



AUDITED ABRIDGED FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2022

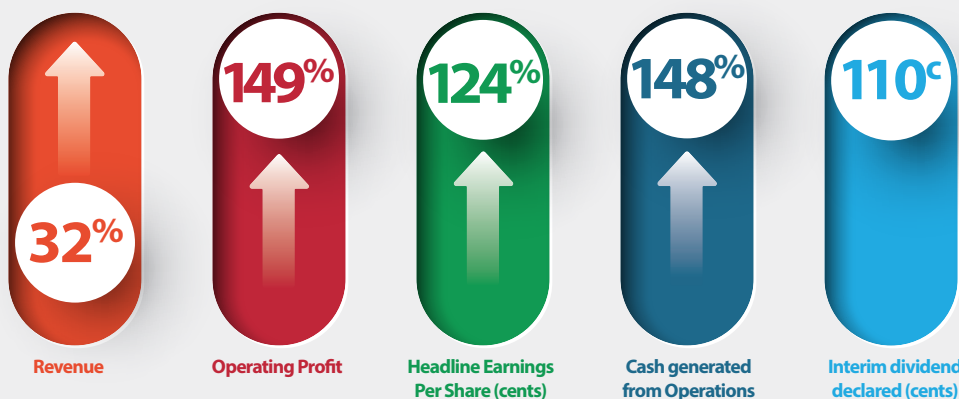
Short-Form Financial Announcement

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 corpserve@escrowgroup.org. The full announcement is also available on the Zimbabwe Stock Exchange website: www.zse.co.zw and the Company website www.axiacorppltd.com

FINANCIAL HIGHLIGHTS



	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 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 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 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).

L. Ngwerume
LEM Ngwerume
Chairman

29 September 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)

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

(a) 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