



Abridged Audited Group Financial Results

For The Year Ended 30 June 2025



SALIENT FEATURES FOR THE YEAR

REVENUE	GROSS MARGIN	OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION	PROFIT FOR THE YEAR	HEADLINE EARNINGS PER SHARE (cents)	FINAL DIVIDEND PER SHARE (cents)	SHAREHOLDERS' EQUITY
1% ↑ increase	4% ↑ increase	32% ↑ increase	40% ↑ increase	51% ↑ increase	100% ↑ increase	10% ↑ increase
USD 196 472 952	USD 64 377 422	USD 25 898 635	USD 8 470 756	USD 0.91	USD 0.16	USD 66 915 772

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 is an extract thereof. The audited financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) and the Victoria Falls Stock Exchange ("VFEX") listing requirements. The principal accounting policies of the Group are consistent with those applied in the previous annual financial statements.

AUDITOR'S STATEMENT

This short-form financial announcement should be read in conjunction with the complete set of the financial results for the year ended 30 June 2025, audited by BDO Zimbabwe Chartered Accountants and an unqualified opinion has been issued thereon. The audit opinion has been made available to management and those charged with governance of Axia Corporation Limited. The Engagement Partner responsible for the audit is Mr. Davison Madhigi (PAAB 0610).

OPERATING ENVIRONMENT AND OVERVIEW

The operating environment prevailing during the financial year was characterized by inflation, unstable local currency in the first quarter of the year, tight liquidity and softer consumer spending. The local currency was officially devalued by 43% in September 2024, this devaluation resulted in substantial financial losses amounting to US\$ 2.287m being incurred for the Group especially on the ZWG Treasury Bill instruments arising from outstanding auction funds. Post the devaluation, it was relatively stable, a direct result of the measures introduced by the Central Bank.

Local currency nominal lending rates ranged from 40% to 50%, while foreign currency rates for corporate clients were between 11% and 15%. The refinement of the Willing-Buyer Willing-Seller (WBWS) foreign exchange interbank market in the latter half of the year, coupled with the removal of the penalty for transacting at rates outside the central bank's official band, has significantly boosted market stability and had a positive impact on formal retailers.

A major risk identified and reported on in past statements, was the proliferation of counterfeit products in the country. Authorities have stepped up to deal with this menace which, in certain cases also poses health risks for unsuspecting consumers of food and hygienic products. The sale of counterfeit products has a negative impact on the demand for and sale of genuine products to the detriment of the fiscus. The authorities still need to do more to curb this menace.

In Malawi, the economy faced pressure from persistent inflation. The Reserve Bank of Malawi kept its policy rate high at 26% to control inflation, despite concerns over fiscal slippage and declining farm output. Additionally, the country's growth was hindered by foreign exchange shortages and agricultural disruptions from recent drought.

In Zambia, the macroeconomic environment stabilized, with inflation gradually declining, supported by a firm monetary policy stance as the Bank of Zambia held its policy rate at 14.5%. The Zambian economy posted 4.5% growth in Q1 2025, driven by mining and agriculture recovery, with improving investor sentiments following debt restructuring progress. However, the high cost of borrowing and tight liquidity conditions continued to present challenges for retail and distribution businesses. The Zambian Kwacha remained flat against the US Dollar and depreciated by 2% against the South African Rand compared to the previous year. However, the Kwacha dropped by 15% over the first three quarters before recovering those losses in the final two months of the financial year. The rising interest rates during the period, combined with currency pressures, placed significant strain on financial performance.

FINANCIAL OVERVIEW

The Group reported revenue of US\$196.473 million during the year, representing a marginal increase of 1% compared to the prior year. Despite the marginal increase in revenue, the gross margin increased by 4% from the prior year, a result of better cost of sales rationalization. Operating expenditure decreased by 8% compared to prior year due to better management of costs as well as impact of substantial once-off costs which were incurred because of restructuring the distribution business, as well as the significant debtor and inventory balances which were written off in the prior year which have not recurred. The Group posted an operating profit of US\$25.899 million, representing a 32% increase on the prior year. Profit after tax of US\$8.471 million was reported, which was 40% up against prior year. Headline Earnings Per Share of 0.91 US cents was 51% up on the prior year.

