Abridged Audited Financial Results

For the period ending 31 December 2020

UNIFREIGHT AFRICA LTD

Total Transport & Logistics Solutions

UNIFREIGHT SWIFT BULWARK SKYNET WORLDWIDE EXPRESS

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Chairman's Statement

Overview

It is obvious to state that 2020, for Unifreight and the entire Nation in general, was an extremely challenging year virtually from the very get-go, with the COVID-19 Pandemic leading to lockdowns including the 1st and 2nd Waves of infections, during which we lost of two of our non-executive Directors. David Hlatywayo lost his life in a motor vehicle accident whilst Chris Amira succumbed to Covid – we are most grateful to both David and Chris for their years of service to Unifreight and our thoughts and prayers continue to go out to their families. On an uplifting note the Board is pleased to welcome Mark Kalweit as a non-Executive Director. Mark is a Technology Innovator and Entrepreneur and the Executive management looks forward to Mark's skillset helping guide Unifreight into the Digital Landscape.

Notwithstanding the difficult start to the year Group Operations recovered well, under the circumstances, and the Board is pleased to report an inflation adjusted earnings before interest, tax and depreciation of ZWL$ 367 Million which was 8% above prior year. Given the Covid 19 related challenges that were experienced during the year, the board is pleased with the performance.

The volatility of the reporting currency has made the interpretation of the 2020 Results a challenge, consequently the Board opted to measure performance by way of volume which reveals that Unifreight's tonnage dropped 14% on the previous year. This being against a backdrop of a number of Unifreight Customers being completely shut down whilst others operated at less than 50% of normal volumes for extended periods of time – the Board applauds Managements' performance in ensuring the Group traded strongly and remained profitable.

Outlook

The Board had an additional 6 months of trading data following year-end. To this end the Board is pleased to report a significant improvement in performance which has seen Revenue increase by 94% and Volumes grow by 35% on Prior year.

The Group Key performance Indicators are moving in the appropriate direction through improving yields and improved fuel consumption levels attributed to investment in new fleet. Careful management of labour cost per tonne and an overall improvement in cost controls gives the Board confidence that Management are on a sustainable trajectory.

However, that said – the stark reality of an uncertain economic outlook nationally and globally are concerning.

Consequently the Board, Executive and Management are focusing on what can be controlled, working hard to maintain a positive attitude and keep searching for pockets of opportunity that have been created whilst being extremely cogniscant of protecting Shareholder Value. The Board is grateful that Unifreight's robust yet flexible business model, with diverse Customer Base has kept the Group going through very difficult times.

Dividend

The Board, on 30 July 2021 recommended the declaration of a dividend of 42.26 cents per share, a separate announcement will be made giving details of payment.

Appreciation

All this would not have been possible without an Executive and Management Team who have really dug deep and gone the extra mile, thank you.

P.J. Annesley
Chairman
30 July 2021

ABRIDGED AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 Dececember 2020

	Audited 2020 Inflation Adj ZW$ 000	Audited 2019 Inflation Adj ZW$ 000	Unaudited 2020 Historical ZW$ 000	Unaudited 2019 Historical ZW$ 000
ASSETS				
Non current assets	**1,541,198**	**1,645,603**	**142,037**	**68,066**
Property, vehicles and equipment	879,197	1,041,568	84,551	43,749
Investment property	463,603	522,769	18,565	20,892
Rigt of use of asset	156,603	39,471	37,421	1,925
Intangible assets	41,795	41,795	1,500	1,500
Current assets	**352,278**	**365,861**	**336,419**	**49,054**
Inventories	126,423	203,619	105,875	12,887
Trade and other receivables	175,227	125,695	179,918	28,020
Cash and cash equivalents	50,628	36,547	50,626	8,147
Assets held for sale	45,059	-	2,046	-
TOTAL ASSETS	**1,938,535**	**2,011,464**	**480,502**	**117,120**
EQUITY AND LIABILITIES				
Equity	**1,371,441**	**1,456,074**	**258,557**	**76,549**
Share capital	29,675	29,675	1,065	1,065
Share premium	57,400	57,400	2,060	2,060
Non-distributable reserve	1,009,431	1,019,735	46,356	48,528
Equity component of shareholders loans	248,855	248,855	8,931	8,931
Retained Earnings	26,080	100,409	200,145	15,965
Non current liabilities	**381,341**	**392,714**	**39,845**	**5,318**
Loans and borrowings	-	13,323	-	2,970
Lease liability	37,100	9,788	37,590	2,182
Deferred tax liabilities	344,241	369,603	2,255	166
Current liabilities	**176,493**	**162,676**	**181,980**	**35,253**
Trade and other payables	118,218	102,507	123,706	22,733
Income tax payable	49,182	28,162	49,161	5,385
Deferred consideration	73	1,247	73	278
Lease liability	1,482	314	1,502	70
Loans and borrowings	7,538	30,446	7,538	6,787
Liabilities directly associated with the assets held for sale	9,260	-	120	-
TOTAL EQUITY AND LIABILITIES	**1,938,535**	**2,011,464**	**480,502**	**117,120**

