

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION



(Axia Corporation Limited, incorporated in Zimbabwe on 24 February 2016, under Company Registration Number 1344/2016)

ABRIDGED CIRCULAR TO SHAREHOLDERS

Relating to and seeking approvals for:

The Termination of Axia Corporation Limited from the Zimbabwe Stock Exchange and the Subsequent Listing by Introduction of Axia Corporation Limited on the Victoria Falls Stock Exchange.

NOTICE OF AN EXTRAORDINARY GENERAL MEETING

Notice of an Extraordinary General Meeting of the members of Axia Corporation Limited, to be held virtually by electronic means, on Thursday, 2 February 2023, at 0900 hours. The notice was published on Thursday, 12 January 2023 in accordance with the Listings Requirements of the Zimbabwe Stock Exchange ("ZSE") and the Companies and Other Business Entities Act (Chapter 24:31) of Zimbabwe, as set out at the end of this Document. Shareholders are asked to complete and return the attached form of proxy in accordance with the instructions printed thereon, as soon as possible, but not later than 1600 hours, on Tuesday, 31 January 2023.

Financial Advisors

Sponsoring Brokers

Legal Advisors

Transfer Secretaries



1. Read this Document in its entirety. If you are in doubt as to the action you should take, you should immediately seek advice from an independent stockbroker, bank manager, legal practitioner, accountant, or any other professional advisors of your choice.
2. Attend and vote at the EGM to be held on Thursday, 2 February 2023; and
3. Shareholders who are unable to attend the EGM, but who wish to be represented thereat, should complete, and sign the Proxy Form included with this Document and ensure it is lodged at the registered offices of Axia being, Edward Building, Corner 1st Street & Nelson Mandela Avenue, Harare, so that it is received by the Transfer Secretaries by no later than 1600 hours, on Tuesday, 31 January 2023. Proxy forms will be accepted at the discretion of the Chairman up to 1 hour before the commencement of the EGM. Shareholders may attend the meeting virtually notwithstanding the completion and return of a Proxy form.

Date of issue of this document: Thursday, 12 January 2023

1. OVERVIEW OF THE PROPOSED TRANSACTION

At the meeting held on Tuesday 22 November 2022, the Board of Directors of Axia considered the termination of Axia's ZSE Listing, with the intent to list the Company's shares on the VFEX. The Board subsequently passed a resolution relating to the above due to the rationale of the Proposed Transaction outlined below:

1.1. Rationale of the Proposed Transaction

- Access to USD capital to assist Axia in its capital expenditure, working capital requirements and regional expansion initiatives.
- Free repatriation of dividends and proceeds from the disposal of shares through offshore settlement for foreign shareholders.
- Favourable tax incentives for investors of zero capital gains tax and a 5% withholding tax for foreign investors to enhance shareholder returns.
- A USD valuation of Axia allowing shareholders to realise the true value of their holdings and to provide a more accurate benchmark of the stock's performance while mitigating valuation volatility.
- Lower trading costs of 2.12% compared to 4.63% on the ZSE would enable the Company to make savings and retain more value for shareholders.
- Improved company regional profile and commercial standing, strengthening the Company's prospects for both local and regional expansion.
- More efficient financial reporting through USD denominated Group Financial Statements. This will also contribute to a lower risk perception for Axia increasing the Company's leverage to access other forms of finance at favourable terms.

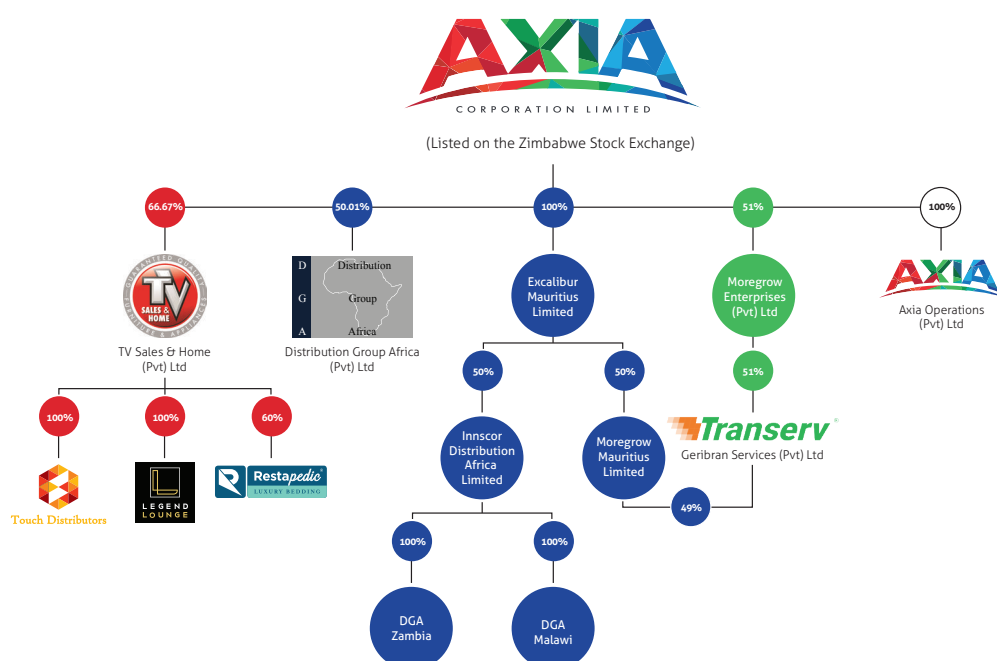
2. OVERVIEW OF AXIA CORPORATION LIMITED

2.1. History of Axia Corporation Limited

Axia Corporation Limited was incorporated on the 24th of February 2016 and acquired through a scheme of reconstruction on the 1st of April 2016. The Net Assets of Innscor Africa Limited's Specialty Retail and Distribution business were exchanged for 541 593 440 shares in Axia. A new head office structure for Axia was established with effect from 1 April 2016 to monitor and support the operations of Axia's subsidiary companies. Axia listed on the Zimbabwe Stock Exchange on 17 May 2016, following its unbundling from Innscor Africa Limited and, adopted 30 June as its financial year end.

Axia Corporation Limited operates within the specialty retail and distribution sector. It has three operating business units, namely TV Sales & Home ("TVSH"), Transerv and Distribution Group Africa ("DGA"). The Company owns 66.67% of TVSH, 50.51% of Transerv, 50.01% of DGA Zimbabwe and 50% of DGA regional businesses. TVSH is Zimbabwe's leading furniture and electronic appliance retailer with sites located countrywide. Transerv retails automotive spares and accessories through retail stores and fitment centres to service the needs of its customers countrywide. 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 and chilled warehousing, logistics, marketing, sales, and merchandising services.

2.2. Axia Corporation Limited Group Structure



3. TIMETABLE FOR THE PROPOSED TRANSACTION

Important Dates	
Axia EGM Notice and announcement published	Thursday, 12 January 2023
Voting Record Date, Axia share register closed (at 1600hrs)	Monday, 30 January 2023
Last day of lodging Proxy Forms (at 1600hrs)	Tuesday, 31 January 2023
Axia EGM (at 0900 hours)	Thursday, 02 February 2023
Publication of Results of Axia EGM	Monday, 06 February 2023
Last day of trading Axia Shares on the ZSE	Friday 24 February 2023
Termination of Axia ZSE Listing	Tuesday, 28 February 2023
Transfer of Axia share register from the ZSE to the VFEX	Thursday, 02 March 2023
Estimated Completion of Axia's VFEX Listing	Friday, 03 March 2023

4. CONDITIONS PRECEDENT

A cautionary announcement has been issued to the Shareholders of Axia informing them of the Company's intention to delist from the ZSE. The ZSE has granted authority to delist Axia's shares from the ZSE subject to the conditions listed below:

- Axia Board approval of the listing of the Company's ordinary shares on the VFEX;
- The passing by shareholders of Axia of the resolutions, by the requisite majority, at an EGM to be held on Thursday, 2 February 2023 in terms of the Notice of the EGM published in the national press dated Thursday, 12 January 2023;
- Obtaining all such other necessary regulatory approvals as may be required, including the issuance of a letter of good standing by the ZSE to Axia.

5. CORPORATE GOVERNANCE

5.1. Introduction

Axia is committed to the principles of good corporate governance as laid out in the King IV code, National Code on Corporate Governance in Zimbabwe, the new Companies and other Business Entities Act (Chapter 24:31) and other international best practices on corporate governance. The Directors recognise the need to conduct the affairs of the Group based on principles of transparency, integrity, accountability and in accordance with generally accepted corporate practices, in the interests of its shareholders, employees and other stakeholders. This process enables the Group's shareholders and other stakeholders to derive the assurance that, in protecting and adding value to Axia's financial and human capital investment, the Group is being managed ethically, according to prudently determined risk parameters and best practices.

5.2. Board of Directors

The primary responsibility of the Board is to discharge its fiduciary responsibility to the Shareholders and the Company. The Board is accordingly, the highest policy organ of the Company and also directly responsible for providing strategic direction. The Board meets quarterly to monitor the performance of management and to ensure proper control over the strategic direction of the Group.

The Board comprises of two executive Directors, and three independent non-executive Directors and one non-independent non-executive Director. The Non-Executive Directors provide crucial independence and guidance to the Company's strategic decision-making process and corporate governance practices.

The Board is made up of individuals with proven track records and a wide range of different skills and experience, which they employ for the benefit of the Group. The selection and nomination process of board members takes into consideration diversity, independence and expertise, with due consideration of the business' stakeholders' interests. The Directors are allocated responsibilities in sub-committees where they have strategic strengths. Short biographies of each of the Directors are disclosed below. Each business within the Group has a formal Board with clearly defined responsibilities and objectives, for the day-to-day running of its operations.

5.3. Directors' Interests

The Group believes that it is the responsibility of the Board and management to lead by following acceptable ethical business practices. Therefore, all Directors and Management are required to declare interests which might be deemed in conflict with their contracts with the Group. Directors are required to complete disclosure forms for all Board and Committee meetings. Where there is a conflict, the Director concerned is excused from the meeting and/or the deliberation of the issue arising.

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5.3. Directors' Interests (continued)

The Group has leased properties from various companies in which some of the Directors have a financial or custodial interest. The leases are undertaken at arm's length basis. The Group also receives professional services fees from firms in which a non-executive director has a direct interest. The services are provided at market related prices. As at 30 June 2022, transactions with Directors were as follows:

	INFLATION ADJUSTED		HISTORICAL	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Lease payments	108 468 305	13 505 641	52 346 678	4 348 514
Professional fees to Director related entity	97 482 764	73 770 459	69 630 546	21 301 043
	205 951 069	87 276 100	121 977 224	25 649 557

The beneficial interests of the Directors in the shares of the Company are given below.

At 30 June 2022, the Directors held, directly and indirectly, the following number of shares:

	Group 30 June 2022 # of shares	Group 30 June 2021 # of shares
J. Koumides*	3,768,983	3,418,983
Z. Koudounaris	114,612,912	114,332,912
T.C. Mazingi	861,802	581,802
T.N. Sibanda	980,000	700,000
R.M. Rambanapasi	114,985	927,885
L.E.M. Ngwerume	40,000	503,906
	120,378,682	120,465,488

* J. Koumides retired as CEO effective 31 December 2022.

6. DOCUMENTS AND CONSENTS AVAILABLE FOR INSPECTION

The public may inspect this Circular and the documents available as listed below between 0800 hours and 1600 hours on Thursday, 12 January 2023 to Tuesday, 31 January 2023 at the Sponsoring Brokers', and Axia's physical offices at the addresses set out in the "Corporate Information" section of this Document:

- The Memorandum of Association of the Company;
- The substituted Articles of Association of the Company;
- Axia Board Approval of the Proposed Transaction;
- The expert written consent letters;
- The Audited Financial Statements and Notes to the Financial Statements for the three financial years ended 30 June 2020, 30 June 2021 and 30 June 2022 for Axia Corporation Limited and its subsidiaries;
- The ZSE approval letter for the delisting of Axia shares from the ZSE;
- The ZSE approval letter for the distribution of the circular;
- The ZSE letter of good standing.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names appear below, collectively, and individually accept full responsibility for the accuracy of the information provided in this Circular and certify that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement false or misleading. They have made all reasonable enquiries to ascertain such facts, and that this Circular contains all information required by law, ZSE and VFEX listing rules.

The Directors confirm that this Circular includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) that investors and their professional advisors would reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits or losses and prospects of the issuer, and of the rights attaching to the securities to which the listing particulars relate.

