ANNUAL FINANCIAL REPORT

CIMERWA

A PARTNER OF PPC

STRENGTHENING RWANDA

Table of Content

Directors' report	4
Chairperson statement	11
Chief Executive Officer statement	12
Proposed resolutions	25
FINANCIAL STATEMENTS	
Financial Highlights	38
Notes to the financial statements	56

DIRECTORS' REPORT

The Directors submit their report together with the audited financial statements for the year ended 30 September 2022, which disclose the state of affairs of CIMERWA PLC (the "Company").

PRINCIPAL ACTIVITIES

The principal activity of the Company is the manufacture and sale of cement and other related products.

RESULTS AND DIVIDEND

The results for the year ended 30 September 2022 are set out on page 40. The directors recommend a dividend payout

Directors

The Directors who held office during the year and to the date of this report were:

Regis Rugemanshuro	Chairperson – Rwandan
Albert Sigei Kipkemoi	Chief Executive Officer – Kenyan
Nyirimihigo Jean Marie Vianney	Director- Rwandan
Chrissie Moloseni	Director- Malawian
John Bugunya	Chief Financial Officer – Rwandan
Roland Van Wijnen	Director (Appointed 14 June 2022) – Dutch
Anita Dancilla Umuhire	Director - Rwandan
Eunice Nyala	Director - Kenyan
Florida Kabasinga	Director - Rwandan
Edward Okaro Omolo	Director - Kenyan
Sternford Moyo	Director - Zimbabwean
Mokate Ramafoko	Director (Resigned on 30th April 2022) - South African

General information

CIMERWA PLC is incorporated in Rwanda under Law No. 007/2022 of 05/02/2022 Governing Companies and is domiciled in Rwanda. The address of its registered office is:

Kimihurura Sector
Gasabo District
PO Box 644
Kigali - Rwanda

Company Secretary **Date**

THE 4 DECADES OF CIMERWA PLC

CIMERWA Plc is Rwanda's only integrated cement manufacturer in Rwanda and a significant player in the Great Lakes region. Our story started in 1984 and as we near our 40th anniversary, here is a brief look at the events that shaped CIMERWA into the company it is today.

Discovery of limestone deposit at a hot spring in Bugarama, Rusizi district in South Western Rwanda.

1970s

Agreement to set up the 50,000 tons per year cement plant.

1976

Plant is commissioned and managed by CBMC under a build, own, operate and transfer agreement until the end of the loan term in July 2006.

1984

Operations suspended during the 1994 Genocide against the Tutsi which saw 58 CIMERWA team members lose their lives.

kwibuka

1994

Plant capacity is upgraded to 100,000 tons per annum

2001

CIMERWA is privatized under the Rwanda Investment Group

2006

Shareholding changes to several Rwandan based institutions

2011

PPC Africa acquires a 51% share of CIMERWA

2013

CIMERWA launches new corporate identity.

Opening of new operation plant

2015

CIMERWA hosts first CIMEGOLF tournament

2017

CIMERWA launches new brand ethos – ‘Strengthening Rwanda’

CIMERWA hosts second CIMEGOLF tournament

2018

CIMERWA records first profit since opening of new plant

CIMERWA hosts third CIMEGOLF tournament

2019

CIMERWA introduces 'SURERANGE' in promotion of product diversification.

CIMERWA lists on the Rwanda Stock Exchange

2020

CIMERWA hosts the fourth edition of CIMEGOLF

2021

CIMERWA introduces 22.5X cement SUREWALL.

CIMERWA hosts fifth edition of CIMEGOLF.

2022

Over the past 38 years, the company has consistently prioritized the growth and well-being of the communities it operates in through its Strengthening Rwanda agenda.

OUR STRENGTHENING RWANDA PROMISE

This agenda is centered on five pillars - Strengthening Education, Strengthening Health, Strengthening Entrepreneurship, Strengthening Infrastructure, and Strengthening Environmental Protection - and has been instrumental in driving positive change and progress in the Western Province of the country. Through various initiatives and programs under these pillars, CIMERWA Plc has made a lasting impact on the lives of the people in the region and has played a significant role in the overall growth and development of Rwanda.

- **Strengthening Education:** The education pillar is driven by our belief in shaping young minds for a better tomorrow through a proper school with good tutelage. Through l'educateur Nursery and Primary School children are able to benefit from good, affordable and accessible education in Bugarama
- **Strengthening Health:** Good Health is precious, a fact that was made more poignant by the recent COVID-19 pandemic. This pillar focuses on our initiatives in the health space. With a clinic that was established right alongside the plant in 1984 and handwashing stations built during the pandemic in high traffic areas, CIMERWA has contributed to the health and wellbeing of the citizens of Bugarama for the past couple of decades.

- **Strengthening Entrepreneurship:** This pillar is focused on equipping people with the right skills to better their lives. CIMERWA built a market point and a tailoring cooperative and it supplied both operations with a building in which they operate from, electricity, water and other amenities as well as machines necessary for their operations.
- **Strengthening Infrastructure: O**ur infrastructure pillar focuses on the development projects we've helped bring to life across Rwanda with our SIMANYARWANDA including The Kigali Arena, The Prime Minister's HQ, Gasabo District HQ, in addition to some projects that are still under construction i.e. The Bugesera International Airport and the refurbishment of the Amahoro National Stadium.
- **Strengthening Environmental Protection:** CIMERWA understands that its operations have an inexorable impact on the environment. To ensure the company builds a thriving business while remaining a responsible corporate citizen, CIMERWA has invested in effective environmental and energy management. By doing this, the company can ensure the business continues to create sustainable value for stakeholders.

OUR STRENGTHENING RWANDA MISSION & VISION STATEMENTS

- It is the strength of our name and our promise to our customers, stakeholders, staff and communities.
- It is the strength of our guarantee. The integrity placed behind every purchase, every interaction; the knowledge that when you buy CIMERWA Cement, you too place your trust in our name & word.
- It is the strength to care for our environment, ensuring we minimize the impact we have on the future sustainability of our planet by adhering to environmental best practices in our facilities and through our products.
- It is the strength of our ability to foster growth and purposeful partnerships. Partnerships that will push us to incessantly seek to be a force for good with the world around us, continually impacting the lives of the people we serve in a tangible and meaningful way.

BECAUSE OF CIMERWA

Strengthening Capacity – Tailoring Project.

The TTCM tailoring cooperative had just over 20 members in 2015 who were struggling since they had no working premises, equipment and close to no professional training. Over 5 years later, the contrast is striking, with the support of CIMERWA Plc the tailors now have a house to operate in fully equipped with water and electricity, professional sewing machines, they benefitted from a tailoring workshop that has upgraded their skills and they now manufacture the entirety of CIMERWA Plc's overalls and plant uniforms. The cooperative has now grown to include 42 members

CHAIRPERSON'S STATEMENT

Our remarkable performance this financial year demonstrates the resilience of CIMERWA Plc

REGIS RUGEMANSHURO
BOARD CHAIRPERSON

Dear Shareholders,

I am pleased to present to you our Integrated Annual Financial Report for the year ending 30th September 2022. This has been a remarkable year of strong growth and success for CIMERWA Plc.

In 2022, our revenue figure was Rwf 92.1bn, which is a 37% increase over the previous year. This report explains how this was achieved, and how we intend to maintain this growth trajectory in the coming years.

You will be particularly pleased to learn that our Earnings Per Share (EPS) increased from Rwf 5.9 to Rwf18.7, a remarkable growth of 217%. This is why the Board of Directors and I have recommended a dividend payout of Rwf 10.5bn, representing 80% of our Profit After Tax subject to your approval.

"I am very optimistic about the future growth prospects of CIMERWA Plc and the construction industry. Rwanda's economy continues to grow strongly after the devastating impact of the COVID-19 pandemic. There are many infrastructure projects that will continue to fuel our growth.

This year, we also reinforced our commitment towards sustainability through a strategy and roadmap to guide our actions around Environmental and Social Governance (ESG). We are committed to reducing our carbon footprint and increase the use of renewable energy solutions among other key activities.

We are proud to report that over the past three years, we have reduced our C02 emission per ton of clinker produced by over 20% and we plan on growing that percentage in the future on our road to net zero.

Our remarkable performance this financial year demonstrates the resilience of CIMERWA Plc as a company and we remain focused on driving sustainable growth and creating value for all our stakeholders.

I would like to express my gratitude to our employees, who have shown dedication and commitment to our mission and our customers, partners, and shareholders for their support and trust in us.

Sincerely,

Regis Rugemanshuro
CIMERWA Board Chairperson

CEO STATEMENT

CIMERWA remains a strong brand in Rwanda renowned for superior quality.

ALBERT SIGEI
CHIEF EXECUTIVE OFFICER

On behalf of Management and Staff, I would like to extend my heartfelt appreciation to all our stakeholders for their support to CIMERWA Plc during the financial year 2022. In a special way, I am grateful for the enormous support received from the PPC Group on technical and operational matters and the Government of Rwanda for creating an enabling environment to help businesses in recovery after the COVID-19 pandemic.

Key developments

The year 2022 presented a unique operating environment post COVID-19 pandemic and with the Russia-Ukraine war and consequent impact on our markets and input materials supply chain. We waded through the challenges with focus and determination leading to us posting good operational and financial performance.

Financial Performance

> We recorded Frw 92.1 Bn in revenues, which is a 37% in crease compared to last year. This was enabled by plant production optimization coupled with effective execution of our route-to-market strategy for both domestic and export markets.

Profit Before Tax (PBT) stood at Rwf 16.9 bn, an impressive improvement of 212% versus prior year. This was on account of the operating profit improvement driven by sales volumes being 27% higher than prior year supported by price optimization, cost management initiatives resulting in improved margins. Our finance costs also declined in line with the reduced debt facility following voluntary early loan repayment during the year in line with the facility agreement.
The above profitability performance drove our Earnings Per Share (EPS) up to Rwf 18.74, an excellent improvement of 222% compared to the prior year EPS of Rwf 5.86. Following this strong performance, the Board of Directors recommends a dividend payout of Rwf 10.5 bn, representing 80% of Profit After Tax, subject to shareholder approval at the Annual General Meeting.

We closed the year with a healthy cash position of Rwf 20 billion, a 40% increase versus last year. Our Net debt reduced from Rwf 21bn last year to Rwf 1bn as at 30th September 2022 hence leaving the Company with a healthy balance sheet.

Operational Performance

- Major focus was placed on addressing operational bottlenecks in the factory to unlock plant potential. The annual Kiln maintenance was successfully executed with key tasks concluded such as 27 metres of Kiln refractory installation, clinker conveyor repairs, installation of new drag chain for the grate cooler. These, and other interventions, led to an improvement in the Kiln Net Overall Equipment Efficiency leading to improved unit cost of production and production efficiency.

- These plant capacity debottlenecking and reliability improvement actions helped to increase Raw Mill and Kiln reliability hence realization of +26% and +27% increase in cement production and sales production respectively compared to prior year leading tothe cement dispatched volumes being >90% of the plant's design capacity. Further productivity improvement investments and reliability improvement actions are underway to enable the plant to increase production over the next 24 months in an effort to saturate our annual design capacity of 600Kt.
- We closed the year with healthy cement and clinker stocks in readiness to ensure continued steady supply of product to meet our customer needs, including the ongoing major infrastructure projects such as the New Bugesera International Airport and Amahoro Stadium.
- We re-launched SUREWALL within our "SURE" range of products, a diversified product range with enhanced value proposition for our customers as they buy products depending on the required application. SUREWALL comes with a reduced CO_2 per ton footprint and is used for plastering and bricklaying.
- We also consolidated our market leadership position in Rwanda and Eastern DRC markets (Bukavu and Goma) supported by solid Route-to-Market actions and logistics efficiency.

Looking ahead

The good result in this financial year demonstrates CIMERWA Plc's resilience in the face of a challenging environment and its commitment to sustainability. We continue to focus on addressing operational bottlenecks to unlock full volume potential. Overall, we are optimistic that the business will continue growing and deliver more value to our shareholders and CIMERWA remains a strong brand in Rwanda renowned for superior quality.

Appreciation

I offer my heartfelt appreciation to the Board members, the Executive Committee and team CIMERWA for their relentless commitment, energy and focus during the review period. I also thank our bankers, customers, suppliers and stakeholders for their continued trust in our brand. We could not have done it without your commitment.
Murakoze Cyane !

....
Mr. Albert Sigei
Chief Executive Officer

BOARD OF DIRECTORS

His expertise is in helping organizations realize the promise of the digital revolution

REGIS RUGEMANSHURO
BOARD CHAIRPERSON

Director General of the Rwanda Social Security Board (RSSB). Prior to that he was the Chief Digital Officer (CDO) at the Bank of Kigali Plc, leading the digital transformation of the bank before that, Mr. Rugemanshuro was the first Chief Executive Officer of BK TecHouse Ltd, the Tech subsidiary of Bank of Kigali Group Plc where his work in the two years he spent there earned him the 2018 All Africa Business Leaders Award (AABLA) as Finalist for East Africa Innovator of the Year. Under his leadership, BK TecHouse was voted and awarded the 2017 Best Technology Company in Rwanda by the Smart Service Awards.

Prior to joining BK Group Plc, Mr. Rugemanshuro spent his career in the United States consulting for the global Tech giants such as Hewlett Packard (HP) as a Program Manager and later with Accenture PLC in Seattle, Washington. During his time there, his main clients included Microsoft and T-Mobile. His area of focus is at the intersection of Business and Technology; his expertise is in helping organizations realize the promise of the digital revolution via adoption of modern engineering platforms and practices.

He is also a Certified Project Management Professional (PMP) by the Global Project Management Institute (PMI) as well as a Certified SAFE Program Consultant (SPC4) by the Global Scaled Agile Academy. He has a bachelor's degree in science information technologies and an MBA in Management both from Misericordia University in Pennsylvania.

She has over 20 years experience in leading financial functions of service and manufacturing

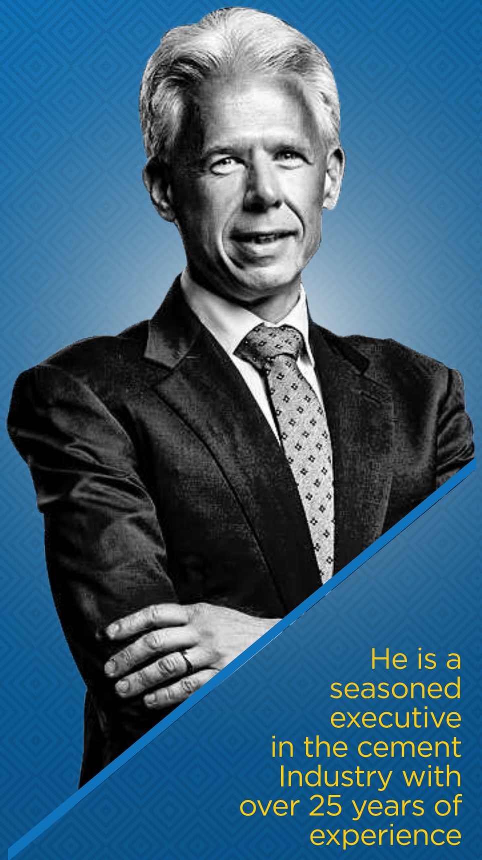
CHRISSIE MOLOSENI
VICE CHAIRPERSON

Ms. Chrissie Moloseni is a Chartered Global Management Accountant (CGMA) with Chartered Institute of Management Accounts UK. She has over 20 years experience in leading financial functions of service and manufacturing operations in Finance and Operations Management with a track record of delivering performance.

She holds an MBA from the University of Bradford – School of Management (UK) and a Bachelor of Accountancy Degree from the University of Malawi. She further obtained Executive leadership training from IMD, Geneva Switzerland and INSEAD Business School, Paris, France and Gordon Business School in South Africa. Chrissie Moloseni is a member of the Institute of Chartered Accountants in Malawi.

Ms. Chrissie Moloseni is the Head of Finance for PPC International covering the PPC Africa operations in Rwanda, DRC, Ethiopia and Zimbabwe. Prior to joining the PPC Group in South Africa, she worked for the LafargeHolcim Group as Chief Financial Officer for Lafarge South Africa and prior to that she was Chief Financial Officer for Lafarge Zambia Plc. Before joining Lafarge Group she worked as the Finance Director for Alexander Forbes Malawi Ltd. She serves as a director and Chairperson of CIMERWA plc, a director and a member of the Board of PPC Zimbabwe, a member of PPC Barnet DRC and serves as a Chairperson of the Audit Committee of the PPC Barnet Group. Chrissie has also served on various boards in the manufacturing and financial institutions in South Africa and Sub-Saharan Region in Africa over the period.

BOARD OF DIRECTORS

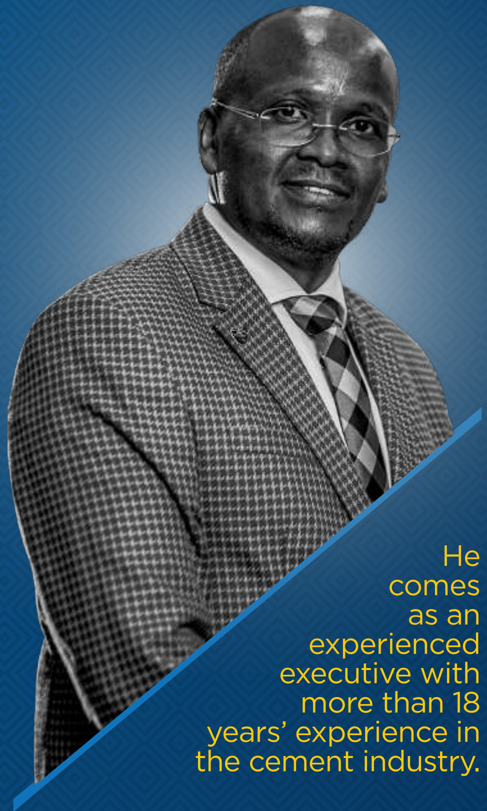


He is a seasoned executive in the cement Industry with over 25 years of experience

ROLAND VAN WIJNEN
BOARD MEMBER

Roland van Wijnen is a seasoned executive in the cement industry with over 25 years' experience in this sector. He currently serves as Group CEO of PPC Ltd, listed at the Johannesburg Stock Exchange, and oversees the activities of the group across South Africa, Botswana, Rwanda, the Democratic Republic of Congo (DRC) and Zimbabwe. He is born and raised in an entrepreneurial family with passion for capital intensive industrial companies that require cross functional improvements from strategy to implementation to visible and measurable results. Over the course of his career, he has gained experience by working for a variety of international industrial B2B companies in different countries and under different economic scenarios.

His academic accomplishments include a Master of Science degree in Industrial Engineering from Twente University in the Netherlands. Post-graduation he has participated at leadership programs at leading business schools such as Harvard Business School, IMD and IE. Prior to his time at PPC Ltd, Roland van Wijnen held positions as CEO for Holcim Trading, Holcim Philippines and Holcim North Danube (Slovakia, Czech Republic and East Austria). He started his career as international project manager at Philips Electronics and gained further experience as management consultant supporting companies to implement operational improvements and design growth strategies. Currently, Roland van Wijnen serves as Executive Director on the Board of PPC Ltd as well as non-Executive director at PPC Barnet (DRC) and PPC Botswana.



