

# UNAUDITED ABRIDGED GROUP FINANCIAL RESULTS

for the six months ended 31 December 2025



## SALIENT FEATURES FOR THE SIX MONTHS



## 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. The six months 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. The financial statements comply with International Financial Reporting Standards (IFRS). Complying with IFRS achieves consistency with the financial reporting framework adopted by the Company and the Group since its inception. Using a globally recognized reporting framework also facilitates understandability and comparability with similar businesses and allows consistency in the interpretation of the financial statements.

### OPERATING ENVIRONMENT AND OVERVIEW

The Zimbabwean trading environment in the first half of the financial year was largely stable, with minimal movements on the exchange rate and an improved inflation outlook. The market witnessed a marked USD liquidity improvement, culminating in a stronger demand for the Group's products. ZWG liquidity remained constrained throughout the first half of the financial year. The policy stance by the Reserve Bank of Zimbabwe to maintain a tight lid on interest rates meant ZWG borrowing remained punitive with most players in the market opting to repay and reduce their exposure to ZWG loans. The market perception remains cautiously optimistic about the value preservation in the local currency and its true litmus test is when it holds value while being readily available in everyday transactions. The increased conversations on ease of doing business and reducing the charges on licenses and permits continue to be a welcome move to reduce the compliance cost for players in the economy. As previously reported in past statements, counterfeit products continued to spread in the general economy which negatively affects formal players and pose risks to consumers and there is need for authorities to continue reinforcing actions to curtail this menace.

In Malawi, the Kwacha continued to weaken, depreciating by 7% against the US Dollar on the informal market thereby worsening a high inflationary environment. High inflation rates driving up living costs, eroding purchasing power, with measures to curb it resulting in elevated borrowing costs that hinder production and growth. Foreign currency constraints remain a key risk in this market.

The Zambia Kwacha firmed up by 8% against the US Dollar, this in turn helped to drive inflation downwards on top of a good farming season harvest and the recent reduction in energy cost.

### FINANCIAL OVERVIEW

The Group reported revenue of US\$122.031 million for the period, reflecting a 22% increase compared to the prior period driven by competitive pricing that lifted demand. Gross margin improved by 10%, driven by competitive pricing that met market demand. Operating expenditure increased by 15% mainly due to growth in staff overheads as a result of new shops added and other variable costs.

The Group achieved an operating profit of US\$15.323 million, representing a 4% increase compared to the prior period. The distribution business recorded significant provisions for credit losses due to difficulties encountered in the credit performance of some customers in the formal trade. This affected the growth of the Group's profitability levels. Profit before tax grew by 28% to US\$8.814 million. TV Sales & Home recognised a significant income tax provision during the period following an assessment by the Zimbabwe Revenue Authority (ZIMRA) relating to prior financial periods. The resulting adjustment of US\$1.017 million had a material impact on the Group's profitability and consequently increased the effective tax rate for the period. The Group exited its investment in two joint ventures i.e. Prodistribution (Private) Limited and National Foods Logistics (Private) Limited at a total of US\$3.028 million. This had an impact on the equity accounted profits recorded in the current period. Headline Earnings Per Share at 0.61 US cents, reflecting 5% growth from the prior year. The Group's statement of financial position remained strong. The current asset position increased by US\$6.450 million whilst borrowings declined significantly by US\$5.361 million from \$15.977 million to close off at US\$10.616 million.

The Group generated net cash of US\$11.719 million from operations, representing a 239% increase on the comparative period. This was a result of increased festive season demand. This translated into enhanced free cash generation enabling the Group to incur capital expenditure for the period totaling US\$1.497 million.

### SUSTAINABILITY REPORTING

As part of our ongoing commitment to sustainable business practices, the Group continues to apply the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines across all operations. During the first half of the year, we made steady progress in embedding these principles into our retail and distribution activities. Our focus remains on balancing day-to-day operational performance with responsible environmental, social, and governance practices. The Group remains committed to long-term value creation that aligns sustainable growth with our broader business objectives.

### 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 manufacturing business. Transerv retails automotive spares and accessories through retail stores and fitment centers to service the needs of its customers through a nationwide network of retail stores. DGA's core areas of expertise lie in inbound clearing and bonded warehousing, ambient and chilled warehousing, logistics, marketing, sales, and merchandising services it has operations in Zimbabwe, Zambia and Malawi.

### TV Sales & Home Retail

TV Sales & Home posted strong trading results, with volumes increasing by 37% to 112,774 units, driving turnover growth by 29%. The business experienced record turnover during the Black Friday and Christmas Ho-Ho Home promotions with customer count increasing by 33% year on year and the credit book growing by 70% over same period last year. Growth was primarily driven by the diverse and quality product range, competitive pricing and the availability of competitive credit which enabled more customers to acquire the quality products that are offered. Increased focus on e-commerce transactions and growth in credit book coupled by organic growth in store network continue to be key pillars driving growth for this business. This strong performance is also driven by the opening of new branches in Churchill, Mvurwi, Norton, and Hogerty, which broadened customer reach.

