



AUDITED ABRIDGED FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2022

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 $available\ upon\ request, and\ for\ inspection,\ at\ the\ Company's\ registered\ office\ or\ via\ email\ request\ to\ \underline{corpserve@escrowgroup.org}. The\ full\ request\ for\ registered\ office\ or\ via\ email\ request\ to\ \underline{corpserve@escrowgroup.org}. The\ full\ request\ registered\ office\ or\ via\ email\ request\ to\ \underline{corpserve@escrowgroup.org}. The\ full\ request\ registered\ office\ or\ via\ email\ request\ to\ \underline{corpserve@escrowgroup.org}. The\ full\ request\ registered\ office\ or\ via\ email\ request\ registered\ office\ or\ via\ or\ registered\ office\ or\ registered\ office\ or\ registered\ office\ or\ registered\ office\ or\ registered\ or\ registered$ announcement is also available on the Zimbabwe Stock Exchange website: www.zse.co.zw and the Company website www.axiacorpltd.com

FINANCIAL HIGHLIGHTS





Operating Profit



Headline Earnings Per Share (cents)



Cash generated from Operations



Interim dividend declared (cents)

	INFLATION - ADJUSTED		HISTORICAL	
	30 June 2022 Audited ZWL (\$000)	% change against comparative period	30 June 2022 Audited ZWL (\$000)	% change against comparative period
Revenue	75 534 062	32%	40 796 914	124%
Operating profit before depreciation and fair value adjustments	14 448 274	149%	7 790 763	160%
Profit before tax	7 422 775	146%	7 883 286	158%
Total assets	39 467 958	58%	29 778 600	298%
Total equity	17 479 052	39%	9 007 564	203%
Total liabilities	21 988 906	77%	20 771 036	361%
Basic earnings per share (ZWL cents)	427,49	123%	567,35	150%
Headline earnings per share (ZWL cents)	424,61	124%	565,94	150%
Cash generated from operations	2 723 887	148%	3 451 781	300%
Final dividend per share declared (ZWL cents)	110	-	110	-

DIVIDEND ANNOUNCEMENT

Ordinary shares

Based on the historical results, the Board has declared a final dividend of ZWL\$1.10 (ZWL 110 cents) per share in respect of all ordinary shares of the Company. This brings the total dividend paid for the year to ZWL\$1.76 (ZWL 176 cents). The final dividend is payable in respect of the financial year ended 30 June 2022 and will be paid in full to all ordinary shareholders of the Company registered at close of business on the 14 th of October 2022. The payment of this dividend will take place on or around the 18 th of October 2022. The shares of the Company will be a company of the Company will be a company of the Company will be a company of the Company of the Company of the Company will be a company of the Ctraded cum-dividend on the Zimbabwe Stock Exchange up to the 11th of October 2022 and ex-dividend as from the 12th of October 2022.

Non-voting class "A" ordinary shares

The Board has also declared a final dividend totaling ZWL\$30 million to the Axia Employee Trust (Private) Limited which will be paid on or around the same date.

AUDITORS STATEMENT

This short-form financial announcement should should be read in conjunction with the complete set of the audited Group inflation adjusted financial statements for the year ended 30 June 2022, audited by BDO Zimbabwe Chartered Accountants, in accordance with International Standards on Auditing. The audit report carries an adverse opinion with respect to non-compliance with IAS 21 -The Effects of Changes in Foreign Exchange Rates. There were no specific issues that were determined to be key audit matters. The auditor's report on the Group's abridged inflation adjusted financial statements, is available for inspection at the Company's registered office. The Engagement Partner responsible for the audit is Mr. Davison Madhigi (PAAB 0610).



29 September 2022





ABRIDGED GROUP STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

SALIENT FEATURES	INFLATION ADJUSTED			HISTORICAL COST			
FOR THE YEAR ENDED 30 JUNE 2022	FY 2022 ZWL (\$000)	FY 2021 ZWL (\$000)		FY 2022 ZWL (\$000)	FY 2021 ZWL (\$000)		
Revenue	75 534 062	57 011 863	∧ 32%	40 796 914	18 185 772 🖊	124%	
Operating profit before depreciation and							
fair value adjustments	14 448 274	5 795 614	^ 149%	7 790 763	2 991 623	160%	
Profit before tax	7 422 775	3 016 780	^ 146%	7 883 286	3 050 929 🥒	158%	
Headline earnings per share (cents)	424.61	189.23	^ 124%	565.94	226.14	150%	
Cash generated from operations	2 723 887	1 098 516	^ 148%	3 451 781	862 064	300%	
Final dividend declared per share (cents)	110.00	-	^	110.00	- /		

Chairman's Statement and Review of Operations

DIRECTORS' RESPONSIBILITY

DIRECTORS' RESPONSIBILITY

The Directors of Avia Corporation Limited are responsible for the preparation and fair presentation of the Group's consolidated financial statements and this press release is an extract thereof. The audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IRS") and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange listing requirements except for the non-adherence to International Accounting Standard (IAS) 21 "The Effects of Changes In Foreign Exchange Rates". The principal accounting policies of the Group are consistent with those applied in the previous annual financial statements.

