

## TRADING UPDATE - QUARTER 3 2023

### Overview Financial Performance

Q3 volumes have increased from 50,000t in 2022 to 120,000t in 2023, a noteworthy 135% increase. This increase is driven mainly through an investment in capacity during Q1 2023 where Unifreight procured 100 X FAW28-380FT which were paired with AFRIT Taut-liners. Q3 expenditure remained flat year on year with a marginal 2% increase between 2022 and 2023. Considering the addition of assets to our fleet this was remarkable cost containment in an inflationary environment. The combination of a 135% increase to top line growth and marginal 2% increase in expenditure has resulted in a fantastic year on year turnaround from a loss making position in 2022 to an EBITDA profit of ZWL 3.4b for Q3 2023.

The 100 FAW's have been operating within the local Zimbabwean market however depressed rates/KM have resulted in us moving some of the fleet onto more lucrative cross-border contracts. During Q4 2023 and into 2024 we aim to further increase our fleet of FAW's and to allocate additional assets toward the cross-border market.

For the local Zimbabwean market, we are focussing on investment in smaller FAW28 290hp and FAW8 140hp trucks with volumetric configurations to better serve the local market at lower running costs per KM. This strategy is aligned with our cost containment and cross border strategy that is proving to be an effective model.

### Macro-economic challenges

While the exchange rate has remained largely stable during Q3 the major issues within the market has been the lack of affordable finance. Loans in USD (while better priced than ZWL) were available only on short tenure owing to the expiry of the dual currency law in 2025, however at time of writing the multicurrency system has been extended to 2030 which will mean banks are now able to lend on longer tenure.

Another challenge is the forced arbitrage in formal retail where goods were required to be priced in both USD and ZWL, but the exchange rate used was controlled by the RBZ, resulted in goods being priced cheaper through the informal market. Government however, can be commended with their most recent MPC addressing this arbitrage and promoting the use of bank cards through exemption from IMTT tax. This intervention will support the formal retail industry which Unifreight transports countrywide.

### Outlook

We are on track to achieve our forecast profit for FY 2023. The Board, Executive and Management are focussing on delivering positive results and protecting shareholder value.



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**Board of Directors**

P.J. Annesley (Chairman)  
R.P.A. Clarke (Chief Executive Officer)  
J.N. Fambawaputa (Chief Finance Officer)

H.J. Crabbe  
B.N. Ndebele  
M.A. Kalweit

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## **Appreciation**

The Board is grateful that Unifreight Africa's robust yet flexible business model with a diverse Customer base has kept the Group going through very difficult times.

## **BY ORDER OF THE BOARD**

A handwritten signature in black ink, appearing to read "Richard Clarke", is positioned above the printed name.

Richard Clarke  
**Group CEO.**