He comes as an experienced executive with more than 18 years' experience in the cement industry.

ALBERT SIGEI
BOARD MEMBER

Albert K. Sigei joined CIMERWA PPC as Chief Executive Officer on 06th January 2020. He comes as an experienced executive with more than 18 years' experience in the cement industry.

He has lived and worked in varied cross-cultural geographies including Kenya, Egypt, Nigeria, UK and Malawi. With a sterling work pedigree in Business Development, Business Management and Change Management, he has a keen eye for business and a sharp mind for decisions.

Albert's multi-disciplinary background including Engineering, Finance, IT, Risk Management and leadership set the stage for his 18 year old career in the durables sector. He has a first class honors Bachelor's Degree in Mechanical Engineering from the University of Nairobi, is a fellow of the Association of Chartered Certified Accountants (ACCA) and graduated from various executive courses offered by Ivy league Business Schools – INSEAD, London Business School, HEC Paris and The Ivey Business School at Western University. He is passionate about Africa hence his unwavering focus on the importance of alignment between business purpose and societal needs.

Mr. Nyrimihigo is a career banker with over 30 years' experience in project financing. He previously worked with the Central Bank of Burundi and later was Director General of Rwanda Development Bank and Director General of the African Guarantee Fund in Niger.

He is now in private business as a real estate developer and is a Board member of Rwanda Investment Group. Mr. Nyirimihigo is a graduate of Nairobi University and has a post graduate diploma in Banking from CNAM University of France.

He is an accomplished banker with over 30 years' experience in project financing.

NYIRIMIHIGO J.M. VIANNEY
BOARD MEMBER

Edouard is the Managing Director of Tendo Consulting SA (Pty) Ltd. Prior to that he was a partner at Ernst & Young Advisory Services in South Africa where he serviced in various capacities over a 26 year period. A holder of CA(SA), CPA(K), MBA (Manchester University) and Bcomm (UON), Edward's core competencies revolve around: financial management and reporting, risk management and control transformation.

He also serves in boards and audit committees of other organizations in East and South Africa across private and as well as public sector.

His competencies include financial management, reporting, risk management and control transformation

EDOUARD OKARO
BOARD MEMBER

She is an expert in labor matters and is a prolific litigator, mediator and arbitrator.

FLORIDA KABASINGA
BOARD MEMBER

Florida Kabasinga is the Founder and Managing Partner of Certa Law Chambers, one of Rwanda's leading Law Firms.

After almost a decade practicing on the international legal circuit with the International Criminal Tribunal for Rwanda as a Case Manager, Assistant Appeals Counsel and Appeals Counsel.

Florida returned to Rwanda where she occupied different positions from 2012. In 2016, Florida established Certa Law which primarily represents banks and commercial clients. She sits on the Board of Guaranty Trust Bank. Florida leads Certa's strategic vision and heads its Alternative Dispute Resolution practice (mediation & arbitration).

She is an expert in labor matters and is a prolific litigator, mediator and arbitrator in different aspects of legal practice in Rwanda. She has appeared as an expert witness in different national jurisdictions and lectures in law at different universities. Florida holds a Master of Laws degree (Magna cum Laude) from the University of Notre Dame in Indiana, USA and a Bachelor of Laws degree (Hons) from Makerere University in Kampala, Uganda.

She is a member of the Rwanda Bar Association, the East African Law Society, the American Bar Association, the Chartered Institute of Arbitrators, the Kigali Arbitration Center and is a court appointed mediator

He specializes in commercial law, corporate law and mining law.

STERNFORD MOYO
BOARD MEMBER

Sternford Moyo has been a lawyer for about 40 years. He is the Senior Partner of Scanlen and Holderness, one of the largest law firms in Zimbabwe established in 1894 It is ranked in band one by Chambers Directory. Mr Moyo is individually ranked in band one by the same directory.

He specializes in commercial law, corporate law and mining law. Mr Moyo is a former President of the Law Society of Zimbabwe and the Southern African Development Community Lawyers Association. Presently, he is the President of the International Bar Association. He is the first African lawyer to be elected to that position in the 74 years of the association. During his many years in practice as a lawyer, he has acted as a director of a number of companies. He is a former director and chairperson of Stanbic Bank Zimbabwe Limited, a member of the Standard Bank Group which is one of the leading commercial banks in Zimbabwe.

He is, furthermore, a former chairperson of the Zimbabwe Revenue Authority and Schweppes Zimbabwe Limited, one of the leading bottling companies in Zimbabwe. Presently, he is the chairperson of Delta Corporation Limited, one of the largest Zimbabwean companies listed on the Zimbabwe Stock Exchange. He is, furthermore, a director of Padenga Holdings Limited, a company listed on the Zimbabwe Stock Exchange which has interests in crocodiles and mining, PPC Zimbabwe Limited, the leading cement company in Zimbabwe and Alpha Media Holdings Limited, the largest independent media company in Zimbabwe

He is a fellow of the ACCA and a member of ICPAR.

JOHN BUGUNYA
BOARD MEMBER

John Bugunya joined CIMERWA Ltd as Chief Finance Officer (CFO) in May 2017. He has wide experience in strategic management processes, corporate governance, Risk management, Compliance and Accounting Advisory gained from over 14 years post qualification experience.

Before joining CIMERWA, John was the Chief Executive Officer of Prime Insurance Limited for three years (January 2015 – April 2017) and previously worked with Bank of Kigali as Chief Finance Officer for five years (December 2009 – December 2014). He also worked in external assurance advisory with Deloitte in the United Kingdom and EY (previously "Ernst & Young") in Uganda.

John is a Fellow of the Association of Certified Chartered Accountants (ACCA) and is also a member of the Institute of Certified Public Accountants of Rwanda (ICPAR). He also holds a Bachelor's Degree in Business Administration (Accounting) from Makerere University, Uganda and has attended various trainings in leadership and management

She has notable expertise in commercial strategy, business building and expansion

EUNICE NYALA
BOARD MEMBER

With over 25 years of commercial and leadership experience in financial services, mainly retail banking and card merchant services with full P&L responsibilities, Eunice has Notable expertise in commercial strategy, business building and expansion through acquisitions and organic growth in highly regulated multinational companies – Absa Bank Kenya Ltd (formerly Barclays Bank Kenya), Barclays Head Office London, UK and she also held a regional job in Barclaycard International with responsibility in 32 countries in Africa.

She has Sector expertise in commercial risk & security having worked at executive levels for G4S Kenya, an international integrated security solutions provider with presence in over 120 countries, second largest employer globally with PBITA of approximately £427M.

Anita D. Umuhire is a dynamic Chartered Accountant with over 14 years' experience in Finance gained in various sectors: banking, audit, not-for-profit and the FMCG (Fast-Moving Consumer Goods) industry; spanning markets such as South Africa, Rwanda and Kenya.

She is a member in good standing with both the South African Institute of Chartered Accountants and the Institute of Certified Public Accountants of Rwanda. She holds an MBA in Leadership and Sustainability from the University of Cumbria, Robert Kennedy College and is currently pursuing CFA level II. She is currently the Deputy Managing Director of Inyange Industries and its subsidiaries.

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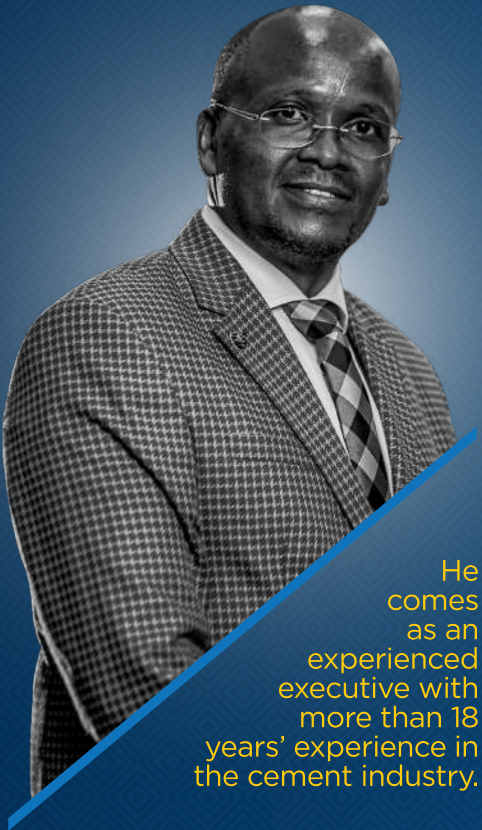
ANITA D. MUHIRE
BOARD MEMBER

EXECUTIVE TEAM



He comes as an experienced executive with more than 18 years' experience in the cement industry.

ALBERT SIGEI
CHIEF EXECUTIVE OFFICER

Albert K. Sigei joined CIMERWA PPC as Chief Executive Officer on 06th January 2020. He comes as an experienced executive with more than 18 years' experience in the cement industry. He has lived and worked in varied cross-cultural geographies including Kenya, Egypt, Nigeria, UK and Malawi.

With a sterling work pedigree in Business Development, Business Management and Change Management, he has a keen eye for business and a sharp mind for decisions. Just the right attributes for a captain of the ship. Albert's multi-disciplinary background including Engineering, Finance, IT, Risk Management and leadership set the stage for his 18 year old career in the durables sector.

He has a first class honors Bachelor's Degree in Mechanical Engineering from the University of Nairobi, is a fellow of the Association of Chartered Certified Accountants (ACCA) and graduated from various executive courses offered by Ivy league Business Schools – INSEAD, London Business School, HEC Paris and The Ivey Business School at Western University. He is passionate about Africa hence his unwavering focus on the importance of alignment between business purpose and societal needs.

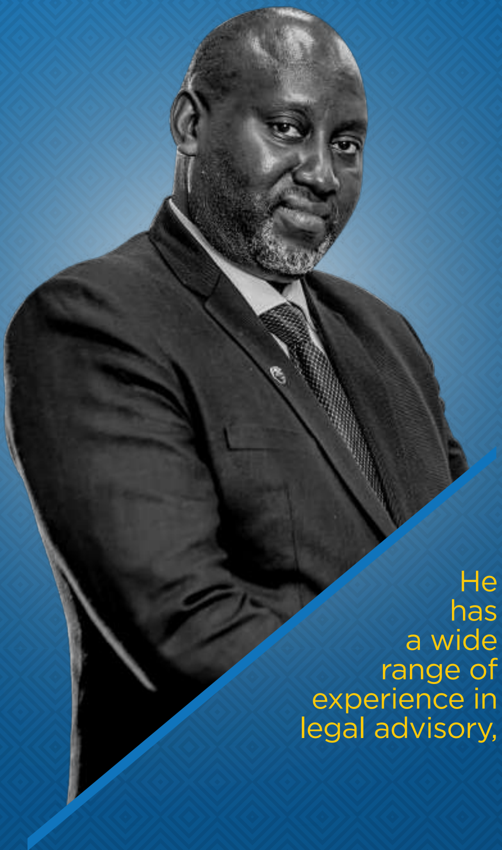
He is a fellow of the ACCA and a member of ICPAR.

JOHN BUGUNYA
CHIEF FINANCE OFFICER

John Bugunya joined CIMERWA Ltd as Chief Finance Officer (CFO) in May 2017. He has wide experience in strategic management processes, corporate governance, Risk management, Compliance and Accounting Advisory gained from over 14 years post qualification experience.

Before joining CIMERWA, John was the Chief Executive Officer of Prime Insurance Limited for three years (January 2015 – April 2017) and previously worked with Bank of Kigali as Chief Finance Officer for five years (December 2009 – December 2014). He also worked in external assurance advisory with Deloitte in the United Kingdom and EY (previously "Ernst & Young") in Uganda.

John is a Fellow of the Association of Certified Chartered Accountants (ACCA) and is also a member of the Institute of Certified Public Accountants of Rwanda (ICPAR). He also holds a Bachelor's Degree in Business Administration (Accounting) from Makerere University, Uganda and has attended various trainings in leadership and management



He has a wide range of experience in legal advisory,

Godfrey joined CIMERWA on 18th September 2020 as the Head of Legal, Corporate affairs and Company Secretary. He will help streamline the functioning of the Legal and Corporate affairs Department and oversee and steer legal and regulatory compliance.

Prior to joining CIMERWA, Godfrey worked as the Legal advisor and Company Secretary for BRALIRWA Plc (Heineken and Coca-Cola Rwanda). He also worked with Rwanda Social Security Board (RSSB) as the Legal Director, Head of the Modernisation Team and Principal Internal affairs. He has a wide range of experience in legal advisory, corporate governance, teaching/lecturing law and Consulting in different areas of law.

Godfrey has in past consulted for various Non-governmental organizations (USAID, University of Massachusetts- Boston-USA, International Labour Organisation (ILO), TROCAIRE international, Great Lakes Initiative for Human Rights and Development (GLIHD), Winrock International, Tetra Link East Africa, Institute of Policy Analysis and Research (IPAR)-Rwanda, etc); and Ministries and Institutions (MINIJUST, MIFOTRA, REMA, MINEAC, ILPD, etc).
Godfrey holds a Bachelor of Laws (LLB) from the University of Rwanda and Master's degree in Commercial Law (LLM) from the University of Cape Town- South Africa.

He also holds a Diplome d'étude en langue française from the University of Rwanda and several certificates in various areas of law, good governance and performance evaluation and management.

GODFREY KAMUKUNDE
HEAD, LEGAL & COMPANY SECRETARY

She joins us with a career that spans over fifteen years in Supply Chain,

Rizah joins CIMERWA as Head, Supply chain. She is at the helm of leadership oversight and guidance to a large supply chain management and technical team. She manages strategic relationships with business partners and clients in order to enable supply chain optimization.

Rizah joins us with a career that spans over fifteen years in Supply Chain, both in Rwanda and Kenya. Over the last eight years, she was working as Supply chain manager at Heineken Bralirwa and three years as Procurement Manager at KCB Bank tasked with local SC operations, customer service, supply planning, inbound/outbound logistics, warehousing and strategic sourcing.

She has a first-class honor master's degree in Operations and Production from India and a bachelor's degree in Business Administration from the National University of Rwanda. Rizah has excellent leadership and influence skills, able to bring vision to a group and cross departments by demonstrating a strong customer service mindset required. Rizah is a strong communicator, resourceful and creative with a capability of turning ideas into plans and executing them impeccably

RIZAH MUGABE
HEAD, SUPPLY CHAIN

He comes with multifaceted perspectives on people management

PAUL NKUSI
HEAD, HUMAN RESOURCES

Having worked in the public sector with the National Capacity Building secretariat, Supreme Court of Rwanda, Bank of Rwanda and now the private sector with CIMERWA, Paul comes with multifaceted perspectives on people management Paul has helped CIMERWA develop a people first culture that enables better output for the organization as a whole. Paul is a graduate of Makerere University.

He is a good communicator, listener and relationship-builder across departments.

MAMY ANDRIAMASIHARIVONY
PLANT MANAGER

Hailing from Madagascar, Mamy comes equipped with more than 20 years of cement industry experience with LaFargeHolcim. He worked across different markets including Madagascar, Phillipines, Comoros and Malawi and has held various positions including Maintenance Manager, Production Manager, Project Manager and Plant Manager.

He is a motivational leader with a master's degree in mechanical engineering coupled with hands-on technical knowledge. He is also a good communicator, listener and relationship-builder across departments.

Marketing, Sales and Business Development professional with over 13 years of experience in executive-level positions that support the achievement of business and financial objectives.

Mark's sector experience includes telecoms, food and beverage, and digital health. He holds a Bachelor of Commerce degree with a specialization in Entrepreneurship.
He has a track record of growing early-stage businesses into market leadership positions within their respective market spaces, whilst achieving corporate goals.

Prior to joining Cimerwa, Mark successfully set up, developed, and grew marketing and sales departments for international fast-moving consumer goods and high-tech companies looking to penetrate the Rwandan market with its adjacent export markets of East Africa.

He has a track record of growing early stage businesses into market leadership positions.

MARK MUGARURA
HEAD OF SALES & MARKETING

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 3rd Annual General Meeting (AGM) of shareholders of CIMERWA Plc as a listed company will be held by teleconference on Friday 24th February 2023 at 2:30 pm for the following purposes:

Ordinary business

1. Consideration of the annual report.
2. Receiving the auditor's report.
3. Consideration and approval of the financial statements.
4. Appropriation of profit and total comprehensive income for the year.
5. Discharge of the Directors and Auditors for the financial year 2022.
6. Appointment of Directors.
7. Appointment of Independent Auditors.

NOTES:

(a) PROXIES

A member of the Company entitled to attend, and vote is entitled to appoint a proxy to attend instead of him/her. A proxy for a corporation may vote on a poll. A proxy form is attached to the Annual Report and Accounts.

If the proxy form is to be valid for the purposes of the meeting, it must be completed and deposited (or sent via e-mail to:

bkcapital@bk.rw at the head office of BK Capital Ltd, the registrars located in Kigali at KN 4 Ave, Street No.12, Tel: +250788143241, by 24th February 2023.

(b) DIVIDEND

The payment of a total cash dividend for 2022 of Rwf 18.74 (Eighteen Rwandan Francs and seventy-four cents) will be proposed to the annual general meeting of shareholders on 24th February 2023. Please note that the payment will be subject to a withholding tax. The book close date for CIMERWA Plc shares will be 13th February 2023, meaning that if a decision to pay out any dividend is taken, only shareholders whose names appear in the Register of Shareholders at the close of business on that day will be considered.

By order of the Board

Godfrey KAMUKUNDE,
Company Secretary
Kigali, 16th January 2023.

PROPOSED RESOLUTIONS

To the annual general meeting of shareholders of CIMERWA Plc to be held on 24th February 2023

RESOLUTION 1	RESOLUTION 2
CONSIDERATION OF THE ANNUAL REPORT	**RECEIVING THE AUDITOR'S REPORT**
The annual general meeting of shareholders considers and approves by ordinary resolution the annual report presented by the Chairman of the Board and thanks the Directors for the performance during the accounting year ended 30th September 2022.	The annual general meeting of shareholders receives and approves the auditor's report by ordinary resolution and notes the opinion of the auditors on the CIMERWA Plc 2022 audited financial statements.
RESOLUTION 3	**RESOLUTION 4**
CONSIDERATION AND APPROVAL OF FINANCIAL STATEMENTS	**APPROPRIATION OF PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR**
The annual general meeting of shareholders considers and approves by ordinary resolution the CIMERWA Plc 2022 audited financial statements.	The annual general meeting of shareholders approves the profit and the total comprehensive income for the year 2022 of Rwf 10,500,000,000 and received the recommendation of the Board of Directors to declare a total dividend of Rwf 14.93 (fourteen Rwandan Francs and ninety -three cents) per share. The annual general meeting of shareholders approves and declares a dividend of Rwf 14.93 per share.
RESOLUTION 5	**RESOLUTION 6**
DISCHARGE OF DIRECTORS AND AUDITORS FOR FINANCIAL YEAR 2021	**APPOINTMENT OF DIRECTORS**
The annual general meeting of shareholders discharges the members of the Board and the Auditors for the financial year 2022.	The annual general meeting of shareholders appoints by ordinary resolution the following persons as Directors of CIMERWA Plc for a period of one year: • Mr. Regis Rugemanshuro • Ms. Chrissie Moloseni • Mrs. Florida Kabasinga • Mr. Nyirimihigo Jean Marie Vianney • Mr. Roland Van Wijnen . Mrs. Anita Dancilla Umuhire • Mr. Edward Okaro Omolo • Ms. Eunice Nyala • Mr. Sternford Moyo • Mr. Albert Kipkemoi Sigei • Mr. John Bugunya The annual general meeting of shareholders requests the Directors to elect the Chairperson and the Vice Chairperson among themselves. To this end, the annual general meeting of shareholders asks Mr. Regis Rugemanshuro to convene and chair the first meeting of new Board of Directors.

