

REVIEWED ABRIDGED FINANCIAL RESULTS

for the Half Year ended 30 June 2023







www.unifreight.co.zw

Chairman's Statement: for the Half Year ended 30 June 2023.

Dear Shareholder,

Overview

The first half of 2023 has been excellent for Unifreight with overall volumes up 38% year on year. Significant contributions have come from tobacco. where we are now transporting over 40,000 tons/annum which is 91% up from last year. With the new fleet we have also been able to dedicate vehicles to blue chip customers such as Delta, Triangle, Unilever, Nestle, Cairns who all require nationwide distribution.

The Zimbabwe Dollar continued to depreciate during HY23 which, combined with the bank policy lending rate at 80%, has resulted in the banking sector loan to deposit ratio remaining low thus restricts business's ability to borrow and finance short term liquidity issues. The result of this is the retractive cash flow environment where many businesses stretch credit terms instead of utilizing overdraft facilities.

Financial Performance Summary

The Group's financial results and the commentary have been prepared on an inflation-adjusted basis as required by IAS 29 "Financial Reporting in Hyperinflationary Economies". Financial statements prepared under the historical cost convention have only been presented as supplementary information. The Directors would like to advise users to exercise caution on their use of these audited abridged consolidated financial statements, due

to the material and pervasive impact of the technical difficulties of reporting under International Accounting Standard (IAS) 29.

We are pleased to present inflation adjusted Group Revenues of ZWL 55 billion which are 115% above prior year restated Revenues of ZWL 22 billion. The Group continues to monitor costs under the current volatile environment. Tonnage grew by 50% from prior year (though 18% below budget), largely driven by tobacco volumes and increased FTL volumes from new vehicle assets.

The Group recorded a net profit before tax of ZWL \$6 billion which is 30%below prior year due to increase in finance costs. Finance costs were driven by revaluation of foreign denominated loans obtained to finance new vehicles amounting to 7WI 44 hillion

Total Group Inflation Adjusted Earnings were ZWL 66 billion (Historical earnings ZWL 95 billion), largely driven by the Revaluation of assets following a change in accounting policy from cost model to revaluation model.

Our balance sheet grew from ZWL 66 billion to ZWL 269 billion due to a combination of recapitalisation of our fleet and revaluation of assets.

Dividend declaration

Given the Group's focus on improving working capital cycles as well as the need to reduce exposures to borrowings and foreign liabilities, the board has decided not to declare an interim dividend.

Outlook

The Group remains optimistic about the future and looks forward to being able to utilize our increased capacities during the traditional festive period ramp up in retail spend between October and December. We are also hopeful there will be interventions from government to curtail informal imports that have been competing with domestically produced goods so as to support local industry, and promote job creation.

On behalf of the Board, I wish to express my sincere gratitude and appreciation to our customers, business partners, and our valued shareholders for their confidence in us, which will be deservedly rewarded over time. I would also like to extend my gratitude to the Unifreight Board of Directors, Employees, Management, and Executive team for their passion, commitment, and dedication to achieving a high-performance culture and ensuring Unifreight continues to grow.

For and on behalf of the Board



Peter Annesley Board Chairman 21 September 2023

Auditor's Statement

These Interim Abridged Consolidated Inflation Adjusted Financial results for the six months ended 30 June 2023 have been reviewed by Messrs Grant Thornton Chartered Accountants (Zimbabwe) and a qualified review conclusion was issued thereon.

This review conclusion is modified with respect to noncompliance with International Accounting Standard (IAS) 21 - "The Effects of Changes in Foreign Exchange Rates".

review conclusion has been made available to management and those charged with governance. The Independent Review Report on the Interim Abridged Consolidated Inflation Adjusted Financial Information is available for inspection at the Company's registered office.

The engagement partner on the review engagement resulting in this independent review conclusion is Farai Chibisa (PAAB Number 0547).

