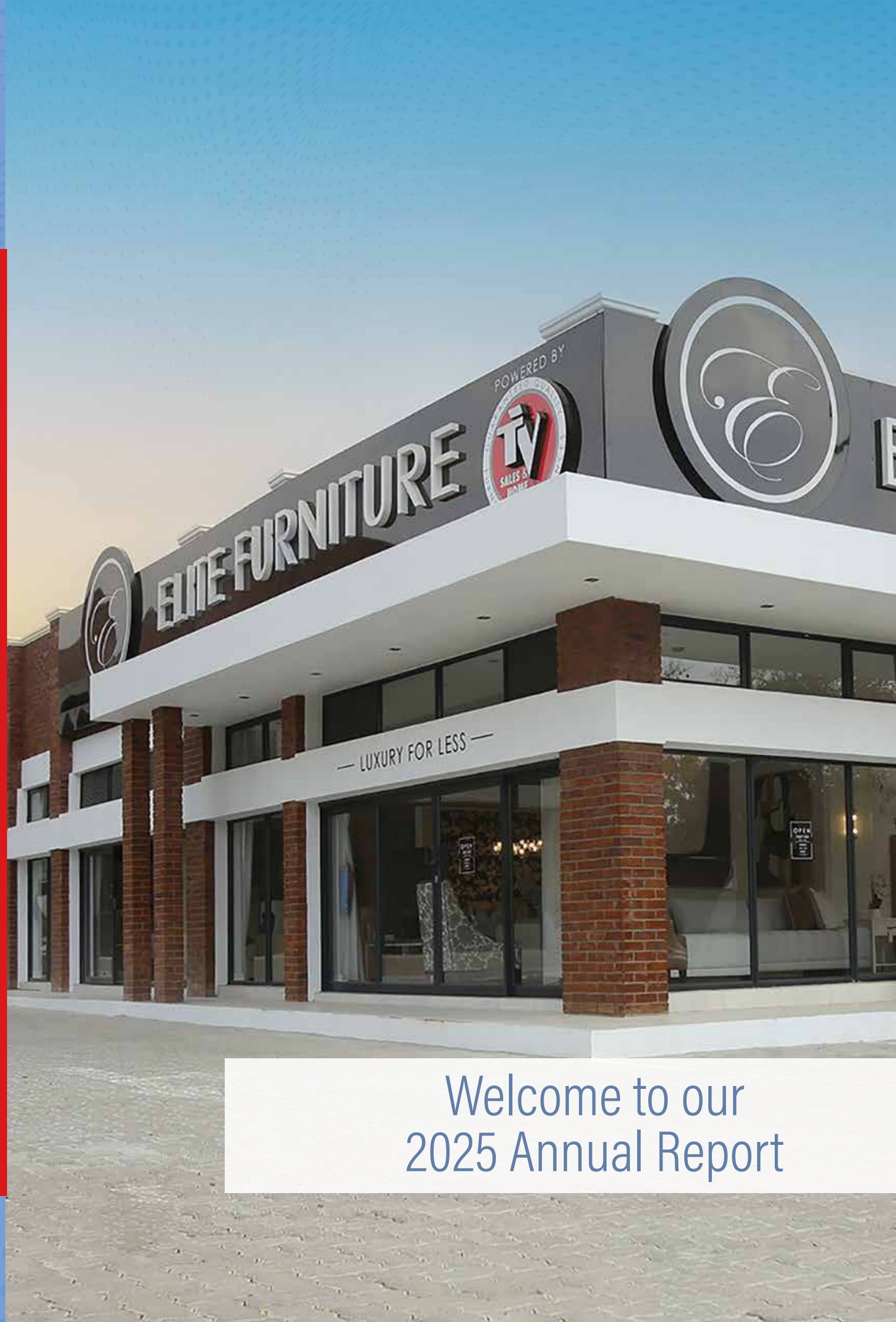


ANNUAL REPORT
2025





Axia is a leading retail and distribution company with a strong presence in Zimbabwe and the region. Our diverse portfolio includes prominent brands such as TV Sales & Home, Restapedic, Legend Lounge, Transerv and Distribution Group Africa. We offer a wide range of products and services, from household goods and appliances to automotive spares and distribution & logistics solutions. With a focus on quality, customer service, and innovation, Axia is committed to empowering businesses and enriching lives.



Welcome to our
2025 Annual Report

About This Report

ABOUT THIS REPORT

Axia Corporation Limited, a Group listed on the Victoria Falls Stock Exchange (VFEX), presents the Annual Report for the financial year ended 30 June 2025. The report integrates financial and non-financial information to enable stakeholders to make an informed assessment of our performance and impacts.

REPORTING SCOPE

The report covers sustainability information for Axia Corporation Limited, presenting a balanced view of material issues and performance from its operations in Zimbabwe, Malawi and Zambia. It contains relevant comparisons to previous periods and is consistent with information and performance indicators used in internal management reporting. In this report, unless otherwise noted, references to ‘our’, ‘we’, ‘us’, ‘the Group’, and ‘Axia’ refer to Axia Corporation Limited.

REPORTING FRAMEWORKS

This report was compiled with consideration of the following:

- Companies and Other Business Entities Act [Chapter 24:31];
- Victoria Falls Stock Exchange Listing Requirements;
- International Financial Reporting Standards (IFRS) Accounting Standards.
- Global Reporting Initiative (“GRI”) Standards (2021).

The report contains elements of the IFRS Sustainability Disclosure Standards (S1 and S2) which will continue to be aligned and developed along the systems to fully meet the standards’ requirements.

SUSTAINABILITY DATA

The data presented in this report is a result of a thorough analysis of both qualitative and quantitative information extracted from various sources including company records, policy documents, and insights from management personnel responsible for the key areas of the business. The team took utmost care to ensure that estimations and assumptions made in the report are consistent with the current business operations, providing an accurate and comprehensive overview of the business’ performance. In some cases, prior sustainability data was reassessed and necessary updates made in respective indicators.

ASSURANCE

The financial statements were audited by BDO Zimbabwe Chartered Accountants, in accordance with the International Standards of Auditing (“ISA”). The independent auditor’s report is contained on pages 88 to 91. Sustainability information was reviewed by the Institute for Sustainability Africa (INSAF) as subject matter experts for compliance with GRI Standards but was not externally assured. A GRI Content Index is contained on pages 166 to 168.

BOARD RESPONSIBILITY AND APPROVAL OF THIS REPORT

The Annual Report of Axia Corporation Limited has been compiled by the management team with the collective responsibility of the Board of Directors. The Board takes full accountability for the integrity of this report and has approved it on 25 September 2025.

REPORT DECLARATION

The Board of Directors and Management confirm that this report has been prepared in accordance with GRI Standards (2021).

REPORTING CURRENCY

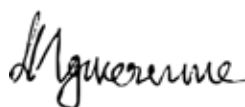
All references to \$ throughout this report refer to the United States Dollar (USD).

FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements which relate to the future performance and prospects of the Group. Our assessment and future expectations are subject to various known and unknown risks, uncertainties, and factors that may negatively impact our business and performance. Stakeholders are cautioned not to place undue reliance on any forward-looking statements contained herein. We commit to publicly share any revisions of the forward-looking statements to reflect changes and or events after the publication of this report through trading and website updates.

FEEDBACK

The Group values opinions and feedback from all stakeholders on how we can improve operations and reporting. We welcome your feedback, and all enquires you may have, kindly share your feedback with the finance team on finance@axiacorplimited.com. You can find more information about Axia Corporation Limited online at www.axiacorplimited.com



L.E.M. NGWERUME
Chairman



R.M. RAMBANAPASI
Chief Executive Officer

An automated conveyor system
at the Restapedic Bedding
production facility.



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For an online version of this report and additional information visit the following website www.axiacorplimited.com



WHO WE ARE & HOW WE CREATE VALUE

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At TV Sales & Home sales volumes increased by 13%, reaching 163,817 units sold compared to the previous year. This growth was achieved through deliberate pricing strategies aimed at countering informal market pressures and enhanced product mix.

Our Vision & Mission

OUR VISION

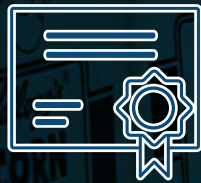
To create value through the provision of high quality consumer and durable goods in Zimbabwe and the Region.

OUR MISSION

To sustainably and profitably distribute, market, merchandise and retail leading consumer and durable goods, thereby growing stakeholder value and to enable easier access to high quality consumer and durable goods at reasonable prices to our customers.



Our Values



Quality



Fairness



Integrity



Teamwork



Accountability



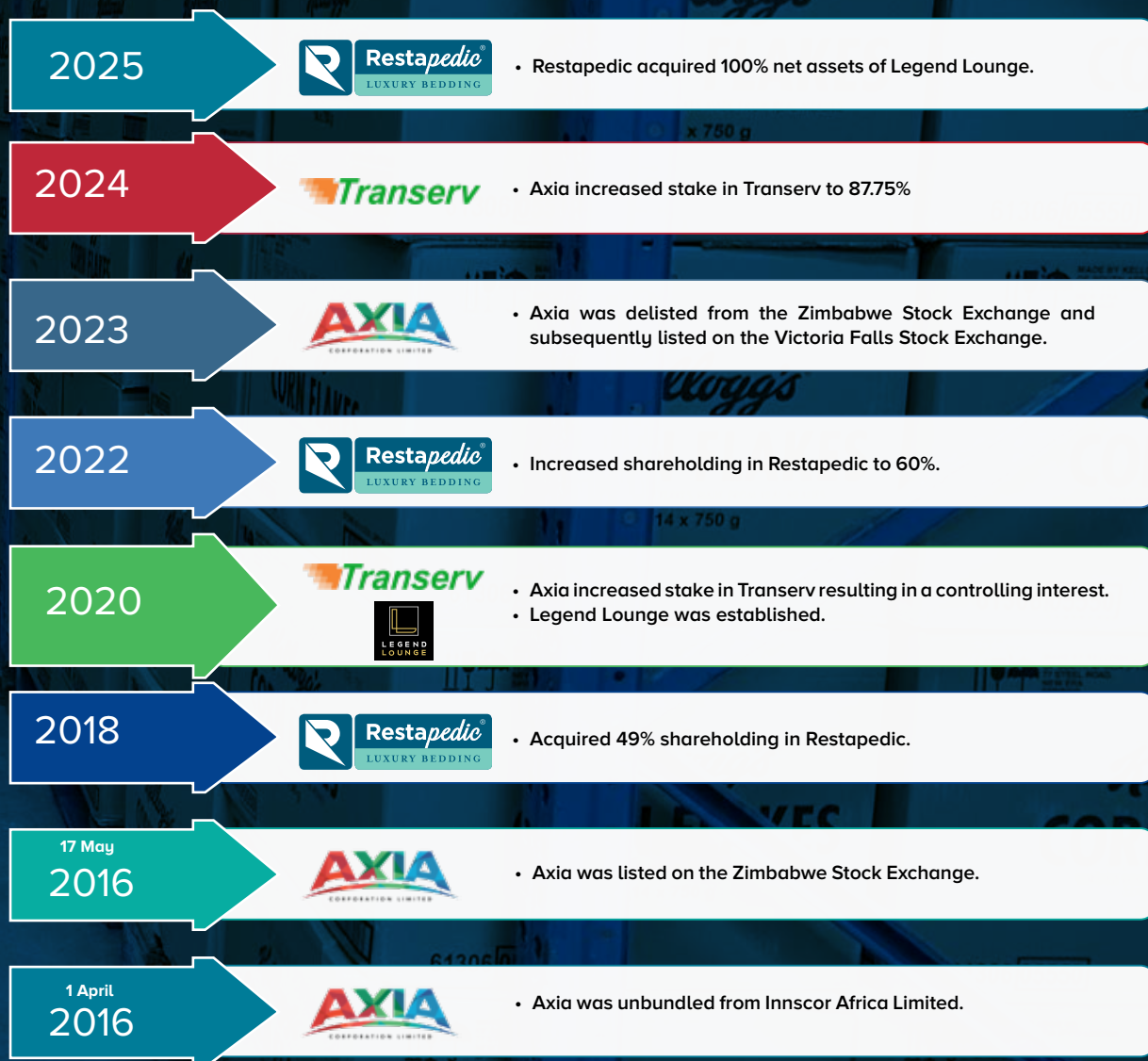
Entrepreneurship

Our History & Milestones

OUR HISTORY

The story of Axia Corporation Limited "Axia" began on 24 February 2016 when it was incorporated through a scheme of reconstruction, whereby the net assets of Innscor Africa Limited's Speciality Retail and Distribution business were unbundled to form the Group. On the 1st of April 2016, Axia unbundled from Innscor Africa Limited and was listed on the Zimbabwe Stock Exchange (ZSE) on the 17th of May 2016. The Group adopted a financial year ending on the 30th of June. Axia Corporation Limited was delisted from the ZSE on 28 February 2023 and subsequently listed on the Victoria Falls Stock Exchange (VFEX) on 3 March 2023.

Our Milestones



Group Structure and Activities

Axia Corporation Limited operates within the speciality retail and distribution sector. It has three operating business units, namely TV Sales & Home (TVSH), Transerv and Distribution Group Africa (DGA).

- TVSH is a leading furniture and electronic appliance retailer with sites located countrywide. Over the years, TVSH has invested in manufacturing through the acquisition of 60% in Restapedic and the formation of Legend Lounge.
- Restapedic manufactures a wide range of quality beds for the local and export markets.
- Legend Lounge is a manufacturer of premium quality lounge suites.
- Transerv retails automotive spares and accessories, by utilising its network of home-grown retail branches and numerous fitments centres.
- DGA is a large and successful distribution and logistics concern, with operations in Zimbabwe, Zambia and Malawi. Its core areas of expertise lie in inbound clearing and bonded warehousing, ambient warehousing, logistics, marketing, sales and merchandising services.

A. SPECIALITY RETAIL

TV SALES & HOME

- TV Sales & Home 60*
- Restapedic
- Touch Distributors

TRANSERV

- Retail shops 54*
- Fitment Centres 14*
- Oilserv 1
- Metro Hyper 5

B. DISTRIBUTION

DGA

Zimbabwe

- Innscor Distribution
- Comox Trading
- Equip
- Vital Logistics
- National Foods Logistics

Zambia

- Innscor Distribution
- Comox Trading
- Mukwa Distribution

Malawi

- Innscor Distribution
- Comox Trading

* The number in front of a brand represents the total outlets open on 30 June 2025.



Group Structure



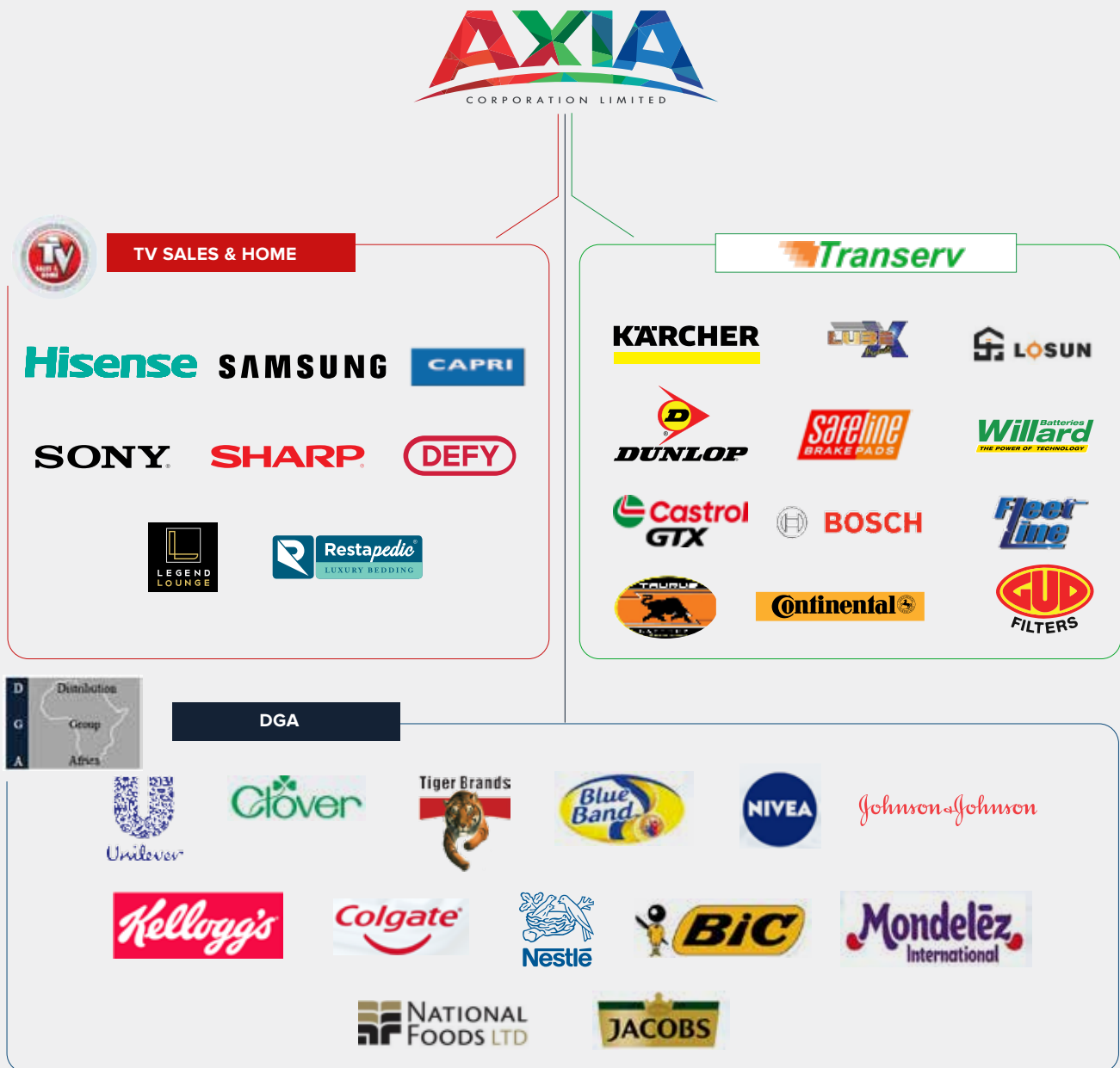
Key Brands & Operating Units

MARKETS

Our extensive knowledge of the African business environment particularly Zimbabwe, Zambia and Malawi help us meet our customers and beneficiaries at their point of need.

SUPPLY CHAIN

We rely on a network of suppliers and customers to deliver our products and services to the end consumer. This network includes manufacturers, distributors, vendors and merchandisers who play an essential role in ensuring our ability to meet the needs of our customers. Strengthening our relationships with our supply chain partners is crucial to providing quality products and services. We are always looking for ways to improve and appreciate feedback to help us achieve this goal.



Business Association Memberships & Awards

MEMBERSHIP

GENERAL	<ul style="list-style-type: none"> • Retailers Association of Zimbabwe • Confederation of Zimbabwe Industries • National Employment Council for Motor Industry
OTHER	<ul style="list-style-type: none"> • Association of Chartered Certified Accountants (ACCA) • Institute of Chartered Accountants of Zimbabwe (ICAZ) • Chartered Institute of Purchasing and Supply (CIPS) • Chartered Institute of Management Accountants (CIMA) • Institute of Chartered Secretaries and Administration (ICSAZ)

AWARDS

Subsidiary	Award
DGA	Colgate Palmolive East West Africa Best consistent sustainable growth (3 Years)-Malawi



HOW WE PERFORMED

PERFORMANCE REVIEW

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The image shows the exterior of a Transerv building. A large green sign with the word "Transerv" in white, stylized letters is mounted on a grey corrugated metal wall. Below the sign is a window with a green geometric pattern. A black metal gate is visible in the foreground.

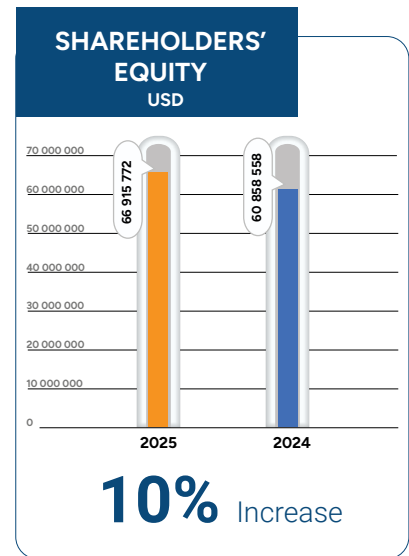
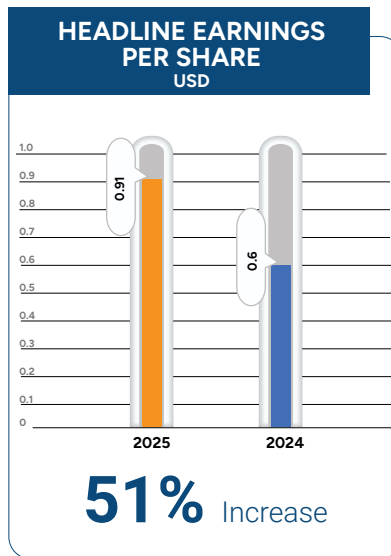
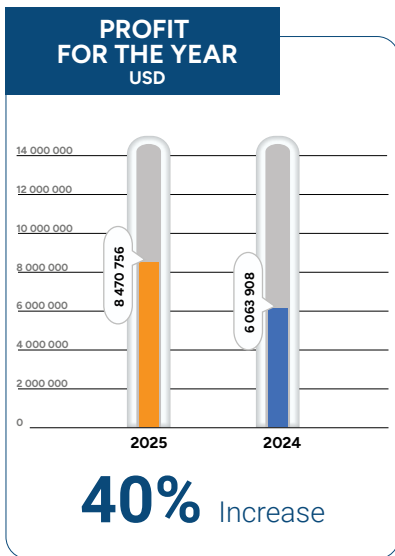
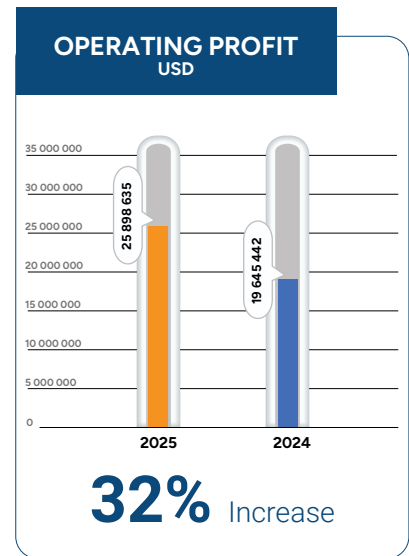
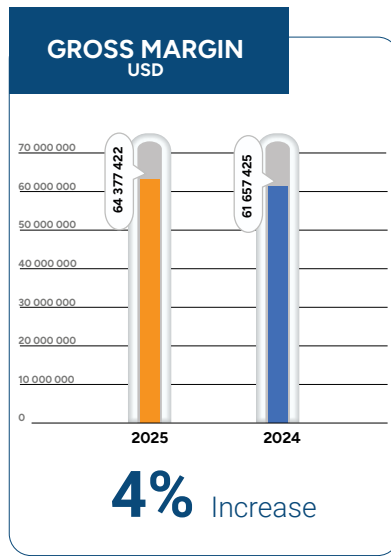
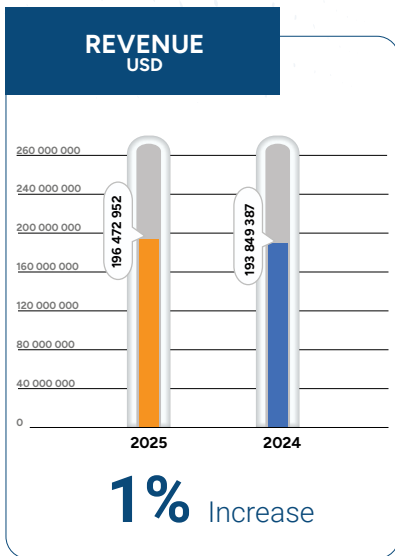
Transerv



Transerv recorded a 5% increase in volumes to 3,148,860 units compared to the prior year resulting in 18% revenue growth. The volume increase was mainly driven by the opening of eight new retail shops. Average dollar spend per customer has increased due to high value products being sold in the current year when compared to prior year.

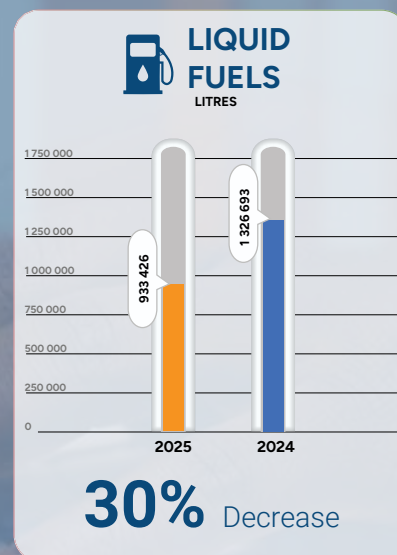
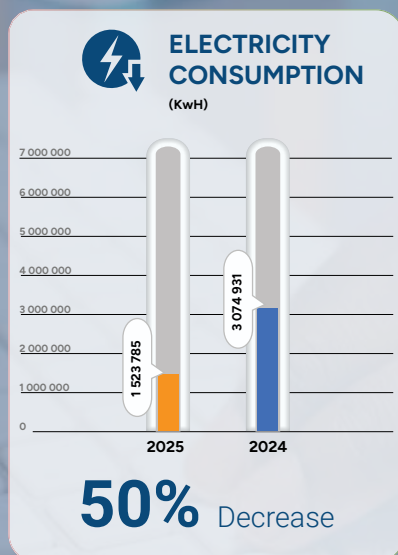
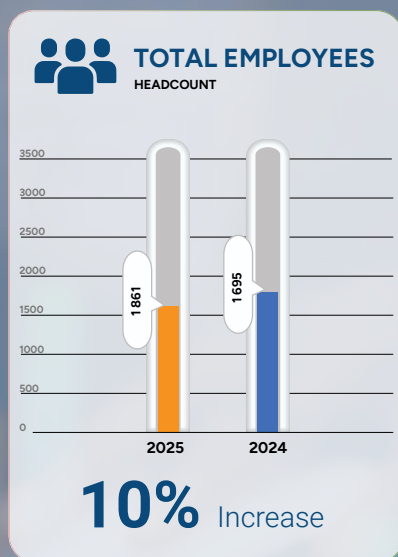
Financial Highlights

For The Year Ended 30 June 2025



Sustainability Highlights

For The Year Ended 30 June 2025



Chairman's Statement & Review of Operations

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.

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.

Chairman's Statement & Review of Operations (cont'd)

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 Standards 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.

The Group posted an operating profit of US\$25.899 million, representing a 32% increase on the prior year.



Chairman's Statement & Review of Operations (cont'd)

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 11% 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.



Newly commissioned Restapedic Lounge production facility

Chairman's Statement & Review of Operations (cont'd)

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.



Newly commissioned Restapedic Lounge production facility

Chairman's Statement & Review of Operations (cont'd)

PROSPECTS

The Group will continue to pursue a growth strategy in all its business units. To achieve this growth, 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 to increasing the range of our products to meet growing customer needs and will at the same time attend to new market segments. We will seek growth in sales volumes through the competitive pricing of our products realizing that the local customers have options to source products from competitors both local and regional.

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

Chairman

25 September 2025



DGA Malawi achieved a 25% volume growth, increasing to 2,433,812 units. Revenue declined by 15% compared to prior year as a result of significant currency depreciation.

OUR CHECKS & BALANCES

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D Distribution
G Group
A Africa





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.

Board of Directors

Luke Ngwerume
Independent Non-Executive Chairman

Qualifications: MBA (UCT)

Key Skills: Corporate Finance, Financial Performance, Strategy, Entrepreneurship, Investments, Compliance and Governance, Banking and Financial Services and Business Management.

Ray Rambanapasi
Group Chief Executive Officer

Qualifications: Chartered Accountant, MBA (UCT)

Key Skills: Taxation, Corporate Finance, FMCG, Manufacturing, Financial Performance, Strategy, Compliance and Governance and Business Management.

Matthew Hosack*
Non-Executive Director

Qualifications:
Business Science (Honours) degree
Investment Management (CFA UK Society)

Key Skills: Finance, Investment

Other Commitments: Founding partner of Sub-Sahara Capital Group Zimbabwe, a pan-African fund management company.

Appointed on the 1st of July 2025

Zinona (Zed) Koudounaris
Non-Independent Non-Executive Director

Qualifications: B.Com Business & Computer Science

Key Skills: Entrepreneurship, Strategy, Business Management, FMCG, Manufacturing, Quick Service Restaurants, Agriculture, Mining, Banking and Financial Services and Financial Performance.

Other Commitments: Director of Inncor Africa Limited and Simbisa Brands Limited.

Simbarashe Mambanda
Group Finance Director

Qualifications: Chartered Accountant

Key Skills: Taxation, Corporate Finance, FMCG, Manufacturing, Financial Performance, Strategy, Compliance and Business Management.

Thembiwe Mazingi
Independent Non-Executive Director

Qualifications: LLB, MBA (UZ)

Key Skills: Corporate Law, Taxation, Agriculture, Strategy, Compliance and Governance, Banking and Financial Services and Business Management.

Other Commitments: Director of Simbisa Brands Limited, Ariston Holdings Limited, African Century Limited and Partner at Coghlan, Welsh & Guest Legal Practitioners.

Thembinkosi (Themba) Sibanda
Independent Non-Executive Director

Qualifications: Chartered Accountant

Key Skills: Taxation, Corporate Finance, FMCG, Manufacturing, Financial Performance, Strategy and Business Management.

Other Commitments: Director of Edgars Stores Limited (Chairman of the Board), Padenga Holdings Limited (Chairman of the Board), Inncor Africa Limited and PPC Zimbabwe Limited. Principal at Schmulian & Sibanda (Chartered Accountants).

Directorate and Management

GROUP MANAGEMENT

Ray Rambanapasi	Group Chief Executive Officer
Simbarashe Mambanda	Group Finance Director
Brian Makwara	Group Finance Manager

DIVISIONAL MANAGEMENT

Tv Sales & Home

Sean Gorrige	Managing Director
Joseph Kamasho	Finance Director

Restapedic

Neil Bruce	Managing Director
Wise Mhembere	Finance Director

Transerv

Lloyd Mugabe	Managing Director
Faith Manikai	Finance Executive

DISTRIBUTION

Distribution Group Africa-Zimbabwe

Craig Hodgson	Managing Director
Lucille Makwasha	Finance Director

Innscor Distribution & Comox – Zambia

Seko Mwanyungwi	Managing Director
Priscilla Mwanza	Head of Finance

Innscor Distribution & Comox – Malawi

Kennedy Muchenga	Managing Director
Matthew Shonhiwa	Finance Manager



Corporate Governance

GROUP GOVERNANCE

Axia Corporation Limited is dedicated to adhering to the principles of Corporate Governance outlined in the King IV Code and the National Code on Corporate Governance in Zimbabwe. The Directors understand the importance of conducting the Group's operations transparently, with integrity, accountability, and in accordance with accepted corporate standards. This commitment assures shareholders and stakeholders that Axia Corporation Limited is being managed ethically, with cautiously defined risk parameters and in compliance with international best practices. This, in turn, ensures the enhancement of the Group's financial and human capital investments.

BOARD STRUCTURE

The Group established committees to enable the Board to achieve its responsibilities as follows:

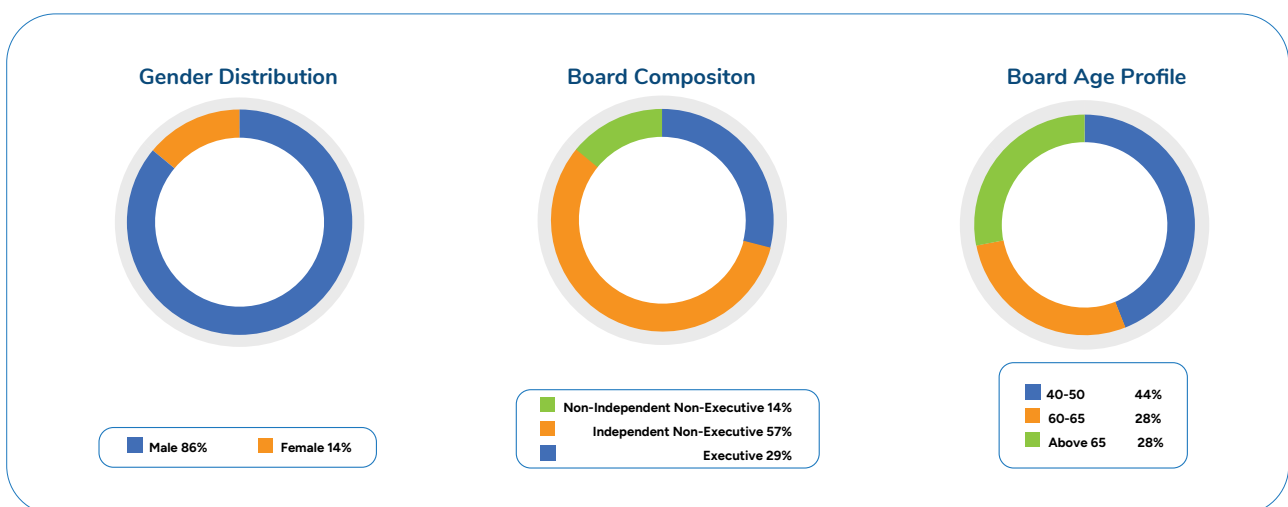


BOARD RESPONSIBILITY

The Board's main duty is to fulfill its fiduciary responsibility to both the shareholders and the Group. In this capacity, it acts as the top policy-making body of the Group and is tasked with offering strategic direction. The Board convenes on a quarterly basis to supervise management performance and maintain oversight of the Group's strategic direction.

BOARD COMPOSITION

The Board is composed of two executive directors and four non-executive Directors, four of whom are independent. Non-executive Directors provide independent guidance and oversight for the Company's strategic decision-making and corporate governance.



Corporate Governance (cont'd)

BOARD EXPERTISE

The Board of Directors delegated responsibilities to sub-committees, assigning tasks to members according to their individual skills and areas of expertise. Each business unit within the Group operates under a distinct Board responsible for its daily activities and specific objectives. A robust financial reporting system is implemented to hold each business unit accountable monthly.

NOMINATION OF DIRECTORS

The Board comprises of individuals with demonstrated track records and diverse skills and experience, which they leverage for the benefit of the Group. The Group is committed to ensuring that there is excellent leadership at the highest level. Therefore, the selection of Board members considers diversity, independence, and expertise, while paying attention to the interests of the business stakeholders.

