



ABRIDGED REVIEWED INTERIM FINANCIAL RESULTS

FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

SALIENT FEATURES

FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

	INFLATION ADJUSTED				HISTORICAL			
	FY 2021 ZWL (\$ 000)	FY 2020 ZWL (\$ 000)			FY 2021 ZWL (\$ 000)	FY 2020 ZWL (\$ 000)		
Revenue	9 710 552	7 579 611	▲	28%	8 927 455	1 196 053	▲	646%
Operating profit before depreciation and fair value adjustments	1 107 664	1 025 233	▲	8%	1 739 094	232 064	▲	649%
Profit before tax	780 153	627 790	▲	24%	1 840 152	263 523	▲	598%
Headline earnings per share (cents)	53.88	41.68	▲	29%	140.61	21.88	▲	543%
Cash generated from operations	156 669	(111 464)	▲	241%	366 343	46 674	▲	685%
Interim dividend declared per share (cents)	24.50	4.60	▲	433%	24.50	4.60	▲	433%

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 statements and this press release represents an extract thereof. The reviewed interim financial results have been prepared in accordance with International Financial 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 2020 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.

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 to reflect the change in the general price index. The auditor has not expressed any review conclusion on these historical results.

OPERATING ENVIRONMENT AND OVERVIEW

In the six months period to 31 December 2020, the operating environment was underpinned by the easing of Covid-19 lockdown restrictions, a relatively stable currency and a decline in inflation which led to improved business activities.

The introduction of the foreign currency auction system in June 2020 is encouraging and played a critical role in stabilizing the exchange rate which has helped businesses to plan better during the period. The Group is hopeful that this auction system will continue to ensure that payments to foreign suppliers will be met, despite some delays being experienced in receiving the auction money. The relatively stable environment has given rise to the anticipated correction of gross margins across the Group's businesses in Zimbabwe. This resulted in decent volume growth. However, the indexed cost base due to inflationary pressures and high interest rates had a significant impact on the Group's financial results. Management will proactively refine business models to manage ever-changing operating costs, working capital levels as well as protect the business units balance sheets in real terms. The Group's business units were resilient despite some adverse factors and this helped the Group to record a fair performance.

FINANCIAL OVERVIEW (COMMENTARY BASED ON INFLATION ADJUSTED RESULTS)

The Group reported revenue of ZWL\$9,711 billion during the period to achieve a 28% growth compared to the prior period. The impact of a stable exchange rate positively affected demand, thus turnover volumes were above those traded in the prior period. The Group sustained growth in profitability by recording an operating profit of ZWL\$1,108 billion, representing an 8% growth on the comparative period. Financial income line is mainly comprised of unrealized exchange gains on foreign denominated cash and cash equivalents. Equity accounted earnings are mainly comprised of the results of Restapedic Bedding, Basic Earnings Per Share and Headline Earnings Per Share both improved by 27% and 29% respectively.

Borrowings have increased by ZWL\$464 million mainly to support strategic working capital investments.

The Group generated cash of ZWL\$157 million from operations which was up 241% from the comparative period. The Group's capital expenditure for the period totaled ZWL\$203 million and this was limited to critical maintenance and expansion projects as these were also affected by inflationary pressures.

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 by utilising multiple channels to service the needs of its customers.

TV Sales & Home

TV Sales & Home recorded a decent set of results. Turnover was 30% above prior year, with volumes 40% above the comparative period. The volume growth was driven by an increase in the store network, increased promotional activity and the reintroduction of credit sales. This is encouraging as the period under review was characterised by relative price stability across the value chain. The black Friday promotion was very successful with very pleasing volumes on the day making up a significant portion of monthly turnover. The debtors' book grew by 130% in value and collections on the book have remained good.

Inventory holding remains good as our relationships with local suppliers continue to support the value chain. TV Sales & Home will continue to focus on products from local suppliers as they have proved critical in the business' operations. The manufacturing units have continued to grow their volumes with Restapedic producing 35% more volumes than they achieved in the comparative period whilst Legend Lounge witnessed volumes growth above 100%. Plans are underway to increase the capacity of the manufacturing businesses as a way to meet product demand and to gear for export markets.