UNIFREIGHT AFRICA LIMITED	Reviewed	Audited		Reviewed		
REVIEWED ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	June 2023	December 2022 *Restated	December 2021 *Restated	June 2023	December 2022 *Restated	December 2021 *Restated
as at 30 June 2023	Inflation Adj	Inflation Adj	Inflation Adj	Historic	Historic	Historic
	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000	ZWL 000
ASSETS						
Non current assets	226,589,018	37,647,399	32,287,681	218,696,956	8,220,539	2,287,570
Vehicles and equipment	164,212,447	11,872,620	14,525,421	164,212,447	1,481,311	168,349
Investment properties	45,738,500	16,304,622	12,423,180	45,738,500	5,219,570	1,156,915
Investment in equity instruments	6,663,932	1,814,766	3,415,604	6,663,932	580,958	810,258
Right of use of asset	9,252,737	6,933,990	1,640,278	2,080,577	937,200	150,548
Intangible assets	721,402	721,401	283,198	1,500	1,500	1,500
Current assets	42,698,482	28,963,711	2,271,441	41,743,616	6,915,918	528,836
Inventories	4,141,311	2,177,615	816,407	3,186,445	500,303	183,669
ncome tax asset	-	-	1,264	-	2,697	300
Trade and other receivables	33,980,315	26,143,241	1,349,484	33,980,315	6,207,122	320,128
Cash and cash equivalents	4,576,856	642,855	104,286	4,576,856	205,796	24,739
TOTAL ASSETS	269,287,500	66,611,110	34,559,122	260,440,572	15,136,457	2,816,406

Cash and cash equivalents	4,576,856	642,855	104,286	4,576,856	205,796	24,739
TOTAL ASSETS	269,287,500	66,611,110	34,559,122	260,440,572	15,136,457	2,816,406
EQUITY AND LIABILITIES						
Equity	104,430,813	37,518,258	32,599,794	102,321,767	6,310,987	2,345,137
Share capital	512,195	512,195	512,195	1,065	1,065	1,065
Share premium	990,784	990,784	990,784	2,060	2,060	2,060
Revaluation reserve	71,363,533	-	-	108,903,948	-	-
Non-distributable reserve	17,423,352	17,423,352	17,423,351	46,356	46,356	46,356
Fair value reserve for financial assets at EVOCI	2,009,485	(2,839,681)	3,908,540	6,541,206	247,693	476,994
Equity component of shareholders loans	4,295,372	4,295,372	4,295,372	8,931	8,931	8,931
Retained earnings	7,836,092	17,136,236	5,469,552	(13,181,799)	6,004,882	1,809,731
Non current liabilities	79,762,091	15,818,876	1,668,000	73,071,894	4,626,028	179,941
Loans and borrowings	38,413,971	11,502,977	-	38,413,971	3,682,428	-
Lease liability	1,176,597	2,858,867	649,264	1,176,597	915,204	154,020
Deferred tax liabilities	40,171,523	1,457,032	1,018,736	33,481,326	28,396	25,921
Current liabilities	85,094,596	13,273,976	291,328	85,046,911	4,199,442	291,328
Trade and other payables	7,331,858	5,552,447	240,459	7,331,858	1,777,495	240,459
Income tax payable	49,933	155,978	-	2,248	-	-
Lease liability	934,290	165,336	7,013	934,290	52,929	7,013
Loans and borrowings	76,778,515	7,400,215	43,856	76,778,515	2,369,018	43,856
TOTAL EQUITY AND LIABILITIES	269,287,500	66,611,110	34,559,122	260,440,572	15,136,457	2,816,406