The Group's statement of financial position remained strong with borrowings decreasing by US\$4.470 million.

The Group generated net cash of US\$7.818 million from operating activities, representing a marginal (1%) decrease on the comparative year. This translated into enhanced free cash generation enabling the Group to incur capital expenditure for the year totaling US\$3.587 million mainly on completion of Restapedic factory, expansion of stores and additional delivery trucks.

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), Transerv and Distribution Group Africa (DGA). TVSH is Zimbabwe's leading furniture and electronic appliance retailer with sites located countrywide. It has a manufacturing business unit namely Restapedic, a bed and lounge suite manufacturing business. Transerv retails automotive spares and accessories and solar products through its nationwide retail stores network and service centers. DGA's core areas of expertise lie in inbound clearing and bonded warehousing, ambient and chilled warehousing, logistics, marketing, sales, and merchandising services.

TV SALES & HOME

Retail

TVSH recorded a 3% increase in revenue compared to prior year, driven by a 13% surge in volumes to 163,817 units. This growth was achieved through deliberate pricing strategies aimed at countering informal market pressures and enhanced product mix. The credit book grew by 34%, reflecting the company's aggressive market share strategy through competitive credit terms. This translated into a 13% increase in finance income. The retail footprint also grew, with three new stores opening during the year while one was closed in July 2024, five additional outlets are planned for FY26, reinforcing the company's commitment to national coverage and customer accessibility.

Bedding

At Restapedic, the bedding division delivered an impressive 18% revenue growth, supported by a 25% increase in volumes to 52,595 units. This performance was fueled by expanded distribution channels and growing brand equity, with Restapedic increasingly recognized for its quality and reliability. The business is poised to enter new market segments in the upcoming financial year, leveraging its strong foundation to drive further growth.

Lounge

The Restapedic lounge & suite division experienced an 11% decline in revenue, aligned with a 10% drop in volumes to 5,484 units due to production disruptions. However, the business is set for a turnaround, while relocation to the new production facility at our Sunway city Restapedic premises has been completed. This move is expected to unlock operational efficiencies and restore the division to a growth trajectory.

TRANSERV

Transerv recorded a 5% increase in volumes to 3,148,860 units compared to the prior year resulting in 18% revenue growth. Average dollar spend per customer has increased due to high value products being sold in the current year when compared to prior year. The number of retail shops increased with the opening of eight new shops in the current year while seven shops are expected to be rolled out in the coming year. The retail division which is our core business registered a growth of 14% year on year, pointing to recovery of market share in our core business. The specialized division experienced substantial growth at 84%, year on year, largely driven by improved performance of fitment centers and contribution from the solar division in the first half of the year. Our expanded product range continues to benefit the business, and management continues to respond to market trends and expand product range.

DISTRIBUTION GROUP AFRICA (DGA) - ZIMBABWE

The distribution business recorded a 44% decline in sales volumes to 2,661,348 units resulting in an 11% decline in revenue. This decline includes the effects of the restructured business which was moved into a Joint Venture in the prior year. On a like for like basis, excluding the effects of the restructured business in the prior year numbers, the revenues grew by 44%. Concerted efforts were made to push key profitable agencies both in the formal and informal markets, and the company continues to face significant competition in the informal markets where some competitive players have no customs duty or output VAT to settle, hence price competition is stiff. Towards the second half of the year, the business has seen a gradual resurgence of the formal market, and we continue to strategize to capitalize on this. Management have entered into a contract with a key agency for sole distributorship and its impact will be fully realised from the second quarter of the ensuing financial year.