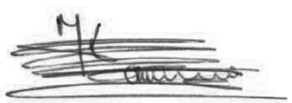
RESOLUTION 7

APPOINTMENT OF AUDITORS

The annual general meeting of shareholders appoints by ordinary The annual general meeting of shareholders decides to allocate the balance of the non-distributed net profit amounting to Rwf 3.80 per share (three Rwandan francs and eighty cents) to retained earnings.

The annual general meeting of shareholders decides that the book close date is 13th February 2023. The final dividend will be paid on 27th March 2023.
resolution KPMG – Rwanda Ltd as Auditor for a period of one year.

The annual general meeting of shareholders asks the Board of Directors to determine the fees and other expenses of the auditors.



By order of the Board
Godfrey Kamukunde
Company Secretary
Kigali, 16th January 2023.

PROXY FORM

The undersigned .... acting in my capacity of Shareholder of CIMERWA Plc with registered Office at Kigali, Rwanda (further “the Company”), do hereby nominate and appoint ...., as my lawful attorney, to attend on my behalf the annual general meeting of shareholders of “the Company” to be held on 24th February 2023 at 2:30 Pm by Teleconference (Online), according to the following agenda:

1. Consideration of the annual report.
2. Receiving the auditor’s report.
3. Consideration and approval of the financial statements.
4. Appropriation of profit and total comprehensive income for the year.
5. Discharge of the Directors and Auditors for the financial year 2022.
6. Appointment of Directors.
7. Appointment of Independent Auditors.

and to execute the right of vote on my behalf in all matters included in the agenda of the meeting at the above-mentioned date or any other date on the same agenda, hereby ratifying and confirming all that the attorney may do in my name.

Given at ...., the .... 2023.

Mr./Mrs/Ms/Dr. ....
General Proxy Holder

Analysis of shareholding

Capital	Number and class of shares percentage of issued shareholder
PPC International Holdings (Pty) Ltd	358,641,960 ordinary shares 51 %
Rwanda Social Security Board	142,306,060 ordinary shares 20 %
AGDF Corporate Trust Fund Ltd	116,152,360 ordinary shares 16,5%
Rwanda Investment Group Ltd	80,550,600 ordinary shares 11.5%
Sonarwa Holdings Limited	5,370,040 ordinary shares 1 %
Local individuals	193,200 ordinary shares 0 %
Foreign individuals	5,300 ordinary shares 0%
Total 100%	703,219,520 ordinary shares

Approval of Financial Statements

The financial statements were approved at a meeting of the directors held on 30thNovember 2022.

By order of the Board

COMPANY SECRETARY
Godfrey KAMUKUNDE

BECAUSE OF CIMERWA

Strengthening Lives – Water Treatment Plant.

CIMERWA Plc's Water treatment plant helps the community in Bugarama access clean water at no cost. The water treatment plant, which has a capacity of 2,60 m3 per day, supplies clean water to more than 3,500 families in the Bugarama villages through company-owned pipelines. This is a considerable contribution to sanitation and health in the area

CORPORATE GOVERNANCE REPORT

Introduction

The company is governed by Rwanda corporate and securities laws, its Articles of Association, and the decision of the Board and Management respectively.

Its corporate governance framework is also based on the Rwandan Corporate Governance Code (dated July 2, 2012), Rwanda's Capital Markets Authority (CMA) laws, regulations, guidelines, and East African Community Directives and RSE rules and guidelines governing listed entities in Rwanda.

Additionally, the Board and Management have implemented the various underlying policies and procedures as well as separate codes of ethics and conduct that apply to all employees working with the company.

Our board

Our board of directors is ultimately accountable to CIMERWA shareholders and stakeholders for the management of the Company. It oversees governance of the company and is responsible for the company's strategic direction and control. The board exercises its control in terms of the Company's governance framework and gives a strategic direction that guides the Management in all company activities.
The directors individually and collectively conduct themselves with integrity, competence, responsibility, accountability, fairness, and transparency as they discharge their duties.
The Board is accountable to the General Meeting of Shareholders for the fulfillment of its respective duties.

The Management is entrusted with the day today management of the company.

The other senior staff members support the Management in the fulfillment of its managerial duties.

Board composition

CIMERWA's board is committed to lead the Company objectively and effectively. The board therefore consists of the appropriate mix of knowledge, skills, experience, diversity, gender and independence which is commensurate with the nature, scale and complexity of the business and risks of CIMERWA.

At the end of the financial year, our board comprised nine non-executive and two executive

Directors.

The board has four standing committees to which it delegated certain functions with the specific objective of evaluating key areas of its mandate on a more detailed basis. These committees include:

1. The Audit, Risk and Compliance Committee (ARCC).
2. The Human Resources Social Ethics and Transformation Committee (HRSET).
3. The Strategy and investment Committee, and
4. Adhoc/Special Assignments Committee.

While the delegation to the board's committees promotes independent judgement and assists with the balance of power, it does not relieve the board of its duties.

Our board of directors meets as often as required but at least four times annually.

Board committees

CIMERWA's board committees are instrumental in streamlining corporate governance and improving internal controls in the company. Each committee has an approved and documented terms of reference which are reviewed at least every second year and is constituted with due regard to the skills required by each committee to ensure the necessary knowledge, skills, experience and capacity to fully execute its duties. The committees report to the Board on material issues that arise in the year.

AUDIT, RISK AND COMPLIANCE COMMITTEE (ARCC)

The ARCC exits pursuant to article 156 of law n° 007/2021 of 05/02/2021 governing companies. It is chaired by Mr. Edward Okaro Omolo and provides independent oversight of the effectiveness of CIMERWA's internal audit, finance and assurance functions and services, risk management, systems of governance, and technology and information governance, along with ensuring the company complies with all relevant laws and regulations.
The ARCC further recommends the appointment of an external auditor, oversees the external audit process and the integrity of the company's interim and preliminary announcements and any other

announcements pertaining to results. The ARCC also assists the board to monitor CIMERWA's reporting activities, including the annual report and other external reporting.

Human Resources Social Ethics and Transformation Committee (HRSET).

Chaired by Ms. Eunice Nyala, the HRSET provides oversight of CIMERWA's ethical, environmental and social performance, monitoring CIMERWA's activities against relevant legislation, legal requirements or prevailing codes of best practice on matters relating to social and economic development, transformation, the environment, health and public safety, stakeholder relationships, and labour and employment.

It also assists the board in ensuring that the company is, and remains committed to being, a socially responsible corporate citizen by creating a sustainable business and having regard to CIMERWA's economic, social and environmental impact on the communities in which it operates.

The Strategy and Investment Committee.

Chaired by Ms. Anita Dancilla Umuhire, the Committee comprises at least two non-executive Directors (NEDs), the majority of whom are independent, with the required skills and experience.

The Committee assists the Board with evaluating and reviewing the company's investment framework, considers, evaluates, and analyses potential investments, acquisitions, divestments, and joint ventures; reviews post-project audits on major CAPEX and investments where applicable and addresses any identified gaps in the various investment projects in line with its charter.

Adhoc/Special Assignments Committee.

This Committee is indeed adhoc and is only fully constituted on a need basis to handle special assignments as may be assigned by the Board from time to time. Once constituted, the Committee members elect from among themselves the Chairperson who reports to the Board regarding the assignment provided.

Analysis of CIMERWA Plc shareholding as at 30th September 2022.

Capital	Number and Class of shares	Percentage of issued shareholder
PPC International Holdings (Pty) Ltd	358,641,960 ordinary shares	51%
Rwanda Social Security Board	142,306,060 ordinary shares	20%
AGDF Corporate Trust Fund	116,152,360 ordinary shares	16.5%
Rwanda Investment Group	80,550,600 ordinary shares	11.5%
Sonarwa Holdings Limited	5,370,040 ordinary shares	1%
Local individuals	193,200 ordinary shares	0%
Foreign Individuals	5,300 ordinary shares	0%
Total	**703,219,520 ordinary shares**	**100%**

SAFETY, HEALTH & ENVIRONMENT (SHE) REPORT

CIMERWA Plc is currently the only manufacturing company in Rwanda to attain and comply with the Three ISO Standards (I9001:2015 for Quality Management System, 14001:2105 for Environmental Management System and ISO 45001:2018 of Occupational Health and Safety management system). This ISO Integrated Management System will help CIMERWA cement credibility and trust within consumers, stakeholders, and other business partners.

Over the past year we recorded operation and ambient emissions far less than the legal standards requirements and this can be attributed to good and timely maintenance. We also upgraded our emission monitoring with the installation of 4 ambient monitors in order to keep in check the community's exposure.

In addition to its monitoring efforts, CIMERWA Plc embarked on a tree planting drive with the aim of fighting climate change. The goal is to plant 15000 trees by November Fy 2022.

On the safety front, we initiated a Road Safety program with the aim of increasing the understanding of Defensive Road Safety basics, more than 165 drivers were trained and they are now ready to drive safer.

Through an analysis entitled "If you don't know where you are going, any road will get you there" we conducted Operation Safety gap Analysis with an external eye in order to establish a proper strategy for behavioral safety change in the workplace.

Alcohol testing tools were purchased and use was mandated at factory entrances to ensure only staff fit to work can access operation equipment to ensure better performance and safety in general.

"When everyone is moving forward together, then success takes care of itself", this quote defines our work ethic over the past year. CIMERWA recorded yet another successful year as a result of working with different institutions and stakeholders in the areas of Health, Environment, Safety, Regulation and Standard compliance such as Rwanda National Police, Rwanda Airport Companies, Rwanda Standards Board, Mibilizi Hospital & RBC during fighting of COVID-19, REMA , RMB, RWB, Rusizi District and many more.

"Life can only be understood backward, but it must be lived forwards", with this in mind we expect a couple of initiatives to roll out during FY23. The first will be our tree planting drive with the target being 20,000 trees, the second initiative will be to launch a road, safety and journey management plan campaign inorder to reduce road accidents for our customers, we will also implement a visible felt leadership program at the plant by use of Android Safety Application Systems, lastly we will implement and retain the ISO IMS certification Systems we received over the past year.

CIMERWA'S SUSTAINABILITY STORY

Our sustainability story started close to 40 years ago as it set up a plant in Rusizi, fast forward to the present and CIMERWA is now Rwanda's only integrated cement manufacturer.

Sustainability has always been at the core of how we operate as a business and how we interact with the communities we operate in.

In light of this we developed an Environmental and Social Governance Strategy that will enable us to deliver on our brand promise to Strengthen Rwanda and contribute to the UN Sustainable Development Goals.

THE ESG STRATEGY

We are consolidating our strategies and leadership in other critical areas such as Environmental and Social Governance (ESG) in line with the United Nations Sustainable Development Goals (SDGs).

- **Environment:** In this regard, the Company has put in place a strategy and roadmap to guide actions around ESG such as environmental protection and carbon footprint reduction under decarbonization strategy. In our journey towards Net Zero in the long term, we are building on the solid progress made over the last 3 years, including reduction of carbon dioxide emission per ton of cement produced by over 20%.

  - This has been made possible by efficient delivery of key levers of our decarbonization strategy which include reducing clinker factor, increasing coal substitution with usage of Alternative Fuels such as biomass and tapping into renewable energy solutions.

  - We are keen to achieve sustainable performance towards cleaner production process and support in cleaning up of waste through increased use of Alternative Fuels to substitute coal, various projects are ongoing in this regard. CIMERWA also continues strengthening its efforts towards tree-planting as a carbon reduction solution. We target to plant 20,000 trees during the fiscal year 2023.

- **Social:** We conducted occupational health and road safety gap analysis with external experts. This helped us to establish a solid strategy to enhance our safety practices as we aim at being among the best-in-class on safety practices hence contributing to a safer society. Safety of our staff, customers and community is considered inseparable. The Road Safety program is aimed at reducing road incidents on account of our operations. Our interventions included Defensive driving training for more than 165 drivers.

- Human capital development remains paramount in CIMERWA because we believe that our People are our Strength. We are committed to building a high performing, purpose-driven workforce and an inclusive culture through a launched JABALI culture change program. Key levers of this program include leadership development, clear purpose and direction, structure alignment and focus, provision of resources competencies, optimization of our business processes and systems, execution through effective stakeholder management, measurement for continuous improvement and recognition and reward.

- As part of this journey CIMERWA Plc reviewed and adopted an improved organizational blueprint during the year. Critical positions were filled with the right skills and competencies supported by simplified Human Resource management systems such as Pay space for payroll, Oracle Fusion for employee performance management and SAP HCM for employee data management.
- A yearly employee pulse survey to assess the employee engagement level was carried out during the year and showed a good score with significant improvement from the previous surveys and with identified actions for further enhancement.

- External stakeholder engagement is as important as employee engagement to CIMERWA, reason why a continuous engagement with the community, regulators and customers is critical for us. We remain committed to building strong partnerships with leaders and members of the local community. We continue to support various initiatives geared at improving the livelihoods of the people around us. These include a nursery and primary school supporting >700 students, a medical clinic, a market, a tailoring workshop, and provision of clean piped water to the community among many others.

- **Governance:** We have a diversified and highly qualified board and we continue to focus on the Governance and control environment improvement. We intensified new policy rollout and strengthened our internal control function and also put in place a Combined Assurance framework to ensure that our various lines of defense are robust.

- Overall, creating sustainable long-term value has been our focus in the past year and remains our top priority as we implement our ESG strategy. Good progress has been made and CIMERWA is now the only manufacturing company in Rwanda with the Integrated Management System (IMS) ISO certification. The IMS certification merges the three ISO standards into one system: Quality Management (ISO 9001), Environmental Management (ISO 14001) and Occupational Health & Safety Management (ISO 45001) systems. This is an assurance to our customers that the Company offers premium quality products and to stakeholders that sustainable business practices remain our top priority.

SUPPLY CHAIN REVIEW

The recent pandemic has affected every part of the value chain, from raw material sourcing to end customers. It is testing the commercial, operational, financial, and organizational resilience of most companies across the globe. COVID-19 has highlighted risks and resiliency gaps for many organizations.

CIMERWA is looking to get on the front foot when it comes to disruption and innovation detection to build resilience into the supply chain moving forward. Below are some of the major strategies that were implemented to help build resilience and agility.

1. Lower Logistics Costs

The ongoing global logistics disruptions stemming from the COVID-19 pandemic continue to impact businesses and consumers as the flow of consumer goods from markets such as Europe and Southeast Asia is restricted by the continued shutdowns of major global ports and airports, largely in China.

CIMERWA moved fast to lock-in contracts with global shipping companies like Maersk and CMA where 95% of critical spares were shipped by sea instead of air transport. This reduced our freight costs in comparison to previous years. Tighter control of daily operations through continuous cost optimization across order planning & execution, and dynamic invoice matching were also factors that helped us ease the process.
There was also a shift in outbound logistics where a strategic decision to transition from Adhoc transporters to a dedicated fleet was implemented, this contributed significantly to the delivery of 545,000 tons of our SimaNyarwanda on the market.

2. Supplier Diversification

By putting all our eggs in one basket as a business we run the risk of having a single point of failure that negatively impacts revenue. Diversifying the pool of available suppliers across various regions reduces production and sourcing costs and improves resilience.

2022 was the year we looked for adjacent sources and products to our current offerings and lock down a few suppliers, both as primary and as a backup.
Coal and Gypsum sources and transporters were increased from 3 to 9 suppliers from both the North and Central corridor. Local inbound material sources for Peat, Pozzolana and Sandstone were also increased to beef stocks to optimal level.

In collaboration with the plant team, there was a shift to double up international suppliers of critical spares and increase inventory stock. More than 20% of contracts with OEMs (Original Equipment Manufacturers) have been signed in China, Europe, and South Africa.

3. Supply Chain Sustainability- Coal substitution

There is a global rising trend towards incorporating sustainability in supply chain strategies, particularly as economies transition towards a post-pandemic outlook where Environmental, Social, and Governance (ESG) programs are being incorporated into company goals.

Decarbonization and reusable energy is in the realm of sustainable solutions that CIMERWA has adopted as strategic solutions in response to Rwanda`s ambition as the greenest country in the region. To balance costs and sustainability in the face of supply chain volatility, CIMERWA embarked on a journey to find coal substitutes. Palm Kernels, Rice husks and Coffee husks have been sourced and they now represent a 13% substitute to coal in the combustion process.

As supply chains move past the initial impacts of the pandemic, it's likely that some trade barriers and vulnerabilities to the supply chain will remain and resurface. By taking a proactive approach in 2023 towards automation of processes to simplify, automate and standardize, CIMERWA will be better prepared to respond to continuous disruptions in a fast and agile manner.

SALES & MARKETING REVIEW

Our total sales revenue for the year reached Rwf 92.1bn, which is a 37% increase above the previous year. This revenue was generated from selling a total of 545,000 tons in both Rwanda and our key export market of Eastern DRC (Goma and Bukavu). This represents a 27% growth in sales volume as compared to the previous year. Our exports accounted for about 21% of total volume sold. We broadly have two market segments; trade (the wholesale and retail market) and non-trade (construction companies and government) of these, our trade segments make up about 80% of our total sales, while the non-trade segment contributes the other 20%.

There was a strong demand in both market segments, powered by strong economic growth in Rwanda. GDP growth in 2022 is projected at 6%, and it reached 11% in 2021 after the Covid-19 lockdowns. However, we experienced increases in fuel and raw materials prices and the disruption of global supply chains that led to significant increases in energy and transport costs. This required us to optimize our costs vs. our selling prices.

In 2022, we managed to defend our market share leadership position. CIMERWA's products account for 46% of the total market share on the Rwandan cement market, up from 41% the previous year. We were able to maintain this market leadership by executing our route-to-market strategy which enabled us to focus on meeting our different customer needs and delivering value to them. We have a positive outlook on 2023, as Rwanda's GDP is projected to grow by an estimated 7%.

In addition, key infrastructure developments like the New Bugesera International Airport and the refurbishment of the Amahoro Stadium are entering their major construction phases. We are confident that our strong customer focus and innovative route-to-market strategy will enable us to deliver a strong performance next year, as we continue STRENGTHENING RWANDA.

HUMAN RESOURCES REVIEW

As part of its journey to be the market leader, CIMERWA Plc reviewed and adopted an improved organizational blueprint during the year. Critical positions have been filled with the right skills and competencies supported by simplified Human Resource Management systems such as Pay space for payroll, Oracle Fusion for employee performance management and SAP HCM for employee data management.

