



ABRIDGED GROUP STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

SALIENT FEATURES

FOR THE HALF YEAR ENDED 31 DEC 2022

	INFLATION ADJUSTED				HISTORICAL COST			
	FY 2023 ZWL (\$000)	FY 2022 ZWL (\$000)			FY 2023 ZWL (\$000)	FY 2022 ZWL (\$000)		
Revenue	75 555 338	52 498 102	▲	44%	71 059 053	15 167 557	▲	368%
Operating profit before depreciation and fair value adjustments	10 396 435	8 932 480	▲	16%	15 296 503	3 194 351	▲	379%
Profit before tax	15 030 573	8 462 258	▲	78%	15 962 768	3 461 773	▲	361%
Headline earnings per share (cents)	919.08	572.48	▲	61%	1,236.10	254.52	▲	386%
Interim dividend declared per share (ZWL cents)	-	24.50	-	-	-	24.50	-	-
Interim Dividend declared per share (USD cents)	0.18	-	-	-	0.18	-	-	-

Chairman's Statement and Review of Operations

DIRECTORS' RESPONSIBILITY

The Directors of Axia Corporation Limited are responsible for the preparation and fair presentation of the Group's consolidated financial results and this press release is an extract thereof. The reviewed interim financial results have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) and the Victoria Falls 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.

AUDITORS' STATEMENT

The interim financial results for the six months ended 31 December 2022 which have been reviewed by BDO Zimbabwe Chartered Accountants and an adverse review conclusion has been issued thereon. The reviewed report carries an adverse conclusion with respect to non-compliance with International Accounting Standard 21 "The Effects of Changes In Foreign Exchange Rates". The review conclusion has been made available to management and those charged with governance of Axia Corporation Limited. The Engagement Partner responsible for the review is Mr. Davison Madhigi.

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 expressed any opinion on these historical results.

The CPI increased from 8,707.35 in June 2022 to 13,672.91 in December 2022, representing a 57.03% increase in the period under review; this is compared to the Reserve Bank of Zimbabwe Auction rate which increased by 83.32% 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 gain of ZWL\$ 4.3 billion in the current period. Despite this net monetary gain, the Headline Earnings Per share increased by 61%.

The indexed cost base and high local currency 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.

SUPPLEMENTARY US\$ FINANCIAL RESULTS

The Group was recently listed on the Victoria Falls Stock exchange (VFX) and is in the process of aligning with the listing requirements in terms of systems and financial reporting.

The Group has therefore also prepared financial results in United States Dollars which are presented as supplementary information. The auditor has not expressed any opinion on the supplementary financial results.

The Group will publish audited financial statements for the year ending 30 June 2023 in United States of America Dollar.

OPERATING ENVIRONMENT AND OVERVIEW

The local trading environment in the first half of the financial year was characterized by the depreciation of the local currency, unstable and multiple exchange rates, high inflation and the pass-through impacts of rising global inflation together with supply disruptions arising from COVID-19 and the Russia/Ukraine conflict. The country, however, benefited from the increased diaspora remittances, government infrastructure spending and increased mining activities.

The warranted stance taken by both fiscal and monetary authorities helped stabilise the exchange rate during the period. The Group was affected by the high local currency interest rates during the first quarter and Management embarked on an aggressive repayment program to reduce the resultant finance costs. The second quarter witnessed subsidised inflation and exchange rate volatility and this resulted in increased foreign currency transactions. Whilst the prevailing stability has had a positive bearing on the trade and general business confidence, complexity remains in the form of constrained liquidity and pricing distortions, which negatively impacted consumer demand across the formal sales channel during the period.

The Zambian economy remains relatively stable although the exchange rate has been volatile since December 2022.

In Malawi, the economy was affected by huge foreign currency shortages, with official currency exchange rate depreciating by 25% during the period.

FINANCIAL OVERVIEW

In terms of IFRS and other regulatory requirements, the Group is required to provide financial commentary on the Group's inflation-adjusted financial statements; users are advised to exercise caution in the interpretation and use of these Group inflation-adjusted financial statements.