BOARD AND MANAGEMENT ETHICS

The Group emphasizes that it is the collective responsibility of the Board and management to lead by upholding acceptable ethical business standards. Therefore, all Directors and Management are obliged to disclose any interests that could pose conflicts with their engagements within the Group. Professionalism and ethical norms are regarded as fundamental pillars of the Group's business activities. Acknowledging that the Group's image is influenced by the conduct of its Directors, management, and employees, Axia Corporation Limited is committed to always maintaining the highest standards of integrity and ethical conduct.

MECHANISMS FOR COMMUNICATION WITH STAKEHOLDERS

The Group offers multiple channels for stakeholders to engage with its Board of Directors and senior management. These communication platforms encompass the Annual General Meeting, press releases, announcements of interim and year-end results, investor briefings, annual reports to shareholders, and the opportunity for shareholders to exercise their voting rights.

DECLARATION OF DIRECTORS' INTERESTS

The beneficial interests of Directors and their families in the shares of the Group are disclosed under note 22.3.

WHISTLE-BLOWER POLICY

The Group stands firm in upholding its values and code of conduct, expecting all individuals to adhere to ethical standards. It is compulsory for all employees and stakeholders to report unethical behavior through an independently managed whistle-blower system. This system offers a secure avenue for stakeholders to report any misconduct they encounter without the fear of facing consequences.

SHARE DEALINGS

The Group has a policy in line with the Victoria Falls Stock Exchange Listing Requirements prohibiting dealings in shares by Directors, officers, executive management and all its employees for a designated period which is:

- Any period when they are aware of any negotiations or in possession of price-sensitive information not within the public domain;
- The period from the end of the Group's financial year end to the date of earliest publication of the Group's preliminary report, abridged report or provisional report;
- The period from the expiry of the first six months of the Group's financial year to the date of publication of the Group's interim results;
- Where the Group reports quarterly, the period from the end of a quarter to the date of publication of the Group's quarterly results; or Any period when the Group is trading under cautionary announcement.

PROFESSIONAL ADVICE

It is the Group's policy that where justifiable, Directors are entitled to seek independent professional advice at the Group's expense on matters in the furtherance of their duties or in advance of the Group and its companies' value creation.

Corporate Governance (cont'd)

BOARD COMMITTEES

COMMITTEES	MEMBERS	SUMMARY ROLES AND RESPONSIBILITIES
EXECUTIVE	R.M.Rambanapasi (Chairman) , S. Mambanda S. Gorrige C. Hodgson J. Kamasho L. Mugabe L. Makwasha F. Manikai	The Executive Committee is responsible for formulating, directing, and implementing strategic decisions. The Committee meets monthly and comprises of two Directors and six executives from business units.
AUDIT AND RISK	T.N Sibanda (Chairman) , R.M.Rambanapasi T.C. Mazingi	<p>The audit and risk committee of the Board deals, inter alia, with compliance, internal control, and risk management. The committee currently comprises of two independent non-executive directors and one executive director.</p> <p>The committee meets at least three times a year and its responsibilities include but are not limited to the following:</p> <ul style="list-style-type: none"> • Ensuring that financial reporting across the Group is transparent, accurate and reliable; • Overseeing and managing the performance, functioning, and effectiveness of the Group's finance and risk functions and internal audit functions; • Assisting the Board in fulfilling its corporate governance oversight responsibility regarding the identification, evaluation, and mitigation of operational, strategic and external risks; • Monitoring and reviewing the Group's risk management practices and risk-related disclosures and; • Ensuring that the roles and functions of both internal and external audit are lucid and synchronised. Both the internal and external auditors meet regularly and have unrestricted access to the Audit Committee.
REMUNERATION AND NOMINATION	T.C.Mazingi (Chairperson) , L.E.M Ngwerume, R.M.Rambanapasi, Z. Koudounaris, T.N. Sibanda	<ul style="list-style-type: none"> • The remuneration and nomination committee comprises of three independent non-executive Directors, one non-independent non-executive Director, and one executive Director. The remuneration and nomination committee's mandate has the following primary responsibilities. • Evaluating and sanctioning the appointment of, and remuneration packages for, all Board members, Executive Directors, and senior management. In doing so, it will assemble a structure and strategy related to the terms of employment for employees, management, and Board members, as well as any compensation that aims to reward in a manner that attracts and retains talented individuals, and employees to constantly seek to elevate and contribute to the Group's success. • Orchestrating succession planning within the Group, particularly that of the Chief Executive and Executive Management. <p>Criteria for Nomination</p> <ul style="list-style-type: none"> • The Board is key to the Group's long-term success and ensuring strong leadership is paramount. The Group strives to make sure that there is the right calibre of leadership at the top levels thus selection of Board members considers diversity, independence and expertise, with due consideration of the business stakeholders.

Corporate Governance (cont'd)

COMMITTEE MEETING ATTENDANCE

Attendance of meetings during the financial year ended 30 June 2025 was as follows:

BOARD MEMBER	BOARD ATTENDANCE & AGM	AUDIT AND RISK COMMITTEE	REMUNERATION AND NOMINATION COMMITTEE
Luke Ngwerume	5/5	N/A	1/1
Ray Rambanapasi	5/5	3/3	1/1
Simbarashe Mambanda	5/5	3/3	1/1
Matthew Hosack*	1/5	N/A	N/A
Zinona (Zed) Koudounaris	4/5	N/A	1/1
Thembiwe Mazingi	5/5	3/3	1/1
Thembinkosi (Themba) Sibanda	4/5	3/3	1/1

*Joined on 1 July 2025

COMPLIANCE WITH GOVERNANCE REGULATIONS

As per the Companies and Other Business Entities Act [Chapter 24:31] (COBE), section 206 (2), a public company must have a minimum of 3 independent non-executive directors on its Board of Directors. Axia Corporation Limited fully complies with this requirement as its Board has 3 independent non-executive directors. The Group's Audit Committee consists of 3 members, out of which 2 are independent directors. Additionally, section 195(1) of the COBE requires a public company to have at least seven(7) directors. The Axia Directorate comprises of seven(7) directors.

Business Practices

BUSINESS ETHICS

Axia Corporation Limited recognises the importance of business ethics in creating trust and credibility that enhances the Group's reputation and promotes long-term success. We established procurement, payment, and recruitment procedures to uphold ethical standards in our operations. By prioritising the recruitment of individuals with integrity, we aim to mitigate the risk of engaging in unethical business practices. Additionally, the Group implemented a standard payment system equipped with controls designed to prevent such practices. Axia Corporation Limited acts on concerns raised during internal and external audits. To address ethical violations or misconduct reported by our employees, we conduct the following process:

FOLLOW-UP

Communicate the outcomes to the reporting employee, ensuring transparency and reinforcing trust in the process. Regularly review and update procedures to improve the effectiveness of the reporting and response system.

ACTION AND REMEDIATION

Based on the investigation findings, take appropriate disciplinary actions, which may include warnings, training, or termination. Additionally, implement corrective measures to prevent future occurrences.

INVESTIGATION

Assign a dedicated team to promptly investigate all reports. This team will gather facts, interview relevant parties, and ensure a thorough and impartial review.

REPORTING MECHANISM

Established a confidential and accessible reporting system, such as a hotline or online portal, where employees can report concerns without fear of retaliation. We subscribe to anonymous tip offs services.

Regular internal and external audits are vital for ensuring that implemented procedures and related internal controls are functioning effectively, as they help identify any deviations and mitigate potential financial losses.

REGULATORY COMPLIANCE

Regulatory compliance is a cornerstone of our operational integrity, encompassing adherence to all relevant laws, regulations, guidelines, and specifications that govern our business processes. This commitment not only safeguards our resources but also strengthens our reputation as a reliable entity in our industry. In managing regulatory compliance, we acknowledge that our actions enhance our market standing, protect us from fines and penalties, and foster trust among stakeholders. However, challenges can arise, such as the potential for financial strain due to excessive statutory obligations, which may indirectly affect our employees.

We established a compliance program that prioritises education and awareness. This program includes regular training for employees, ensuring they are well-informed about their legal responsibilities. We conduct regular internal audits and monitoring, allowing us to promptly identify and rectify compliance issues. Our procedures are continuously updated to align with evolving regulations, and we conduct risk assessments to mitigate potential compliance risks proactively.

To track the effectiveness of our compliance strategies, we focus on specific goals, such as adhering to all statutory regulations, with key performance indicators centred around maintaining a record of zero fines or penalties. Our internal processes for tracking compliance include regular audits and monitoring systems. Feedback from these interactions highlighted areas for improvement, prompting us to enhance our training programs and compliance measures. This ongoing engagement ensures we remain accountable and responsive to the expectations of our community and industry.

Business Practices (cont'd)

ANTI-CORRUPTION

Our Impacts

Corruption is avoided and reduced in its business practices in order to uphold sound sustainable business practices. The Group's strong anti-corruption policies can improve brand reputation, build trust with customers, investors, and partners. Reducing corruption leads to improved operational efficiency for Axia Corporation Limited through more transparent and efficient operations, minimising losses and improving overall business performance. Adhering to anti-corruption laws help avoid legal penalties and fines, ensuring that we operate within legal frameworks. A clear stance against corruption boost employee morale and foster a culture of integrity and accountability.

However, establishing and maintaining anti-corruption measures is costly and resource-intensive, requiring investment in training, monitoring, and compliance systems. Strict anti-corruption policies may initially disrupt operations as processes are adjusted and employees adapt to new protocols.

Our Approach

The Group has Procurement and Recruitment policies to guide the execution of these processes. Axia Corporation Limited is committed to performing background checks on new employees to ensure they do not engage in corrupt activities and that they are not associated with corrupt organisations and individuals that may affect brand reputation. Internal and external audits are conducted periodically to ensure there is compliance with anti-corruption laws and that the occurrence of corrupt activities may be detected.

Tracking Progress

Management reviews and external audits are conducted to track the progress made towards anti-corruption practices. We rely on our internal audit investigations to monitor and evaluate our processes and compliance to anti-corruption. The Group aims to achieve zero cases of corruption in its operations. We use key performance indicators which include number of deviations raised by the auditors and purchasing of poor quality goods which may be indicative of corrupt practices. These actions have proved to be effective as there has been no corruption issues raised in the reporting year.



Business Practices (cont'd)

HUMAN RIGHTS

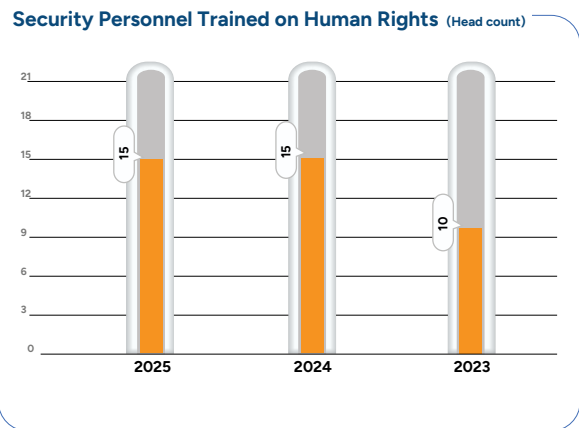
We are committed to upholding Human Rights across all our operations, fostering a culture of respect, inclusivity, and ethical conduct. Our approach to Human Rights management reflects our dedication to responsible business practices, ensuring that our operations do not disregard upon the rights of individuals or communities. We recognise that our impact extends beyond our immediate operations, influencing employees, customers, and stakeholders. As we navigate the complexities of our industry, we remain vigilant in identifying human rights impacts and taking measures to address them. Also, our commitment to creating a safe and equitable work environment positions us as a preferred employer, allowing us to attract talent and foster employee loyalty. The Group contributes to economic stability and growth within the communities we serve, enhancing the overall quality of life by prioritising human rights. However, we acknowledge potential challenges associated with our operations. Any perceived failure to uphold human rights can lead to reputational damage, resulting in financial losses, customer boycotts, and legal repercussions. Further, issues such as long working hours and inadequate working conditions can impact efficiency and employee morale.

We adhere to the Human Resources Policies aligned with national and international labour standards, including the Labour Act of Zimbabwe [Chapter 28: 01] and various codes of conduct. Our recognition and support of freedom of association and collective bargaining enable us to engage meaningfully with recognised trade unions to negotiate working conditions. Axia Corporation Limited provides a safe and healthy work environment, prohibiting forced and child labour, and ensuring non-discrimination in all aspects of employment. In our efforts to mitigate potential negative impacts, we conduct regular training and awareness programs on Human Rights issues, equipping our employees with the knowledge to recognise and address violations. More so, we continuously review our human resource procedures to maintain their effectiveness and efficiency. Axia Corporation Limited leverages informal channels and structured forums, such as the Works Council, to engage employees and promptly address their concerns. Our employment codes of conduct and grievance procedures are regularly updated to reflect best practices in Human Rights management.

The Group implemented internal and external audits to assess compliance with our Human Rights standards. Regular evaluations of our policies and practices, combined with feedback mechanisms for employees and customers, help track our progress. Our primary goal is to be recognised as a supplier of choice, with specific targets focused on enhancing diversity and inclusion across all levels of the Group. Key performance indicators (KPIs) such as employee turnover rates, incident reporting rates, and employee satisfaction scores allow us to monitor our effectiveness and identify areas for improvement.

Through stakeholder engagement and internal assessments, we learnt the importance of promoting diversity in hiring and promotions, as well as implementing clear policies that prohibit discrimination and harassment. Our commitment to transparency strengthened our relationships with employees, customers, and the community, reinforcing our dedication to Human Rights. Axia Corporation Limited engages with stakeholders, including local organisations and human rights advocates, to enhance our understanding of human rights issues, informing our policies and ensuring accountability to our community and employees. We believe that ongoing dialogue with our stakeholders is crucial for cultivating a culture of respect and accountability, which helps further integrate human rights into our Group's values.

Security personnel trained in human rights were as follows:



Business Practices (cont'd)

DIVERSITY AND INCLUSION

Axia Corporation Limited promotes diversity and inclusion as we view these as essential in creating a dynamic workplace where a range of perspectives and experiences drive innovation and enhance our collective success. These increase creativity, bringing together individuals from different backgrounds and leading to innovative solutions and fresh ideas. Additionally, our diverse employees are equipped to understand and cater to the needs of a varied customer base, resulting in improved customer satisfaction. However, we are aware that failing to prioritise diversity and inclusion can expose us to significant legal and regulatory risks, including discrimination lawsuits and reputational damage. By not tapping into a diverse talent pool, we risk losing top talent and limiting our potential for growth. We recognise that negative attitudes, including prejudice, stereotyping, and discrimination, hinder workplace harmony, and we are dedicated to addressing these issues through open communication. Further, we recognise that compensation gaps based on race, gender, or physical challenges can lead to breaches of labour and human rights regulations. Therefore, fostering a culture of diversity and inclusion is not only a moral imperative for us but a strategic necessity for our ongoing success.

Our commitment to diversity and inclusion is reflected in the composition of our Board and employees, as well as our approach to salaries and remuneration. We are guided by our Human Resources Policy Manual, Labour Act of Zimbabwe [Chapter 28:01] and National Employment Council for the Commercial Sectors of Zimbabwe (CBA), which ensures that all employees are treated with dignity and respect and are entitled to fair and consistent application of policy, processes and procedures. By creating a diverse and inclusive workplace, the Group not only earns a positive reputation as a fair and ethical business but ensures that it attracts and retains top talent. To achieve this, the Group's Human Resource Policy is guided by rigorous standards for fair recruitment and promotion and compensation, which ensure that all employees have equal opportunities for career advancement, regardless of age, gender or ethnicity.

As Axia Corporation Limited, we prioritise diversity and inclusion by regularly monitoring gender distribution through quarterly and monthly reports, which currently indicate a male-to-female ratio of 81% to 19%. Turnover rates and employee satisfaction scores, help us evaluate the effectiveness of our diversity and inclusion initiatives. As a result of our focus on equality, transparency, and ethical conduct, we observed a notable increase in employee satisfaction, aligned with our strategic pillars.

Additionally, the selection of Gender Champions across our branches further promoted a conducive working environment by implementing and developing gender-sensitive policies. We continue to set ambitious targets to enhance our diversity efforts and ensure that all employees have equal opportunities and compensation, contributing to a thriving workplace culture.

CYBER SECURITY AND PRIVACY PROTECTION

In an increasingly digital world, managing cyber security and privacy protection has become a critical focus for businesses. We are committed to safeguarding sensitive information and ensuring that our customers' data is handled with the highest care. Our approach encompasses a comprehensive strategy that not only protects our infrastructure from unauthorised access but also maintains the integrity and privacy of the personal data we collect. This commitment is fundamental to building trust with our customers and stakeholders while enhancing our operational resilience.

Moreover, our measures enhance customer trust, leading to increased loyalty as they feel secure sharing sensitive information during our vetting process. Additionally, cyber security protocols mitigate the risk of financial losses, reputational damage, and legal liabilities that can arise from data breaches. However, we acknowledge the challenges posed by reliance on third-party vendors and the potential risks associated with data mishandling. These factors highlight the importance of our strict data protection policies and ongoing vigilance.

Our Data Protection Policy outlines procedures for handling personal data, together with a detailed security incident response plan. We implement third-party vendor management processes to assess risks associated with external partnerships and conduct vulnerability assessments and penetration testing to identify and address potential weaknesses in our systems. Our network security is fortified using firewalls and intrusion detection systems, ensuring unauthorised access is effectively blocked. We regularly conduct training sessions for employees, raising awareness about phishing threats and promoting best practices in cyber security. In the event of a breach, we use measures such as data encryption and regular backups to protect data integrity and ensure business continuity.

Business Practices (cont'd)

CYBER SECURITY AND PRIVACY PROTECTION (CONT'D)

The effectiveness of our cyber security initiatives is tracked through processes that include internal and external audits, risk assessments, and incident response plan drills. Key performance indicators such as the frequency of security incidents, audit findings, and employee training completion rates enable us to measure our progress. We learnt from past incidents that inadequate employee training led to vulnerabilities, prompting us to implement mandatory cyber security awareness training, including simulations to prepare employees for real threats. We identified the need for regular monitoring and reviews, establishing a routine for vulnerability assessments and compliance audits to ensure our systems remain resilient. Engagement with stakeholders such as clients, employees, and regulatory bodies allow us to identify key concerns and prioritise initiatives that enhance our cyber security measures. Surveys conducted post-training help us assess the effectiveness of our programs and make necessary adjustments. Further, consultations with regulatory authorities keep us aligned with the latest data protection laws, ensuring that our policies meet compliance standards and reducing the risk of legal repercussions.

SECURITY PRACTICES

As Axia Corporation Limited we manage security conduct to prevent the risk of using force or violating human rights. We utilise third-party security in our facilities and stores, where our primary concern is ensuring that the culture of the security company aligns with our own, therefore our policy focuses on aligning security objectives and ensuring that personnel are adequately trained in customer handling. In cases of misconduct, negligence and criminal activities the Group faces the risk of reputational damage and legal liability. Third-party security providers can be associated with potential implications such as their access to sensitive areas of information which may lead to breaches in confidentiality agreements, data leaks, and even theft. Additionally, third-party security providers may not meet the Group's required training standards for handling specific risks or scenarios such as internal theft and, they may be less invested in our goals and culture resulting in a lack of accountability and commitment.





Risk Management

The Group's Risk varies from strategic, operational and financial which are monitored by senior management, internal and external auditors.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Group conducts a thorough risk profiling process where internal stakeholders are consulted extensively to identify risks. Based on the likelihood and magnitude of an impact, risks are categorised and rated, and risk management techniques are implemented. To guarantee continuous risk assessment and mitigation, audit risk reviews are carried out. The Group uses a risk-based strategy to choose audit areas, considering risks that could affect important operational and strategic goals. The Group's Risk varies from strategic, operational and financial which are monitored by senior management, internal and external auditors. We keep a risk register in which we describe the risks that have been recognised, the intended activity as well as the evaluation of the residual risks. For the residual risk evaluation, we employ the Brags rating system. We regularly report on our risks to the Board and Management during meetings to ensure accountability. We conduct operations meeting monthly, board meeting quarterly and risks assessment is done in these meeting to direct our operations.

Risk Management (cont'd)

MANAGING FINANCIAL RISK

Axia Corporation Limited places a high priority on managing its financial risks, with interest rate and liquidity risk receiving most of its attention. The Group uses fixed interest rates as opposed to variable rates to reduce interest rate risk. We guarantee that fixed interest rates do not rise above the anticipated rate of return on the assets we invested in. The Group continually evaluates the risk profiles and maturity of its financial instruments to maintain a monitoring system for liquidity risk. When liquidity shortages are predicted, management moves quickly to restructure financial liability maturity dates or find new sources of finance. We continuously use risk reduction approach, where the mix of multi currencies is monitored in both receipts and payments to ensure a matching is maintained to reduce the risk of exchange losses.

Residual risks identified in the current reporting year where as follows:

RISK	DESCRIPTION	MITIGATION MEASURES
FINANCIAL LOSS	<ul style="list-style-type: none"> Devaluation of ZWG and Kwacha, which causes exchange losses. Loss of value of monetary assets and decline of shareholders value. Loss of shareholder value due to inappropriate pricing. Challenges in obtaining foreign currency. 	<ul style="list-style-type: none"> Active monitoring of local monetary assets, ensuring business units generate meaningful profits. Using multiple currency for transactions to spread foreign exchange risks. Structuring business operations to naturally offset foreign exchange exposures by matching inflows and outflows in the same currency.
BRAND REPUTATION	<ul style="list-style-type: none"> Risks to brand reputation can arise from negative customer reviews, social media backlash, unethical business practices, or public controversies. A damaged reputation can lead to loss of customer trust, decreased sales, and long-term financial implications. 	<ul style="list-style-type: none"> Establishing transparent communication channels to keep customers informed about the Group's values, initiatives, and responses to issues.
HEALTH AND SAFETY	<ul style="list-style-type: none"> Risk related to work-related injuries and work-related ill health. 	<ul style="list-style-type: none"> Risk reduction through identification of potential hazards in the workplace and implementing controls to minimise the identified risks.
COMPLIANCE RISK	<ul style="list-style-type: none"> Penalties due to late payment of taxes. Stringent regulatory environment. 	<ul style="list-style-type: none"> Continuous engagement with regulators to ensure compliance.
HUMAN RESOURCES	<ul style="list-style-type: none"> There is risk of employee turnover and loss of skilled and key employees. 	<ul style="list-style-type: none"> Risk avoidance through regular training of employees to increase efficiency and boosts morale. Continuous review of remuneration and HR practices.
OPERATIONAL	<ul style="list-style-type: none"> The risk of suppliers withholding materials due to payment delays. 	<ul style="list-style-type: none"> Risk avoidance by ensuring that timely payments are made, and constant communication is done with the suppliers. Prioritising supplier payments.
CREDIT	<ul style="list-style-type: none"> Customers that buy on credit may default payment leading to credit losses. 	<ul style="list-style-type: none"> Conduct thorough assessments of customers' creditworthiness before extending credit. Adopt credit insurance to protect against potential losses from defaults.
BUSINESS	<ul style="list-style-type: none"> Volumes decline due to lower disposable incomes because of hyperinflation. Competition from cheaper brands. 	<ul style="list-style-type: none"> Continue to price products competitively.

Risk Management (cont'd)

SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

The Enterprise Risk Management Framework manages the overall approach to sustainability-related risks and opportunities. Axia Corporation Limited identifies, measures and keeps sustainability information as it is required to report to stakeholders. We are environmentally conscious and aim to limit carbon footprint in our operations. Axia Corporation Limited's approach to sustainability risk management focuses on economic, environmental, social and governance metrics (ESG) that may reasonably affect immediate, short-term and long-term cashflows, cost of capital and the ability of the Group to access finance.

INTERNAL CONTROLS TO STRENGTHEN CREDIBILITY OF SUSTAINABILITY REPORTING

Our commitment to integrity and ethical values forms the foundation of our approach, ensuring transparency in all sustainability initiatives. Independent oversight from our Board of Directors reinforces accountability and strategic direction on sustainability matters. We established clear structures, reporting lines, and defined responsibilities to facilitate effective communication and collaboration across the Group, empowering teams to take ownership of sustainability objectives. Additionally, we invest in talent management to attract, develop, and retain skilled individuals who can drive our sustainability agenda. By holding employees accountable for internal controls and establishing clear performance metrics, we foster a culture of responsibility that enhances the trust of our stakeholders in our sustainability efforts.

The following are significant sustainability-related risks and opportunities during the reporting year:

RISK	DESCRIPTION	OPPORTUNITIES	FINANCIAL IMPACTS
ENVIRONMENTAL	<ul style="list-style-type: none"> Pollution, from poor waste management practices can result in fines and penalties for non-compliance. 	<ul style="list-style-type: none"> Proper recycling of waste ensures unnecessary costs are reduced and brand reputation is enhanced. 	<ul style="list-style-type: none"> Fines and penalties can increase expenses and lower profits.
SOCIAL	<ul style="list-style-type: none"> Poor communication with stakeholders may lead to disgruntlement and poor relationships. 	<ul style="list-style-type: none"> Improving communication with stakeholders leads to good stakeholder relations and investor trust. 	<ul style="list-style-type: none"> Lost revenue and investment. This may lead to reduced profits and loss of investor funds and confidence.
CYBER SECURITY	<ul style="list-style-type: none"> Risk of hacking and loss of confidential data. 	<ul style="list-style-type: none"> Investing in advanced technology and cyber security practices protects confidential and sensitive data. 	<ul style="list-style-type: none"> Investment in advanced technology may require substantial capital.
TAX COMPLIANCE	<ul style="list-style-type: none"> Non-compliance with tax laws and regulations can result in fines and penalties. 	<ul style="list-style-type: none"> Training and regular review of tax laws and use of tax experts results in improved tax practices leading to reduced or no penalties and fines. 	<ul style="list-style-type: none"> Increase in interest and fines.

CORPORATE SUSTAINABILITY

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Our ultimate goal is to create positive impacts for our stakeholders through our business activities and operations, which will lead to long term success.

Sustainability Approach

The Group's emphasis is on recognising, quantifying, and taking responsibility for economic, environmental, and social concerns. We firmly believe that our most significant contribution to sustainable development is the operation of an efficient and profitable business.

OUR STRATEGY

Axia Corporation Limited is dedicated to fostering value through sustainable business strategies. Central to this commitment is the emphasis on recognising, quantifying, and taking responsibility for economic, environmental, and social concerns. Our key focus is on delivering environmentally friendly, top-quality, and long-lasting products to our customers. As a retail and distribution enterprise, we depend on our stakeholders to assist us in identifying the effects and possibilities within our operations and supply chain. Our overarching aim is to generate favourable outcomes for our stakeholders by means of our business practices and activities for long term success.

SUPPLY CHAIN

We act as a responsible intermediary between producers and consumers, ensuring a strong commitment to ethical practices. To uphold the highest standards within our supply chain, we implement a stringent monitoring system that involves comprehensive screening procedures. Supplier evaluation criteria include environmental impact, social responsibility, regulatory compliance, and human rights practices. Our aim is to encourage sustainable practices that align with our values and safeguard the integrity of our brands. We prioritise transparency and fairness in our relationships with supply chain partners, fostering mutually beneficial collaborations.



Cutting in progress at Restapedic Division

Sustainability Approach (cont'd)

SUSTAINABLE OPERATIONS

As a socially responsible business, we acknowledge the critical importance of conducting operations in a sustainable manner that safeguards the environment. We actively encourage all our subsidiaries to proactively take measures to minimise any adverse effects on the environment, society, and the economy. Our subsidiaries are committed to following standardised operating procedures that promote sustainable practices, ensuring that their activities do not contribute to negative impacts on the environment, society, or the economy.

SHARED VALUES

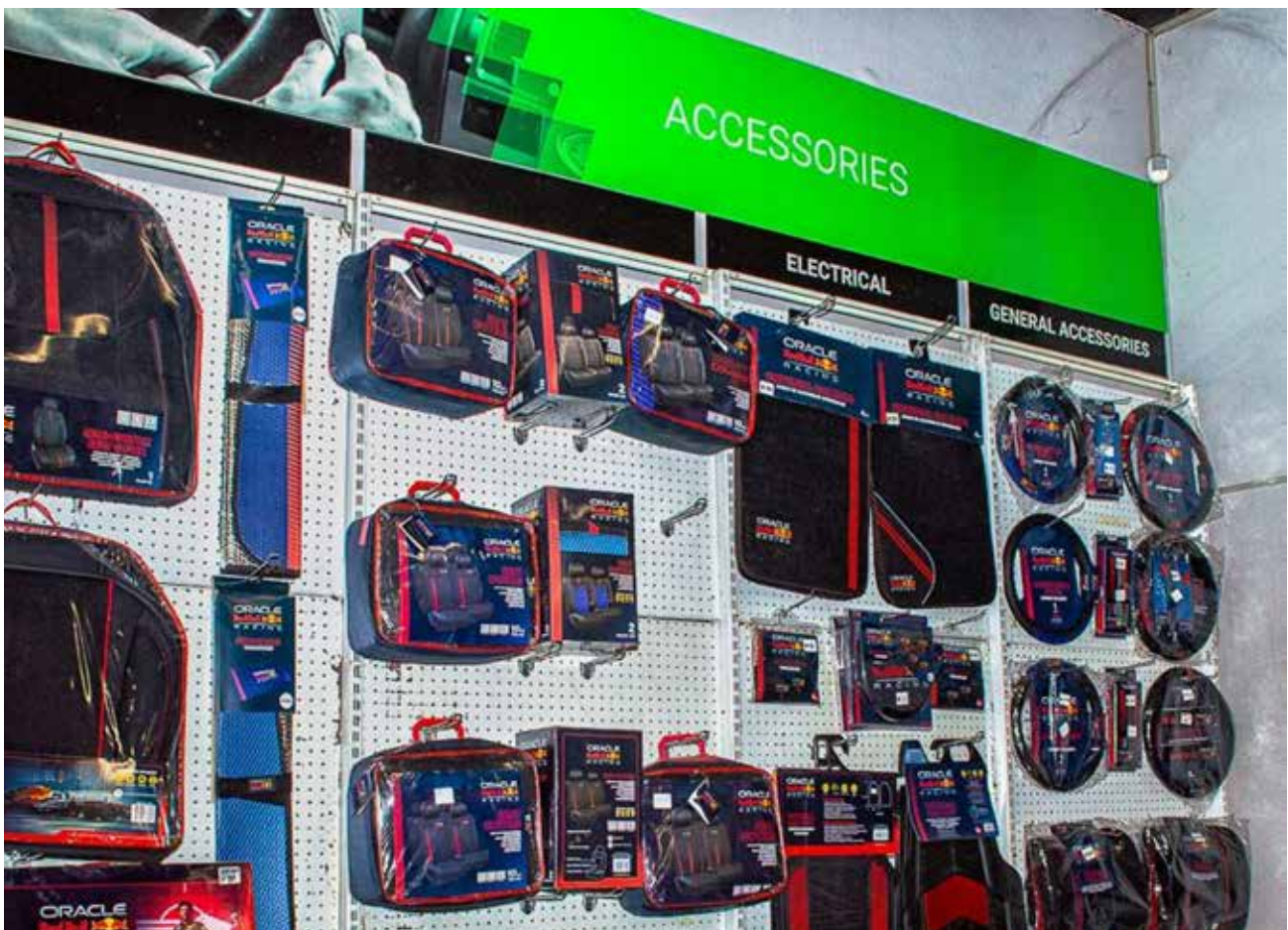
Our business strategy revolves around customer satisfaction, emphasising inclusivity and responsiveness to their needs. We prioritise cultivating shared values with our customers and stakeholders by embracing eco-friendly practices and ensuring the responsible disposal of packaging waste. We strongly believe that by fostering shared values, we can contribute positively to a better world. Our approach to stakeholder engagement is implemented at the Group level, adhering to the guidelines set forth by the GRI Standards (2021). This framework guides us in identifying, prioritising, and managing our stakeholder relationships. We employ a variety of methods and channels to communicate with stakeholders, striving to gain an enhanced understanding of their expectations, interests, and concerns with the aim of addressing these issues promptly and constructively. We continuously monitor and assess the effectiveness of our stakeholder engagement initiatives. This evaluation process allows us to report on the outcomes and impacts of our efforts, ensuring accountability and fostering ongoing improvements in our engagement practices.



A newly installed solar system at the Restapedic Sunway City factory.

Stakeholder Engagement

The stakeholder engagement programme focuses mainly on the seven stakeholders that management believes are most likely to influence the Group's ability to create value in the short, medium and long term. Proactive and transparent relationships enable the Group to identify and address the needs and expectations of these stakeholder groups and respond appropriately.



Stakeholder Engagement (cont'd)

STAKEHOLDER ACTIVITIES

Our stakeholders are categorised as follows:

Stakeholder	Material Matters	Our Response	Engagement Methods	Engagement Frequency
EMPLOYEES	<ul style="list-style-type: none"> Employee welfare. Mental health and work-life balance. Remuneration. Efficiency. 	<ul style="list-style-type: none"> Payment of performance incentives. Regular breaks. Training and education. Regular salary reviews. 	<ul style="list-style-type: none"> WhatsApp. Emails. Calls. Texts. Works Council Meetings. Internal Memorandums. 	<ul style="list-style-type: none"> Monthly. Ad hoc.
CUSTOMERS	<ul style="list-style-type: none"> Value delivery. Promotions. Competitive pricing. Online sales channel. 	<ul style="list-style-type: none"> Monitoring of product pricing. Rigorous quality control measures. 	<ul style="list-style-type: none"> Customer feedback in- store and links on websites 	<ul style="list-style-type: none"> Daily. Weekly. Monthly.
SHAREHOLDERS & POTENTIAL INVESTORS	<ul style="list-style-type: none"> Business expansion opportunities. Profitability. Investment. 	<ul style="list-style-type: none"> Monitoring economic performance in tangible metrics. Investing in production facilities and expanding the number of store locations. 	<ul style="list-style-type: none"> Shareholder briefings. Annual General Meetings. Publication of bi- annual results. Trading updates. 	<ul style="list-style-type: none"> Annually. Quarterly.
LOCAL COMMUNITY	<ul style="list-style-type: none"> Employment Opportunities. CSR Projects. 	<ul style="list-style-type: none"> Investing in corporate social responsibility. Opening new business units. 	<ul style="list-style-type: none"> Continuous engagement with community leaders. 	<ul style="list-style-type: none"> Ad hoc.
GOVERNMENT & REGULATORS	<ul style="list-style-type: none"> Payment of taxes. Compliance with laws and regulations. 	<ul style="list-style-type: none"> Policy briefings. Compliance inspections. 	<ul style="list-style-type: none"> Memos. Emails. Phone calls. 	<ul style="list-style-type: none"> Annually. Ad hoc.
SUPPLIERS	<ul style="list-style-type: none"> Payment time. Product quality Delivery lead times Country risk 	<ul style="list-style-type: none"> Timeous and bulk payments. Bulk ordering 	<ul style="list-style-type: none"> Supplier briefings and meetings. Emails. Telephone. Competitive tenders. 	<ul style="list-style-type: none"> Quarterly. Ad hoc. Monthly.
FINANCIAL INSTITUTIONS	<ul style="list-style-type: none"> Lending rates. Market risks. Liquidity. 	<ul style="list-style-type: none"> Negotiating favourable interest rates. Diversification into other financial institutions. 	<ul style="list-style-type: none"> Briefings. Publications. Formal meetings 	<ul style="list-style-type: none"> Ad hoc.