	Reviewed	Reviewed	Reviewed	Reviewed
REVIEWED ABRIDGED CONSOLIDATED	June 2023	June 2022	June 2023	June 2022
STATEMENT OF PROFIT OR LOSS AND OTHER		*Restated		*Restated
COMPREHENSIVE INCOME for the Half Year ended 30 June 2023	Inflation Adj	Inflation Adj	Historic	Historic
for the right real chaca so june 2023	ZWL 000	ZWL 000	ZWL 000	ZWL 000
Revenue	55,663,427	22,174,594	31,498,560	3,114,737
Operating costs	(39,827,219)	(20,823,289)	(22,136,812)	(2,771,490)
Other operating income	33,576,688	2,530,426	41,885,895	2,224,282
Earnings before interest, tax, depreciation and amortisation (EBITDA)	49,412,896	3,881,731	51,247,643	2,567,529
Finance costs	(46,070,142)	(562,197)	(59,548,039)	(78,689)
Depreciation	(2,418,266)	(1,395,675)	(782,890)	(27,358)
Monetary gain	5,082,240	6,668,639	-	-
Profit before taxation	6,006,728	8,592,498	(9,083,286)	2,461,482
ncome tax expense	(15,306,872)	(805,600)	(10,103,394)	(80,490)
ncome tax expense			(19,186,680)	2,380,992

Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income	4,849,166	(5,076,907)	6,082,974	(90,752)
Revaluation gain	94,797,467	-	132,337,882	-
Deferred tax through other comprehensive income	(23,433,934)	-	(23,433,934)	-

Total comprehensive income for the period, net of tax	66,912,555	2,709,991	95,800,242	2,290,240
Earnings per share				
Basic earnings for the year attributable to ordinary equity holders of the parent (cents)	60,315	2,545	89,976	2,151
Diluted earnings for the year attributable to ordinary equity holders of the parent (cents)	60,315	2,545	89,976	2,151
Headline earnings /(loss) for the year attributable to ordinary equity	1,702	(4,511)	4,631.8	(78)

Other comprehensive income /(loss) for the period, net of tax

holders of the parent (cents)

76,212,699

(5,076,907)

	*Restated		as at 3
	Historic		
	ZWL 000		
)	2,287,570		Balan
٦	168,349		Change
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-	2,816,406		Net gair designa other co
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	2,060		
	- 2,000		REVI

EVIEWED ABRIDGED	Attributable to e	quity shareholders o	of the parent Non- distributable		Fair value reserve of	Equity portion of		
ONSOLIDATED STATEMENT OF CHANGES IN EQUITY s at 30 June 2023	Share Capital	Share Premium	Reserves	Revaluation reserve	financial assets at FVOCI	Shareholders loans	Retained earnings	Total Equity
	Inflation Adj	Inflation Adj	Inflation Adj	Inflation Adj	Inflation Adj	Inflation Adj	Inflation Adj	Inflation Adj
	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000	ZWL000
ılance as at 1 January 2022	512,195	990,784	17,423,352	-	3,908,540	4,295,372	5,045,347	32,175,59
ange in accounting policy	-	-	-	-	-	-	424,204	424,20
estated opening balance	512,195	990,784	17,423,352		3,908,540	4,295,372	5,469,551	32,599,79
stated Profit for the period	-	-	-	-	-	-	11,666,685	11,666,68
ange in accounting policy	-	-	-	-	-	-	1,242,564	1,242,56
ofit for the year	-	-	-	-	-	-	10,424,121	10,424,1
t loss on equity instruments signated at fair value through ner comprehensive income	-	-	-	-	(6,748,221)	-	-	(6,748,22
lance as at 31 December 22	512,195	990,784	17,423,352	-	(2,839,681)	4,295,372	17,136,236	37,518,25
lance as at 1 January 2023	512,195	990,784	17,423,352	-	(2,839,681)	4,295,372	17,136,236	37,518,25
ss for the period	-	-	-	-	-	-	(9,300,144)	(9,300,14
t gain on equity instruments signated at fair value through ner comprehensive income	-	-	-	-	4,849,166	-	-	4,849,10
her comprehensive income for e period	-	-	-	71,363,533	-	-	-	71,363,53
lance as at 30 June 2023	512,195	990,784	17,423,352	71,363,533	2,009,485	4,295,372	7,836,092	104,430,81

