



6 Kenilworth Road, Newlands, Harare, Zimbabwe

Tel: (+263-24) 2776998/2776273

AXIA CORPORATION LIMITED TRADING UPDATE FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

Trading Environment

The first quarter trading environment in Zimbabwe was characterised by significant currency depreciation and inflation with businesses facing pricing pressures. The Reserve Bank of Zimbabwe responded by devaluing the Zimbabwe Gold ("ZWG") currency against the United States of America Dollar ("USD") towards the end of the first quarter. In Zambia, the Kwacha continued to deteriorate against major currencies although FX availability in the formal channels was not a challenge. In Malawi, the Kwacha remained static on the official market. Inflation remained high and foreign currency availability continued to stifle growth opportunities.

TV Sales & Home

Revenue grew by 14% during the first quarter ended 30 September 2024 compared to the prior period while volumes grew by 10% compared to the same period in prior year. Growth is attributed to the winter warmer promotion and big birthday promotions with reduced prices on major categories.

Restapedic

Revenue grew by 22% during the first quarter ended 30 September 2024 compared to the prior period while volumes grew by 30% compared to the same period in the prior year. The growth is attributed to more affordable price offerings on beds as compared to same period last year as the market is now very price sensitive.

Legend Lounge

Revenue declined by 1% during the first quarter ended 30 September 2024 compared to same period last year while volumes remained static.

Transerv

Revenue grew by 25% during the first quarter ended 30 September 2024 compared to the prior period while volumes shed 4% compared to the same period in prior year. The growth is attributed to the solar business and new shops opened in the prior year. Interest positively contributed to the business profitability arising from the significant growth in credit book introduced during the prior financial year.

DGA Zimbabwe

Revenue declined by 27% during the first quarter ended 30 September 2024 compared to prior period while volumes declined by 57% compared to the same period in prior year. The decline is due to a major supplier who partnered with DGA to form a Joint Venture to distribute its products hence such sales are no longer consolidated as part of DGA sales. However, business from formal trade channels improved as close partnership and trade arrangements with major retailers began to pay off.

DGA Region

In Zambia, revenue declined by 20% in USD terms, though it rose by 6% in Kwacha terms compared to the previous year. Volumes decreased by 24% from same period last year, as the Zambian business witnessed a tougher operating environment characterized by currency depreciation and pricing which slowed down uptake of our products.



6 Kenilworth Road, Newlands, Harare, Zimbabwe

Tel: (+263-24) 2776998/2776273

In Malawi, revenue declined by 13% in USD terms albeit against a 17% increase in Kwacha terms when compared to same period last year while volumes declined by 11% over the same period last year. Grey imports from competitors and supply chain challenges in countries we source our products contributed to the decline in volumes.

Outlook

The Group remains optimistic that the operating environment in Zimbabwe and in the region will improve with tightened fiscal and monetary measures by the authorities in the second quarter. Management remains hopeful that the Government will pursue progressive policies to stabilize the exchange rate and inflation thereby fostering stability and growth potential in the market. The Group is focused on exploring further expansion opportunities available in the markets.

By Order of the Board.

AXIA CORPORATION LIMITED

A handwritten signature in black ink, appearing to be 'S', is positioned above the name of the Company Secretary.

Prometheus Corporate Services

Company Secretary

14 November 2024