The business has continued to grow its store network by opening its 50th store in Mutare, which is now our largest store by trading area. This store has contributed significantly to the growth in volumes over the period. Growth remains the key focus and the business will continue to grow its store network, with a new store scheduled to open in Ruwa, in the third quarter of the financial year.

Distribution Group Africa - Zimbabwe

The distribution business in Zimbabwe delivered a fair set of results. Turnover increased by 6% on the prior comparative period, with volumes growth of 4% on the comparative period. Volumes growth was largely driven by local products which do not require sourcing of foreign currency thus were reasonably priced. The business continues to preserve its balance sheet in real terms and will also be focusing on improving volumes. Management expects this business to continue to grow in the foreseeable future and become a dominant player in its sector.

Management has been improving the logistics and distribution model by distributing some products directly from source to the market, thus avoiding duplications and improving efficiencies. The business recently concluded a major local distribution agency with effect from 1 April 2021 which will positively contribute to operating profit.

Distribution Group Africa - Region

The regional operations continue to operate in challenging local environments. In Zambia, the economy has experienced resurgent inflation and currency depreciation. Consolidated turnover for Zambia and Malawi, in US\$ terms, declined by 16% over the comparative period. The decline in turnover was a result of a distributorship agency business which was discontinued in Zambia as well as shrinking modern trade space in Malawi due to the harsh economic environment created by the COVID-19 pandemic. Gross margin was up 4%, despite decline in revenue while operating costs were below the prior comparative period resulting in a decent operating profit which increased by 49% on the comparative period. This however, was diluted by significant exchange losses in Zambia as the local currency depreciated by 39% and 16% to the South African Rand and US\$ respectively, resulting in a decline in profit before tax. The regional businesses remain strategic to the Group. Given the challenging regional operating environments, the regional business model will continuously be aligned to the Group model on operating standards.

Transerv

Despite the continued challenging trading environment, Transerv remained profitable. While the effects of the COVID-19 pandemic were felt in the supply chain, the business managed to achieve an operating profit growth of 22% on the comparative period. The business witnessed a decent increase in volumes over the comparative period. Transerv will continue focusing on fast moving product lines and maintain grip on cost control. The business completed its rebranding program where all former MIDAS franchised retail stores have been rebranded to Transerv. Renovations were completed on 4 retail outlets and 1 fitment center, giving a much-improved customer experience. Management will continue to explore ways to improve revenue generation (increasing volumes) as well as expanding the store footprint.

IMPACT OF COVID-19

The COVID-19 infections rose sharply towards the end of December 2020 leading to the tightening of the restrictions across the region. Sadly, the Group has not been spared as we lost Patricia Zichawo from TV Sales & Home and Neverson Bikwa from Transerv. We commiserate with their families.

The Government of Zimbabwe implemented level 4 lockdown since 5 January 2021. The lockdown measures reduced economic activity as there were disruptions to normal business operations. The Group's retail business TV Sales & Home was significantly affected as it was not fully operational whilst Transerv and DGA were operating at reduced levels with minimal staff as they are part of essential services. The regional distribution businesses were not affected as they continued operating with no effective lockdowns in Zambia or Malawi.

In the midst of the COVID-19 pandemic, 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 impact of COVID-19 on businesses globally is and will continue to be significant. The Group remains resilient and determined to withstand the risks associated with COVID-19. There are many uncertainties that make it difficult to fully estimate the full impact of the COVID-19 pandemic on the financial health of the Group entities. At present, the financial status of the Group remains healthy, and the impact of the COVID-19 has not created any issues from a solvency or liquidity perspective. The Group believes its businesses will continue to thrive based on its dedicated staff, adaptable business models as well as its desire to improve, win and create value.