AUDITOR'S STATEMENT

The abridged audited financial results should be read in conjunction with the complete set of financial statements for the Group for the year ended 30 June 2022, audited by BDO Zimbabwe Chartered Accountants in accordance with International Standards on Auditing The audit report carries an adverse opinion with respect to non-compliance with IAS 21. There were no specific issues that were determined to be key audit matters. The auditor's report on the financial statements, which forms the basis of these abridged financial results, is available for inspection at the Company's registered office. The Engagement Partner responsible for the audit is Mr. Davison Madhigi (PAAB 0610).

COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARD 29:

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. Financial statements prepared under the historical cost convention have also been presented as supplementary information. The auditor has not also been presented as supplementary information. The auditor has not expressed any opinion on these historical results.

The CPI increased from 2,986.44 in June 2021 to 8,707.35 in June 2022, representing a 191.56% increase in the period under audit, this is compared to the Reserve Bank of Zimbabwe Auction rate which Inis is compared to the reserve bank of zimbabwe auction rate within increased by \$28,879% 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 ZML\$ 7.04 billion in the current period. Despite this net monetary loss, the Headline Earnings Per Javani viges and the 132 control of the share increased by 124%.

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.

OPERATING ENVIRONMENT AND OVERVIEW

OPERATING ENVIRONMENT AND OVERVIEW

The global economy continues to suffer from a series of destabilizing shocks. After more than two years of the Covid-19 pandemic, the ongoing Russia/Ukraine war in Eastern Europe has had global effects on commodity markets, supply chain and increased levels of inflation that resulted in a slowing down of global economic growth. The Zimbabwean economy was not spared as it is also impacted by the spill-over effects of these geopolitical tensions. The second half of the financial year brought about concerns of instability as inflationary pressures were being felt on the back of the volatile exchange rate. Since June 2022, the Zimbabwe economy has witnessed shock therapt through the measures taken by fiscal and monetary authorities and the through the measures taken by fiscal and monetary authorities and the desired effects have materialized. The lack of clarity in the legislation relating to the currency of payment of certain taxes creates uncertainties and poses business risks especially in an environment where there are material disparities in the exchange rates.

In Zambia, the consumer demand remains constrained although the economy shows signs of recovery as evidenced by a stable exchange rate and declining inflation.

Malawi, on the other hand, continues to suffer huge forex shortages, with official currency exchange rate depreciating by 25% in last quarter. Some companies are either closing or downsizing

FINANCIAL OVERVIEW

Commentary of the Group's financial statements is confined to the financial information prepared under inflation adjusted terms.

The impact of improved business activity during the reporting period grew demand resulting in volumes above those reported in the comparative period. The Group reported revenue of ZWL575.534 billion during the year to achieve a 32% growth compared to the comparative year. The revenue growth filtered into gross margin which increased by 92% on prior period. Operating expenditure increased by 57% on comparative period due to indexing of cost base to the USS. The Group posted an operating profit of ZWL\$14,448 billion, representing a 149% increase on the comparative period Profit before tax of ZWL\$7,423 billion was reported which was 146% ahead of prior year. Basic Earnings Per Share and Headline Earnings Per Share both improved by 123% and 124% respectively.

The Group's statement of financial position remained solid. Net borrowings increased by ZWL51.85 billion mainly to support strategic working capital investments. The increase however had an impact on the results through high finance charges and this is being managed going forward.

The Group generated cash of ZWL\$2.724 billion from operations which was up 148% from the comparative period. This translated into enhanced free cash generation enabling the Group to easily incur capital expenditure for the year totaling ZWL\$2.01 billion. The Group's free cash generation will enable it to execute exciting expansion opportunities like the 10,000-bed production facility.