REVIEWED ABRIDGED	Reviewed	Audited
CONSOLIDATED STATEMENT OF CASH FLOWS	June 2023	Dec 2022
for the Half Year ended 30 June 2023	Inflation Adj	Inflation Adj
	ZWL 000	ZWL 000
Net utilised from operating activities	(19,143,825)	(17,581,444)
Cash utilised from operations	(19,037,780)	(15,630,620)
·	(19,037,780)	
Interest paid	(105.045)	(1,940,256)
Taxation paid	(106,045)	(10,568)
Net cash utilised in investing activities	(56,505,465)	(1,889,125)
Purchase of vehicles and equipment to increase operations	(58,645,728)	(4,171,185)
Proceeds from sale of property, vehicles and equipment	2,140,263	2,243,354
Dividend received	-	38,706
Net cash generated from financing activities	93,800,332	19,280,089
Proceeds from borrowings	100,760,432	21,522,968
Principal payment of lease liabilities	(348,698)	(107,229)
Repayments of borrowings	(6,611,402)	(2,135,650)
Increase /(decrease) in cash and cash equivalents	18,151,042	(190,480)
Cash and cash equivalents at beginning of the period	642,855	265,650
Net foreign exchange differences	2,019,171	49,187
Effects of inflation	(16,236,212)	518,498
Cash and cash equivalents as at period end	4,576,856	642,855

NOTES TO THE ABRIDGED REVIEWED CONSOLIDATED FINANCIAL STATEMENTS for the period ended 30 June 2023

Unifreight Africa Limited (formerly Pioneer Corporation 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 intercity freight consolidations, the distribution of general goods, and a courier service. Other entities in the Group are incorporated in Botswana. The company is listed on the Zimbabwe Stock Exchange. These abridged consolidated financial statements are presented in Zimbabwe Dollars and were authorised for issue by the Board of Directors on 15 September 2023.

(90,752)

The abridged financial statements of the Group have been prepared in accordance with IAS34 - interim financial reporting as issued by the international Accounting Standards Board (IASB). In the current reporting period, management decided to change the accounting poolicy relating to the subsequent recognition of vehicles, furniture and equipment from a cost model to a revaluation model in accordance to IAS 16: "Property, Plant and Equipment", and the policy related to the subsequent recognition of investment properties from a cost model to a fair value model in accordance to IAS 40: "Investment Properties". Both these changes in policies were done in accordance to IAS 8 : "changes in accounting policies, accounting for changes in estimates and errors". Prior year figures were restated in accordance with IAS 40. All other accounting policies are applied consistently throughout the Group. The abridged financial statements are presented in Zimbabwe dollars (ZWL) and all values are rounded to the nearest 1 000 dollars except where otherwise stated.

The abridged financial statements are initially prepared under the historical cost convention and 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 abridged financial statements represent the primary financial statements of the Group, the Historical Consolidated Statement of profit or Loss and other comprehensive income and Consolidated Statement of financial position has been included only as supplementary information.

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

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 Total Consumption Poverty Line (TCTL) as published by the Zimbabwe National Statistics Agency (ZIMSTATS). The following factors were applied:

Period / Month	Factor
June 2021	14.3015
December 2021	10.7382
June 2022	4.9051
December 2022	3.1237
June 2023	1.0000

Trade and other receivables

Except for the change in the accounting policy relating to the subsequent recognition of vehicles, furniture and equipment from a cost model to a revaluation model in accordance to IAS 16: "Property, Plant and Equipment", and the policy related to the subsequent recognition of investment properties from a cost model to a fair value model in accordance to IAS 40: "Investment Properties", the accounting policies used in preparing the abridged financial statement for the period ended 30 June 2023 are consistent with those used in preparing the group financial statements of the year ended 31 December 2022 and are in accordance with International Financial Reporting Standards (IFRF) as issued by the International Accounting Standards Board (IASB).

	ZWL 000	ZWL 000
Current	22.062.720	
Trade receivables	33,862,738	6,844,791
Receiveables due from related parties	42,024	-
Less: provision for impairment	(1,346,527)	(797,718)
Trade receivables - net	32,558,235	6,047,073
Prepayments	455	19,039,432
Staff debtors	5,389	28,798
Other debtors	1,416,236	1,027,938
Total trade and other receivables	33,980,315	26,143,241
Trade and other payables	June 2023	Dec 2022
	ZWL 000	ZWL000
Current		
Trade payables	2,761,803	3,581,955

592,447

795,091

5,552,447

18,981

7,331,858

Borrowings

Accrued expenses

Trade payables due to related parties

Social security and other statutory

Borrowings represent facilities for capital expenditure and working capital. The interest rates for USD accounts attract an interest is between 12.15% to 13% and for ZWL Loans the interest rates are from 89%.