8. CONSOLIDATED FINANCIAL STATEMENTS

GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Inflation Adjusted			Historical		
	June 2022 ZWL Audited	June 2021 ZWL Audited	June 2020 ZWL Audited	June 2022 ZWL Audited	June 2021 ZWL Audited	June 2020 ZWL Audited
Revenue	75,534,061,569	57,011,862,538	15,552,869,349	40,796,914,050	18,185,771,782	3,656,926,361
Cost of sales	(47,929,510,970)	(43,260,390,142)	(11,549,501,797)	(25,000,950,037)	(12,653,517,198)	(2,384,632,031)
Gross profit	27,604,550,599	13,751,472,396	4,003,367,552	15,795,964,013	5,532,254,584	1,272,294,330
Other income	1,378,075,570	1,306,401,920	255,428,266	797,346,770	318,086,780	86,895,792
Operating expenses	(14,426,590,831)	(9,125,142,889)	(2,487,449,902)	(8,750,542,354)	(2,815,748,175)	(618,243,823)
Net impairment loss on trade and other receivables	(107,761,116)	(137,116,948)	-	(52,005,389)	(42,970,318)	-
Operating profit before impairment, depreciation and fair value adjustments	14,448,274,222	5,795,614,479	1,771,345,916	7,790,763,040	2,991,622,871	740,946,299
Financial income	2,446,564,665	1,656,026,617	558,041,030	1,075,629,457	463,946,905	359,133,207
Depreciation of property plant and equipment and right of use assets	(1,545,035,682)	(907,490,177)	(64,314,640)	(468,301,206)	(186,823,861)	(12,558,986)
Property plant and equipment	(822,902,583)	(310,148,627)	(57,813,881)	(119,800,614)	(49,630,290)	(9,293,434)
Right of use asset	(722,133,099)	(597,341,550)	(6,500,759)	(384,500,592)	(137,193,571)	(3,265,552)
Net monetary (loss)/gain	(7,037,959,509)	(2,772,699,938)	96,004,589	-	-	-
Fair value adjustments on listed equities	18,720,384	(10,003,035)	(16,328,001)	52,744,154	53,726,524	83,511,192
Profit before interest, equity accounted earnings and tax	8,330,564,080	3,761,447,946	2,344,748,894	8,450,835,445	3,322,472,439	1,171,031,712
Interest income	163,004,273	112,233,589	18,779,237	75,173,075	32,737,573	3,774,984
Interest expense	(1,381,230,644)	(1,203,180,518)	(155,983,971)	(827,208,495)	(400,805,045)	(42,355,901)
Equity accounted earnings	310,437,760	346,279,801	83,626,265	184,485,581	96,522,909	28,447,797
Profit before tax	7,422,775,469	3,016,780,818	2,291,170,425	7,883,285,606	3,050,927,876	1,160,898,592
Tax expense	(2,827,158,642)	(1,177,150,103)	(989,678,486)	(2,371,460,640)	(802,950,961)	(278,760,670)
Profit for the year	4,595,616,827	1,839,630,715	1,301,491,939	5,511,824,966	2,247,976,915	882,137,922
Other comprehensive income – to be recycled to profit or loss						
Exchange differences arising on the translation of foreign operations	1,274,410,593	19,195,505	170,732,775	1,274,410,593	19,195,505	170,732,775
Other comprehensive income for the year, net of tax	1,274,410,593	19,195,505	170,732,775	1,274,410,593	19,195,505	170,732,775
Total comprehensive income for the year	5,870,027,420	1,858,826,220	1,472,224,714	6,786,235,559	2,267,172,420	1,052,870,697
Profit for the year attributable to:						
equity holders of the parent	2,376,841,080	1,056,968,441	714,011,734	3,154,442,287	1,251,749,304	519,312,751
non-controlling interests	2,218,775,747	782,662,274	587,480,205	2,357,382,679	996,227,611	362,825,171
	4,595,616,827	1,839,630,715	1,301,491,939	5,511,824,966	2,247,976,915	882,137,922
Total comprehensive income for the year attributable to:						
equity holders of the parent	2,842,189,278	1,056,355,677	776,860,351	3,619,790,485	1,251,136,540	582,161,368
non-controlling interests	3,027,838,142	802,470,543	695,364,363	3,166,445,074	1,016,035,880	470,709,329
	5,870,027,420	1,858,826,220	1,472,224,714	6,786,235,559	2,267,172,420	1,052,870,697

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8. CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Inflation Adjusted			Historical Cost		
	June 2022 ZWL Audited	June 2021 ZWL Audited	June 2020 ZWL Audited	June 2022 ZWL Audited	June 2021 ZWL Audited	June 2020 ZWL Audited
Non-current assets						
Property, plant and equipment	4,812,119,953	3,096,138,421	787,565,464	1,801,692,440	385,117,739	98,006,060
Intangible assets	309,636,469	94,389,067	32,373,518	80,739,351	5,023,008	5,023,008
Investments in associates and joint ventures	698,697,441	1,058,333,039	64,508,393	922,448,735	246,505,771	10,403,082
Right of use assets	1,466,403,950	1,121,801,931	226,698,420	304,011,408	151,023,208	20,629,853
Deferred tax assets	52,098,597	143,537,015	24,505,863	732,238,221	119,397,863	41,912,297
	7,338,956,410	5,514,199,473	1,135,651,658	3,841,130,155	907,067,589	175,974,300
Current assets						
Financial assets	256,283,632	264,665,958	135,586,750	256,283,632	90,775,007	65,613,683
Inventories	17,856,793,305	9,635,211,902	3,483,690,281	12,545,324,301	3,072,349,116	1,017,617,218
Trade and other receivables	11,153,372,997	7,832,172,868	1,641,171,922	10,273,309,596	2,711,378,595	838,359,184
Cash and cash equivalents	2,862,551,934	1,721,310,008	1,226,874,854	2,862,551,934	691,539,544	657,598,018
	32,129,001,868	19,453,360,736	6,487,323,807	25,937,469,463	6,566,042,262	2,579,188,103
Total Assets	39,467,958,278	24,967,560,209	7,622,975,465	29,778,599,618	7,473,109,851	2,755,162,403
EQUITY AND LIABILITIES						
Capital and reserves						
Ordinary share capital	7,372,467	7,371,531	2,527,544	55,600	55,215	54,647
Share premium	58,789,820	47,338,414	1,832,665	3,620,572	2,186,350	338,511
Share-based payments reserve	-	8,908,249	15,408,831	-	392,800	773,859
Non-distributable reserves	535,705,799	70,357,601	70,970,365	535,705,799	70,357,601	70,970,365
Distributable reserves	8,870,917,677	7,102,751,869	2,343,577,164	4,328,019,352	1,558,544,205	559,221,121
Attributable to equity of the parent	9,472,785,763	7,236,727,664	2,434,316,569	4,867,401,323	1,631,536,171	631,358,503
Non-controlling interests	8,006,266,747	5,309,564,379	1,907,454,926	4,140,163,100	1,338,190,824	519,917,224
Total Shareholders' Equity	17,479,052,510	12,546,292,043	4,341,771,495	9,007,564,423	2,969,726,995	1,151,275,727
Non-current liabilities						
Deferred tax liabilities	1,504,549,175	1,490,993,095	793,961,120	286,678,602	89,033,168	77,648,449
Lease liabilities	617,665,829	367,576,303	8,875,232	617,665,829	144,386,790	5,508,391
	2,122,215,004	1,858,569,398	802,836,352	904,344,431	233,419,958	83,156,840
Current liabilities						
Interest-bearing debt- third party	5,915,639,657	2,924,705,777	438,165,063	5,915,639,657	1,238,526,704	270,550,822
Lease liabilities	281,524,908	345,813,679	9,344,750	281,524,908	118,632,480	5,799,796
Trade and other payables	10,732,888,925	5,806,974,644	1,723,357,813	10,732,888,925	2,365,788,578	1,085,882,501
Provisions and other liabilities	451,145,867	165,910,789	26,915,911	451,145,867	59,751,795	14,256,428
Current tax liabilities	2,485,491,407	1,319,293,879	280,584,081	2,485,491,407	487,263,341	144,240,290
	19,866,690,764	10,562,698,768	2,478,367,618	19,866,690,764	4,269,962,898	1,520,729,837
Total liabilities	21,988,905,768	12,421,268,166	3,281,203,970	20,771,035,195	4,503,382,856	1,603,886,677
Total equity and liabilities	39,467,958,278	24,967,560,209	7,622,975,465	29,778,599,618	7,473,109,851	2,755,162,404

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Inflation Adjusted			Historical		
	June 2022 ZWL Audited	June 2021 ZWL Audited	June 2020 ZWL Audited	June 2022 ZWL Audited	June 2021 ZWL Audited	June 2020 ZWL Audited
Cash generated from operations	2,723,887,311	1,098,515,646	1,799,946,944	3,451,780,368	862,063,567	719,072,292
Interest income	163,004,273	112,233,590	18,779,237	75,137,075	32,737,573	3,774,984
Interest expense	(1,383,384,925)	(1,203,180,518)	(155,983,971)	(829,362,776)	(400,805,045)	(42,355,901)
Tax paid	(1,484,184,572)	(1,622,847,620)	(443,401,351)	(716,265,744)	(523,393,755)	(102,993,484)
Total cash generated from/(utilised in) operating activities	19,322,087	(1,615,278,902)	1,219,340,859	1,981,324,923	(29,397,660)	577,497,891
Investing activities	(3,072,355,404)	(1,170,076,953)	(163,034,846)	(1,693,390,826)	(319,397,669)	(12,655,606)
Net cash (outflow)/ inflow before financing activities	(3,053,033,317)	(2,785,355,855)	1,056,306,014	287,934,097	(348,795,329)	564,842,285
Financing activities	4,194,275,243	1,166,688,561	(28,483,839)	1,883,078,293	382,736,855	62,822,198
Dividends paid by holding company	(608,675,272)	(859,126,121)	(156,265,664)	(384,967,140)	(252,426,220)	(36,289,276)
Dividends paid by subsidiaries to non-controlling interests	(1,010,082,208)	(722,716,967)	(75,938,250)	(537,137,472)	(187,147,280)	(20,009,739)
Issue of new shares	2,462,082	5,339,335	1,474,847	1,008,315	1,372,649	272,418
Cash payments for the principal portion of the lease liabilities	(785,511,014)	(422,316,500)	(3,108,211)	(379,086,726)	(121,761,739)	(2,626,048)
Proceeds from interest-bearing borrowings	13,240,546,242	5,804,704,917	262,233,136	6,389,872,178	1,719,660,738	158,293,670
Repayment of interest-bearing borrowings	(6,644,464,587)	(2,639,196,103)	(56,879,697)	(3,206,610,862)	(776,961,293)	(36,818,827)
Net increase / (decrease) in cash and cash equivalents	1,141,241,926	(1,618,667,294)	1,027,822,175	2,171,012,390	33,941,526	627,664,483
Cash and cash equivalents at the beginning of the year	1,721,310,008	3,339,977,302	199,052,679	691,539,544	657,598,018	29,933,535
Cash and cash equivalents at the end of the year	2,862,551,934	1,721,310,008	1,226,874,854	2,862,551,934	691,539,544	657,598,018

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APPENDIX IV- NOTICE OF EXTRAORDINARY GENERAL MEETING



(Axia Corporation Limited, incorporated in Zimbabwe on 24 February 2016, under Company Registration Number 1344/2016)

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Shareholders of Axia Corporation Limited is to be held on Thursday, 2 February 2023 at 0900 hours virtually by electronic means on <https://escrowagm.com/eagmZim/Login.aspx>, for the purpose of transacting the following business:

TO CONSIDER and, if deemed fit, to pass, with or without modification, the following Resolutions:

ORDINARY RESOLUTION 1 – DELISTING OF AXIA CORPORATION LIMITED FROM THE ZIMBABWE STOCK EXCHANGE

THAT the Company's shares be removed from the Main Board of the Zimbabwe Stock Exchange through voluntary termination of the listing on the Zimbabwe Stock Exchange in terms of section 11 of the ZSE Listing Requirements.

ORDINARY RESOLUTION 2- LISTING OF AXIA CORPORATION LIMITED ON THE VICTORIA FALLS STOCK EXCHANGE

THAT the Company's ordinary shares be listed on the Victoria Falls Stock Exchange in accordance with the VFEX Listing Requirements.

ORDINARY RESOLUTION 3 – DIRECTORS AUTHORISED TO GIVE EFFECT TO RESOLUTIONS

"THAT the Directors be and are hereby authorised to do any and all such things as may be necessary to give effect to the above resolutions."

BY ORDER OF THE BOARD

APPENDIX V – FORM OF PROXY

I / We

Of.....

Being member/members of Axia Corporation Limited hereby appoint:

Mr. / Mrs. / Ms. / Dr

Or failing him or her/the Chairman of the EGM.....

Of.....

As my/our proxy to vote for me/us on my/our behalf at the EGM of the Company to be held on Thursday, 2 February 2023, at 0900 hours and at any adjournment thereof, for the purpose of considering and, if deemed fit passing, with or without modification, the resolutions to be proposed thereat in accordance with the following instructions:

Resolutions	For	Against	Abstain
ORDINARY RESOLUTION 1 – DELISTING OF AXIA CORPORATION LIMITED FROM THE ZIMBABWE STOCK EXCHANGE THAT the Company's shares be removed from the Main Board of the Zimbabwe Stock Exchange through voluntary termination of the listing on the Zimbabwe Stock Exchange in terms of section 11 of the ZSE Listing Requirements.			
ORDINARY RESOLUTION 2- LISTING OF AXIA CORPORATION LIMITED ON THE VICTORIA FALLS STOCK EXCHANGE THAT the Company's ordinary shares be listed on the Victoria Falls Stock Exchange in accordance with the VFEX Listing Requirements.			
ORDINARY RESOLUTION 3 – DIRECTORS AUTHORISED TO GIVE EFFECT TO RESOLUTIONS "THAT the Directors be and are hereby authorised to do any and all such things as may be necessary to give effect to the above resolutions."			

Signed this.....day of.....2023

Signature(s) of member.....

APPENDIX V – FORM OF PROXY (CONTINUED)

NOTE

- In terms of Section 171 of the Companies and Other Business Entities Act (Chapter 24:31), members are entitled to appoint one or more proxies to act in the alternative and to attend and vote and speak in their place. A proxy need not also be a member of the Company. A Director or Officer of the Company shall not be appointed as a proxy for a shareholder.
- Regulation 74 of the Company's Articles of Association provides that the instrument appointing a proxy shall be deposited at the office of the Company not less than 48 hours before the time appointed for holding the meeting.
- Shareholders in the form of a corporate body must provide documentary evidence establishing the authority of a person signing the Form of Proxy in a representative capacity; this authority must take the form of a resolution of the corporate body.
- According to the approval granted by the ZSE, ordinary resolutions number 1,2 and 3 may be passed by a threshold of 50 per centum plus 1 ordinary shares of the votes of all shareholders present or represented by proxy at the general meeting.

