
AXIA CORPORATION LIMITED

# Abridged Audited Group Financial Results

For The Year Ended 30 June 2025

TV Sales & Home · Transerv · Distribution Group Africa · Restapedic Luxury Bedding · Legend Lounge

## SALIENT FEATURES

| REVENUE | GROSS MARGIN | OPERATING PROFIT | PROFIT AFTER TAX | HEADLINE EARNINGS PER SHARE (cents) | SHAREHOLDERS' EQUITY |
|---|---|---|---|---|---|
| 1% increase | 4% increase | 32% increase | 40% increase | 51% increase | 10% increase |

## SHORT-FORM FINANCIAL ANNOUNCEMENT

ISSUED IN TERMS OF THE VICTORIA FALLS STOCK EXCHANGE

This short form financial announcement is the responsibility of the Directors and is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decisions by the investors and/or shareholders should be based on the full announcement.

A copy of the full announcement has been shared with shareholders using latest email addresses supplied by the shareholders, and is available upon request, and for inspection, at the Company's registered office or via email request to **corpserve@escrowgroup.org**. The full announcement is also available on the Victoria Falls Stock Exchange website: **www.vfex.exchange** and the Company website **www.axiacorpltd.com**

| | FY 2025 Audited USD | FY 2024 Audited USD | % change on prior year |
|---|---|---|---|
| Revenue | 196 472 952 | 193 849 387 | ↑ 1% |
| Gross margin | 64 377 422 | 61 657 425 | ↑ 4% |
| Operating profit before depreciation and amortisation | 25 898 635 | 19 645 442 | ↑ 32% |
| Profit before tax | 11 541 283 | 9 195 840 | ↑ 26% |
| Profit after tax | 8 470 756 | 6 063 908 | ↑ 40% |
| Net cash generated from operations | 7 817 986 | 7 925 955 | ↓ 1% |
| Shareholders' equity | 66 915 772 | 60 858 558 | ↑ 10% |
| Headline earnings per share (USD cents) | 0.91 | 0.60 | ↑ 51% |
| Final dividend per share (USD cents) | 0.16 | - | ↑ 100% |

## DIVIDEND ANNOUNCEMENT

**Ordinary shares**

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.

| Description | Date |
|---|---|
| **Last date to trade Cum-Dividend** | **8 October 2025** |
| **Date to trade Ex- Dividend** | **9 October 2025** |
| **Record Date** | **10 October 2025** |
| **Payment Date (On/About)** | **17 October 2025** |
| **Final Dividend Declared (US cents)** | **0.16** |

## 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).

**L.E.M. NGWERUME**
Chairman
25 September 2025

**DIRECTORS:** *L.E.M. NGWERUME (CHAIRMAN), R.M. RAMBANAPASI (CHIEF EXECUTIVE OFFICER), *M. HOSACK, *Z. KOUDOUNARIS, S. MAMBANDA, *T.C. MAZINGI, *T.N. SIBANDA **(*NON-EXECUTIVE)**

AXIA CORPORATION LIMITED

# 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 currrency 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, he 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**
**Chairman**
25 September 2025

**DIRECTORS:** *L.E.M. NGWERUME (CHAIRMAN), R.M. RAMBANAPASI (CHIEF EXECUTIVE OFFICER), *M. HOSACK, *Z. KOUDOUNARIS, S MAMBANDA, *T.C. MAZINGI, *T.N. SIBANDA (* NON-EXECUTIVE DIRECTORS)

AXIA CORPORATION LIMITED

# Abridged Audited Group Financial Results

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 |
| | **8 470 756** | **6 063 908** |
| **Total comprehensive income for the year attributable to:** | | |
| 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-distributtable 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

| | 30 June 2025 Audited USD | 30 June 2024 Audited USD |
|---|---|---|
| Contracts and orders placed | - | - |
| Authorised by Directors but not contracted | 5 842 999 | 5 119 219 |
| | **5 842 999** | **5 119 219** |

The capital expenditure is to be financed out of the Group's own resources and existing borrowing facilities.

