UNIFREIGHT AFRICA LTD

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TRADING UPDATE - QUARTER 1 2024

Overview Financial Performance

We have witnessed a substantial increase in Q1 volumes, up by 58% from the prior year, which itself was up by 135% from the year before. This consistent growth is a testament to our strategic fleet expansion and increased capacities. Our aggressive marketing efforts within the Full Truck Load (FTL) market segment have paid off, despite a 17% reduction in total yield per KM due to the nature of the segment. This reduction is offset by the increased volumes being moved. We will continue to focus on wholesale consumer goods, the market segment least affected by the currency introduction.

Our total revenue contributions have shifted from Less Than Load (LTL) towards FTL, with FTL's contribution increasing from 29% in 2023 to 41% in 2024.

Tobacco continues to be a key revenue driver. Most major merchants have chosen Swift for the safe and reliable transportation of their tobacco from the regional floors to Harare. Despite a smaller tobacco crop trending towards 220mKG for the season, we anticipate moving over 30% more volume from this sector after securing additional merchants in 2024.

The FAW28-380FT units in our fleet have proven to be highly reliable, with minor issues experienced in the first 100km. The cost/KM of these units has been well below both the Shackman and Powerstar units that have been trailed in the fleet. The current FAW fuel efficiency averages at 2.34 km/L. We aim to acquire a further 60 FAW28-380FT units before the year ends.

Zimbabwean Transport Sector Challenges

Regionally, Zimbabwean fuel is the most expensive, with our pump price at USD1.68 compared to USD1.11 in Zambia. Vehicle registration is also significantly higher at USD 1,560 versus only USD 132 in Zambia. These exorbitant costs make operating a cross-border fleet in Zimbabwe less attractive. Duties levied on diesel currently stand at USD 0.427c, and 25% of export proceeds are converted into ZiG, which cannot be freely converted back into USD at the controlled exchange rates published by the Reserve Bank. Luckily Unifreight has a flexible business model which allows us to change the number of assets running cross border as we need.

Outlook

Despite challenges being faced in the local market we remain optimistic that FY 24 will yield positive results and are on track to achieve budget. So far Unifreight has made over Zig 13m for Q1 24' The Board, Executive and Management are focussing on delivering positive results and protecting shareholder value.

Appreciation

The Board is grateful that Unifreight Africa's continues to grow year on year.

BY ORDER OF THE BOARD

Richard Clarke
Group CEO.