	Jun 2023 ZWL 000	Dec 2022 ZWL 000
Shareholder loans	4,295,37	2 4,295,372
Equity component of shareholders loans	(4,295,377	2) (4,295,372)
Loans and borrowings	115,192,48	6 18,903,192
	115,192,48	6 18,903,192

inance cost	
inance cost comprises the following:	

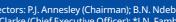
Foreign exchange losses from revaluation of foreign denominated loans 44,167,170 261,548 63,388 46,070,142

ortal expenditure		
	Jun 2023	Dec 2022
	ZWL000	ZWL000
quisition of vehicles and equipment	58,645,728	4,171,185

The group is a defendant in various labour disputes with former employee The cases are at various stages. The total being claimed in all these cases is ZWL 25 billion.

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.







Grant Thornton

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REPORT ON REVIEW OF INTERIM ABRIDGED CONSOLIDATED INFLATION ADJUSTED FINANCIAL INFORMATION

To the members of Unifreight Africa Limited and its subsidiaries

We have reviewed the accompanying interim abridged consolidated inflation adjusted statement of financial position of Unifreight Africa Limited and its subsidiaries (the "Group") as at 30 June 2023 and the related consolidated inflation adjusted statement of profit or loss and other comprehensive income, consolidated inflation adjusted statement of changes in equity and consolidated inflation adjusted statement of cash flows for the six-months then ended, and a summary of significant group accounting policies and other explanatory notes.

Responsibilities of Management and Those Charged with Governance for the interim abridged consolidated inflation adjusted financial statements

Management is responsible for the preparation and fair presentation of these interim abridged consolidated inflation adjusted financial statements in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting and the Group's accounting policies, this includes the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of interim abridged consolidated financial statements that are free of material misstatement whether due to fraud or error.

Our responsibility is to express a conclusion on these interim abridged consolidated inflation adjusted financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

Non-compliance with International Accounting Standard (IAS) 21 -The Effects of Changes in Foreign Exchange Rates

During the prior and current financial period, the foreign currency denominated transactions and balances of the Group were translated into ZWL using internally generated rates, which were not considered appropriate spot rates for the Group as required IAS 21. IAS 21 defines the spot exchange rate as the exchange rate for immediate delivery.

As at 30 June 2023, the Group's investment property, vehicles and equipment were revalued by management in USD and converted to ZWL using the internally generated exchange rates. Although the determined USD values reflected the fair values of the investment property, vehicles and equipment in USD, the converted ZWL values were affected by the non-compliance with the requirements of IAS 21 as the internally generated rates used were not considered appropriate spot rates for the Group.

Had the interim abridged consolidated inflation adjusted financial statements been prepared in accordance with the requirements of IAS 21, many elements would have been materially affected. The effects of the non-compliance with the requirements of IAS 21 have been considered to be material but not pervasive to the interim abridged consolidated inflation adjusted financial statements as a whole.

Qualified Conclusion

Based on our review, except for the effects of the matters described in the Basis for Qualified Conclusion paragraph, the accompanying interim abridged consolidated inflation adjusted financial information presents fairly, in all material respects the financial position of Unifreight Africa Limited and its subsidiaries as at 30 June 2023, and of its financial performance and its cash flows for the six months ended in accordance with International Financial Reporting Standards (IFRSs).

The engagement partner on the review engagement resulting in this independent review conclusion is Farai Chibisa.

Farai Chibisa

Partner

Registered Public Auditor (PAAB No: 0547)

Grant Thornton

Chartered Accountants (Zimbabwe)
Registered Public Auditors
HARARE

Grant Thornton

22 September 2023