### 4 BORROWINGS & SECURITY

| | 30 June 2025 Audited USD | 30 June 2024 Audited USD |
|---|---|---|
| Net book value of Motor Vehicles and Buildings pledged as security for interest-bearing borrowings in the Region | 2 943 442 | 2 410 455 |
| | **2 943 442** | **2 410 455** |

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 borrrowings 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 | Year ended 30 June 2025 Audited USD | Year ended 30 June 2024 Audited USD |
|---|---|---|
| Profit for the year attributable to equity holders of the parent | 5 060 271 | 3 426 711 |
| Adjustment for capital items (gross of tax): | | |
| Loss/(profit) on disposal of assets | 58 351 | (169 675) |
| Tax effect on adjustments | (15 025) | 43 691 |
| Non-controlling interests' share of adjustments | (21 658) | 62 979 |
| **Headline earnings attributable to ordinary shareholders** | **5 081 939** | **3 363 706** |
| **Number of shares in issue** | | |
| Number of ordinary shares in issue per Basic and Headline Earnings Per Share | 556 000 308 | 556 000 308 |
| Effect of share options | - | - |
| Weighted average number of ordinary shares in issue adjusted for the effect of dilution | 556 000 308 | 556 000 308 |
| Basic earnings per share (cents) | 0.91 | 0.62 |
| Headline earnings per share (cents) | 0.91 | 0.60 |
| Diluted basic earnings per share (cents) | 0.91 | 0.62 |
| Diluted headline earnings per share (cents) | 0.91 | 0.60 |

### 6 EVENTS AFTER THE REPORTING DATE

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

Tel/Fax: +263 4 703876/7/8
Cell: +263 772 573 266/7/8/9
bdo@bdo.co.zw
www.bdo.co.zw

Kudenga House
3 Baines Avenue
P.O. Box 334
Harare
Zimbabwe

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF AXIA CORPORATION LIMITED

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

We have audited the consolidated financial statements of **AXIA CORPORATION LIMITED AND ITS SUBSIDIARIES** (herein after referred to as, "the Group") set out on pages 89 to 141, which comprise the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Revenue recognition**<br>• ISA 240 - The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements provides that the auditor is required, based on a presumption that there are risks of fraud in revenue recognition, to evaluate which types of revenue, revenue transactions or assertions give rise to such risks.<br>• The Group's revenue streams are characterised by high volumes of transactional data which is generated in an automated environment across the Group's | To address this matter, we performed the following audit procedures:<br>• Obtained an understanding and tested the design and implementation of relevant controls over revenue recognition;<br>• Obtained an understanding of the appropriateness of the Directors' revenue recognition policies, particularly regarding sales near year end; |

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| subsidiaries in Zimbabwe and the regional markets. There are also different prices for various products, and these were subject to frequent changes during the year in response to the changes in the operating environments. Included in the revenue streams is finance income related to hire purchase agreements. The income is collected in advance and amortised over the term of the agreement.<br>• Management remuneration is partly based on profitability of the Group, therefore there is a risk that sales may be deliberately overstated, motivated by pressure management may feel to achieve certain results.<br><br>As a result, we identified revenue recognition as a key audit matter. | • Assessed the appropriateness of the revenue recognition criteria for compliance with the requirements of IFRS 15;<br>• Performed cut-off procedures for sales transactions recorded close to year-end, to ensure that these were recorded after the risks and rewards associated with ownership had been transferred to the customers;<br>• Performed detailed tests on a sample of credit notes recorded after year-end and assessed validity of the transactions.<br>• Wrote scripts which enabled us to recompute finance income and unearned finance income on hire purchase agreements.<br>• Reviewed the financial statements for compliance with disclosure requirements applicable to revenue. |

**Other information**

The Directors are responsible for the other information. The other information comprises the Chairman's Statement which we obtained prior to the date of this auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of The Directors for the consolidated financial statements**

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as The Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, The Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's financial reporting process.

**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with The Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide The Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

Report on legal and regulatory matters

In fulfilment of the requirements of Section 193 of the Companies and Other Business Entities Act (Chapter 24:31) ("the Act"), we report to the shareholders as follows:

Section 193(1)(a)

In our opinion, the consolidated financial statements are drawn up in accordance with the Act so as to give a true and fair view of the state of the Company's affairs at the date of its financial statements for its financial year ended on that date.

Section 193(2)

We have no matters to report in respect of Section 193(2) requirements of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Davison Madhigi PAAB Certificate No: 0610.

BDO Zimbabwe

**BDO Zimbabwe**
**Chartered Accountants**

**Per: Davison Madhigi CA(Z)**
**Partner**
**Registered Public Auditor**

**Kudenga House**
**3 Baines Avenue**
**Harare**

**25 September 2025**