### Restapedic Bedding

Restapedic bedding volumes grew by 26% to end at 32,315 units, and this translated into a 29% increase in revenues. Revenue per unit improved during the period under review owing to the sales mix. Increased visibility in the market through engagement of distributors across the country both in the different market segments and this improved market penetration. Shortages of quality timber and firming of the South African Rand against the United States of America Dollar remain challenging for the business though management is consistently proactive to ensure adequate supply of quality bedding to the market is sustained at affordable prices.

### Restapedic Lounge

The business recorded a 10% decline in sales volumes to end at 2 714 units. Revenue, however, increased by 5% compared to last year. The factory production was adversely affected during the month of August 2025 when the manufacturing plant was relocated to the new premises in Sunway City. New product offerings and tailoring production to market demand have led to growth in high value lounge suites which improved the dollar revenues. Plans are underway to maximize production to capacity by process optimization.

### Transerv

The Company recorded a 8% increase in revenue on the back of a 16% increase in volumes to end at 1 825 789 units during the first half of the year compared to the same period last year. This growth is primarily attributed to four new shops opened during the period as well as sustained growth in core business. Improved stock management has bolstered the performance of the retail division. Introduction of new products has also had a positive impact. Seven sites are in the pipeline for new shops to open in the second half of the year.

### Distribution Group Africa (DGA) - Zimbabwe

Revenue for the half year increased by 39% on the back of a 44% growth in sales volumes to end at 1 721 653 units. A major local agency was secured in October 2025 and this contributed to the revenue and volumes growth. Most agencies recorded modest volume and revenue growth during the period, reflecting improved market penetration and expanded distribution reach. The business continues to face significant price competition from grey imports. The influx of counterfeit products is also impacting volumes and margins in the general trade as well as sales in the wholesale market. We will continue to support the authorities in their efforts to clamp down on this menace. DGA Zimbabwe processed adjustments totaling US\$1.829 million for allowance for credit losses and taxes in the second quarter which significantly affected the financial results reflecting a more prudent and accurate financial result. Ongoing efforts to restructure the business are in progress, in a way to simplify the way it operates thus controlling overheads, improving efficiency and profitability.

### Distribution Group Africa (DGA) - Region

In Malawi, turnover increased by 50% in Kwacha terms, while a 12% decline in US dollar terms, was recorded against a volume increase of 24% to end at 1 515 788 units. The volume growth is significantly driven by an agency which is settled in local currency. Concerted efforts to generate foreign currency together with collaboration with suppliers have helped to mitigate foreign currency challenges.

In Zambia, turnover in Kwacha terms increased by 12% for the period under review and 28% in US dollar terms, on the back of a 16% increase in volumes to end at 406 468 units. The strengthening of the local currency against the rand and the United States of America Dollar amplified the result.

### PROSPECTS

This continued stability will enable better and effective planning and management of costs. The Group remains committed to sustaining steady growth amid an evolving regional trading environment. In Zimbabwe, improved local currency stability during the first half has provided greater operating clarity.

The Group will remain focused on improving its relevance to the market by offering quality products conveniently at competitive pricing and thus continue to play a role in improving the quality of lives of our customers.

Our partnerships with retailers, both in the formal and the general trade, continue to strengthen, and this remains critical as we face squeezing margin pressures while we aim at driving up volumes. The Group is seeing encouraging traction from our efforts to increase product availability and visibility across all markets.

The Group's strategy to widen its product range and increase market share remains on track. The expansion of the store network at Transerv and TV Sales & Home continues to contribute positively, with the newer stores maturing well. In the coming months, we will focus on maximizing returns from these investments while directing free cash flow towards expanding the debtors' books in both businesses to support volume growth. In manufacturing, there will be focus on improving productivity and cost management. It is anticipated that synergistic benefits will be realized from the relocation of the Lounge furniture manufacturing operations next to the bedding manufacturing operations.

Regional conditions remain mixed. The retail environment in Zambia is still challenging, and we continue to manage stock levels and costs carefully. In Malawi, high inflation and the impact of shifts in the agricultural sector have created pressure on consumer spending, we continue to explore ways of managing foreign suppliers with dwindling foreign currency avenues. Management teams in each market remain focused on maintaining healthy gearing levels, improving free cash generation, and protecting the balance sheet.

Across the Group, we continue to pursue growth opportunities in the furniture and automotive spares segments, as well as securing new agencies within our distribution division. Improving returns on shareholders' equity remains a priority. By managing material and operating costs and maintaining a flexible approach to procurement and sourcing, we aim to keep our products affordable and accessible. With disciplined execution and a focus on customer needs, the Group is well positioned for a stronger performance in the second half of the financial year.