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 Revenue growth of 38% to prior year was recorded during the year whilst volume performance increased by 8% over prior year. Year on year volume growth benefited from a consistent and broad product offering as well as successful market activation promotions rolled out during the financial year. Quarter four volume performance, however, was 8% below the comparative period as the June volumes and sales were below expectations due to the inconsistent pricing of goods in response to the unstable exchange rate which exerted pressure on pricing. The hiatus caused by authorities' clampdown on currency rates has resulted in a proliferation of informal trading and grey imports.

Collections on the debtors' book have remained solid. The debtors' book growth, however, has continued to slow down in the last few months given the prevailing high interest rates. Management will continuously assess the business' credit model to deliver affordable credit offerings to customers, in both local and foreign currencies.

The business increased its store network by opening a new store in Bulawayo. Plans are underway to enhance the retail store network which include opening new stores in the coming financial year coupled with upgrades to outlooks of existing stores to improve customer experience. Two new stores were opened in Harare in the months of July and August 2022. Volumes are expected to recover in the new financial year following the addition of a new home appliances and homeware distribution business at the end of the year under review.

As highlighted in the interim report, 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 additional investment. This increase in shareholding enabled Restapedic to invest in a 10,000-bed production facility which is under construction in Sunway City, Harare Significant progress has been made in the construction of the new bedding factory facility which is set to open in January/February 2023. During the year, Restapedic experienced intermittent raw material supply gaps attributed to delays in the auction payments which negatively impacted the imports supply chain resulting in a downturn in volumes during the fourth quarter. The bedding business attained revenue growth of 33% and marginal growth on volumes compared to prior year.

Revenue and volume performance for, Legend Lounge, the lounge suite manufacturing business increased by 212% and 231% to the comparative period respectively. The expansion of Legend Lounge's manufacturing capacity remains a key focus with sustained investment in new product development as well as re-engineering of the entire lounge suites range to enhance customer experience.

Distribution Group Africa (DGA)-Zimbabwe

Year to date volumes were 18% below the prior comparative period but fourth quarter volumes were 3% above comparative period.

Effective 1 July 2021, DGA Zimbabwe acquired a 50% stake in National Foods Logistics, a warehousing and distribution company that provides National Foods Limited with its warehousing and distribution requirements. The purchase and funding consideration for this transaction was US\$1.1 million. The transaction was approved by the Competition and Tariff Commission "CTC" on the 4th of March 2022.

The business continues to safeguard and grow shareholder value by embarking on projects that generate positive cash flows and achieve the required returns. The business remains poised to exploit opportunities from economic activities in the informal business sector that will not require extended credit terms

Distribution Group Africa - Region In Zambia, the consumer demand remains constrained although the

in Zamoia, the consumer demand remains constrained atthough the economy shows signs of recovery as evidenced by a stable exchange rate and declining inflation. Year to date volumes and revenue decreased by 15% and 3% respectively compared to prior year owing to some disruptions in supply chain. The strengthening (kwacha enabled the business to take advantage of Forward Exchange Contracts thus enabling pricing at reasonable rates. The business increased its profit after tax by 25,7%. Management's focus is on business growth and new agencies will be targeted and evaluated.

Malawi continues to face shortages of foreign currency and the Malawian Kwacha depreciated by 29% during the reporting period. Despite the foreign currency challenges, the business witnessed a 46% growth in volumes which resulted in a 103% increase in revenue over the comparative year. This was primarily a result of the addition of two key distribution agencies in the first quarter of the financial year which led to improved profitability. Management's focus is on managing foreign suppliers and exploring ways to generate foreign currency to settle foreign suppliers. settle foreign suppliers.

Transerv

TranservThe results of Transerv were disappointing as profits achieved were below expectation. The business experienced severe challenges in pricing and obtaining foreign currency to always ensure adequate stodding levels. Volumes increased by 7% to the comparative period which resulted in improved revenue. 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.

The business increased its store network throughout the country with the aim of bringing convenience to the market and providing an excellent customer service. New retail branches were opened in Chiredzi, Victoria Falls and Zvishavane as well as new fitment centres in Groombridge, Avondale (formerly Autocycle) and Chilkwanha in Chitungwizz. Plans are underway to open at least six new stores during the coming financial wear as part of the drive to increase forbring the victor that the control of year as part of the drive to increase footprint throughout the country to ensure that customers enjoy shopping convenience

IMPACT OF COVID-19

During the second half of the financial year, business operations were conducted on a 'business-as-usual' manner across all economic sectors as the economy continues to recover from outbreak of the Covid-19 because of the sustained reduction in new cases.

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

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.