Sustainability Materiality Assessment

OUR SUSTAINABILITY CONTEXT

Axia Corporation Limited's sustainability strategy is designed to generate a positive impact through targeted initiatives that address the most pertinent concerns of stakeholders. Following the principles of Economic, Environmental, Social, and Governance (ESG) issues in line with the Global Reporting Initiative (GRI) Standards (2021), our strategy underscores a commitment to sustainable practices. We actively engage with both internal and external stakeholders, conduct thorough analyses of business risks and opportunities, and measure our performance against industry benchmarks. This evaluation forms the basis for shaping our sustainability strategy, setting goals, and informing our reporting practices. We firmly believe that our most significant contribution to sustainable development is the operation of an efficient and profitable business.

SUSTAINABILITY MATERIALITY ASSESSMENT PROCESS

Our sustainability materiality assessment is a crucial process that support identifying the most significant issues that could impact our business, values, and ability to achieve our strategic objectives. This assessment was conducted by the Group through a questionnaire survey. The data collected from the survey underwent several phases of analysis, including the identification of issues relevant to our operations through stakeholder assessment and benchmarking. The survey evaluated management's perceptions of the relative importance of the identified topics to Axia Corporation Limited and their influence on stakeholder decisions and Human Rights. The final topics were reviewed and approved by senior management to ensure consistency with our business activities.

IDENTIFICATION

- Emerging trends in sustainability.
- Benchmarking with international companies.
- Stakeholders concerns.
- Business strategy and key focus area.

PRIORITISATION

- Material topics ranked based on their significance to the business and stakeholders' interests by senior management.

MATRIX GENERATION

- Materiality topics are plotted as a matrix showing their importance to the business and stakeholders.

Material Topics

The material issues identified have been reaffirmed as being the most relevant to Axia Corporation Limited for the year ended 30 June 2025. The identified issues were categorised into economic, environmental, social and governance topics as presented below:

- **Economic category**
topics that cover the flow of capital among different stakeholders, and the main economic impacts of the Group throughout the society.
- **Environmental category**
covers impacts on living and non-living natural systems, including land, air, water, and ecosystems.
- **Social category**
topics that relate to impacts on the social systems and human rights in our area of operations.
- **Governance**
covers impacts on the system of rules, practices and processes by which the Group is directed and controlled.

STYLING

LIGHTING

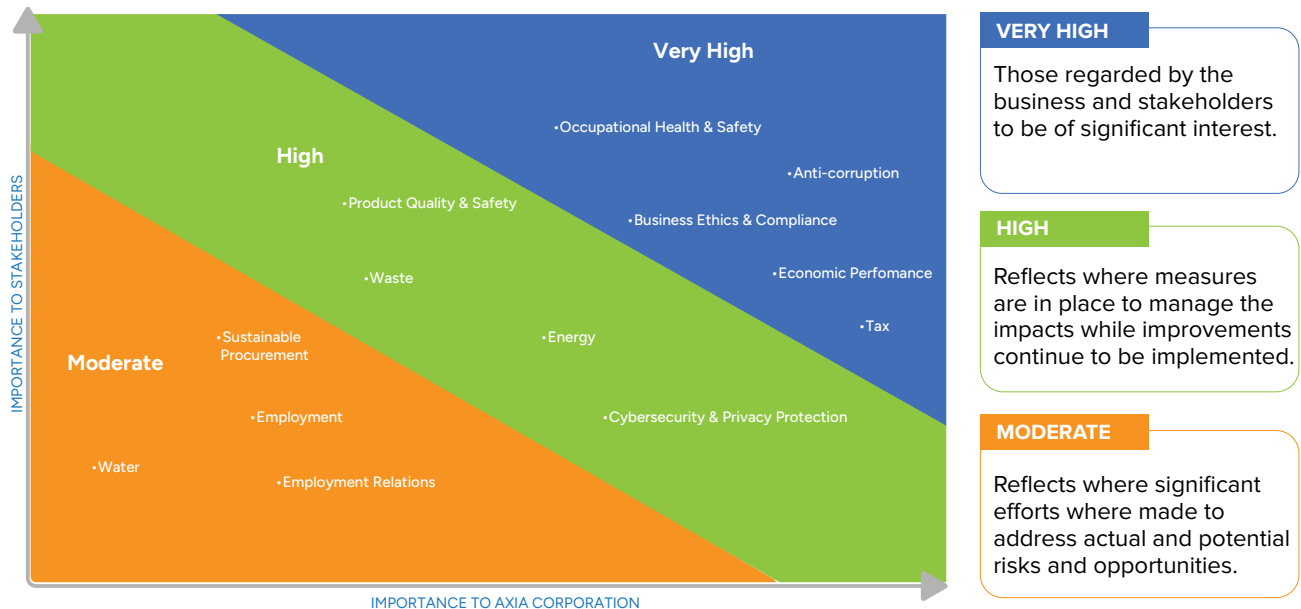
Sustainability Materiality Assessment (cont'd)

Material Topics (cont'd)



Materiality Matrix

The materiality analysis presented below ranks the top 13 topics that are most significant to the business and to its stakeholders. The Group's assessment has shown that there are slight changes in the material topics from the previous year.



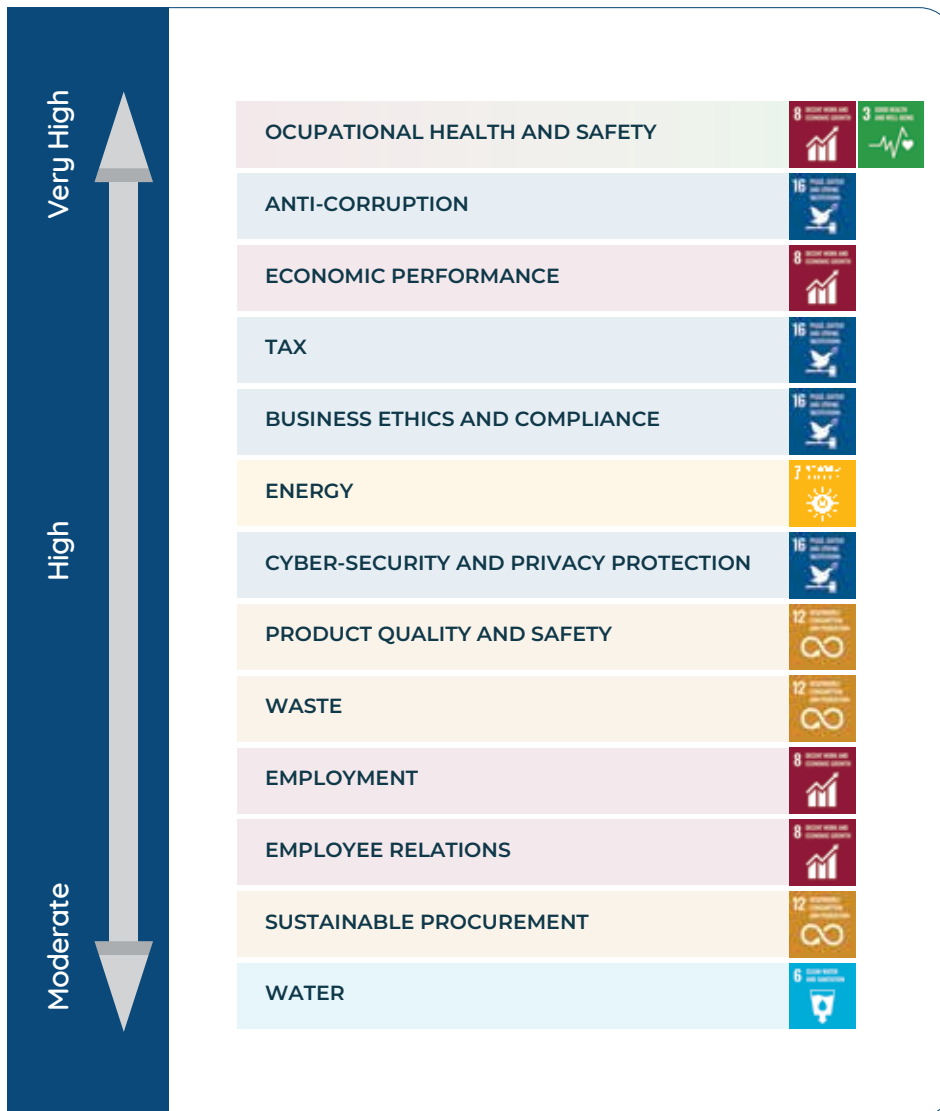
Sustainability Materiality Assessment (cont'd)


The material topics identified as significant and important to both the business and stakeholders were:

- Occupational Health and Safety
- Anticorruption
- Business Ethics and Compliance
- Economic Performance
- Tax

MATERIAL TOPICS LINKS TO SDGs

Our sustainability material topics were identified based on stakeholder input. The identified topics reflects our impact and contribution towards the SDGs, fostering sustainable future for all. We are committed to making a positive impact and driving progress towards a more sustainable world.



A wide-angle photograph of a large industrial sewing factory. The room is filled with rows of sewing machines on wooden tables. Several workers are visible, some operating the machines and others handling fabric. The ceiling is high with exposed metal trusses and bright overhead lights. The floor is a reddish-brown color. In the background, there are shelves with various items and a sign that says "NO SMOKING".

The material issues identified have been reaffirmed as being the most relevant to Axia Corporation Limited for the year ended 30 June 2025.

Sewing in progress at Restapedic Lounge division

Product Stewardship

Product quality and safety are essential for our business to succeed in a competitive market. We ensure that our customers receive outstanding products that meet their expectations and uphold the Group's reputation.

PRODUCT VARIETY AND AVAILABILITY

As a business, product variety and availability are essential in ensuring that customers at our specialty retail outlets have different choices. By offering a wide range of options, we reduce the likelihood of customer grievances and increase sales volume, ultimately enhancing our market share. Our procurement strategy focuses on pre-planning and purchasing in large quantities to guarantee product availability. Additionally, our finance teams work diligently to ensure the business has sufficient working capital and financing to maintain strong relationships with our suppliers and prevent stock-outs. To further refine our offerings, we actively track customer preferences through consultations, allowing us to adapt our product variety to meet the tastes and needs of our clientele effectively.

PRODUCT QUALITY AND SAFETY

Product quality and safety are essential for our business to succeed in a competitive market. We ensure that our customers receive outstanding products that meet their expectations and uphold the Group's reputation. We source all our furniture, electronics, home appliances, automotive spare parts, and FMCG products from reputable suppliers and reputable brands. We established agreements with world-class suppliers to maintain a diverse range of quality products.



Product Stewardship (cont'd)

To address any negative impacts on product quality and safety, we implemented the following actions:

Enhanced Quality Control:	Customer Feedback Mechanism:	Product Recall Procedures:	Supplier Audits and Training:
<ul style="list-style-type: none"> Established quality control processes at every stage of production, including regular inspections and testing of raw materials and finished products to ensure they meet safety standards. 	<ul style="list-style-type: none"> Developed a system for collecting and analysing customer feedback on product quality and safety. This identifies recurring issues and areas for improvement. 	<ul style="list-style-type: none"> Implemented clear and efficient product recall procedures to quickly address safety concerns. This includes transparent communication with customers and providing remedies such as refunds, replacements, or repairs. 	<ul style="list-style-type: none"> Conducted regular audits of suppliers to ensure they adhere to our quality and safety standards. Additionally, provide training and support to suppliers to help them improve their processes and meet our requirements.

Our expert team conducts rigorous quality checks on all items to prevent any sub-standard products from being returned to our outlets. The Managing Director supervises the quality of raw materials at the highest level. In our furniture division, experienced quality control officers inspect each product before it leaves the factory. Additionally, we provide regular training for both our manufacturing and merchandising teams to enhance the quality of our offers.



Customer Relations

Axia Corporation Limited recognises that delivering excellent customer service is essential for fostering strong relationships, crucial to our success.

CUSTOMER SERVICE

Axia Corporation Limited recognises that delivering excellent customer service is essential for fostering strong relationships, crucial to our success. We provide top-quality products and services that meet our clients' needs and expectations. Valuing customer input allows us to enhance our performance and improve overall satisfaction. Our team, composed of highly skilled and experienced professionals, is always available to address customer complaints and concerns related to our business activities. Ultimately, our goal is to build long-term, mutually beneficial relationships with our customers, founded on trust, respect, and transparency.

CUSTOMER PRIVACY AND SECURITY

Axia Corporation Limited established a framework for safeguarding customer data through its Customer Privacy and Security Systems, reinforcing our commitment to maintaining high standards of integrity. To ensure the confidentiality and security of our customers' information, we implemented IT policies and controls designed to protect the integrity of customer data stored in our systems. Strict IT access controls are implemented, guaranteeing that only authorised personnel can access sensitive information. Additionally, we maintain proactive systems that ensure our IT control measures are continuously reviewed and updated. Our aim is to consistently safeguard customer information and prevent any instances of unauthorised access to our information systems, thereby upholding the trust our customers place in us.

OUTLETS ACCESSIBILITY

Outlet accessibility plays a crucial role in providing convenience to customers, enhancing brand recognition, and driving overall business performance. To achieve these objectives, the Group is continuously expanding its store network, strategically focusing on locations that cater to our target customer base. Our Business Development Policy ensures that we establish a presence in all key areas where our customers are located, allowing us to maximise accessibility and convenience.



Customer Relations (cont'd)

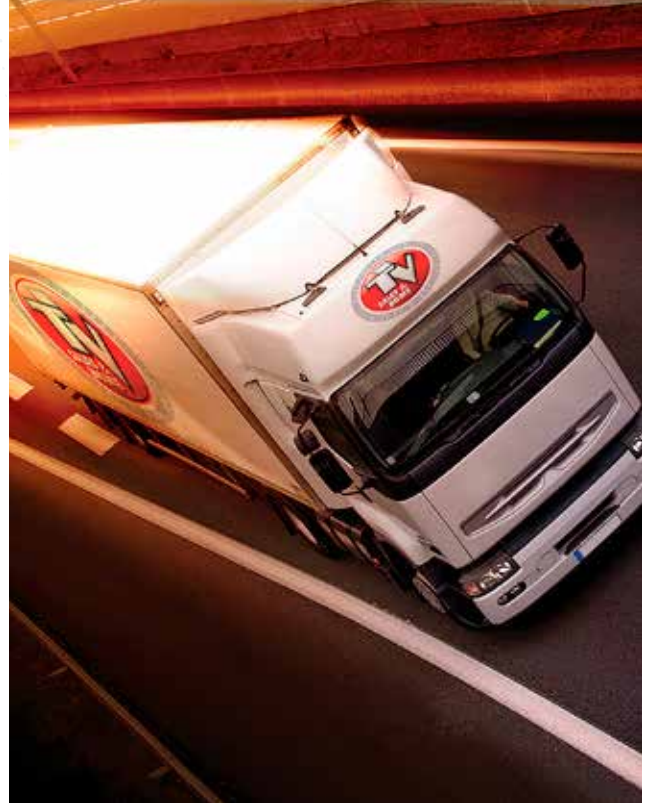
We carefully select and manage the sites for our branches, ensuring they are optimally positioned to meet customer needs. Our strategy is guided by a rigorous performance-tracking mechanism that enables us to evaluate the effectiveness of our approach and make informed, data-driven decisions.

TIMELY DELIVERIES

The Group ensures timely deliveries as a cornerstone of our operational strategy, recognising our crucial role in customer satisfaction and overall business success. Our dedication to effective delivery management involves an approach aimed at minimising delays and enhancing service reliability. We are determined to achieve zero avoidable delays, understanding that prompt delivery not only builds trust with our customers but also strengthens our competitive position in the market. Further, consistently delivering products on time fosters enhanced customer satisfaction and loyalty, as clients feel confident in our ability to meet their needs. This reliability leads to increased sales opportunities and a competitive edge in the Fast-Moving Consumer Goods (FMCG) sector, where stock availability is critical.

Moreover, effective delivery management streamlines our supply chain enabling better inventory control and ultimately driving operational efficiency. However, delays in deliveries results in customer dissatisfaction, potentially damaging relationships and leading clients to seek alternatives. The operational costs can increase due to penalties, rush delivery fees, or lost sales from stockouts, while reputational damage from repeated delays can hinder our ability to attract and retain customers. As a responsible retail business, we recognise that these challenges could arise from factors within our control, such as inadequate planning or insufficient communication.

We utilise advanced logistic technologies, including Global Positioning System (GPS) tracking and route optimisation software, to enhance delivery efficiency and reduce delays. Strengthening our relationships with reliable suppliers and adopting just in time inventory management ensures that products are readily available, minimising the risk of stockouts. Additionally, we prioritise clear communication with our customers regarding delivery status, offering real-time updates and alternative solutions when necessary. Investing in warehouse automation further streamlines our operations, improving order fulfillment processes to accelerate delivery times.



The Group ensures timely deliveries as a cornerstone of our operational strategy, recognising our crucial role in customer satisfaction and overall business success.

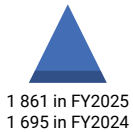
We continuously track the effectiveness of these actions through internal assessments and performance indicators. By grouping routes in advance and ensuring clear communication between branches and the transport department, we effectively manage and execute delivery schedules. Engagement with stakeholders, including customers and suppliers, has been crucial in shaping our strategies by providing feedback that highlights areas for improvement and ensures our initiatives align with market expectations and customer needs.

Our Employees

The Group recognises the critical role that employment plays in fostering economic growth, enhancing community well-being, and creating a positive workplace culture.

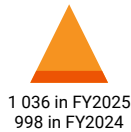
Employees

(Headcount)
9.79%
 INCREASE



Collective Bargain Agreements

(Headcount)
3.81%
 INCREASE



HUMAN CAPITAL MANAGEMENT

The Group recognises the critical role that employment plays in fostering economic growth, enhancing community well-being, and creating a positive workplace culture. Our commitment to creating employment opportunities and conducive working conditions is central to our operations. We strive to meet not only legal and ethical standards but also to promote a workplace environment that values diversity, inclusion, and the well-being of all employees.



Our Employees (cont'd)

HUMAN CAPITAL MANAGEMENT (CONT'D)

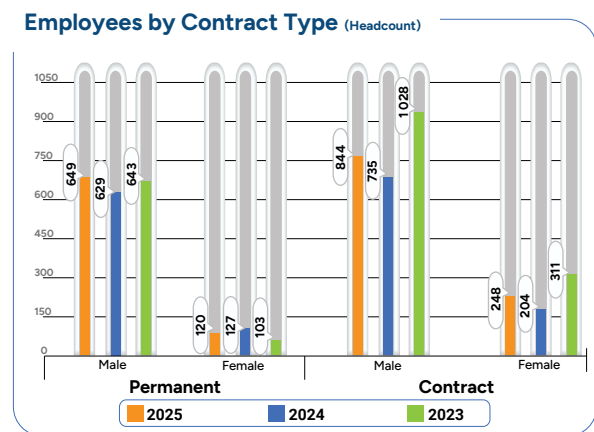
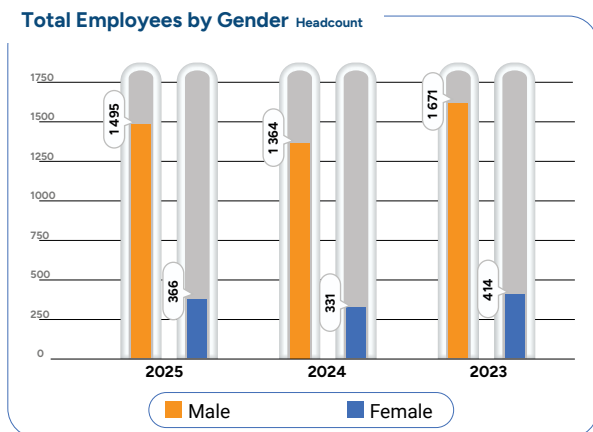
Our employment initiatives led to the creation of job opportunities that contribute to lowering the unemployment rate. Employees benefit from enhanced job security and competitive wages, leading to improved living standards. A supportive work environment fosters employee confidence, boosting productivity and creating a better working atmosphere. Our focus on employee well-being helps employees manage stress effectively, enhancing resilience in challenging situations. However, we acknowledge potential challenges, such as changes in government economic policies and their influence on our operational environment. If not managed responsibly, our production activities can create electronic waste and environmental concerns, while employee exposure to hazardous materials and excessive working hours can impact employee welfare.

To manage these employment impacts, Axia Corporation Limited established policies including Recruitment Policy and Human Resources Policy which ensure fair and equitable hiring practices across all levels of the Group. We adhere to relevant employment laws and regulations emphasising respect and dignity for every employee. Further, we provide a safe, inclusive, and fair work environment, promoting diversity regardless of race, gender, or background. Our management team fosters a culture of open communication, collaboration, and professional development. We also maintain a workers' council to facilitate employee engagement and address concerns. Our business operations adapt to comply with government guidelines, ensuring legal and ethical adherence. We provide training and resources for employees to adapt to new safety protocols and remote work requirements, promoting their skills and capabilities. Employee morale is regularly assessed to identify and address any concerns promptly, and we offer flexible work hours and paid time off to support those dealing with illness or family responsibilities. Additionally, Axia Corporation Limited provides training and development programs to enhance employee skills, ensure fair wages, and guarantee safe working conditions.

We use an employee tracking system that records hiring, training, performance evaluations, and promotions, ensuring accountability and transparency. We monitor attendance to identify absenteeism patterns and maintain compliance with work schedules. The Group's performance goals include expanding market share, boosting customer satisfaction, increasing revenue, and improving the company brand. We continuously assess our progress towards these goals, focusing on key performance indicators such as revenue, sales, and customer returns. The evaluations conducted indicate advancements in sales revenue, customer satisfaction, and overall growth, allowing us to identify successful strategies and areas for improvement. Engagement with stakeholders is vital for informing our actions, as seeking feedback from employees, customers, suppliers, and community members provides valuable insights into their needs and concerns, helping us assess our initiatives, adjust, and enhance our reputation.

EMPLOYEE BASE

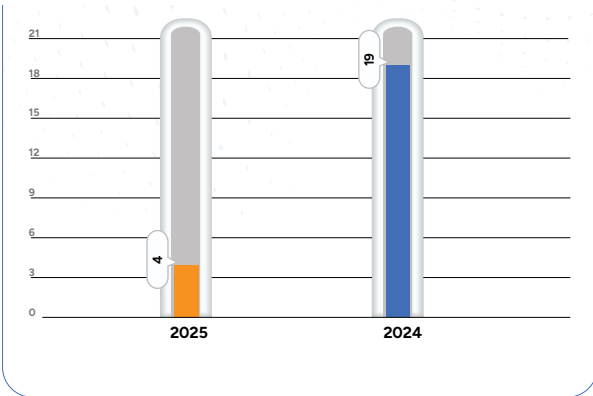
Employee statistics for the year under review were as follows:



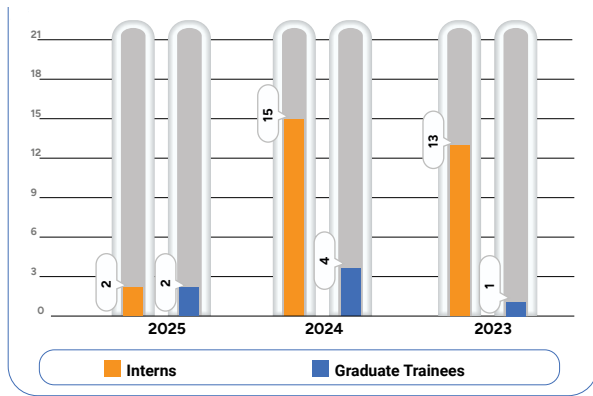
Our Employees (cont'd)

Third party employees were as follows:

Student on Training (Headcount)



Third-party Employees (Headcount)

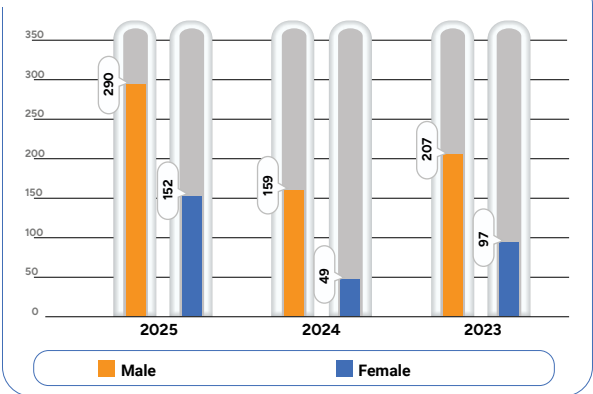


EMPLOYMENT

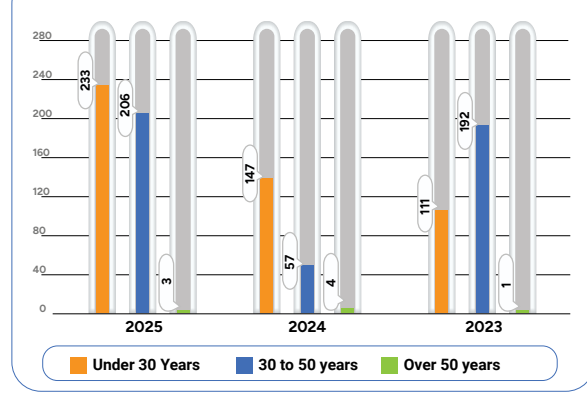
Axia Corporation Limited places high priority on employee recruitment and retention, while also striving to promote diversity in terms of gender and age. When hiring employees, we recruit individuals who not only possess the required skills and qualifications but also align with the Group's values. This ensures a cohesive and value-driven work environment.

Employee movement for the year under review was as follows:

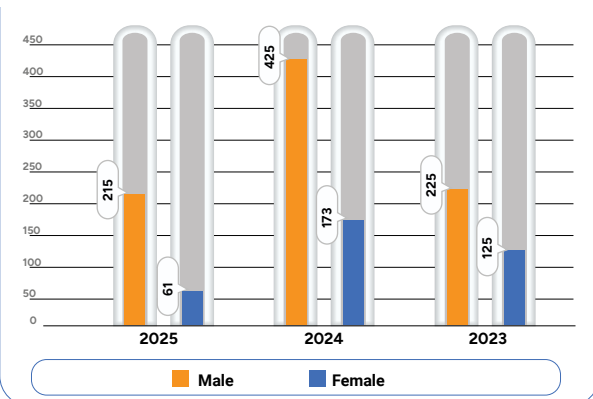
Employee Hire by Gender (Headcount)



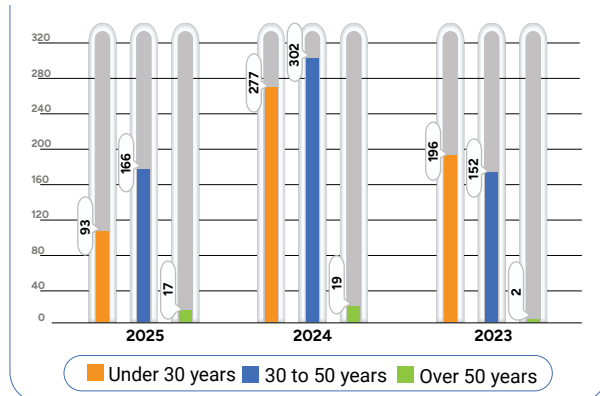
Employee Hire by Age (Headcount)



Employee Turnover by Gender (Headcount)



Employee Turnover by Age (Headcount)



Our Employees (cont'd)

EMPLOYEE RELATIONS

As Axia Corporation Limited, we are committed to uniform, just, and fair labour practices, which yield numerous positive impacts. These include a rise in production, increased well-being of workers, improved working conditions, and enhanced relationships at work. Our focus on better dispute settlement, guided by the principles of our Collective Bargaining Agreement (CBA), has further strengthened our brand image and reduced employee turnover. Effective management of employee relations is critical for our Group, as strong relationships with our employees result in higher engagement, better legal compliance, and improved retention rates. However, neglecting employee welfare and relations can lead to significant negative outcomes. Poor treatment can result in low employee morale, disengaged employees, and ineffective Group performance, all of which contribute to a decline in economic activity. This may manifest as a sharp increase in sick days, a high turnover rate, and cognitive depletion due to skill flight. Additionally, restricted career growth and limited employment opportunities hinder our potential for economic growth.

The Group prioritised open communication, fair labour practices, and employee engagement. This includes adherence to the Employment Code of Conduct and Grievance Procedures SI45/93 for non-managerial employees, as well as the National Code of Conduct SI 15/2006 for managerial employees. We empower employees to voice their concerns by establishing clear channels for feedback, adopting a culture of trust and collaboration. Further, our investment in training and development opportunities underscores our commitment to employee growth, mitigating turnover and boosting morale. By actively promoting a positive workplace environment that values employee contributions, the Group has significantly reduced the likelihood of industrial relations matters, creating a stronger employer-employee relationship. We closely monitor key performance indicators such as absenteeism rates, labour turnover, and the retention of high performers to ensure effective employee management.



Our goals include maintaining controllable employee costs, achieving high availability, enhancing employee engagement and relations, reducing workplace accidents, and minimising turnover rates. To support these objectives, we communicate the Group's vision to all employees and regularly assess our employee turnover rate and engagement levels, particularly during the hiring of new employees. Axia Corporation Limited made considerable progress in engaging employees and complying with the Labour Act [Chapter 28:01], as evidenced by the effective administration of employee salaries, the scheduling of regular meetings, and the accessibility of budgeted positions.

We are committed to treating all employees with respect and dignity, ensuring fair and equitable treatment, and addressing grievances in a timely manner. Our initiatives, including liaison meetings and National Works Council meetings, improved communication regarding job openings, and working conditions, creating a more inclusive and supportive work environment for all.

Our Employees (cont'd)

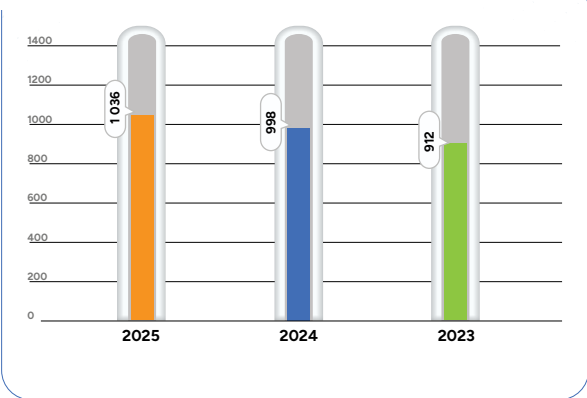
COLLECTIVE BARGAINING

Axia Corporation Limited upholds employee rights to belong to collective bargaining and the National Employment Council for the sector which represent employee welfare interests. Employees covered under CBA were as follows:

Most employees are affiliated with National Employment Councils across the following sectors:

- Motor Industry;
- Furniture and Manufacturing Industry; and
- Retailers and Wholesalers.

Collective Bargain Agreements (Headcount)

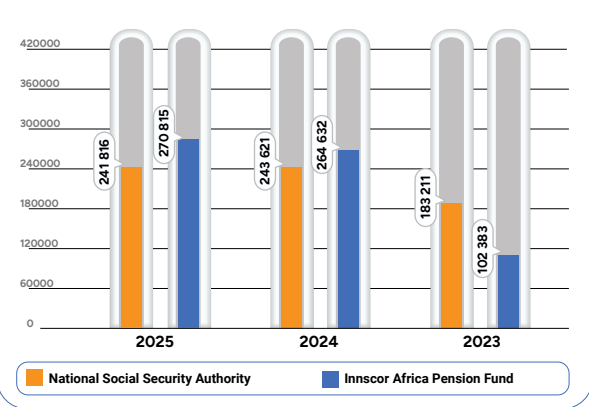


POST-EMPLOYMENT CONTRIBUTIONS

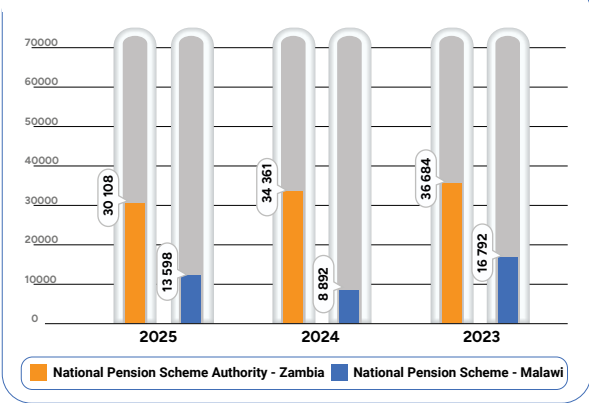
The Group contributes to employee retirement schemes under the statutory National Social Security Funds scheme and Group Pensions administered under the Inncor Africa Pension Fund.

Pension contributions for the reporting year were as follows:

Pension Contribution (US\$)



Pension Contribution (US\$)



Our Employees (cont'd)

PARENTAL LEAVE

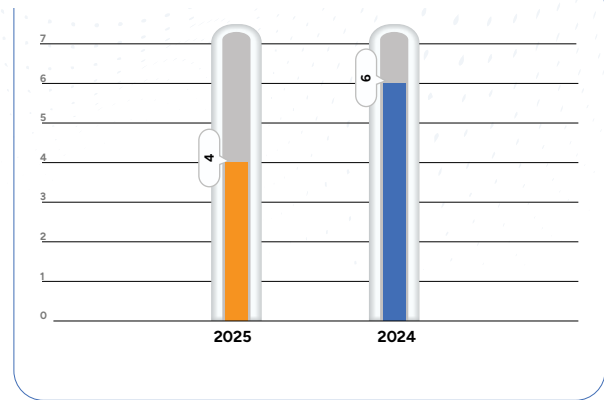
Axia Corporation limited in accordance with the Labour Act [Chapter 28:01] offers parental leave to all employees. Adjacent are the statistics of employees who took parental leave in FY25:

SKILLS DEVELOPMENT

Axia Corporation Limited recognises the importance of training and development as essential in shaping productive and efficient employees. Our training and development initiatives equip our employees with the skills and knowledge needed to perform their tasks more effectively. This leads to better customer service, quicker problem-solving, and improved operational efficiency. Providing continuous development opportunities creates a positive work environment, boosting morale and job satisfaction.