ABRIDGED AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 31 December 2020

	Audited 2020 Inflation Adj ZW$ 000	Audited 2019 Inflation Adj ZW$ 000	Unaudited 2020 Inflation Adj ZW$ 000	Unaudited 2019 Inflation Adj ZW$ 000
Revenue	**1,518,494**	**1,328,854**	**1,038,701**	**136,239**
Operating costs	(1,213,128)	(1,007,385)	(821,640)	(99,893)
Movement in expected credit losses	(230)	(10,300)	(9,196)	(2,296)
Other operating income	62,271	28,692	63,617	(1,509)
Earnings before interest, tax and depreciation (EBITD)	**367,407**	**339,861**	**271,482**	**32,541**
Finance costs	(7,276)	(20,294)	(12,281)	(1,682)
Depreciation	(207,300)	(89,848)	(13,149)	(7,241)
Monetary (loss)/ gain	(205,454)	147,295	-	-
(Loss)/ profit before taxation	**(52,623)**	**377,014**	**246,052**	**23,618**
Income tax expense	(23,594)	(360,070)	(48,953)	(4,088)
(Loss)/ Profit for the year	**(76,217)**	**16,944**	**197,099**	**19,530**
Other comprehensive income	**-**	**-**	**-**	**-**
Total comprehensive income/ (loss) for the year, net of tax	**(76,217)**	**16,944**	**197,099**	**19,530**
Earnings per share				
- Basic earnings for the year attributable to ordinary equity holders of the parent (cents)	(71.58)	15.91	185.11	18.34
- Diluted earnings for the year attributable to ordinary equity holders of the parent (cents)	(71.58)	15.91	185.11	18.34
- Headline earnings for the year attributable to ordinary equity holders of the parent (cents)	51.92	(208.14)		

ABRIDGED AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2020

	Attributable to equity shareholders of the parent					
	Share capital Inflation Adj ZW$ 000	Share premium Inflation Ad ZW$ 000	Non-distributable reserves jInflation Adj ZW$ 000	Equity portion of Shareholders loans Inflation Adj ZW$ 000	Retained Earnings Inflation Adj ZW$ 000	Total Equity Inflation Adj ZW$ 000
Balance as at 1 January 2019	29,675	57,400	-	248,855	94,850	**430,780**
Effects of first adoption of IFRS 16 Leases	-	-	-	-	(1,045)	**(1,045)**
Profit for the year	-	-	-	-	16,944	**16,944**
Change of functional currency	-	-	1,019,735	-	-	**1,019,735**
Dividend	-	-	-	-	(10,340)	**(10,340)**
Balance as at 31 December 2019	**29,675**	**57,400**	**1,019,735**	**248,855**	**100,409**	**1,456,074**
Balance as at 1 January 2020	**29,675**	**57,400**	**1,019,735**	**248,855**	**100,409**	**1,456,074**
Loss for the year	-	-	-	-	(76,217)	**(76,217)**
Dividend	-	-	-	-	(8,416)	**(8,416)**
Realised portion of non-distributable reserve	-	-	(10,304)	-	10,304	**-**
Balance as at 31 December 2020	**29,675**	**57,400**	**1,009,431**	**248,855**	**26,080**	**1,371,441**