**FOR OFFICIAL USE
NUMBER OF SHARES HELD**

INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY

- A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space provided, with or without deleting "the Chairman of the EGM", but any such deletion must be initialed by the Shareholder. The person whose name appears first on the form of proxy will, unless his/her name has been deleted, be entitled to act as a proxy to the exclusion of those whose names follow.
- A Shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space/s provided as well as by means of a cross whether the Shareholder wishes to vote, for, against or abstain from the resolutions. Failure to comply with the above will be deemed to authorize the proxy to vote or abstain from voting at the EGM as he/she deems fit in respect of all the Shareholder's votes exercisable thereat. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her proxy or cast them in the same way.
- Deletion of any printed matter and the completion of any blank spaces need not be signed or initialed. Any alteration or correction must be initialed by the signatory or signatories
- The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:
 - under a power of attorney
 - on behalf of a company
 unless that person's power of attorney or authority is deposited at the offices of the Company's transfer secretaries, or the registered office of the Company, not less than 48 hours before the meeting.
- If two or more proxies attend the meeting, then that person attending the meeting whose name appears first on the proxy form and whose name is not deleted shall be regarded as the validly appointed proxy.
- When there are joint holders of shares, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders. Seniority will be determined by the order in which names stand in the register of members.
- The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the EGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.
- In order to be effective, completed proxy forms must reach the Company's Transfer Secretaries or the registered office of the Company not less than 48 hours before the time appointed for the holding of the EGM.
- Please ensure that name(s) of the member(s) on the form of proxy and the voting form are the same as those on the share register

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION



(Axia Corporation Limited, incorporated in Zimbabwe on 24 February 2016, under Company Registration Number 1344/2016)

CIRCULAR TO SHAREHOLDERS

Relating to and seeking approvals for:

The Termination of Axia Corporation Limited from the Zimbabwe Stock Exchange and the Subsequent Listing by Introduction of Axia Corporation Limited on the Victoria Falls Stock Exchange.

NOTICE OF AN EXTRAORDINARY GENERAL MEETING

Notice of an Extraordinary General Meeting of the members of Axia Corporation Limited, to be held virtually by electronic means, on Thursday, 2 February 2023, at 0900 hours. The notice was published on Thursday, 12 January 2023 in accordance with the Listings Requirements of the Zimbabwe Stock Exchange ("ZSE") and the Companies and Other Business Entities Act (Chapter 24:31) of Zimbabwe, as set out at the end of this Document. Shareholders are asked to complete and return the attached form of proxy in accordance with the instructions printed thereon, as soon as possible, but not later than 1600 hours, on Tuesday, 31 January 2023.

Financial Advisors



Sponsoring Brokers



Legal Advisors

COGHLAN, WELSH & GUEST
ESTABLISHED 1911
100 YEARS OF PRACTICE

Transfer Secretaries



This Circular is neither a prospectus nor an invitation to the public to subscribe for shares in the Company but is issued in compliance with the Listings Requirements of the ZSE, for the purpose of giving information to the public regarding the Proposed Transaction as more fully set out in this Circular. The Circular is only available in English. Additional copies of this Circular may be obtained from the Company Secretary at 5 Dromore Road, Highlands, Harare or IH Securities (Private) Limited situated at Block 3, Tunsgate Business Park, 30 Tunsgate Road, Mount Pleasant, Harare.

If you are in any doubt as to the action you should take, you should immediately seek advice from your stockbroker, bank manager, legal practitioner, accountant, or other professional advisors. If you no longer hold any shares in Axia, you should send this Circular, as soon as possible, to the stockbroker, bank or other agents through whom the sale of your shareholding in Axia was executed, for onward delivery to the purchaser or transferee of your shares.

All the Directors of Axia Corporation Limited, whose names are given in paragraph 4.2 of the Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no other material facts, the omission of which would make any statement in the Circular false or misleading, and that they have made all reasonable enquiries to ascertain such material facts and that this Circular contains all information required by law.

The Directors confirm that the Circular particulars include all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) that investors and their professional advisors would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer and of the rights attaching to the securities to which the Listing particulars relate.

The Company's lead financial advisors, sponsoring broker, legal advisors and transfer secretaries have consented in writing to act in the capacity stated and to their names being stated in the Circular and have not withdrawn their consents prior to the publication of this Circular.

Date of issue of this document: Thursday, 12 January 2023

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PART II: APPENDICES

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CORPORATE INFORMATION

The information below is given in compliance with the requirements of the Zimbabwe Stock Exchange.

Registered Office	Edward Building 1st Street/Nelson Mandela Avenue Harare Zimbabwe
Physical Address	8 Cambridge Avenue Newlands Harare Zimbabwe
Company Secretary	Prometheus Corporate Services (Private) Limited 5 Dromore Road Highlands Harare Zimbabwe
Financial Advisors	Inter-Horizon Advisory (Private) Limited Block 3 Tungate Business Park 30 Tungate Road Mount Pleasant Harare Zimbabwe
Sponsoring Broker	Inter-Horizon Securities (Private) Limited Block 3 Tungate Business Park 30 Tungate Road Mount Pleasant Harare Zimbabwe
Legal Advisors	Coghlan, Welsh & Guest Legal Practitioners Cecil House 2 Central Avenue (Corner Second Street) Harare Zimbabwe
Independent Auditor's & Reporting Accountants	BDO Zimbabwe Chartered Accountants Kudenga House 3 Baines Avenue Harare Zimbabwe
Transfer Secretaries	Corpserve Registrars (Private) Limited 2nd Floor ZB Centre Corner 1st & Kwame Nkrumah Avenue Harare Zimbabwe

Principal Bankers

First Capital Bank Limited
Barclay House
PO Box 1279
Corner First St & Jason Moyo Ave
Harare
Zimbabwe

NMB Bank Limited
19207 Borrowdale Road
Harare
Zimbabwe

Stanbic Bank Zimbabwe Limited
Stanbic Centre 59
Samora Machel Avenue
Harare
Zimbabwe

CABS
Northend Close
Northridge Park
Highlands
Harare

Ecobank Zimbabwe Limited
Block A, Sam Levy's Office Park
2 Piers Road
Borrowdale
Harare

People's Own Savings Bank Limited
Corner Third Street /Central Avenue
Harare
Zimbabwe

FORWARD LOOKING STATEMENTS

This Circular includes forward looking statements regarding Axia Corporation Limited. Forward looking statements are those other than statements of historical facts, included in this Circular, and include without limitation, those regarding Axia Corporation Limited's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to Axia Corporation Limited's products and services). Any statements preceded by, followed by, or including the words "believes", "expects", "aims", "estimates", "anticipates", "may", "will", "should", "could", "intends", "plans", "seeks", or similar expressions, are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause Axia Corporation Limited's actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such forward looking statements are inherently based on numerous assumptions regarding Axia Corporation Limited's present and future business strategies and the environment in which Axia Corporation Limited will operate in the future. These forward-looking statements speak only as at the date of this Circular. The Directors of Axia Corporation Limited expressly disclaim any obligation or undertaking to disseminate, after the distribution of this Document, any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions, or circumstances on which any such forward looking statement is based, unless legally required to do so.

INTERPRETATIONS AND DEFINITIONS

In this document, unless otherwise stated or the context otherwise requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and vice versa and words importing natural persons shall include juristic persons, whether corporate or incorporate and vice versa.

"Articles"	The Articles of Association of Axia Corporation Limited;
"Axia Corporation Limited" or "Axia" or "the Company" or "the Group"	Axia Corporation Limited, a Public Company incorporated in Zimbabwe on 24 February 2016 under company registration number 1344/2016 and listed on the ZSE;
"Board" or "the Directors"	The Board of Directors of Axia Corporation Limited;
"Broker"	Any person or company registered as a member with the ZSE and authorised to buy and sell shares and other securities on behalf of customers;
"Business Day"	Monday to Friday, but excluding public holidays in Zimbabwe;
"CEO"	Chief Executive Officer;
"Chairman's Letter"	The Chairman's Letter to Axia Corporation Limited shareholders;
"Circular" or "the Document"	This document dated Thursday, 12 January 2023 including the appendices hereto, addressed to Axia Corporation Limited shareholders, which sets out the terms and conditions of the Proposed Transaction;
"Companies Act"	The Companies and Other Business Entities Act (Chapter 24:31);
"Conditions Precedent" or "Delisting Conditions Precedent"	The Conditions Precedent to which the delisting is subject as set out on page 9;
"CSD"	Central Securities Depository;
"EBITDA"	Earnings Before Interest, Taxation, Depreciation, and Amortisation;
"EGM"	Extraordinary General Meeting of Axia Corporation Limited shareholders convened in terms of the Companies Act and the same, to be held at 0900 hours on Thursday, 2 February 2023, virtually by electronic means, at which Axia Corporation Limited shareholders will vote on the Proposed Transaction;
"EPS"	Earnings per share;

INTERPRETATION AND DEFINITIONS (CONTINUED)

"Exchange Control Regulations"	The Exchange Control Regulations promulgated under the Exchange Control Act [Chapter 22:05] including and without limitation, the Exchange Control Regulations, Statutory Instrument 109 of 1996, as amended;
"Form of Proxy"	The Form of Proxy accompanying this Circular;
"IAS"	International Accounting Standards;
"IFRS"	International Financial Reporting Standards;
"IH Advisory"	IH Advisory (Private) Limited, a licenced securities investment advisor with the Securities and Exchange Commission of Zimbabwe, and the financial advisors to the Proposed Transaction;
"Listing by introduction"	Listing by introduction is a way of listing shares already in issue on another exchange. No marketing arrangement is required as the shares for which listing is sought are already widely held;
"Legal Advisors"	Coghlan, Welsh & Guest Legal Practitioners, the legal advisors to the Proposed Transaction;
"MBA"	Master of Business Administration degree;
"NAV"	Net asset value;
"Non-Resident Shareholder(s)"	A holder(s) of Axia Corporation Limited shares who are/is designated as "non-resident" in terms of the Exchange Control Regulations;
"Notice"	The notice of the Extraordinary General Meeting which was published in terms of the Companies Act on Thursday, 12 February 2023, advising Axia Corporation Limited shareholders of the Proposed Transaction and which forms part of this Circular;
"Proposed Transaction"	The delisting of Axia Corporation Limited Shares from the Zimbabwe Stock Exchange and the simultaneous admission of the Company on the Victoria Falls Stock Exchange;
"RBZ"	Reserve Bank of Zimbabwe;
"Record Date"	The date for shareholders to be recorded in the Register eligible to vote at the EGM, scheduled at 1600 hours on Monday, 30 January 2023;
"Register"	The register of shareholders of the Company maintained by the Transfer Secretaries and the sub-register of nominee shareholders maintained by each Broker;
"Registrar"	The Registrar of Companies appointed in terms of the Companies and Other Business Entities Act;
"Reporting Accountants"	Refers to BDO Zimbabwe who are the reporting accountants to the Company;
"Resolutions"	A proposal submitted to shareholders for a vote at the Company's annual meeting or extra-ordinary meeting of members;
"Shareholder(s)"	The holder(s) of ordinary shares of Axia Corporation Limited;
"Shares" or "Security"	The issued and/or authorized share capital of Axia Corporation Limited;
"SI"	Statutory Instrument;
"Sponsoring Broker"	IH Securities (Private) Limited, the sponsoring broker for the Proposed Transaction and a member of the Zimbabwe Stock Exchange;
"Transfer Secretaries"	Corpserve Transfer Secretaries (Private) Limited who provide share transfer secretarial services to Axia Corporation Limited;
"USD"	United States Dollars: the legal tender of the United States of America in which certain monetary amounts in this Circular are expressed;
"VFEX"	Victoria Falls Stock Exchange;
"VFEX Listing Requirements"	The listing requirements of the VFEX;
"Zimbabwe"	The Republic of Zimbabwe;
"ZSE"	The Zimbabwe Stock Exchange, a stock exchange that is established in terms of the Securities and Exchange Act of 2004 (Chapter 24:25) and regulates the conduct of companies whose shares are listed on the Official List and traded on the Zimbabwe Stock Exchange;
"ZSE Listing Requirements"	The Listings Requirements of the ZSE; embodied in SI 134 of 2019;
"ZWL"	The Zimbabwean Dollar; legal tender in Zimbabwe;

SALIENT FEATURES OF THE PROPOSED TRANSACTION

Overview of the Proposed Transaction

At the meeting held on Tuesday 22 November 2022, the Board of Directors of Axia considered the termination of Axia's ZSE Listing, with the intent to list the Company's shares on the VFEX by way of Introduction.

Benefits of the Proposed Transaction

The benefits of the Proposed Transaction include, but are not limited to, the following:

- Revenue retention on incremental exports
- Enhancement of regional prospects and potential mergers and acquisitions with own equity
- Raising of additional capital in hard currency
- Dividends in US\$
- Improved options for capital planning
- Lower exchange control risk
- Taxation incentives for shareholders and potential investors
- Reduces potential valuation volatility - as the Company's market value will be determined in the stable US\$ currency
- Lower trading costs of 2.12% compared to 4.63% on the Zimbabwe Stock Exchange

In the event that the Proposed Transaction does not take place, then Axia will remain listed on the ZSE, and the benefits previously outlined above will not be available to the Company or its shareholders.

Timetable for the Proposed Transaction

Important Dates	
Axia EGM Notice and announcement published	Thursday, 12 January 2023
Voting Record Date, Axia share register closed (at 1600 hours)	Monday, 30 January 2023
Last day of lodging Proxy Forms (at 1600 hours)	Tuesday, 31 January 2023
Axia EGM (at 0900 hours)	Thursday, 2 February 2023
Publication of Results of Axia EGM	Monday, 6 February 2023
Last day of trading Axia Shares	Friday, 24 February 2023
Termination of Axia ZSE Listing	Tuesday, 28 February 2023
Transfer of Axia share register from the ZSE to the VFEX	Thursday, 2 March 2023
Estimated Completion of Axia's VFEX Listing	Friday, 3 March 2023

The above dates may be subject to change and any such change will be published to Shareholders. All times indicated above and elsewhere in the Circular are Zimbabwean local times.

Queries

If you have any questions on any aspect of this Document, please contact your stockbroker, accountant, banker, legal practitioner, or other professional advisors. Alternatively, please contact IH Advisory or IH Securities (whose details are given below):

IH Advisory (Private) Limited

Block 3
Tunsgate Business Park
30 Tunsgate Road
Mount Pleasant
Harare
Zimbabwe
Email: advisory@ih-group.com
Tel: +263 (0) 242 745119/745139/745937

IH Securities (Private) Limited

Block 3
Tunsgate Business Park
30 Tunsgate Road
Mount Pleasant
Harare
Zimbabwe
Email: trading@ihsecurities.com
Tel: 263 (0) 242 745119/745139/745937

SALIENT FEATURES OF THE PROPOSED TRANSACTION (CONTINUED)

Actions to be taken by Axia Shareholders

- Read this Document in its entirety. If you are in doubt as to the action you should take, you should immediately seek advice from an independent stockbroker, bank manager, legal practitioner, accountant, or any other professional advisors of your choice.
- Attend and vote at the EGM to be held on Thursday, 2 February 2023; and
- Shareholders who are unable to attend the EGM, but who wish to be represented thereat, should complete, and sign the Proxy Form included with this Document and ensure it is lodged at the registered offices of Axia being, Edward Building, Corner 1st Street & Nelson Mandela Avenue, Harare, so that it is received by the Transfer Secretaries by no later than 1600 hours, on Tuesday, 31 January 2023. Proxy forms will be accepted at the discretion of the Chairman up to 1 hour before the commencement of the EGM. Shareholders may attend the meeting virtually notwithstanding the completion and return of a Proxy form.
- A director or officer of the Company shall not be appointed as a proxy for a shareholder.