Further, these programs enhance the adaptability and innovation of our employees by informing them of updates in industry trends, new technologies, and best practices, making the Group more adaptable to market changes. However, developing and implementing training programs is costly, especially for our large retail Group. Costs include hiring trainers, purchasing materials, and allocating time away from normal work duties, which temporarily affects productivity. Conducting training sessions, especially during business hours, disrupts regular operations. This results in fewer employees available on the shop floor, leading to longer customer wait times and reduced service quality. Additionally, we experienced resistance to change as some employees are comfortable with current practices and do not acknowledge the importance of these programs. This resistance hinders the effectiveness of the programs and lowers employee engagement levels.

Employees that Took Maternal Leave Headcount



Our Employees (cont'd)

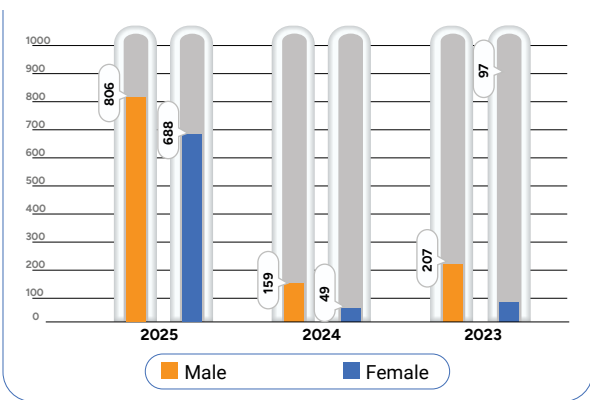
SKILLS DEVELOPMENT (CONT'D)

Our Learning and Development Policy aims to enhance human resource capability, enabling employees to fully realise their potential by creating an environment that supports learning and growth. We encourage trainees to provide feedback on training programmes and regularly evaluate these programmes to ensure their effectiveness. Additionally, we established Bonding Training Agreements for employees attending high-cost training programmes, such as SABRE, and offer 'train the trainer' courses to build internal capacity. While our training and development programmes provide numerous benefits to the Group, balancing costs, minimising operational disruptions, and managing resistance are vital for maximising their effectiveness. To address these challenges, we introduced a training and development budget and encouraged our employees to join professional bodies such as The Institute of Chartered Accountants of Zimbabwe (ICAZ) and the Association of Chartered Certified Accountants (ACCA), which further enhance our initiatives and help reduce training costs. We empower management to act as change champions to mitigate resistance, cultivating a supportive culture. To minimise disturbances during training periods, we stagger employee training sessions, ensuring minimal disruptions to our operations. Further, we encourage our employees to maintain full compliance with the Continuous Professional Development (CPD) requirements of their respective boards.

We implemented a Training Needs Analysis which encompasses various components aimed at enhancing employee performance and productivity while improving teamwork and communication skills. Key activities include monitoring participant progress, tracking performance metrics, and conducting Return on Investment (ROI) analysis. We conduct post-training evaluations, such as product knowledge tests and 360-degree feedback from line management, together with KPIs assessments and annual external audits to gain insights into employee development. Additionally, mystery shopping feedback and skills audits contribute to creating competent employees that contributes to higher employee retention, satisfaction ratings, and reduced turnover. This assessment relies on key performance indicators, including customer satisfaction, operational efficiency, and compliance with regulations, informed by regular stakeholder feedback and communication. Strategies such as employee multi-skilling and internal promotions further enhance retention, while lessons learned highlight the importance of customer satisfaction, continuous innovation, employee training, and strategic partnerships. To embed these insights into our operational policies, we prioritise customer service delivery, collaborate with suppliers for training, and utilise virtual training platforms such as Great People.

Average training hours during the year were as follows:

Total Training Hours



Stocktake training in progress at DGA warehouse



Sewing in progress at Restapedic Lounge division

Employee Safety

Our Human Resources Policy emphasises the importance of OHS as a fundamental aspect of our commitment to employee well-being while ongoing efforts include implementing regular safety training and continuous improvement of safety standards.

Lost Days
Due to injury

55.56%

DECREASE

40 in FY2025
90 in FY2024

OCCUPATIONAL HEALTH AND SAFETY (OHS)

Axia Corporation Limited aims to foster a safe and healthy work environment through management of Occupational Health and Safety (OHS). This commitment is crucial for preventing and promoting the overall well-being of our employees. Our OHS practices led to numerous positive outcomes including enhanced employee well-being and productivity, as healthy employees are generally more motivated and engaged. Moreover, the Group's compliance with legal requirements mitigates the risk of legal issues and fosters positive relationships with regulatory bodies. Further, a strong commitment to OHS enhances Axia Corporation Limited's reputation among stakeholders, which improves employee retention, customer loyalty and attracting new talent. However, inadequate OHS management can result in negative impacts, as the establishment of safety programs often incurs initial costs for safety equipment and employee training, which can strain resources for a retail group operating on thin margins. Training sessions and audits may disrupt daily operations, impacting productivity and customer service. Introducing new OHS measures may face resistance from employees who perceive them as burdensome, potentially leading to decreased morale and compliance.

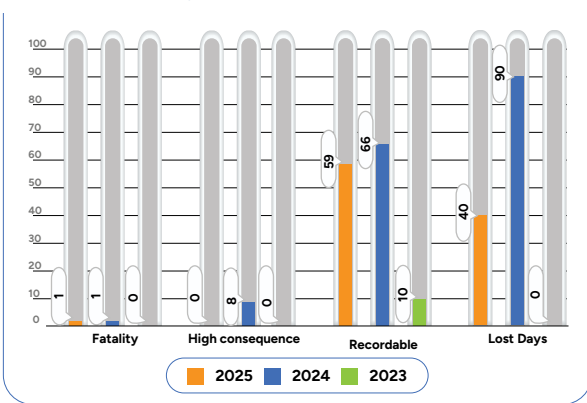
Employee Safety (cont'd)

OCCUPATIONAL HEALTH AND SAFETY (OHS) (CONT'D)

Our Human Resources Policy emphasises the importance of OHS as a fundamental aspect of our commitment to employee well-being while ongoing efforts include implementing regular safety training and continuous improvement of safety standards. To measure our progress, we established specific targets and performance indicators, such as aiming for zero workplace accidents and achieving 100% compliance with OHS regulations. Key performance indicators utilised include tracking the number of accidents, completion rates of mandatory OHS training, and the reduction of manual handling injuries.

Employee work related injuries were as follows:

Work Related Injuries (Headcount)



HAZARD IDENTIFICATION AND RISK ASSESSMENT (HIRA)

Our approach to HIRA involves a process for recognising work-related hazards and assessing associated risks. Each shop manager is responsible for minimising OHS incidents within their locations, particularly in our retail operations where risks may arise from factors such as reckless driving during deliveries. To mitigate these risks, we ensure that our vehicles are regularly serviced and that drivers receive adequate rest. In our manufacturing units, such as Legend Lounge and Restapedic, we employ trained artisans to further reduce the likelihood of accidents. Regarding stakeholder engagement, we prioritise transparent communication about OHS performance. Employees are informed of OHS issues through bulletin boards and notifiable occurrences documented in our main board communications.



Each factory manager is responsible for minimising OHS incidents within their locations, particularly in our retail operations where risks may arise from factors such as reckless driving during deliveries.

Employee Safety (cont'd)

HAZARD IDENTIFICATION AND RISK ASSESSMENT (HIRA) (cont'd)

Work related hazards that pose a risk of high consequence injury:

HAZARD	HAZARD IDENTIFICATION	MITIGATION
FIRE	The combustible nature of wood-based products, flammable upholstery materials and electrical overloads pose risk.	Conduct fire drills to ensure everyone knows how to react in case of a fire.
DUST	Dust accumulation from wood products and automotive components have high respiratory health concerns.	Implement routine cleaning schedules to remove dust accumulation from work areas and equipment.
FALLING	Falling hazards stem from stacked inventory, slippery surfaces, uneven flooring, and improper handling techniques.	Conduct regular safety audits and training.
CHEMICALS	Chemicals such as cleaning agents, solvents, and finishing materials pose risks of skin irritation, respiratory issues, and potential chemical burns if mishandled or improperly stored.	Use of appropriate personal protective equipment (PPE).
MOVING OBJECTS	Heavy furniture pieces and automotive parts pose risks of crushing injuries and accidents if not handled properly.	Training employees on safe practices for operating machinery and moving objects.
LIFTING OF HEAVY OBJECTS	Moving of raw material to production process sites is done manually for example timber and foam.	Ensure that all employees are trained in the safe operation of these tools.

DELIVERY DRIVERS WORKING CONDITIONS

The Group ensures optimal working conditions for drivers as a fundamental aspect of its operational strategy. We understand that the environment in which our drivers work in significantly influences their performance, safety, and overall job satisfaction. The Group enhances productivity and strengthens its reputation as a responsible and supportive employer in the logistics sector by prioritising their well-being. When drivers are equipped with safe vehicles, adequate rest breaks, and fair compensation, their efficiency increases, leading to timely deliveries and improved customer satisfaction. Additionally, maintaining safe working conditions reduces the risk of accidents, which in turn lowers our exposure to liability and insurance costs. A positive work environment fosters higher morale and retention rates, reducing the need for costly recruitment and training efforts. However, we are aware that poor working conditions can have serious repercussions. Factors such as long hours, insufficient breaks, and pressure to meet tight schedules can lead to driver fatigue, increasing the likelihood of accidents and long-term health issues. High turnover rates, driven by dissatisfaction with working conditions, not only disrupt operations but also inflate training costs and impact supply chain efficiency. Further, neglecting the welfare of our drivers can damage our reputation and lead to legal challenges.

Recognising these dynamics, we are committed to adhering to industry standards and prioritising driver welfare. Our procedures align with recommendations from workers' councils and the National Employment Council (NEC) to ensure compliance with minimum standards for driver welfare. We provide medical aid for permanent employees and ensure they have adequate leave days to promote health and well-being.

Tracking driver departures serves as a critical metric for assessing the effectiveness of our efforts, as high turnover can signal underlying issues that need to be addressed promptly. We learned that stabilising our employees is crucial, given the significant costs associated with retraining departing drivers. We strive to create an environment that not only attracts talent but also retains it. Engagement with stakeholders has been invaluable in shaping our approach, feedback from drivers, regulatory bodies, and industry partners highlighted key areas for improvement. This collaborative effort allows us to adapt our strategies effectively, ensuring that our initiatives align with the needs and expectations of our employees.

Employee Safety (cont'd)

ACCIDENT AND SAFETY

Axia Corporation Limited is dedicated to enhancing accident and safety management as a fundamental aspect of our operational framework. We identify that safety practices are essential for compliance with local and international regulations and fostering a secure work environment that enhances employee morale and productivity. The Group aims to minimise workplace accidents and injuries, ensuring that employees feel secure in their roles, which ultimately leads to improved operational efficiency, particularly in fast-moving sectors like FMCG by prioritising safety. However, we acknowledge the challenges that come with implementing comprehensive safety programs. While these initiatives are vital for reducing accidents and enhancing workplace safety, they may result in increased operational costs and potential temporary slowdowns in operations due to rigorous compliance checks and training. In addition, issues such as last-minute deliveries can complicate route planning, leading to longer driving times without adequate rest, which could affect safety.

We established a series of policies and commitments aimed at enhancing safety across all levels of our operations. This includes providing regular safety training for employees, enforcing a Zero-Tolerance Policy for safety breaches, and continuously improving our safety standards through technology and employee feedback. We conduct regular risk assessments and invest in modern safety equipment and personal protective gear, ensuring that our employees are well-equipped to handle potential hazards. The Group is in the process of refining our assessment protocols to track the effectiveness of our safety measures. Currently, we monitor compliance with driver licensing and training requirements, and in some of our business units, we introduced breathalysers to combat impaired driving. We aim to reduce accidents due to human error and are developing measurable metrics to evaluate our safety performance accurately. Engagement with stakeholders has been instrumental in informing our safety strategies. Feedback from employees and safety audits helps to identify areas for improvement, allowing us to adapt our policies effectively.





Circular Economy

Our commitment to materials stewardship involves a proactive approach to the entire lifecycle of materials, from sourcing and production to usage and disposal.

Raw Materials

(Tonnes)

2.9%

INCREASE



2 016 in FY2025
1 959 in FY2024

Recycled Materials

(Tonnes)

1.7%

INCREASE



297 in FY2025
292 in FY2024

Waste Generated

(Tonnes)

6.2%

DECREASE



310 in FY2025
292 in FY2024

RAW MATERIALS

We recognise that responsible management of materials is essential for sustainable growth and environmental protection. Our commitment to materials stewardship involves a proactive approach to the entire lifecycle of materials, from sourcing and production to usage and disposal. Central to this effort is our focus on sustainable sourcing, particularly concerning raw materials. By prioritising the procurement of sustainably sourced materials, we aim to minimise environmental impacts and support ethical practices in our supply chain. This is crucial given the increasing demand for raw materials, which poses challenges like resource depletion and ecological degradation.

Circular Economy (cont'd)

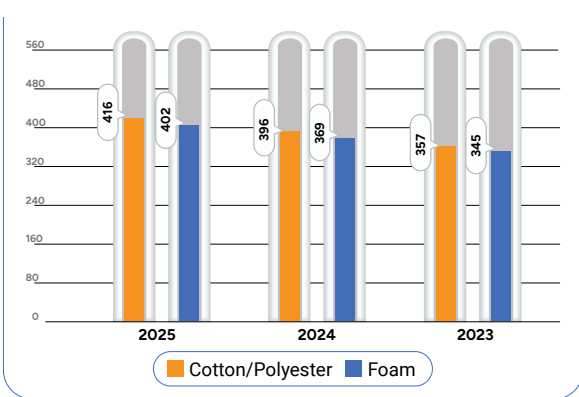
RAW MATERIALS (CONT'D)

Efficiency in production is another key principle of our materials stewardship. We adopt advanced manufacturing technologies and processes designed to reduce waste, conserve energy, and optimise resource use. Our Restapedic and legend Lounge business units use recycled materials such as foam and fibre in the manufacture of beds and lounge suits. We use complete steel coils to help reduce waste.

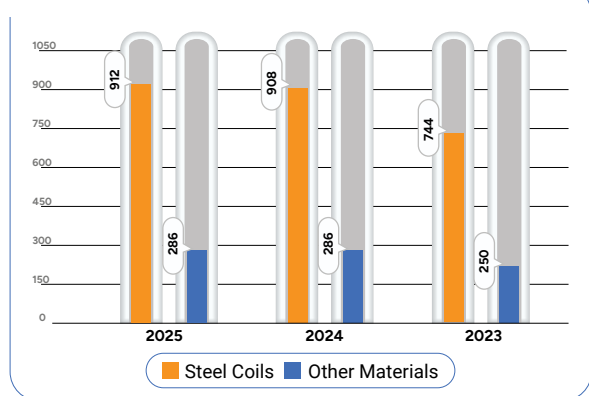
Looking ahead, our commitment to materials stewardship enhances our operational efficiency and strengthens our reputation as a responsible corporate citizen. We are setting ambitious targets for reducing our environmental impact and fostering innovation in sustainable materials. By engaging with our stakeholders, we aim to build a greener future. Through these efforts, Axia Corporation Limited is dedicated to not only addressing the challenges related to raw materials but also paving the way for sustainable practices that align with the global imperative for environmental responsibility.

Raw Materials

Raw Materials (tonnes)



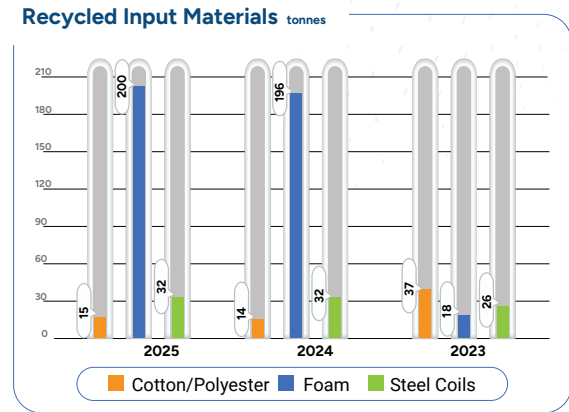
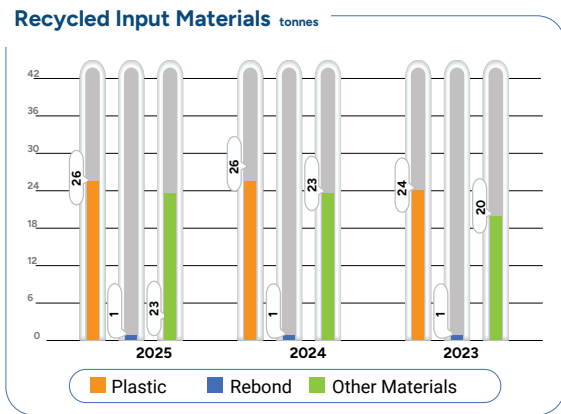
Raw Materials (tonnes)



Circular Economy (cont'd)

RAW MATERIALS (CONT'D)

Recycled Material



The Restapedic Lounge and Bedding division resolved to buy most packaging plastic from a local supplier who uses recycled plastic (Rawplast).

ENERGY

The Group is dedicated to responsible energy management, balancing operational needs with environmental considerations and cost efficiency. We use energy for essential business operations, including powering computers, lighting, and heating our premises. We actively encourage our employees to be mindful of energy consumption, implementing measures such as turning off unused equipment and optimising heating and cooling systems. Regular maintenance of our electrical systems and equipment ensures they operate at peak efficiency. By managing our energy use responsibly, we aim to achieve cost savings that contribute to our profitability and maintain good relations with stakeholders. We recognise that increased energy costs could lead to higher operational expenses, potentially risking financial losses and straining stakeholder relationships. Through clear communication and training, we emphasise the importance of energy management practices in sustaining our business.

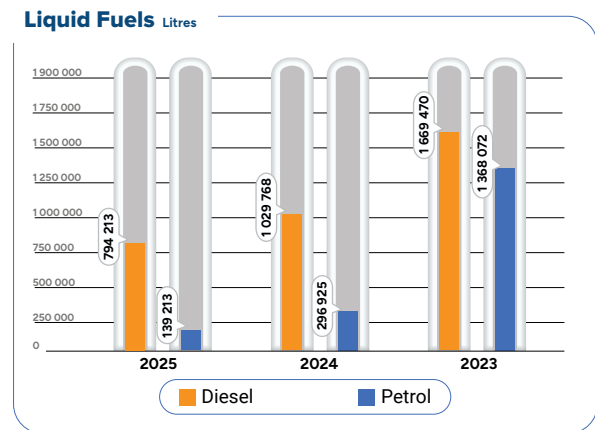
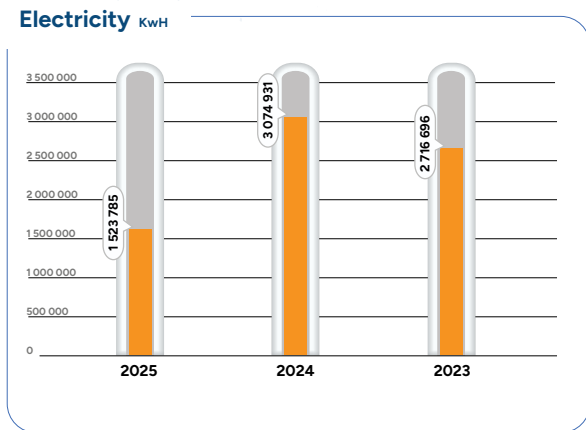
We are committed to ensuring optimum use of energy across our operations. Our energy management strategy focuses on both efficiency and sustainability ensuring that energy is only used when necessary and promptly switched off when not in use, minimising waste and reducing our overall consumption. As a Group, we have action plans to control the impacts of energy use, with our primary initiative being the transition to alternative energy, mainly solar-powered operations. This strategic move aligns seamlessly with our business model, as we also distribute solar products.

Circular Economy (cont'd)

ENERGY (CONT'D)

We aim to lead by example in adopting the very technologies we offer to our customers. This transition demonstrates our commitment to reduce our long-term operational costs and environmental footprint. Through these initiatives, we strive to balance operational needs with environmental responsibility, ultimately contributing to our profitability and maintaining positive relationships with our stakeholders.

Energy consumption for the reporting year was follows:



Electricity usage decreased by 50% due to load shedding, implementation of solar systems in some of our retail shops as well as the solar system at our Restapedic premises and closure of DGA Msasa Branch.

Fuel usage decreased by 30% because we discontinued Freshpro and DGA Msasa Branch.

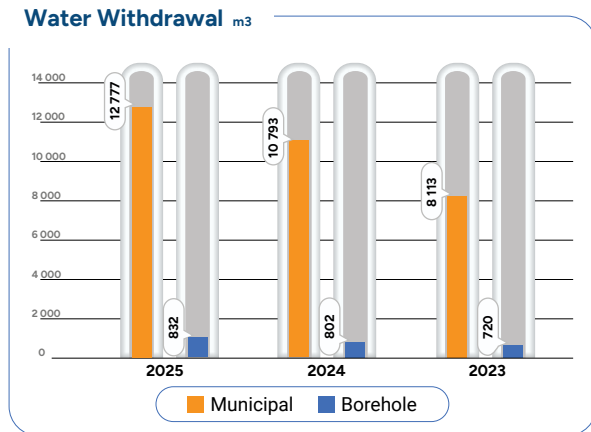
Circular Economy (cont'd)

WATER

Our water usage reflects our commitment to responsible resource management as a retailer. We acknowledge that water is a vital resource, primarily used in our kitchen operations, ablution services, and cleaning processes. To minimise wastage, we actively seek to implement best practices that promote efficient water use while ensuring that all effluent is directed through an approved drainage system. This guarantees compliance with local regulations and protects our local water sources from contamination. Through regular employee training and annual policy reviews, we strive to foster a culture of water conservation.

We prioritise proper drainage systems that are connected to approved City of Harare pipes, ensuring effective water disposal across all our premises. Recognising the importance of water conservation, we primarily utilise borehole water and actively encourage employees to use water sustainably. We conduct thorough inspections to ensure compliance with our water management standards before securing any retail site.

Our water consumption is:



The Group purchases majority of water from licensed suppliers and discharge it through the sewer system.

WASTE

Axia Corporation Limited recognises the importance of reducing, reusing, and recycling the waste generated across our operations. All waste is disposed through the general sewer and regular garbage collection, in accordance with standard practices. We aim to improve our inventory management to reduce perishable waste, donate unsold food to local charities, and establish composting programs for expired goods. Our factory produces foam, dacron, fibre, fabric and leather offcuts. We have a policy to sell foam, fabric, leather and dacron offcuts to third parties who use them. Additionally, fabric and leather offcuts are donated to Danhiko and Jairos Jiri Children's home who use them in their handcraft activities. We then dispose any leftovers to Pomona Waste Management. During the reporting year, we established a liquidation shop at TV Sales and Home, where offcuts, damaged goods and returned goods are sold at reduced prices.

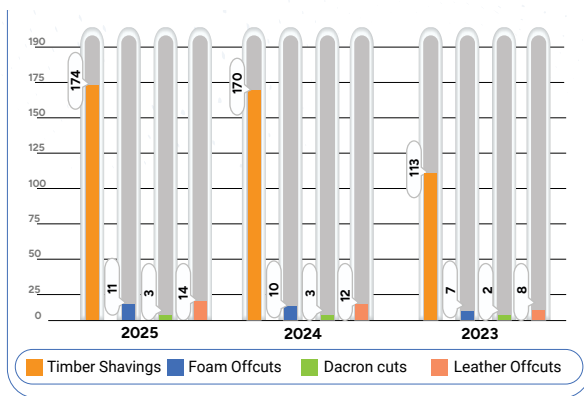
We implemented a no colour printing and reusing printed papers as well as back-to-back printing across most of our subsidiaries. We implemented waste audits, optimised packaging, reduced single-use items in our operations. Through this, we found that the most effective way for waste reduction is employee training and changing our culture towards waste.

Circular Economy (cont'd)

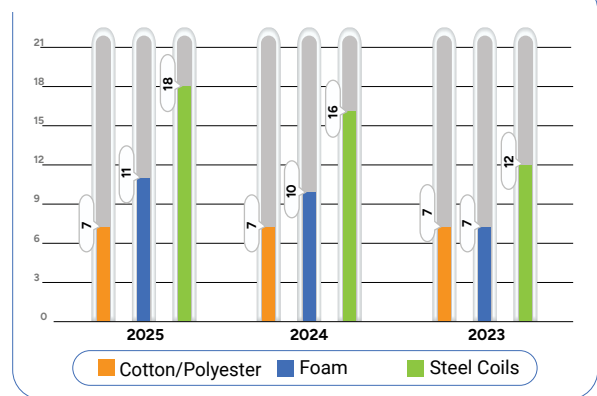
WASTE (CONT'D)

Waste Generated

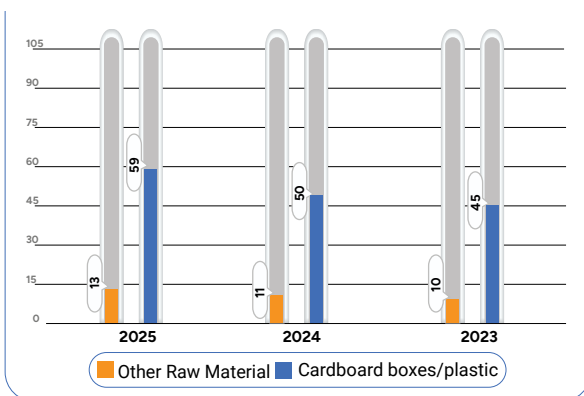
Waste Generated tonnes



Waste Generated tonnes



Waste Generated tonnes



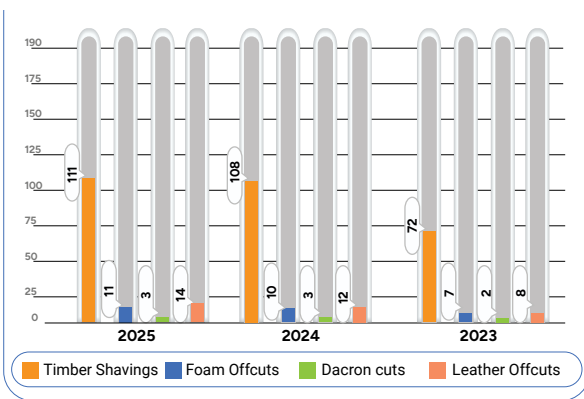
Transerv waste generation increased due to the expansion of the branch network, which resulted in higher volumes of waste across the Group. This trend underscores the need for a structured and sustainable waste management approach.

Circular Economy (cont'd)

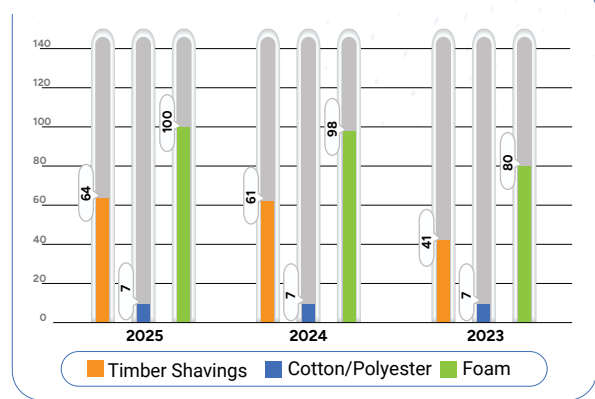
WASTE (CONT'D)

Waste Directed from and Waste Diverted to Disposal for the reporting year was as follows;

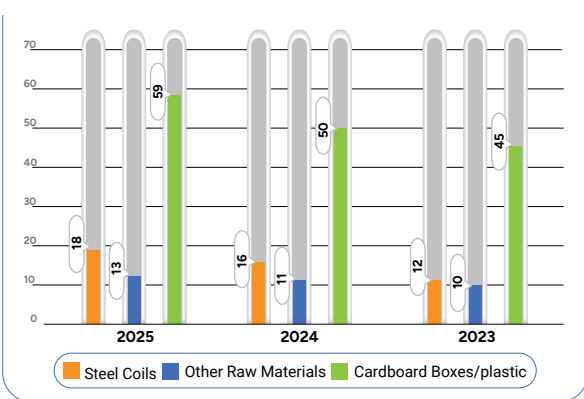
Waste Diverted from Disposal tonnes



Waste Diverted from Disposal tonnes



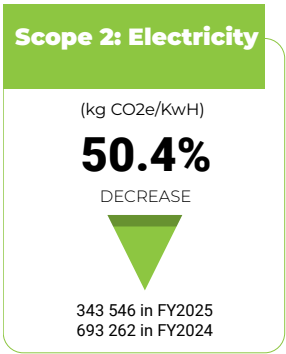
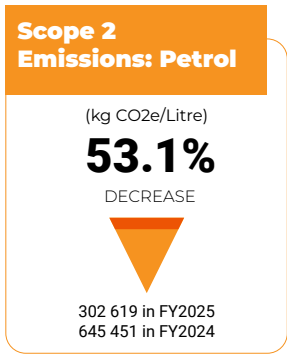
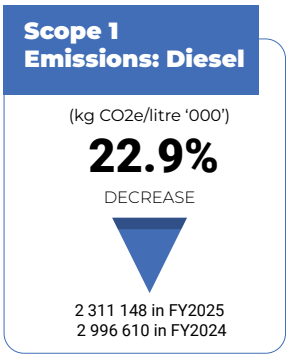
Waste Diverted from Disposal tonnes



Substances of concern are items that are hazardous to the environment if improperly disposed. Our factory produces foam, dacron, fibre, fabric and leather offcuts. We have a policy to sell foam, fabric, leather and dacron offcuts to third parties who use them, Fabric and Leather Offcuts are donated to Danhiko and Jairos Jiri Children's home who use them in their handcraft activities. We then dispose any left overs to Pomona Waste Management.

Climate Change

The Group is committed to addressing climate change through policies focused on digitalisation, energy efficiency, and reduced paper usage.



CLIMATE CHANGE

The Group acknowledges that its operations contribute both positively and negatively to the environment. While paper consumption from printing activities contributes negatively to environmental sustainability, the Group is addressing this through digitalisation efforts and the procuring fuel-efficient vehicles. Potential positive impacts include cost savings from energy efficiency measures, gaining a competitive edge in Zimbabwe's retail market as an early adopter of climate-conscious practices, and access to green financing opportunities. Our operations and business relationships are directly linked to climate impacts, particularly through energy consumption and supply chain interactions.



Climate Change (cont'd)

CLIMATE CHANGE (CONT'D)

To mitigate negative impacts and capitalise on positive opportunities, the Group is implementing initiatives such as energy-efficient lighting, exploring renewable energy sources like solar power, and positioning itself as a responsible business. The Group is committed to addressing climate change through policies focused on digitalisation, energy efficiency, and reduced paper usage. We actively monitor electricity consumption and implement practices such as turning off lights when not in use. The Group is pursuing solar energy installations to leverage Zimbabwe's abundant sunlight, thereby decreasing reliance on the national grid. In addition, efforts to track and minimise paper usage are underway. Further initiatives include local sourcing to cut transportation emissions, upgrading to energy-efficient LED lighting and appliances, and exploring rainwater harvesting systems. The Group promotes sustainable products and packaging by offering eco-friendly options and shifting to sustainable, recyclable, or biodegradable packaging for our in-house brands. Axia Corporation Limited has taken significant steps towards managing climate change and energy consumption. We learnt that relying solely on diesel power can be expensive and we are now transitioning to a blend with solar energy to reduce our environmental footprint. To monitor progress, we track monthly energy bills and printing costs, which have shown our branch managers' commitment to keeping costs low has been effective.



CLIMATE-RELATED RISKS AND OPPORTUNITIES

Climate-related risks are continuously monitored for their physical impacts and financial implications on Axia Corporation Limited. During the period, we tracked the following:

Risk	Description	Classification	Mitigation Measures	Financial Impacts
Heat Wave	Heat Wave – The tyres of the distribution trucks would have been affected from the El Nino induced heat.	Physical	Investing in use of high-quality tyres that can sustain transportation over long distances.	Costs of frequent tyre changes may increase the overall operational costs.
Energy Supply Disruptions	Low generation of electricity due to low water levels at Lake Kariba results in increased use of diesel generators.	Transition	Investing in use of solar energy.	Initial capital outlay for purchase of solar panels may be substantial.
Emissions	Increased use of fossil fuels used to power delivery vehicles.	Transitional	Investment in hybrid and electric vehicles. Frequent car servicing to make car engines efficient.	Increased initial costs in procuring and maintaining hybrid and electric vehicles.
Drought	The El Nino drought caused disruptions in agriculture leading to issues related to acquisition of cotton used in making beds.	Physical	The Group can consider contract farming and importations.	Loss of revenue due to operational disruptions.

GREENHOUSE GAS (GHG) EMISSIONS

We are committed to investing in renewable energy solutions, as demonstrated by our transition to solar power across our stores, warehouses, and distribution centres. We reduced our fleet emissions by adopting fuel-efficient vehicles and telematics to monitor and optimise our routes. However, it is important to recognise that our fleet operations directly contribute to greenhouse gas emissions through fuel consumption. The Group faces indirect emissions from the production and supply chain of our vehicles, as well as the energy required for charging. Our emissions are further exacerbated by inefficient route planning and the retention of older vehicles. Further, our suppliers and logistics partners contribute to the overall emissions associated with our operations.

Climate Change (cont'd)

GREENHOUSE GAS (GHG) EMISSIONS (CONT'D)

The business conducts regular audits to ensure compliance with environmental policies and procedures as we track progress towards emissions reduction targets using key performance indicators, such as fuel consumption per kilometre. We aim to reduce fleet emissions by 20% within the next five years and achieve annual fuel savings of 15% through improved route optimisation and vehicle maintenance. We monitor fuel consumption per vehicle and assess emission levels from our fleet operations. The Group implemented more efficient logistics practices, such as route optimisation software, and invested in hybrid or electric delivery vehicles to enhance our logistics and transportation efficiency. We strengthened our supply chain resilience by sourcing products from local suppliers whenever possible and adopting sustainable practices. Further, we diversify our suppliers to mitigate vulnerability to climate-related disruptions.