ABRIDGED AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 December 2020

	Inflation Adj 2020 ZW$ 000	Inflation Adj 2019 ZW$ 000
Net cash generated from operating activities	**416,235**	**109,379**
Cash generated from operations	442,170	140,022
Dividend paid	(8,416)	(10,340)
Interest paid	(7,276)	(20,303)
Taxation paid	(10,243)	-
Net cash utilised in investing activities	**(46,400)**	**(95,459)**
Purchase of property, vehicles and equipment to increase operations	(54,473)	(99,079)
Extension of investment properties	-	(63)
Proceeds from sale of property, vehicles and equipment	8,073	3,683
Net cash gutilised in financing activities	**(34,183)**	**(1,237)**
Proceeds from borrowings	10,422	29,330
Payment of deferred consideration	(225)	-
Principal payment of lease liabilities	(1,254)	(1,714)
Repayments of borrowings	(43,126)	(28,853)
Increase in cash and cash equivalents	**335,652**	**12,683**
Cash and cash equivalents at beginning of year	36,547	(30,205)
Net foreign exchange differences	6,925	7,909
Monetary gain/ (loss)	(328,494)	46,160
Cash and cash equivalents at end of year	**56,630**	**36,547**

NOTES TO THE ABRIDGED AUDITED CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2020

General Information

Unifreight Africa Limited was incorporated in Zimbabwe in 1970. It is the holding company of a Group of companies primarily involved in the road transport industry whose main activities include inter-city freight consolidations, the distribution of general goods, and a courier service.

The Company is incorporated in Zimbabwe. Other entities in the Group are incorporated in Botswana. The company is listed on the Zimbabwe Stock Exchange

These Group consolidated financial statements are presented in Zimbabwean Dollars and were authorised for issue by the Board of Directors on 24 March 2020.

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the international Accounting Standards Board (IASB) with the exception to IAS 21 Effects of Changes in Exchange Rates on accounting for change in functional currency, IAS 29 Financial reporting in hyperinflationary economies, IAS 8 Accounting policies, change in accounting estimates and errors and IFRS 13 fair value measurement. The accounting policies are applied consistently throughout the Group. The consolidated financial statements are presented in Zimbabwean dollars (ZW$) and all values are rounded to the nearest 1 000 dollars except where otherwise stated.

The consolidated financial statements are initially prepared under the historical cost convention as restated for the changes in the general purchasing power of the functional currency for the purposes of fair presentation in accordance with IAS 29 (Financial Reporting in Hyperinflationary Economies). This historical cost information has been restated for changes in the general purchasing power of the Zimbabwe dollar and as a result are stated in terms of the measuring unit current at the end of the reporting period. Accordingly, the inflation adjusted consolidated financial statements represent the primary financial statements of the Group.

Inflation adjustment

The Public Accountants and Auditors Board (PAAB) in their circular 01/19 communicated that the factors and characteristics to apply IAS 29, Financial Reporting in Hyper-Inflationary Economies had been met in Zimbabwe. The pronouncement require that entities reporting in Zimbabwe apply the requirements of IAS 29 with effect from 1 July 2019.