Conditions Precedent

A cautionary announcement has been issued to the Shareholders of Axia informing them of the Company's intention to delist from the ZSE. The ZSE has granted authority to delist Axia's shares from the ZSE subject to the conditions listed below:

- Axia Board approval of the listing of the Company's ordinary shares on the VFEX;
- The passing by shareholders of Axia of the resolutions, by the requisite majority, at an EGM to be held on Thursday, 2 February 2023 in terms of the Notice of the EGM published in the national press dated Thursday, 12 January 2023;
- Obtaining all such other necessary regulatory approvals as may be required, including the issuance of a letter of good standing by the ZSE to Axia.

Documents Available for Inspection

The public may inspect this Circular and the documents available as listed in Section 11 and below between 0800 hours and 1600 hours from Thursday, 12 February 2023 to Tuesday, 31 January 2023 at the Sponsoring Brokers', and Axia's physical offices at the address set out in the "Corporate Information" section of this Document:

- The Memorandum of Association of the Company;
- The substituted Articles of Association of the Company;
- Axia Board Approval of the Proposed Transaction;
- The expert written consent letters;
- The Audited Financial Statements and Notes to the Financial Statements for the three financial years ended 30 June 2020, 30 June 2021 and 30 June 2022 for Axia Corporation Limited and its subsidiaries;
- The ZSE approval letter for the delisting of Axia shares from the ZSE;
- The ZSE approval letter for the distribution of the circular;
- The ZSE letter of good standing.



(Axia Corporation Limited, incorporated in Zimbabwe on 24 February 2016, under Company Registration Number 1344/2016)

Address: 8 Cambridge Avenue, Newlands, Harare, Zimbabwe

Directors: L.E.M Ngwerume (Chairman), T.N Sibanda, T.C Mazingi, Z. Koudounaris, R.M Rambanapasi

CHAIRMAN'S STATEMENT

Dear Shareholder,

The stable macro-economic environment that flowed from the various measures taken by Government to stem the hyperinflationary tide improved business activity in the 2022 reporting period, thereby growing consumer demand and sales volumes above the figures reported in the 2021 financial year. However, the rise in prices of key inputs following the Russia/Ukraine war, and the low 2021/22 agricultural output poses risks to the economic outlook. Furthermore, currency depreciation and foreign currency shortages in Malawi and Zimbabwe remain a threat to the Groups operations.

Despite these hurdles, the Group, maintains a positive long-term view and continues to seek opportunities to preserve and grow shareholder value. In the 2023 financial year, the Group will focus on the execution and completion of the bedding and lounge suite production facilities, the opening of new retail stores and the optimisation of major distribution agencies in Zimbabwe and the region.

To drive the impetus for growth in Zimbabwe and in the region as well as to protect and increase shareholder value, your board has proposed to move the Group Company's share capital from the ZSE to the VFEX. The listing on the VFEX we believe would create an enhanced pathway to the participation of regional and international investors while enabling further penetration of more regional markets.

Amongst other advantages for the proposed listing on the VFEX are:

- Access to USD capital to assist Axia in its capital expenditure, working capital requirements and regional expansion initiatives.
- Free repatriation of dividends and proceeds from the disposal of shares through offshore settlement.
- Favourable tax incentives for investors of zero capital gains tax and a 5% withholding tax for foreign investors to enhance shareholder returns.
- A USD valuation of Axia allowing shareholders to realise the true value of their holdings.
- Lower trading costs of 2.12% compared to 4.63% on the ZSE.

Based on the above, your board recommends that Axia Corporation Limited migrates its listing from the ZSE to the VFEX.

12 January 2023

A handwritten signature in black ink, appearing to read 'L. Ngwerume', with a small flourish at the end.

Luke Ngwerume
Independent, Non-Executive Chairman of the Board of Directors

DETAILS OF THE PROPOSED TRANSACTION

1. OVERVIEW OF THE PROPOSED TRANSACTION

1.1. The Proposed Delisting of Axia Corporation Limited from the ZSE

At the meeting held on Tuesday 22 November 2022, the Board of Directors of Axia considered the termination of Axia's ZSE Listing, with the intent to list the Company's shares on the VFEX. The Board subsequently passed a resolution relating to the above due to the rationale of the Proposed Transaction outlined below:

1.2. Benefits of Listing on the VFEX

1.2.1. Better access to USD Capital

Axia will have greater ability to raise capital in foreign currency to support the Group's foreign currency requirements. The VFEX's potential to become a regional exchange enhances Axia's opportunity to attract a broader investor base which would assist the Company in its domestic and regional expansion drive.

Furthermore, the US\$ reporting requirement on the VFEX will contribute to a lower risk perception for Axia. This will provide the Company with increased leverage to access other forms of finance at favourable terms.

1.2.2. Lower Trading Costs and Increased Liquidity

The VFEX's lower trading costs of 2.12% compared to 4.63% on the ZSE would enable the Company to make savings and retain more value for shareholders.

1.2.3. Offshore settlement which allows for efficient dividend repatriation

Foreign shareholders on the VFEX can freely repatriate their dividends and proceeds from the disposal of shares.

1.2.4. Tax Incentives for Axia Shareholders

The VFEX offers tax incentives for shareholders which include a 5% withholding tax on dividends and no capital gains tax on share disposal, thus providing optimised earnings for shareholders compared to the ZSE.

1.2.5. Enhanced Regional Profile of Axia

The Company's migration from the ZSE to the VFEX would potentially improve the Company's regional profile and commercial standing, strengthening the Company's prospects for both local and regional expansion.

1.2.6. Reduced Valuation Volatility caused by currency translation

Provision of a de facto third-party USD valuation of the Company enables Axia's existing shareholders to realise the real value of their holdings and to provide a more accurate benchmark of the stock's performance while mitigating valuation volatility.

1.2.7. More proficient Financial Reporting for Axia's Consolidated Financials

Entities listed on the VFEX are required to report in US\$, resulting in the efficient consolidation of Axia's subsidiaries' earnings into the Group's financial statements. Axia will publish proforma US\$ interim financial statements for the 6 months ended December 2022 and also publish full-year US\$ financial statements from June 2023.

1.3. Estimated Transaction Fees and Related Expenses

Expense	Fee (US\$)
Advisory Fees	26,500
Sponsoring Broker	3,125
Legal Fees	9,000
Transfer Secretaries	7,500
Printing & Distribution	3,000
ZSE Document Review Fees	4,250
VFEX Application Fees	2,700
Total	US\$56,075

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

2. OVERVIEW OF AXIA CORPORATION LIMITED

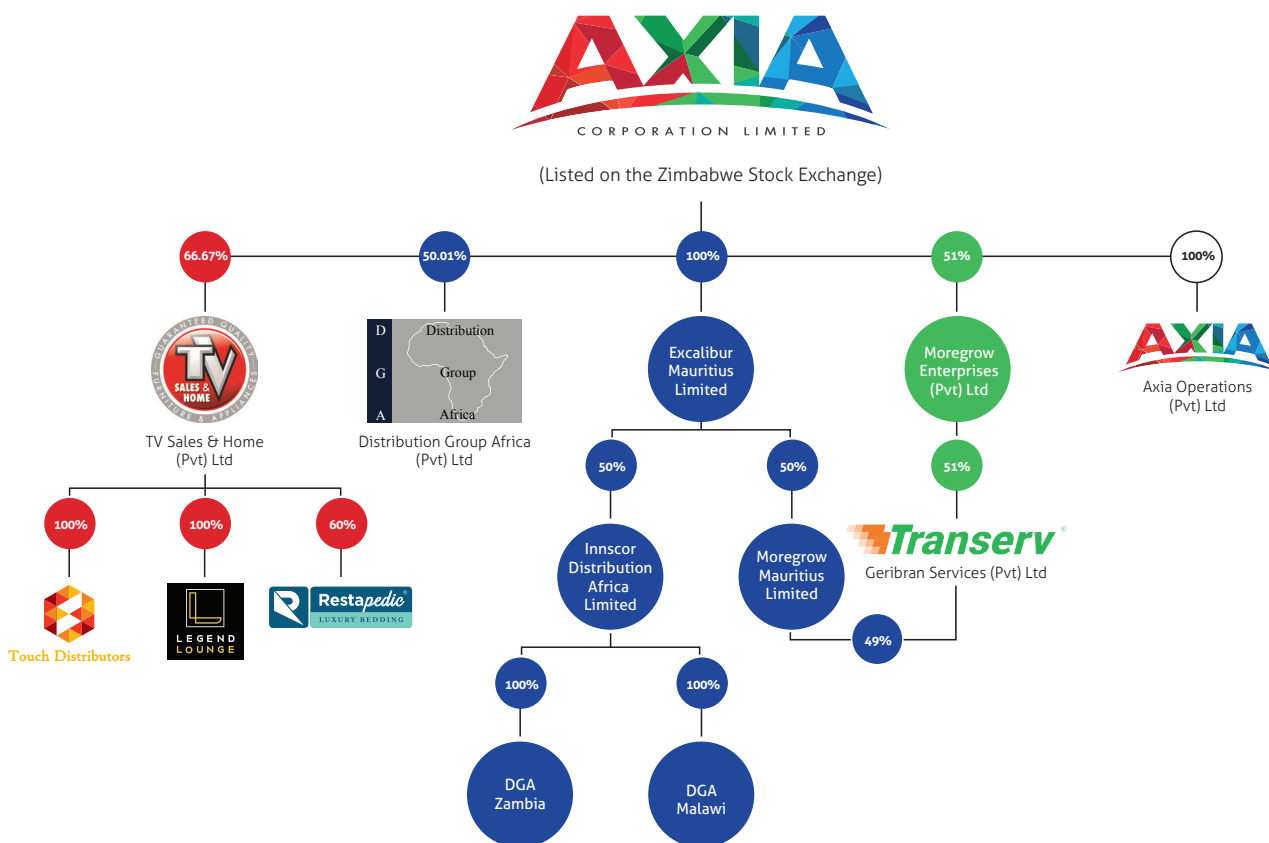
2.1. History of Axia Corporation Limited

Axia Corporation Limited was incorporated on the 24th of February 2016 and acquired through a scheme of reconstruction on the 1st of April 2016. The Net Assets of Innscor Africa Limited's Specialty Retail and Distribution business were exchanged for 541 593 440 shares in Axia. A new head office structure for Axia was established with effect from 1 April 2016 to monitor and support the operations of Axia's subsidiary companies. Axia listed on the Zimbabwe Stock Exchange on 17 May 2016, following its unbundling from Innscor Africa Limited and, adopted 30 June as its financial year end.

Axia Corporation Limited operates within the specialty retail and distribution sector. It has three operating business units, namely TV Sales & Home ("TVSH"), Transerv and Distribution Group Africa ("DGA"). The Company owns 66.67% of TVSH, 50.51% of Transerv, 50.01% of DGA Zimbabwe and 50% of DGA regional businesses. TVSH is Zimbabwe's leading furniture and electronic appliance retailer with sites located countrywide. Transerv retails automotive spares and accessories through retail stores and fitment centres to service the needs of its customers countrywide. 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 and chilled warehousing, logistics, marketing, sales, and merchandising services.

2.2 Axia Corporation Limited Group Structure

Below is Axia's Group Structure as at 30 June 2022:



DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

2.3 Operations

2.3.1 TV Sales & Home

TV Sales & Home (Pvt) Ltd ("TV Sales & Home") was launched in 1968 as a small retail store in Harare trading as TV Sales & Hire. In these early days, TV Sales & Hire's business model focused mainly on selling electronic appliances on credit via the "Hire to Buy" scheme. From one store, the brand expanded to various stores across Zimbabwe. The product range also expanded to include a range of furniture and during the 90's, the brand stopped its lease hire offering. In the 2000's the brand was re-invented as the sourcing of products improved and during this time, TV Sales & Hire became known as the leader in quality branded electronics in Zimbabwe. In 2008, a decision was made to expand the range of furniture to increase the product portfolio resulting in the company being re-branded to "TV Sales & Home".

Today, TV Sales & Home is the leading furniture and electronic retail brand in Zimbabwe with 52 retail sites located countrywide totalling 33,338m² with a staff complement of 470. The business maintains strong long-term partnerships with both the local and foreign suppliers. The TV Sales & Home brand is synonymous with quality and trust which has been built over 54 years of trading in the Zimbabwean market.

In most recent years, the business has continued to strengthen its business model through growth in distribution and local manufacturing by acquiring two manufacturing businesses, namely, Legend Lounge and Restapedic Manufacturing and a distribution unit, Touch Distributors. Despite the economic challenges being faced in the retail sector, TV Sales & Home has continued to increase its retail footprint to maintain market dominance.

The Legend Lounge business model includes the manufacturing and selling of both fabric and leather lounge suites. The business is one of the leading manufacturers of lounge suites in Zimbabwe which has a manufacturing plant located in Msasa, Harare, with a staff complement of 191. Legend Lounge maintains strong relationships with key raw material suppliers to ensure quality products can be produced.

Restapedic Bedding, as a company, was formed in 2010 but has been making beds for the last 15 years and has developed a reputation in the local and regional market as a quality bed manufacturer. The business produces a full range of beds for both the local and northern markets, with its main exports being to Zambia and Malawi. Restapedic's biggest market is into the retail trade but have also supplied most of the large hotel chains and schools. The business manufactures several different levels of beds to suit all budgets and comfort levels, although there are countless combinations possible depending on specific requirements. These will include hotel specification, never turn, pillow tops, box tops to name a few. TV Sales & Home owns 60% of Restapedic Bedding. Restapedic Bedding's objective is to become the market leader of quality, value for money products ensuring complete customer satisfaction by a highly dedicated and driven team.