We launched JABALI culture change program during the year with the aim of entrenching a performance-oriented culture across the organization.

Key levers of this program include leadership development, clear purpose and direction, structure alignment and focus, provision of resources competencies, optimization of our business processes and systems, execution through effective stakeholder management, measurement for continuous improvement and recognition and reward.

FINANCIAL HIGHLIGHTS

Financial commentary

The Company continued its momentum to successfully manage the aftermath of the pandemic by prioritizing the health of our employees, stakeholders, and communities. In addition, various initiatives were taken to mitigate the global impact of the Russia-Ukraine conflict including through actions such as a company-wide cost savings program, cash preservation as well as strengthening our route-to-market strategies so as to optimize our margins.

Income statement summary

The revenue in 2022 was Rwf 92.09bn, that is 36.7% above prior year. This was achieved despite the global impact of the Russia-Ukraine conflict resulting in inflationary pressures and disruption to global supply chains. In order to mitigate the impact of the above, we focused on effective execution of our route-to-market strategy such as growing our exports markets, defending our domestic market share and price optimization actions. Cost of Sales for the period is up Rwf 63.4 billion (September 2021: Rwf 49.7 billion), that is, 27.5% compared with the previous year.

Profit Before Income Tax (PBIT) stood at Rwf 16.9bn, which is an improvement of 212.2% versus the prior year. This was on account of the operating profit improvement coupled with reduction in finance costs by 7.8% following voluntary early loan repayment during the year as well as declining loan balance in line with the repayment plan.

The above profitability drove our Earnings Per Share (EPS) up to Rwf 18.74, an improvement of 219.8% compared to the prior year.

Statement of financial position

Gross debt decreased by 39.9% to Rwf 21.2bn (September 2021: Rwf 35.3bn) due to loan instalment payments and voluntary early loan repayment. The bank loans are a syndicated loan facility denominated in Rwanda Francs (following the conversion of USD denominated loans during the period) that was used for construction of the 600,000 metric tons per annum cement plant in 2013. The facility was fully drawn down in 2015 and is due to be fully repaid by August 2024.

Property, plant and equipment amounted to Rwf 73.7bn (September 2021: Rwf 77.7bn). Capital investments in property, plant and equipment reduced by 11% to Rwf 3.01bn (September 2021: Rwf 3.3bn). These investments are geared towards de-bottlenecking the plant and increasing production capacity.

Inventories increased by 17.5% to Rwf 15bn (September 2021: Rwf 12.8bn). This is due to increase in strategic stock holding in anticipation of general plant maintenance such as clinker, cement, spare parts and plant consumables among others.

Cash flow statement summary

The Company maintained a healthy cash balance of Rwf 20.06bn as at 30 September 2022, an improvement of 40.4% compared to the prior period. This is despite voluntary early loan repayment, increased inventories, and prepayments for spares in anticipation of plant maintenance in November 2022. This performance was enabled by higher operating profit due to improved operational performance and as management implemented more robust credit management strategies and the completion of some major infrastructure projects.

Borrowings relates to project financing for construction of our 600,000 metric tons capacity plant commissioned in 2015. The decline in the period due to loan repayments in line with the facility agreement.

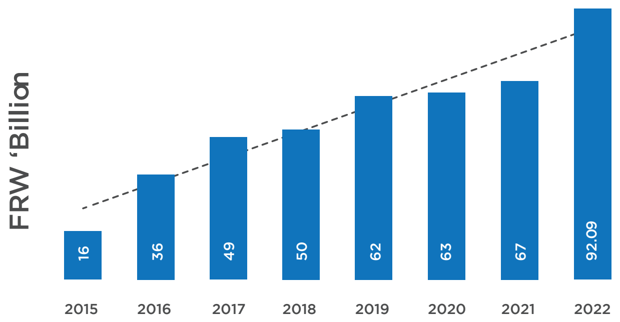
Outlook

Projections indicate that Rwanda is turning the curve on GDP Growth after the decline in calendar year 2022 with GDP growth estimates of between 6% - 8% going forward. The company has a healthy pipeline of major infrastructure projects that have commenced such as the New Bugesera International Airport and the refurbishment of the Amahoro Stadium, amongst other key projects. In addition, we have strengthened our route-to-market strategy to maintain market leadership in key markets.

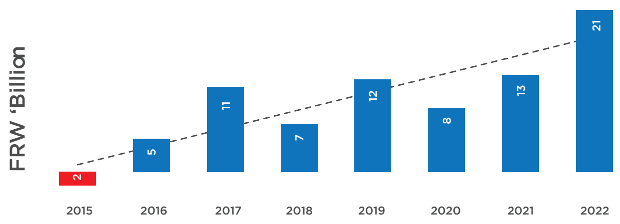
To complement this, we have put in place strategies to grow in existing and new export markets going forward. We are therefore optimistic that further improvement in operational performance and the solid foundation laid so far will translate to even better financial performance going forward.

KEY FINANCIAL HIGHLIGHTS

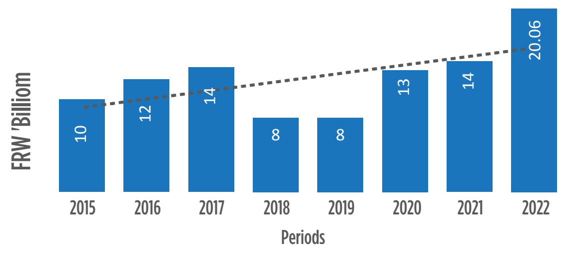
Revenue Growth



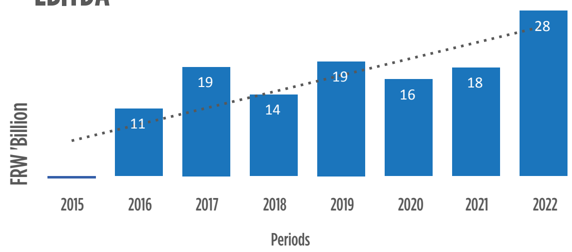
Operating Profit



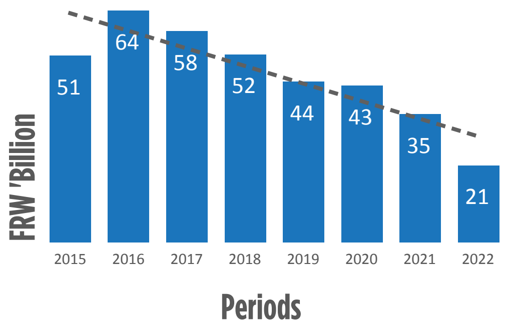
Cash and Cash equivalents



EBITDA



TOTAL BORROWINGS



The directors who held office during the year and to the date of this report were:

DIRECTORS	
Regis Rugemanshuro	Chairperson – Rwandan
Albert Sigei Kipkemoi	Chief Executive Officer – Kenyan
Nyirimihigo Jean Marie Vianney	Director- Rwandan
Chrissie Moloseni	Director- Malawian
John Bugunya	Chief Financial Officer – Rwandan
Roland Van Wijnen	Director (Appointed 14 June 2022) – Dutch
Anita Dancilla Umuhire	Director - Rwandan
Eunice Nyala	Director - Kenyan
Florida Kabasinga	Director - Rwandan
Edward Okaro Omolo	Director - Kenyan
Sternford Moyo	Director - Zimbabwean
Mokate Ramafoko	Director (Resigned on 30th April 2022)-South African

Principal place of business/registered office

Kimihurura Sector
Gasabo District
PO Box 644
Kigali - Rwanda

Auditor

KPMG Rwanda Limited
Certified Public Accountants
5th Floor Grand Pension Plaza
PO Box 6755
Kigali, Rwanda

BANKERS		
Equity Bank Rwanda PLC P.O. Box 494 | Kigali, Rwanda	NCBA Rwanda PLC P.O Box 6774 | Kigali Rwanda	KCB Bank Rwanda PLC P.O. Box 5612 | Kigali, Rwanda
Bank of Kigali PLC P.O. Box 175 | Kigali, Rwanda	Cogebanque PLC P.O Box 4062 | Kigali Rwanda	Acess Bank Rwanda PLC P.O. Box 5612 | Kigali, Rwanda
Banque Populaire du Rwanda PLC P.O. Box 1348 | Kigali, Rwanda	Ecobank Rwanda PLC P.O Box 3268 | Kigali Rwanda	GT Bank Rwanda PLC P.O. Box 354 | Kigali Rwanda
I&M Bank Rwanda Plc P.O. Box 354 | Kigali, Rwanda	Bank of Africa P.O. Box 265 | Kigali, Rwanda	

Lawyers

LAWYERS		
Abayo & CO. Advocates KG 18 Ave Remera Airport avenue NR3 PO. Box: 4170 Kigali-Rwanda	**Fountain Advocates** KG13AV9 Century Park-Villa 2, Nyarutarama P.O. Box 6368, Kigali-Rwanda	**Center for Research and Analysis** Kimironko-Gasabo Kigali City

COMPANY SECRETARY:
Godfrey Kamukunde
Kimihurura Sector
Gasabo
Kigali

The Directors submit their report together with the audited financial statements for the year ended 30 September 2022, which disclose the state of affairs of CIMERWA PLC (the "Company").

INCORPORATION

CIMERWA PLC is incorporated in Rwanda under Law No. 007/2021 of 05/02/2021 Governing Companies and is domiciled in Rwanda.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the manufacture and sale of cement and other related products.

RESULTS

The results for the year ended 30 September 2022 are set out on page 10.

DIVIDEND

The Directors recommend payment of Rwf 10,500,000,000 as dividends for the year ended 30 September 2022 (2021: Nil).

DIRECTORS

The Directors who served during the year and up to the date of this report are set out on page 1.

AUDITOR

KPMG Rwanda Limited, was appointed as the auditor during the year and being eligible, has expressed willingness to continue in office in accordance with Law No. 007/2021 of 05/02/2021 Governing Companies.

GOING CONCERN

The Directors have made an assessment of the ability of the Company to continue as going concern and having taken into account all information at hand, have no reason to believe that the business will not be a going concern for at least the next twelve months from the date of this statement.

APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on ....2022.

By order of the Board

.............................2022

Company Secretary

The Directors are responsible for the preparation and presentation of financial statements that give a true and fair view of CIMERWA PLC, set out on pages 10 to 61,

which comprise the statement of financial position as at 30 September 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by Law No. 007/2021 of 05/02/2021 Governing Companies.

The Directors are also responsible for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the ability of the Company to continue as going concern and having taken into account all information at hand, have no reason to believe that the business will not be a going concern for at least the next twelve months from the date of this statement.

The independent auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the International Financial Reporting Standards (IFRSs) and in manner required by Law No. 007/2021 of 05/02/2021 Governing Companies.

APPROVAL OF FINANCIAL STATEMENTS

The financial statements of CIMERWA PLC, as identified in the first paragraph, were approved and authorised for issue by the Board of Directors on ....2022.

....

Director
....

Director

Date:............................. 2022.

BECAUSE OF CIMERWA

Strengthening Health – CIMERWA Clinic & Handwashing Stations.

CIMERWA established its clinic alongside its plant back in 1984. The facility boasts a pharmacy, a 14-bed facility and a laboratory manned by trained staff. With sanitation in mind, CIMERWA also built eleven handwashing stations in strategic high-frequency areas such as markets & bus parks. In addition to this, the CIMERWA clinic provides COVID-19 testing facilities to employees and the surrounding community.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of CIMERWA Plc
Report on the audit of the financial statements

Opinion

We have audited the financial statements of CIMERWA Plc ("the Company") as set out on pages 10 to 61, which comprise the statement of financial position as at 30 September 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 September 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by Law No. 007/2021 of 05/02/2021 Governing Companies.

Basis for opinion

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 of the Company in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.:

Key Audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessing the carrying amount of the cement plant

Refer to Note 23 (iii) of the financial statements
The Company's cement plant included in property, plant and equipment had a carrying amount of Rwf 66,370,212,000 at 30 September 2022 representing 57% of the Company's total assets.

The directors have carried out an impairment analysis of the cement plant during the year which involved comparing the carrying value of the plant to its value in use.

Assumptions and judgements made by the directors in assessing the expected cashflows to be generated by the cement plant used in determination of its value in use included:

- Evaluation of Limestone reserves resulting in the estimated remaining useful life of plant of 14 years;
- Sales growth assumptions over the projected period of a compounded growth rate;
- Expected cost of inflation per annum used to adjust the future prices and costs of production; and
- The weighted average cost of capital applied in discounting the future cash flows to arrive at the value in use.

Due to these assumptions and judgements, we have determined impairment of the plant to be a key audit matter.

How the matter was addressed in our audit

Our audit procedures in this area included:

- Evaluating the competence and independence of the independent expert used by management in determining the useful life of the limestone reserves.
- Assessing the reasonableness of sales forecasts based on the historical performance experience, the 2023 contracted and pipeline of sales and

factoring the prevailing economic environment.

- Recalculating the value in use computation;
- Evaluating the reasonableness of the weighted average costs of capital used to discount the cash flows by recalculating it and comparing it to industry averages;
- Compared inflation rate used in the impairment model to externally available economic forecast data,
- Performing our own sensitivity analysis over the key assumptions used in the computation; and
- Evaluating the adequacy of the financial relevant disclosures in the financial statements.

Other matter

The financial statements of the Company as at and for the year ended 30 September 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 24 December 2021.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the CIMERWA PLC report and financial statements for the year ended 30 September 2022 but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and other information to be included in the CIMERWA PLC annual report, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and in the manner require by Law No. 007/2021 of 05/02/2021 Governing Companies, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Auditor's responsibilities for the audit of the financial statements (continued)

- Identify and assess the risks of material misstatement of the 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 control.

- Obtain an understanding of internal control 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 Company's internal control.

- 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 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 Company'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 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 Company to cease to continue as a going concern.

-

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors, 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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence and 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

Report on other legal and regulatory requirements

As required by the provisions of Article 135 of Law No. 007/2021 of 05/02/2021 Governing Companies, we report to you based on our audit, that:

- We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;

- Proper accounting records have been kept by the company, so far as appears from our examination;

- We have no relationship, interest or debt with the CIMERWA Plc. As indicated in our report on the financial statements, we comply with ethical requirements. These are the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which includes comprehensive independence and other requirements;

- We have reported internal control matters together with our recommendations to management in a separate management letter; and

- According to the best of the information and the explanations given to us as auditors, as shown by the accounting and other documents of the company, the annual accounts comply with Article 125 of Law No. 007/2021 of 05/02/2021 Governing Companies.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Wilson Kaindi PC/CPA/0642/0123.

KPMG Rwanda Limited
Certified Public Accountants
P.O. Box 6755
Kigali, Rwanda

Date...........................2022

Statement of Profit or loss and other comprehensive income for the year ended 30 September 2022

	Note	2022 Rwf'000	2021 Rwf'000
Revenue	4	92,086,581	67,373,754
Cost of sales	5	(63,435,925)	(49,656,151)
Gross profit		**28,650,656**	**17,717,603**
Other income	6	213,632	204,489
Administrative expenses	7 (a)	(7,504,921)	(6,519,541)
Impairment losses/(reversal) on financial assets	7 (b)	(69,384)	91,480
Operating profit		**21,289,983**	**11,494,031**
Net foreign exchange losses	8 (a)	(420,515)	(671,339)
Net finance costs	8 (b)	(4,009,047)	(5,421,322)
Profit before tax		**16,860,421**	**5,401,37**
Income tax expense	9	(3,685,555)	(1,281,230)
Profit for the year		**13,174,866**	**4,120,140**
Other comprehensive income			
Total comprehensive income for the year		**13,174,866**	**4,120,140**

Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company:

	Note	2022 Rwf'000	2021 Rwf'000
Basic earnings per share	15	18.74	5.86
Diluted earnings per share	15	18.74	5.86

The notes on pages 14 to 61 are an integral part of these financial statements.

Statement of financial position as at 30 September 2022

	Note	2022 Rwf'000	2021 Rwf'000
Assets			
Non-current assets			
Property, plant and equipment	10	73,710,795	77,678,023
Intangible assets	11	568,452	625,162
Right of use asset	21	4,509	18,033
Environmental guarantee	20	8,710	8,710
		74,292,466	**78,329,928**
Current assets			
Inventories	12	15,029,371	12,788,139
Current income tax	9	133,476	122,277
Trade and other receivables	13	6,112,822	4,040,552
Cash and cash balances	14	20,059,115	14,288,649
		41,334,784	**31,239,617**
Total assets		**115,627,250**	**109,569,545**
Equity and liabilities			
Equity attributable to owners			
Share capital	15	35,160,976	35,160,976
Share premium	15	22,251,408	22,251,408
Retained earnings		17,461,962	4,287,096
Liabilities		**74,874,346**	**61,699,480**
Non-current liabilities			
Deferred tax liabilities	16	6,112,163	2,836,423
Loans and borrowings	18	10,526,547	24,292,665
Rehabilitation and decommissioning provisions	20	192,360	149,329
Non-current lease liabilities	21	-	5,521
		16,831,070	**27,283,938**

Statement of financial position as at 30 September 2022

	Note	2022 Rwf'000	2021 Rwf'000
Current liabilities			
Trade and other payables	17 (a)	10,612,498	7,487,924
Provisions	17 (b)	1,587,335	966,446
Loans and borrowings	18	10,653,606	10,958,029
Current income tax payable	9	409,815	-
Amounts due to related parties	19 (g)	653,059	1,158,817
Current lease liabilities	21	5,521	14,911
		23,921,834	20,586,127
Total equity and liabilities		**115,627,250**	**109,569,545**

The financial statements on pages 10 to 61 were approved and authorised for issue by the Board of Directors on ....2022.

....

Director

....

Director

Statement of changes in equity for the year ended 30 September 2022

	Note	Share capital Rwf'000	Share premium Rwf'000	Retained earings Rwf'000	Total equity Rwf'000
Year ended 30 September 2021					
At 1 October 2020		35,160,976	22,251,408	166,956	57,579,340
Comprehensive income:					
Profit for the year		-	-	4,120,140	4,120,140
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	4,120,140	4,120,140
At 30 September 2021		**35,160,976**	**22,251,408**	**4,287,096**	**61,699,480**
Year ended 30 September 2021					
At 1 October 2021		35,160,976	22,251,408	4,287,096	61,699,480
Comprehensive income:		-	-		
Profit for the year		-	-	13,174,866	13,174,866
Other comprehensive income				-	-
Total comprehensive income for the year					
At 30 September 2022		**35,160,976**	**22,251,408**	**17,461,962**	**74,874,346**

The notes on pages 14 to 61 are an integral part of these financial statements.

BECAUSE OF CIMERWA

Strengthening Trade – Bugarama Market.

Built by CIMERWA Plc, the Bugarama market was established to support traders in the area especially women who had no proper market in which to trade their wares. This market built on CIMERWA land currently houses over 60 traders who also benefit from free electricity and water on the premises courtesy of CIMERWA Plc.