IAS 29 requires that the financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date and the corresponding figures for the previous period be stated in the same terms. The restatement has been calculated by means of conversion factors derived from the consumer price index. The Group used the inflation adjustment factors derived from the monthly Consumer Price Indices as published by the Reserve Bank of Zimbabwe. The following factors were applied:

Period / Month	Factor
Prior year	4.4859
Jan-20	4.3882
Feb-20	3.8654
Mar-20	3.0534
Apr-20	2.5956
May-20	2.2544
Jun-20	1.7122

Period / Month	Factor
Jul-20	1.2633
Aug-20	1.1650
Sep-20	1.1221
Oct-20	1.0751
Nov-20	1.0422
Dec-20	1.0000

Trade and other receivables

	Inflation Adj 2020 ZW$ '000	Inflation Adj 2019 ZW$ '000
Current		
Trade receivables	154,301	100,592
Receiveables due from related parties (note 28)	3,798	3,252
Less: provision for impairment	(11,768)	(11,538)
Trade receivables - net	**146,331**	**92,306**
Prepayments	3,383	9,032
Staff debtors	648	147
VAT receivable	82	222
Other debtors	24,783	23,988
	175,227	**125,695**

Trade and other payables

	Inflation Adj 2020 ZW$ '000	Inflation Adj 2019 ZW$ '000
Current		
Trade payables	56,340	43,624
Trade payables due to related parties	6,238	3,898
Accrued expenses	12,225	34,083
Social security and other statutory liabilities	43,415	20,902
	118,218	**102,507**

Borrowings

Borrowings represent facilities for capital expenditure and working capital. The interest rates is 45%.

	Inflation Adj 2020 ZW$ '000	Inflation Adj 2019 ZW$ '000
Shareholder loans	248,855	248,855
Equity component of shareholders loans	(248,855)	(248,855)
	-	-
Loans and Borrowings	7,538	43,769
	7,538	**43,769**

Finance cost

Finance cost comprises the following:

	Inflation Adj 2020 ZW$ 000	Inflation Adj 2019 ZW$ 000
- bank borrowings	3,241	18,567
- Consideration liability	20	260
- finance leases liabilities	4,015	1,467
	7,276	**20,294**

Capital expenditure

	Inflation Adj 2020 June 000	Inflation Adj 2019 Dec 000
Acquisition of property, vehicles and equipment	54,473	99,079
Approved capital commitments at the date of approval of financial results	-	-

Contingent liabilities

The group is a defendant in various labour disputes with former employees. The cases are at various stages. The total being claimed in all these cases is ZW$ 895,800.

Subsequent events

There are no adjusting or non-adjusting events after the reporting date which have an effect on the financial position of the group as at the reporting date nor require disclosure in the financial statements.

Auditors' Opinion

The inflation adjusted consolidated financial statements from which the abridged version has been extracted have been audited by Ernst & Young Chartered Accountants (Zimbabwe). An adverse opinion has been issued thereon in respect of non-compliance with the requirements of International Accounting Standard 21 (IAS 21) "The Effects of Foreign Exchange Rates", International Accounting Standard 29 (IAS 29) "Financial Reporting in Hyperinflationary Economies", as well as non-compliance with International Accounting Standard 8 (IAS8) "Accounting for Policy Changes in Accounting Estimates and Errors" and International Financial Reporting Standard (IFRS 13) "Fair Value Measurement". There are no other key audit matters communicated in the audit report.

The auditors' report on the inflation adjusted consolidated financial statements is available for inspection at the Company's registered office."

The engagement partner on the audit resulting in this independent auditor's report is Mr David Gwande (PAAB Practicing Certificate Number 132).

Directors: P.J. Annesley (Chairman); R.E. Kuipers * (Chief Executive Officer); B.N. Ndebele; S.L. Rudland; M. Kalweit *Executive

Building a better
working world

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF UNIFREIGHT AFRICA LIMITED

Report on the Audit of the Inflation Adjusted Consolidated Financial Statements

Adverse Opinion

We have audited the inflation adjusted consolidated financial statements of Unifreight Africa Limited and its subsidiaries (the Group), as set out on pages 10 to 44, which comprise the inflation adjusted consolidated statement of financial position as at 31 December 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 notes to the inflation adjusted consolidated financial statements, including a summary of significant accounting policies and other explanatory notes.