Touch Distributors is a recently established trading company that was activated to take advantage of the opportunities in the household appliance and homeware segments of the Zimbabwean market. With the resurgence of the mining and agricultural sectors coupled with the diaspora inflows, the home appliance and homeware markets are under-served with massive potential for growth due to increased demand. The company actively sources household appliances and homeware for importation and distribution to the Zimbabwe wholesalers and retailers and is located in Milton Park, Harare with a staff complement of 6. Touch Distributors is wholly-owned by TV Sales & Home.

2.3.2 Transerv

Transerv is a proudly Zimbabwean brand, established in 2002 initially as a cross border transport company importing automotive spares for light vehicle workshops. Transerv capitalised on a niche market opportunity that arose in the spares wholesale market supplying larger operators with fast moving stock. Following Zimbabwe's dollarization in 2009, the wholesale market became more competitive, and a decision was taken to expand into the retail space with the first retail branch opened in Graniteside in May 2009.

Today, Transerv employs 320 people and utilises multiple retail channels to service the needs of its customers countrywide, operating through a network of 31 branded Transerv retail branches. Three of these Transerv retail branches were formerly franchised Midas stores. The retail network operates a total of 9,453m² in space.

In addition, Transerv Fitment Center was launched as a complementary brand to offer customers a venue to fit their tyres, batteries and suspension, etc. bought at Transerv. There are now 13 Transerv fitment centres operating from a total of 4,272m² spread across the country. The company also operates specialist automotive businesses, namely Transerv Clutch and Brake (formerly Clutch & Brake Specialists (CBS).

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

2.3.3 Distribution Group Africa (DGA)

DGA was founded in 1999 by Innscor Africa Limited and has grown to become one of the largest and most successful distribution businesses in Zimbabwe, Zambia, and Malawi. The business has exclusive relationships with many blue-chip brands namely Colgate, Johnson & Johnson, Tiger Brands, Unilever and AVI International. It also counts amongst its principals Kelloggs, 3M and Rhodes Foods to name a few. Locally, amongst the main business principals are Irvine's Zimbabwe, ProBrands, ProBottlers, ProDairy and National Foods Limited.

The business boasts world class warehousing capability and vehicle fleets. It is equally proficient in both ambient and chilled/frozen logistics and warehousing. The core areas of expertise lie in inbound clearing and bonded warehousing, ambient and chilled/frozen warehousing, logistics, marketing, sales, and merchandising services in all 3 countries.

DGA owns two warehouses measuring 11,000m², leases four warehouses measuring 19,667m², and has a fleet of 125 vehicles with varying carrying capacities of up to 40 tonnes each. The company employs a total 1,417 staff with 940 in Zimbabwe, 346 in Zambia and 131 in Malawi respectively. Included in these workforces are merchandisers numbering 432 in Zimbabwe, 116 in Zambia and 34 in Malawi. In addition, DGA is in partnership with National Foods Logistics where they jointly own 55 Haulage trucks dedicated to distributing National Foods products. Having won numerous All Africa Awards for being one of the top distributors in Africa, DGA is well positioned for continued profitable long-term growth.

3. ORDINARY SHARE CAPITAL

The share capital of Axia as at 30 June 2022 is shown below:

3.1. Authorised:

999 999 000 ordinary shares of ZWL 0.0001 each and 1 000 Non-Voting Class "A" ordinary shares of ZWL 0.0001 each.

3.2. Issued and fully paid

556 000 308 (2021: 552 150 308) ordinary shares of ZWL 0.0001 each and 1 000 Non-voting Class "A" ordinary shares of ZWL 0.0001 each.

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

Issued share capital increased by 3 850 000 shares during the year as a result of some share options issued to the Directors and other Key Management of the Group which were exercised. Below is the movement in shares during the year:

	June 2022	June 2021
At the beginning of the year	552,150,308	546,469,374
Issue of shares through exercising of share options	3,850,000	5,680,934
At end of year	556,000,308	552,150,308

3.2.1 Indigenisation Share Options

As at 30 June 2022, Axia Corporation Limited had two Share Option agreements arising from the Group's indigenisation transaction shown below.

- 1) The first option agreement is with an indigenous company, Benvenue Investments (Private) Limited ("Benvenue"). The terms of the Benvenue. Share Option are as follows:

Number of shares available:	Fifty Million (50 000 000)
Tenure:	10 years (until January 2024)
Pricing:	The higher of – 75% of the volume weighted average price of Axia Corporation Limited shares over the previous 60 trading days; or for the first five years (until January 2019), USD 0.19 per share and, for the second five years, USD 0.28 per share.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

- 2) The second option is with the Axia Corporation Limited Employee Share Trust. The terms of the Axia Corporation Limited Employee Share Trust Option are as follows:

Number of shares available:	Thirty Million (30 000 000)
Tenure:	10 years (until January 2024)
Pricing:	At the volume weighted average price of Axia Corporation Limited shares over the previous 60 trading days.

At the end of the financial year, this share option scheme had a remaining contractual life of one and a half years and no shares had been issued to the Axia Corporation Limited Employee Share Trust. The share options arising from the Group's indigenisation transaction were not dilutive at the end of the financial year.

3.2.2. Axia Corporation Limited Employee Share Option Scheme

Share options are granted to Directors and to certain executives of subsidiaries of the Group. The total number of shares available for the scheme of 54 159 344 was approved by shareholders in a General Meeting, and the number of options granted is calculated in accordance with the performance-based criteria approved by the Board's Remuneration Committee. The number of share options are limited in line with the Zimbabwe Stock Exchange (ZSE) regulations. The pertinent terms of the Axia Corporation Limited Employee Share Option Scheme are as follows;

Maximum number of shares available:	54 159 344
Vesting Period:	Can be exercised after 3 years and before the end of 5 years
Exercise Price:	The higher of 45-day volume weighted average price of Axia Corporation Limited shares immediately preceding the offer date, or the nominal value of the shares.
Expiry Period:	2 years from the date on which each option may first be exercised.

Under the scheme, up to 1% of the issued share capital of the Company (5 415 934 shares) are availed to Directors and Key Management of the Group annually over a 10-year period. Options are conditional on the employee completing three years of service (vesting period).

The shares are awarded, subject to the achievement of a Headline Earnings growth performance condition outlined in the approved scheme document. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The following reconciles share options at the beginning and at the end of the year:

	Number of options June 2022	Number of options June 2021
Balance at the beginning of the year	3,850,000	9,530,934
Granted during the year	-	-
Exercised during the year	(3,850,000)	(5,680,934)
Forfeited during the year	-	-
Balance at the end of the year	-	3,850,000

3 850 000 shares were exercised during the year and the same number of shares vested during the year.

3.3. Voting Rights

The authorized but unissued and issued Axia ordinary shares are the same class and rank pari passu in every respect.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

3.4. Capital Adequacy, Working Capital and Cashflow

The Group has been prudent in its cashflow management to the extent that its credit facilities with foreign suppliers were not fully utilised. The Group generated cash from operations which translated into enhanced free cash, enabling it to incur capital expenditure and execute exciting expansion opportunities like the bed production facility. The Group's management teams will continue to optimally manage the Group's gearing levels, that is to align the quantum and cost of debt deployed across the Group, focus on improving free cash flows, invest free funds into assets with attractive returns, manage foreign currency exposure and ensuring the balance sheet value remains protected in real terms. New retail stores will be added to the current network, whilst optimising major distribution agencies in Zimbabwe and the region will continue to be an area of focus.

The Board and Management are confident that the Group is in a sound financial position.

4. CORPORATE GOVERNANCE

4.1. Introduction

Axia is committed to the principles of good corporate governance as laid out in the King IV code, National Code on Corporate Governance in Zimbabwe, the new Companies and other Business Entities Act (Chapter 24:31) and other international best practices on corporate governance. The Directors recognise the need to conduct the affairs of the Group based on principles of transparency, integrity, accountability and in accordance with generally accepted corporate practices, in the interests of its shareholders, employees and other stakeholders. This process enables the Group's shareholders and other stakeholders to derive the assurance that, in protecting and adding value to Axia's financial and human capital investment, the Group is being managed ethically, according to prudently determined risk parameters and best practices.

4.2. Board of Directors

The primary responsibility of the Board is to discharge its fiduciary responsibility to the Shareholders and the Company. The Board is accordingly, the highest policy organ of the Company and also directly responsible for providing strategic direction. The Board meets quarterly to monitor the performance of management and to ensure proper control over the strategic direction of the Group.

The Board comprises of two executive Directors, and three independent non-executive Directors and one non-independent non-executive Director. The Non-Executive Directors provide crucial independence and guidance to the Company's strategic decision-making process and corporate governance practices.

The Board is made up of individuals with proven track records and a wide range of different skills and experience, which they employ for the benefit of the Group. The selection and nomination process of board members takes into consideration diversity, independence and expertise, with due consideration of the business' stakeholders' interests. The Directors are allocated responsibilities in sub-committees where they have strategic strengths. Short biographies of each of the Directors are disclosed below. Each business within the Group has a formal Board with clearly defined responsibilities and objectives, for the day-to-day running of its operations.

The full names, addresses and positions of the Directors of Axia are set out below:

Full Name	Address	Position
Luke Edward Mathew Ngwerume	8 Cambridge Avenue, Newlands, Harare, Zimbabwe	Independent Non-Executive Chairman
Thembinkosi Nkosana Sibanda	8 Cambridge Avenue, Newlands, Harare, Zimbabwe	Independent Non-Executive Director
Thembiwe Chikosi Mazingi	8 Cambridge Avenue, Newlands, Harare, Zimbabwe	Independent Non-Executive Director
Zinona Koudounaris	8 Cambridge Avenue, Newlands, Harare, Zimbabwe	Non-Executive Director
Ray Munyaradzi Rambanapasi	8 Cambridge Avenue, Newlands, Harare, Zimbabwe	Group Chief Executive Officer

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

Luke Edward Mathew Ngwerume - Independent Non-Executive Chairman

Luke Ngwerume is a holder of a Masters in Business Administration from the University of Cape Town Business School. He is a retired Group CEO of Old Mutual, the largest integrated financial services group in Zimbabwe. He comes from an investment background and is a seasoned business leader in Zimbabwe.

Other Directorships: Old Mutual Nigeria.

Theminkosi Nkosana Sibanda - Independent Non-Executive Director

Theminkosi Sibanda graduated from the University of Zimbabwe in 1978 majoring in Accounting, and subsequently joined Barclays Bank of Botswana at its Head Office in Gaborone. Having returned to Zimbabwe in the early 1980's he qualified as a Chartered Accountant. He has remained in the profession since, and has worked in compliance and audit for the past 38 years at Schmulian & Sibanda where he is the Principal.

Other Directorships: Edgars Stores Limited (Chairman of the Board), Padenga Holdings Limited (Chairman of the Board), Innscor Africa Limited and PPC Zimbabwe Limited.

Thembiwe Chikosi Mazingi - Independent Non-Executive Director

Thembiwe Mazingi (Thembi) is a partner in the legal firm, Coghlan, Welsh & Guest, a position she has held since 1989, having joined the firm in 1982. Her responsibilities include providing legal services and advice on the law of property, conveyancing and notarial practice, trusts, estate planning, taxation, commercial law, corporate compliance and regulatory issues more particularly the interpretation of a diverse range of legislation, evaluating its impact on organisations and policy development, intellectual property law (patents, trademarks, industrial designs and copyrights). Thembi is a specialist in International Tax Law, holding an advanced certificate in International Taxation from the International Bureau of Fiscal Documentation (IBFD) in Amsterdam and is also a holder of a Masters in Business Administration from the University of Zimbabwe.

Other Directorships: Ariston Holdings Limited and African Century Limited.

Zinona Koudounaris - Non-Executive Director

Born in Zimbabwe, Zinona Koudounaris (Zed) completed his tertiary education at Rhodes University in South Africa where he attained a Bachelor of Commerce degree, majoring in Business and Computer Science. Zed is a founder shareholder of Innscor Africa Limited (Innscor). He was the driving force behind the initial creation and success of Innscor's core Quick Service Restaurant brands, now Simbisa Brands Limited. Zed has held a number of positions within Innscor, including Chief Executive Officer upon Innscor's listing in 1998. Zed remains highly active in pursuing strategic growth opportunities for Axia Corporation Limited and providing guidance to its management team. Zed currently sits on the Boards of Directors of Axia Corporation Limited, Innscor Africa Limited and Simbisa Brands Limited.

Ray Munyaradzi Rambanapasi - Group Chief Executive Officer

Ray Rambanapasi (Ray) is a Chartered Accountant experienced in financial analysis, financial control and reporting, corporate finance and internal control.

He joined Innscor Africa Limited in December 2011 as an Assistant Group Finance Manager and was promoted to Group Finance Manager in 2013. Prior to joining Innscor Africa Limited, Ray worked for PricewaterhouseCoopers (PwC) where in his last year was an Assistant Audit Manager.

Of the experience gained at PwC, he spent 6 months in the United States of America, New York City Office - Alternative Investments department, where he spent time coaching and supervising audit teams as well as reviewing valuations of private equity firms.

Ray is also a holder of a Masters in Business Administration from the University of Cape Town Business School.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

4.3. Directors' Interests

The Group believes that it is the responsibility of the Board and management to lead by following acceptable ethical business practices. Therefore, all Directors and Management are required to declare interests which might be deemed in conflict with their contracts with the Group. Directors are required to complete disclosure forms for all Board and Committee meetings. Where there is a conflict, the Director concerned is excused from the meeting and/or the deliberation of the issue arising.

The Group has leased properties from various companies in which some of the Directors have a financial or custodial interest. The leases are undertaken at arm's length basis. The Group also receives professional services fees from firms in which a non-executive director has a direct interest. The services are provided at market related prices. As at 30 June 2022, transactions with Directors were as follows:

	INFLATION ADJUSTED		HISTORICAL	
	2022 ZWL	2021 ZWL	2022 ZWL	2021 ZWL
Lease payments	108 468 305	13 505 641	52 346 678	4 348 514
Professional fees to Director related entity	97 482 764	73 770 459	69 630 546	21 301 043
	205 951 069	87 276 100	121 977 224	25 649 557

The beneficial interests of the Directors in the shares of the Company are given below.