DISTRIBUTION GROUP AFRICA - REGION

DGA Malawi achieved a 25% volume growth, increasing to 2,433,812 units. In dollar terms revenue declined by 15% compared to prior year as a result of significant currency depreciation. This performance was driven by strong contributions from key suppliers. The business maintained exceptional trade coverage across all retail channels, with robust execution on the ground continuing to be a competitive advantage. These strengths are expected to carry the business forward, even in the face of challenges such as grey products, direct imports by some customers and foreign currency shortages. Strong collaboration with suppliers and more concerted efforts to generate foreign currency has helped to mitigate the impact of these challenges.

DGA Zambia recorded a 6% decline in volumes for the financial year, with total units sold amounting to 700,939 which also led to a 5% decline in revenue. The decline in both volume and revenue was primarily due to price increases implemented during the year, which, coupled with widespread inflation in the economy—particularly in the first three quarters—negatively impacted consumer affordability. The business faced limitations in its ability to fully align pricing with currency depreciation, due to increased substitution by newly introduced, lower-priced locally manufactured alternatives, especially in the informal market. Competitive pressures also intensified. This environment further constrained our ability to implement necessary price adjustments. The business has on-boarded some agencies for locally manufactured goods as well as new multinational agencies that are in the pipeline to support volume growth in the up coming FY26 financial year.

PROSPECTS

The Group will continue to pursue a growth strategy in all its business units. To achieve this, we will continue to direct our efforts on our product offerings. Central to this goal is the ongoing focus on the quality of our products. We will look at increasing the range of our products to meet growing customer needs and at the same time attend to new market segments. We will seek growth in sales volumes through competitive pricing of our products, realizing that the local customers have options to source products from competitors both local and regional. To this end, the Group will work closely with its suppliers to ensure the delivery and sustainability of this competitive pricing model for its customers both locally and within the region.

The Group will continue to expand its footprint in order to bring convenience to our customers across the countries in which we operate. Several branches will be opened in the new year by TVSH and Transerv as alluded to above. Digital channels will be consolidated and expanded to improve customer access to our various products.

In manufacturing, the relocation of the furniture making operations to the Sunway City manufacturing facility should result in synergistic benefits for both the bedding and furniture making operations. This should contribute to efficient and cost effective production processes thus enabling the Group to produce price competitive quality products.

There will be continued focus on generating free cash across the Group in order to fund the growth initiatives. Appropriate attention will be given to the financial position of the group with the clear intention to maintain its strong position. In today's dynamic economic climate, the Group is focused on a dual-pronged financial strategy: maintaining a strong financial position while using strategic borrowing to fuel growth. This approach allows us to ensure long term stability and resilience while continuing to invest in key initiatives that drive our market leadership.

During the year under review a lot of attention was paid to human capital issues with a view to enhancing productivity. Staff were put through intense training programs as new approaches were introduced. The impact of this transformative program on productivity and the resultant focus by staff on profitability is very encouraging. The Group is looking forward to a very productive year ahead.

DIVIDEND

The Board of Directors is pleased to announce a final dividend of US\$0.0016 (US0.16 cents) per share for the financial year ended 30 June 2025. This brings the total dividend for the year to US\$0.0028 (US0.28 cents) per share. The final dividend will be paid in full to all ordinary shareholders of the company registered at the close of business on Friday, 10 October 2025.

The payment of this dividend will be effected on or around Friday, 17 October 2025. In accordance with the regulations of the Victoria Falls Stock Exchange (VFEX), the shares will be traded cum-dividend up to and including Wednesday, 8 October 2025, and ex-dividend as from Thursday, 9 October 2025.