The increase in prices of key inputs due to the ongoing Russia/Ukraine war and the low 2021/22 agricultural output, pose risks to the economic outlook. The operating environment remains challenging and both fiscal and monetary authorities face a huge task of continuously addressing macro-economic adversities on the back of an unfolding global recession. We remain hopeful that progressive and consistent policies will be adopted and that they will be aimed at building confidence and promoting stability in the market.

The warranted stance taken by both fiscal and monetary authorities will The warranted stance taken by both fiscal and monetary authorities will assist in stabilizing the exchange rate although this will tend to dampen demand in the short term. This position taken by authorities helps to counter arbitrage gap which will have positive effects on the entire economy. The Group, however, maintains a positive long-term view and will continue to seek opportunities to preserve and grow stakeholder value. With the current strong Group balance sheet, the Group's business operations are well set to weather the challenging operating environment across all its operating regions.

The Group's management teams will continue to optimally manage gearing levels, with focus on the amount and cost of debt deployed across the Group. There will be ongoing focus on the execution and completion of the bedding and lounge suite production facilities. New retail stores will be added to the current network whilst optimizing major distribution agencies in Zimbabwe and the region will continue to be an area of focus.

DIVIDEND

Based on the historical results, the Board has declared a final dividend of ZWL\$1.10 (ZWL 110 cents) per share in respect of all ordinary shares of the Company. This brings the total dividend paid for the year to ZWL\$1.76 (ZWL 176 cents). The final dividend is payable in respect of the financial year ended 30 June 2022 and will be paid in full to all ordinary shareholders of the Company registered at close of business on the 14th of October 2022. The payment of this dividend will take place on or around the 18th of October 2022. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange 11th of October 2022 and ex-dividend as from the 12th of October

The Board has also declared a final dividend totaling ZWL\$30 million to the Axia Employee Trust (Private) Limited which will be paid on or around the same date.

APPRECIATION

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

Movemen. LEMNGWERUME Chairman

29 September 2022

ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022	INITI ATION	ADJUSTED	HISTORICAL COST			
1	INFLATION	30 June 2021	30 June 2022 30 June 2021			
	Audited	Audited	Audited	Audited		
	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)		
Revenue	75 534 062	57 011 863	40 796 914	18 185 772		
Kevende	75 554 002	37 011 003	40 / 90 914	10 103 / / 2		
Operating profit before depreciation and fair value adjustments	14 448 274	5 795 614	7 790 763	2 991 623		
financial income	2 446 565	1 656 027	1 075 629	463 947		
depreciation	(1545036)	(907 490)	(468 301)	(186 824)		
fair value adjustments on listed equities	18 720	(10 003)	52 744	53 727		
Profit before interest and tax	15 368 523	6534148	8 450 835	3 322 473		
net interest expense	(1218226)	(1090947)	(752 035)	(368 067)		
equity accounted earnings	310 438	346 280	184 486	96 523		
net monetary loss	(7037960)	(2772701)	-	,0 323		
net monetary toss	(1031)00)	(2772701)				
Profit before tax	7 422 775	3 016 780	7 883 286	3 050 929		
tax expense	(2827159)	(1177150)	(2371461)	(802 951)		
Profit for the year	4 595 616	1839630	5 511 825	2 247 978		
Other comprehensive income - to be recycled to profit or loss						
exchange differences arising on the translation of foreign operations -net of tax	1 274 410	19 195	1 274 410	19 195		
Other comprehensive income for the year, net of tax	1 274 410	19 195	1 274 410	19 195		
Total comprehensive income for the year	5 870 026	1858825	6786235	2 267 173		
rotateomprenensive meanieror die year	3070020	1050015	0,00255	220, 2,5		
Profit for the year attributable to:						
equity holders of the parent	2 376 840	1056968	3 154 442	1 251 750		
non-controlling interests	2 218 776	782 662	2 357 383	996 228		
	4 595 616	1839630	5 511 825	2 247 978		
Total comprehensive income for the year attributable to:						
equity holders of the parent	2 842 188	1 056 355	3 619 790	1 251 751		
non-controlling interests	3 027 838	802 470	3 166 445	1 015 422		
Ü	5 870 026	1858825	6786235	2 267 173		
Earnings per share (cents)						
Basic earnings per share	427.49	191.43	567.35	226.70		
Headline earnings per share	424.61	189.23	565.94	226.14		
	727.01	10,123	505.74	~~~		
Diluted earnings per share	427.49	189.82	567.35	224.80		