To support our efforts, we established a vehicle maintenance programme that provides detailed guidelines and procedures for the servicing and upkeep of our vehicles. We implemented a cost realignment due to high energy and fuel costs. Our drive to solar energy is an outcome of the engagements we made with our stakeholders. Plans are in progress to improve and optimise deliveries such as the setting up of a centralised distribution centre for the Group and its subsidiaries.

CARBON FOOTPRINT

AXIA monitors emissions from stationary and mobile sources as part of its commitment to reducing its greenhouse gas emissions.

Scope 1 (Direct Emissions)

These emissions arise directly from sources owned or controlled by the Group, including stationary sources like generators and mobile sources such as vehicles.

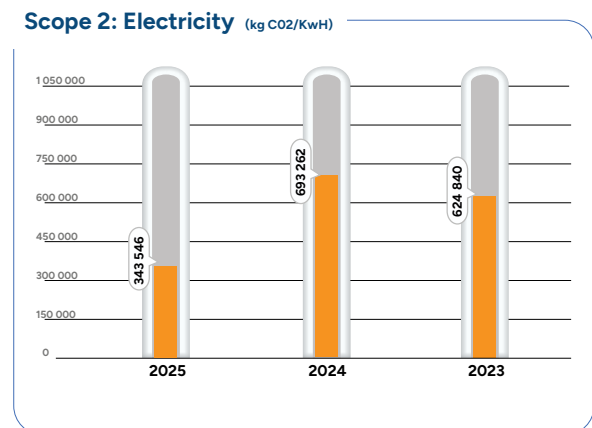
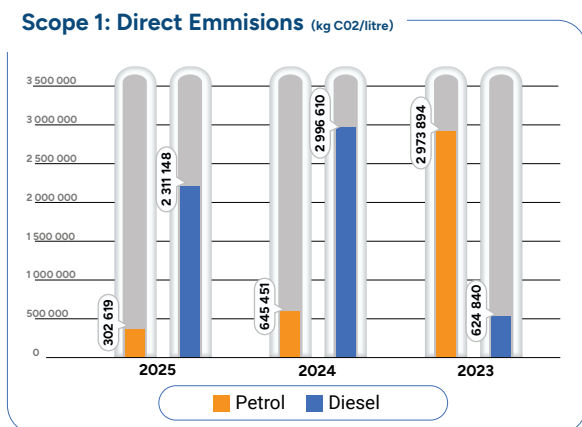
Scope 2 (Indirect Emissions)

These emissions result from the consumption of electricity generated by third parties, excluding the emissions from the electricity supplier.

EMISSION FACTORS AND METHODOLOGY

Scope 1 and 2 emissions were calculated based on AXIA's energy consumption, using emission factors from the Greenhouse Gas (GHG) Protocol. Petrol emissions were adjusted downward by 5% to reflect ethanol blending in Zimbabwe, while the emission factor for grid electricity was increased by 10% to account for the national energy mix of thermal and hydropower generation.

Scope 1 and 2 Emissions for the period under review were as follows:



Investing in the Community

Corporate Social Responsibility (CSR) is integral to our operations, guiding our commitment to invest in the communities and societies where we operate.



COMMUNITY RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) is integral to our operations, guiding our commitment to invest in the communities and societies where we operate. The Group's CSR initiatives are designed to enhance our impact on the environment, economy, and Human Rights while addressing the challenges that may arise. Through these efforts, we aim to foster a strong reputation, build customer loyalty, and attract talented individuals by demonstrating our dedication to ethical practices and social values. Our CSR activities yield significant benefits, including enhancements in our reputation and operational efficiencies such as energy savings and waste reduction. We recognise the resource-intensive nature of implementing effective CSR strategies, which requires careful management to ensure authenticity in our contributions and avoid perceptions of greenwashing.

The Group is dedicated to upholding CSR policies that prioritise sustainable practices and ethical labour. Moreover, these policies include sourcing materials locally such as timber for our furniture manufacturing which supports local farmers and businesses while investing in community development projects. Our actions to manage CSR and mitigate potential impacts include actively giving back to communities through donations and sponsorships.

Investing in the Community (cont'd)

COMMUNITY RESPONSIBILITY (CSR) (CONT'D)

The Group continuously assesses its progress through annual reporting, enabling us to monitor effectiveness and identify areas for improvement. Our goals focus on local sourcing, community investments in education and healthcare, and maintaining 100% compliance with ethical labour practices, further highlighting our commitment to social responsibility. As we strive to achieve these goals, we learnt valuable lessons through engagement with our stakeholders. The feedback indicated the necessity for greater community involvement, prompting us to partner with organisations like Society for the Prevention of Cruelty to Animals (SPCA) Zimbabwe. This collaboration enriched our understanding of community needs and shaped our actions, ensuring they align with stakeholder expectations

SUSTAINABLE DEVELOPMENT GOALS

The Group aligns its operations and Corporate Social Responsibility (CSR) strategy to United Nations Sustainable Development Goals. In FY2024 the Group, focused on the following SDGs, SDG3, SDG8, SDG 13, SDG 15 and SDG17



COMMUNITY RESPONSIBILITY INVESTMENT

Wellness and Nutrition



Purpose

Orphans welfare and cancer awareness
Animal Wellness

Beneficiaries

St Joseph's children's home
Cancer Association
SPCA

Items Donated

Beds
Cash

Philanthropy



Purpose

To support various causes.

Beneficiaries

Various Organisations.

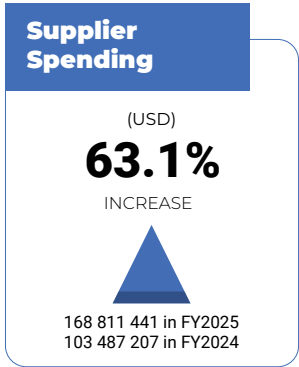
Items Donated

Beds



Financial Impacts

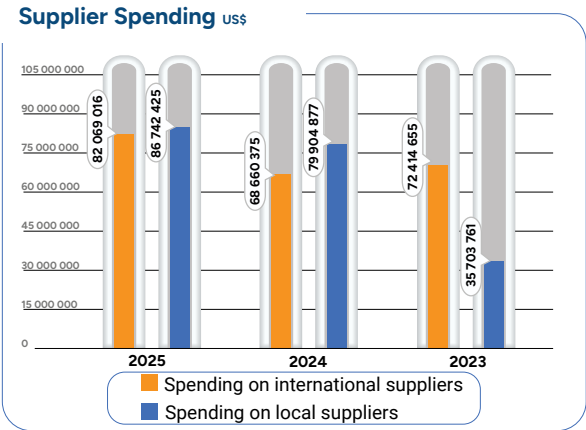
We aim to uplift communities and contribute to improved living standards by paying taxes and generating employment.



SUSTAINABLE PROCUREMENT

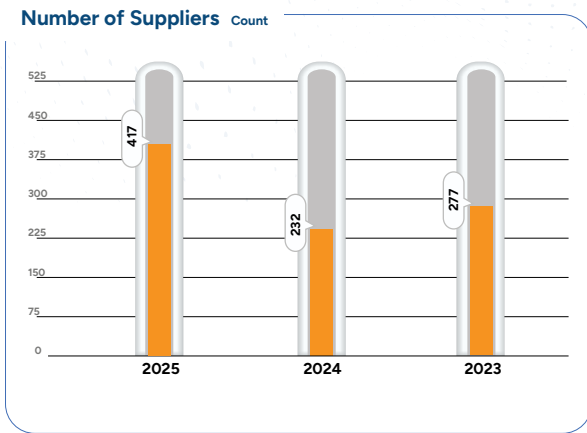
We make it our priority to maintain good relations with our suppliers to reduce the risk of disruptions which can cause late deliveries. We aim to support local suppliers for certain raw materials and finished goods as we aim to uplift the vulnerable groups in the communities in which we operate. Axia Corporation Limited's Procurement Policies guide our decision-making regarding responsible sourcing and supply chain management. Our commitment is to give a fair chance to all vulnerable groups and ensure we adhere to ethical procurement procedures. We carry out strict supplier vetting processes to ensure that we engage reliable, ethical and high-quality partners.

Procurement in the year under review was as follows:



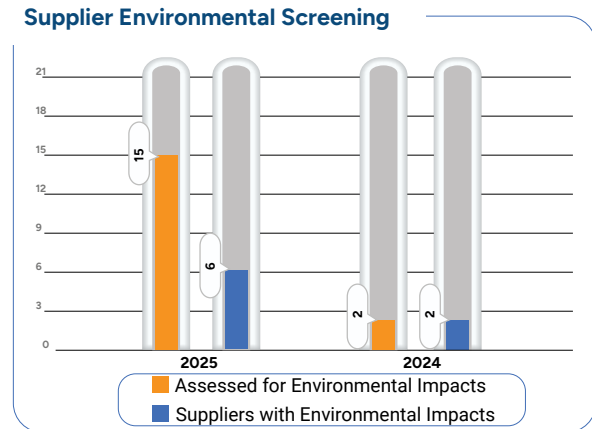
Financial Impacts (cont'd)

Procurement in the year under review was as follows: (cont'd)



SUPPLIER SCREENING

Suppliers screened for environmental impacts during the reporting year were as follows:



Foam is a flammable product hence it poses fire risk; Foam does not decompose; we also use diesel fuel which has potential to harm the environment if there is any spillage.

DIRECT ECONOMIC VALUE GENERATION AND DISTRIBUTION

As Axia Corporation Limited, we regard economic performance as a cornerstone of our mission to drive sustainable development and create lasting value for our stakeholders. Our operations extend beyond profitability, they encompass a commitment to enhancing the economic landscape of the countries we operate. We aim to uplift communities and contribute to improved living standards by paying taxes and generating employment. In pursuing our vision of delivering high-quality consumer and durable goods, we recognise that strong economic performance is essential for fostering wealth distribution and alleviating societal challenges. While we face challenges such as reliance on imported products, we are dedicated to maintaining policies that promote local engagement and quality assurance in our offerings.

Our approach combines experienced leadership, industry expertise, and innovative practices to ensure long-term growth and resilience. As we work to strengthen our performance, we remain focused on our responsibilities to shareholders, employees, suppliers, and the communities we serve. We understand that our economic activities have far-reaching impacts, including our role in supporting local industries through employment and services. Further, the Group's dedication to responsible business practices is evident through our measures to manage economic performance, ensuring that we align our operations with the broader goals of societal advancement and environmental stewardship.

For detailed information on the direct economic value generated and distributed, please refer to pages 92 to 95 of our financial statements. These pages provide a comprehensive overview of the economic impact we have achieved.

Financial Impacts (cont'd)

TAX MANAGEMENT

The Group's Tax management encompasses compliance with all tax laws and regulations applicable to Axia Corporation Limited. We have a tax strategy, and we take a proactive approach to plan our tax matters to ensure we are compliant. Payment of taxes by Axia Corporation Limited contributes to fiscal revenue in the countries we operate. Our compliance with tax laws, avoids costly penalties, fines, and legal issues that arise from non-compliance. Compliance improves reputation with customers, investors, and regulators, fostering trust and potentially leading to increased business opportunities. Proper tax compliance helps in accurate financial reporting and planning, which can lead to better financial stability and decision-making. Many tax laws offer incentives, such as deductions and credits, which can reduce the overall tax burden and improve profitability.

However, compliance often requires significant resources such as hiring tax professionals, investing in compliance software, and training employees, which can increase operational costs for the Group. Navigating complex tax regulations can be time-consuming and burdensome, diverting resources from core business activities and often requires the work of experts. Despite best efforts, the complexity of tax laws can lead to errors in tax filings, which can result in audits, penalties, and additional scrutiny from tax authorities. Balancing these impacts requires careful planning and a proactive approach to tax compliance.

OUR APPROACH

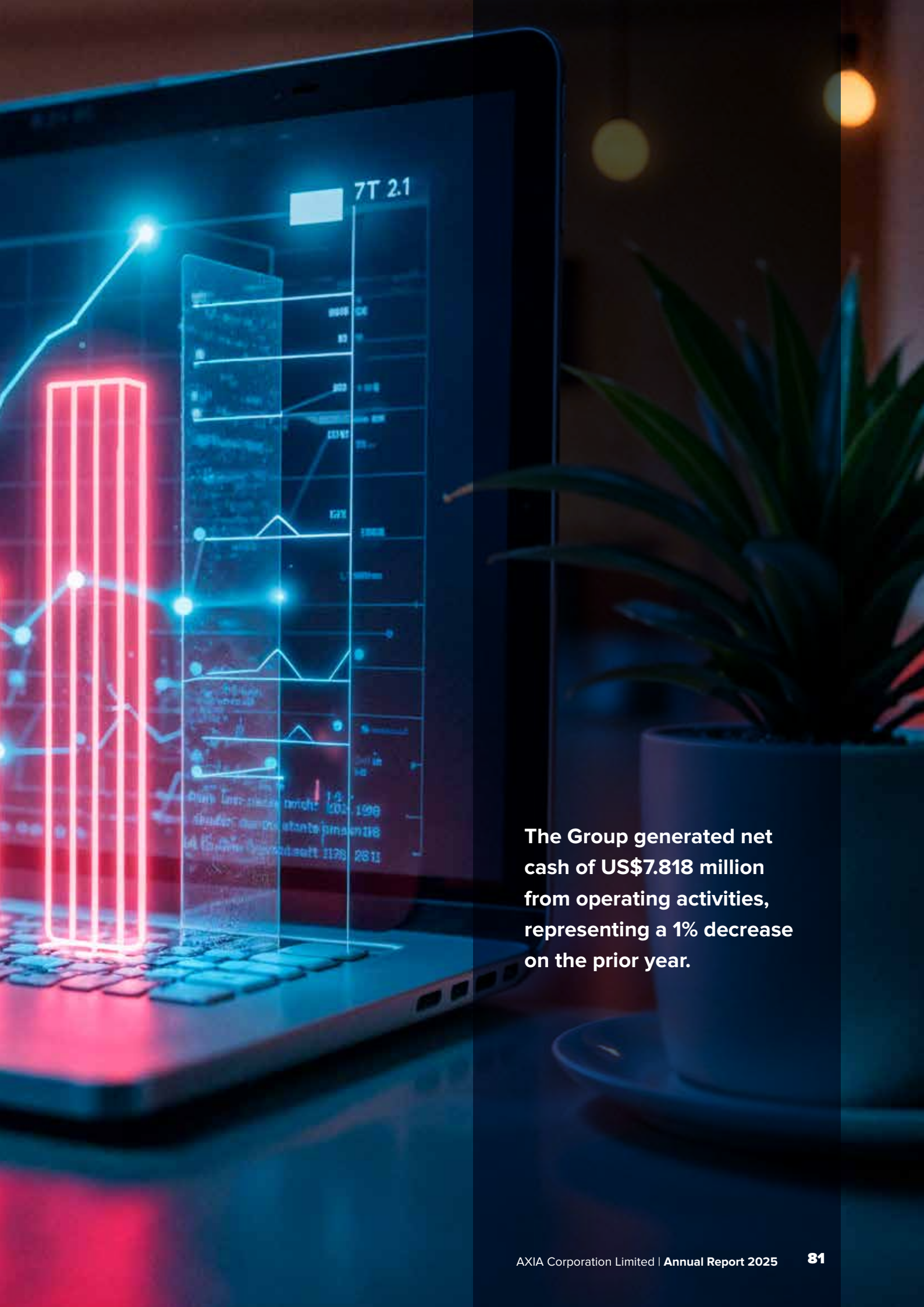
The Board is responsible for reviewing and approving our tax strategy. We have tax experts on a monthly retainer who assists the Group with tax reviews, updates, trainings, and liaison with the tax authorities and assist in all tax investigations. We conduct external and internal audits on tax compliance and tracking our performance. Our teams regularly attend workshops by the Revenue Authorities in Zimbabwe, Malawi and Zambia to stay updated with evolving compliance regulations. We engage tax authorities on matters needing clarity to ensure non-compliance is avoided.

Country by Country Tax payments

Country	2025 USD	2024 USD	2023 USD
Zimbabwe	23 220 631	19 051 794	19 093 121
Zambia	1 957 275	533 575	231 366
Malawi	2 218 730	799 333	455 167
Total	27 396 636	20 384 702	19 779 654

FINANCIAL REPORTS

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The Group generated net cash of US\$7.818 million from operating activities, representing a 1% decrease on the prior year.

Report of the Audit and Risk Committee

The Audit and Risk Committee assists the Board in the fulfilment of its duties. The Audit and Risk Committee of the Board deals, inter alia, with financial reporting, compliance, internal control and risk management. It receives reports from the Group Finance Director, Internal Auditors, External Auditors and Company Secretary and meets at least three times a year.

FINANCIAL REPORTING

The Committee reviews the interim and full year financial statements before their submission to the Board for Approval. The Committee also advises the Board on changes in accounting standards and their implication on financial reporting. Key issues discussed in the financial year relate to:

i) Functional currency

The Directors have conducted a thorough reassessment of the Group's functional currency during the current year. After evaluating the currency in which most the Group's key transactions are denominated, including labour, material and other costs of providing goods or services, and sales prices for the goods and services, the currency in which funds from financing activities are generated and the currency in which receipts from operating activities are usually retained. The Directors have concluded that the USD continues to appropriately reflect the Group's functional currency. This determination is based on the fact that the USD remains the dominant currency influencing the Group's financial activities and the economic environment in which it operates.

ii) Key estimates, uncertainties, and judgements.

These include determination of useful lives and residual values for property, plant and equipment, provision for obsolete stock and the calculation of the loss allowance. A detailed disclosure of these estimates, uncertainties and judgements was included in the Group Financial statements as part of the notes to the financial statements.

iii) Appropriateness of the going concern basis of accounting.

This was discussed, noting the macro-economic challenges in Zimbabwe.

Report of the Audit and Risk Committee (cont'd)

RISK MANAGEMENT AND INTERNAL CONTROLS

The Committee looked into a wide range of matters with management, internal auditors and external auditors with respect to identified risks and responses thereon. The Group's Risk register, which is updated and reviewed quarterly was shared with the Committee. Below is a summary of matters and work performed by the Committee:

- i) Received and reviewed regular reports from the Group Internal Auditors on work performed against the Audit plan, Audit findings, management responses, evaluation of mitigating controls (if any) and remedial action as required.
- ii) Received reports from the Group Finance Director and Group Internal Auditors on frauds and losses. Work covered special investigations on identified matters and the Committee tracked these to the point of appropriate resolution and remedial action on any control weaknesses identified.
- iii) Received and discussed regular reports from the Company Secretary and Group Finance Director on matters of compliance, matters regarding corporate governance, changes in regulatory requirements (such as the Companies and Other Business Entities Act Chapter 24:31) and specific relevant litigations.
- iv) Received regular reports from the Group Finance Director on Group treasury and borrowings arrangements, changes thereof specifically noting the impact of shortages in foreign currency and liquidity challenges in the banking sector.

EXTERNAL AUDIT INDEPENDENCE AND EFFECTIVENESS

The Committee received confirmation of independence from the Group's external auditors, BDO Chartered Accountants (Zimbabwe) as required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the relevant standards from the Public Accountants and Auditors Board.

The Committee meets separately with internal and external auditors without management.



T.N. SIBANDA
Audit Committee Chairman
25 September 2025



Directors' Responsibility & Approval of Financial Statements

The Directors of Axia Corporation Limited are responsible for the preparation and fair presentation of the Group's consolidated financial statements. 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. The financial statements are prepared with the objective of complying fully with International Financial Reporting Standards (IFRS). Complying with IFRSs 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.

The Directors have satisfied themselves that the Group is in a sound financial position and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

The Board of Directors recognises and acknowledges its responsibility for the Group's systems of internal financial control. Axia Corporation Limited maintains internal controls and systems that are designed to safeguard the assets of the Group, prevent and detect errors and fraud and ensure the completeness and accuracy of the Group's records.

The Group's Audit Committee has met the external auditors to discuss their reports on the results of their work, which includes assessments of the relative strengths and weaknesses of key control areas. Any breakdowns in established control procedures have been reported to the Group's Audit Committee and the Board.

The Group and Company External Auditors, BDO Zimbabwe Chartered Accountants, have audited the financial statements and their reports appear on pages 88 to 91 and 146 to 148 for the Group and Company financial statements respectively.

PREPARER OF FINANCIAL STATEMENTS

The financial statements were prepared by Axia's finance department under the supervision of the Executive Director, Mr Simbarashe Mambanda (Chartered Accountant Zimbabwe (CA (Z), PAAB Registration number 0633).

Directors' Responsibility & Approval of Financial Statements (cont'd)

APPROVAL OF FINANCIAL STATEMENTS

The Group and Company financial statements for the year ended 30 June 2025, which appear on pages 92 to 144 and 149 to 156 respectively, have been approved by the Board of Directors and are signed on its behalf by:



L. E. M. NGWERUME

Chairman

25 September 2025



R. M. RAMBANAPASI

Executive Director

25 September 2025

Certificate of Compliance by the Company Secretary

For The Year Ended 30 June 2025

I certify that, to the best of my knowledge and belief, the Company has lodged with the Registrar of Companies all such returns as are required to be lodged by the Public entity in terms of the Companies and Other Business Entities Act (Chapter 24:31) of the Republic of Zimbabwe, and all such returns are true, correct and up to date. I also confirm that the Company has complied with the Victoria Falls Stock Exchange Listing Regulations.



PROMETHEUS CORPORATE SERVICES (PRIVATE) LIMITED

Company Secretary

Harare

25 September 2025

Report of The Directors

For The Year Ended 30 June 2025

The Directors of Axia Corporation Limited ("the Company") have the pleasure of presenting their report, together with the audited financial statements of the Company and its subsidiaries ("the Group") for the year ended 30 June 2025.

PRINCIPAL ACTIVITIES

Axia Corporation Limited is a diversified group operating within the speciality retail and distribution industries selling products such as homeware furniture, electrical appliances and automotive spares and accessories as well as the distribution of many locally and internationally branded FMCG products into the general retail and wholesale sectors whilst offering logistics, transport, marketing, merchandising, storage and maintenance services thereon in Zimbabwe and the region.

FINANCIAL RESULTS

The financial results for the year ended 30 June 2025 are set out in detail in the accompanying financial statements. Key highlights include:

	30 June 2025 USD	30 June 2024 USD
Revenue for the year amounted to	196 472 952	193 849 387
Gross margin for the year amounted to	64 377 422	61 657 425
Profit for the year	8 470 756	6 063 908
Profit attributable to shareholders of the Company was	5 060 271	3 426 711

Further details regarding the Group's financial performance and position are provided in the financial statements.

DIVIDENDS

The Board declared an interim dividend of US\$0.0012 (US0.12 cents) in respect of ordinary shares of the company. 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 (US\$0.28 cents) per share.

The Board has declared an interim dividend of US\$30,000 to the Axia Employee Trust (Private) Limited. The Board has also declared a final dividend of US\$40,000 to the Axia Employee Trust (Private) Limited for the financial year ended 30 June 2025.

DIRECTORATE

The names of the Directors who served during the financial year are as follows:

- Luke Ngwerume, Chairman
- Ray Rambanapasi, Group Chief Executive Officer
- Matthew Hosack*, Non-Executive Director
- Zinona Koudounaris, Non-Executive Director
- Simbarashe Mambanda, Group Finance Director
- Thembiwe Mazingi, Independent Non-Executive Director
- Themba Sibanda, Independent Non-Executive Director

In accordance with the Company's Articles of Association, Thembiwe Mazingi, Themba Sibanda and Matthew Hosack will retire by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election.

(* Appointed on 1 July 2025)

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance. The Directors affirm their commitment to ensuring that the Company continues to adopt internationally recognized governance principles. The Group has implemented a framework of checks and balances to ensure accountability, transparency, and compliance with regulatory requirements.

AUDITORS

BDO Zimbabwe Chartered Accountants, the Company's auditors, have expressed their willingness to continue in office. A resolution for their reappointment and for the Directors to determine their remuneration will be proposed at the AGM.

Report of The Directors (cont'd)

For The Year Ended 30 June 2025

DIRECTORS' RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Directors are responsible for the preparation and fair presentation of the financial statements 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 other applicable regulations. The Directors' responsibility statement is set out separately in this Annual Report.

GOING CONCERN

The Directors have assessed the ability of the Company and the Group to continue operating as a going concern. Based on the Group's current financial position and forecasts, the Directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

OUTLOOK

The Group will continue to pursue a growth strategy in all its business units. To achieve this growth, 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 to increasing the range of our products to meet growing customer needs and will at the same time attend to new market segments. We will seek growth in sales volumes through the competitive pricing of our products realizing that the local customers have options to source products from competitors both local and regional.

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

SUBSEQUENT EVENTS

The Directors are not aware of any material events or circumstances arising after the balance sheet date that would require adjustment to or disclosure in the financial statements for the year ended 30 June 2025.

APPRECIATION

The Directors would like to express their sincere gratitude to the Group's management, employees, customers, business partners, and shareholders for their continued support throughout the year.

By order of the Board,



L. E. M. NGWERUME
Chairman
25 September 2025



R. M. RAMBANAPASI
Executive Director
25 September 2025

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 92 to 144, 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
<p>Revenue recognition</p> <ul style="list-style-type: none"> 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. The Group’s revenue streams are 	<p>To address this matter, we performed the following audit procedures:</p> <ul style="list-style-type: none"> Obtained an understanding and tested the design and implementation of relevant controls over revenue recognition; Obtained an understanding of the appropriateness of the Directors’ revenue recognition policies, particularly regarding sales

BDO Zimbabwe, a Zimbabwean partnership, is a member of BDO International Limited, a UK company limited by guarantee and forms part of the International BDO network of independent member firms.
 A list of partner names is available for inspection at our registered office, No. 3 Baines Avenue, Harare.

<p>characterised by high volumes of transactional data which is generated in an automated environment across the Group's 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.</p> <ul style="list-style-type: none"> • 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. <p>As a result, we identified revenue recognition as a key audit matter.</p>	<p>near year end;</p> <ul style="list-style-type: none"> • Assessed the appropriateness of the revenue recognition criteria for compliance with the requirements of IFRS 15; • 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; • Performed detailed tests on a sample of credit notes recorded after year-end and assessed validity of the transactions. • Wrote scripts which enabled us to recompute finance income and unearned finance income on hire purchase agreements. • Reviewed the financial statements for compliance with disclosure requirements applicable to revenue.
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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

Chartered Accountants

Per: Davison Madhigi CA(Z)

Partner

Registered Public Auditor

Kudenga House

3 Baines Avenue

Harare

25 September 2025

Group Statement of Profit or Loss and other Comprehensive Income

For The Year Ended 30 June 2025

	Notes	30 June 2025 USD	30 June 2024 USD
Revenue	8	196 472 952	193 849 387
Cost of sales		(136 389 168)	(136 746 354)
Gross profit		60 083 784	57 103 033
other income	9	4 293 638	4 554 392
operating expenses	10	(37 740 407)	(41 243 562)
net impairment loss on trade and other receivables	10	(738 380)	(768 421)
Operating profit before impairment, depreciation and fair value adjustments		25 898 635	19 645 442
financial (loss)/gain	11	(2 446 810)	1 124 996
depreciation of property, plant and equipment and right of use assets		(7 225 936)	(7 458 283)
property, plant and equipment	15	(3 010 653)	(3 301 638)
right of use assets	16	(4 215 283)	(4 156 645)
fair value adjustments on financial assets	19	3 688	53 377
Profit before interest, equity accounted earnings and tax		16 229 577	13 365 532
interest income		189 245	43 481
interest expense	12	(4 856 934)	(4 474 490)
equity accounted (losses)/earnings	17.1	(20 605)	261 317
Profit before tax		11 541 283	9 195 840
Income tax expense	13	(3 070 527)	(3 131 932)
Profit for the year		8 470 756	6 063 908
Other comprehensive income - to be recycled to profit or loss			
exchange differences arising on the translation of foreign operations		(1 432 186)	(2 276 868)
Other comprehensive income 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
Earnings per share (cents)			
Basic earnings per share	6	0.91	0.62
Headline earnings per share	6	0.91	0.60
Diluted basic earnings per share	6	0.91	0.62
Diluted headline earnings per share	6	0.91	0.60

Group Statement of Financial Position

As at 30 June 2025

	Notes	30 June 2025 USD	30 June 2024 USD
ASSETS			
Non-current assets			
property, plant and equipment	15	27 431 236	27 110 923
right of use assets	16	10 932 362	12 559 601
investments in associates and joint ventures	17	2 944 577	2 965 182
deferred tax assets	26	474 505	295 034
		41 782 680	42 930 740
Current assets			
financial assets at fair value through profit or loss	19	698 412	400 279
inventories	20	41 341 511	44 799 015
trade and other receivables	21	40 951 557	30 726 730
cash and cash equivalents		2 798 124	8 697 147
		85 789 604	84 623 171
Total assets		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	23	(4 492 382)	(3 776 289)
distributable reserves	24	40 049 000	35 685 488
Attributable to equity holders of the 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	26	2 381 103	1 779 443
lease liabilities	16	9 045 670	8 755 360
		11 426 773	10 534 803
Current liabilities			
interest-bearing borrowings	27	15 976 709	20 447 000
lease liabilities	16	2 651 301	4 165 864
trade and other payables	28	28 015 966	28 861 457
provisions	29	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

The above Group statement of financial position should be read in conjunction with the accompanying notes.



L.E.M. NGWERUME
Chairman
25 September 2025



R.M. RAMBANAPASI
Chief Executive Officer
25 September 2025

Group Statement of Changes In Equity

For The Year Ended 30 June 2025

	Ordinary Share Capital USD	NDR Share premium USD	Non- Distributable Reserves * USD	Distributable Reserves USD	Total USD	Non- controlling Interests USD	Total USD
Balance at 30 June 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)
Total comprehensive (loss)/ income	-	-	(1 138 434)	3 426 711	2 288 277	1 498 763	3 787 040
Dividends declared (note 7)	-	-	-	(1 631 815)	(1 631 815)	(1 228 490)	(2 860 305)
Transactions 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)
Total comprehensive (loss)/ income	-	-	(716 093)	5 060 271	4 344 178	2 694 392	7 038 570
Dividends declared (note 7)	-	-	-	(697 200)	(697 200)	(808 742)	(1 505 942)
Transactions 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 reserves is comprised of foreign currency translation reserves and revaluation reserves.

Group Statement of Cash flows

For The Year Ended 30 June 2025

	Notes	2025 USD	2024 USD
Cash generated from operations	14.1	15 583 763	15 348 217
interest income		189 245	43 481
interest expense	12	(4 856 934)	(4 474 490)
tax paid		(3 098 087)	(2 991 253)
Cash generated from operating activities		7 817 987	7 925 955
Investing activities	14.2	(3 436 253)	(4 297 864)
Net cash inflow before financing activities		4 381 734	3 628 091
Financing activities		(10 280 757)	2 229 771
dividends paid by holding company		(701 760)	(1 824 149)
dividends paid by subsidiaries to non-controlling interests		(2 053 998)	(1 086 300)
cash payments for the principal portion of the lease liabilities		(3 854 350)	(3 769 637)
proceeds from interest-bearing borrowings	14.3	18 632 709	27 699 713
repayment of interest-bearing borrowings	14.3	(22 303 358)	(18 789 856)
(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 to the Financial Statements

For The Year Ended 30 June 2025

1 CORPORATE INFORMATION

The consolidated financial statements of Axia Corporation Limited for the year ended 30 June 2025 were authorized for issue in accordance with a resolution of the Directors on 25 September 2025. Axia Corporation Limited is a limited liability company incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Victoria Falls Stock Exchange (“VFEX”). The Group operates within the specialty retail and distribution industries selling products such as homeware furniture, electrical appliances and automotive spares and accessories as well as the distribution of many locally and internationally branded FMCG products into the general retail and wholesale sectors whilst offering logistics, transport, marketing, merchandising, storage and maintenance services thereon. The registered office is 1st Floor, Edward Building, Corner Nelson Mandela/First Street, Harare and the physical address of the Corporate office is 6 Kenilworth Road, Newlands, Harare.

2 STATEMENT OF COMPLIANCE

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

2.1 Going concern

The Directors have satisfied themselves that the Group and Company are in a sound financial position and have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they are satisfied that it is appropriate to adopt the going concern basis in preparing the consolidated and separate financial statements.

2.2 Basis of preparation

The consolidated financial statements have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards, the requirements of the Companies and Other Business Entities Act (Chapter 24:31), VFEX Listing rules and relevant statutory instruments. The financial records were prepared based on statutory records that are maintained under the historical cost convention except for revaluation of property plant and equipment. The consolidated financial statements are presented in United States of America Dollars (“US\$”) and all values are rounded to the nearest dollar, except where otherwise indicated. The principal accounting policies applied in the preparation of the consolidated financial statements are in terms of IFRS and have been applied consistently in all material respects with those of the previous consolidated annual financial statements.

3 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2025. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies except for the revaluation model applied for Property, Plant and Equipment as at 30 June 2025.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

3 BASIS OF CONSOLIDATION (CONT'D)

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a negative balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss and;
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings as appropriate

4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

4.1 Adoption of new and revised standards that are relevant to the Group

Several amendments and interpretations apply for the first time in the financial year ended 30 June 2025, but did not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

New standards, amendments and interpretations mandatory effective for periods beginning on or after 1 January 2024.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period.

No significant impact on the Group on adoption.

Non-current Liabilities with Covenants (Amendments to IAS 1)

If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period.

No significant impact on the Group on adoption.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONT'D)

4.1 Adoption of new and revised standards that are relevant to the Group (Cont'd)

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

No significant impact on the Group on adoption.

Lease Liability in a Sale and Lease-back (Amendments to IFRS 16 leases)

The standard is not relevant to the Group and hence not adopted.

Annual Improvements to IFRS Standards 2018–2020

Makes amendments to the following standards:

Annual improvements are limited to changes that either clarify the wording in an IFRS Accounting Standard, or correct relatively minor unintended consequences, oversights or conflicts between requirements of the Accounting Standards. The proposed improvements are packaged together in one document. This cycle of annual improvements addresses the following:

- Hedge Accounting by a First-time Adopter (Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards)
- Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7)
- Gain or Loss on Derecognition (Amendments to IFRS 7)
- Introduction and Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7)
- Derecognition of Lease Liabilities (Amendments to IFRS 9)
- Transaction Price (Amendments to IFRS 9)
- Determination of a 'De Facto Agent' (Amendments to IFRS 10)
- Cost Method (Amendments to IAS 7)

The above amendments did not have a material impact on the Group

4.2 New and revised standards in issue but not yet effective that are relevant to the Group

The Group has not applied these standards and amendments for the first-time, which are effective for annual periods beginning on or after 1 January 2025. These new amendments and interpretations issued by the IASB, will not have a material effect on the Group's financial statements.