The Group reported revenue of ZWL\$75.555 billion during the period to achieve a 44% growth compared to the comparative period. The revenue growth filtered into gross margin which increased by 36% on prior period. Operating expenditure increased by 54% on comparative period due to indexing of cost base to the US\$. The Group posted an operating profit of ZWL\$10.396 billion, representing a 16% increase on the comparative period. Profit before tax of ZWL\$15.030 billion was reported which was 78% ahead of prior year. Basic Earnings Per Share and Headline Earnings Per Share both improved by 61%.

The Group's statement of financial position remained solid. Net borrowings decreased by ZWL\$2.78 billion mainly due to high interest rate increases during the period.

The Group generated cash of ZWL\$8.362 billion from operations which however was 3% down from the comparative period. Positive free cash generation enabled the Group to incur capital expenditure for the period totaling ZWL\$2.7 billion. The Group's free cash generation will enable it to execute exciting expansion

opportunities.

SUSTAINABILITY REPORTING

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

OPERATIONS

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

TV Sales & Home

Second quarter volume performance for TV Sales & Home was up 22% compared to the same period in prior year attributable to successful market activation promotions namely Black Friday and Ho-Ho-Home which were well received by consumers. However, year-to-date volume performance increased by 3% compared to prior year. This was on the back of a disappointing first quarter performance which was affected by restrictive pricing pressures experienced in the first two months of the quarter. The reintroduction of US dollar credit has seen significant growth in the US dollar debtors' book which increased by 382% between September 2022 and December 2022 with the potential to improve revenue streams in the last half of FY2023. Collections on the debtors' book have remained solid.

As customer demand continues to increase, the business is leveraging on recently proposed policy changes such as the review in lending rates to boost the local currency credit sales which had been negatively impacted by high finance costs in the past year. Despite the economic challenges, TV Sales and Home continues to invest in volume growth initiatives with the introduction of new product range from the group's local manufacturing units as well as imported products.

Two new stores were opened in Harare during the first quarter. Plans are underway to expand the retail store network which include opening new stores in the second half of the financial year coupled with upgrades to outlooks of existing stores to improve customer experience. At least three new stores will be opened in the second half of the financial year with a new store concept, Bedtime Store, opening its first store. Volumes are expected to improve in the second half of the financial year following the addition of a new home appliances and homeware distribution business.

Volumes at Restapedic, a bed manufacturing business, decreased by 20% to the comparative period. The decline in volumes was attributable to an unsatisfactory first quarter performance. The disappointing first quarter performance by the retail business cited above, had a negative impact on the demand of product from Restapedic in the same period. In addition, Restapedic experienced intermittent raw material supply gaps attributed to delays in the auction payments, this had a negative impact on the imports supply chain, resulting in the downturn in volumes during the second quarter. The business could not meet the demand in the second quarter. Due to delays experienced in the construction of the new bedding factory in Sunway City, Harare, the factory is now set to open in March 2023. New markets have been identified in the region and new orders are expected in the last quarter of the financial year.

The lounge suite manufacturing business also experienced raw material supply gaps attributed to delays in the auction payments and these negatively impacted the imports supply chain resulting in a 15% decline in volumes to the comparative period. Some work has been carried out on redesigning products whilst improving the range on offer. This is being done in order to enhance the availability of affordable products that can be sold on credit in response to market demands. The business also made progress on the export front and the first orders should be delivered in the last quarter of the financial year.

Distribution Group Africa (DGA) - Zimbabwe

Year to date volumes were 27% below the prior comparative period and this resulted in a decline in revenue. This has been a result of the weaker demand in the formal sector, and the management's decision to stop supplying some customers to manage the risk on the extent of debtor balances. Cost containment strategies allowed the business to end the first half with profit ahead of last year despite decrease in revenue. High interest rates incurred during the first quarter led management to embark on an aggressive repayment of debt program to reduce the finance costs thus improving profitability and free cash generation.

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

Distribution Group Africa - Region

In Zambia, volumes increased by 5% on the comparative period. The noted growth was a result of concerted efforts from the sales team. The sales mix was skewed towards high margin products which led to improved margins. The business increased its operating profit by 8% in US\$ terms. The business continues to monitor and correct its pricing positions in response to market conditions.