The Board has also declared a final dividend of US\$40,000 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 year 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.E.M. Ngwerume

L.E.M. NGWERUME
Chairman
25 September 2025



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For The Year Ended 30 June 2025



ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

	30 June 2025 Audited USD	30 June 2024 Audited USD
Revenue	196 472 952	193 849 387
Operating profit before depreciation and amortisation	25 898 635	19 645 442
financial (losses)/gains	(2 443 122)	1 178 373
depreciation and amortisation	(7 225 936)	(7 458 282)
Profit before interest and tax	16 229 577	13 365 533
net interest expense	(4 667 689)	(4 431 010)
equity accounted (losses)/earnings	(20 605)	261 317
Profit before tax	11 541 283	9 195 840
tax expense	(3 070 527)	(3 131 932)
Profit for the year	8 470 756	6 063 908
Other comprehensive loss - to be recycled to profit or loss		
exchange differences arising on the translation of foreign entities	(1 432 186)	(2 276 868)
Other comprehensive loss for the year, net of tax	(1 432 186)	(2 276 868)
Total comprehensive income for the year	7 038 570	3 787 040
Profit for the year attributable to:		
equity holders of the parent	5 060 271	3 426 711
non-controlling interests	3 410 485	2 637 197
Total comprehensive income for the year attributable to:	8 470 756	6 063 908
equity holders of the parent	4 344 178	2 288 277
non-controlling interests	2 694 392	1 498 763
	7 038 570	3 787 040

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	At 30 June 2025 Audited USD	At 30 June 2024 Audited USD
ASSETS		
Non-current assets		
property, plant and equipment	27 431 236	27 110 923
right of use assets	10 932 362	12 559 601
investments in associates and joint ventures	2 944 577	2 965 182
deferred tax assets	474 505	295 034
financial assets at fair value through profit or loss	520 453	-
	42 303 133	42 930 740
Current assets		
financial assets at fair value through profit or loss	177 959	400 279
inventories	41 341 511	44 799 015
trade and other receivables	40 951 557	30 726 730
cash and cash equivalents	2 798 124	8 697 147
	85 269 151	84 623 171
	127 572 284	127 553 911
EQUITY AND LIABILITIES		
Capital and reserves		
ordinary share capital	55 600	55 600
share premium	3 620 572	3 620 572
non-distributable reserves	(4 492 382)	(3 776 289)
distributable reserves	40 049 000	35 685 488
Attributable to equity holders of parent	39 232 790	35 585 371
non-controlling interests	27 682 982	25 273 187
Total shareholders' equity	66 915 772	60 858 558
Non-current liabilities		
deferred tax liabilities	2 381 103	1 779 443
lease liabilities	9 045 670	8 755 360
	11 426 773	10 534 803
Current liabilities		
interest-bearing borrowings	15 976 709	20 447 000
lease liabilities	2 651 301	4 165 864
trade and other payables	28 015 966	28 861 457
provisions and other liabilities	1 035 550	698 123
current tax liabilities	1 550 213	1 988 106
	49 229 739	56 160 550
Total liabilities	60 656 512	66 695 353
Total equity and liabilities	127 572 284	127 553 911

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

	Ordinary Share Capital USD	Share premium USD	Non- Distributable Reserves* USD	Distributable Reserves USD	Total USD	Non- Controlling Interests USD	Total USD
Balance at 1 July 2023	55 600	3 620 572	(2 637 855)	33 142 229	34 180 546	27 551 277	61 731 823
Profit for the year	-	-	-	3 426 711	3 426 711	2 637 197	6 063 908
Other comprehensive loss	-	-	(1 138 434)	-	(1 138 434)	(1 138 434)	(2 276 868)
Dividends paid	-	-	-	(1 631 815)	(1 631 815)	(1 228 490)	(2 860 305)
Transaction with owners in their capacity as owners	-	-	-	748 363	748 363	(2 548 363)	(1 800 000)
Balance at 30 June 2024	55 600	3 620 572	(3 776 289)	35 685 488	35 585 371	25 273 187	60 858 558
Profit for the year	-	-	-	5 060 271	5 060 271	3 410 485	8 470 756
Other comprehensive loss	-	-	(716 093)	-	(716 093)	(716 093)	(1 432 186)
Dividends paid	-	-	-	(697 200)	(697 200)	(808 742)	(1 505 942)
Transaction with owners in their capacity as owners	-	-	-	441	441	524 145	524 586
Balance at 30 June 2025	55 600	3 620 572	(4 492 382)	40 049 000	39 232 790	27 682 982	66 915 772

*Non-distributable reserve consists of foreign currency translation reserve and revaluation reserve.