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

Basis for Adverse Opinion

Non-compliance with IFRS: International Accounting Standard (IAS 21)- *The Effects of Changes in Foreign Exchange Rates* in prior period and inappropriate application of IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors*

Historical functional currency matter
As explained in note 2.4a to the inflation adjusted Consolidated Financial Statements, the Group changed its functional currency from United States Dollars (US$) to Real Time Gross Settlement Dollars (RTGS$) on 23 February 2019 in order to comply with Statutory Instrument 33 of 2019 issued on the same date. The inflation adjusted consolidated financial statements is presented in ZWL.

We however believe that the change occurred on 1 October 2018 in terms of IAS21 given the significant monetary and exchange control policy changes witnessed in Zimbabwe from 2016 through to 2019.

Our audit opinion for the year ended 31 December 2019 was therefore modified as management prospectively applied the change in functional currency from US$ to RTGS$ from 23 February 2019, which we disagreed with. The correct approach would have been a retrospective restatement as a prior period error in terms of IAS 8.

Management has not made adjustments in current year in terms of IAS8, therefore, many corresponding numbers remain misstated on the inflation adjusted consolidated financial statements, impacting comparability of the current year figures.

Basis for Adverse Opinion (continued)

Non-compliance with IFRS: International Accounting Standard (IAS 21)- *The Effects of Changes in Foreign Exchange Rates* in prior period and inappropriate application of IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors* (continued)

The matter continues to impact the following amounts on the inflation adjusted consolidated statement of financial position which still comprise of material amounts from opening balances: Vehicles and equipment of ZWL879 197 000 (2019:ZWL1 041 568 000); investment property of ZWL463 603 000 (2019: ZWL522 769 000); deferred tax liabilities of ZWL344 241 000 (ZWL: 369 603 000); retained earnings of ZWL26 080 000 (2019: 100 409 000); non-distributable reserve of ZWL1 009 431 000 (2019:ZWL1 019 735 000) ; intangible assets of ZWL41 795 000 (2019: ZWL41 795 000) and inventories of ZWL126 423 000 (2019: ZWL 203 619 000).

As opening balances enter into the determination of cash flows and performance, our audit opinion is modified in respect of the impact of this matter on the depreciation expense of ZWL207 300 000 (2019: ZWL89 848 000); operating expenses of ZWL1 213 128 000(2019: ZWL1 007 385 000) and tax expense of ZWL23 594 000 (2019: ZWL360 070 000) on the inflation adjusted consolidated statement of profit or loss and other comprehensive income and cash flows from operating activities on the inflation adjusted consolidated statement of cash flows.

Exchange rates used (Non-compliance with IAS 21)

In the current year and consistent with the prior year assessment, we have concluded that the interbank exchange rates for the period 1 January to 26 March 2020 and between 27 March and 23 June 2020 (when the Reserve Bank of Zimbabwe maintained a fixed exchange rate of US$1: ZWL25) did not meet the requirements of IAS 21 as they were not available for immediate delivery. For the period between 24 June and 31 December 2020 the Group applied internally derived exchange rates. The internal exchange rates determined by management for financial reporting purposes did not meet the definition of spot exchange rates in terms of IAS 21. Consequently, the following amounts are materially impacted:

Inflation adjusted consolidated statement of financial position

Vehicles and equipment of ZWL879 197 000 (2019:ZWL1 041 568 000); trade and other receivables of ZWL175 227 000 (2019: ZWL125 695 000); inventories of ZWL126 423 000 (2019:ZWL203 619 000); cash and cash equivalents of ZWL50 628 000 (2019: ZWL36 547 000); trade and other payables of ZWL118 218 000 (2019:ZWL102 507 000); income tax payable of ZWL49 182 000 (2019:ZWL28 162 000) and equity component of shareholders' loans of ZWL248 855 000 (2019: ZWL248 855 000).

Inflation adjusted consolidated statement of profit or loss and other comprehensive income

Revenue of ZWL1 518 494 000 (2019: ZWL1 328 854 000); monetary loss of ZWL205 454 000 (2019: gain of ZWL147 295 000); income tax expense of ZWL23 594 000 (2019: ZWL360 070 000); operating expenses of ZWL1 213 128 000 (2019: ZWL1 007 385 000) and finance costs of ZWL7 276 000 (2019: ZWL20 294 000).