PROSPECTS

The operating environment remains uncertain due to the COVID-19 pandemic which continues to evolve. The supply of key raw materials is stable although there could be logistical challenges arising from the COVID-19 restrictions. Management will continue to assess all supply chain constraints for imported and local goods and will be working closely with suppliers to ensure adequate product supply. The trading conditions going into the second half of the financial year remain largely unchanged as impacted by the COVID-19 restrictions although the economy will benefit from lower inflation. In addition, the country should benefit from the anticipated good agricultural season, following good rains received in most parts of the country. We applaud the relative stability in the economy which has been created by the Reserve Bank of Zimbabwe's weekly foreign currency auction. However, we are concerned that current trends are showing an ever-increasing gap between the official auction and market rates. The result of this growing level of arbitrage is that exporters are being denied more and more of the value of their efforts which will eventually translate into less foreign currency generation for the country with concomitant negative effects on the entire economy. We urge the authorities to reduce this arbitrage gap.

The manner in which Zimbabwe will manage and contain Covid-19 will have an impact on the short to medium term prospects of the economy and this will have an impact on the business community. It is important for Management to continue to optimally manage the Group's gearing levels, invest free funds into assets with attractive returns, manage foreign currency exposure and preserve the Group entities' balance sheets in real terms.

DIVIDEND

The Group is reinvesting most of its free funds into its bedding and lounge suite manufacturing businesses to significantly increase the manufacturing capacity as a way to meet available demand. As a result, the Board has declared an interim dividend of 24.5 ZWL cents per share, based on historical results, in respect of all ordinary shares of the Company. The dividend is payable in respect of the interim period ended 31 December 2020 and will be paid in full to all shareholders of the Company registered at close of business on the 9th of April 2021. The payment of this dividend will take place on or around the 29th of April 2021. The shares of the Company will be traded cum-dividend on the Zimbabwe Stock Exchange up to the 6th of April 2021 and ex-dividend as from the 7th of April 2021.

The Board has also declared an interim dividend totaling ZWL\$6.2 million to the Axia Employee Share Trust (Private) Limited which will be paid on or around 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 difficult 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 E M NGWERUME
Chairman
12 March 2021

ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

	INFLATION ADJUSTED		HISTORICAL	
	6 months ended 31 Dec 2020 Reviewed ZWL (\$ 000)	6 months ended 31 Dec 2019 Reviewed ZWL (\$ 000)	6 months ended 31 Dec 2020 ZWL (\$ 000)	6 months ended 31 Dec 2019 ZWL (\$ 000)
Revenue	9 710 552	7 579 611	8 927 455	1 196 053
Operating profit before depreciation and fair value adjustments	1 107 664	1 025 233	1 739 094	232 064
financial income	192 924	125 495	136 118	23 671
depreciation	(47 156)	(36 039)	(21 277)	(4 462)
fair value adjustments on listed equities	14 215	38 894	21 768	5 348
Profit before interest and tax	1 267 647	1 153 583	1 875 703	256 621
net interest expense	(94 393)	(42 306)	(87 954)	(8 916)
equity accounted earnings	57 714	42 039	52 403	15 818
net monetary loss	(450 815)	(525 526)	-	-
Profit before tax	780 153	627 790	1 840 152	263 523
tax expense	(277 011)	(219 069)	(457 016)	(62 498)
Profit for the period	503 142	408 721	1 383 136	201 025
Other comprehensive income - to be recycled to profit or loss				
exchange differences arising on the translation of foreign operations	22 921	40 133	22 921	40 133
Other comprehensive income for the period, net of tax	22 921	40 133	22 921	40 133
Total comprehensive income for the period	526 063	448 854	1 406 057	241 158
Profit for the period attributable to:				
equity holders of the parent	299 126	232 827	777 834	120 302
non-controlling interests	204 016	175 894	605 302	80 723
	503 142	408 721	1 383 136	201 025
Total comprehensive income for the period attributable to:				
equity holders of the parent	301 993	252 893	780 701	139 989
non-controlling interests	224 070	195 961	625 356	101 169
	526 063	448 854	1 406 057	241 158
Earnings per share (cents)				
Basic earnings per share	54.17	42.61	140.87	22.01
Headline earnings per share	53.88	41.68	140.61	21.88
Diluted earnings per share	53.24	41.89	138.45	21.65
Diluted headline earnings per share	52.96	40.98	138.19	21.51