Malawi continues to face foreign currency shortages. The foreign currency shortages resulted in the business reducing its ordering of imported stock which led to a decline in sales volumes by 25%. Operating expenditure was well managed, and this resulted in the business posting a decent profit. Plans have been implemented to generate foreign currency to settle foreign suppliers.

Transerv

During the six months, the Company's revenue and volumes were on an upward trend, as the Company started recovering from the restrictive pricing challenges experienced during the first two months of the financial period. Revenue was 3% below the comparative period.

The Company increased its store network by opening two retail stores in Harare. Plans are underway to open at least six shops in the 2023 financial year as the business continues with the drive to lead the market and ensure that customers continue to access quality products whilst enjoying shopping convenience.

PROSPECTS

The clearing of the auction backlog has brought renewed confidence in the auction system. The Group is hopeful that this will therefore be a reliable source of foreign currency to enable the Group to pay foreign suppliers. The right pricing of goods will stimulate demand thus improving sales volumes. The downward revision of the local currency interest rates as announced in the latest Monetary Policy Statement will assist in managing the Group's working capital position which will allow for greater supply of goods at more affordable prices as well as stimulate volumes growth.

The Group remains hopeful that disciplined and progressive policies will be adopted to foster stability in the market and building confidence. The Group's management teams will focus on managing gearing levels, executing expansion opportunities, broadening product ranges, balancing pricing and volume objectives, achieving appropriate levels of margin return, managing operating costs in light of the environment and ensuring maximum free cash generation.

DIVIDEND

The Board has declared an interim dividend of US\$0.0018 (0.18 US cents) per share in respect of all ordinary shares of the Company. The dividend is payable in respect of the interim period ended 31 December 2022 and will be paid in full to all ordinary shareholders

of the Company registered at close of business on the 21st of April 2023. The payment of this dividend will take place on or around the 28th of April 2023. The shares of the Company will be traded cum-dividend on the Victoria Falls Stock Exchange up to the 17th of April 2023 and ex-dividend as from the 19th of April 2023.

The Board has also declared an interim dividend totaling US\$50,000 to the Axia Employee 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 challenging operating environment, is greatly appreciated. I also take this opportunity to thank the Group's valued customers, suppliers and other stakeholders for their continued support and trust.

L. Mngwerume

L. MNGWERUME
Chairman

16 March 2023

ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE 6 MONTHS ENDED 31 DECEMBER 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	6monthsended 31 Dec 2022 Reviewed ZWL (\$000)	6monthsended 31 Dec 2021 Reviewed ZWL (\$000)	6monthsended 31 Dec 2022 Reviewed ZWL (\$000)	6monthsended 31 Dec 2021 Reviewed ZWL (\$000)
Revenue	75 555 338	52 498 102	71 059 053	15 167 557
Operating profit before depreciation and fair value adjustments	10 396 435	8 932 480	15 296 503	3 194 351
financial income	2 935 818	2 053 318	2 823 285	577 141
depreciation and amortization	(1 414 119)	(1 024 234)	(1 007 140)	(132 064)
fair value adjustments on listed equities	(49 609)	40 693	(10 220)	18 511
Profit before interest and tax	11 868 525	10 002 257	17 102 428	3 657 939
net interest expense	(1 368 276)	(722 346)	(1 348 435)	(203 635)
equity accounted earnings	227 533	28 010	208 775	7 469
net monetary loss	4 302 791	(845 663)	-	-
Profit before tax	15 030 573	8 462 258	15 962 768	3 461 773
tax expense	(5 990 766)	(2 810 452)	(4 226 719)	(929 168)
Profit for the period	9 039 807	5 651 806	11 736 049	2 532 605
Other comprehensive income - to be recycled to profit or loss				
exchange differences arising on the translation of foreign operations -net of tax	671 319	157 822	671 319	157 822
Other comprehensive income for the period, net of tax	671 319	157 822	671 319	157 822
Total comprehensive income for the period	9 711 126	5 809 628	12 407 368	2 690 427
Profit for the period attributable to:				
equity holders of the parent	5 129 700	3 204 046	6 888 439	1 420 536
non-controlling interests	3 910 107	2 447 760	4 847 610	1 112 069
	9 039 807	5 651 806	11 736 049	2 532 605
Total comprehensive income for the period attributable to:				
equity holders of the parent	5 390 419	3 266 621	7 149 158	1 483 111
non-controlling interests	4 320 707	2 543 007	5 258 210	1 207 316
	9 711 126	5 809 628	12 407 368	2 690 427
Earnings per share (cents)				
Basic earnings per share	922.61	576.41	1,238.93	255.56
Headline earnings per share	919.08	572.48	1,236.10	254.52
Diluted earnings per share	922.61	570.82	1,238.93	253.08
Diluted headline earnings per share	919.08	566.93	1,236.10	252.05