Consequently, retained earnings, deferred tax liabilities and income tax payable are impacted. The misstatements can however not be quantified as an appropriate exchange rate has not been determined. Our prior year audit report was also modified because of this matter.

INDEPENDENT AUDITOR'S REPORT- continued
TO THE MEMBERS OF UNIFREIGHT AFRICA LIMITED

Basis for Adverse Opinion (continued)

Application of IAS29 - *Financial Reporting in Hyperinflationary Economies*

Furthermore, notwithstanding that IAS 29 has been applied correctly, it is noted that its application was based on prior and current periods' financial information which was not in compliance with IAS 21 / IAS 8 as described above. Had the correct base numbers been used, the above stated accounts would have been materially different. Consequently, monetary loss of ZWL205 454 000 (2019: gain of ZWL147 295 000) is impacted. Our opinion was also modified in respect of this matter in the prior year.

Valuation of Investment Property for Disclosure purposes (Non-compliance with IFRS 13 – *Fair Value Measurement* and IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*)

The group's properties, which are accounted for at cost in terms of the group's accounting policy, are subjected to valuation, for disclosure purposes, as per the requirements of IAS 40- *Investment Property*. The standard requires fair value to be disclosed as is described in note 7 to the inflation adjusted consolidated financial statements. The concept of fair value is derived from the principles set out in IFRS 13.

These assets were valued as guided by management experts using historical US$ denominated inputs and converted into ZWL at the applicable closing exchange rates both in the prior year and as at 31 December 2020. For properties, there is a unique disconnect between the currency in which the rentals are being paid (ZWL) and the currency in which the properties are being valued (US$). The implicit investment method was applied for industrial and commercial properties and key inputs into the calculations include rentals per square metre and capitalisation rates. Residential properties were valued in terms of the market comparable approach.

We have concerns over the appropriateness of using a foreign currency for the valuation and then applying a conversion rate to determine the ZWL values of the investment property and freehold land and buildings. The translation process adopted by management would not meet the fair value measurement principles of the affected items as set out in IFRS 13 "*Fair Value Measurement*" due to the following considerations:

1) With respect to the implicit investment approach, the US$ estimated rentals may not be an appropriate proxy for the ZWL amounts in which rentals are settled.
2) While historical US$ amounts based on similar transactions have been used as a starting point in determining comparable values on the market comparable approach, it is noted that market participants take into account different risk factors in determining an appropriate value in ZWL terms which are not necessarily limited to the exchange rate.

Consequently, investment property disclosures may be materially misstated and owing to lack of information on relevant inputs in ZWL, we are unable to determine what adjustments may be necessary to correctly account for these amounts. Our prior year audit opinion was also modified due to this matter.

The effects of the above departures from IFRS are material and pervasive to the inflation adjusted consolidated financial statements.

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 in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the 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 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

Except for the matters described in the Basis for Adverse 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 the other information. The other information comprises the Chairman's Statement and the Directors' Responsibility Statement but 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. The Press Release, the Chief Executive Officer's Report, the Directors' Report, Historical cost financial information and the Statement of Corporate Governance are expected to be made available to us after the date of this auditor's report.

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 did not comply with the requirements of IAS 8, IAS21, IAS29 and IFRS 13.

We have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items included therein and affected by the failure to comply with the referred matters.

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 IFRSs and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and for such internal controls 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.

INDEPENDENT AUDITOR'S REPORT- continued
TO THE MEMBERS OF UNIFREIGHT AFRICA LIMITED

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 skepticism 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 controls.

- Obtain an understanding of internal controls 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 controls.

- 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.

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INDEPENDENT AUDITOR'S REPORT- continued
TO THE MEMBERS OF UNIFREIGHT AFRICA LIMITED

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 Mr David Gwande (PAAB Practicing Certificate Number 132).

ERNST & YOUNG
CHARTERED ACCOUNTANTS (ZIMBABWE)
REGISTERED PUBLIC AUDITORS

HARARE

7 August 2021