Statement of cash flows for the year ended 30 September 2022

	Note	2022 Rwf'000	2021 Rwf'000
Cash flows from operating activities:			
Profit before income tax		16,860,421	5,401,370
Adjustments for:			
Interest income	8(b)	(97,310)	(130,744)
Foreign exchange losses	8(a)	420,515	671,339
Loss allowance on cash and cash equivalents	14	(13,316)	23,165
Finance costs	8(b)	4,106,357	5,552,066
Loss on disposal of property, plant and equipment		136,522	14,330
Depreciation on property, plant and equipment	10	6,841,628	6,917,886
Depreciation on right of use asset	21	13,524	13,525
Impairment charge on the peat plant	10	-	207,075
Amortisation charge on intangible assets	11	101,279	105,296
Change in mine rehabilitation estimates	11	(44,569)	78,973
Changes in working capital:			
Trade and other receivables		(2,072,269)	1,799,455
Inventories		(2,241,232)	(1,883,584)
Amounts due to related parties		(505,758)	578,232
Trade and other payables		3,745,462	(685,792)
Cash generated from operations		**27,251,254**	**18,662,592**
Interested received		97,311	130,744
Income tax paid	9	(11,198)	(13,108)
Net cash inflow from operating activities		**27,337,367**	**18,780,228**

Statement of cash flows for the year ended 30 September 2022 (continued)

	Note	2022 Rwf'000	2021 Rwf'000
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(3,010,922)	(3,250,301)
Purchase of intangible assets		-	(141,112)
Net cash used in investing activities		**(3,010,922)**	**(3,391,413)**
Cash flows from financing activities			
Repayment of borrowings	18	(18,418,090)	(14,042,954)
Principal elements of lease payments	21 (b)	(14,911)	(7,425)
Net cash used in financing activities		**(18,433,001)**	**(14,042,379)**
Net increase in cash and cash equivalents		**5,893,444**	**1,346,436**
Cash and cash equivalents at beginning of year		14,288,649	13,330,241
Effects of exchange rate changes on cash and cash equivalents	18	(122,978)	(388,028)
Cash and cash equivalents at the end of year	14	**20,059,115**	**14,288,649**

The notes on pages 14 to 61 are an integral part of these financial statements.

1 Reporting entity

CIMERWA PLC (the 'Company') is a limited liability company incorporated and domiciled in Rwanda under the Law No. 007/2021 of 05/02/2021 Governing Companies. The Company is listed on the Rwanda Stock Exchange.

The ultimate holding company is PPC a company incorporated in South Africa. It was registered on 08 January 2007.

The principal activity of the Company is the manufacture and sale of cement and other related products. The manufacturing process starts with mining of limestone from the mineral reserves.

REGISTERED OFFICE:
Kimihurura Sector Gasabo District
PO Box 644
Kigali – Rwanda

2 Basis Of Preparation

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by Law No. 007/2021 of 05/02/2021 Governing Companies.

The financial statements were approved and authorised for issue by the company's Board of

Directors on .... 2022.

b) Basis of measurement

These financial statements have been prepared under the historical cost convention.

c) Functional and presentation currency

The financial statements are presented in Rwanda Francs (Rwf), which is the Company's functional currency. All financial information presented in Rwanda Francs has been rounded to the nearest thousand (Rwf'000).

d) Use of estimate and judgement

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant estimates are made for are disclosed in note 23.

3 significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Revenue recognition

The Company's revenue is derived from the sale of cement and related products to the Company's customers. Revenue is recognised when the performance obligations are satisfied by transferring control of the promised product to the Company's customers. Revenue is recognised net of indirect taxes, rebates and discounts provided to the customers. Revenue is recognised at a point in time.

The Company applies the five-step approach as per IFRS 15 Revenue from contracts with customers to determine when to recognise revenue and at what amount. The following approach is used:

- Identify contract with customer; Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Company accounts for a contract with a customer only when: there is evidence of an arrangement;

the Company can identify each party's rights regarding the goods to be transferred; the contract has commercial substance and collectability is reasonably assured.

Revenue is recognised at the amount of the transaction price that is allocated to each performance obligation. Revenue recognised is based on the amount that depicts the consideration to which the Company expects to be entitled in exchange for transferring the goods and services promised to the customer.

All revenue from the sale of cement and related products is recognised at a point in time.

Sale of cement and related products

The Company manufactures and sells a range of cement and related products that include cement and clinker. Revenue from the sale of cement and related goods is recognised when delivery has taken place and control of the goods has been transferred to the customer. The customer obtains control of the goods when the significant risks and rewards of products sold are transferred according to the specific delivery terms that have been formally agreed with the customer. This occurs upon delivery, when the bill of lading is signed by the customer as evidence that they have obtained physical possession and accepted the products delivered. Cement and related products are often sold with retrospective volume rebates based on aggregate sales over a specified period. Revenue from these sales is recognised based on the selling price specified in the contract, net of the estimated volume rebates. Accumulated experience is used to estimate and provide for the rebates using the most likely amount method. In this regard, revenue is recognised to the extent that it is highly probable that a significant reversal will not occur.

A refund liability is recognised for expected volume rebates payable to customers in relation to sales made until the end of the reporting period. As part of the assessment of whether the estimated volume rebate should be constrained, it was noted that there were no significant reversals from the refund liability that were recognised in the current year. The directors will continue to reassess its ability to estimate the expected volume rebates reasonably.

A receivable is recognised when the goods are delivered. This is the point in time that the consideration becomes unconditional as only the passage of time is required before the payment is due. No significant financing element is deemed present as the sales are made with credit terms largely ranging between 7 and 60 days which is consistent with market practice.

Generally, cement and related products are not returned as a customer will only accept these products once they have passed a stringent quality check at delivery. No warranty provision of right of return contract liabilities has therefore been recognised by the Company in this regard.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Rwanda Francs ("Rwf") which is the Company's functional currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other income' or 'other expenses'

(c) Property, plant and equipment

Items of property, plant and equipment (PPE) are initially recognized at cost and subsequently measured at cost less accumulated depreciation and impairments.

The cost of self-constructed assets includes expenditures on materials, direct labour and an allocated portion of project overheads. Cost also includes the estimated cost of dismantling and removing the assets and site rehabilitation costs to the extent that they relate to the construction of the asset and are required by local legislation.

The cost of PPE may also include the estimated costs of decommissioning the assets and site rehabilitation costs to the extent that they relate to the asset. Estimating the future costs of these obligations is complex as most of the obligations will only be fulfilled in the foreseeable future. Furthermore, the resulting provisions and assets are influenced by changing technologies and regulations, life of mine, political, environmental, safety, business and statutory considerations in the Country in which the Company operates.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Freehold land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	22 years
Motor vehicles	5 years
Computer equipment	3 years
Plant and machinery	22 years
Equipment and Mobile equipment	5 - 10 years
Furniture	5 years
Road works	15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Mineral rights relate to exploration and evaluation costs and the estimated costs of decommissioning the assets and site rehabilitation costs to the extent that they relate to the asset, which are reclassified from Exploration and Evaluation assets into intangible asset upon commencement of the development activities.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in profit or loss.

(d) Leases

Company as a lessee

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company use the definition of a lease in IFRS 16.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreement does not impose any covenants other than the interest in the leased asset that is held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are presented on the statement of financial position and are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date and
- amounts expected to be payable by the Company under residual value guarantees.

(d) Leases (continued)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for lease in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g., term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Company has chosen not to revalue the right-of-use building.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and vehicles.

(iii)Variable lease payments

There are no variable payment terms in the Company's lease.

(iv) Extension and termination options

Extension and termination options are included in the lease. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the lessor.

(v) Residual value guarantees

The Company has not provided any residual value guarantees on its lease

(iv) Extension and termination options

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(v) Residual value guarantees

The Company has not provided any residual value guarantees on its lease

Company as a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for a major part of the economic life of the asset.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted-average method less provision for impairment. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(f) Financial instruments

Accounting for financial instruments

Financial assets and liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at fair value, including transaction costs except for those classified as at fair value through profit or loss which are initially measured at fair value, excluding transaction costs. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets and liabilities are classified as current if expected to be realised or settled within 12 months; if not, they are classified as non-current.

Offsetting financial instruments

Offsetting of financial assets and liabilities arises when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The net amount is reported in the statement of financial position.

Financial instrument classification

The Company classifies its financial instruments into the following categories:

- Financial assets at amortised cost; and
- Financial liabilities at amortised cost.

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The classification is dependent on the purpose for which the financial instruments were acquired. Directors determine the classification of financial instruments at initial recognition. Financial instruments comprise trade and other receivables, cash and cash equivalents, borrowings and trade and other payables.

Subsequent measurement

Subsequent to initial recognition, financial instruments are measured as described below.

Financial assets

Financial assets are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Financial liabilities

Financial liabilities comprise trade and other payables, bank overdrafts, borrowings, and other non-current liabilities (excluding provisions).

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

De-recognition

Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Impairment of financial assets
At each reporting date the Company assesses whether there is objective evidence that financial assets not carried at fair value through the statement of profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset and that the loss event has an impact on the future cash flows of the asset than can be estimated reliably.

The Company considers evidence of impairment at both a specific asset and collective level. All individually significant financial assets are assessed for specific impairment.
All significant assets found not be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment by combining together financial assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default timing of recoveries and the amount of loss incurred adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognised in the statement of profit or loss.

When a subsequent event causes the amount of impairment loss to decrease the impairment loss is reversed through the statement of profit or loss

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company's trade and other receivables are subject to the expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss is immaterial. See note 13 for further details.

(g) Loans and borrowings

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any differences between proceeds (net of transaction costs) and the redemption value are recognised in profit or loss over the period of the borrowings, using the effective interest method.

(g) Loans and borrowings (continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(h) Advance payments denominated in foreign currency for significant items of property, plant and equipment

Project advance payments denominated in foreign currency are initially recorded at the ruling exchange rate on the date of the payment. The advance payment is treated as a non-monetary asset as there is no expected repayment in units of currency and is thus not translated at each reporting date. On the portion of any invoice for property, plant and equipment that is offset by the advance payment, the amounts capitalized to property, plant and equipment are recorded at the historical carrying amount of the advance payment.

(i) Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as deduction from the proceeds.

(j) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(k) Employee benefits

(i) Retirement benefit obligations

The Company and all its employees contribute to the Rwanda Social Security Board, which is a defined contribution scheme.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company's contributions to the defined contribution scheme are recognised as an employee benefit expense when they fall due.

(ii) Other entitlements

The estimated monetary liability for employees' accrued annual leave entitlement at the statement of financial position date is recognised as an expense accrual.

The Company recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Company recognises an accrual where contractually obliged or where there is past practice that has created a constructive obligation. The *bonus is payable at the discretion of the Board.*

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

(l) Income tax

Current income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with Rwanda tax legislation. The current income tax charge is calculated on the basis of the tax enacted or substantively enacted at the statement of financial position date. Directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(m) Dividends

Dividends on ordinary shares are charged to equity in the period in which they are declared. Proposed dividends are disclosed in a note to the financial statements.

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Company. Dividends for the year that are approved after the statement of financial position date are disclosed as an event after the reporting date.

(n) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(o) Exploration and evaluation assets

Expenses incurred for exploration and evaluation activities under licence are accumulated and carried forward as an asset where the right of tenure of the area of interest is current, provided one of the following conditions is met:

Such costs are expected to be recouped through production,
Exploration activities in the area of interest have not reached a stage which permits a reasonable assessment of the existence or otherwise, of recoverable mineral resources, and active and

(o) Exploration and evaluation assets (continued)

significant operations in relation to the area are continuing.

Exploration expenditure failing to meet at least one of the above conditions is written off.

Exploration and evaluation assets are initially recognized at cost, they are subsequently measured at cost less any assessed impairment. The amortisation is not calculated and charged off until production commences.

Exploration and evaluation assets are reclassified from Exploration and Evaluation when evaluation procedures have been completed. The Company reclassifies such assets to Mineral rights (an intangible asset) or property plant and equipment for tangible assets. Mineral rights (which is an intangible asset) are amortised over the life of its life of plant. The company has no tangible asset arising from exploration and evaluation activities.

Also included in the cost of exploration and evaluation assets are the estimated costs of decommissioning the assets and site rehabilitation costs to the extent that they relate to the asset. The useful life of the asset with a finite life is reviewed annually to determine whether the finite life assessment continues to be supportable. If not, the change in the useful life assessment is made prospectively.

(p) Provisions

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(q) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(r) Segment reporting

The chief operating decision marking organ is the Company's executive committee as it is the body that examines the Company's performance and allocates resources. The committee has identified the Company as one segment. Therefore, assets and liabilities are deemed to contribute to the overall performance of the Company and separate presentation of balance sheet has not been made.

The committee primarily uses earnings before interest, taxes, depreciation and amortisation (EBITDA) to assess the performance of the segment.

(s) (i) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for the year commencing 1 October 2021:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2022 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions

(s) (ii) New standards and interpretations not yet adopted by the Company

New standards or amendments	Effective for annual periods beginning on or after
IFRS 17 Insurance Contracts	1 January 2023
Amendments to IFRS 17	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 Januaryz 2023
Definition of Accounting Estimate (Amendments to IAS 8)	1 January 2023
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes	1 January 2023
Initial application of IFRS 17 and IFRS 9 - Comparative Information (Amendments to IFRS 17)	1 January 2023
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2023
Disclosure of Accounting Polices (Amendments to IAS 1 and IFRS Practice statement 2)	1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023
Deferred Tax relating to Assets and Liabilities arising for a Single Transaction (Amendments to IAS 12)	1 January 2023
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1 January 2023
Classification of liabilities as current or non-current (Amendments to IAS 1)	1 January 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28	Available for optional adoption/ effective date deferred indefinitely

None of the standard or amendments above is expected to have a significant impact in the Company's financial statements.

(t) Intangible assets

These relate to software licences for the company's own internal use. The intangible assets are initial recognised at cost incurred to obtain the licences. They are subsequently held at cost less amortisation. The intangible assets are amortised over the life of the software licences.

An impairment loss is assessed and recognized whenever the recoverable amount is the asset falls below the carrying amount of the asset. The impairment loss is recognized as an expense in the profit or loss and other comprehensive income.

(u) Reclassifications

Where necessary, reclassifications have been made to the financial statements to ensure information presented is more relevant. The prior year financial statements have also been aligned with the current year classifications (See Note 31).

4. Revenues

The Company has one operating segment. The operations of the Company are located in only one geographic location, Rwanda. The revenue of the operating segment is presented below.

	2022 Rwf'000	2021 Rwf'000
Local sales	71,610,958	54,430,951
Export sales	20,475,623	12,942,803
	92,086,581	**67,373,754**

Revenues of approximately Rwf 5,886 million (2021: Rwf 2,889 million) are derived from a single external customer. All export sales during the year were made to the Democratic Republic of Congo. For performance obligations, nature and timing of satisfaction of performance obligations and revenue recognition policy refer to the revenue recognition note in note 3 (a).

5. Cost of sales

	2022 Rwf'000	2021 Rwf'000
Direct materials	10,028,983	8,015,617
Energy	20,762,840	17,203,901
Employee benefits expense (Note (7 c))	5,217,884	4,738,946
Depreciation (5b)	6,724,326	6,498,071
Change in inventories	2,347,999	(3,276,249)
Transportation	11,206,597	7,925,172
Outsourced services	1,001,748	702,790
Plant repairs and maintenance	2,632,030	4,248,001
Equipment hire	442,073	460,224
Consumables	1,401,123	1,663,899
Local taxes	532,650	475,721
Insurance	633,672	548,794
Amortization on Mineral rights (Note 10)	63,673	72,313
Impairment charge on the peat plant *	-	207,075
Other direct costs	440,327	171,876
	63,435,925	**49,656,151**

* The peat impairment charge for prior year relates to old plant peat handling facility that was not utilized for its original purpose hence had to be written off.

5 (b) Depreciation

	2022 Rwf'000	2021 Rwf'000
Depreciation expense is analysed as follows:		
• Included within:		
• Cost of sales above	6,724,326	6,498,071
• Administrative expenses (Note 7 (a))	117,302	212,740
• Impairment of peat plant	-	207,075
Total depreciation and impairment of property, plant and equipment (Note 10)	**6,841,628**	**6,917,886**

6 Other income

	2022 Rwf'000	2021 Rwf'000
• Insurance refund	14,654	-
• Sale of scrap and other items	136,832	118,249
• Lease income from rental of staff houses*	28,274	40,027
• School fees	27,322	39,500
• Medical clinic income	6,550	6,713
	213,632	**204,489**

*Lessor disclosures for maturities or aging of lease receivables are not considered significant to disclose in these financial statements.

Insurance refund

Insurance refund relates to proceeds from insurance company, MUA, for Buffer fees refund.

Sale of scrap and other items

Income from the sale of scrap and other items is recognised at a point in time as the goods are delivered to the customer and it is reasonably certain that the customer will pay.

Lease income from rental of staff houses
Lease income from operating leases is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

School fees and medical clinic income
As part of its community support projects, the Company operates a school and a medical clinic and charges subsidised school and medical services fees, respectively. Income from these activities is recognised over time as the services are provided.

7 (a) Administrative expenses

	2022 Rwf'000	2021 Rwf'000
Employee benefits expense (Note 7 (c))	2,818,797	2,307,815
• Professional consultancy costs	130,090	197,800
• Depreciation (Note 5)	117,302	212,740
• Travelling and accommodation	445,813	162,487
• Sales and marketing	571,814	335,638
Company functions and meals	349,573	148,873
Management support fees	704,899	302,109
Insurance	347,151	345,823
Technical support fees	174,648	760,548
Bank charges	144,996	161,575
Salaries and wages school (Note 7 (c))	97,924	97,358
Health and safety	96,503	71,857
Donations	64,183	20,696
Auditor's remuneration	42,224	47,828
Repairs and maintenance	74,262	274,014
Membership and subscription	32,028	73,399
Amortisation on intangible assets (Note 11 (b))	37,605	32,983
Litigation expenses	18,900	30,567
Penalties *	10,759	289,348
Loss on disposal of assets (land and rotary parker)	136,522	14,330
(Decrease)/Increase in loss allowance on cash and equivalents	(13,316)	23,165
Depreciation – right of use asset	13,525	13,525
Office running costs	734,601	422,224
Other administrative expenses **	354,118	172,839
	7,504,921	**6,519,541**

* Prior year Penalties relate to fines and interests for late payment in relation to the financial periods 2016 and 2017 arising from a tax regulatory audit.
** Other administrative expenses are mainly made up of transport management fees, statutory fees paid to Rwanda Stock exchange and Directors fees.

7 (b) Impairment /(Reversal) losses on financial assets

	2022 Rwf'000	2021 Rwf'000
Loss /(Reversal) allowance on trade and other receivables (Note 13)	(69,384)	91,480

7 (c) Employee benefits expense.