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	At 31 Dec 2022 Reviewed ZWL (\$000)	At 30 June 2022 Audited ZWL (\$000)	At 31 Dec 2022 Reviewed ZWL (\$000)	At 30 June 2022 Audited ZWL (\$000)
ASSETS				
Non-current assets				
property, plant and equipment	8 841 500	7 385 160	4 091 754	1 801 692
intangible assets	460 093	460 093	80 739	80 739
right of use assets	5 856 213	2 898 387	3 265 046	922 449
investments in associates and joint ventures	1 289 923	1 090 035	512 787	304 011
deferred tax assets	159 603	303 327	749 313	732 239
	16 607 332	12 137 002	8 699 639	3 841 130
Current assets				
financial assets at fair value through profit or loss	248 094	402 435	248 094	256 284
inventories	29 622 343	27 123 021	19 974 953	12 545 324
trade and other receivables	26 323 351	16 356 473	25 180 015	10 273 310
cash and cash equivalents	3 274 714	4 066 636	3 274 714	2 862 552
	59 468 502	47 948 565	48 677 776	25 937 470
Total assets	76 075 834	60 085 567	57 377 415	29 778 600
EQUITY AND LIABILITIES				
Capital and reserves				
ordinary share capital	11 577	11 577	56	56
share premium	92 316	92 316	3 621	3 621
non-distributable reserves	796 425	535 706	796 425	535 706
distributable reserves	18 362 067	13 922 406	10 574 858	4 328 020
Attributable to equity holders of parent	19 262 385	14 562 005	11 374 960	4 867 403
non-controlling interests	15 480 968	12 066 931	8 917 608	4 140 161
Total shareholders' equity	34 743 353	26 628 936	20 292 568	9 007 564
Non-current liabilities				
deferred tax liabilities	4 892 162	2 699 095	644 521	286 679
lease liabilities	72 790	1 562 254	72 790	617 666
	4 964 952	4 261 349	717 311	904 345
Current liabilities				
interest-bearing borrowings	5 659 595	8 439 203	5 659 595	5 915 640
lease liabilities	2 910 288	442 071	2 910 288	281 525
trade and other payables	22 220 220	15 579 132	22 220 228	10 732 889
provisions and other liabilities	558 404	909 306	558 403	451 146
current tax liabilities	5 019 022	3 825 570	5 019 022	2 485 491
	36 367 529	29 195 282	36 367 536	19 866 691
Total liabilities	41 332 481	33 456 631	37 084 847	20 771 036
Total equity and liabilities	76 075 834	60 085 567	57 377 415	29 778 600