Lack of Exchangeability (Amendments to IAS 21)

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

The Group does not see this standard having a material impact on its financial statements when it becomes effective as the Group has been applying the requirements of the standard from prior years.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements and is mandatorily effective for annual reporting periods beginning on or after 1 January 2027. IFRS 18, which was published by the IASB on 9 April 2024, sets out significant new requirements for how financial statements are presented, with particular focus on:

- The statement of profit or loss, including requirements for mandatory sub-totals to be presented. IFRS 18 introduces requirements for items of income and expense to be classified into one of five categories in the statement of profit or loss. This classification results in certain sub-totals being presented, such as the sum of all items of income and expense in the operating category comprising the new mandatory 'operating profit or loss' sub-total.
- Aggregation and disaggregation of information, including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONT'D)

4.2 New and revised standards in issue but not yet effective that are relevant to the Group (Cont'd)

IFRS 18 Presentation and Disclosure in Financial Statements (cont'd)

- Disclosures related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by IFRS Accounting Standards with adjustments made (e.g. 'adjusted profit or loss'). Entities will be required to disclose MPMs in the financial statements with disclosures, including reconciliations of MPMs to the nearest total or sub-total calculated in accordance with IFRS Accounting Standards. The aim of the IASB in publishing IFRS 18 is to improve comparability and transparency of companies' performance reporting. IFRS 18 has also resulted in narrow changes to the statement of cash flows.

The Group is still assessing the full impact of this standard on its financial statements when it becomes effective in 2027.

IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2: Climate-related Disclosures

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

While sustainability reporting is effective, the Public Accountants and Auditors Board (PAAB) has postponed the implementation of IFRS S1 and S2 to a future date.

4.3 The following amendments and standards were issued but not yet effective and are not relevant to the group

- Contract Referencing Nature-dependant Electricity (amendments to IFRS 9 and IFRS 7)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The Group recognises revenue according to the following 5 – step model:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract and

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue is presented net of discounts, rebates, returned products and other customer claims. The Group recognises revenue when it transfers control of a product or service to a customer.

The Group recognises revenue from the following major sources:

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer on delivery of the goods. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Sale of goods (cont'd)

Sale of goods includes sale of furniture, household appliances, automotive spares and accessories, electronics and fast-moving consumer products such as perishable and non-perishable food and beverages.

Sales-related warranties associated with furniture, electronics and automotive spares cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period for reasons such as damaged or near expiry products delivered. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. For goods that are expected to be returned, the Group recognises a contract liability processed against revenue.

Volume rebates

The Group (particularly in the distribution business) provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer and are accounted by netting-off against the related revenue.

Interest income

Revenue is recognised as interest accrues using the effective interest method (that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is when the respective investee company shareholders have approved the dividends.

Employee Benefits

Short-term benefits

The cost of all short-term employee benefits, such as salaries, employee entitlements to leave pay, bonuses, medical aid and other contributions are recognised during the period in which the employee renders the related service. The Group recognises the expected cost of bonuses only when the Group has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

Retirement benefit costs

Retirement benefits are provided for Group employees through the Innscor Africa Pension Fund, the National Social Security Authority, the National Employment of the Motor Industry Pension Fund, Nico Life Insurance Company Limited (Malawi) and National Pension Scheme Authority (Zambia). The Group's pension schemes are defined contribution schemes and the cost of retirement benefits is determined by the level of contributions made in terms of the rules. Contributions to defined contribution retirement plans are recognised as an expense when employees have rendered service entitling them to the contributions.

All eligible employees contribute to the National Social Security Authority (Zimbabwe) defined contribution pension scheme, or the equivalent in foreign subsidiaries. The cost of retirement benefits applicable to the National Social Security Authority, which commenced operations on 1 October 1994, is determined by the systematic recognition of legislated contributions.

Share based payments

The Group issues share options to certain employees. The options are measured at fair value at the date of grant. The fair value determined is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest and the corresponding equity is disclosed in a share option reserve which forms part of equity.

The fair value is determined using the binomial option pricing model. The value transferred to the share option reserve is amortised to equity as the related share options are exercised or forfeited.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Equity Settled Transactions

Equity settled share-based payment transactions with parties other than employees are measured at fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Group obtains the goods or the counterparty renders the service.

Leases

The Group assesses at contract inception whether a contract is or contains a lease. That is, if the contract conveys substantive rights to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee applies a single recognition and measurement approach for all leases except for short term and low value leases where the Group has elected to make use of the recognition exemptions provided for in IFRS 16. For other leases which do not meet the exemption criteria, the Group recognises lease liabilities together with the corresponding right of use assets which represents the right to use underlying assets.

Right of use assets

The Group recognises the right of use assets at commencement date of the lease. These assets are measured at cost, less accumulated depreciation, impairment losses and any adjustment for any remeasurement of lease liabilities. The right of use cost includes amount of lease liabilities recognised present valued, initial direct costs incurred, lease payments made before or after commencement date less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying asset. These assets are also subject to impairment which is assessed in a similar way to property, plant and equipment explained under, 'Impairment of non-financial assets'.

Lease liabilities

At lease commencement date, the Group recognises lease liabilities measured at the present value of contractual lease payments paid over the lease term. The lease payments include in substance fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts payable under a residual value guarantee. Variable lease payments that do not depend on an index or rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group makes use of the incremental borrowing rate to discount future lease payments at lease commencement date as implicit interest rate is not readily determinable. The Group's borrowing rate which was used is 13% for local leases and 18% for regional leases. After the commencement date, the lease liability amount is increased to reflect cumulation of interest and abated for lease payments made. In addition, the carrying amount of lease liability is remeasured if there is a modification i.e. a change in contractual lease term, a change in lease payments or a change in the option to purchase the underlying asset.

Foreign currency translation

The Group's financial statements are presented in United States of America Dollar, which is the Group's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to profit or loss except for differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are recognised in other comprehensive until the disposal of the net investment, at which time they are recognised in profit or loss. The tax charges and credit attributable to exchange differences on those borrowings are also recognised in other comprehensive income.

Non-monetary items that are measured in terms of the historical cost basis in a foreign currency are translated using the exchange rates ruling at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the dates when the fair value was determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Foreign operations

Assets and liabilities of subsidiary companies denominated in foreign currencies are translated into United States Dollars(USD) at rates of exchange ruling at reporting date and their statements of profit or loss and other comprehensive income results are translated at the monthly average rate of exchange for the period. The average rate of exchange is calculated by dividing the summation of the opening rate to the closing rate by two. Where there are drastic movements between the opening and closing rates of exchange, the statement of profit or loss and comprehensive income results is translated on a month on-month basis using the average rate of exchange for each month. Differences on exchange arising from translation of assets and liabilities at the rate of exchange ruling at reporting date and translation of statement of comprehensive income items at average rates, are recognised in other comprehensive income. Upon divestment from a foreign operation, translation differences related to that entity are taken to profit or loss.

Business combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition-date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, the acquisition date fair value of the Group's previously held equity interest in the acquiree is re-measured to fair value as at the acquisition date through profit or loss.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the consideration transferred over the Group's net identifiable assets acquired and liabilities assumed, and the amount recognised for non-controlling interest. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss as bargain purchase gain. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Common control business combinations

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Such acquisition does not meet the definition of a business combination in accordance with IFRS 3 'Business Combinations'. The Group's policy is to treat such an acquisition as a group restructuring, using the common control method, as follows:

- The assets, liabilities and reserves of the acquired entity/entities are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, that would otherwise be required by IFRS 3.
- No new goodwill is recognised as a result of the restructuring. The only goodwill recognised is the existing goodwill in the business as reflected in the consolidated financial statements of the selling entity; and
- The statement of profit or loss and comprehensive income reflects the results of the Group from the effective date of such transaction.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, plant and equipment

Property, plant and equipment is recognized at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation. A revaluation surplus is credited to other reserves in shareholders' equity.

The various rates of depreciation are listed below:

- Freehold property - 2%
- Leasehold improvements - the lesser of period of lease or 10 years
- Fittings and equipment - 10% - 25%
- Vehicles - 12.5% - 25%

The carrying values of plant and equipment are reviewed for impairment annually, or earlier where indications are that the carrying value may be irrecoverable. When the carrying amount exceeds the estimated recoverable amount, assets are written down to the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in profit or loss in the year the asset is derecognised.

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed by the Group, and prospectively adjusted if necessary, on an annual basis. Depreciation is not charged when the carrying amount of an item of property, plant and equipment becomes equal or less than the residual value.

Intangible assets

(i) Goodwill

Goodwill is measured as described in the note above on business combinations.

(ii) Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

(iii) Amortisation methods and periods

The group amortises intangible assets with a limited useful life, using the straight-line method over the following periods:

- IT development and software 3–5 years

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of non-financial assets

The Group assesses at each reporting date, or earlier where indications that impairment exists, whether an asset may be impaired. This entails estimating the asset's recoverable amount, which is the higher of the asset's fair value less costs of disposal and value in use. Where the asset's carrying amount exceeds its recoverable amount, the asset is considered impaired and its carrying amount is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset. For non-financial assets including goodwill, an assessment is made at each reporting date as to whether previously recognised impairment losses may no longer exist or have decreased. If such indication exists, the recoverable amount is estimated in order to reverse the previously recognised impairment losses. A previously recognised impairment loss is reversed only to the extent that there has been a change in the estimates used in determining the asset's recoverable amount since the last impairment loss was recognised. If that is the case the asset's carrying amount is increased to its recoverable amount. However, the increased carrying value of the asset is limited to the carrying value determinable, net of depreciation, had the impairment not occurred. Such reversal is taken to profit or loss.

After the reversal, the depreciation charge is adjusted in future periods to allocate the revised carrying amount, less any residual value, on a systematic basis over the remaining useful life.

Investments in associates and joint ventures

The Group's investments in associates and joint ventures are accounted for using the equity method of accounting. Associates are entities in which the Group exercises significant influence and which are neither subsidiaries nor jointly controlled operations. Joint ventures are joint arrangements whereby the parties that have joint control have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment or a portion thereof, is classified as held for sale, in which case it is accounted in accordance with IFRS 5, 'Non-current Assets held for Sale and Discontinued Operations'.

Under the equity method, an investment in an associate or a joint venture are initially carried in the statement of financial position at cost. Subsequently, the investments in associates or joint ventures are carried at cost plus post-acquisition changes in the Group's share of the reserves of the associate or joint venture, less dividends received from the associate or joint venture. Goodwill relating to an associate or joint venture is included in the carrying amount of the investment.

The statement of profit or loss and other comprehensive income reflects the share of the results of operations of the associates or joint ventures attributable to the Group.

Where there have been changes recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains or losses resulting from transactions between the Group and associates or joint ventures are eliminated to the extent of the interest in the associate.

The financial statements of an associate or joint venture are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate or investment in joint venture. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence, and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Investments in associates and joint ventures (cont'd)

The Group continues to use the equity method when an investment in associate becomes an investment in joint venture or when an investment in joint venture becomes an investment in associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or joint venture, but the Group continues to use the equity method, the Group reclassifies to profit or loss the portion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on disposal of the related assets and liabilities.

Investments in subsidiaries (held in the separate books of the company)

Subsidiaries are companies which the holding Company controls. Control is achieved where the Company has power over more than one half of the voting rights or the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Investments in subsidiaries are initially carried in the statement of financial position at cost. Where an indication of impairment exists, the recoverable amount of investment is assessed. Where the carrying amount of the investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to profit or loss. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is credited or charged to profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

Classification of financial assets (Cont'd)

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- the Group may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest rate method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance. Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired. Interest income is recognised in profit or loss and is included in the "interest income" line item.

(ii) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

(ii) Equity instruments designated as at FVTOCI (cont'd)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains or losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9 unless the dividends clearly represent a recovery of part of the cost of the investment.

Dividends are included in the 'financial income' line item disclosed under note 11 in profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Treasury Bills are classified and measured at fair value through profit or loss (FVTPL) in accordance with IFRS 9 – Financial Instruments. On initial recognition, they are recorded at fair value, and subsequently remeasured at each reporting date, with all changes in fair value recognised directly in profit or loss. Interest income, where applicable, is also recognised in profit or loss using the effective interest rate method. As the instruments are held for trading or do not meet the solely payments of principal and interest (SPPI) criteria, they do not qualify for amortised cost or FVOCI classification. Treasury Bills are presented as part of financial assets.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has designated the derivative financial asset (note 22) as a debt instrument at FVTPL.
- Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'financial income' line item disclosed under note 11 and "fair value adjustments on listed equities" line disclosed under note 19.

Foreign exchange gains or losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'financial income' line item disclosed under note 11; and
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'financial income' line item disclosed under note 11.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

(ii) Equity instruments designated as at FVTOCI (cont'd)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime Expected Credit Losses (“ECL”) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

(i) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 120 days past due unless the Group has reasonable and supportable information to demonstrate that a more default criterion is more appropriate.

(ii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower.
- a breach of contract, such as a default or past due event (see (i) above).
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(iii) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group’s recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised when the proceeds are received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial liabilities (cont'd)

Financial liabilities at FVTPL (cont'd)

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'interest paid' line item (note 13) in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in profit or loss.

Fair value is determined in the manner described in note 19.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9 (see financial assets above); and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'financial income' line item in profit or loss (note 11) for financial liabilities that are not part of a designated hedging relationship.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial liabilities (cont'd)

Foreign exchange gains and losses (cont'd)

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held on call with financial institutions, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Inventories

Inventories are stated at the lower of cost and estimated net realisable value. In general, cost is established on a weighted average basis. Cost of inventories comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for financial services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial liabilities (cont'd)

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the Group expects some or all of the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in profit or loss net of any certain reimbursements. If the effect of the time value of money is material, provisions are discounted using a pre-tax discount rate that reflects, where appropriate, the risks specific to those provisions. Where discounting is used, the increase in the provision due to passage of time is recognised in profit or loss as a borrowing cost.

Provision for warranty claims

In respect of provision for warranty claims, the Group warrants its television products and certain component parts of electronic appliances as well as some automotive spares. The provision is made on the basis of previous experience of the incidence of such claims.

Leave pay liability

Leave pay for employees is provided on the basis of leave days accumulated at an expected rate of payment. The timings of the cash out-flows are by their nature uncertain.

Contingent liabilities

Contingent liabilities, which include certain financial guarantees, litigation and other letters of credit pledged as collateral security, are possible obligations that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control. Contingent liabilities are not recognised in the financial statements but are disclosed in the notes to the financial statements.

Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date in countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or in other comprehensive income and not in profit or loss.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Taxes (cont'd)

Deferred income tax (cont'd)

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credit and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in profit or loss. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same tax authority.

Value Added Tax

Revenues, expenses and assets are recognised net of the amount of Value Added Tax except where the Value Added Tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the Value Added Tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of Value Added Tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the Group's Executive Directors.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no-longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Key estimates, uncertainties and judgements

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year:

(i) Useful lives and residual values of property, plant and equipment

The Group assesses useful lives and residual values of property, plant and equipment each year taking into consideration past experience, technology changes and the local operating environment. The useful lives are set out on property, plant and equipment policy above and no changes to those useful lives have been considered necessary during the year. Residual values will be reassessed each year and adjustments for depreciation will be done in future periods if there is indication of impairment in value.

(ii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the value of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer to note 26 for more information on the evidence supporting recognition of deferred tax assets.

(iii) Provision for obsolete stock

The provision for obsolescence is based on assessment of quality of stock through sampling. Inventory that no longer meets minimum quality standards as a result of damage or exceeding standard shelf life is classified as obsolete. Inventory relating to discontinued products is also classified as obsolete. Refer to note 20 for more information on the carrying amount of inventory and the provision for obsolete stock.

(iv) Allowance for Expected Credit Losses

The expected credit losses of financial assets are estimated in a way that reflects the following:

- An unbiased and probability-weighted amount determined by evaluating a range of possible outcomes.
- The time value of money.
- Reasonable and supportable information about past events, current conditions and forecasts of economic conditions that is available without undue cost or effort at the reporting date.
- Refer to note 21 for more information on the carrying amounts of trade and other receivables and the allowance for credit losses.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

6 EARNINGS PER SHARE

6.1 Basic earnings basis

The calculation is based on the profit attributable to equity holders of the parent and weighted average number of ordinary shares in issue for the year.

6.2 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.

6.3 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.

The following reflects the income and share data used in the basic, headline and diluted earnings per share computations:

	2025 USD	2024 USD
6.4 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
6.5 Reconciliation of basic earnings to headline earnings:		
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 equipment and motor vehicles	58 351	(169 675)
Tax effect on adjustments	(15 025)	43 692
Non-controlling interests' share of adjustments	(21 658)	62 979
Headline earnings attributable to equity holders of the parent	5 081 939	3 363 707
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

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

7 DIVIDENDS

7.1 Dividends declared and paid on ordinary shares

Final dividend declared relating to previous financial year

Interim dividend declared

Axia employee share ownership trust (Class "A" ordinary share dividends)

Final dividend declared relating to previous financial year

Interim dividend declared

2025 USD	2024 USD
-	556 015
667 200	1 000 800
30 000	75 000
-	25 000
30 000	50 000
697 200	1 631 815

interim Dividend

The Board declared an interim dividend of US\$0.0012 (0.12 US cents) per share in respect of all ordinary shares of the Company. The Board has also declared an interim dividend totaling US\$30 000 to the Axia Employee Trust (Private) Limited.

Final 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 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.

7.2 Dividends declared by subsidiaries to non-controlling interests

Declared and paid

TV Sales & Home (Private) Limited

Distribution Group Africa (Private) Limited

Innsco Distribution Africa Limited

Geribrans Services (Private) Limited

Total dividends declared and paid by subsidiaries to non-controlling interests

482 248	800 000
-	4 800
100 000	-
26 494	-
608 742	804 800
Declared but not paid at year end	
200 000	150 076
-	273 614
200 000	423 690
808 742	1 228 490

Declared but not paid at year end

TV Sales & Home (Private) Limited

Geribrans Services (Private) Limited

Total dividends for the year declared by subsidiaries to non-controlling interests

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

8 REVENUE

Notes	2025 USD	2024 USD
Sale of goods	191 298 519	189 574 452
Interest on instalment credit sales	5 174 433	4 274 935
	196 472 952	193 849 387

Sale of goods includes sale of furniture, household appliances and electronics and fast-moving consumer products such as perishable and non-perishable food and beverages.

The Group has disaggregated revenue by operating segments as this is the information regularly reviewed by the the Board, which is the Chief Operating Decision Maker (CODM) in order to evaluate the financial performance of the entity. Refer to note 31 for more information.

9 OTHER INCOME

Sundry income and sales	843 426	808 501
Scrap and repairs	349 18	588 550
Commissions and recoveries	559 798	144 000
Rebates	1 637 226	2 054 290
Merchandising	904 010	959 051
	4 293 638	4 554 392

Included in sundry income is the sale of non-core business items such as sale of raw materials and early settlement discounts.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

10 OPERATING EXPENSES

	2025 USD	2024 USD
Staff costs	19 643 445	19 646 250
Audit fees and expenses	379 845	323 605
Cleaning	119 720	210 562
Network charges	151 953	201 797
Sales Commissions	27 201	810 846
Debtors Clearing	611 954	776 363
Rebates and warranty fees	30 546	110 536
Distribution costs	2 204 412	3 242 284
Repairs and maintenance	1 132 548	1 400 194
Electricity, water and rates	789 423	1 451 341
Delivery vehicle costs	189 145	426 228
Legal fees	97 171	79 007
Listing fees	97 505	88 696
Bank charges (including IMTT)	2 568 536	2 404 580
Security	617 299	1 023 646
Telephone and postage	170 625	151 984
Fuel	1 128 363	1 526 421
Printing & Stationery	222 203	193 156
Advertising and marketing	822 369	823 393
Directors fees	229 208	193 342
Operating lease charges	1 301 080	405 945
Consultancy fees	1 072 959	781 656
Insurance and licenses	917 405	910 460
Travelling and accomodation	609 254	437 124
Inventories written off and obsolescence charges	1 443 309	2 061 099
Bad debts written off and allowance for credit losses	738 380	768 421
Other*	1 162 908	1 548 047
	38 478 787	41 996 983
* Other operating expenses comprise of, computer expenses and financial reporting expenses etc.		
Operating expenses are disclosed per income statement :		
- Operating expenses	37 740 407	41 243 562
- Net impairment loss on trade and other receivables	738 380	768 421
Total operating expenses	38 478 787	42 011 983
10.2	Included in operating expenses are share based payment expenses and key management's emoluments comprising of:	
10.2.1	Short term employee benefits	
	Executive directors and key management remuneration*	
	3 977 407	3 831 369
	3 977 407	3 831 369
* Key management are the Company's executives and senior management of the Group's subsidiary companies.		
10.2.2	Non-executive directors fees	
	Independent, non-executive directors - fees	
	209 388	171 147
	Non-independent, non-executive directors - fees	
	19 820	22 195
	229 208	193 342

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

11 FINANCIAL (LOSSES) /GAINS

	Notes	2025 USD	2024 USD
Net exchange (losses)/gains		(1 352 601)	955 321
Fair value adjustments on treasury bills	19	(1 035 858)	-
(Losses)/gains on disposal of equipment		(58 351)	169 675
		(2 446 810)	1 124 996
12 INTEREST EXPENSE			
Bank overdrafts and interest-bearing borrowings		3 296 939	3 265 419
Lease liabilities		1 559 995	1 209 071
		4 856 934*	4 474 490
13 TAX EXPENSE			
13.1 Income tax expense			
Current income tax charge		2 599 227	3 574 742
Withholding tax		47 041	47 184
Deferred tax	26.1	424 259	(489 994)
		3 070 527	3 131 932

	2025 %	2024 %
13.2 Tax rate reconciliation		
Statutory rate of taxation, inclusive of AIDS levy	25.75	25.75
Adjusted for:		
Tax effect of equity accounted earnings	0.05	(0.73)
Regional rates	0.08	1.28
Effects of changes in tax rates	-	2.76
Fines and penalties	0.02	0.67
IMTT	2.71	2.59
Other non-taxable/non-deductible items*	(2.00)	1.74
Effective tax rate	26.61	34.07

*Other non-taxable and non-deductible items include, donations and other non-deductible expenses.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

14 CASH FLOW INFORMATION

	Notes	2025 USD	2024 USD
14.1 Cash generated from operations			
Profit before interest and tax		16 229 577	13 365 533
Adjustments		4 938 591	3 597 101
Depreciation of property, plant and equipment and right of use assets	15, 16	7 225 936	7 458 283
Effects of translation of foreign subsidiaries		(3 377 866)	(3 638 130)
Loss/(profit) on disposal of property, plant and equipment		58 351	(169 675)
Fair value adjustments on treasury bills	19	1 035 858	-
Fair value gains on financial assets	19	(3 688)	(53 377)
Operating profit before working capital changes		21 168 168	16 962 634
Working capital changes		(5 584 405)	(1 614 417)
Decrease/(increase) in inventories		3 457 504	(6 144 530)
(Increase)/decrease in trade and other receivables		(10 224 827)	1 512 020
Increase in trade and other payables		845 491	2 839 778
Increase in provisions and other liabilities		337 427	178 315
Cash generated from operating activities		15 583 763	15 348 217
14.2 Investing activities			
Expenditure on property, plant and equipment		(3 586 806)	(3 218 995)
To maintain operations		(841 580)	(1 327 300)
To expand operations		(2 745 226)	(1 891 695)
Proceeds on disposal of equipment		78 146	18 101
Proceeds from disposal of financial assets at fair value through profit or loss		226 008	296 880
Purchase of investment in financial asset	19	-	(138 000)
Net cash outflow on derecognition of subsidiary		(33 602)	-
Net cash outflow on investment in subsidiary		(120 000)	(1 255 850)
		(3 436 253)	(4 297 864)

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

14 CASH FLOW INFORMATION (CONT'D)

14.3 Cashflow arising from interest-bearing borrowings (disclosed in financing activities)

	2024	USD Proceeds	USD Interest	USD		USD Foreign exchange	2025
	USD Opening balance			Repayments			USD Closing balance
				Principal	Interest		
Short term financing	20 447 000	18 632 709	3 296 939	(22 303 358)	(3 296 939)	(799 642)	15 976 709
	20 447 000	18 632 709	3 296 939	(22 303 358)	(3 296 939)	(799 642)	15 976 709

	2023	USD Proceeds	USD Interest	USD		USD Foreign exchange	2024
	USD Opening balance			Repayments			USD Closing balance
				Principal	Interest		
Short term financing	12 879 341	27 699 713	3 265 419	(18 789 856)	(3 265 419)	(1 342 198)	20 447 000
	12 879 341	27 699 713	3 265 419	(18 789 856)	(3 265 419)	(1 342 198)	20 447 000

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

15.1 PROPERTY, PLANT AND EQUIPMENT

	Freehold property	Leasehold improvements	Fittings & Equipment	Motor vehicles	Total
	USD	USD	USD	USD	USD
Cost					
At 30 June 2023	16 923 780	808 446	9 869 856	9 554 826	37 156 908
Additions	4 010	527 610	1 965 524	721 851	3 218 995
Transfer on acquisition of joint venture	-	-	(276 626)	(1 375 673)	(1 652 299)
Transfer from other classes of assets	401 346	-	-	-	401 346
Disposals	-	-	(56 117)	(14 005)	(70 122)
Exchange difference on translation of foreign entity	(750 874)	(50 682)	(147 520)	(288 108)	(1 237 184)
At 30 June 2024	16 578 262	1 285 374	11 355 117	8 598 891	37 817 644
Additions	2 180 746	237 955	701 089	467 016	3 586 806
Derecognition of subsidiary	-	-	(4 057)	-	(4 057)
Disposals	-	-	(880)	(241 300)	(242 180)
Exchange difference on translation of foreign entity	(81 332)	(24 191)	(20 593)	(39 849)	(165 965)
At 30 June 2025	18 677 676	1 499 138	12 030 676	8 784 758	40 992 248
Accumulated depreciation and impairment losses					
At 30 June 2023	342 257	308 349	3 455 632	4 101 444	8 207 682
Charge for the year	77 145	133 287	1 291 746	1 799 460	3 301 638
Transfer on acquisition of joint venture	-	-	(158 727)	(509 931)	(668 658)
Disposals	-	-	(39 675)	(14 005)	(53 680)
Exchange difference on translation of foreign entity	(10 392)	(8 920)	(15 038)	(45 911)	(80 261)
At 30 June 2024	409 010	432 716	4 533 938	5 331 057	10 706 721
Charge for the year	292 079	217 397	1 402 855	1 098 322	3 010 653
Derecognition of subsidiary	-	-	(719)	-	(719)
Disposals	-	-	(3 203)	(102 480)	(105 683)
Exchange difference on translation of foreign entity	(6 822)	(9 251)	(10 587)	(23 300)	(49 960)
At 30 June 2025	694 267	640 862	5 922 284	6 303 599	13 561 012
Net carrying amount					
At 30 June 2025	17 983 409	858 276	6 108 392	2 481 159	27 431 236
At 30 June 2024	16 169 252	852 658	6 821 179	3 267 834	27 110 923

Certain properties are encumbered as indicated in note 15.4

15.2 Reconciliation of gain on disposal of property, plant and equipment

	2025 USD	2024 USD
Proceeds on Disposal of property plant and equipment	78 146	1 169 757
Carrying amount on disposal	(136 497)	(1 000 082)
Cost	(242 180)	(1 722 421)
Accumulated depreciation and impairment losses	105 683	722 338
(Loss)/profit on disposal of property, plant and equipment	(58 351)	169 675

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

15 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

15.3 Reconciliation of opening and closing carrying amounts

Net carrying amount at the beginning of the year

Cost
Accumulated depreciation and impairment losses

Movement for the year:

Additions at cost
Depreciation charge for the year
Transfers from other classes of assets
Disposal
Transfer to joint venture
Derecognition of subsidiary
Exchange movements

Net carrying amount at the end of the year

Cost
Accumulated depreciation and impairment losses

	2025 USD	2024 USD
Net carrying amount at the beginning of the year	27 110 923	28 949 225
Cost	37 817 644	37 156 908
Accumulated depreciation and impairment losses	(10 706 721)	(8 207 683)
Movement for the year:		
Additions at cost	3 586 806	3 218 995
Depreciation charge for the year	(3 010 653)	(3 301 638)
Transfers from other classes of assets	-	401 346
Disposal	(136 497)	(16 441)
Transfer to joint venture	-	(983 641)
Derecognition of subsidiary	(3 338)	-
Exchange movements	(116 005)	(1 156 923)
Net carrying amount at the end of the year	27 431 236	27 110 923
Cost	40 992 248	37 817 644
Accumulated depreciation and impairment losses	(13 561 012)	(10 706 721)
15.4 Security		
Net book value of a property pledged as security for borrowings (Regional Operations)	2 943 442	2 410 455
Details of the borrowings are shown in note 27.		
15.5 Impairment loss		
The Group has made an impairment assessment as at year end on the condition of the assets and their ability to continue to produce economic benefits for the group and no impairment indicator was observed and no loss was recognised or provided for.		
15.6 Revaluation, depreciation methods and useful lives		
Property, plant and equipment are recorded at fair value based on periodic, but at least five years, valuations by external independent valuers, less subsequent depreciation. A revaluation surplus is credited to non distributable reserves (note 23). Refer to note 5 for depreciation rates.		
15.7 Carrying amounts that would have been recognised if property, plant and equipment were stated at cost		
If the property, plant and equipment were stated on historical cost basis, the amounts would be as follows:		

Freehold property

Cost
Accumulated depreciation
Net book amount

Leasehold improvements

Cost
Accumulated depreciation
Net book amount

Fittings and equipment

Cost
Accumulated depreciation
Net book amount

Motor vehicles

Cost
Accumulated depreciation
Net book amount

	2025 USD	2024 USD
Freehold property		
Cost	15 744 701	13 563 955
Accumulated depreciation	(679 219)	(387 140)
Net book amount	15 065 482	13 176 815
Leasehold improvements		
Cost	1 574 010	1 336 055
Accumulated depreciation	(650 113)	(432 716)
Net book amount	923 897	903 339
Fittings and equipment		
Cost	12 329 753	11 653 324
Accumulated depreciation	(5 953 663)	(4 565 317)
Net book amount	6 376 090	7 088 007
Motor vehicles		
Cost	7 198 260	7 351 130
Accumulated depreciation	(5 906 975)	(5 436 134)
Net book amount	1 291 285	1 914 996

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

15 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

15.8 Recognised fair value measurements

(i) Valuation techniques used to determine level 2 and level 3 fair values

The Group obtains independent valuations for its property, plant and equipment at least every three years. At the end of each reporting period, the directors update their assessment of the fair value of each property, plant and equipment, taking into account the most recent independent valuations. The Directors determine an asset's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the directors consider information from a variety of sources including :

- current prices in an active market for assets of a different nature or recent prices of similar assets in less active markets, adjusted to reflect those differences.
- cost of building or rent purchase costs for similar assets or lease improvements or shop fittings adjusted for wear and tear.

(ii) Valuation process

The Group engages external, independent and qualified valuers to determine the fair value of the group's property, plant and equipment at least every three years. The previous valuation was undertaken in the financial year 30 June 2023 hence no valuation of property plant and equipment was done in the 2025 financial year.

16 LEASES

This note provides information for leases where the Group is a lessee.

	2025 USD	2024 USD
(i) Amounts recognised in the statement of financial position		
Right of use assets		
Buildings	10 932 362	12 559 601
Lease liabilities		
Current	2 651 301	4 165 864
Non-current	9 045 670	8 755 360
	11 696 971	12 921 224
(ii) Reconciliation right of use assets		
Carrying amount at the beginning of the year	12 559 601	12 915 358
Additions	397 325	186 304
Adjustments for lease remeasurements	2 275 688	3 731 345
Depreciation	(4 215 283)	(4 156 645)
Terminations	(4 950)	-
Movement in foreign currency translation reserve	(80 019)	(116 761)
Carrying amount at the end of the year	10 932 362	12 559 601
(iii) Reconciliation of lease liability		
Carrying amount at the beginning of the year	12 921 224	12 834 010
Additions	397 325	186 304
Adjustments for lease remeasurements	2 275 688	3 731 345
Interest charged on lease liability	1 559 995	1 209 071
Payments	(5 414 345)	(4 978 706)
Terminations	(4 950)	-
Movement in foreign currency translation reserve	(37 966)	(60 800)
Carrying amount at the end of the year	11 696 971	12 921 224

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

16 LEASES (CONT'D)

(iv) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

Depreciation charge of right of use assets

Buildings

Interest expense (included in finance cost)

Expense relating to short term leases (included in operating expenses)

Total cash outflow for leases in 2025 was US\$ 3 854 350 (2024-US\$3 769 637)

	2025 USD	2024 USD
Buildings	4 215 283	4 156 645
Interest expense (included in finance cost)	1 559 995	1 209 071
Expense relating to short term leases (included in operating expenses)	1 301 080	405 945

17 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

17.1 Reconciliation of movements in associates and joint ventures

Opening balance

Transfer of property, plant and equipment

Equity accounted (losses)/earnings

Balance at the end of the year

	2025 USD	2024 USD
Opening balance	2 965 182	1 849 953
Transfer of property, plant and equipment	-	853 912
Equity accounted (losses)/earnings	(20 605)	261 317
Balance at the end of the year	2 944 577	2 965 182

Investments in associates and joint ventures comprise of:

Prodistribution (Private) Limited

National Foods Logistics (Private) Limited

	2025 USD	2024 USD
Prodistribution (Private) Limited	791 640	815 728
National Foods Logistics (Private) Limited	2 152 937	2 149 454
	2 944 577	2 965 182

17.2 The Group has the following investments in associates and joint ventures:

17.2.1 National Foods Logistics (Private) Limited

The Group, through its subsidiary Distribution Group Africa (Private) Limited had a 50% interest in National Foods Logistics (Private) Limited ("Natlog"), a logistic and distribution company. The Group exercises joint control in Natlog, as such the investment was classified as a Joint Venture in accordance with International Financial Reporting Standards. The Group equity accounted the results of Natlog Joint Venture.

Reconciliation of the investment in joint venture;

Balance at the beginning of the year

Equity accounted earnings

Balance at the end of the year

	2025 USD	2024 USD
Balance at the beginning of the year	2 149 454	1 849 953
Equity accounted earnings	3 483	299 501
Balance at the end of the year	2 152 937	2 149 454

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

17 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONT'D)

17.2.2 Prodistribution (Private) Limited

The Group, through its subsidiary Distribution Group Africa (Private) Limited entered into an arrangement that led to the business unit being recognised as a joint venture under the name Prodistribution (Private) Limited ("Prodist"), a logistic and distribution company. The Group exercises joint control in Prodist, as such the investment was classified as an investment in joint venture in accordance with International Financial Reporting Standards. The joint venture started operating on 1 May 2024 is jointly owned between Distribution Group Africa (Pvt) Ltd and ProGroup. The Group equity accounted the financial results of the associate.