	2022 Rwf'000	2021 Rwf'000
Salaries and wages	7,615,717	6,756,512
Retirement benefits costs:		
• Contributions to the Rwanda Social Security Board	339,198	321,707
• Other staff costs	179,690	65,900
	8,134,605	**7,144,119**
Included within:		
• Cost of sales	5,217,884	4,738,946
• Administrative expenses	2,818,797	2,307,815
• Salaries and wages for school *	97,924	97,358
	8,134,605	**7,144,119**

*As part of its community support projects, the Company operates a subsidised school. The school is in line with our belief in shaping young minds for a better tomorrow through a proper school with good tutelage. Salaries and wages for school staff are paid by Cimerwa Plc.

8 (a) Net foreign exchange losses

	2022 Rwf'000	2021 Rwf'000
Foreign exchange gains *	2,678,104	977,981
Foreign exchange losses **	(3,098,619)	(1,649,320)
	(420,515)	**(671,339)**

* Increase in foreign exchange gains is due to higher USD denominated cash balances during the year on account of higher export sales.

** Increase in foreign exchange losses is due to revaluation of the USD debt in the first half of the year and thereafter on conversion of the USD debt into local currency in March 2022.

8 (b) Net finance costs

	2022 Rwf'000	2021 Rwf'000
Interest expense on long term borrowings	4,105,689	5,527,800
Interest income	(97,310)	(130,744)
Unwinding of discount on rehabilitation and decommissioning provision	(1,539)	19,868
Interest on lease liabilities	2,207	4,398
	4,009,047	**5,421,322**

9 Income tax expense

	2022 Rwf'000	2021 Rwf'000
Current income tax	409, 815	-
Deferred income tax expense (Note 16)	3,275,740	1,281,230
Income tax expense	**3,685,555**	**1,281,230**

The tax on the Company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	Effective tax rate	2022 Rwf'000	Effective tax rate	2021 Rwf'000
Profit before income tax		16,860,421		5,401,370
Tax calculated at the statutory income tax rate	20.00%	3,372,084	20,00%	1,080,274
Tax effects of:				
Expenses not deductible for tax purposes	0.78%	131,621	16.27%	878,934
Prior year under/(over) provision of deferred income tax	1.08%	181,850	(12.55%)	(677,978)
Income tax expense	**21.86%**	**3,685,555**	**23,72%**	**1,281,230**

The current income tax asset on the statement of financial position is analysed as follows:

10. Property, plant and equipment

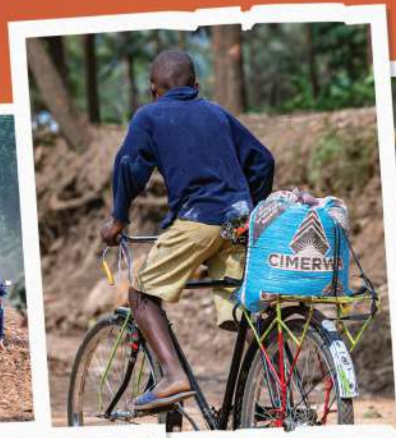
	Land Rwf'00	Road works Rwf'000	Building Rwf'000	Motor vehicles Rwf'000	Computer equipment Rwf'000	Pland and machinery Rwf'000	Office furniture & equipment Rwf'000	Work in progress Rwf'000	Total Rwf'000
At 1 October 2021									
Cost	1,544,857	2,695,354	2,774,710	2,341,992	820,827	112,356,334	872,469	1,242,580	124,649,123
Accumulated depreciation	-	(1,127,686)	(911,925)	(2,022,503)	(744,332)	(41,603,000)	(561,654)	-	(46,971,100)
Carrying amount	**1,544,857**	**1,567,668**	**1,862,785**	**319,489**	**76,495**	**70,753,334**	**310,815**	**1,242,580**	**77,678,023**
Year ended 30 September 2022									
Opening carrying amount	1,544,857	1,567,668	1,862,786	319,489	76,495	70,753,333	310,816	1,242,580	77,678,023
Disposals at cost	(39,597)	-	-	-	(7,450)	(154,924)	(1,947)	-	(203,918)
Additions	-	-	118,038	206,703	67,837	1,505,956	492	1,111,896	3,010,922
Transfers from work in progress	-	-	-	-	-	336,692	-	(336,692)	-
Disposals – accumulated depreciation	-	-	-	-	7,400	58,048	1,948	-	67,396
Depreciation	-	(175,813)	(164,233)	(149,469)	(72,542)	(6,128,893)	(150,678)	-	(6,841,628)
Closing carrying amount	**1,505,260**	**1,391,856**	**1,816,591**	**376,723**	**71,740**	**66,370,212**	**160,630**	**2,017,784**	**73,710,795**

Property, plant and equipment pledged as security is as disclosed on note 18.

* The opening amount of Road works with net book value of Rwf 1,567,668,000 were presented as part of plant and machinery in the comparatives. This has been reclassified.

BECAUSE OF CIMERWA

Strengthening Accessibility – Bugarama Road Project.



Every quarter, CIMERWA Plc invests in maintaining local roads connecting several sectors such as the Mashyuza and Nyakabuye sectors as well as the Muganza and Gitambi sectors. This maintenance drive has made the roads more accessible for bicycles and bikes which are used mainly for the commercial transport of passengers, not to mention cars transporting cargo and regular pedestrians.

10. Property, plant and equipment (continued)

	Land Rwf'00	Road works Rwf'000	Building Rwf'000	Motor vehicles Rwf'000	Computer equipment Rwf'000	Pland and machinery Rwf'000	Office furniture & equipment Rwf'000	Work in progress Rwf'000	Total Rwf'000
At 1 October 2020									
Cost	1,544,857	2,695,354	2,699,508	2,391,636	859,186	111,068,147	788,129	360,857	122,407,674
Accumulated depreciation	-	(951,871)	(758,871)	(2,042,021)	(706,325)	(36,084,365)	(504,283)	-	(41,047,736)
Net book amount	1,544,857	1,743,483	1,940,637	349,615	152,861	74,983,782	283,846	360,857	81,359,938
Year ended 30 September 2022									
Opening carrying amount	**1,544,857**	**1,743,483**	**1,940,637**	**349,615**	**152,861**	**74,983,782**	**283,846**	**360,857**	**81,359,938**
Disposals at cost	-	-	(712)	(188,544)	(66,361)	(682,550)	(70,685)	-	(1,008,852)
Additions	-	-	-	138,900	28,002	1,851,215	155,025	1,077,159	3,250,301
Transfers from work in progress	-	-	75,914	-	-	119,522	-	(195,436)	-
Disposals – accumulated depreciation	-	-	307	188,544	64,622	670,388	70,662	-	994,523
Depreciation	-	(175,815)	(153,361)	(169,026)	(102,629)	(6,189,023)	(128,033)	-	(6,917,886)
Closing carrying amount	1,544,857	1,567,668	1,862,785	319,48	76,495	70,753,334	310,815	1,242,580	77,678,023
At 30 September 2022									
Cost	1,544,857	2,695,354	2,774,710	2,341,992	820,827	112,356,334	872,469	1,242,580	124,649,123
Accumulated depreciation	-	(1,127,686)	(911,925)	(2,022,503)	(744,332)	(41,603,000)	(561,654)	-	(46,971,100)
Closing carrying amount	**1,544,857**	**1,567,668**	**1,862,785**	**319,489**	**76,495**	**70,753,334**	**310,815**	**1,242,580**	**77,678,023**

Property, plant and equipment pledged as security is as disclosed on note 18.

*The property plant and equipment schedule of the prior year has been updated by separately disclosing road works with a net book value of Rwf 1,567,668,000 which was previously presented as part of plant and machinery.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10. Property, plant and equipment (continued)

The assessment of plant and machinery was done in the year ended 30 September 2021. The life of the plant and machinery was reassessed to more appropriately to reflect the pattern of the consumption of the future economic benefits embodied in the plant and machinery. In accordance with IAS 16, this reassessment represents a change in an accounting estimate and is therefore applied prospectively in terms of IAS 8 Accounting policies, changes in accounting estimates and errors. The review resulted in changes in the expected useful lives of the following asset categories:

	Prior useful life (years)	Current useful life (years)
Asset category		
Plant and machinery	20 years	22 years

Work in progress

Work in progress comprises the following:

- Rwf 1,632 million: Critical spares that are transferred to the respective asset class once installed.
- Rwf 140 million: Cement silos being setup at distribution centres.
- Rwf 204 million: Capital expenditure waiting for installation at the plant site.
- Rwf 24 million: Land expropriation costs and testing which are still ongoing. The land located in Nyakabuye and Kibangira are being expropriated for mining activities.

Road works

In 2013, the Company entered into a MoU with the Government of Rwanda to tarmac a section of access road of about 10.47km leading to the company's plant in Bugarama. In the MOU, the Government of Rwanda contributed 60% while CIMERWA contributed 40% of the cost that was required to tarmac the road.
The road was completed and commissioned in September 2015.

The 40% cost spent by CIMERWA amounting to Rwf 2.7 billion was capitalised under Property Plant, and Equipment in CIMERWA's books of accounts. This cost is then being depreciated over the lower of the useful life of the road and the useful life of CIMERWA's plant. For our year under audit, i.e., ended 30 September 2022, the Net book Value of this asset is Rwf 1.4 billion.

11 (a) Intangible assets (software licences)

	2022 Rwf'000	2021 Rwf'000
Cost		
At start of year	292,525	151,413
Additions	-	141,112
	292,525	**292,525**
Amortisation		
At start of year	(134,698)	(101,715)
Charge for the year	(37,606)	(32,983)
At end of year	(172,304)	(134,698)
Net book value	**120,221**	**157,827**

Intangible assets relate to software licenses.

11 (b), Intangible assets (Mineral rights)

	2022 Rwf'000	2021 Rwf'000
At start of year	681,168	760,141
Additions	-	-
Change in estimate	44,569	(78 ,973)
At end of the year	**725,737**	**681,168**
Amortisation		
At start of year	(213,833)	(141,520)
Charge for the year	(63,673)	(72,313)
At end of year	(277,506)	(213,833)
Net book value	**448,231**	**467,335**
Total intangible assets (a+b)	**568,452**	**625,162**

12 Inventories

	2022 Rwf'000	2021 Rwf'000
Spare parts*	9,329,317	6,996,296
Semi-finished goods	2,395,413	3,813,586
Fuel oil	285,798	91,137
Coal	1,459,526	636,589
Raw materials	1,309,082	1,099,170
Finished goods	13,239	344,569
Paper bags	741,288	340,900
Other consumables	729,523	525,760
Provision for inventories	(1,233,815)	(1,059,868)
	15,029,371	**12,788,139**

During the year, expensed inventory amounted to Rwf 47,185 million (2021: Rwf 37,901 million) for inventories. This is recognised in cost of sales.

The movement on provision for inventories during the year is as follows:

	2022 Rwf'000	2021 Rwf'000
At 1 October	1,059,868	1,043,194
Additional provisions during the year	173,947	16,674
At 30 September	**1,233,815**	**1,059,868**

* Spare parts relate to servicing equipment that are consumed in less than one period in rendering maintenance services.

13 Trade and other receivables

	2022 Rwf'000	2021 Rwf'000
Trade receivables	2,050,136	1,840,474
Less: loss allowance	(410,224)	(340,840)
Net trade receivables	**1,639,912**	**1,499,635**
Prepayments	4,418,305	2,310,378
Advances to related parties (Note 19)	47,344	211,260
Other receivables	7,261	19,280
Total prepayments and other receivables	4,472,910	2,540,918
	6,112,822	**4,040,552**

Prepayments at 30 September 2022 included amounts of Rwf 3,961 million (2021: Rwf 1,850 million) relating to advance payments for factory spare parts, capital expenditure for expected crusher improvements and insurance prepayments amounting to Rwf 167 million (2021: Rwf 462 million).

In the opinion of the directors, the carrying amounts of trade and other receivables approximate their fair values.

The closing loss allowances for trade receivables as at 30 September 2022 and 2021 reconcile to the opening loss allowances as set out below.

	2022 Rwf'000	2021 Rwf'000
Opening loss allowance as at 1 October	340,840	432,320
Allowance/(reversal) for the year	69,384	(91,481)
Net loss allowance recognised in income statement during the year	**410,224**	**340,840**
Total loss allowance as at 30 September	**410,224**	**340,840**

The closing loss allowances for cash balances as at 30 September 2022 reconcile to the opening loss allowances as set out below.

	2022 Rwf'000	2021 Rwf'000
Opening loss allowance as at 1 October	49,076	25,911
Increase/(decrease) in loss allowance during the year	(13,316)	23,165
	35,760	**49,076**

14 Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	2022 Rwf'000	2021 Rwf'000
Cash at bank	20,094,434	14,336, 837
Less: loss allowance	(35,760)	(49,076)
Cash in hand	441	888
	20,059,115	**14,288,649**

15 Share capital

	Number of shares '000	Ordinary share capital Rwf'000	Share premium Rwf'000
Ordinary shares each with a par value of Rwf 50 at 1 October 2021, 30 September 2021 and 30 September 2022	703,220	35,160,976	22,251,408

The total authorised and issued number of ordinary shares is 703,219,520 (2021: 703,219,520) with a par value of Rwf 50 per share. All issued shares are paid up.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Share premium

Share premium of Rwf 22,251,408,000 (2021: Rwf 22,251,408,000) arose when the shares of the Company were issued at a price higher than the nominal (par) value.

Retained earnings:

This comprises brought forward profits, less any dividends, plus current year profit.


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Earnings per share

	2022 Rwf'000	2021 Rwf'000
Profit for the year attributable to equity shareholders — Rwf'000	13,174,866	4,120,140
Weighted average number of shares – '000	703,220	703,220
Earnings per share:		
Basic earnings per share — Rwf	18.74	5.86
Diluted earnings per share — Rwf	18.74	5.86

As at 30 September 2022, the Company did not have any potential ordinary shares.

The Company is in the process of setting up an employee share option plan. This will grant employees share options that could be potential ordinary shares. Since the plan has not yet been operationalised, these have not been considered in calculating the Company's diluted earnings per share. As a result, earnings per share is based on the Company's profit after income tax divided by the number of shares in issue during the year for each of the presented years.

16 Deferred tax liabilities

Deferred tax liabilities are calculated using the enacted income tax rate applicable to a listed entity of 20% (2022: 20%) within the first 5 years of initial listing. The movement on the deferred income tax account is as follows:

	2022 Rwf'000	2021 Rwf'000
At start of year	2,836,423	1,555,193
Charge to profit and loss account (Note 9)	3,275,740	1,281,230
At end of year	**6,112,163**	**2,836,423**

Deferred income tax assets and deferred income tax credit in the statement of comprehensive income (SOCI), are attributable to the following items:

Year ended 30 September 2022

	1 October 2021 Rwf'000	Charged/(credited) to P&L Rwf'000	30 September 2022 Rwf'000
Deferred income tax liabilities			
Property, plant and equipment: - On a historical cost basis	7,289,913	(519,227)	6,770,686
Deferred income tax assets			
Tax losses carried forward	(3,971,497)	3,971,497	
Provisions	(481,992)	(176,530)	(658,523)
	(4,453,489)	3,794,967	(658,523)
Net deferred income tax liability	**2,836,424**	**3,275,740**	**6,112,163**

Year ended 30 September 2021

	1 October 2020 Rwf'000	Charged/(credited) to P&L Rwf'000	30 September 2021 Rwf'000
Deferred income tax liabilities			
Property, plant and equipment: - On a historical cost basis	7,814,222	(524,309)	7,289,913
Deferred income tax assets			
Tax losses carried forward	(5,854,185)	1,882,687	
Provisions	(404,844)	(77,148)	(481,992)
	(6,259,029)	1,805,539	(4,453,489)
Net deferred income tax liabilities	**1,555,193**	**1,281,230**	**2,836,423**

Deferred income tax assets relating to unused tax loss carry-forwards and to deductible temporary differences are recognised if it is probable that they can be offset against future taxable profits or existing temporary differences. As at 30 September 2022, the Company had recognised deferred income tax assets on carried forward income tax losses totalling Rwf Nil (2021: Rwf 3,971 million) since the carried forward tax losses was offset against taxable profits. The directors had applied for, and were granted, an extension of two years to losses that expired in September 2022 as per the provisions of the Income Tax Act enacted in April 2018 and the accompanying ministerial order No 006/19/TC of 29/04/2019 gazette No 18 of 6/05/2019 that allows companies to seek for an extension to carry forward tax losses for a further five-year period beyond the statutory period.

	Actual Sep-14 Rwf '000	Actual Sep-15 Rwf '000	Actual Sep-16 Rwf '000	Actual Sep-17 Rwf '000	Actual Sep-18 Rwf '000	Actual Sep-19 Rwf '000	Actual Sep-20 Rwf '000	Actual Sept 21 Rwf '000	Actual Sept 22 Rwf '000
Taxable profits/ (loss)	(972,238)	(51,733,869)	247,460)	8,344,423	1,733,138	9,461,725	5,014,632	9,413,437	
Tax losses bf	-	(972,238)	(52,706,107)	(52,953,568)	(44,609,144)	(42,876,007)	(33,414,282)	(28,399,650)	21,035,292
Tax losses cf	(972,238)	(52,706,107)	(52,953,567)	(44,609,145)	(42,876,006)	(33,414,282)	(28,399,650)	(18,986,214)	(18,986,214)

The tax losses of FY 2017 reduced to Rwf 000' 44,609,145 by the final RRA assessment and this reduced the FY 2021 closing tax loss from Rwf 000' 19,857,489 to Rwf 000' 18,986,214 as indicated in the above table. See note 23 (i) for significant assumptions made regarding the recoverability of the deferred income tax assets arising from carried forward tax losses.

17. (a) Trade and other payables

	2022 Rwf'000	2021 Rwf'000
Trade payables	6,838,390	3,717,443
Amounts due to plant contractors	102,243	102,272
Customer deposits	694,768	918,138
Statutory liabilities	1,230,955	1,888,139
Accrued expenses	862,495	802,823
Other payables	883,648	59,109
	10,612,498	**7,487,924**

The carrying amount for trade and other payables approximate to their fair value.

17 (b) Provisions

	2022 Rwf'000	2021 Rwf'000
Leave pay accrual	375,205	470,893
Provision for litigations	6,421	45,867
Bonus accrual	1,205,709	449,686
	1,587,335	**966,446**

The carrying amount for trade and other payables approximate to their fair value.

(i) Leave pay accrual

	2022 Rwf'000	2021 Rwf'000
At 1 October	470,893	376,209
(Reduction) / additional provisions during the year	(67,005)	94,684
Releases of provisions during the year	(28,683)	-
	375,205	**470,893**

(ii) Provision for litigations

	2022 Rwf'000	2021 Rwf'000
At 1 October	45,867	36,963
Additional provisions during the year	6,421	24,404
Releases of provisions during the year	(45,867)	(15,500)
	6,421	**45,867**

(iii) Bonus accrual

	2022 Rwf'000	2021 Rwf'000
At 1 October	449,686	-
Additional provisions during the year	1,205,709	449,686
Releases of provisions during the year	(449,686)	-
	1,205,709	**449,686**

18 Loans and borrowings

	2022 Rwf'000	2021 Rwf'000
Non-current	10,526,547	24,292,665
Current	10,653,606	10,958,029
Total loans and borrowings	**21,180,153**	**35,250,694**

The bank loans are a syndicated loan facility denominated in Rwanda Francs. The facility was fully drawn down in 2015.

