

REPORT ON REVIEW OF INTERIM ABRIDGED CONSOLIDATED FINANCIAL INFORMATION

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To the members of Unifreight Africa Limited

We have reviewed the accompanying interim abridged consolidated financial statements for Unifreight Africa Limited ('the Group'), which comprise of the interim abridged consolidated statement of financial position as at 30 June 2024, and the related interim abridged consolidated statement of profit or loss and other comprehensive income, interim abridged consolidated statement of changes in equity and interim abridged consolidated 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 financial statements.

Management is responsible for the preparation and fair presentation of these interim abridged consolidated 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 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 Effect of Changes in Foreign Exchange Rates

Change in functional and presentation currency.

On 5 April 2024, the Government of Zimbabwe through Statutory Instrument 60 of 2024 introduced a new currency, Zimbabwe Gold (ZWG). The statutory instrument provided that, for accounting and other purposes, all assets and liabilities that were immediately before the effective date valued and expressed in Zimbabwe dollars, were to be deemed to be values in ZWG, translated using the formula stipulated in the statutory instrument.

Accordingly, the Group changed its functional and presentation currency from Zimbabwe Dollars (ZWL) to Zimbabwe Gold (ZWG) with effect from 5 April 2024. The change in functional currency entails all amounts, including comparatives being translated from ZWL to ZWG in accordance with IAS 21 - The Effect of Changes in Foreign Exchange Rates (IAS 21). The Group's previous functional currency (ZWL) was a currency of a hyperinflationary economy. As such, IAS 21 requires that the ZWL inflation adjusted amounts for the period prior to the change in functional currency, and the previously stated comparative consolidated inflation adjusted financial statements be translated to ZWG at the closing exchange rate at the date of change in functional currency.

In preparing the ZWG comparatives for the statement of financial position, management translated the comparative financial statements to ZWG, by separating the balances denominated in USD and ZWL. The USD denominated balances were then translated to ZWG using the interbank exchange rate between USD and ZWG as at 5 April 2024. The ZWL denominated balances were inflation adjusted using the Total Consumption Poverty Line (TCPL) as at 31 March 2024 and then translated to ZWG using the formula stipulated in Statutory Instrument 60 of 2024. This constitutes a departure from the requirements of IAS 21.

The balances as at 30 June 2024 for vehicles and equipment, inventory, cash and cash equivalents, loans and borrowings, trade payables, lease liabilities and deferred tax liabilities contain material amounts carried forward from 31 December 2023. As a result, the balances as at 30 June 2024 and the comparatives for the year ended 31 December 2023 may contain material misstatements arising from the translation of the previously stated ZWL comparative consolidated inflation adjusted financial statements to ZWG on change of the functional and presentation currency of the Group.

Exchange rates applied to translate USD transactions and balances for the period prior to the change in functional currency.

During the prior year and the current period up to the date of change in functional currency, the Group's USD transactions and balances were translated into the functional and presentation currency of the Group using internally generated exchange rates, which were not considered appropriate spot exchange rates for translations as required by IAS 21. Had the appropriate spot exchange rates been used, some elements of the interim abridged consolidated financial statements would have been materially different.

There have been no restatements to the prior year financial statements in accordance with IAS 8 '*Accounting Policies, Changes in Accounting Estimates and Errors*', and these abridged consolidated financial statements may contain material misstatements arising from the carry over effects of the non-compliance with IAS 21 during the year ended 31 December 2023.

The effects of the above non-compliance with the requirements of IAS 21 have been considered to be material but not pervasive to the interim abridged consolidated financial statements.

Qualified Conclusion

Based on our review, except for the effects of the matters described in the *Basis for Qualified Conclusion* section of our report, nothing has come to our attention that causes us to believe that the accompanying interim abridged consolidated financial statements do not present fairly, in all material respects, the financial position of Unifreight Africa Limited as at 30 June 2024, and its financial performance and cash flows for the six months then 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.

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Farai Chibisa
Partner

Registered Public Auditor (PAAB No: 0547)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors

27 September 2024

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