At 30 June 2022, the Directors held, directly and indirectly, the following number of shares:

	Group 30 June 2022 # of shares	Group 30 June 2021 # of shares
J. Koumides*	3,768,983	3,418,983
Z. Koudounaris	114,612,912	114,332,912
T.C. Mazingi	861,802	581,802
T.N. Sibanda	980,000	700,000
R.M. Rambanapasi	114,985	927,885
L.E.M. Ngwerume	40,000	503,906
	120,378,682	120,465,488

* J. Koumides retired as CEO effective 31 December 2022.

4.4. Audit and Risk Committee

The Group has an audit and risk committee that assists the Board in the fulfilment of its duties. 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.

The committee meets at least three times a year and its responsibilities include but are not limited to the following:

- Ensuring that financial reporting across the Group is transparent, accurate and reliable;
- Overseeing and managing the performance, functioning and effectiveness of the organisation's finance and risk functions and internal audit functions;
- Assisting the Board in fulfilling its corporate governance oversight responsibility with regards to the identification, evaluation and mitigation of operational, strategic and external risks;
- Monitoring and reviewing the organisation'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.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

4.5. Remuneration and Nomination Committee

The remuneration and nomination committee comprises three independent non-executive Directors, one non-independent non-executive Director and one executive Director. The remuneration and nomination committee's mandate has two primary responsibilities.

- It is to evaluate and sanction the appointment of, and remuneration packages for, all Board members, Executive Directors and senior management. In doing so, it will develop and implement 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 in order that they continuously work to elevate and contribute to the Group's success.
- The committee is also responsible for orchestrating succession planning within the Company, particularly that of the chief executive and executive management.

4.5.1. Criteria for Nomination

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.

4.6. Dealing in Shares

The Company has a policy in line with the Zimbabwe Stock Exchange Listing Requirements prohibiting dealings in shares by Directors, officers, executive management and all Group staff 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; or
- 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; or
- The period from the expiry of the first six months of the Group's financial year to the date of publication of the Company's interim results; or
- Any period when the Company is trading under cautionary announcement.

4.7. Professional Advice

It is the Group's Policy that where justifiable, Directors shall be 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.

4.8. Remuneration of Directors

Remuneration packages for Directors are determined by the Group's Remuneration Committee. These packages include a guaranteed salary as well as performance-related incentives linked to the achievement of pre-set profit targets and levels of free cashflow. As at 30 June 2022, there were no loans from the Company to any Directors. As at 30 June 2022, 9,530,934 share options were granted to Directors and certain senior management and executives, and of these 3 850 000 were exercised during the year bringing a total share options exercised to 9,530,934.

For the year ended 30 June 2022, the Directors were remunerated as follows:

	Inflation Adjusted		Historical Cost	
	2022	2021	2022	2021
Independent, non-executive director fees	124,073,211	16,630,285	59,877,587	8,245,185
Non- Independent, non-executive director fees	9,249,761	1,250,599	7,663,050	4,687,605
	133,322,972	17,880,884	67,540,637	12,932,790

4.9. Ethics and Business Integrity

Professional and ethical standards are an integral part of how the Company conducts its business affairs. The Group recognises that investor and stakeholder perceptions are based on the manner in which the Company, its Directors, management and staff conduct business and the Group therefore strives to achieve the highest standards of integrity and business ethics at all times.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

5. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

5.1. Capital Commitments

Axia had the following capital commitments as at 30 June 2022.

Capital expenditure commitments	Inflation Adjusted		Historical Cost	
	2022	2021	2022	2021
	Audited ZWL	Unaudited ZWL	Unaudited ZWL	Unaudited ZWL
Authorised and contracted	1,214,759,700	163,422,296	1,214,759,700	56,050,560
Authorised but not contracted	4,442,582,200	2,702,822,428	4,442,582,200	927,020,646
Total	5,657,341,900	2,866,244,724	5,657,341,900	983,071,206

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

5.2. Contingent Liabilities

There were no contingent liabilities as at 30 June 2022.

6. MATERIAL CONTRACTS

As at 30 June 2022, Axia had not entered any material contracts, other than in the ordinary course of business.

7. LITIGATION STATEMENT

Other than those disclosed, the Company is not involved in any other material litigation or arbitration proceedings which may have, or which have had, during the twelve months preceding the date of this Circular, a significant effect on the financial position of Axia nor is the Company aware that any such proceedings are pending or threatened.

8. SHARE INFORMATION

8.1. Axia Shareholding Structure

The table below details the top 20 shareholders of Axia as of 6 January 2023:

Rank	Name	Shares	Percentage
1	Z.M.D INVESTMENTS (PVT) LTD	107,468,922	19.33
2	H M BARBOUR (PVT) LTD	100,024,000	17.99
3	STANBIC NOMINEES (PVT) LTD	62,285,148	11.20
4	OLD MUTUAL LIFE ASS CO ZIM LTD	53,120,432	9.55
5	SARCOR INVESTMENTS (PVT) LTD	22,484,058	4.04
6	SCB NOMINEES 033663900002	19,228,678	3.46
7	PHARAOH LIMITED	13,346,039	2.40
8	MINING INDUSTRY PENSION FUND	8,238,931	1.48
9	MUSIC VENTURES (PVT) LTD	7,465,382	1.34
10	CITY AND GENERAL HOLDINGS P/L	6,822,598	1.23
11	ELECTROLUX (PVT) LTD	5,212,939	0.94
12	NSSA - NATIONAL PENSION SCHEME	4,601,775	0.83
13	NSSA - WORKERS COMPENSATION IF	4,162,354	0.75
14	THE ROY TURNER TRUST	3,550,810	0.64
15	AMZIM PENSION FUND-INVESCI	3,431,926	0.62
16	PUBLIC SERVICE COMMISS PF-INVE	3,255,276	0.59
17	J-SOFT (PVT) LTD	3,246,280	0.58
18	DELTA BEVERAGES PENSION FUND	3,160,286	0.57
19	INNSCOR PENSION FUND -INVESCI	2,985,109	0.54
20	XYLON INVESTMENTS PVT LTD	2,931,900	0.53
	Total	437,022,843	78.60
	Other Shareholders	118,977,465	21.40
	Total Number of Shares in Issue	556,000,308	100.00

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

8.2. Share Price History

The tables below provide statistical information on the market price and volumes traded of Axia's shares:

Daily Share Price

Date	Price	Volume
06/12/2022	64.20	123,600
07/12/2022	67.10	169,300
08/12/2022	67.03	4,100
09/12/2022	67.05	300
12/12/2022	67.05	0
13/12/2022	70.02	14,700
14/12/2022	80.29	60,100
15/12/2022	86.62	29,100
16/12/2022	99.57	59,400
19/12/2022	100.41	31,100
20/12/2022	100.37	107,900
21/12/2022	100.32	201,800
23/12/2022	104.18	145,300
28/12/2022	114.35	4,600
29/12/2022	110.21	197,300
30/12/2022	111.22	180,900
03/01/2023	110.00	80,000
05/01/2023	108.80	32,800
06/01/2023	110.00	11,300

Monthly Share price

Date	Volume Weighted Average Monthly Price	Volume
31/12/2021	28.30	1,836,800
31/1/2022	40.58	1,500,400
28/2/2022	59.70	4,831,600
31/3/2022	63.90	3,708,400
29/4/2022	145.69	2,052,000
31/5/2022	116.84	2,471,800
30/6/2022	123.85	2,253,300
29/7/2022	86.05	1,778,900
31/8/2022	66.71	1,346,500
30/9/2022	38.41	5,488,900
31/10/2022	54.63	2,994,200
30/11/2022	70.80	1,735,000
30/12/2022	85.58	1,874,800

Quarterly Share Price

Date	Volume Weighted Average Quarterly Price	Volume
31/3/2022	58.39	10,040,400
30/6/2022	127.91	6,777,100
30/9/2022	52.67	8,614,300
30/12/2022	99.59	6,604,000

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

9. EXPERTS' CONSENTS

The Lead Financial Advisors, Sponsoring Brokers, Legal Advisors and Transfer Secretaries have submitted their written consents to act in the capacities stated and to their names being stated in this Circular, which consents have not been withdrawn as at the date of this Circular. The above-mentioned consents are available for inspection by interested parties in terms of Paragraph 11.

10. REGULATORY ISSUES

The ZSE approved the distribution of this Circular on 6 January 2023.

11. DOCUMENTS AND CONSENTS AVAILABLE FOR INSPECTION

The public may inspect this Circular and the documents available as listed below between 0800 hours and 1600 hours on Thursday, 12 January 2023 to Tuesday, 31 January 2023 at the Sponsoring Brokers', and Axia's physical offices at the addresses set out in the "Corporate Information" section of this Document:

- The Memorandum of Association of the Company;
- The substituted Articles of Association of the Company;
- Axia Board Approval of the Proposed Transaction;
- The expert written consents letters;
- The Audited Financial Statements and Notes to the Financial Statements for the three financial years ended 30 June 2020, 30 June 2021 and 30 June 2022 for Axia Corporation Limited;
- The ZSE approval letter for the delisting of Axia shares from the ZSE;
- The ZSE approval letter for the distribution of the circular;
- The ZSE letter of good standing.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names appear below, collectively, and individually accept full responsibility for the accuracy of the information provided in this Circular and certify that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement false or misleading. They have made all reasonable enquiries to ascertain such facts, and that this Circular contains all information required by law, ZSE and VFEX listing rules.

The Directors confirm that this Circular includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquires) that investors and their professional advisors would reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits or losses and prospects of the issuer, and of the rights attaching to the securities to which the listing particulars relate.

Director's Name	Position	Signature
Luke Edward Mathew Ngwerume	Independent Non-Executive Chairman	[Signed on original]
Ray Munyaradzi Rambanapasi	Group Chief Executive Officer	[Signed on original]
Zinona Koudounaris	Non-Executive, Non-Independent Director	[Signed on original]
Thembiwe Chikosi Mazingi	Non-Executive, Independent Director	[Signed on original]
Thembinkosi Nkosana Sibanda	Non-Executive, Independent Director	[Signed on original]

APPENDIX I: INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF INFLATION ADJUSTED CONSOLIDATED FINANCIALS OF AXIA CORPORATION LIMITED FOR THE YEAR ENDED 30 JUNE 2022



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REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS

AXIA CORPORATION LIMITED

Adverse Opinion

We have audited the inflation adjusted financial statements of AXIA CORPORATION LIMITED AND ITS SUBSIDIARIES, which comprise the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matters discussed in our Basis for Adverse Opinion section of our report, the inflation adjusted consolidated financial statements do not present fairly, the financial position of AXIA CORPORATION LIMITED AND ITS SUBSIDIARIES as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Adverse Opinion

Non-compliance with International Accounting Standard 21 (IAS 21), The Effects of Changes in Foreign Exchange Rates and International Accounting Standard 8, Accounting Policies, Changes in Accounting Estimates and Errors

- a) Fair statement of opening balances and comparative financial statements. Prior to 22 February 2019, the Zimbabwean economy was characterized by a multi-tiered pricing model. Under the model, a single product had different prices depending on the mode of payment, whether United States Dollar (US Dollar), Real Time Gross Settlement (RTGS), mobile money or bond notes. The multi-tiered pricing model was evidence of the emergence of a new currency, the Zimbabwe Dollar (ZWL), which was being used alongside these modes of payment. The new currency, the ZWL, was then formally acknowledged through the issue of Statutory Instrument 33 of 2019 (S.1 33) "Presidential Powers (Temporary Measures) Amendment of Reserve Bank of Zimbabwe Act and Real Time Gross Settlement Electronic Dollars (RTGS) Regulations, 2019. The statutory instrument prescribed parity between the US Dollar and the new local currency (the ZWL) up to the effective date of 22 February 2019.

The new functional currency (ZWL) was effective from 22 February 2019, instead of the fourth quarter of 2018 as evidenced by the separation of the bank accounts into foreign currency accounts and non-foreign currency accounts. The statutory instrument also prescribed how US Dollar balances were to be translated to ZWL. The delay in recognizing the ZWL as a currency and the translation method of balances from US Dollar to ZWL resulted in misstatement of comparative financial statements and current year earnings balance of ZWL 8,870,917,677 and property, plant and equipment of ZWL 4,812,119,953.

These financial statements have not been restated in line with International Accounting Standards 8 (IAS 8), Accounting Policies, Changes in Accounting Estimates and Errors, to account for misstatements in the opening balances and comparable financial statements.

- b) Inconsistent use of spot exchange rates. The Group did not comply with the requirements of IAS 21 on the spot exchange rates used to translate similar transactions and balances in the prior and current year. IAS 21 defines spot exchange rate as the exchange rate available for immediate delivery or the exchange rate the company would have access to at the end of the reporting period. Revenues were translated to the functional currency using the auction exchange rate while some expenses were translated using internally determined exchange rates. Similarly, the Group used different internally determined exchange rates to translate monetary assets and liabilities as at reporting date.

Had the Group been consistent in the choice of spot exchange rates to use for similar transactions and balances, the inflation adjusted financial statements would have been materially different from the disclosed balances. The financial impact of the non-compliance has not been determined.

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.

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 Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (Parts A and B), together with other ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 judgement were of most significance in our audit of financial statements. Except for the matters described in the Basis for Adverse of Opinion section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

The Directors are responsible for other information. The other information comprise the Chairman's Statement, which we obtained prior to the date of this report and the Annual Report, which is expected to be made available to us after that date. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

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

Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue operating 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 International Standards on Auditing (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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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 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 the Directors.
- Conclude on the appropriateness of Group'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 operating 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 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 auditors' 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 financial statements, including the disclosures, and whether the 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

In our opinion, except for the significance of the matters discussed in the Basis for Qualified Opinion section of our report, the accompanying inflation adjusted consolidated financial statements have in all material respects been properly prepared in compliance with the requirement of section 273 of the Companies and Other Business Entities Act (Chapter 24:31).