Notes	2025 USD	2024 USD
Reconciliation of the investment in joint venture;		
Balance at the beginning of the year	815 728	-
*Acquisition of interest in joint venture through transfer of property, plant and equipment	-	853 912
Equity accounted losses	(24 088)	(38 184)
Balance at the end of the year	791 640	815 728

17.3 Summarised financial information of associates and joint ventures

	Revenue USD	Profit/ (loss) after tax USD	Non-current assets USD	Current assets USD	Non-current liabilities USD	Current liabilities USD
National Foods Logistics (Private) Limited						
30 June 2025	15 134 990	6 967	4 402 344	860 235	664 338	167 046
30 June 2024	11 624 000	599 002	3 783 000	1 420 000	195 266	694 000
Prodistribution (Private) Limited						
30 June 2025	14 952 574	(48 177)	2 500 509	1 647 711	181 601	2 387 387
30 June 2024	11 678 716	(76 368)	2 700 161	1 105 375	660 000	1 379 446

	Depreciation USD	Interest income USD	Interest expense USD	Taxation (credit)/ charge USD	Cash and cash equivalents USD
National Foods Logistics (Private) Limited					
30 June 2025		712 265	-	41 241	6 010
30 June 2024		825 558	-	51 487	(23 308)
Prodistribution (Private) Limited					
30 June 2025		538 774	2 790	93 844	3 940
30 June 2024		343 861	4 435	51 469	43 919

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

17 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONT'D)

17.4 Reconciliation of the carrying amount of associates

	National Foods Logistics (Private) Limited USD	Prodistribution (Private) Limited USD	Total USD
Total shareholders equity	4 431 195	1 579 232	6 010 427
Net assets attributable to shareholders of the associate	4 431 195	1 579 232	6 010 427
DGA's effective share (%)	50.00%	50.00%	50.00%
DGA's effective share (USD)	2 215 598	789 616	3 005 214
Other adjustments	(62 660)	2 024	(60 637)
Carrying amount at the end of the year	2 152 937	791 640	2 944 577

18 DESCRIPTION OF GROUP INVESTMENTS IN SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

Listed below are the Group's effective ordinary shareholding in the various business units and excludes dormant companies:

	2025	2024
Speciality Retail		
TV Sales & Home (Private) Limited	66.67%	66.67%
Maton Trading (Private) Limited#	40.00%	40.00%
Geribrans Services (Private) Limited t/a Transerv#	87.75%	50.51%
Freeestyle Investments (Private) Limited #	66.67%	66.67%
Legend Lounge (Private) Limited	-	66.67%
Touch Distributors (Private) Limited	66.67%	66.67%
Distribution		
Distribution Group Africa (Private) Limited	50.01%	50.01%
Innscor Distribution (Private) Limited #	50.01%	50.01%
Comox Trading (Private) Limited #	50.01%	50.01%
Eagle Agencies (Private) Limited #	50.01%	50.01%
Tevason Investments (Private) Limited t/a FreshPro #	50.01%	50.01%
Vital Logistics Zimbabwe (Private) Limited #	50.01%	50.01%
Innscor Distribution Africa Limited	50.00%	50.00%
Innscor Distribution (Malawi) Limited #	50.00%	50.00%
Photo Marketing (Malawi) Limited t/a Comox #	50.00%	50.00%
Innscor Distribution (Zambia) Limited #	50.00%	50.00%
Comox Trading (Zambia) Limited #	50.00%	50.00%
Mukwa Distribution (Zambia) Limited #	50.00%	50.00%
Hat On Investments (Private) Limited #	50.01%	50.01%
Shipserv (Private) Limited #	50.01%	40.01%
Firm Action (Private) Limited#	50.01%	50.00%
National Foods Logistics (Private) Limited*	50.00%	50.00%
Prodistribution (Private) Limited*	50.00%	-
Corporate Services		
Axia Operations (Private) Limited	100.00%	100.00%
Excalibur Mauritius Limited	100.00%	100.00%

* Associates or Joint Venture

Subsidiary of subsidiary

^ Some group subsidiary companies, also have subsidiaries which include non-controlling interests. The Group only consolidates its direct subsidiary, which would have consolidated its related subsidiaries.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

18 DESCRIPTION OF GROUP INVESTMENTS IN SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES (CONT'D)

18.1 Country of incorporation

All Group companies are incorporated in Zimbabwe, except for the following operating companies:

Company	Country of incorporation
Excalibur Mauritius Limited	Mauritius
Innscor Distribution Africa Limited	Mauritius
Innscor Distribution (Malawi) Limited	Malawi
Photo Marketing (Malawi) Limited	Malawi
Innscor Distribution (Zambia) Limited	Zambia
Comox Trading (Zambia) Limited	Zambia
Mukwa Distribution (Zambia) Limited	Zambia

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 USD	2024 USD
Financial assets comprise of;		
Treasury bills	520 453	-
Listed equities	33 324	263 302
Derivative financial asset	144 635	136 977
Total	698 412	400 279
Reconciled as follows:		
Balance at the beginning of the year	400 279	505 782
Acquisitions	-	138 000
Transfer from other classes of assets	1 556 311	-
Disposals	(226 008)	(296 880)
Fair value adjustments treasury bills	(1 035 858)	-
Fair value adjustments and movements on listed equities and derivative financial asset	3 688	53 377
Balance at the end of the year	698 412	400 279

Axia Operations (Private) Limited, by way of guarantee, underwrote to Innscor Africa Limited ("IAL") an amount of US\$ 653 820 which represented the payment made by IAL to the Zimbabwe Revenue Authority for withholding tax arising from the unbundling of its Speciality Retail and Distribution businesses through a dividend in specie of Axia Corporation Limited shares in May 2016. In respect of this withholding tax IAL retained 12 886 241 Axia Corporation Limited shares which were registered in its name. During the year ended 30 June 2018, IAL disposed of 7 000 000 shares and Axia repaid the US\$ 653 820 underwritten to IAL. The financial asset which emanates from this transaction is calculated at the fair value of the remaining Axia Corporation Limited shares taking into account relevant transaction costs, less any dividends received by IAL on the shares.

The treasury bills disclosed above represents the unpaid auction funds which were converted into treasury bills by the Reserve Bank of Zimbabwe. The treasury bills are classified and measured at fair value through profit or loss (FVTPL) in accordance with IFRS 9 – Financial Instruments. The fair value adjustments on financial assets is included in the line item financial (loss)/gain in the statement of profit or loss and other comprehensive income and disclosed in note 11.

The resultant uplift in the value of this financial asset is included in the statement of profit or loss. At 30 June 2025, the financial asset was valued at USD 698 412 [2024: USD400 279].

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Fair value through profit or loss

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
30 June 2025				
Treasury bills	-	520 453	-	520 453
Listed equities	33 324	-	-	33 324
Derivative financial asset	-	144 635	-	144 635
	33 324	665 088	-	698 412
30 June 2024				
Treasury bills	-	-	-	-
Listed equities	263 302	-	-	263 302
Derivative financial asset	-	136 977	-	136 977
	263 302	136 977	-	400 279

There were no transfers between levels during the year.

Valuation techniques used to determine level 2 values

	Valuation technique	Significant inputs
Treasury bills	Market approach	Market prices Discount rates
Derivative financial asset	Market approach	Share price Share disposal costs

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

20 INVENTORIES

	2025 USD	2024 USD
Consumable stores	171 276	220 083
Raw materials	2 832 388	2 202 450
Finished products	32 851 896	37 127 451
Goods in transit	6 625 094	6 121 611
Obsolescence provision	(1 139 143)	(872 580)
	41 341 511	44 799 015
Below is a reconciliation of the obsolescence provision:		
Opening balance on 1 July	872 580	1 596 402
*Movement in provision for obsolete inventory	266 563	(723 822)
Closing balance on 30 June	1 139 143	872 580

*Movement in provision for obsolete inventory include inventory write offs charged to statement of profit or loss amounting to USD 2 061 099 (2024: USD 1 913 970). Refer to note 10.

21 TRADE AND OTHER RECEIVABLES

	2025 USD	2024 USD
Trade receivables	18 851 639	13 260 933
Instalment sales receivables	11 458 985	9 796 735
Prepayments	7 338 097	5 761 568
Rental deposits	172 925	84 547
VAT withholding tax receivable	2 742 681	1 885 183
Other receivables	2 175 479	987 633
	42 739 806	31 776 599
Loss allowance	(1 788 249)	(1 049 869)
	40 951 557	30 726 730

Included in other receivables are marketing claims from distribution principals, prepaid customs duties , other investments and staff loans.

The following table shows the movement in Lifetime Expected Credit Losses ("ECL") that has been recognised for trade and other receivables in accordance with the simplified approach set out in IFRS 9:

	Collectively assessed USD	Individually assessed USD	Total USD
Balance on 30 June 2023	107 124	174 324	281 448
movement in provision during the year*	768 421	-	768 421
Balance on 30 June 2024	875 545	174 324	1 049 869
movement in provision during the year*	738 380	-	738 380
Balance on 30 June 2025	1 613 925	174 324	1 788 249

Movement in provision for credit losses include actual write offs and increase in provision amounting to \$738,380 (2024:\$768,521) which are disclosed in note 10.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

21 TRADE AND OTHER RECEIVABLES (CONT'D)

Credit terms vary per business unit. Interest is charged on overdue accounts at varying rates depending on the business and on the credit terms if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100% against all receivables over 120 days past due because historical experience has indicated that these receivables are generally not recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period. No security or collateral is held as credit is held when advancing credit facilities.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

The following table details the risk profile of trade receivables (which are collectively assessed) based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

Trade receivables - days past due

30 June 2025	Not Past due	30 days	60 days	90 days	120 days	120 days plus	Total
Expected credit loss rate	0.1% - 2.1%	0.1% - 4.2%	0.1% - 8.5%	0.1% - 8.5%	0.1% - 8.5%	100%	
Gross carrying amount-trade receivables plus other receivables	11 458 985	16 562 452	2 815 617	168 546	1 559 343	328 180	32 486 103
Lifetime ECL							(1 788 249)
							30 697 854

Trade receivables - days past due

30 June 2024	Not Past due	30 days	60 days	90 days	120 days	120 days plus	Total
Expected credit loss rate	0.1% - 2.1%	0.1% - 4.2%	0.1% - 8.5%	0.1% - 8.5%	0.1% - 8.5%	100%	
Gross carrying amount-trade receivables plus other receivables	9 796 735	12 022 650	240 453	122 347	1 131 924	731 192	24 045 301
Lifetime ECL							(1 049 869)
							22 995 432

The estimated credit loss rates were adjusted for forward looking information such as the impacts of:

- Inflation
- Increase in interest rates
- increase in customer default risk due to liquidity challenges
- customer credit record and credit proofing

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

21 TRADE AND OTHER RECEIVABLES (CONT'D)

Note 39 on credit risk of trade receivables explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

Net impairment losses on trade and other receivable recognised in profit or loss

During the year, the following gains/(losses) were recognised in profit or loss in relation to impaired financial assets:

Impairment loss

Movement in loss allowance for trade receivables

	2025 USD	2024 USD
Impairment loss	-	-
Movement in loss allowance for trade receivables	738 380	768 421
	738 380	768 421

22 ORDINARY SHARE CAPITAL

22.1 Authorised

999 999 000 ordinary shares of US\$ 0.0001 each

1 000 Non-Voting Class "A" ordinary shares of US\$ 0.0001 each*

22.2 Issued and fully paid

556 000 308 (2023: 556 000 308) ordinary shares of US\$ 0.0001 each

*Class "A" shares are non-voting ordinary shares that will be allocated to the Axia Corporation Employee Share Trust.

Opening balance

Issue of shares through exercising of share options

Closing balance

	2025	2024
Opening balance	556 000 308	556 000 308
Issue of shares through exercising of share options	-	-
Closing balance	556 000 308	556 000 308

22.3 Directors' shareholdings

At 30 June 2025, the Directors held directly and indirectly the following number of shares:

Z. Koudounaris

T.C. Mazingi

T.N. Sibanda

R.M. Rambanapasi

L. E. M. Ngwerume

S. Mambanda

M. Hosack

	2025	2024
Z. Koudounaris	114 612 912	114 612 912
T.C. Mazingi	861 802	861 802
T.N. Sibanda	-	1 104 900
R.M. Rambanapasi	114 985	114 985
L. E. M. Ngwerume	45 406	45 406
S. Mambanda	-	-
M. Hosack	-	-
	115 635 105	116 740 005

23 NON-DISTRIBUTABLE RESERVES

Balance on 30 June 2023

Exchange differences arising on translation of foreign subsidiaries

Balance on 30 June 2024

Exchange differences arising on translation of foreign subsidiaries

Balance on 30 June 2025

	Revaluation reserve	Foreign currency translation reserve	Total
Balance on 30 June 2023	1 868 818	(4 506 673)	(2 637 855)
Exchange differences arising on translation of foreign subsidiaries	-	(1 138 434)	(1 138 434)
Balance on 30 June 2024	1 868 818	(5 645 107)	(3 776 289)
Exchange differences arising on translation of foreign subsidiaries	-	(716 093)	(716 093)
Balance on 30 June 2025	1 868 818	(6 361 200)	(4 492 382)

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

23 NON-DISTRIBUTABLE RESERVES (CONT'D)

Nature and purpose of reserves

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign subsidiaries.

Revaluation surplus– property, plant and equipment

The property, plant and equipment revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings. See accounting policy note 5 for details.

24 DISTRIBUTABLE RESERVES

	2025 USD	2024 USD
Balance at the beginning of the year	35 685 488	33 142 229
Retained for the year	5 060 271	3 426 711
Dividends paid (note 7.1)	(697 200)	(1 631 815)
Transactions with owners in their capacity as owners	441	748 363
Balance on 30 June	40 049 000	35 685 488
Retained in:		
Holding company	1 257 417	1 393 957
Subsidiary companies	38 812 188	34 030 214
Associate companies and joint ventures	(20 605)	261 317
	40 049 000	35 685 488

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

25 NON-CONTROLLING INTERESTS IN SIGNIFICANT SUBSIDIARIES

The Group has the following subsidiaries that have significant non-controlling interests:

	Distribution Group Africa (Private) Limited		Innscore Distribution Africa Limited	
	2025	2024	2025	2024
Principal place of business	Zimbabwe	Zimbabwe	Zambia & Malawi	Zambia & Malawi
Proportion of ownership held by non-controlling interests	49.99%	49.99%	50%	50%
	USD	USD	USD	USD
Profit allocated to non-controlling interests	298 364	(146 857)	907 353	1 107 474
Accumulated non-controlling interests in subsidiaries	6 964 982	6 790 074	4 591 082	4 499 822
Statement of profit or loss				
Revenue	42 009 581	47 464 850	38 065 258	42 696 193
Operating profit (EBITDA)	4 028 411	1 956 703	3 926 058	3 730 941
Statement of financial position				
Current assets	24 382 768	22 009 554	16 955 918	15 690 413
Non-current assets	11 730 971	12 857 475	3 290 307	3 441 696
Current liabilities	17 967 362	17 019 812	10 706 174	9 565 488
Non-current liabilities	4 361 998	5 700 661	357 888	566 977

	TV Sales & Home (Private) Limited		Geribrans Services (Private) Limited	
	2025	2024	2025	2024
Principal place of business	Zimbabwe	Zimbabwe	Zimbabwe	Zimbabwe
Proportion of ownership held by non-controlling interests	33.33%	33.33%	12.25%	12.25%
	USD	USD	USD	USD
Profit allocated to non-controlling interests	2 025 779	1 652 511	204 807	79 482
Accumulated non-controlling interests in subsidiaries	15 935 204	13 317 718	819 960	3 197 560
Statement of profit or loss				
Revenue	77 118 261	70 226 297	39 279 852	33 236 570
Operating profit (EBITDA)	13 830 299	11 383 137	4 937 820	3 414 121
Statement of financial position				
Current assets	35 134 062	36 111 719	10 913 274	10 935 371
Non-current assets	24 031 185	22 323 729	3 130 045	4 191 518
Current liabilities	15 738 293	19 266 212	6 479 210	7 316 980
Non-current liabilities	5 836 332	6 373 082	870 556	2 559 373

Dividends paid to non-controlling interests have been disclosed under note 7.2

The above summarised financial information of these subsidiaries is based on amounts before inter-company eliminations.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

26 NET DEFERRED TAX LIABILITIES/(ASSETS)

	2025 USD	2024 USD
26.1 Reconciliation		
Opening balance	1 484 409	2 193 067
Charge to profit or loss (note 13.1)	424 259	(489 994)
Exchange differences arising on transation of foreign subsidiaries	75 084	(218 664)
Closing balance	1 983 752	1 484 409
26.2 Analysis of net deferred tax liabilities/(assets)		
Accelerated depreciation for tax purposes	3 360 625	2 247 074
Tax losses	(610 037)	(504 377)
Derivative financial asset	37 244	35 272
Instalment credit receivables	809 075	468 004
Allowance for credit losses	(409 332)	(259 843)
Provision for obsolete inventories	(275 640)	(224 689)
Provision for leave pay, incentives and warranties	(928 183)	(277 032)
	1 983 752	1 484 409
The net deferred tax liabilities/(assets) are made up as follows:		
Deferred tax assets	(474 505)	(295 034)
Deferred tax liabilities	2 381 103	1 779 443
	1 983 752	1 484 409

The Group recognises deferred tax assets arising from tax losses where there is a reasonable expectation that sufficient taxable profit will be available in future through various initiatives by the Directors to utilise these losses.

27 INTEREST-BEARING BORROWINGS

	Interest rates	tenure	2025 USD	2024 USD
Short-term financing				
Secured				
Regional Operations	14% to 30%	up to 365 days	1 172 879	2 017 270
Unsecured				
Regional Operations	14% to 30%	up to 365 days	3 341 160	3 045 934
Unsecured				
Zimbabwe Operations	11% to 12%	up to 365 days	5 249 046	11 104 028
Overdrafts	11% to 12%	On demand	6 213 624	4 279 768
Total short-term financing			15 976 709	20 447 000
Total interest-bearing borrowings			15 976 709	20 447 000

As at 30 June 2025, the Board of Directors had authorised aggregate borrowing limits of US\$ 37.789 million (2024 - US\$ 37.331 million) USD denominated facilities with interest costs of 11% to 12% while ZWG borrowings range from 45% to 47%.

Short-term borrowings form part of the Group's core borrowings and are renewed in terms of ongoing facilities negotiated with the relevant financial institutions. The facilities expire at different dates and are reviewed and renewed when they mature. Secured facilities in the region are secured by a cession of a property worth US\$ 2 943 442 (2024: US\$ 2 041 455).

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

27 INTEREST-BEARING BORROWINGS (CONT'D)

The Group does not have any covenants on its borrowing facilities.

For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to the market rates or the borrowings are of a short term nature.

Details of the Groups exposure to the risks arising from borrowings are set out in note 35.

Borrowing powers

In terms of the Articles of Association, the borrowing powers of the company and its subsidiaries (excluding inter-company borrowings) are limited to twice the aggregate of the nominal amount of the share capital of the company plus the total free reserves of the company and its subsidiaries. The level of borrowings throughout the year was adequately covered in this respect.

28 TRADE AND OTHER PAYABLES

	2025 USD	2024 USD
Trade payables	20 683 845	20 885 056
Accruals	6 216 804	6 785 631
Customer deposits	744 904	1 018 012
Other payables	370 413	172 758
	28 015 966	28 861 457

Trade payables are non-interest bearing and are normally settled within 30 - 60 days.

Other payables are non-interest bearing and have varying settlement terms.

Included in accruals are shareholders for dividends amounting to 2025: USD 691 062 (2024: USD 2 031 558).

29 PROVISIONS AND OTHER LIABILITIES

	2025 USD	2024 USD
Leave pay	1 035 980	698 123
	1 035 980	698 123

Reconciliation of provisions

	Leave pay USD	Performance contract liabilities- IFRS 15 USD	Total USD
Balance on 30 June 2023	376 968	142 840	519 808
Charge for the year	429 289	-	429 289
Foreign exchange movements	(18 745)	-	(18 745)
Less paid / utilised	(89 389)	(142 840)	(232 229)
Balance on 30 June 2024	698 123	-	698 123
Charge for the year	600 170	-	600 170
Foreign exchange movements	(7 134)	-	(7 134)
Less paid / utilised	(255 179)	-	(255 179)
Balance on 30 June 2025	1 035 980	-	1 035 980

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

30 CAPITAL EXPENDITURE COMMITMENTS

	2025 USD	2024 USD
Authorised and contracted	-	-
Authorised but not yet contracted	5 842 999	5 119 219
	5 842 999	5 119 219

The capital expenditure will be financed from the Group's own resources and existing borrowing facilities

31 SEGMENTAL ANALYSIS

Management has determined the Group's operating segments based on the information reviewed by the Board for the purposes of allocating resources and assessing performance. The revenue, operating profit, assets and liabilities reported to the Board are measured consistently with that in the reported consolidated financial statements.

31.1 Business Segments

The reporting structure is summarised as follows:

Speciality Retail

The main operations in this reporting silo are TV Sales & Home ("TVSH") and Transerv. TVSH is the leading furniture and electronic appliance retailer with sites located countrywide."

Transerv retails automotive spares and accessories through retail stores and fitments centers to service the needs of its customers.

Distribution

Distribution Group Africa is a large distribution and logistics concern with operations in Zimbabwe, Zambia and Malawi. Its core areas of expertise lie in inbound clearing and bonded warehousing, ambient and chilled/frozen warehousing, logistics, marketing, sales and merchandising services.

Other Segments

This segment reports the Group's head office support functions, namely company secretarial services, legal, treasury, internal audit and tax services.

Geographical Segments

The Group is also organised into parcels of businesses incorporated in Zimbabwe, and those incorporated in countries outside Zimbabwe. See note 18.1 for companies incorporated outside of Zimbabwe.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

31.1 Business Segments (cont'd)

	Speciality Retail USD	Distribution USD	Other Segments USD	Intersegment adjustments USD	Total USD
Revenue					
30 June 2025	116 398 113	80 074 839	-	-	196 472 952
30 June 2024	103 462 867	90 161 043	225 477	-	193 849 387
Operating profit / (loss) before depreciation and fair value adjustments					
30 June 2025	18 768 119	7 954 469	(814 383)	-	25 898 635
30 June 2024	14 797 258	5 687 643	(731 566)	(107 893)	19 645 442
Depreciation and amortisation					
30 June 2025	(5 785 394)	(1 411 351)	(29 191)	-	(7 225 936)
30 June 2024	(5 166 293)	(2 261 931)	(30 059)	-	(7 458 283)
Equity accounted earnings / (losses)					
30 June 2025	-	(20 605)	-	-	(20 605)
30 June 2024	-	2 61 317	-	-	2 61 317
Net interest expense					
30 June 2025	(2 733 751)	(1 936 123)	2 185	-	(4 667 689)
30 June 2024	(2 528 568)	(1 915 583)	13 142	-	(4 431 009)
Segment assets					
30 June 2025	72 569 766	56 359 964	37 868 836	(39 226 282)	127 572 284
30 June 2024	73 562 337	53 999 138	41 354 234	(41 361 798)	127 553 911
Segment liabilities					
30 June 2025	28 924 391	33 393 422	2 110 112	(3 771 413)	60 656 512
30 June 2024	35 515 647	31 720 242	3 566 391	(4 106 927)	66 695 353
Capital expenditure					
30 June 2025	3 265 283	319 153	2 370	-	3 586 806
30 June 2024	2 699 908	433 882	85 205	-	3 218 995

31.2 Geographical information

	Revenue USD	Operating Profit ("EBITDA") USD	Non-current assets USD	Current assets USD	Non-current liabilities USD	Current USD
Zimbabwe Operations						
30 June 2025	158 407 694	21 972 577	39 012 826	68 952 033	11 068 885	38 523 566
30 June 2024	151 153 194	15 914 501	39 489 044	68 932 758	9 967 826	46 595 062
Regional Operations						
30 June 2025	38 065 258	3 926 058	3 290 307	16 955 918	357 888	10 706 174
30 June 2024	42 696 193	3 730 941	3 441 696	15 690 413	566 977	9 565 488

(EBITDA) - Earnings Before Interest Tax Depreciation and Amortisation

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

32 PENSION FUNDS

Innscor Africa Pension Fund

This is a self-administered, defined contribution fund. The Fund has been operational since 2000. Membership is compulsory for employees of the Group who are not members of other occupational pension funds. Contributions are at the rate of 14% of pensionable emoluments less NSSA of which members pay 7%. Following Axia Corporation Limited's (Axia) unbundling from Innscor Africa Limited, Axia's pensions remained part of the Innscor Africa Pension Fund.

National Employment of Motor Industry Pension Fund

This is a defined contribution fund which covers employees in specified occupations of the motor industry. The majority of employees at Transerv are members of this fund. The minimum contributions are 5% each for members and employer. Members have an option to elect to contribute up to a maximum of 10%.

National Social Security Authority Scheme (NSSA)

The scheme was established, and is administered, in terms of statutory Instrument 393 of 1993. Introduced in 1994, the pensions and Other Benefits Scheme is a defined contribution plan based on 50/50 contribution from the employers and employees and are limited to specific contributions legislated from time to time.

National Pension Scheme Authority (NAPSA) – Zambia

The scheme was established and is administered, in terms of the Government of Zambia Act of 1996 and enacted effective 12th February 2000. This came after the formation of the Zambia National Provident Fund which has been in existence since 1966 with a mandate to act as the main vehicle for providing retirement and social security benefits to workers in the country. The benefits are based on a 50/50 contribution from the employers and employees and are limited to specific contributions legislated from time to time.

NICO Life (Group Pension Scheme) – Malawi

NICO Life was established in line with the Pensions Act of 2010 of Malawi whereby both the employer and employee contribute. This is a Defined Contribution Arrangement with employees contributing 5% and employers contributing 10% of pensionable earnings.

Pension costs recognised as an expense for the year are as follows:

	2025 USD	2024 USD
Zimbabwe Operations		
Innscor Africa Pension Fund	270 815	264 632
National Social Security Authority Scheme & Workers' Compensation Insurance Fund	241 816	243 621
	512 631	508 253
Regional operations		
Workers Compensation Insurance Fund (Zambia)	3 754	5 771
National Pension Scheme Authority (Zambia)	26 354	28 590
NICO Life (Malawi)	13 598	8 892
	43 706	43 253
Total Pension costs	456 523	551 506

33 RELATED PARTIES

33.1 List of related parties

Related Party	Nature of Service	Nature of relationship
Instinct risk advisory (Private) Limited	Internal auditors	Common control
Providence Human Capital (Private) Limited	Human resources management	Common control
Syntegra Solutions (Private) Limited	Information technology	Common control

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

33 RELATED PARTIES (CONT'D)

33.2 Related party transactions

Related party activities consist of transactions between Axia Corporation Limited's consolidated entities, its associates and joint ventures. Balances and transactions between the Company and its subsidiaries, its associates and joint ventures, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between Group companies and other related parties are disclosed below.

Transactions with related parties are carried out at terms equivalent to those that prevail in an arms length transaction. The amounts outstanding are unsecured and will be settled on normal terms. No expense has been recognised in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

Related party transactions are summarised as follows:

Name of related party

	sales USD	service charge USD	rent received USD	interest received USD	trade & other receivables USD	trade & other payables USD
Instinct Risk Advisory						
30 June 2025	-	144 170	-	-	-	-
30 June 2024	-	150 952	-	-	-	-
Innscor Africa Limited						
30 June 2025	-	-	-	-	-	-
30 June 2024	-	34 073	-	-	-	-
Syntegra Solutions						
30 June 2025	-	128 108	-	-	-	-
30 June 2024	-	142 167	-	-	-	-

Instinct provides internal audit services to the Group and all its entities.

Innscor Africa Limited provides tax consultancy support services to the Group and its related companies

Syntegra Solutions (Private) Limited provides information and technology services and support the group and its related companies.

33.2 Compensation of key personnel to the Group

	2025 USD	2024 USD
Short - term employee benefits (note 10.2.1)	3 977 407	3 831 169

33.3 Transactions with Directors

The Group has leased properties from various companies in which some of the Directors have either a financial or custodial interest. The leases are undertaken at arm's length basis. The Group also pays consultancy fees to a non-executive Director from time to time.

	2025 USD	2024 USD
Lease payments	122 196	108 267
Consultancy fees to Director related entity	286 208	169 597
	408 404	277 864

33.4 Other related party payables

Amount payable to Axia Corporation Employee Share Trust (Private) Limited*	41 435	44 070
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34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise financial assets, trade and other receivables, cash and cash equivalents, interest-bearing borrowings and trade and other payables. The main purpose of these financial instruments is to raise finance for the Group's operations or to achieve a return on surplus short-term funds. The Group has various other financial assets and financial liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and equity price risk.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The Board reviews and agrees policies for managing each of these risks and they are summarised below:

Cash flow and fair value interest rate risk

Interest rate risk arises from long term borrowings with variable rates. The Group's policy is to adopt a non-speculative approach to managing interest rate risk. Approved funding instruments include bankers' acceptances, call loans, overdrafts, commercial paper, foreign loans and where appropriate long term loans. Borrowings at fixed rates however is not feasible given current inflationary environment.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on short-term loans and overdrafts. There is a material impact on the Group's equity.

	2025 USD	2024 USD
Effect on profit before tax		
Increase of 25% (2024: 25%)	(787 794)	(816 355)
Decrease of 25% (2024 : 25%)	787 794	816 355

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As a result of significant investment operations in countries outside Zimbabwe, the Group's statement of financial position can be affected significantly by movements in foreign currency exchange rates. The Group also has transactional currency exposures. Such exposure arises from the sale or purchase, by an operating unit, in currencies other than the unit's functional currency. The Group limits exposure to exchange rate fluctuations by either pre-paying for purchases, securing forward contracts to take advantage of exchange rate movements and/or retaining stock until the foreign currency to settle the related liability has been secured.

Exposure to exchange rate fluctuations and foreign denominated loans is monitored by Group Management and subsidiaries manage short term exposures within approved parameters. The ZWG-denominated bank loans and foreign creditors are expected to be repaid with receipts from ZWG dollar-denominated sales. For Zimbabwean entities the impact is worsened by the hyper-inflationary economic situation persisting in Zimbabwe and the Group hedges by maintaining a net monetary liability position in ZWG.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

30 June 2025 Currency	Liabilities	Assets	Net position
ZAR	(50 021 044)	21 874 463	(28 146 581)
USD equivalent	(2 706 766)	1 183 683	(1 523 083)
ZWG	(164 696 428)	119 542 359	(45 154 069)
USD equivalent	(4 844 013)	3 515 952	(1 328 061)
MWK	(14 492 221 434)	7 892 170 522	(6 600 050 912)
USD equivalent	(3 450 529)	1 879 088	(1 571 441)
ZMK	(97 005 304)	91 175 016	(5 830 288)
USD equivalent	(3 995 276)	3 755 149	(240 127)
30 June 2024 Currency	Liabilities	Assets	Net position
ZAR	(10 582 558)	39 532 933	28 950 376
USD equivalent	(572 649)	2 139 228	1 566 579
ZWL	(50 255 816)	115 186 277	64 930 461
USD equivalent	(3 449 267)	7 397 963	3 948 696
MWK	(10 866 384 419)	4 795 895 117	(6 070 489 301)
USD equivalent	(2 587 234)	1 141 880	(1 445 355)
ZMK	(92 592 885)	50 213 492	(42 379 393)
USD equivalent	(3 813 546)	2 068 101	(1 745 445)

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The following table details the Group's sensitivity to a 25% increase in the United States of America Dollar against the Zimbabwean Dollar, South African Rand, Malawian Kwacha and Zambian Kwacha. The 25% represents management's assessment of reasonably possible change in foreign exchange rates. A positive number below indicates an increase in profit where the USD strengthens or weakens in a favourable manner against the net exposure.

	Change in rate	Effect on profit before tax USD	Effect on equity USD
30 June 2025			
South African Rand	+25%	304 617	213 232
	-25%	(304 617)	(213 232)
Zimbabwean Dollar	+25%	265 612	199 953
	-25%	(265 612)	(199 953)
Malawian Kwacha	+25%	314 288	236 596
	-25%	(314 288)	(236 595)
Zambian Kwacha	+25%	(3 677 748)	(2 678 609)
	-25%	3 677 748	2 678 609
30 June 2024			
South African Rand	+25%	(313 316)	(219 321)
	-25%	313 316	219 321
Zimbabwean Dollar	+25%	(383 537)	(288 726)
	-25%	383 537	288 726
Malawian Kwacha	+25%	(578 142)	(435 225)
	-25%	578 142	435 225
Zambian Kwacha	+25%	353 829	266 362
	-25%	(353 829)	(266 362)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss.

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to debt impairment is not significant. Refer to note 21 for detailed disclosure on the ECL analysis.

There is no concentration risk as the Group trades with a wide range of customers with different risk profiles. Credit limits are set by the Group to avoid exposure to a single customer. Distribution Group Africa Private Limited does have concentration risk as two major customers account for a considerable proportion of its revenue. The Group manages this risk by ensuring the business obtains bank guarantees and any non adherence to trading terms resulting in customer being put on stop supply. The distribution business has managed to widen its reach into the informal sector as a measure to manage concentration risk.

Where it sees fit, the Group can from time to time ask for collateral security from customers. This is done after assessing the customers' ability to honour their obligations and the level of exposure. Collateral can be properties, listed equities or other assets.

With respect to credit risk arising from the financial assets of the Group, which comprise cash and cash equivalents and financial assets at fair value through profit or loss, the Group's Executive Committee approves all counter-parties, sets and monitors exposure limits and terms of engagement.