There will be continued focus on value creation with a view to enhancing productivity. The Group is looking forward to a productive second half of the financial year.

### DIVIDEND

The Board has declared an interim dividend of US\$0.0020 (0.20 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 2025 and will be paid in full to all ordinary shareholders of the Company registered at close of business on the 10th of April 2026. The payment of this dividend will take place on or around the 17th of April 2026. The shares of the Company will be traded cum-dividend on the Victoria Falls Stock Exchange up to the 8th of April 2026 and ex-dividend as from the 9th of April 2026.

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 extend my sincere appreciation to the Board of Directors, executives, management, and all staff for their hard work and commitment during the period under review. Their dedication, despite the ongoing challenges in our operating environment, remains invaluable. I also wish to thank our customers, suppliers, and all stakeholders for their continued trust and support. Their partnership remains central to the Group's progress.



**L.E.M. NGWERUME**  
 Chairman  
 3 March 2026

## ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

	31 Dec 2025 Unaudited USD	31 Dec 2024 Unaudited USD
<b>Revenue</b>	<b>122 031 438</b>	<b>99 671 652</b>
<b>Operating profit before depreciation and amortisation</b>	<b>15 323 593</b>	<b>14 697 259</b>
financial losses	(646 237)	(2 287 098)
depreciation and amortisation	(3 745 693)	(3 658 354)
<b>Profit before interest and tax</b>	<b>10 931 663</b>	<b>8 751 807</b>
net interest expense	(2 165 351)	(2 249 474)
equity accounted earnings	48 084	361 571
<b>Profit before tax</b>	<b>8 814 396</b>	<b>6 863 904</b>
tax expense	(3 669 503)	(1 569 888)
<b>Profit for the period</b>	<b>5 144 893</b>	<b>5 294 016</b>
<b>Other comprehensive loss - to be recycled to profit or loss</b>		
exchange differences arising on the translation of foreign entities	36 882	(1 425 160)
<b>Other comprehensive loss for the period, net of tax</b>	<b>36 882</b>	<b>(1 425 160)</b>
<b>Total comprehensive income for the period</b>	<b>5 181 775</b>	<b>3 868 856</b>
<b>Profit for the period attributable to:</b>		
equity holders of the parent	3 375 939	3 210 260
non-controlling interests	1 768 954	2 083 756
<b>Total comprehensive income for the period attributable to:</b>	<b>5 144 893</b>	<b>5 294 016</b>
equity holders of the parent	3 394 380	2 497 680
non-controlling interests	1 787 395	1 371 176
<b>Total comprehensive income for the period attributable to:</b>	<b>5 181 775</b>	<b>3 868 856</b>

## ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	31 Dec 2025 Unaudited USD	30 June 2025 Audited USD
<b>ASSETS</b>		
<b>Non-current assets</b>		
property, plant and equipment	27 200 128	27 431 236
right of use assets	8 786 421	10 932 362
investments in associates and joint ventures	-	2 944 577
financial assets	1 282 730	-
deferred tax assets	608 410	474 505
<b>Current assets</b>		
financial assets	739 271	698 412
inventories	43 912 844	41 341 511
trade and other receivables	42 271 125	40 951 557
cash and cash equivalents	7 044 240	2 798 124
<b>Total assets</b>	<b>131 845 169</b>	<b>127 572 284</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
ordinary share capital	55 600	55 600
share premium	3 620 572	3 620 572
non-distributable reserves	(4 473 941)	(4 492 382)
distributable reserves	42 495 339	40 049 000
<b>Attributable to equity holders of parent</b>	<b>41 697 570</b>	<b>39 232 790</b>
non-controlling interests	28 943 404	27 682 982
<b>Total shareholders' equity</b>	<b>70 640 974</b>	<b>66 915 772</b>
<b>Non-current liabilities</b>		
deferred tax liabilities	2 810 469	2 381 103
lease liabilities	7 436 364	9 045 670
<b>Current liabilities</b>		
interest-bearing borrowings	10 615 900	15 976 709
lease liabilities	2 333 871	2 651 301
trade and other payables	33 190 205	28 015 966
provisions and other liabilities	1 118 510	1 035 550
current tax liabilities	3 698 876	1 550 213
<b>Total liabilities</b>	<b>61 204 195</b>	<b>60 656 512</b>
<b>Total equity and liabilities</b>	<b>131 845 169</b>	<b>127 572 284</b>

## ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 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 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 income	-	-	(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
<b>Balance at 30 June 2025</b>	<b>55 600</b>	<b>3 620 572</b>	<b>(4 492 382)</b>	<b>40 049 000</b>	<b>39 232 790</b>	<b>27 682 982</b>	<b>66 915 772</b>
Profit for the period	-	-	-	3 375 939	3 375 939	1 768 954	5 144 893
Other comprehensive income	-	-	18 441	-	18 441	18 441	36 882
Dividends paid	-	-	-	(929 600)	(929 600)	(526 973)	(1 456 573)
<b>Balance at 31 December 2025</b>	<b>55 600</b>	<b>3 620 572</b>	<b>(4 473 941)</b>	<b>42 495 339</b>	<b>41 697 570</b>	<b>28 943 404</b>	<b>70 640 974</b>

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

## ABRIDGED GROUP STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

	31 Dec 2025 Unaudited USD	31 Dec 2024 Unaudited USD
<b>Cash generated from operations</b>	<b>15 718 414</b>	<b>7 192 888</b>
net interest paid	(2 165 351)	(2 249 474)
tax paid	(1 834 337)	(1 488 208)
<b>Net cash generated from operating activities</b>	<b>11 718 726</b>	<b>3 455 206</b>
Investing activities	1 568 743	(966 135)
<b>Net cash inflow before financing activities</b>	<b>13 287 469</b>	<b>2 489 071</b>
Financing activities	(9 041 353)	(2 472 190)
<b>Increase in cash and cash equivalents</b>	<b>4 246 116</b>	<b>16 881</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2 798 124</b>	<b>8 697 147</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>7 044 240</b>	<b>8 714 028</b>

## NOTES AND SUPPLEMENTARY INFORMATION

FOR THE SIX MONTHS ENDED 31 DECEMBER 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 period ended 31 December 2025:

	Zimbabwe USD	Region USD	Intersegment adjustments USD	Total USD
<b>Revenue</b>				
31 December 2025	100 486 024	21 545 414	-	122 031 438
31 December 2024	79 437 961	20 233 691	-	99 671 652
<b>Operating profit before depreciation and amortisation</b>				
31 December 2025	12 523 025	2 800 568	-	15 323 593
31 December 2024	12 604 484	2 092 775	-	14 697 259
<b>Depreciation and amortisation</b>				
31 December 2025	(3 573 870)	(171 823)	-	(3 745 693)
31 December 2024	(3 475 115)	(183 239)	-	(3 658 354)
<b>Equity accounted earnings</b>				
31 December 2025	48 084	-	-	48 084
31 December 2024	361 571	-	-	361 571
<b>Profit before tax</b>				
31 December 2025	6 832 905	1 981 491	-	8 814 396
31 December 2024	5 382 814	1 481 090	-	6 863 904
<b>Segment assets</b>				
31 December 2025	149 029 100	19 518 985	(36 702 916)	131 845 169
31 December 2024	145 382 366	20 246 226	(38 056 309)	127 572 283
<b>Segment liabilities</b>				
31 December 2025	53 919 470	8 532 770	(1 248 045)	61 204 195
31 December 2024	52 551 777	10 706 175	(2 601 440)	60 656 512
<b>Capital expenditure</b>				
31 December 2025	1 486 598	10 109	-	1 496 707
31 December 2024	1 090 910	5 698	-	1 096 608

### 3 COMMITMENTS FOR CAPITAL EXPENDITURE

Contracts and orders placed  
Authorised by Directors but not contracted

	31 Dec 2025 Unaudited USD	31 Dec 2024 Unaudited USD
Contracts and orders placed	61 180	63 880
Authorised by Directors but not contracted	4 285 112	3 958 731
<b>Total</b>	<b>4 346 292</b>	<b>4 022 611</b>

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

	31 Dec 2025 Unaudited USD	31 Dec 2024 Unaudited USD
Net book value of Motor Vehicles and Buildings pledged as security for interest-bearing borrowings in the Region	2 046 679	2 981 432
<b>Total</b>	<b>2 046 679</b>	<b>2 981 432</b>

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 42% 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 loans. 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 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.

#### 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.

#### Reconciliation of basic earnings to headline earnings

Profit for the period attributable to equity holders of the parent  
Adjustment for capital items (gross of tax):

	Year ended 31 Dec 2025 Unaudited USD	Year ended 31 Dec 2024 Unaudited USD
Profit for the period attributable to equity holders of the parent	3 375 939	3 210 260
Adjustment for capital items (gross of tax):		
(Profit)/loss on disposal of assets	(10 201)	38 417
Tax effect on adjustments	2 627	9 892
Non-controlling interests' share of adjustments	3 474	(14 259)
<b>Headline earnings attributable to ordinary shareholders</b>	<b>3 371 840</b>	<b>3 224 524</b>

#### 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

	31 Dec 2025 Unaudited USD	31 Dec 2024 Unaudited USD
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)	0.61	0.58
Headline earnings per share (cents)	0.61	0.58
Diluted basic earnings per share (cents)	0.61	0.58
Diluted headline earnings per share (cents)	0.61	0.58

### 6 EVENTS AFTER THE REPORTING DATE

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