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



ABRIDGED GROUP STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

	INFLATION ADJUSTED							
	Ordinary	Share Based	Non-	Distributable	Distributable	Total	Non-	Total
	Share Capital	premium	Payments Reserve	Reserves	Reserves		Controlling Interests	
	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)
Balance on 1 July 2021	11575	74334	13988	70358	11145904	11316159	8293762	19609921
Profit for the period	-	-	-	-	3204046	3204046	2447760	5651806
Issue of shares through exercising share options	2	3845	-	-	-	3847	-	3847
Other comprehensive income	-	-	-	62575	-	62575	95247	157822
Realisation of share option reserve	-	1625	(1625)	-	-	-	-	-
Share based payments expense	-	-	132	-	-	132	-	132
Dividends paid	-	-	-	-	-	-	(762834)	(762834)
Transactions with owners in their capacity as owners	-	-	-	-	-	-	1226403	1226403
Balance on 31 December 2021	11577	79804	12495	132933	14349950	14586759	11300338	25887097
Profit for the period	-	-	-	-	528242	528242	1036322	1564564
Issue of shares through exercising share options	-	20	-	-	-	20	-	20
Other comprehensive income	-	-	-	402773	-	402773	713815	1116588
Realisation of share option reserve	-	12492	(12492)	-	-	-	-	-
Share based payments expense	-	-	(3)	-	-	(3)	-	(3)
Dividends paid	-	-	-	-	(955786)	(955786)	(983544)	(1939330)
Balance at 30 June 2022	11577	92316	-	535706	13922406	14562005	12066931	26628936
Profit for the period	-	-	-	-	5129700	5129700	3910107	9039807
Other comprehensive income	-	-	-	260719	-	260719	410600	671319
Dividends paid	-	-	-	-	(690039)	(690039)	(906670)	(1596709)
Balance at 31 December 2022	11577	92316	-	796425	18362067	19262385	15480968	34743353
	HISTORICAL COST							
	Ordinary	Share Based	Non-	Distributable	Distributable	Total	Non-	Total
	Share Capital	premium	Payments Reserve	Reserves	Reserves		Controlling Interests	
	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)	ZWL (\$000)
Balance on 1 July 2021	55	2186	393	70358	1558544	1631536	1338191	2969727
Profit for the period	-	-	-	-	1420536	1420536	1112069	2532605
Other comprehensive income	-	-	-	62575	-	62575	95247	157822
Issue of shares through exercising share options	1	971	-	-	-	972	-	972
Realisation of share option reserve	-	411	(411)	-	-	-	-	-
Share based payments expense	-	-	34	-	-	34	-	34
Dividends paid	-	-	-	-	-	-	(177236)	(177236)
Transaction with owners in their capacity as owners	-	-	-	-	-	-	274732	274732
Balance on 31 December 2021	56	3568	16	132933	2979080	3115653	2643003	5758656
Profit for the period	-	-	-	-	1733917	1733907	1245312	2979219
Other comprehensive income	-	-	-	402773	-	402773	713815	1116588
Issue of shares through exercising share options	-	37	-	-	-	37	-	37
Realisation of share option reserve	-	16	(16)	-	-	-	-	-
Dividends paid	-	-	-	-	(384967)	(384967)	(461969)	(846937)
Balance at 30 June 2022	56	3621	-	535706	4328020	4867403	4140161	9007564
Profit for the period	-	-	-	-	6888439	6888439	4847610	11736049
Other comprehensive income	-	-	-	260719	-	260719	410600	671319
Dividends paid	-	-	-	-	(641601)	(641601)	(480765)	(1122365)
Balance on 31 December 2022	56	3621	0	796425	10574858	11374960	8917608	20292568

ABRIDGED GROUP STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED DECEMBER 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
	Reviewed ZWL (\$000)	Reviewed ZWL (\$000)	Reviewed ZWL (\$000)	Reviewed ZWL (\$000)
Cash generated from operations	8 362 073	8 616 011	7 986 462	2 480 952
net interest paid	(1 368 276)	(722 346)	(1 348 435)	(202 661)
tax paid	(1 170 433)	(1 214 294)	(1 079 429)	(306 664)
Net cash generated from operating activities	5 823 364	6 679 371	5 558 598	1 971 627
Investing activities	(2 073 689)	(1 810 708)	(1 926 285)	(420 727)
Net cash flow before financing activities	3 749 675	4 868 663	3 632 313	1 550 900
Financing activities	(4 541 597)	(1 144 633)	(3 220 151)	(289 072)
(Decrease)/Increase in cash and cash equivalents	(791 922)	3 724 030	412 162	1 261 828
Cash and cash equivalents at the beginning of the year	4 066 636	2 990 860	2 862 552	691 540
Cash and cash equivalents at the end of the period	3 274 714	6 714 890	3 274 714	1 953 368

NOTES AND SUPPLEMENTARY INFORMATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