The currency and interest rates under each participating bank are as follows:

	Currency	Interest rate p. a	2022 Rwf'000	2021 Rwf'000
TDB Bank	US$	LIBOR+7.25%	-	9,352,410
East Africa Development Bank	US$	LIBOR+7.25%	-	1,869,830
Ecobank Rwanda Plc	Rwf	16.0%	-	2,266,959
Ecobank Rwanda Limited	Rwf	13.5%	1,585,002	-
Ecobank Rwanda Limited	Rwf	12.8%	2,645,382	-
Equity Bank Rwanda PLC	Rwf	13.5%	10,150,075	-
Access Bank Rwanda PLC	Rwf	12.0%	3,510,132	-
NCBA Bank Rwanda Plc	Rwf	13.5%	3,289,562	-
Bank of Kigali Plc	Rwf	16.0%	-	11,770,870
KCB Bank Rwanda Plc	Rwf	16.0%	-	8,410,836
I&M Bank Rwanda Plc	Rwf	16.0%	-	1,579,789
			21,180,153	**35,250,694**

The movement for loans from financial institutions is as below:

Long term loan

	2022 Rwf'000	2021 Rwf'000
As at 1 October	35,250,694	43,157,056
Principal repaid	(14,312,402)	(9,072,448)
Interest expense	4,105,688	5,538,665
Interest repaid	(4,105,688)	(4,962,506)
Foreign exchange losses	241,861	589,926
Closing balance	**21,180,153**	**35,250,694**

Repayments of principal for the syndicated loan commenced in March 2016. The loan is payable by February 2024.

There were no defaults on interest and capital repayments during the year (2022: None).

The carrying amount of the borrowings approximates to their fair values since the interest payable on the borrowings is close to current market rates.

The effective interest rates for the borrowings were 13.5% for the Rwandan Francs loans. We do not have any exposure at the reporting date for the US Dollars borrowing.

The syndicated loan is secured by the Company's property, plant and equipment. The carrying amounts of assets pledged as security for current and non-current borrowings are:

	2022 Rwf'000	2021 Rwf'000
Land	1,505,260	1,544,857
Buildings	1,816,591	1,862,785
Plant and equipment and Road works	67,762,068	72,321,003
	71,083,919	**75,728,645**

The banks in the syndication also hold a debenture over the Company's business assets as collateral. The debenture expires in 2028.

Information on the applicable financial covenants is disclosed below

Loan covenants

Under the terms of the syndicated loan described under clause 19.1 amended and restated, the Company is required to comply with the three financial covenants whose status is as follows as at 30 September 2022:

	Threshold per loan covenants	Status as at 30 Sep 2022	Conclusion
1. Debt service coverage ratio	>1.2x	1.3x	Debt Service Coverage Ratio is within covenant threshold.
2. Net Debt to EBITDA	< 3.8x in FY19 and 3.0x in subsequent years	0.05x	Net Debts/EBITDA ratio within covenant threshold
3. Interest cover ratio	>1.5x	5.76x	Interest Cover Ratio is within covenant threshold

In addition to the borrowings above, NCBA Plc had granted the Company the following facilities as at 30 September 2022:

Type of facility	Facility limit	
Letter of credit	EUR 693,419.46	These are letters of credits that were opened for supply of Raw mill and cooler drag chains as well as refractories.
Bank guarantees	Rwf 10,916,340	This was a performance guarantee provided for public sector tenders.

18 Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the years presented

Net debt	2022 Rwf'000	2021 Rwf'000
Cash and cash equivalents	20,094,434	14,288,649
Borrowings	(21,180,153)	(35,250,694)
Lease liability	(5,521)	(20,432)
Net debt	**(1,091,240)**	**(20,982,477)**
Cash and cash equivalents	20,094,435	14,288,649
Gross debt - fixed interest rates	(21,185,675)	(24,048,886)
Gross debt - variable interest rates	-	(11,222,240)
Net debt	**(1,091,240)**	**(20,982,477)**

	Rwf '000 Borrowings	Rwf '000 Lease liability	Rwf '000 Cash and equivalents	Rwf '000 Total
As at 1 October 2020	(43,157,056)	(31,725)	13,330,241	(29,858,540)
Cash flows	-	11,293	1,346,435	1,357,728
Principal repaid	9,072,448	-	-	9,072,448
Interests repaid	4,962,505	-	-	4,962,505
Foreign exchange adjustments	(589,926)	-	(388,028)	(977,954)
Other changes	(5,538,665)	-	-	(5,538,666)
At 30 September 2021	**(35,250,694)**	**(20,432)**	**14,288,648**	**(20,982,477)**
Cash flows	-	14,911	5,893,445	24,313,336
Principal repaid	14,312,402	-	-	14,312,402
Interests repaid	4,105,688	-	-	4,105,688
Foreign exchange adjustments	(241,862)	-	(122,978)	(351,730)
Other changes	(4,105,688)	-	-	(4,105,688)
At 30 September 2022	**(21,180,154)**	**(5,521)**	**20,059,115**	**(1,126,559)**

Other changes include non-cash movements, including accrued interest expense which will be presented as financing cash flows in the statement of cash flows when paid.


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19 Related party transactions

The Company's immediate parent company is PPC International Holdings (Pty) Ltd and the ultimate parent company and controlling party is PPC Ltd, with both companies incorporated in South Africa. There are other companies that are related to CIMERWA PLC through common shareholdings or common directorships. The following transactions were carried out with related parties:

a) Government of Rwanda

On 30 September 2022, the Government of Rwanda, through Rwanda Social Security Board and Agaciro Development Fund held a minority shareholding in the Company of 37% which is unchanged from prior year. As a result, Government of Rwanda controlled bodies are related parties of the Company. The Company enters into transactions with many of these bodies. Transactions include the payment of taxes, principally corporate income tax, value added tax, withholding tax, employer pension contributions, and district mining levies. Directors have taken the exemption under IAS 24 not to disclose such transactions.

b) Key management compensation

Key management includes members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2022 Rwf'000	2021 Rwf'000
Salaries and wages	1,136,995	1,077,436
Contributions to Rwanda Social Security Board	47,710	43,972
	1,184,705	**1,121,408**

c) Directors' remuneration

	2022 Rwf'000	2021 Rwf'000
Salaries and wages included with key management compensation above	578,868	536,134
Contributions to Rwanda Social Security Board	24,363	22,509
Sitting and other allowances	87,615	32,584
	690,846	**591,228**

Remuneration per director for the directors who served during the year was as follows:

	2022 Rwf'000	2021 Rwf'000
Regis Rugemanshuro	11,441	6,743
Albert Sigei Kipkemoi	388,321	353,967
Christian Rugeri	-	5,133
Nyirimihigo Jean Marie Vianney	11,634	8,477
Florida Kabasinga	13,328	1,514
Eunice Nyala	14,505	4,159
Anitha Umuhire	6,226	-
Edward Okaro Omolo	17,749	4,159
Sternford Moyo	12,732	2,400
John Bugunya	214,910	204,676
	690,846	**591,228**

The unremunerated directors relate to directors appointed by the controlling party, PPC Ltd. They were remunerated by PPC Ltd for their services.

d) Purchase of services from parent company

	2022 Rwf'000	2021 Rwf'000
Management and technical support fees	461,631	539,141
Cost recoveries	174,648	328,801
VAT reverse charge	243,268	194,715
	879,547	**1,062,657**

e) Purchase of goods and services

	2022 Rwf'000	2021 Rwf'000
Insurance premiums to SONARWA	144,072	295,610
Purchases of peat from Rwanda Energy Company Limited	568,668	470,488
	712,740	**766,098**

Rwanda Energy Company Limited is a subsidiary of Rwanda Investment Group Limited (RIG), which is a shareholder of the Company.

f) Other income

	2022 Rwf'000	2021 Rwf'000
Insurance refund from MUA (note 6)	14,654	-

g) Amounts due to related parties arising from purchase of goods/services

	2022 Rwf'000	2021 Rwf'000
Amounts due to parent company	653,059	1,158,817
	653,059	**1,158,817**

h) Amounts due from related parties arising from purchase of goods/services

	2022 Rwf'000	2021 Rwf'000
AGACIRO Development Fund (recoverable listing fees)	47,344	53,189
Rwanda Social Security Board (recoverable listing fees)	-	98,615
SONARWA Life Assurance Company Limited (recoverable listing fees)	-	3,582
Rwanda Investment Group Limited (recoverable listing fees)	-	55,874
	47,344	**211,260**

The amounts due from related parties relate to Rwanda Stock Exchange listing fees which were paid by the Company and are reimbursable from the respective share-holders that floated their shares.

The amounts due to and due from related parties occur in the normal course of business. They are interest and collateral free and are payable on demand.

20 Rehabilitation and decommissioning provisions

	2022 Rwf'000	2021 Rwf'000
Provision for mine decommissioning	192,360	149,329
	192,360	**149,329**
The movement in the provision is as follows;		
at 1 October	149,329	208,434
Remeasurement impact during the year	44,570	(78,973)
Unwinding of discount	(1,539)	19,868
	192,360	**149,329**

Estimating the provision for mine decommissioning is complex as most of the obligations will only be fulfilled sometime in the future and the provisions are influenced by changing regulations and technologies, life of mine, and political, environmental, safety, business and statutory considerations in Rwanda. The Companies is required to restore mining and processing sites at the end of their productive lives to an acceptable condition consistent with local regulations and in line with Company policy.

Legislative requirements in Rwanda require the Company to issue a guarantee for environmental rehabilitation of the mining site. The Company has secured the guarantee of Rwf 8,710,000, which is disclosed as an environmental guarantee on the statement of financial position. This guarantee will be refunded to CIMERWA after performing required mines rehabilitation at the end of mine life.

The estimation of the costs to remediate the mining site and affected processing site as well as the determination of the other key inputs as disclosed in note 23 have been based, where possible, on external independent third-party information. The determination of the risk-free discount rate has been based, where available, on long dated government risk-free bond rates for securities issued in Rwanda, factoring in the life of the mine, for the purposes of determining the present value of the future estimated cash flows.

21 Leases

This note provides information for leases where the Company is a lessee. For lessor activities, see note 21.

(a) Amounts shown in the statement of financial position

The statement of financial position shows the following amounts related to leases:

	2022 Rwf'000	2021 Rwf'000
Right of use asset: Building	4,509	18,033
	4,509	**18,033**

Lease liability

Lease liabilities are presented in the Statement of financial position as follows

	2022 Rwf'000	2021 Rwf'000
Lease liability as at 1 October	20,432	33,152
Lease interest	2,207	4,398
Payment of lease liabilities	(17,118)	(17,118)
	5,521	**20,432**
Lease liability		
Current	5,521	14,911
Non-current	-	5,521
	5,521	**20,432**
Right of use asset		
Building Cost:	40,575	40,575
At start of year	**40,575**	**40,575**
Amortisation:		
At start of year	(22,542)	(9,017)
Charge for the year	(13,524)	(13,525)
At end of year	**(36,066)**	**(22,542)**
Net carrying value	**4,509**	**18,033**

(b) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2022 Rwf'000	2021 Rwf'000
Depreciation charge of right of use asset (building)	13,524	13,525
Interest expense (included in finance costs)	2,207	4,398
	15,731	**17,923**

The total cash outflow for leases in 2022 was Rwf 17.1 million (2021: Rwf 13.5 million) (including principal elements of lease payments of Rwf 14.9 million (2021: Rwf 13.5 million) and 2.2 million (2021: Rwf 4.8 million) of interest expense).

For the purposes of the statement of cash flows, acquisition of right of use assets are a noncash investing activity.

(c) The Company's leasing activities and how these are accounted for

The Company leases one residential building. The rental contract is fixed for one year but has extension options as described in (v) below. The contract only contains lease components, and there are no non-lease components.

22 (a) Financial risk management obectives & policies

The Company's risk exposure to financial risk and how that is managed are set out below.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	- Future commercial transactions - Recognized financial assets and liabilities not denominated in Rwanda Francs	- Cash flow forecasting - Sensitivity analysis	- Holding foreign currency bank accounts which act as a natural hedge for foreign denominated purchases
Market risk – interest rate	- Long term borrowings at variable and fixed rates	Sensitivity analysis	Entering into a combination of fixed and variable interest rate borrowings
Market risk – security prices	The Company does not hold any financial instrument subject to price risk	-Not applicable	- Not applicable
Credit risk	- Cash at bank - Trade and other receivables	-Aging analysis	- Diversification of bank deposits - Restriction of credit trading terms
Liquidity risk	-Borrowings and other liabilities	-Rolling cash flow forecasts	- Availability of committed credit lines and borrowing facilities

Financial risks are managed by the finance department in accordance with policies set out by the Board of Directors.

Market risk

(i) Foreign exchange risk

Exposure

The Company's exposure to foreign currency risk at the end of the reporting period, expressed in Rwanda francs, was as follows:

	2022 Rwf'000	2021 Rwf'000
US Dollars: Assets	11,500,203	4,986,142
Cash at bank and on hand	-	-
Trade receivables	11,500,203	4,986,142
Liabilities		
Bank borrowings	-	(11,328,540)
Trade and other payables	(2,645,285)	(742,594)
	(2,645,285)	(12,071,134)
Net position	**8,854,918**	**(7,084,992)**

Sensitivity

At 30 September 2022, if the Rwandan Franc had weakened/strengthened by 10% against the foreign currencies with all other variables remaining constant, post-tax profit or loss for the year would have been Rwf 713 million (2021: Rwf 849 million) lower/ higher, mainly as a result of foreign currency denominated trade payables and bank balances.

(ii) Cash flow and fair value interest rate risk

The Company's main interest rate risk would arise from long-term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. The borrowings were specifically taken to finance the new cement plant construction. Only fixed interest rates are applied to the current borrowings which makes it easy to manage the cash flow.

The Company's fixed rate borrowings and receivables are carried at amortized cost. They are therefore not subject to interest rate risk as defined in IFRS 7, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Included in the fixed borrowings rate are 10-year floating-rate debts of Rwf 21,180 million (2021 Rwf 11,203 million). These facilities are not hedged.

The exposure of the Company's borrowings to interest rate changes and the contractual re-pricing dates of the borrowings at the end of the reporting period are as follows:

	2022 Rwf '000	% of total loans	2021 Rwf '000	% of total loans
Variable rate borrowings - USD LIBOR	-	-	11,328,540	32%
Fixed rate borrowings - maturity dates				
Less than 1 year	10,653,607	50.3%	6,987,741	20%
1 - 5 years	10,526,546	49.7%	16,934,414	48%
	21,180,153	**100%**	**35,250,694**	**100%**

In March 2022, the company converted its existing variable rate borrowings in foreign currency into local currency at fixed interest rates. As at 30 September 2022, the company therefore had no variable interest rate borrowings.

Credit risk

Credit risk is managed on a Company basis. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables. The Company does not have any significant concentrations of credit risk. The Company credit controller assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

(i) Risk Management

The Company has policies in place to ensure that contracts are entered into with customers with appropriate credit history and that its financial interests are contractually safeguarded at the time of engagement.

Balances are reviewed monthly and appropriate follow up is carried out by the credit control unit, Finance Director, Commercial and eventually escalated to the Executive management for possible dunning or legal action.

(ii) Security

For some trade receivables the Company may obtain security in the form of bank guarantees, letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.


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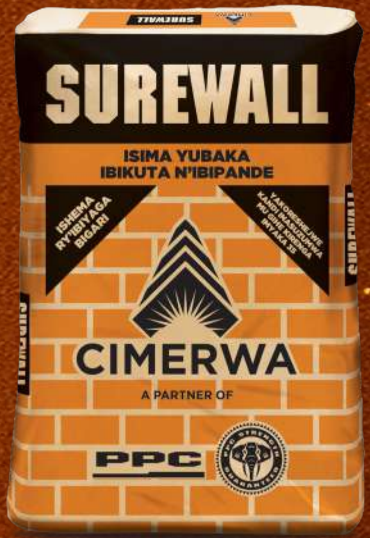

(iii) Impairment of financial assets

The amount that best represents the Company's maximum exposure to credit risk at 30 September is made up as follows:

	2022 Rwf'000	2021 Rwf'000
Cash at bank	20,058,674	14,287,761
Trade receivables	1,639,912	1,499,635
Amounts due from related parties	47,344	211,260
Other receivables	7,261	19,280
	21,753,191	**16,017,936**

Cash and cash equivalents

The Company has applied an average probability of default of 0.178% to the bank balances as at 30 September to determine the impairment loss disclosed under note (14).

Trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been analysed based on shared credit risk characteristics and the days past due. During the year, the directors have refined the analysis of trade receivables into the following sectors:
- Government and related entities
- Construction companies
- Distributors
- Others

Therefore, probabilities of default have been developed at this level for 2022 and 2021.The expected loss rates are based on the payment profiles of sales over a period of 24 months from October 2021 to September 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect forward looking information to the extent that there is a strong correlation between the forward-looking information and the expected credit losses. The Company has identified GDP, inflation rate and unemployment rate of the country in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
30 September 2022 (Rwf'000)						
Gross carrying amount - Government and related entities	44,668	12,618	7,578	959	193,682	259,504
Net Receivables	44,668	12,618	7,578	959	193,682	259,504
Expected loss rate	11%	42%	31%	33%	100%	-
Loss allowance	5,069	5,245	2,313	318	193,682	206,627
30 September 2022 (Rwf' 000)						
Gross carrying amount – Distributors	124,418	36,081	-	13,579	26,368	200,446
Less customers with bank guarantees	(114,320)	(27,080)	-	-	-	(141,400)
Net receivables	10,098	9,001	-	13,579	26,368	59,046
Loss allowance	5,069	5,245	2,313	318	193,682	206,627
30 September 2022 (Rwf'000)						
Gross carrying amount – Construction	1,110,207	318,375	-	8,862	152,740	1,590,185
Less customers with bank guarantees	(832,937)	(303,220)	-	(4,378)	-	(1,140,535)
Net receivables	277,270	15,155	-	4,485	152,740	449,650
Expected loss rate	1.30%	1.52%	0.0%	53.6%	100.0%	
Loss allowance	14,463	4,830.70	-	4,752	152,740	176,786
30 September 2021 (Rwf'000)						
Gross carrying amount – Government and related entities	33,653	12,248	-	173,582	259,251	478,734
Less customers with bank guarantees	-	-	-	(164,176)	(213,935)	(378,111)
Net receivables	33,653	12,248	-	9,406	45,316	100,623
Expected loss rate	6.58%	9.98%	13.30%	100%	100%	
Loss allowance	**3,798**	**2,008**	-	**9,406**	**45,316**	**60,528**

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
30 September 2021 (Rwf'000)						
Gross carrying amount – Distributors	172,430	18,760	-	-	26,966	218,157
Less customers with bank guarantees	(172,430)	(18,760)	-	-	-	(191,190)
Net receivables	-	-	-	-	26,966	26,966
Expected loss rate	2.16%	6.20%	12.57%	100%	100%	-
Loss allowance	-	-	-	-	26,966	26,966
30 September 2021 (Rwf'000)						
Gross carrying amount – Construction	440,578	390,593	1,042	43,716	267,655	1,143,584
Less customers with bank guarantees	(355,233)	(235,623)	-	(30,416)	(68,390)	(689,663)
Net receivables	85,345	154,970	1,042	13,300	199,265	453,922
Expected loss rate	2.19%	7.90%	12.76%	30.42%	100%	-
Loss allowance	9,631	30,846	304	13,300	199,265	253,346

The analysis above excludes customers for whom specific provisions were made. These are as follows:

	Current	More than 30 days past due	More than 60days past due	More than 90 days past due	More than 120 days past due	Total
30 September 2022(Rwf'000)						
Gross carrying amount – Specific customers	-	-	-	-	-	-
Specific provisions made	-	-	-	-	-	-
Net receivables after specific provisions	-	-	-	-	-	-

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
30 September 2021 (Rwf'000)						
Gross carrying amount – Specific customers	-	-	-	-	117,316	117,316
Specific provisions made	-	-	-	-	(117,316)	(117,316)
Net receivables after specific provisions	-	-	-	-	-	-

The above loss allowance provisions are summarized as below:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
30 September 2022 (Rwf'000)						
Gross carrying amount	1,279,293	367,075	7,578	23,400	372,790	2,050,136
Provisions made	(19,834)	(10,076)	(2,314)	(5,210)	(372,790)	(410,224)
Net receivables after provisions	1,259,459	356,999	5,265	18,190	-	1,639,912
30 September 2021 (Rwf'000)						
Gross carrying amount	646,661	421,601	1,042	217,299	553,275	1,840,474
Provisions made	(13,428)	(32,854)	(304)	(22,706)	(271,547)	(340,840)
Net receivables after provisions	633,232	388,747	738	194,593	281,727	1,499,634

The closing loss allowances for trade receivables as at each period end reconcile to the opening loss allowances as follows:

	2022 Rwf'000	2021 Rwf'000
Opening loss allowance as at 1 October	340,840	432,320
Net loss allowance during the year (note 13)	69,384	(91,480)
	410,224	**340,840**

Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade and other receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. The finance department maintains flexibility in funding by maintaining availability under committed credit lines.