BDO Zimbabwe

Chartered Accountants

Per: Davison Madhigi CA(Z)

Partner Registered Public Auditor PAAB Certificate No: 0610

28 September 2022

Kudenga House

3 Baines Avenue

Harare

APPENDIX II: INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF INFLATION ADJUSTED CONSOLIDATED FINANCIALS OF AXIA CORPORATION LIMITED FOR THE YEAR ENDED 30 JUNE 2021



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INDEPENDENT AUDITOR'S REPORT

To The Shareholders of Axia Corporation Limited

Report on the Audit of the Inflation Adjusted Consolidated Financial Statements

Adverse Opinion

We have audited the inflation adjusted consolidated financial statements of Axia Corporation Limited (the "Company") and its subsidiaries (the "Group"), set out on pages 50 to 99, which comprise the inflation adjusted consolidated statement of financial position as at 30 June 2021, and the inflation adjusted consolidated statement of profit or loss and other comprehensive income, the inflation adjusted consolidated statement of changes in equity and the inflation adjusted consolidated statement of cash flows for the year then ended, and the notes to the inflation adjusted consolidated financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion* section of our report, the inflation adjusted consolidated financial statements do not present fairly, the inflation adjusted consolidated financial position of the Group as at 30 June 2021, and its inflation adjusted consolidated financial performance and its inflation adjusted consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Adverse Opinion

Non-compliance with International Accounting Standard 21 "The Effects of Changes in Foreign Exchange Rates" on application of the spot rate for transactions and balances

International Accounting Standard 21 (IAS 21) defines the spot exchange rate as the exchange rate for immediate delivery. During the current year ended 30 June 2021 (including the comparative period 1 April 2020 to 30 June 2020), the Group translated certain foreign transactions using interbank/auction exchange rates as at the date of transaction, whilst the statement of financial positions for foreign components were translated at the closing auction rate at 30 June 2021 (as well as the closing auction rate at 30 June 2020 for the comparatives). With respect to the Group's transactions and balances, these interbank/auction rates did not meet the definition of spot exchange rates per IAS 21.

Had the Group applied the spot and closing rates as defined by IAS 21, many elements of the accompanying inflation adjusted financial statements would have been materially impacted and therefore the departure from the requirements of IAS 21 is considered to be pervasive. The financial effects on the inflation adjusted financial statements of this departure have not been determined.

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 Inflation Adjusted Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Zimbabwe. We have fulfilled our 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 adverse opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the inflation adjusted consolidated financial statements of the current period. These matters were addressed in the context of our audit of the inflation adjusted consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There were no matters determined to be key audit matters other than the matter described in the *Basis for Adverse Opinion* section of our report.

Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Directors as required by the Companies and Other Business Entities Act (Chapter 24:31), Directors' Responsibility Statement and historical cost consolidated financial information, which we obtained prior to the date of this auditor's report and the Annual Report, which is expected to be made available to us after that date. The other information does not include the inflation adjusted consolidated financial statements and our auditor's report thereon. Our opinion on the inflation adjusted consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the inflation adjusted 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 inflation adjusted 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. The interbank/auction rates applied in translating certain foreign transactions during the current and prior periods as well as foreign component balances as at 30 June 2021 and 30 June 2020 do not meet the definition of spot exchange rates per IAS 21. We have determined that the other information is misstated for that reason.

Responsibilities of the Directors for the Inflation Adjusted Consolidated Financial Statements

The Directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and for such internal control as the Directors determine is necessary to enable the preparation of inflation adjusted consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted 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.

Auditor's Responsibilities for the Audit of the Inflation Adjusted Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted 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 inflation adjusted consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the inflation adjusted 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 the Directors.
- Conclude on the appropriateness of the Directors' 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 inflation adjusted 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 inflation adjusted consolidated financial statements, including the disclosures, and whether the inflation adjusted consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the inflation adjusted consolidated financial statements. We are responsible for the direction, supervision and performance 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 the Directors, we determine those matters that were of most significance in the audit of the inflation adjusted 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

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) Because of the matters described in the Basis for Adverse Opinion section of our report, the inflation adjusted consolidated financial statements of the Group are not properly drawn up in accordance with this Act so as to give a true and fair view of the state of the Group's affairs at the date of its financial statements for its financial year ended on that date.

Section 193(2) We have no further matters to report in respect of the Section 193(2) requirements of the Act, in addition to those already covered in our report.

The engagement partner on the audit resulting in this independent auditor's report is Stelios Michael.



Deloitte & Touche
Chartered Accountants (Zimbabwe)
Per: Stelios Michael
(PAAB Practice Certificate Number 0443)
Partner
Registered Auditor
Harare, Zimbabwe

30 September 2021

APPENDIX III: INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF INFLATION ADJUSTED CONSOLIDATED FINANCIALS OF AXIA CORPORATION LIMITED FOR THE YEAR ENDED 30 JUNE 2020



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INDEPENDENT AUDITOR'S REPORT

To The Shareholders of Axia Corporation Limited

Report on the Audit of the Inflation Adjusted Consolidated Financial Statements

Adverse Opinion

We have audited the inflation adjusted consolidated financial statements of Axia Corporation Limited (the "Company") and its subsidiaries (the "Group"), set out on pages 44 to 111, which comprise the inflation adjusted consolidated statement of financial position as at 30 June 2020, and the inflation adjusted consolidated statement of profit or loss and other comprehensive income, the inflation adjusted consolidated statement of changes in equity and the inflation adjusted consolidated statement of cash flows for the year then ended, and the notes to the inflation adjusted consolidated financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the inflation adjusted consolidated financial statements do not present fairly, the inflation adjusted consolidated financial position of the Group as at 30 June 2020, and its inflation adjusted consolidated financial performance and its inflation adjusted consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31).

Basis for Adverse Opinion

Non-compliance with IAS 21 "The Effects of Changes in Foreign Exchange Rates"

(i) Impact of the incorrect date of application of IAS 21 on the comparative financial information

For the financial year ended 30 June 2019, the Group did not comply with IAS 21 as it elected to comply with Statutory Instrument 33 of 2019 ("SI 33/19") from 22 February 2019.

Prior to 20 February 2019, the transacting and functional currency of the Zimbabwean economy was the United States Dollar ("USD"). On 20 February 2019, a currency called the Real Time Gross Settlement ("RTGS") Dollar was legislated through SI 33/19 with an effective date of 22 February 2019. SI 33/19 fixed the exchange rate between the RTGS Dollar and the USD at a rate of 1:1 for the period up to this effective date. The rate of 1:1 was consistent with the rate mandated by the Reserve Bank of Zimbabwe ("RBZ") at the time it issued the bond notes and coins into the basket of multi currencies. The below events were indicative of economic fundamentals that would require a reassessment of the functional currency as required by IAS 21:

- The Group transacted using a combination of USD, electronic cash, bond notes and bond coins. Acute shortage of USD cash and other foreign currencies in the country resulted in an increase in the use of different modes of payment for goods and services, such as settlement through the RTGS system and mobile money platforms. During the year there was a significant divergence in market perception of the relative values between the bond note, bond coin, mobile money platforms, and RTGS FCA in comparison to the USD. Although RTGS was not legally recognised as currency up until 22 February 2019, the substance of the economic phenomenon, from an accounting perspective, suggested that it was currency.
- In October 2018, banks were instructed by the RBZ to separate and create distinct bank accounts for depositors, namely, RTGS FCA and Nostro FCA accounts. This resulted in a separation of transactions on the local RTGS payment platform from those relating to foreign currency (e.g. United States Dollar, British Pound, and South African Rand).

Basis for Adverse Opinion (continued)

Prior to this date, RTGS FCA and Nostro FCA transactions and balances were co-mingled. As a result of this separation, there was an increased proliferation of multi-tier pricing practices by suppliers of goods and services, indicating a significant difference in purchasing power between the RTGS FCA and Nostro FCA balances, against a legislative framework mandating parity.

For the period up to 22 February 2019, the Group maintained its functional currency as the USD, with transactions and balances reflected using an exchange rate of 1:1 in compliance with SI 33/19. From 22 February 2019, balances and transactions were retranslated at the legislated inaugural exchange rate of 1:2.5 between the USD and the RTGS dollar in compliance with the requirements of SI 33/19.

Whilst the timing of this conversion was in line with the dictates of SI 33/19, it constituted a departure from the requirements of IAS 21, and therefore the 2019 financial statements were not prepared in conformity with IFRS. Had the Group applied the requirements of IAS 21, the 30 June 2019 comparative inflation adjusted consolidated financial statements would have been materially impacted. The financial effects of this departure on the inflation adjusted consolidated financial statements have not been determined.

Our opinion on the current year's inflation adjusted consolidated financial statements is modified because of the possible effects of the matter on the comparability of the current year's inflation adjusted consolidated financial statements with that of the prior year.

(ii) Incorrect application of the spot rate for transactions during the period 1 April 2020 to 30 June 2020 and closing rates as at 30 June 2020

IAS 21 defines the spot exchange rate as the exchange rate for immediate delivery. During the period 1 April 2020 to 30 June 2020 the Group translated certain foreign transactions using the interbank rate and/or auction rate, whilst the statement of financial positions for foreign components were translated at the closing auction rate at 30 June 2020. These interbank and auction rates did not meet the definition of spot exchange rates per IAS 21. Had the Group applied the spot and closing rates as defined by IAS 21, many elements of the accompanying inflation adjusted consolidated financial statements would have been materially impacted and therefore the departure from the requirements of IAS 21 is considered to be pervasive. The financial effects on the inflation adjusted consolidated financial statements of this departure have not been determined.

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 Inflation Adjusted Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Zimbabwe. We have fulfilled our 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 adverse opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the inflation adjusted consolidated financial statements of the current period. These matters were addressed in the context of our audit of the inflation adjusted consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There were no matters determined to be key audit matters other than the matters described in the Basis for Adverse Opinion section of our report.

Other Information

The Directors are responsible for the other information. The other information comprises the historical cost consolidated financial information and the Axia Annual Report for the year ended 30 June 2020 which we obtained prior to the date of the auditor's report. The other information does not include the inflation adjusted consolidated financial statements and our auditor's report thereon. Our opinion on the inflation adjusted consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the inflation adjusted 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 inflation adjusted 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. As described in the Basis for Adverse Opinion section above, the Group changed its functional currency to the RTGS Dollar effective 22 February 2019. The date of change in functional currency as determined in accordance with IFRS is 1 October 2018. Consequently the USD transactions between the period 1 October 2018 to 22 February 2019 do not comply with the requirements of IAS 21 as they have not been appropriately translated. Furthermore, the interbank rates and/or auction rates applied in translating certain foreign transactions between the period 1 April 2020 and 30 June 2020 as well as foreign component balances as at 30 June 2020 do not meet the definition of spot exchange rates per IAS 21. We have determined that the other information is misstated for that reason.

Responsibilities of the Directors for the Inflation Adjusted Consolidated Financial Statements

The Directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31) and for such internal control as the Directors determine is necessary to enable the preparation of inflation adjusted consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted 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.

Auditor's Responsibilities for the Audit of the Inflation Adjusted Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted 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 inflation adjusted consolidated financial statements.

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


- Identify and assess the risks of material misstatement of the inflation adjusted 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 the Directors.
- Conclude on the appropriateness of the Directors' 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 inflation adjusted 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 inflation adjusted consolidated financial statements, including the disclosures, and whether the inflation adjusted consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the inflation adjusted consolidated financial statements. We are responsible for the direction, supervision and performance 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 the Directors, we determine those matters that were of most significance in the audit of the inflation adjusted 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.

The engagement partner on the audit resulting in this independent auditor's report is Stelios Michael.



Chartered Accountants (Zimbabwe)
Per: Stelios Michael
Partner
(PAAB Practice Certificate Number 0443)
Harare
Zimbabwe
28 September 2020

GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Inflation Adjusted			Historical		
	June 2022	June 2021	June 2020	June 2022	June 2021	June 2020
	ZWL Audited	ZWL Audited	ZWL Audited	ZWL Audited	ZWL Audited	ZWL Audited
Revenue	75,534,061,569	57,011,862,538	15,552,869,349	40,796,914,050	18,185,771,782	3,656,926,361
Cost of sales	(47,929,510,970)	(43,260,390,142)	(11,549,501,797)	(25,000,950,037)	(12,653,517,198)	(2,384,632,031)
Gross profit	27,604,550,599	13,751,472,396	4,003,367,552	15,795,964,013	5,532,254,584	1,272,294,330
Other income	1,378,075,570	1,306,401,920	255,428,266	797,346,770	318,086,780	86,895,792
Operating expenses	(14,426,590,831)	(9,125,142,889)	(2,487,449,902)	(8,750,542,354)	(2,815,748,175)	(618,243,823)
Net impairment loss on trade and other receivables	(107,761,116)	(137,116,948)	-	(52,005,389)	(42,970,318)	-
Operating profit before impairment, depreciation and fair value adjustments	14,448,274,222	5,795,614,479	1,771,345,916	7,790,763,040	2,991,622,871	740,946,299
Financial income	2,446,564,665	1,656,026,617	558,041,030	1,075,629,457	463,946,905	359,133,207
Depreciation of property plant and equipment and right of use assets	(1,545,035,682)	(907,490,177)	(64,314,640)	(468,301,206)	(186,823,861)	(12,558,986)
Property plant and equipment	(822,902,583)	(310,148,627)	(57,813,881)	(119,800,614)	(49,630,290)	(9,293,434)
Right of use asset	(722,133,099)	(597,341,550)	(6,500,759)	(384,500,592)	(137,193,571)	(3,265,552)
Net monetary (loss)/gain	(7,037,959,509)	(2,772,699,938)	96,004,589	-	-	-
Fair value adjustments on listed equities	18,720,384	(10,003,035)	(16,328,001)	52,744,154	53,726,524	83,511,192
Profit before interest, equity accounted earnings and tax	8,330,564,080	3,761,447,946	2,344,748,894	8,450,835,445	3,322,472,439	1,171,031,712
Interest income	163,004,273	112,233,589	18,779,237	75,173,075	32,737,573	3,774,984
Interest expense	(1,381,230,644)	(1,203,180,518)	(155,983,971)	(827,208,495)	(400,805,045)	(42,355,901)
Equity accounted earnings	310,437,760	346,279,801	83,626,265	184,485,581	96,522,909	28,447,797
Profit before tax	7,422,775,469	3,016,780,818	2,291,170,425	7,883,285,606	3,050,927,876	1,160,898,592
Tax expense	(2,827,158,642)	(1,177,150,103)	(989,678,486)	(2,371,460,640)	(802,950,961)	(278,760,670)
Profit for the year	4,595,616,827	1,839,630,715	1,301,491,939	5,511,824,966	2,247,976,915	882,137,922
Other comprehensive income – to be recycled to profit or loss						
Exchange differences arising on the translation of foreign operations	1,274,410,593	19,195,505	170,732,775	1,274,410,593	19,195,505	170,732,775
Other comprehensive income for the year, net of tax	1,274,410,593	19,195,505	170,732,775	1,274,410,593	19,195,505	170,732,775
Total comprehensive income for the year	5,870,027,420	1,858,826,220	1,472,224,714	6,786,235,559	2,267,172,420	1,052,870,697
Profit for the year attributable to:						
equity holders of the parent	2,376,841,080	1,056,968,441	714,011,734	3,154,442,287	1,251,749,304	519,312,751
non-controlling interests	2,218,775,747	782,662,274	587,480,205	2,357,382,679	996,227,611	362,825,171
	4,595,616,827	1,839,630,715	1,301,491,939	5,511,824,966	2,247,976,915	882,137,922
Total comprehensive income for the year attributable to:						
equity holders of the parent	2,842,189,278	1,056,355,677	776,860,351	3,619,790,485	1,251,136,540	582,161,368
non-controlling interests	3,027,838,142	802,470,543	695,364,363	3,166,445,074	1,016,035,880	470,709,329
	5,870,027,420	1,858,826,220	1,472,224,714	6,786,235,559	2,267,172,420	1,052,870,697