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 2022

INFLATION ADJUSTED

	Zimbabwe ZWL (\$000)	Region ZWL (\$000)	Intersegment adjustments ZWL (\$000)	Total ZWL (\$000)
Revenue				
31 December 2022	64 032 041	11 523 297	-	75 555 338
31 December 2021	50 235 389	2 262 713	-	52 498 102
Operating profit before impairment, depreciation and fair value adjustments				
31 December 2022	9 038 585	1 357 850	-	10 396 435
31 December 2021	8 712 276	220 204	-	8 932 480
Depreciation and amortisation				
31 December 2022	(1 342 568)	(71 551)	-	(1 414 119)
31 December 2021	(1 010 750)	(13 484)	-	(1 024 234)
Equity accounted earnings				
31 December 2022	227 533	-	-	227 533
31 December 2021	28 010	-	-	28 010
Profit before tax				
31 December 2022	13 960 322	1 070 251	-	15 030 573
31 December 2021	8 238 834	223 424	-	8 462 258
Segment assets				
31 December 2022	66 509 321	9 579 648	(13 135)	76 075 834
30 June 2022	55 311 555	4 778 615	(4 603)	60 085 567
Segment liabilities				
31 December 2022	35 590 285	5 753 068	(10 872)	41 332 481
30 June 2022	30 077 029	3 379 678	(76)	33 456 631

NOTES AND SUPPLEMENTARY INFORMATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

2 Operating Segments (continued)

Capital expenditure

31 December 2022	2 125 823	85 551	-	2 211 374
31 December 2021	807 963	52 764	-	860 727

HISTORICAL COST

	Zimbabwe ZWL (\$000)	Region ZWL (\$000)	Intersegment adjustments ZWL (\$000)	Total ZWL (\$000)
Revenue				
31 December 2022	59 535 756	11 523 297	-	71 059 053
31 December 2021	12 904 844	2 262 713	-	15 167 557
Operating profit before impairment, depreciation and fair value adjustments				
31 December 2022	13 938 653	1 357 850	-	15 296 503
31 December 2021	2 974 147	220 204	-	3 194 351
Depreciation and amortisation				
31 December 2022	(935 589)	(71 551)	-	(1 007 140)
31 December 2021	(118 580)	(13 484)	-	(132 064)
Equity accounted earnings				
31 December 2022	208 775	-	-	208 775
31 December 2021	7 469	-	-	7 469
Profit before tax				
31 December 2022	14 892 517	1 070 251	-	15 962 768
31 December 2021	3 238 349	223 424	-	3 461 773
Segment assets				
31 December 2022	47 810 902	9 579 648	(13 135)	57 377 415
30 June 2022	25 004 587	4 778 615	(4 603)	29 778 599
Segment liabilities				
31 December 2022	31 342 651	5 753 068	(10 872)	37 084 847
30 June 2022	17 391 432	3 379 678	(76)	20 771 034
Capital expenditure				
31 December 2022	1 882 421	85 551	-	1 967 972
31 December 2021	182 488	52 764	-	235 252

	INFLATION ADJUSTED		HISTORICAL COST	
	6 months ended 31 Dec 2022	Period ended 31 Dec 2021	Period ended 31 Dec 2022	Period ended 31 Dec 2021
	Reviewed ZWL (\$000)	Reviewed ZWL (\$000)	Reviewed ZWL (\$000)	Reviewed ZWL (\$000)
3 Commitments for capital expenditure				
Contracts and orders placed	122 990	502 187	122 990	502 187
Authorised by Directors but not contracted	2 699 326	403 631	2 699 326	403 631
	2 822 316	905 818	2 822 316	905 818
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 pledged as security for interest-bearing borrowings	81 151	62 178	81 151	62 178
	81 151	62 178	81 151	62 178

Interest-bearing borrowings constitute bank loans from various financial institutions. The average cost of borrowings for the Axia Group operations in Zimbabwe is 12% for USD borrowings and 80% for ZWL denominated borrowings per annum, with borrowings for regional operations averaging an interest rate of 14-22% 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 2022	13,672.91	1.00
CPI on 30 June 2022	8,707.35	1.57
Average CPI - 6 months to 31 December 2022	12 678	
Average CPI - 6 months to 31 December 2021	3 482	

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 and employee options which had vested but had not been exercised had a dilutive effect at the end of the financial period.