The maximum exposure arising from default equals the carrying amount of the financial assets as disclosed in the statement of financial position less the market value of any security held.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding through a well managed portfolio of short-term investments and/or flexibility through the use of bank overdrafts and interest-bearing borrowings, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial assets and liabilities:

	Within 3 months USD	Between 4 -12 months USD	More than 12 months USD	Total USD
30 June 2025				
Liabilities				
Interest-bearing borrowings	6 213 624	9 763 085	-	15 976 709
Trade and other payables	28 015 965	-	-	28 015 965
Total	34 229 589	9 763 085	-	43 992 675
Assets				
Cash and cash equivalents	2 798 124	-	-	2 798 124
Trade and other receivables excluding prepayments	22 154 474	11 458 985	-	33 613 460
Financial assets	698 412	-	-	698 412
Total	25 651 009	11 458 985	-	37 109 994
30 June 2024				
Liabilities				
Interest-bearing borrowings	20 447 000	-	-	20 447 000
Trade and other payables	26 585 137	-	-	26 585 137
Total	47 032 137	-	-	47 032 137
Assets				
Cash and cash equivalents	8 697 147	-	-	8 697 147
Trade and other receivables excluding prepayments	18 186 372	4 809 060	-	22 995 432
Financial assets	400 279	-	-	400 279
Total	27 283 798	4 809 060	-	32 092 858

35 FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated net fair values of all financial instruments, including instalment debtors, approximate the carrying amounts shown in the financial statements as at the reporting date (30 June 2025).

36 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that all its companies maintain healthy capital ratios in order to support the business and maximise shareholder value.

The Group manages its capital (total equity and debt) and makes adjustment to it in light of changes in the economic environment. To maintain or adjust the capital structure the Group may adjust the dividend payment to shareholders, return on capital to shareholders, or issue new shares as well as reduce or increase debt levels. No changes were made to the objectives, policies or processes during the year ended 30 June 2025. The Group manages capital using debt to equity ratios, which is calculated as total borrowings divided by the sum of total equity and borrowings.

Notes to the Financial Statements (cont'd)

For The Year Ended 30 June 2025

36 CAPITAL MANAGEMENT (CONT'D)

	2025 USD	2024 USD
Total borrowings	15 976 709	20 447 000
Cash and cash equivalents	(2 798 124)	(8 697 147)
Net borrowings	13 178 585	11 749 853
Equity	67 553 058	60 858 558
Gross Debt to equity ratio	24%	34%
Net debt to equity ratio	20%	19%

37 CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2025.

38 EVENTS AFTER REPORTING DATE

There have been no significant events after the reporting period.

39 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 25 September 2025.



COMPANY FINANCIAL REPORTS

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Wed

Thu

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Sat

PLANT REPORT OF PROGRESS AT JACKSON
See the report below
COSTA RICA COMPANY, S.A. (COSTA RICA)



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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AXIA CORPORATION LIMITED

REPORT ON THE AUDIT OF THE COMPANY FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **AXIA CORPORATION LIMITED** set out on pages 149 to 156, which comprise the company statement of financial position as at 30 June 2025, the company statement of profit or loss and other comprehensive income, company statement of changes in equity and company statement of cash flows for the year then ended, and notes to the company financial statements, including material accounting policy information.

In our opinion the accompanying company financial statements present fairly, in all material respects, the company financial position of the Group as at 30 June 2025, and its company financial performance and its company 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 Company Financial Statements section of our report. We are independent of the Company 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 company 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 company financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Auditor's responsibilities for the audit of the company financial statements

Our objectives are to obtain reasonable assurance about whether the company 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 company financial statements.

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

BDO Zimbabwe, a Zimbabwean partnership, is a member of BDO International Limited, a UK company limited by guarantee and forms part of the International BDO network of independent member firms.

A list of partner names is available for inspection at our registered office, No. 3 Baines Avenue, Harare.

- Identify and assess the risks of material misstatement of the company 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 company 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 company financial statements, including the disclosures, and whether the company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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 company 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

Chartered Accountants

Per: Davison Madhigi CA(Z)

Partner

Registered Public Auditor

**Kudenga House
3 Baines Avenue
Harare**

25 September 2025

Company statement of Profit or Loss and Other Comprehensive Income

For The Year Ended 30 June 2025

	Notes	30 June 2025 USD	30 June 2024 USD
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
other income		-	8 350
operating expenses	C1	(457 223)	(511 139)
Operating loss before impairment, depreciation and amortisation		(457 223)	(502 789)
financial income	C2	1 158 553	4 338 002
Profit before interest, equity accounted earnings and tax		701 330	3 835 213
interest income	C3	-	15 126
interest expense	C4	(130 375)	(19 984)
Profit before tax		570 955	3 830 355
tax expense	C5	(70 727)	(47 184)
Profit for the year		500 228	3 783 171
Other comprehensive income			
other comprehensive income for the year		-	-
Total comprehensive income for the year		500 228	3 783 171
Earnings per share (cents)			
Basic earnings per share	C6	0.09	0.68
Headline earnings per share	C6	0.09	0.68
Diluted basic earnings per share	C6	0.09	0.68
Diluted headline earnings per share	C6	0.09	0.68

* Accounting policy notes of the company are the same as group accounting policies. Refer to accounting policy notes on pages 96 to 114.

Company Statement of Financial Position

As at 30 June 2025

	Notes	30 June 2025 USD	30 June 2024 USD
ASSETS			
Non-current assets			
investments in subsidiaries and joint ventures	C7	33 480 295	33 480 295
		33 480 295	33 480 295
Current assets			
trade and other receivables	C8	529 956	604 946
cash and cash equivalents		10 081	27 486
		540 037	632 432
Total assets		34 020 332	34 112 727
EQUITY AND LIABILITIES			
Capital and reserves			
ordinary share capital	23	55 600	55 600
share premium		3 620 572	3 620 572
non-distributable reserves		27 700 642	27 700 642
distributable reserves		1 196 987	1 393 959
Total equity		32 573 801	32 770 773
Current liabilities			
other payables and accruals	C9	1 446 531	1 341 954
		1 446 531	1 341 954
Total equity and liabilities		34 020 332	34 112 727



R.M. RAMBANAPASI
Chief Executive Officer
25 September 2025



S. MAMBANDA
Finance Director
25 September 2025

Company Statement of Changes in Equity

For The Year Ended 30 June 2025

	Ordinary Share Capital USD	Share premium reserve USD	Non- Distributable Reserves USD	Distributable Reserves USD	Total USD
Balance at 30 June 2023	55 600	3 620 572	27 700 642	(757 397)	30 619 417
Profit for the year	-	-	-	3 783 171	3 783 171
Dividends paid	-	-	-	(1 631 815)	(1 631 815)
Balance at 30 June 2024	55 600	3 620 572	27 700 642	1 393 959	32 770 773
Profit for the year	-	-	-	500 228	500 228
Dividends paid	-	-	-	(697 200)	(697 200)
Balance at 30 June 2025	55 600	3 620 572	27 700 642	1 196 987	32 573 801

Company Statement of Cash flows

For The Year Ended 30 June 2025

	Notes	30 June 2025 USD	30 June 2024 USD
Cash generated from operations	C10.1	861 770	4 791 289
interest income		-	15 126
interest expense		(130 375)	(19 984)
tax paid		(47 041)	(47 185)
Total cash generated from operating activities		684 354	4 739 246
Investing activities		-	(2 887 892)
Net cash flow before financing activities		684 354	1 851 354
Financing activities		(701 760)	(1 824 149)
dividends paid by holding company			
Net (decrease)/increase in cash and cash equivalents		(17 405)	27 205
Cash and cash equivalents at the beginning of the year		27 486	281
Cash and cash equivalents at the end of the year		10 081	27 486

Notes to the Company Financial Statements

For The Year Ended 30 June 2025

	2025 USD	2024 USD
C1) OPERATING EXPENSES		
Directors fees	229 208	193 342
Audit fees and expenses	23 255	21 084
Financial reporting costs	16 496	13 551
Listing fees	97 505	88 697
Periodicals and publications	31 696	36 273
Bank charges	454	1 204
Intermediated money transfer tax	667	13 989
Consulting and legal fees	2 484	370
Travelling and accomodation	869	436
Share register maintenance fees	25 987	44 518
Gifts and donations	17 140	13 650
Impairment of investment in susidiary	-	80 000
Other overheads	11 462	4 025
	457 223	511 139

C2) FINANCIAL INCOME

Financial income comprises of dividend income received from subsidiary companies. This income in eliminated in full on consolidation of the Company accounts into the Group.

C3) INTEREST RECEIVED

Interest on loans advanced to Group companies

-	15 126
---	--------

C4) INTEREST PAID

Interest on amounts payable to other creditors

(130 375)	(19 984)
-----------	----------

C5) TAX EXPENSE

Withholding taxes paid

(70 727)	(47 184)
----------	----------

	2025 USD	2024 USD
C6) EARNINGS PER SHARE		
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
Reconciliation of basic earnings to headline earnings:		
Profit for the year attributable to equity holders of the parent	500 228	3 783 171
Headline earnings attributable to equity holders of the parent	500 228	3 783 171
Basic earnings per share (cents)	0.09	0.68
Headline earnings per share (cents)	0.09	0.68
Diluted basic earnings per share (cents)	0.09	0.68
Diluted headline earnings per share (cents)	0.09	0.68

Notes to the Company Financial Statements (cont'd)

For The Year Ended 30 June 2025

C7) INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES

66.67% equity shares in TV Sales & Home (Private) Limited
50.01% equity shares in Distribution Group Africa (Private) Limited
87.75% equity shares in Geribrans Services (Private) Limited t/a Transerv
50% equity shares in Innscor Distribution Africa Limited
100% equity shares in Axia Operations (Private) Limited
100% equity shares in Excalibur Mauritius Limited

C8) TRADE AND OTHER RECEIVABLES

Amounts due from group companies
Distribution Group Africa (Private) Limited
TV Sales & Home (Private) Limited
Geribrans Services (Private) Limited t/a Transerv
Excalibur Mauritius Limited
Total amounts due from group companies

	2025 USD	2024 USD
	395 696	393 033
	14 530	91 245
	4 730	5 668
	115 000	115 000
Total amounts due from group companies	529 956	604 946

Amounts due from group companies are at arm's length terms with no fixed repayment dates. However, these receivables are usually settled within a period of 3 to 6 months. Outstanding balances attract interest at rates similar or above to the company's cost of borrowing.

C9) OTHER PAYABLES AND ACCRUALS

Dividends payable
Other payables and accruals
Amounts payable to group companies
Axia Operations (Private) Limited
Geribrans Services (Private) Limited t/a Transerv

	115 161	119 721
	165 080	127 921
	280 241	247 642
Amounts payable to group companies	1 166 290	1 043 090
	-	51 222
Total other payables and accruals	1 446 531	1 341 954

C10) CASHFLOW INFORMATION

C10.1 Cash generated from operations

Profit before interest and tax
Impairment of investment in subsidiary
Decrease in trade and other receivables
(Decrease)/increase in other payables and accruals
Increase in amounts payable to group companies

	701 330	3 835 213
	-	80 000
	74 990	416 433
	13 472	33 807
	71 978	425 836
	861 770	4 791 289

C11) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise financial assets, sundry receivables, cash and cash equivalents, interest-bearing borrowings and sundry payables. The main purpose of these financial instruments is to raise finance for the Company's operations or to achieve a return on surplus short-term funds.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk and liquidity risk.

Notes to the Company

Financial Statements (cont'd)

For The Year Ended 30 June 2025

C11 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONT'D)

The Board reviews and agrees policies for managing each of these risks and they are summarised below:

Interest rate risk

The company's exposure to the risk for changes in market interest rates relates primarily to the variable short-term loan and overdraft rates. The Company's policy is to manage its interest cost by limiting exposure to short-term loans and overdrafts and where borrowings are required, to borrow at favourable and fixed rates of interest. The company had no exposure to interest rate risk as it had no borrowings.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. Due to the nature of the operations of the Company, loans receivables of the Company which are subject to credit risk are receivable from its subsidiary companies. This therefore reduces the credit risk to very minimal levels since the companies in question are controlled by the same people.

The maximum exposure arising from default equals the carrying amount of the financial assets as disclosed in the statement of financial position less the market value of any security held.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the company held a deficit of US\$ 906 494 (2024: US\$ 709 522).

The company's management of liquidity risk improved from the prior year gap through rigorous management processes of clearing the interest-bearing borrowings coupled with improved collections from group companies.

30 June 2024	Within 3 months USD	Between 4-12 months USD	More than 12 months USD	Total USD
Liabilities				
Trade and other payables	(1 341 954)	-	-	(1 341 954)
Total	(1 341 954)	-	-	(1 341 954)
Assets				
Cash and cash equivalents	27 486	-	-	27 486
Trade and other receivables excluding prepayments	604 946	-	-	604 946
Total	632 432	-	-	632 432
Net liquidity deficit	(709 522)	-	-	(709 522)

30 June 2025	Within 3 months USD	Between 4-12 months USD	More than 12 months USD	Total USD
Liabilities				
Trade and other payables	(1 446 531)	-	-	(1 446 531)
Total	(1 446 531)	-	-	(1 446 531)
Assets				
Cash and cash equivalents	10 081	-	-	10 081
Trade and other receivables excluding prepayments	529 956	-	-	529 956
Total	540 037	-	-	540 037
Net liquidity deficit	(906 494)	-	-	(906 494)

Notes to the Company Financial Statements (cont'd)

For The Year Ended 30 June 2025

C12 FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated net fair values of all financial instruments approximate the carrying amounts shown in the financial statements as at the reporting date (30 June 2025).

C13 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure the company maintains healthy capital ratios in order to support the business and maximise shareholder value. The Company manages its capital (total equity and debt) and makes adjustment to it in light of changes in the economic environment. To maintain or adjust the capital structure the Company may adjust the dividend payment to shareholders, return on capital to shareholders, or issue new shares as well as reduce or increase debt levels. No changes were made to the objectives, policies or processes during the year ended 30 June 2025.

The Company manages capital using debt to equity ratios, which is calculated as total borrowings divided by the sum of total equity and borrowings.

	2025 USD	2024 USD
Total borrowings	-	-
Cash and cash equivalents	(10 081)	(27 486)
Net Cash and cash equivalents	(10 081)	(27 486)
Equity	32 634 231	32 770 775
Gross Debt to equity ratio	0%	0%
Net debt to equity ratio	0%	0%

C14 CONTINGENT LIABILITIES

The Company did not have contingent liabilities as at year end.

C15 EVENTS AFTER REPORTING DATE

There have been no significant events after the reporting date.

C16 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 25 september 2025.



ANNEXURES

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Shareholders' Analysis and Calendar

ANALYSIS BY INDUSTRY AS AT : 30-JUNE-2025

INDUSTRY			NUMBER OF	
	SHARES	SHARES %	SHAREHOLDERS	SHAREHOLDERS %
LOCAL COMPANIES	288 969 451	51.97	536	11.34
PENSION FUNDS	101 343 211	18.23	300	6.35
INSURANCE COMPANIES	69 214 411	12.45	46	0.97
LOCAL NOMINEE	64 991 590	11.69	184	3.89
LOCAL INDIVIDUAL RESIDENT	17 882 037	3.22	3 287	69.57
FUND MANAGERS	5 652 049	1.02	18	0.38
CHARITABLE	2 453 578	0.44	19	0.40
FOREIGN NOMINEE	1 670 614	0.30	06	0.13
OTHER INVESTMENTS & TRUST	1 479 204	0.27	114	2.41
TRUSTS	996 890	0.18	27	0.57
BANKS	674 341	0.12	02	0.04
NEW NON RESIDENT	285 417	0.05	100	2.12
FOREIGN COMPANIES	173 170	0.03	06	0.13
FOREIGN INDIVIDUAL RESIDENT	119 564	0.02	17	0.36
DECEASED ESTATES	74 781	0.01	62	1.31
GOVERNMENT / QUASI	20 000	0.00	01	0.02
TOTALS	556 000 308	100.00	4 725	100.00

ANALYSIS BY VOLUME AS AT : 30-JUNE-2025

RANGE			NUMBER OF	
	SHARES	SHARES %	SHAREHOLDERS	SHAREHOLDERS %
1-5000	2 483 497	0.45	3 726	78.86
5001-10000	1 537 816	0.28	210	4.44
10001-25000	3 216 934	0.58	200	4.23
25001-50000	5 083 108	0.91	144	3.05
50001-100000	8 816 068	1.59	124	2.62
100001-200000	13 627 182	2.45	95	2.01
200001-500000	31 405 760	5.65	103	2.18
500001-1000000	40 862 238	7.35	58	1.23
1000001 AND ABOVE	448 967 705	80.75	65	1.38
TOTALS	556 000 308	100.00	4 725	100.00

Shareholders' Analysis and Calendar (Cont'd)

TOP 20 : SCHEDULE AS AT : 30-JUNE-2025

RANK	NAMES	COUNTRY	INDUSTRY	SHARES	PERCENTAGE
1	Z.M.D INVESTMENTS (PVT) LTD	ZIM	LC	107 468 922	19.33
2	H M BARBOUR (PVT) LTD	ZIM	LC	100 024 000	17.99
3	OLD MUTUAL LIFE ASS CO ZIM LTD	ZIM	INS	67 659 361	12.17
4	STANBIC NOMINEES (PVT) LTD	ZIM	LN	49 769 819	8.95
5	SARCOR INVESTMENTS (PVT) LTD	ZIM	LC	22 484 058	4.04
6	MINING INDUSTRY PENSION FUND	ZIM	PF	12 812 831	2.30
7	MUSIC VENTURES (PVT) LTD	ZIM	LC	7 465 382	1.34
8	CITY AND GENERAL HOLDINGS P/L	ZIM	LC	6 822 598	1.23
9	DELTA BEVERAGES PENSION FUND	ZIM	PF	5 216 293	0.94
10	ELECTROLUX (PVT) LTD	ZIM	LC	5 212 939	0.94
	SELECTED SHARES			421 559 661	75.82
	NON - SELECTED SHARES			134 440 647	24.18
	ISSUED SHARES			556 000 308	100.00

Shareholders' Calendar

Tenth Annual General Meeting
Financial Year End

25 November 2025
30 June

REPORTING AND MEETING DATES

3 Months to 30 September 2025	November 2025
6 Months to 31 December 2025	March 2026
9 Months to 31 March 2026	May 2026
12 Months to 30 June 2026	September 2026
Annual Report Published	November 2026
Eleventh Annual General Meeting	November 2026

Notice to Members

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of members will be held on Tuesday 25 November 2025 at 08h15 at the Royal Harare Golf Club Building, Harare, for the purpose of transacting the following business: -

ORDINARY BUSINESS

1. To receive and consider the financial statements for the year ended 30 June 2025 together with the report of the Directors and Auditors thereon.
2. To re-elect the retiring Director, Mrs. Thembiwe Mazingi who retires by rotation and being eligible, offers herself for re-election.

Thembi is a partner in a legal firm, Coghlan, Welsh & Guest, a position she has held since 1989, having joined the firm in 1982. She is a specialist in International tax law, corporate law, compliance and governance. She currently sits on the boards of Simbisa Brands Limited, Ariston Holdings Limited and African Century Limited.

3. To re-elect the retiring Director, Mr. Themba Sibanda, who retires by rotation and being eligible, offers himself for re-election.

Themba is a Chartered Accountant who has worked in compliance, audit and advisory for the past 44 years. He is the principal at Schmulian & Sibanda Chartered Accountants (Zimbabwe) and sits on various boards of Stock Exchange listed entities such as Padenga Holdings Limited (Chairman of the Board), Edgars Stores Limited (Chairman of the Board) and PPC Zimbabwe Limited.

4. To re-elect the retiring Director, Mr. Matthew Hosack, who retires by rotation and being eligible, offers himself for re-election.

Matthew holds a Bachelor of Business Science (Honours) degree from the University of Cape Town and a Certificate in Investment Management from the CFA UK Society. He is also the founding partner of Sub Sahara Capital Group Zimbabwe, a Pan-African fund management company.

5. To approve Director's fees for the year ended 30 June 2025.

NOTE

The full report on Director's Remuneration shall be available for inspection at the registered address of the Company.

6. To approve the remuneration of the Auditors for the year ended 30 June 2025 and to re-appoint BDO Chartered Accountants of Harare as Auditors of the Company until the conclusion of the next Annual General Meeting. This is BDO's fourth year as independent auditors of the Company.

SPECIAL BUSINESS

7. Approval of Share Buy-Back

To approve as a special resolution, with or without amendments:

That the members authorize in advance, in terms of section 128 of the Companies and Other Business Entities Act (Chapter 24:31) and the Victoria Falls Stock Exchange (VFEX) Listing Requirements, the purchase by the Company of its own shares upon such terms and conditions and such amounts as the Directors of the Company may from time to time determine and such authority hereby specifies that: -

- i) The authority in terms of this resolution shall expire on the date of the Company's next Annual General Meeting; and
- ii) Acquisitions shall be of ordinary shares which, in aggregate in any one financial year, shall not exceed 10% (ten per centum) of the Company's issued ordinary share capital; and
- iii) The maximum and minimum prices, respectively, at which such ordinary shares may be acquired will not be more than 5% (five per centum) above and 5% (five per centum) below the weighted average of the market price at which such ordinary shares are traded on the VFEX, as determined over the 5 (five) business days immediately preceding the date of purchase of such ordinary shares by the Company; and
- iv) A press announcement will be published as soon as the Company has acquired ordinary shares constituting, on a cumulative basis in the period between Annual General Meetings, 3% (three per centum) of the number of ordinary shares in issue prior to the acquisition; and
- v) If during the subsistence of this resolution the Company is unable to declare and pay a cash dividend, then this resolution shall be of no force and effect."

Notice to Members (cont'd)

NOTE: -

In terms of this resolution, the Directors are seeking authority to allow the use of the Company's available cash resources to purchase its own shares in the market in terms of the Companies and Other Business Entities Act and the regulations of the VFEX. The Directors will only exercise the authority if they believe that to do so would be in the best interest of the shareholders generally. In exercising this authority, the Directors will duly take into account following such repurchase, the ability of the Company to pay its debts in the ordinary course of business, the maintenance of an excess of assets over liabilities, and for the Company and Group, the adequacy of ordinary capital and reserves as well as working capital.

8. Loans to Executive Directors

To approve as an ordinary resolution, with or without amendments: "That the Company be and is hereby authorized to make any loan to any Executive Director or to enter into any guarantee or provide any security in connection with a loan to such Executive Director for the purpose of enabling him to properly perform his duty as an officer of the Company, as may be determined by the Remuneration Committee of the Board of Directors, provided that the amount of the loan or the extent of the guarantee or security shall not exceed the annual remuneration of that Director."

ANY OTHER BUSINESS

9. To transact any other business competent to be dealt with at the Annual General Meeting.

PROXIES

In terms of the Companies and Other Business Entities Act, a Member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote on a poll and speak in his or her stead. No Director or Officer of the company may be appointed as a proxy for a Member. A proxy need not be a member of the Company.

Proxy forms must be forwarded to reach the Company's registered office not less than 48 (forty-eight) hours before the commencement of the meeting.

By order of the Board



AXIA CORPORATION LIMITED
Prometheus Corporate Services (Private) Limited
Company Secretary
Harare
31 October 2025

Proxy Form

I/We _____ of _____

being a member of the above Company and entitled to vote, hereby appoint _____

of _____ or failing him, _____

of _____

as my/our Proxy to vote for me/us on my/our behalf at the Tenth Annual General Meeting of Axia Corporation Limited to be held on Tuesday, 25 November 2025 at 8:15 hours and at any adjournment thereof for the following purposes:-

	ITEM ON THE AGENDA FOR THE AGM	FOR	AGAINST	ABSTAIN
	ORDINARY BUSINESS			
1.	To receive and consider the financial statements for the year ended 30 June 2025 together with the report of the Directors and Auditors thereon..	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	To re-elect the retiring Director, Mrs. Thembiwe Mazingi who retires by rotation and being eligible, offers herself for re-election. Thembi is a partner in a legal firm, Coghlan, Welsh & Guest, a position she has held since 1989, having joined the firm in 1982. She is a specialist in International tax law, corporate law, compliance and governance. She currently sits on the boards of Simbisa Brands Limited, Ariston Holdings Limited and African Century Limited.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	To re-elect the retiring Director, Mr. Themba Sibanda, who retires by rotation and being eligible, offers himself for re-election. Themba is a Chartered Accountant who has worked in compliance, audit and advisory for the past 44 years. He is the principal at Schmullian & Sibanda Chartered Accountants (Zimbabwe) and sits on various boards of Stock Exchange listed entities such as Padenga Holdings Limited (Chairman of the Board), Edgars Stores Limited (Chairman of the Board) and PPC Zimbabwe Limited.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	To re-elect the retiring Director, Mr. Matthew Hosack, who retires by rotation and being eligible, offers himself for re-election. Matthew holds a Bachelor of Business Science (Honours) degree from the University of Cape Town and a Certificate in Investment Management from the CFA UK Society. He is also the founding partner of Sub Sahara Capital Group Zimbabwe, a Pan-African fund management company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	To approve Director's fees for the year ended 30 June 2025. NOTE: - The full report on Director's Remuneration shall be available for inspection at the registered address of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	To approve the remuneration of the Auditors for the year ended 30 June 2025 and to re-appoint BDO Chartered Accountants of Harare as Auditors of the Company until the conclusion of the next Annual General Meeting. This is BDO's fourth year as independent auditors of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Proxy Form (cont'd)

	ITEM ON THE AGENDA FOR THE AGM	FOR	AGAINST	ABSTAIN
	SPECIAL BUSINESS			
7.	<p>Approval of Share Buy-Back</p> <p>To approve as a special resolution, with or without amendments: "That the members authorize in advance, in terms of section 128 of the Companies and Other Business Entities Act (Chapter 24:31) and the Victoria Falls Stock Exchange (VFEX) Listing Requirements, the purchase by the Company of its own shares upon such terms and conditions and such amounts as the Directors of the Company may from time to time determine and such authority hereby specifies that: -</p> <p>i) The authority in terms of this resolution shall expire on the date of the Company's next Annual General Meeting; and</p> <p>ii) Acquisitions shall be of ordinary shares which, in aggregate in any one financial year, shall not exceed 10% (ten per centum) of the Company's issued ordinary share capital; and</p> <p>iii) The maximum and minimum prices, respectively, at which such ordinary shares may be acquired will not be more than 5% (five per centum) above and 5% (five per centum) below the weighted average of the market price at which such ordinary shares are traded on the VFEX, as determined over the 5 (five) business days immediately preceding the date of purchase of such ordinary shares by the Company; and</p> <p>iv) A press announcement will be published as soon as the Company has acquired ordinary shares constituting, on an accumulative basis in the period between Annual General Meetings, 3% (three per centum) of the number of ordinary shares in issue prior to the acquisition; and</p> <p>v) If during the subsistence of this resolution the Company is unable to declare and pay a cash dividend, then this resolution shall be of no force and effect."</p> <p>NOTE: -</p> <p>In terms of this resolution, the Directors are seeking authority to allow the use of the Company's available cash resources to purchase its own shares in the market in terms of the Companies and Other Business Entities Act and the regulations of the VFEX. The Directors will only exercise the authority if they believe that to do so would be in the best interest of the shareholders generally. In exercising this authority, the Directors will duly take into account following such repurchase, the ability of the Company to pay its debts in the ordinary course of business, the maintenance of an excess of assets over liabilities, and for the Company and Group, the adequacy of ordinary capital and reserves as well as working capital.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	<p>Loans to Executive Directors</p> <p>To approve as an ordinary resolution, with or without amendments: "That the Company be and is hereby authorized to make any loan to any Executive Director or to enter into any guarantee or provide any security in connection with a loan to such Executive Director for the purpose of enabling him to properly perform his duty as an officer of the Company, as may be determined by the Remuneration Committee of the Board of Directors, provided that the amount of the loan or the extent of the guarantee or security shall not exceed the annual remuneration of that Director."</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	<p>Any other business</p> <p>To transact any other business competent to be dealt with at the Annual General Meeting.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Proxy Form (cont'd)

Signed at _____ this _____ Day of _____ 2025.

Signature of Member _____

NOTES

1. Unless otherwise instructed, the proxy will vote as he/she thinks fit.

2. This proxy form must be signed, dated and returned so as to reach the Company no later than forty-eight hours before the Meeting.

NOTE 1: In terms of the Companies and Other Business Entities Act [Chapter 24:31], a member of the Company is entitled to appoint one or more proxies to attend, vote and speak in his or her stead. A proxy need not be a member of the Company. Proxy forms must be deposited at the registered office of the Company not less than forty-eight (48) hours before the time appointed for holding the meeting.

NOTE 2: ELECTRONIC ANNUAL REPORT

The Company's 2025 Annual Report will be made available on the Company's website

web: <https://www.axiacorplimited.com/> Electronic copies of the Annual Report will also be emailed to those shareholders whose e-mail addresses are on record.



The Company Secretary
Axia Corporation Limited
6 Kenilworth Road
Newlands
Harare
Zimbabwe

Change of Address Form

The attention of shareholders is drawn to the necessity of keeping the transfer secretaries advised of any change in name and/or address.

Shareholder's name in full _____

New address _____

Shareholder's signature _____



The Company Secretary
Axia Corporation Limited
6 Kenilworth Road
Newlands
Harare
Zimbabwe

GRI Content Index

STATEMENT OF USE	Axia Corporation Limited reported the information cited in this GRI content index for the period from 01 July 2024 and 30 June 2025 in accordance with the GRI Standards.				
GRI USED	GRI 1: FOUNDATION 2021				
GRI STANDARD	DISCLOSURE	LOCATION (Page)	OMISSION		
			PART OMITTED	REASON	EXPLANATION
GRI 2: General Disclosures 2021	2-1 Organisational details	Front Cover, 96, 169			
	2-2 Entities included in the organisation's sustainability reporting	10			
	2-3 Reporting period, frequency and contact point	3			
	2-4 Restatements of information	3			
	2-5 External assurance	3			
	2-6 Activities, value chain and other business relationships	10-13			
	2-7 Employees	54-56			
	2-8 Workers who are not employees	55			
	2-9 Governance structure and composition	26-31			
	2-10 Nomination and selection of the highest governance body	29			
	2-11 Chair of the highest governance body	26			
	2-12 Role of the highest governance body in overseeing the management of impacts	28			
	2-13 Delegation of responsibility for managing impacts	30			
	2-14 Role of the highest governance body in sustainability reporting	3			
	2-15 Conflicts of interest	29			
	2-16 Communication of critical concerns	29			
	2-17 Collective knowledge of the highest governance body	26-27			
	2-19 Remuneration policies	-			
	2-20 Process to determine remuneration	-			
	2-21 Annual total compensation ratio		To be included in next report		
	2-22 Statement on sustainable development strategy	76-77			
	2-23 Policy commitments	-			
	2-24 Embedding policy commitments	-			
	2-25 Processes to remediate negative impacts	38-39			
	2-26 Mechanisms for seeking advice and raising concerns	29			
	2-27 Compliance with laws and regulations	31			
	2-28 Membership associations	13			
	2-29 Approach to stakeholder engagement	45			
	2-30 Collective bargaining agreements	58			

GRI Content Index (cont'd)

STATEMENT OF USE	Axia Corporation Limited reported the information cited in this GRI content index for the period from 01 July 2024 and 30 June 2025 in accordance with the GRI Standards.				
GRI USED	GRI 1: FOUNDATION 2021				
GRI STANDARD	DISCLOSURE	LOCATION (Page)	OMISSION		
			PART OMITTED	REASON	EXPLANATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	46			
	3-2 List of material topics	47			
	3-3 Management of material topics		See management approach for each topic		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	92-95			
	201-2 Financial implications and other risks and opportunities due to climate change	73			
	201-3 Defined benefit plan obligations and other retirement plans	58			
GRI 203: Indirect Economic Impacts 201	203-1 Infrastructure investments and services supported	76			
	203-2 Significant indirect economic impacts	75-76			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	77			
GRI 207: Tax 2019	207-1 Approach to tax	79			
	207-2 Tax governance, control, and risk management	79			
	207-3 Stakeholder engagement and management of concerns related to tax	79			
	207-4 Country-by-country reporting	79			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	67			
	301-3 Reclaimed products and their packaging materials		They were no reclaimed products		
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	68			
	302-2 Energy consumption outside of the organisation	68			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	69			
	303-2 Management of water discharge-related impacts	69			
	303-5 Water consumption	69			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	74			
	305-2 Energy indirect (Scope 2) GHG emissions	74			
GRI 306: Waste 202	306-1 Waste generation and significant waste-related impacts	69			
	306-2 Management of significant waste-related impacts	69			
	306-3 Waste generated	70-71			
	306-5 Waste directed to disposal	70			

GRI Content Index (cont'd)

STATEMENT OF USE	Axia Corporation Limited reported the information cited in this GRI content index for the period from 01 July 2024 and 30 June 2025 in accordance with the GRI Standards.				
GRI USED	GRI 1: FOUNDATION 2021				
GRI STANDARD	DISCLOSURE	LOCATION (Page)	OMISSION		
			PART OMITTED	REASON	EXPLANATION
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	56			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	58			
	401-3 Parental leave	59			
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	78	1 month		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	61-63			
	403-2 Hazard identification, risk assessment, and incident investigation	62			
	403-3 Occupational health services	61-63			
	403-4 Worker participation, consultation, and communication on occupational health and safety	61-63			
	403-5 Worker training on occupational health and safety	61-62			
	403-6 Promotion of worker health	61-62			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	61-62			
	403-8 Workers covered by an occupational health and safety management system	61-62			
	403-9 Work-related injuries	62			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	60			
	404-2 Programs for upgrading employee skills and transition assistance programs	60			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	35;55			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	75-76			

Corporate Information

DOMICILE

The Company is incorporated and domiciled in Zimbabwe.

CORE BUSINESS

Speciality Retail and Distribution.

REGISTERED OFFICE

Edward Building,
1st Street/Nelson Mandela Avenue,
Harare, Zimbabwe

POSTAL ADDRESS

6 Kenilworth Road
Newlands
Harare, Zimbabwe

CONTACT DETAILS

Telephone: +263 8612 130214
Email: finance@axiacorplimited.com

COMPANY SECRETARY

Prometheus Corporate Services (Private) Limited
5 Dromore Road Highlands
Harare, Zimbabwe

LEGAL ADVISORS

Gill, Godlonton & Gerrans
42 Sandringham Drive, Alexandra Park
Harare, Zimbabwe

INDEPENDENT AUDITORS

BDO Zimbabwe Chartered Accountants
Kudenga House 3 Baines Avenue
Harare, Zimbabwe

PRINCIPAL BANKERS

CABS
FBC Bank Limited
Stanbic Bank Zimbabwe Limited
Ecobank Zimbabwe Limited
First Capital Bank Limited
FBC Crown Bank
NMB Bank Limited

REGISTRARS AND TRANSFER SECRETARIES

Corpserve Transfer Secretaries
(Private) Limited,
2nd floor, ZB Centre,
1st Street/Kwame Nkrumah Avenue,
Harare, Zimbabwe

SUSTAINABILITY ADVISORS

Institute for Sustainability Africa,
65 Whitwell Road Borrowdale West
Harare, Zimbabwe
Email: admin@insafrica.org.zw



www.axiacorplimited.com