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AXIA CORPORATION LIMITED TRADING UPDATE FOR THE THIRD QUARTER ENDED 31 MARCH 2025

Trading Environment

The trading environment in the third quarter showed marginal improvement across the Group's markets. In Zimbabwe, the continued tight monetary policies and restrained liquidity helped slow down the rate of depreciation of the Zimbabwe Gold (ZWG) currency. In Zambia, the Kwacha experienced further weakening against the USD, driven by high import demand and limited export receipts, but formal foreign currency availability remained generally stable. Malawi continued to face challenges with foreign currency shortages, although some improvement in official inflows was noted. Year on year Inflation across all three markets remains elevated, exerting pressure on consumer spending, while localised cost increases and currency volatility continue to impact pricing and demand.

TV Sales & Home

Revenue grew by 5% during the third quarter on the back of a 15% volume growth compared to the same period the previous year. On a year-on-year basis revenues were up 6% while volumes grew 9%. The significant volume growth is a direct result of our pricing as well as growth in credit sales. The business opened two new stores during the quarter.

Restapedic

Revenue grew by 21% during the third quarter on the back of a 33% volume of growth compared to the same period the previous year. On a year-on-year basis revenues were up 16% while volumes grew 24%. This growth was a function of the opening of the Bulawayo distribution point as well as the production of more affordable beds.

Legend Lounge

This became a division of Restapedic effective 1 January 2025. Revenue shed by 9% during the third quarter on the back of a marginal volume decline compared to the same period the previous year. On a year-on-year basis revenues were 10% down due to volumes declining by 6%. The decrease in aggregate demand for high-end lounge suites due to current economic pressures contributed to the downward trend. Management is working on the product mix to cater for all market segments.

Transerv

Revenue grew by 13% during the third quarter on the back of a 10% volume growth compared to the same period the previous year. On a year-on-year basis revenues were up 21% while volumes grew 6%. The growth is attributed to the strengthening of demand for spare parts and oils as well as the competitiveness of our product offering to the market.

DGA Zimbabwe

Revenue was down by 18% during the third quarter on the back of a 25% volume decline compared to the same period the previous year. On a year-on-year basis revenues were down 23% while volumes were also down 50%. The decline is due to a major supplier who has partnered with DGA to form a Joint Venture to distribute its products, hence their sales are no longer consolidated as part of DGA sales. However, revenues from continuing operations grew by 42% compared to the previous year as our efforts to penetrate new routes to market started to pay dividends.



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DGA Region

In Zambia, revenue in Kwacha was up by 3% during the third quarter on the back of a 4% volume decline compared to the same period the previous year. On a year-on-year basis revenues were up 6% while volumes were down 17%. The Zambian business continues to face a tough operating environment which is characterized by currency depreciation and increase in prices which has reduced demand for some of our products.

In Malawi, revenue in Kwacha was down by 14% during the third quarter on the back of a marginal volume decline compared to the same period the previous year. On a year-on-year basis revenues were up 6% while volumes were up 20%. Exchange rate depreciation continues to outdo the growth in volumes and revenues in Kwacha terms. Management remains resilient in tackling the shortage of foreign currency by employing effective currency hedging.

Outlook

The Group remains cautiously optimistic about the operating environment across its key markets—Zimbabwe, Zambia, and Malawi—for the remaining quarter ending June 2025. In Zimbabwe, expectations are anchored on recovery of demand for our products as well as anticipated continued growth until the end of the fourth quarter. In Zambia and Malawi, stable macroeconomic fundamentals and improved foreign currency availability are expected to support the recovery of consumer demand and retail activity.

The Group remains focused on operational efficiencies, cost containment, and sustaining cash generation. It will also continue to evaluate measured expansion opportunities in selected markets where demand fundamentals remain solid.

By Order of the Board.

AXIA CORPORATION LIMITED

A handwritten signature in black ink, appearing to be a stylized 'A' or similar character.

Prometheus Corporate Services
Company Secretary
15 May 2025