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Inflation Adjusted			Historical Cost		
	June 2022	June 2021	June 2020	June 2022	June 2021	June 2020
	ZWL Audited	ZWL Audited	ZWL Audited	ZWL Audited	ZWL Audited	ZWL Audited
Non-current assets						
Property, plant and equipment	4,812,119,953	3,096,138,421	787,565,464	1,801,692,440	385,117,739	98,006,060
Intangible assets	309,636,469	94,389,067	32,373,518	80,739,351	5,023,008	5,023,008
Investments in associates and joint ventures	698,697,441	1,058,333,039	64,508,393	922,448,735	246,505,771	10,403,082
Right of use assets	1,466,403,950	1,121,801,931	226,698,420	304,011,408	151,023,208	20,629,853
Deferred tax assets	52,098,597	143,537,015	24,505,863	732,238,221	119,397,863	41,912,297
	7,338,956,410	5,514,199,473	1,135,651,658	3,841,130,155	907,067,589	175,974,300
Current assets						
Financial assets	256,283,632	264,665,958	135,586,750	256,283,632	90,775,007	65,613,683
Inventories	17,856,793,305	9,635,211,902	3,483,690,281	12,545,324,301	3,072,349,116	1,017,617,218
Trade and other receivables	11,153,372,997	7,832,172,868	1,641,171,922	10,273,309,596	2,711,378,595	838,359,184
Cash and cash equivalents	2,862,551,934	1,721,310,008	1,226,874,854	2,862,551,934	691,539,544	657,598,018
	32,129,001,868	19,453,360,736	6,487,323,807	25,937,469,463	6,566,042,262	2,579,188,103
Total Assets	39,467,958,278	24,967,560,209	7,622,975,465	29,778,599,618	7,473,109,851	2,755,162,403
EQUITY AND LIABILITIES						
Capital and reserves						
Ordinary share capital	7,372,467	7,371,531	2,527,544	55,600	55,215	54,647
Share premium	58,789,820	47,338,414	1,832,665	3,620,572	2,186,350	338,511
Share-based payments reserve	-	8,908,249	15,408,831	-	392,800	773,859
Non-distributable reserves	535,705,799	70,357,601	70,970,365	535,705,799	70,357,601	70,970,365
Distributable reserves	8,870,917,677	7,102,751,869	2,343,577,164	4,328,019,352	1,558,544,205	559,221,121
Attributable to equity of the parent	9,472,785,763	7,236,727,664	2,434,316,569	4,867,401,323	1,631,536,171	631,358,503
Non-controlling interests	8,006,266,747	5,309,564,379	1,907,454,926	4,140,163,100	1,338,190,824	519,917,224
Total Shareholders' Equity	17,479,052,510	12,546,292,043	4,341,771,495	9,007,564,423	2,969,726,995	1,151,275,727
Non-current liabilities						
Deferred tax liabilities	1,504,549,175	1,490,993,095	793,961,120	286,678,602	89,033,168	77,648,449
Lease liabilities	617,665,829	367,576,303	8,875,232	617,665,829	144,386,790	5,508,391
	2,122,215,004	1,858,569,398	802,836,352	904,344,431	233,419,958	83,156,840
Current liabilities						
Interest-bearing debt- third party	5,915,639,657	2,924,705,777	438,165,063	5,915,639,657	1,238,526,704	270,550,822
Lease liabilities	281,524,908	345,813,679	9,344,750	281,524,908	118,632,480	5,799,796
Trade and other payables	10,732,888,925	5,806,974,644	1,723,357,813	10,732,888,925	2,365,788,578	1,085,882,501
Provisions and other liabilities	451,145,867	165,910,789	26,915,911	451,145,867	59,751,795	14,256,428
Current tax liabilities	2,485,491,407	1,319,293,879	280,584,081	2,485,491,407	487,263,341	144,240,290
	19,866,690,764	10,562,698,768	2,478,367,618	19,866,690,764	4,269,962,898	1,520,729,837
Total liabilities	21,988,905,768	12,421,268,166	3,281,203,970	20,771,035,195	4,503,382,856	1,603,886,677
Total equity and liabilities	39,467,958,278	24,967,560,209	7,622,975,465	29,778,599,618	7,473,109,851	2,755,162,404

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Inflation Adjusted			Historical		
	June 2022	June 2021	June 2020	June 2022	June 2021	June 2020
	ZWL Audited	ZWL Audited	ZWL Audited	ZWL Audited	ZWL Audited	ZWL Audited
Cash generated from operations	2,723,887,311	1,098,515,646	1,799,946,944	3,451,780,368	862,063,567	719,072,292
Interest income	163,004,273	112,233,590	18,779,237	75,173,075	32,737,573	3,774,984
Interest expense	(1,383,384,925)	(1,203,180,518)	(155,983,971)	(829,362,776)	(400,805,045)	(42,355,901)
Tax paid	(1,484,184,572)	(1,622,847,620)	(443,401,351)	(716,265,744)	(523,393,755)	(102,993,484)
Total cash generated from/(utilised in) operating activities	19,322,087	(1,615,278,902)	1,219,340,859	1,981,324,923	(29,397,660)	577,497,891
Investing activities	(3,072,355,404)	(1,170,076,953)	(163,034,846)	(1,693,390,826)	(319,397,669)	(12,655,606)
Net cash (outflow)/ inflow before financing activities	(3,053,033,317)	(2,785,355,855)	1,056,306,014	287,934,097	(348,795,329)	564,842,285
Financing activities	4,194,275,243	1,166,688,561	(28,483,839)	1,883,078,293	382,736,855	62,822,198
Dividends paid by holding company	(608,675,272)	(859,126,121)	(156,265,664)	(384,967,140)	(252,426,220)	(36,289,276)
Dividends paid by subsidiaries to non-controlling interests	(1,010,082,208)	(722,716,967)	(75,938,250)	(537,137,472)	(187,147,280)	(20,009,739)
Issue of new shares	2,462,082	5,339,335	1,474,847	1,008,315	1,372,649	272,418
Cash payments for the principal portion of the lease liabilities	(785,511,014)	(422,316,500)	(3,108,211)	(379,086,726)	(121,761,739)	(2,626,048)
Proceeds from interest-bearing borrowings	13,240,546,242	5,804,704,917	262,233,136	6,389,872,178	1,719,660,738	158,293,670
Repayment of interest-bearing borrowings	(6,644,464,587)	(2,639,196,103)	(56,879,697)	(3,206,610,862)	(776,961,293)	(36,818,827)
Net increase / (decrease) in cash and cash equivalents	1,141,241,926	(1,618,667,294)	1,027,822,175	2,171,012,390	33,941,526	627,664,483
Cash and cash equivalents at the beginning of the year	1,721,310,008	3,339,977,302	199,052,679	691,539,544	657,598,018	29,933,535
Cash and cash equivalents at the end of the year	2,862,551,934	1,721,310,008	1,226,874,854	2,862,551,934	691,539,544	657,598,018

APPENDIX IV- NOTICE OF EXTRAORDINARY GENERAL MEETING



(Axia Corporation Limited, incorporated in Zimbabwe on 24 February 2016, under Company Registration Number 1344/2016)

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Shareholders of Axia Corporation Limited is to be held on Thursday, 2 February 2023 at 0900 hours virtually by electronic means on <https://escrowagm.com/eagmZim/Login.aspx>, for the purpose of transacting the following business:

TO CONSIDER and, if deemed fit, to pass, with or without modification, the following Resolutions:

ORDINARY RESOLUTION 1 – DELISTING OF AXIA CORPORATION LIMITED FROM THE ZIMBABWE STOCK EXCHANGE

THAT the Company's shares be removed from the Main Board of the Zimbabwe Stock Exchange through voluntary termination of the listing on the Zimbabwe Stock Exchange in terms of section 11 of the ZSE Listing Requirements.

ORDINARY RESOLUTION 2- LISTING OF AXIA CORPORATION LIMITED ON THE VICTORIA FALLS STOCK EXCHANGE

THAT the Company's ordinary shares be listed on the Victoria Falls Stock Exchange in accordance with the VFEX Listing Requirements.

ORDINARY RESOLUTION 3 – DIRECTORS AUTHORISED TO GIVE EFFECT TO RESOLUTIONS

"THAT the Directors be and are hereby authorised to do any and all such things as may be necessary to give effect to the above resolutions."

BY ORDER OF THE BOARD

APPENDIX V – FORM OF PROXY

I / We

.....

Of.....

.....

Being member/members of Axia Corporation Limited hereby appoint:

Mr. / Mrs. / Ms. / Dr

.....

Or failing him or her/the Chairman of the EGM.....

.....

Of.....

.....

As my/our proxy to vote for me/us on my/our behalf at the EGM of the Company to be held on Thursday, 2 February 2023, at 0900 hours and at any adjournment thereof, for the purpose of considering and, if deemed fit passing, with or without modification, the resolutions to be proposed thereat in accordance with the following instructions:

Resolutions	For	Against	Abstain
<p>ORDINARY RESOLUTION 1 – DELISTING OF AXIA CORPORATION LIMITED FROM THE ZIMBABWE STOCK EXCHANGE</p> <p>THAT the Company's shares be removed from the Main Board of the Zimbabwe Stock Exchange through voluntary termination of the listing on the Zimbabwe Stock Exchange in terms of section 11 of the ZSE Listing Requirements.</p>			
<p>ORDINARY RESOLUTION 2- LISTING OF AXIA CORPORATION LIMITED ON THE VICTORIA FALLS STOCK EXCHANGE</p> <p>THAT the Company's ordinary shares be listed on the Victoria Falls Stock Exchange in accordance with the VFEX Listing Requirements.</p>			
<p>ORDINARY RESOLUTION 3 – DIRECTORS AUTHORISED TO GIVE EFFECT TO RESOLUTIONS</p> <p>"THAT the Directors be and are hereby authorised to do any and all such things as may be necessary to give effect to the above resolutions."</p>			

Signed this day of 2023

Signature(s) of member

APPENDIX V – FORM OF PROXY (CONTINUED)

NOTE

1. In terms of Section 171 of the Companies and Other Business Entities Act (Chapter 24:31), members are entitled to appoint one or more proxies to act in the alternative and to attend and vote and speak in their place. A proxy need not also be a member of the Company. A Director or Officer of the Company shall not be appointed as a proxy for a shareholder.
2. Regulation 74 of the Company's Articles of Association provides that the instrument appointing a proxy shall be deposited at the office of the Company not less than 48 hours before the time appointed for holding the meeting.
3. Shareholders in the form of a corporate body must provide documentary evidence establishing the authority of a person signing the Form of Proxy in a representative capacity; this authority must take the form of a resolution of the corporate body.
4. According to the approval granted by the ZSE, ordinary resolutions number 1,2 and 3 may be passed by a threshold of 50 per centum plus 1 ordinary shares of the votes of all shareholders present or represented by proxy at the general meeting.

**FOR OFFICIAL USE
NUMBER OF SHARES HELD**

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INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY

1. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space provided, with or without deleting "the Chairman of the EGM", but any such deletion must be initialed by the Shareholder. The person whose name appears first on the form of proxy will, unless his/her name has been deleted, be entitled to act as a proxy to the exclusion of those whose names follow.
2. A Shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space/s provided as well as by means of a cross whether the shareholder wishes to vote, for, against or abstain from the resolutions. Failure to comply with the above will be deemed to authorize the proxy to vote or abstain from voting at the EGM as he/she deems fit in respect of all the Shareholder's votes exercisable thereat. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her proxy or cast them in the same way.
3. Deletion of any printed matter and the completion of any blank spaces need not be signed or initialed. Any alteration or correction must be initialed by the signatory or signatories
4. The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:
 - i. under a power of attorney
 - ii. on behalf of a companyunless that person's power of attorney or authority is deposited at the offices of the Company's transfer secretaries, or the registered office of the Company, not less than 48 hours before the meeting.
5. If two or more proxies attend the meeting, then that person attending the meeting whose name appears first on the proxy form and whose name is not deleted shall be regarded as the validly appointed proxy.
6. When there are joint holders of shares, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders. Seniority will be determined by the order in which names stand in the register of members.
7. The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the EGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.
8. In order to be effective, completed proxy forms must reach the Company's Transfer Secretaries or the registered office of the Company not less than 48 hours before the time appointed for the holding of the EGM.
9. Please ensure that name(s) of the member(s) on the form of proxy and the voting form are the same as those on the share register.