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	INFLATION ADJUSTED		HISTORICAL	
	At 31 Dec 2020 Reviewed ZWL (\$ 000)	At 30 June 2020 Audited ZWL (\$ 000)	At 31 Dec 2020 ZWL (\$ 000)	At 30 June 2020 ZWL (\$ 000)
ASSETS				
Non-current assets				
property, plant and equipment	846 011	635 306	271 258	98 006
intangible asset	22 035	22 035	5 023	5 023
right of use assets	103 811	63 898	45 481	10 403
investments in associates and joint ventures	165 571	99 021	80 027	20 630
deferred tax assets	34 649	25 024	67 909	41 912
	1 172 077	845 284	469 698	175 974
Current assets				
financial assets	95 085	112 345	95 085	65 614
inventories	2 275 371	2 575 068	1 591 162	1 017 617
trade and other receivables	2 741 775	1 337 405	2 701 359	838 359
cash and cash equivalents	890 051	1 037 785	890 051	657 598
	6 002 282	5 062 603	5 277 657	2 579 188
Total assets	7 174 359	5 907 887	5 747 355	2 755 162
EQUITY AND LIABILITIES				
Capital and reserves				
ordinary share capital	2 115	2 115	55	55
share based payment reserve	11 873	29 893	313	774
share premium	32 652	13 076	2 186	339
non-distributable reserves	73 837	70 970	73 837	70 970
distributable reserves	1 847 343	1 667 496	1 226 106	559 221
Attributable to equity holders of the parent	1 967 820	1 783 550	1 302 497	631 359
non-controlling interests	1 503 694	1 356 550	1 072 519	519 917
Total shareholders' equity	3 471 514	3 140 100	2 375 016	1 151 276
Non-current liabilities				
deferred tax liabilities	339 093	517 968	8 587	77 648
lease liability	44 921	5 994	44 921	5 508
	384 014	523 962	53 508	83 156
Current liabilities				
interest-bearing borrowings	862 504	398 833	862 504	270 551
lease liability	2 653	9 930	2 653	5 800
trade and other payables	1 976 140	1 577 055	1 976 140	1 085 883
provisions and other liabilities	39 738	22 711	39 738	14 256
current tax liabilities	437 796	235 296	437 796	144 240
	3 318 831	2 243 825	3 318 831	1 520 730
Total liabilities	3 702 845	2 767 787	3 372 339	1 603 886
Total equity and liabilities	7 174 359	5 907 887	5 747 355	2 755 162



ABRIDGED REVIEWED INTERIM FINANCIAL RESULTS

FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

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 2019	776	-	6 552	8 122	1 091 881	1 107 331	778 540	1 885 871
Profit for the year	-	-	-	-	704 963	704 963	490 900	1 195 863
Other comprehensive income	-	-	-	62 848	-	62 848	107 885	170 733
Issue of shares through exercising share options	1 339	1 108	-	-	-	2 447	-	2 447
Realisation of share option reserve	-	11 968	(11 968)	-	-	-	-	-
Share based payments expense	-	-	35 309	-	-	35 309	-	35 309
Dividends paid	-	-	-	-	(129 479)	(129 479)	(134 677)	(264 156)
Transactions with owners in their capacity as owners	-	-	-	-	131	131	113 902	114 033
Balance on 30 June 2020	2 115	13 076	29 893	70 970	1 667 496	1 783 550	1 356 550	3 140 100
Profit for the period	-	-	-	-	299 127	299 127	204 016	503 143
Issue of shares through exercising share options	-	1 539	-	-	-	1 539	-	1 539
Other comprehensive income	-	-	-	2 867	-	2 867	20 054	22 921
Share based payments expense	-	-	17	-	-	17	-	17
Realisation of share option reserve	-	18 037	(18 037)	-	-	-	-	-
Dividends paid	-	-	-	-	(119 280)	(119 280)	(76 926)	(196 206)
Balance at 31 December 2020	2 115	32 652	11 873	73 837	1 847 343	1 967 820	1 503 694	3 471 514