	INFLATION	ADJUSTED	HISTORICAL COST		
	At	At	At	At	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	
	Audited	Audited	Audited	Audited	
	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	
ASSETS					
Non-current assets					
property, plant and equipment	4812 120	3 096 138	1 801 692	385 118	
intangible assets	309 636	94 389	80 739	5 023	
right of use assets	1 466 404	1 121 802	922 449	246 506	
investments in associates and joint ventures	698 697	1 058 333	304 011	151 023	
deferred tax assets	52 099	143 537	732 239	119 398	
C	7 3 3 8 9 5 6	5 514 199	3 841 130	907 068	
Current assets	256 204	261666	256 204	00775	
financial assets at fair value through profit and loss	256 284	264 666	256 284	90 775	
inventories	17 856 793	9 635 212	12 545 324	3 072 349	
trade and other receivables	11 153 373	7 832 173	10 273 310	2 711 380	
cash and cash equivalents	2 862 552	1 721 310	2 862 552	691 540	
	32 129 002	19 453 361	25 937 470	6 566 044	
Total assets	39 467 958	24 967 560	29 778 600	7 473 112	
EQUITY AND LIABILITIES					
Capital and reserves					
ordinary share capital	7 3 7 2	7 371	56	56	
share premium	58 790	47 338	3 621	2 187	
share based payment reserve		8 908	-	392	
non-distributable reserves	535 706	70 358	535 706	70 358	
distributable reserves	8 8 7 0 9 1 7	7 102 752	4328020	1 558 545	
Attributable to equity holders of parent	9 472 785	7 236 727	4867403	1631538	
non-controlling interests	8 006 267	5 309 563	4 140 161	1 338 191	
Total shareholders' equity	17 479 052	12 546 290	9 007 564	2 969 729	
Non-current liabilities					
deferred tax liabilities	1 504 549	1 490 993	286 679	89 033	
lease liabilities	617 666	367 576	617 666	144 387	
tease habitates	2 122 215	1858 569	904345	233 420	
Current liabilities			7		
interest-bearing borrowings	5 915 640	2 924 706	5 915 640	1 238 527	
lease liabilities	281 525	345 814	281 525	118 632	
trade and other payables	10 732 889	5 806 975	10 732 889	2 365 789	
provisions and other liabilities	451 146	165 912	451 146	59 752	
current tax liabilities	2 485 491	1 319 294	2 485 491	487 263	
	19866691	10 562 701	19866691	4 269 963	
Total liabilities	21 988 906	40.404.0==	20 == 4 0 = 1	. ======	
		12 421 270	20 771 036	4 503 383	

39 467 958 24 967 560 29 778 600

7 473 112

Total equity and liabilities





ABRIDGED GROUP STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	INFLATION ADJUSTED .								
	Ordinary		Share Based	Non-			Non-		
	Share	Share	Payments		Distributable		Controlling		
	Capital	premium	Reserve	Reserves	Reserves	Total	Interests	Total	
	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	
Balance on 1 July 2020	7369	5 3 4 3	44926	70 971	6904910	7033519	5 260 867	12 294 386	
Profit for the year	-	-	-	-	1 056 968	1056968	782 662	1839630	
Issue of shares through exercising share options	2	5 337	-	-	-	5 339	_	5 339	
Other comprehensive income	-	-	-	(613)	-	(613)	19808	19 195	
Realisation of share option reserve	-	36 658	(36658)	-	-	-	-	-	
Share based payments expense	-	-	640	-	-	640	-	640	
Dividends declared	-	-	-	-	(859 126)	(859 126)	(753 774)	(1612900)	
Balance on 30 June 2021	7371	47 338	8 908	70358	7 102 752	7 2 3 6 7 2 7	5 309 563	12 546 290	
Profit for the year	-	-	-	-	2 376 840	2 376 840	2218776	4595616	
Issue of shares through exercising									
share options	1	2 462	-	-	-	2 463	-	2 463	
Other comprehensive income	-	-	-	465 348	-	465 348	809 062	1 274 410	
Share based payments expense	-	-	82	-	-	82	-	82	
Realisation of share option reserve	-	8 990	(8990)	-	-	-	-	-	
Dividends declared .	-	-	-	-	(608 675)	(608 675)	(1112148)	(1720823)	
Transactions with owners in their									
capacity as owners	-	-	-	-	-	-	781 014	781 014	
Balance at 30 June 2022	7 3 7 2	58 790	-	535 706	8870917	9472785	8 006 267	17 479 052	