Headline earnings basis

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

	INFLATION ADJUSTED		HISTORICAL COST	
	6 months ended 31 Dec 2022	Period ended 31 Dec 2021	Period ended 31 Dec 2022	Period ended 31 Dec 2021
	Reviewed ZWL (\$000)	Reviewed ZWL (\$000)	Reviewed ZWL (\$000)	Reviewed ZWL (\$000)
Reconciliation of basic earnings to headline earnings				
Profit for the period attributable to equity holders of the parent	5 129 700	3 204 046	6 888 439	1 420 537
Adjustment for capital items (gross of tax):				
Profit on disposal of assets	(52 124)	(58 938)	(41 688)	(14 947)
Tax effect on adjustments	12 888	15 220	10 306	3 743
Non-controlling interests' share of adjustments	19 619	21 855	15 688	5 457
Headline earnings attributable to ordinary shareholders	5 110 083	3 182 183	6 872 745	1 414 790
Number of shares in issue				
Number of ordinary shares in issue per Basic and Headline Earnings Per Share	556 000	555 859	556 000	555 859
Effect of share options	-	5 447	-	5 447
Weighted average number of ordinary shares in issue adjusted for the effect of dilution	556 000	561 306	556 000	561 306
Basic earnings per share (cents)	922.61	576.41	1 238.93	255.56
Headline earnings per share (cents)	919.08	572.48	1 236.10	254.52
Diluted basic earnings per share (cents)	922.61	570.82	1 238.93	253.08
Diluted headline earnings per share (cents)	919.08	566.93	1 236.10	252.05

7 Events after the reporting date

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



SUPPLEMENTARY HIGHLIGHTS

TO THE ABRIDGED GROUP STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

ABRIDGED UNAUDITED SUPPLEMENTARY COMPREHENSIVE INCOME STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

	HISTORICAL COST	
	6 months ended 31 December 2022 Unaudited US (\$ 000)	6 months ended 31 December 2021 Unaudited US (\$ 000)
Revenue	106 864	112 453
Operating profit before depreciation and fair value adjustments	14 909	15 857
financial income	3 916	3 126
depreciation and amortization	(2 009)	(2 530)
Profit before interest and tax	16 816	16 454
net interest expense	(1 989)	(1 330)
equity accounted earnings	228	44
Profit before tax	15 055	15 168
tax expense	(4 231)	(4 583)
Profit for the period	10 824	10 585
Profit for the period attributable to:		
equity holders of the parent	5 988	6 313
non-controlling interests	4 836	4 272
	10 824	10 585

ABRIDGED UNAUDITED SUPPLEMENTARY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	HISTORICAL COST	
	At 31 December 2022 Unaudited US (\$ 000)	At 31 December 2021 Unaudited US (\$ 000)
ASSETS		
Non-current assets		
property, plant and equipment	22 744	19 967
intangible asset	1 428	1 428
right of use assets	4 731	2 691
investments in associates and joint ventures	2 064	1 907
deferred tax assets	934	1 372
	31 901	27 365
Current assets		
financial assets	267	374
inventories	43 560	40 680
trade and other receivables	31 745	24 091
cash and cash equivalents	3 684	5 671
	79 256	70 816
Total assets	111 157	98 181
EQUITY AND LIABILITIES		
Capital and reserves		
Attributable to equity holders of parent	35 635	31 350
non-controlling interests	31 470	27 232
Total shareholders' equity	67 105	58 582
Non-current liabilities		
deferred tax liabilities	318	474
lease liabilities	109	1969
	427	2 443
Current liabilities		
interest-bearing borrowings	7 724	10 385
lease liabilities	4 353	897
trade and other payables	24 250	20 587
provisions and other liabilities	1 982	1 573
current tax liabilities	5 316	3 714
	43 625	39 125
Total liabilities	44 052	39 599
Total equity and liabilities	111 157	98 181