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 2019	55	-	457	8 122	76 165	84 799	54 308	139 107
Profit for the year	-	-	-	-	519 313	519 313	362 825	882 138
Other comprehensive income	-	-	-	62 848	-	62 848	107 885	170 733
Issue of shares through exercising share options	-	272	-	-	-	272	-	272
Realisation of share option reserve	-	67	(67)	-	-	-	-	-
Share based payments expense	-	-	384	-	-	384	-	384
Dividends paid	-	-	-	-	(36 289)	(36 289)	(33 063)	(69 352)
Transactions with owners in their capacity as owners	-	-	-	-	32	32	27 962	27 994
Balance on 30 June 2020	55	339	774	70 970	559 221	631 359	519 917	1 151 276
Profit for the period	-	-	-	-	777 834	777 834	605 301	1 383 135
Issue of shares through exercising share options	-	1 371	-	-	-	1 371	-	1 371
Other comprehensive income	-	-	-	2 867	-	2 867	20 054	22 921
Share based payments expense	-	-	15	-	-	15	-	15
Realisation of share option reserve	-	476	(476)	-	-	-	-	-
Dividends paid	-	-	-	-	(110 949)	(110 949)	(72 753)	(183 702)
Balance at 31 December 2020	55	2 186	313	73 837	1 226 106	1 302 497	1 072 519	2 375 016

ABRIDGED GROUP STATEMENT OF CASH FLOWS

FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

	INFLATION ADJUSTED		HISTORICAL	
	31 Dec 2020 Reviewed ZWL (\$ 000)	31 Dec 2019 Reviewed ZWL (\$ 000)	31 Dec 2020 ZWL (\$ 000)	31 Dec 2019 ZWL (\$ 000)
Cash generated from / (utilised in) operations	156 669	(111 464)	366 343	46 674
net interest paid	(94 393)	(42 306)	(87 954)	(8 916)
tax paid	(262 644)	(222 512)	(258 155)	(32 579)
Net cash (utilised in) / generated from operating activities	(200 368)	(376 282)	20 234	5 179
Investing activities	(200 113)	(188 597)	(181 127)	(27 613)
Net cash outflow before financing activities	(400 481)	(564 879)	(160 893)	(22 434)
Financing activities	252 747	493 362	393 346	72 217
(Decrease) / increase in cash and cash equivalents	(147 734)	(71 517)	232 453	49 783
Cash and cash equivalents at the beginning of the year	1 037 785	429 116	657 598	29 934
Cash and cash equivalents at the end of the period	890 051	357 599	890 051	79 717

NOTES AND SUPPLEMENTARY INFORMATION

FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

- 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 2020:

	INFLATION ADJUSTED			
	Zimbabwe ZWL (\$ 000)	Region ZWL (\$ 000)	Intersegment adjustments ZWL (\$ 000)	Total ZWL (\$ 000)
Revenue				
31 December 2020	8 457 945	1 252 607	-	9 710 552
31 December 2019	7 329 781	249 830	-	7 579 611
Operating profit before impairment, depreciation and fair value adjustments				
31 December 2020	1 009 864	97 800	-	1 107 664
31 December 2019	1 013 536	11 697	-	1 025 233
Depreciation and amortisation				
31 December 2020	(40 128)	(7 028)	-	(47 156)
31 December 2019	(34 318)	(1 721)	-	(36 039)
Equity accounted earnings				
31 December 2020	57 714	-	-	57 714
31 December 2019	42 039	-	-	42 039
Profit before tax				
31 December 2020	744 822	35 331	-	780 153
31 December 2019	620 477	7 313	-	627 790
Segment assets				
31 December 2020	7 438 104	1 010 360	(1 274 105)	7 174 359
30 June 2020	6 363 942	835 440	(1 291 495)	5 907 887
Segment liabilities				
31 December 2020	3 038 724	763 718	(99 597)	3 702 845
30 June 2020	2 257 510	626 985	(116 708)	2 767 787
Capital expenditure				
31 December 2020	201 781	1 563	-	203 344
31 December 2019	90 412	372	-	90 784