INFLATION ADJUSTED

					ICAL COST			
	Ordinary		Share Based	Non-			Non-	
	Share	Share	Payments	Distributable	Distributable		Controlling	
	Capital	premium	Reserve	Reserves	Reserves	Total	Interests	Total
	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)
Balance on 1 July 2020	55	339	773	70971	559221	631359	519917	1151276
Profit for the year	-	-	-	-	1251750	1 251 750	996 228	2 247 978
Other comprehensive income	-	-	-	(613)	-	(613)	19808	19 195
Issue of shares through exercising								
share options	1	1 372	-	-	-	1 373	-	1 373
Realisation of share option reserve	-	476	(476)	-	-	-	-	-
Share based payments expense	-	-	95	-	-	95	-	95
Dividends declared	-	-	-	-	(252 426)	(252 426)	(197762)	(450 188)
					,	(,	(, , , , ,	(,
Balance on 30 June 2021	56	2 187	392	70 358	1558545	1631538	1338191	2 969 729
Profit for the year	_					3 154 442		5 511 825
Issue of shares through exercising					3 13-1-12	3 13 1 1 1 2	2 337 303	3 311 023
share options	_	1 008	_	_	_	1 008	_	1 008
Other comprehensive income	_		_	465 348	_	465 348	809 062	1 274 410
Share based payments expense	_	_	34		_	34	-	34
Realisation of share option reserve	_	426	(426)	_	_	3-	_	3-
Dividends declared	_	420	(420)	_	(384 967)	(787.067)	(670 207)	(1024174)
Transactions with owners in their	_	_	_	_	(304 907)	(304 907)	(039207)	(10241/4)
capacity as owners	_		_				274 732	274732
capacity as owners							2/4/32	2/4/32
Balance at 30 June 2022	56	3 6 2 1		EZE 706	4328020	4867403	4140161	9007564
Dotalice at 30 Julie 2022	30	3021		333 700	4320020	400/403	4 140 101	900/304

ABRIDGED GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022				
	INFLATION	ADJUSTED	HISTORICAL COST	
	30 June 2022	Audited	30 June 2022	Audited
	Audited	Audited	Audited	Audited
	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)
Cash generated from operations	2 723 887	1098516	3 451 781	862 064
net interest paid	(1220380)	(1090947)	(754 190)	(368 067)
tax paid .	(1484185)	(1622848)	(716 266)	(523 394)
·				
Net cash generated from/(utilised in) operating activities	19322	(1615279)	1981325	(29 397)
Investing activities	(3 072 355)	(1170077)	(1693391)	(319 398)
Net cash flow before financing activities	(3 053 033)	(2785356)	287 934	(348 795)
Financing activities	4 194 275	1 166 689	1 883 078	382 737
Thidheling detivities	4194273	1 100 009	1005070	302 / 3/
Increase/(decrease) in cash and cash equivalents	1 141 242	(1618667)	2 171 012	33 942
Cash and cash equivalents at the beginning of the year	1 721 310	3 339 977	691 540	657 598
Cash and cash equivalents at the end of the year	2862552	1721310	2 862 552	691 540

NOTES AND SUPPLEMENTARY INFORMATION

Corporate Information

The Company is incorporated and domiciled in Zimbabwe.

The following table represents the summarised financial information of the Group's operating segments for the year ended 30 June 2022:

INFLATION ADJUSTED

	Zimbabwe ZWL (\$000)	Region ZWL (\$000)	Intersegment adjustments ZWL (\$000)	Total ZWL (\$000)
Revenue	ZWZ(3000)	2112 (3000)	2112 (3000)	2112 (3000)
30 June 2022	69 988 853	5 545 209	-	75 534 062
30 June 2021	54 484 652	2 527 211	-	57 011 863
Operating profit before impairment, depreciation and fair value adjustments				
30 June 2022	14 079 111	369 163	-	14 448 274
30 June 2021	5 597 327	198 287	-	5 795 614
Depreciation and amortisation				
30 June 2022	(1510561)	(34 475)	-	(1545036)
30 June 2021	(894717)	(12 773)	-	(907 490)
Equity accounted earnings				
30 June 2022	310 438	-	-	310 438
30 June 2021	346 280	-	-	346 280
Profit before tax	4			
30 June 2022	7 369 039	53 736	-	7 422 775
30 June 2021	2 923 558	93 222	-	3 016 780
Segment assets			(
30 June 2022	34 693 946	4778615	(4603)	39 467 958
30 June 2021	23 721 142	1 267 585	(21 167)	24 967 560
Segment liabilities			(- 4)	
30 June 2022	18 609 304	3 379 678	(76)	21 988 906
30 June 2021	11 443 939	985 299	(7 968)	12 421 270
Capital expenditure				
30 June 2022	1 829 749	182 811	-	2 012 560
30 June 2021	1 020 675	2 664	-	1 023 339

