 Reviewed ZWL (\$ 000)	6 months ended 31 December 2020 Reviewed ZWL (\$ 000)	6 months ended 31 December 2021 ZWL (\$ 000)	6 months ended 31 December 2020 ZWL (\$ 000)
3 Commitments for capital expenditure				
Contracts and orders placed	502 187	-	502 187	-
Authorised by Directors but not contracted	403 631	105 022	403 631	95 057
	905 818	105 022	905 818	95 057

The capital expenditure is to be financed out of the Group's own resources and existing borrowing facilities.

4 Borrowings & Security

	Zimbabwe ZWL (\$ 000)	Region ZWL (\$ 000)	Intersegment adjustments ZWL (\$ 000)	Total ZWL (\$ 000)
Net book value of buildings and motor vehicles pledged as security for interest-bearing borrowings	62 178	29 925	62 178	29 925

Interest-bearing borrowings constitute bank loans from various financial institutions. The average cost of borrowings for the Axia Group operations in Zimbabwe was 40% per annum, with borrowings for regional operations averaging an interest rate of 17% in the respective local currency loans. The facilities expire at different dates and will be reviewed and renewed as they mature.

5 Contingent liabilities

There were no contingent liabilities as at 31 December 2021

6 Inflation adjusted reporting

The conversion factors have been computed from the Consumer Price Index (CPI) data prepared by the Zimbabwe Central Statistics Office as reported on the Reserve Bank of Zimbabwe website. The conversion factors used to restate the financial results are as follows:

	Indices	Conversion factor
CPI on 31 December 2021	3 977.46	1.00
CPI on 30 June 2021	2 986.44	1.33
Average CPI - 6 months to 31 December 2021	3 481.73	
Average CPI - 6 months to 31 December 2020	2 239.72	

7 Earnings per share

Basic earnings basis

The calculation is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue for the period.

Diluted earnings basis

The calculation is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue after adjusting for the conversion of share options. Share options are considered for dilution if the average market price of ordinary shares during the period exceeds the exercise price of such options. The indigenisation share options with an indigenous company and share options which had vested but not been exercised had a dilutive effect at the end of the financial period.

Headline earnings basis

Headline earnings comprise of basic earnings attributable to equity holders of the parent adjusted for profits, losses and items of a capital nature that do not form part of the ordinary activities of the Group, net of their related tax effects and share of non-controlling interests as applicable.

	INFLATION ADJUSTED		HISTORICAL	
	6 months ended 31 December 2021 Reviewed ZWL (\$ 000)	6 months ended 31 December 2020 Reviewed ZWL (\$ 000)	6 months ended 31 December 2021 ZWL (\$ 000)	6 months ended 31 December 2020 ZWL (\$ 000)
Reconciliation of basic earnings to headline earnings				
Profit for the period attributable to equity holders of the parent	984 286	484 182	1 420 536	777 834
Adjustment for capital items (gross of tax):				
Profit on disposal of assets	(17 145)	(4 674)	(14 947)	(2 911)
Tax effect on adjustments	4 287	1 204	3 743	720
Non-controlling interests' share of adjustments	6 263	1 173	5 457	724
Headline earnings attributable to ordinary shareholders	977 691	481 885	1 414 789	776 367
Number of shares in issue				
Number of ordinary shares in issue per Basic and Headline Earnings Per Share	555 859	552 150	555 859	552 150
Effect of share options	5 447	9 650	5 447	9 650
Weighted average number of ordinary shares in issue adjusted for the effect of dilution	561 306	561 800	561 306	561 800
Basic earnings per share (cents)	177.07	87.69	255.56	140.87
Headline earnings per share (cents)	175.89	87.27	254.52	140.61
Diluted basic earnings per share (cents)	175.36	86.18	253.08	138.45
Diluted headline earnings per share (cents)	174.18	85.78	252.05	138.19

8 Events after the reporting date

There have been no significant events after reporting date at the time of issuing this press release.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AXIA CORPORATION LIMITED
REPORT ON REVIEW OF INTERIM INFLATION ADJUSTED CONDENSED FINANCIAL INFORMATION AS AT 31 DECEMBER 2021**

Introduction

We have reviewed the accompanying inflation adjusted condensed consolidated interim statement of financial position of Axia Corporation Limited ("the Group") as of 31 December 2021, and the inflation adjusted condensed consolidated interim statement of profit or loss and other comprehensive income, inflation adjusted condensed consolidated interim statement of changes in equity and inflation adjusted condensed consolidated interim statement of cash flows for the six month period then ended, and a summary of significant accounting policies and other explanatory notes.

The Directors are responsible for the preparation and fair presentation of these interim financial statements in accordance with International Accounting Standards on Interim Financial Reporting (IAS 34) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Adverse Conclusion

Non-compliance with International Accounting Standard 21 "The Effects of Changes in Foreign Exchange Rates" on application of the spot rate for transactions during the period and closing rates as at 31 December 2021

International Accounting Standard 21 defines the spot exchange rate as the exchange rate for immediate delivery. During the period, the Group translated certain foreign currency transactions using auction exchange rates, whilst the statement of financial positions for foreign components were translated at the closing auction rate at 31 December 2021. These auction rates did not meet the definition of spot exchange rates per International Accounting Standard 21.

Had the Group applied the spot and closing rates as defined by International Accounting Standard 21, many elements of the accompanying inflation adjusted financial statements would have been materially impacted and therefore the departure from the requirements of International Accounting Standard 21 is considered to be pervasive. The financial effects on the inflation adjusted financial statements of this departure have not been determined.



Adverse Conclusion

Due to the significance of the matter described in the Basis for Adverse Conclusion paragraphs, we conclude that the accompanying inflation adjusted condensed consolidated financial statements of the Group do not present fairly, in all material respects, the inflation adjusted condensed consolidated financial position of the Group as at 31 December 2021, and of its inflation adjusted condensed consolidated financial performance and cash flows for the six month period then ended in accordance with International Accounting Standards on Interim Financial Reporting (IAS 34) and the requirements of the Companies and Other Business Entities Act (Chapter 24:31).



Deloitte & Touche
Chartered Accountants (Zimbabwe)
Per: Stelios Michael
Registered Auditor
PAAB Practice Certificate Number 0443
Harare

24 March 2022