NOTES AND SUPPLEMENTARY INFORMATION

FOR THE 6 MONTHS ENDED 31 DECEMBER 2020

	HISTORICAL			
	Zimbabwe ZWL (\$ 000)	Region ZWL (\$ 000)	Intersegment adjustments ZWL (\$ 000)	Total ZWL (\$ 000)
Revenue				
31 December 2020	7 674 848	1 252 607	-	8 927 455
31 December 2019	946 223	249 830	-	1 196 053
Operating profit before impairment, depreciation and fair value adjustments				
31 December 2020	1 641 294	97 800	-	1 739 094
31 December 2019	220 367	11 697	-	232 064
Depreciation and amortisation				
31 December 2020	(14 249)	(7 028)	-	(21 277)
31 December 2019	(2 741)	(1 721)	-	(4 462)
Equity accounted earnings				
31 December 2020	52 403	-	-	52 403
31 December 2019	15 818	-	-	15 818
Profit before tax				
31 December 2020	1 804 821	35 331	-	1 840 152
31 December 2019	256 210	7 313	-	263 523
Segment assets				
31 December 2020	4 922 707	1 010 360	(185 712)	5 747 355
30 June 2020	2 087 136	835 440	(167 414)	2 755 162
Segment liabilities				
31 December 2020	2 753 666	763 718	(145 045)	3 372 339
30 June 2020	1 103 648	626 985	(126 747)	1 603 886
Capital expenditure				
31 December 2020	182 488	1 563	-	184 051
31 December 2019	13 238	372	-	13 610

	INFLATION ADJUSTED		HISTORICAL	
	6 months ended 31 Dec 2020 Reviewed ZWL (\$ 000)	6 months ended 31 Dec 2019 Reviewed ZWL (\$ 000)	6 months ended 31 Dec 2020 ZWL (\$ 000)	6 months ended 31 Dec 2019 ZWL (\$ 000)
3 Commitments for capital expenditure				
Contracts and orders placed	-	-	-	-
Authorised by Directors but not contracted	105 022	51 576	95 057	7 551
	105 022	51 576	95 057	7 551

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 buildings and motor vehicles pledged as security for interest-bearing borrowings	29 925	490	29 925	490

Interest-bearing borrowings constitute bank loans from various financial institutions. The average cost of borrowings for the Axia Group operations in Zimbabwe was 55% per annum, with borrowings for regional operations averaging an interest rate of 21% in the respective local currency loans. The facilities expire at different dates and will be reviewed and renewed as they mature.

5 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 2020	2 474.51	1.00
CPI on 30 June 2020	1 445.21	1.71
Average CPI - 6 months to 31 December 2020	2 239.72	
Average CPI - 6 months to 31 December 2019	362.30	

6 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 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 Dec 2020 Reviewed ZWL (\$ 000)	6 months ended 31 Dec 2019 Reviewed ZWL (\$ 000)	6 months ended 31 Dec 2020 ZWL (\$ 000)	6 months ended 31 Dec 2019 ZWL (\$ 000)
Reconciliation of basic earnings to headline earnings				
Profit for the period attributable to equity holders of the parent	299 126	232 827	777 834	120 302
Adjustment for capital items (gross of tax):				
Profit on disposal of assets	(3 222)	(4 280)	(2 911)	(627)
Profit on disposal of investment in subsidiary	-	(9 227)	-	(1 351)
Tax effect on adjustments	797	3 385	720	489
Non-controlling interests' share of adjustments	809	5 063	721	744
Headline earnings attributable to ordinary shareholders	297 510	227 768	776 364	119 557
Number of shares in issue				
Number of ordinary shares in issue per Basic and Headline Earnings Per Share	552 150	546 469	552 150	546 469
Effect of share options	9 650	9 312	9 650	9 312
Weighted average number of ordinary shares in issue adjusted for the effect of dilution	561 800	555 781	561 800	555 781
Basic earnings per share (cents)	54.17	42.61	140.87	22.01
Headline earnings per share (cents)	53.88	41.68	140.61	21.88
Diluted basic earnings per share (cents)	53.24	41.89	138.45	21.65
Diluted headline earnings per share (cents)	52.96	40.98	138.19	21.51

- 7 Contingent liabilities
- There were no contingent liabilities as at 31 December 2020.

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