NOTES AND SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED 30 JUNE 2022

Operating Segments (continued)

HISTORICAL COST

	Zimbabwe ZWL (\$000)	Region ZWL (\$000)	Intersegment adjustments ZWL (\$000)	Total ZWL (\$000)
Revenue	75 254 725	5545300		10.706.014
30 June 2022	35 251 705	5 545 209	-	40 796 914
30 June 2021	15 658 561	2 527 211	-	18 185 772
Operating profit before impairment, depreciation and fair value adjustments				
30 June 2022	7 421 600	369 163	-	7 790 763
30 June 2021	2 793 336	198 287	-	2 991 623
Depreciation and amortisation				
30 June 2022	(433 826)	(34 475)	-	(468 301)
30 June 2021	(174051)	(12 773)	-	(186 824)
Equity accounted earnings				
30 June 2022	184 486	-	-	184 486
30 June 2021	96 523	-	-	96 523
Profit before tax				
30 June 2022	7 829 550	53 736	-	7 883 286
30 June 2021	2 957 707	93 222	-	3 050 929
Segment assets				
30 June 2022	25 004 588	4778615	(4603)	29 778 600
30 June 2021	6 226 694	1 267 585	(21 167)	7 473 112
Segment liabilities				
30 June 2022	17 391 434	3 379 678	(76)	20 771 036
30 June 2021	3 526 052	985 299	(7 968)	4 503 383
Capital expenditure				
30 June 2022	1 080 007	182 811	-	1 262 818
30 June 2021	328 728	2 664	-	331 392

		INFLATION ADJUSTED		HISTORICAL COST	
		Year ended 30 June 2022 Audited ZWL (\$000)	Year ended 30 June 2021 Audited ZWL (\$000)	30 June 2022 Audited	Year ended 30 June 2021 Audited ZWL (\$000)
3	Commitments for capital expenditure Contracts and orders placed Authorised by Directors but not contracted	1 214 760 4 442 582 5 657 342	163 422 2 702 822 2 866 244	1 214 760 4 442 582 5 657 342	56 051 927 021 983 072
	The capital expenditure is to be financed out of the Group's own resources and existing borrowing facilities.				
4	Borrowings & Security Net book value of Motor Vehicles and Buildings				

181 560

87 249

181 560

Interest-bearing borrowings constitute bank loans from various financial institutions. The average cost of borrowings for the Axia Group operations in Zimbabwe was 42% per annum during the first nine months of the year and were averaging 55%, towards the end of the financial year with borrowings for regional operations averaging an interest rate of 1.7% in the respective local currency loans throughout the period. The facilities expire at different dates and will be reviewed and renewed as they mature.

Inflation adjusted reporting

pledged as security for interest-bearing borrowings

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 30 June 2022	8 707.35	1.00
CPI on 30 June 2021	2 986.44	2.92
Average CPI - 12 months to 30 June 2022		2.07
Average CPI - 12 months to 30 June 2021		1.21

Earnings per share

Basic earnings basisThe 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 year.

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 year exceeds the exercise price of such options. The Indigenisation share options with an indigenous company had no dilutive effect at the end of the financial year.

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 COST	
	Year ended	Year ended	Year ended	Year ended
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Audited	Audited	Audited	Audited
Reconciliation of basic earnings to headline earnings	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)
Profit for the year attributable to equity holders of the parent	2 376 840	1 056 968	3 154 442	1 251 750
Adjustment for capital items (gross of tax):				
Profit on disposal of assets	(41 815)	(19 683)	(20 524)	(5 593)
Impairment of goodwill	-	4715	-	1 518
Tax effect on adjustments	10 404	1 096	5 141	386
Non-controlling interests' share of adjustments	15 407	1716	7 550	552
Headline earnings attributable to ordinary shareholders	2 360 836	1044812	3 146 609	1 248 613
Number of shares in issue				
Number of ordinary shares in issue per Basic and Headline Earnings				
Per Share (000)	556 000	552 150	556 000	552 150
Effect of share options (000)	-	4 672		4 672
Weighted average number of ordinary shares in issue adjusted for	556,000	556.000	556.000	55(000
the effect of dilution (000)	556 000	556 822	556 000	556 822
D :	/27/0	404 (7	-(22670
Basic earnings per share (cents)	427.49	191.43	567.35	226.70
Headline earnings per share (cents)	424.61	189.23	565.94	226.14
Diluted basic earnings per share (cents) Diluted headline earnings per share (cents)	427.49	189.82	567.35	224.80
	424.61	187.64	565.94	224.24