ABRIDGED GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

	30 June 2025 Audited USD	30 June 2024 Audited USD
Cash generated from operations	15 593 147	15 348 217
net interest paid	(4 677 074)	(4 431 009)
tax paid	(3 098 087)	(2 991 253)
Net cash generated from operating activities	7 817 986	7 925 955
Investing activities	(3 436 253)	(4 297 864)
Net cash inflow before financing activities	4 381 733	3 628 091
Financing activities	(10 280 756)	2 229 771
(Decrease)/increase in cash and cash equivalents	(5 899 023)	5 857 862
Cash and cash equivalents at the beginning of the year	8 697 147	2 839 285
Cash and cash equivalents at the end of the year	2 798 124	8 697 147

NOTES AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED 30 JUNE 2025

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 year ended 30 June 2025:

	Zimbabwe USD	Region USD	Intersegment adjustments USD	Total USD
Revenue				
30 June 2025	158 407 694	38 065 258	-	196 472 952
30 June 2024	151 153 194	42 696 193	-	193 849 387
Operating profit before impairment, depreciation and amortisation				
30 June 2025	21 972 577	3 926 058	-	25 898 635
30 June 2024	15 914 501	3 730 941	-	19 645 442
Depreciation and amortisation				
30 June 2025	(6 909 839)	(316 097)	-	(7 225 936)
30 June 2024	(7 067 047)	(391 235)	-	(7 458 282)
Equity accounted (losses)/earnings				
30 June 2025	(20 605)	-	-	(20 605)
30 June 2024	261 317	-	-	261 317
Profit before tax				
30 June 2025	9 049 742	2 491 541	-	11 541 283
30 June 2024	6 136 271	3 059 569	-	9 195 840
Segment assets				
30 June 2025	146 552 341	20 246 225	(39 226 282)	127 572 284
30 June 2024	149 783 599	19 132 109	(41 361 797)	127 553 911
Segment liabilities				
30 June 2025	53 363 863	11 064 062	(3 771 413)	60 656 512
30 June 2024	60 669 815	10 132 465	(4 106 927)	66 695 353
Capital expenditure				
30 June 2025	3 321 470	265 336	-	3 586 806
30 June 2024	2 943 791	275 204	-	3 218 995

3 COMMITMENTS FOR CAPITAL EXPENDITURE

Contracts and orders placed

Authorised by Directors but not contracted

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 in the Region

Interest-bearing borrowings constitute bank loans from various financial institutions. The average cost of borrowings for the Axia Group operations in Zimbabwe is between 11% to 12% for USD borrowings and 45% to 47% for ZWG denominated borrowings per annum, with borrowings for Zambian operations averaging an interest rate of 22.75% while Malawian operations averaging 30.1% in the respective local currency. The facilities expire at different dates and will be reviewed and renewed as they mature.

5 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 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.

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.

Reconciliation of basic earnings to headline earnings

Profit for the year attributable to equity holders of the parent

Adjustment for capital items (gross of tax):

Loss/(profit) on disposal of assets

Tax effect on adjustments

Non-controlling interests' share of adjustments

Headline earnings attributable to ordinary shareholders

Number of shares in issue

Number of ordinary shares in issue per Basic and Headline Earnings Per Share

Effect of share options

Weighted average number of ordinary shares in issue adjusted for the effect of dilution

Basic earnings per share (cents)

Headline earnings per share (cents)

Diluted basic earnings per share (cents)

Diluted headline earnings per share (cents)

6 EVENTS AFTER THE REPORTING DATE

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