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



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REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS

AXIA CORPORATION LIMITED

Adverse Opinion

We have audited the inflation adjusted financial statements of AXIA CORPORATION LIMITED AND ITS SUBSIDIARIES, which comprise the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matters discussed in our Basis for Adverse Opinion section of our report, the inflation adjusted consolidated financial statements do not present fairly, the financial position of **AXIA CORPORATION LIMITED AND ITS SUBSIDIARIES** as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Adverse Opinion

Non-compliance with International Accounting Standard 21 (IAS 21), The Effects of Changes in Foreign Exchange Rates and International Accounting Standard 8, Accounting Policies, Changes in Accounting Estimates and Errors

Fair statement of opening balances and comparative financial statements
Prior to 22 February 2019, the Zimbabwean economy was characterized by a multi-tiered pricing model. Under the model, a single product had different prices depending on the mode of payment, whether United States Dollar (US Dollar), Real Time Gross Settlement (RTGS), mobile money or bond notes. The multi-tiered pricing model was evidence of the emergence of a new currency, the Zimbabwe Dollar (ZWL), which was being used alongside these modes of payment. The new currency, the ZWL, was then formally acknowledged through the issue of Statutory Instrument 33 of 2019 (S.I 33) "Presidential Powers (Temporary Measures) Amendment of Reserve Bank of Zimbabwe Act and Real Time Gross Settlement Electronic Dollars (RTGS) Regulations, 2019. The statutory instrument prescribed parity between the US Dollar and the new local currency (the ZWL) up to the effective date of 22 February 2019.

The new functional currency (ZWL) was effective from 22 February 2019, instead of the fourth quarter of 2018 as evidenced by the separation of the bank accounts into foreign currency accounts and non-foreign currency accounts. The statutory instrument also prescribed how US Dollar balances were to be translated to ZWL. The delay in recognizing the ZWL as a currency and the translation method of balances from US Dollar to ZWL resulted in misstatement of comparative financial statements and current year retained earnings balance of ZWL 8,870,917,677 and property, plant and equipment of ZWL 4,812,119,953.

These financial statements have not been restated in line with International Accounting Standards 8 (IAS 8), Accounting Policies, Changes in Accounting Estimates and Errors, to account for misstatements in the opening balances and comparable financial statements.

(b) Inconsistent use of spot exchange rates

The Group did not comply with the requirements of IAS 21 on the spot exchange rates used to translate similar transactions and balances in the prior and current year. IAS 21 defines spot exchange rate as the exchange rate available for immediate delivery or the exchange rate the company would have access to at the end of the reporting period. Revenues were translated to the functional currency using the auction exchange rate while some expenses were translated using internally determined exchange rates. Similarly, the Group used different internally determined exchange rates to translate monetary assets and liabilities as at reporting date.

Had the Group been consistent in the choice of spot exchange rates to use for similar transactions and balances, the inflation adjusted financial statements would have been materially different from the disclosed balances. The financial impact of the non-compliance has not been determined.

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 Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (Parts A and B), together with other ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 financial statements. Except for the matters described in the Basis for Adverse of Opinion section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

The directors are responsible for other information. The other information comprise the Chairman's Statement, which we obtained prior to the date of this report and the Annual Report, which is expected to be made available to us after that date.

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

In connection with our audit of the Financial Statements our responsibility is to read the other information and in doing so consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we have obtained prior to the date of the Auditors' Report, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal controls as the directors determine are necessary to enable the preparation of 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 operating 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 the 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 the Directors.
- Conclude on the appropriateness of Group'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 Group's ability to continue operating 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

In our opinion, except for the significance of the matters discussed in the Basis for Qualified Opinion section of our report, the accompanying inflation adjusted consolidated financial statements have in all material respects been properly prepared in compliance with the requirement of section 273 of the Companies and Other Business Entities Act (Chapter 24:31).

BDO Zimbabwe

Chartered Accountants

Per: Davison Madhigi CA(Z)

Partner

Registered Public Auditor PAAB Certificate No: 0610

28 September 2022

Kudenga House 3 Baines Avenue Harare