Management perform cash flow forecasting and monitor rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet its operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities and proactively managing positions where there is a breach. The Company's approach when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below analyses the Company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year Rwf'000	2-3 years Rwf'000	4- 5 years Rwf'000	More than 5 years Rwf'000	Total Rwf'000
30 September 2022 (Rwf'000)					
Trade payables	6,838,390	-	-	-	6,838,390
Amounts due to plant contractors	102,243	-	-	-	102,243
Customer deposits	694,768	-	-	-	694,768
Other payables	883,648	-	-	-	883,648
Lease obligations	6,255	-	-	-	6,255
Due to related parties	653,059	-	-	-	653,059
Interest bearing borrowings	12,855,105	11,578,012	-	-	24,433,117
	22,033,468	**11,578,012**	-	-	**33,611,480**

	Less than 1 year Rwf'000	2-3 years Rwf'000	4- 5 years Rwf'000	More than 5 years Rwf'000	Total Rwf'000
30 September 2021 (Rwf'000)					
Trade payables	3,717,443	-	-	-	3,717,443
Amounts due to plant contractors	102,272	-	-	-	102,272
Customer deposits	918,138	-	-	-	918,138
Other payables	1,921,514	-	-	-	1,921,514
Lease obligations	20,432	-	-	-	20,432
Due to related parties	1,158,817	-	-	-	1,158,817
Interest bearing borrowings	14,643,557	28,066,817	-	-	42,710,374
	22,482,173	**28,066,817**	-	-	**50,548,990**

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may limit the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The capital structure of the Company consists of debt, which includes the borrowings disclosed in note 18, cash and cash equivalents as disclosed in note 14, and equity attributable to shareholders, comprising stated capital, reserves and retained earnings.

Capital risk management is carried out in accordance with the Company's policy. A committee that include the Parent company's senior financial executives reviews the capital structure of the Company on a quarterly basis. As part of this review, the cost of capital and the risks associated with each class of capital are considered. Based on recommendations of the committee, the Company balances its overall capital structure through issues of equity instruments, dividend cover reviews, and the issue of new debt or redemption of existing debt.

During the year, the Company's strategy, which remained unchanged from 2020, was to maintain a gearing ratio within 50 to 65%. The gearing ratios at 30 September 2022 and 30 September 2021 are show below. The ratio as at 30 September 2022 has significantly reduced as the loan get repaid and cash increasing year on year.

	2022 Rwf'000	2021 Rwf'000
Net debt	1,091,240	20,982,477
Total equity	74,874,346	61,699,480
Net debt to equity ratio	**1.5%**	**34.0%**

22 (b) Financial instruments by category

Financial assets at amortised cost

	2022 Rwf'000	2021 Rwf'000
Environmental guarantee	8,710	8,710
Trade receivables	1,639,912	1,499,635
Advances to related parties	7,261	211,260
Other receivables	47,344	19,280
Cash at bank	20,059,115	14,288,649
	21,762,342	**16,027,534**

Financial liabilities at amortised cost

	2022 Rwf'000	2021 Rwf'000
Trade payables	6,838,390	3,717,443
Amounts due to plant contractors	102,243	102,272
Customer deposits	694,768	918,138
Other payables	883,649	1,426,216
Intercompany payables	653,059	1,158,817
Borrowings	21,180,153	35,250,694
Lease liability	5,521	20,432
	30,357,783	**42,594,012**

22 (c) Fair value of financial instruments

For the majority of the borrowings and payables, the fair values are not materially different to their carrying amounts, since the interest payable on those liabilities is either close to current market rates or the borrowings are of a short-term nature. For trade receivables these are short term in nature and fair values approximate carrying values.

The borrowing cost of the Rwf is based on interest rate of 13.5 % which is within range of industry average rate of 16.5% for corporate loans and hence approximates the fair value.

	Carrying amount Rwf'000	2022 Fair value Rwf'000	Carrying amount Rwf'000	2021 Fair value Rwf'000
Borrowings (USD portion)	-	-	11,222,240	11,222,240
Borrowings (Rwf portion)	21,180,153	21,180,153	24,028,454	24,028,454
	21,180,153	**21,180,153**	**35,250,694**	**35,250,694**

23 Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Directors also need to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

(i) Deferred income tax asset

Deferred income tax asset relating to unused tax loss carry-forwards and to deductible temporary differences are recognised if it is probable that they can be offset against future taxable profits or existing temporary differences. As at 30 September 2022, the Company had fully utilised it's tax losses brought forward from prior years, and thus no deferred tax asset on tax losses recognised. Deferred income tax assets on temporary differences totalling Rwf 405 million were recognized. (2021: Rwf 4,449 million arising from both tax losses and other temporary differences under the Rwandan Income Tax Act). These tax losses were due to expire in 30 September 2024 following an extension granted by Rwanda Revenue Authority (RRA).

(ii) Current income tax

Current tax is the expected tax payable or receivable on the taxable income for the year using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. As at 30 September 2022, the Company has recognised current income tax payable totalling Rwf 410 million arising from adjusted taxable profit after utilisation of prior period brought forward tax losses.

(iii) Assessing the carrying amount of the cement plant

At 30 September 2022, the Company's net investment in property, plant and equipment amounted to Rwf 73,710 million (2021: Rwf 77,678 million), details of which are set out in note 10 to the financial statements.

For the year ended 30 September 2022, roadworks have been reclassified from Plant and machinery, however the overall totals for property, plant and equipment remain unchanged.

Impairment assessments of individual material assets, especially the cement plant, were undertaken for the 2022 financial year. The Company has been considered as one cash generating unit for the purposes of the impairment review. The directors have made the following significant assumptions in assessing the expected cash flows to be generated by the cement plant over the next 14 years:- Limestone reserves of 7.4 megatons, resulting in an estimated remaining life of mine of 14 years based on estimated average 0.45 megatons of limestone mined per annum;

- Weighted average cost of capital of 15.11%.
- Expected sales volumes growth of 24.5% per annum;
- Expected cost inflation of 6% per annum.

Sensitivity analysis

If the estimated limestone reserves were higher/lower by 100,000 tonnes, holding all other factors constant, there would be no impairment provision recognised to the profit or loss account.

If the weighted average cost of capital was higher/lower by 5%, holding all other factors constant, there would be no impairment provision recognised to income statement.

If the expected sales volume growth was 5% higher, holding all other factors constant, there would be no impairment provision recognised to income statement.

If the expected sales volume growth was 5% lower, holding all other factors constant, there would be no impairment provision recognised to income statement.

If the expected cost inflation was 5% higher, holding all other factors constant, there would be no impairment provision recognised to income statement.

(iv) Decommissioning and rehabilitation provisions

As part of the identification and measurement of assets and liabilities, the Company has recognized a provision for environmental obligations associated with the limestone quarry. In determining the carrying value of the provision, assumptions and estimates are made in relation to revision of discount rates,

updated environmental cost estimates, changes to lives of operations, new disturbances and the expected timing of those costs. Estimating the future costs of these obligations is complex as most of the obligations will only be fulfilled in the future. Furthermore, the resulting provisions and assets are influenced by changing technology and regulations, life of mine, environmental, safety, business and statutory considerations. Refer note 20 for the carrying amount of the decommissioning provision. Significant estimates made by the directors include;

- Inflation rate of 7.5%
- Risk free discount rate of 12.45%
- Remaining life of mine of 13.6 years

The estimation of the costs to remedy the mining quarry have been based on external consultants hired by the Company to carry out an estimate of these costs. The risk-free rate was obtained by using the National Bank of Rwanda yield curve for long term government bonds.

If the inflation rate was higher/lower by 1%, holding all other factors constant, the provision recognised in the balance sheet would be higher/lower by Rwf 21.8 million and Rwf 27 million respectively, and the related interest expense due to the unwinding of the discount would be higher/lower by Rwf 1.9 million.

If the risk free discount rate was higher/lower by 1%, holding all other factors constant, the provision recognised in the balance sheet would be lower/higher by Rwf 10 million and Rwf 27 million respectively, and the related interest expense due to the unwinding of the discount would be lower/higher by Rwf 1.815 million.

If the life of mine was higher/lower by one (1) year, holding all other factors constant, the provision recognised in the balance sheet would be lower/higher by Rwf 10 million, and the related interest expense due to the unwinding of the discount would be lower/higher by Rwf 0.33 million.

Additionally, local environmental regulations require the Company to issue a guarantee for environmental rehabilitation. The Company deposited a guarantee of Rwf 8.7 million to FONERWA Rwanda Green Fund in 2019 to meet this requirement.

(v) Expected credit losses on financial assets

IFRS 9 requires impairments to be determined based on an expected credit loss (ECL) model for financial assets carried at amortised cost or fair value through other comprehensive income. The Company recognises an allowance for either 12-month or lifetime ECLs, depending on whether there
has been a significant increase in credit risk. The Company measures the ECLs in a manner which reflects a probability-weighted outcome, the time value of money and the entity's best available forward-looking information. The preceding probability-weighted outcome considers the possibility that a credit loss will occur and the possibility that no credit loss will occur, no matter how low the probability of credit loss occurrence might be.

The ECL model applies to financial assets measured at amortised cost. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Refer to credit risk management under note 13 above for further details.

(vi) Useful lives of property, plant and equipment

The Directors determine the estimated useful lives and related depreciation charges for its property, plant and equipment ("PPE"). Items of PPE are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological advancements, product lifecycles, life of mine and maintenance programmes are taken into account.

The residual value assessments consider issues such as future market conditions, the remaining useful life of the asset and projected disposal values. The Company has not made any material adjustments to the residual values in the current year.

In line with the requirements of IAS 16 Property, plant and equipment, it is Company policy that the useful life of the assets be reviewed annually. The Company has reviewed the useful lives of assets regularly and during this financial year the Company has continued using some of the fully depreciated assets. IAS 8 Accounting policies, changes in accounting estimates and errors requires that a change in useful life be applied to the carrying amount which must then be depreciated over the new useful life. As the carrying amount of these assets is zero and the group's policy is to account for PPE using the cost model, both the cost and accumulated depreciation remain in the fixed asset register until the Company discontinues the use of the assets and a decision to scrap them has been taken. At that time they will be derecognised from the fixed assets register. Directors will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.





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RWANDA'S N°1 GOLF EXPERIENCE SINCE 2017.

(vi) Useful lives of property, plant and equipment

Below is a sensitivity analysis on the effect on depreciation charge in the event of an increase or decrease on the depreciation charge applied to the property, plant and equipment.

	Current (100%)	(+20%)	(-20%)	(+40%)	(-40%)	(+60%)	(-60%)
30 September 2021 (Rwf'000)							
Plant	6,128,893	7,354,672	4,903,114	8,580,450	3,677,336	9,806,229	2,451,557
Buildings	175,813	210,976	140,650	246,138	105,488	281,301	70,325
Road works	164,233	197,080	131,386	229,926	98,540	262,773	65,693
Motor vehicles	169,025	202,830	135,220	236,635	101,415	270,440	67,610
Office furniture	149,469	179,363	119,575	209,257	89,681	239,150	59,788
Computer equipment	72,542	87,050	58,034	101,559	43,525	116,067	29,017
Total	**6,859,975**	**8,231,970**	**5,487,980**	**9,603,965**	**4,115,985**	**10,975,960**	**2,743,990**

(vii) Interest rate benchmark reform

Following the financial crisis, the reform and replacement of benchmark interest rates such as USD LIBOR and other interbank offered rates ('IBORs') has become a priority for global regulators. There is currently uncertainty around the timing and precise nature of these changes. To transition existing contracts and agreements that reference LIBOR to Secure Overnight Financing Rate ("SOFR"), adjustments for term differences and credit differences might need to be applied to SOFR, to enable the two benchmark rates to be economically equivalent on transition. The Finance department is managing the Company's USD LIBOR transition plan. The greatest change will be amendments to the contractual terms of the USD LIBOR-referenced floating-rate debt. However, the changed reference rate may also affect other systems, processes, risk and valuation models, as well as having tax and accounting implications.

In March 2022, the management migrated LIBOR based borrowings to fixed rate, Rwanda Franc denominated borrowings as per the plan. This was completed in the first half of financial year 2022.

24 Contingent liabilities

The directors have engaged a tax advisor to undertake a tax health check of the Company for the open periods 2018 and 2019. As at reporting date, this review process is not yet finalized, and the directors are unable to quantify if any liabilities will accrue from the health check.

25 Capital commitments

Capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements is as follows:

	2022 Rwf'000	2021 Rwf'000
Capital commitments	**4,528,328**	**792,168**

26 Going concern

The Directors have made an assessment of the ability of the Company to continue as going concern and, having taken into account all information at hand, have no reason to believe that the business will not be a going concern for at least the next twelve months from the date of this statement.

27 Events after the reporting date

The Directors are not aware of any significant subsequent events for the year ended 30 September 2022.
(2021: None).

28 Ultimate holding company

The ultimate parent company and controlling party is PPC Ltd, which is incorporated in South Africa.

29 Segment reporting

The chief operating decision maker, who is the Company's executive committee as it is the body that examines the Company's performance and allocates resources. The committee has identified the Company as one segment. Therefore, assets and liabilities are deemed to contribute to the overall performance of the Company and separate presentation of balance sheet has not been made.

The committee primarily uses earnings before interest, taxes, depreciation and amortisation (EBITDA) to assess the performance of the segment. The Company has one reportable segment whose revenue is presented in note 4.

No individual customer comprises more than 10% of the Company's revenue. Revenue from external customers from exports was Rwf 20,165 million (2021: Rwf 12,943 million).

EBITDA reconciles to operating profit before income tax as follows:

	2022 Rwf'000	2021 Rwf'000
Total EBITDA	28,315,798	18,439,258
Finance costs	(4,429,562)	(6,092,661)
Depreciation and amortisation	(6,956,431)	(7,036,707)
Impairment of financial assets	(69,384)	91,480
Profit before income tax	16,860,421	5,401,370
Income tax expense	(3,685,555)	(1,281,230)
Profit for the year	**13,174,866**	**4,120,140**

	2022 Rwf'000	2021 Rwf'000
Non-current assets	74,292,466	78,329,928
Current assets	41,334,784	31,239,617
Total assets	**115,627,250**	**109,569,545**

	2022 Rwf'000	2021 Rwf'000
Non-current liabilities	74,292,466	27,283,938
Current liabilities	41,334,784	20,586,127
Total liabilities	**40,752,904**	**47,870,065**

Additions to non-current assets

	2022 Rwf'000	2021 Rwf'000
Property, plant and equipment (Note 10)	3,010,922	3,250,301
Intangible assets (Note 11 (b))	-	-
	3,010,922	**3,250,301**

30. Dividends

After reporting date, the following dividends were proposed by the Board of Directors subject to approval by the shareholders at the Annual General Meeting:

	2022 Rwf'000	2021 Rwf'000
Rwf 14.93 per qualifying ordinary share	10,500,000	-
Total	**10,500,000**	-

The Dividends have not been recognised as liabilities and there are no tax consequences.

31 Reclassifications of Comparatives

Certain comparatives in the 2021 financial statements have been reclassified to conform to the presentation in the 2022 financial statements as follows:

	Previously reported Rwf'000	Reclassification Rwf'000	Reclassification Rwf'000
Exploration and evaluation assets	467,335	(467,335)	-
Intangible	157,827	467,335	625,162

In addition, the following reclassification has been done within the Property, plant and equipment movement schedule in note 10.

	Previously reported Rwf'000	Reclassification Rwf'000	Reclassification Rwf'000
Plant and machinery	72,321,002	(1,567,668)	70,753,334
Road works	-	1,567,668	1,567,668

BECAUSE OF CIMERWA

Strengthening Education – L'educateur School.

CIMERWA Plc's Nursery & Primary School – l'educateur continues to thrive, established in 2003 to cater to children of CIMERWA's employees and the community around the plant, the school now hosts over 765 students from the region surrounding the plant. Parents pay a subsidized tuition fee at the school and children benefit from top-notch education since the school is ranked 1st on the District level.

FIVE YEAR FINANCIAL SUMMARY

Statement of Comprehensive Income	2018 Rwf’ m	2019 Rwf’ m	2020 Rwf’ m	2021 Rwf’ m	2022 Rwf’ m
Revenue	50,214	62,238	63,092	67,374	92,087
Cost of sales	39,421	45,553	49,593	49,656	63,436
Gross profit	10,794	16,685	13,499	17,718	28,651
Gross Margin (%)	21%	27%	21%	26%	31%
Other Income	295	459	478	335	311
Other expenses	(4,788)	(5,152)	(5,696)	(6,428)	(7,574)
Operating Profit/(loss)	6,300	11,992	8,281	11,625	21,387
Foreign exchange (losses)/gains	(818)	(867)	(324)	(671)	(421)
Finance cost	(7,072)	(6,651)	(6,021)	(5,552)	(4,106)
(Loss)/Profit before income tax	1,590	4,474	1,936	5,402	16,860
Income tax credit/(expenses)	97	(1,020)	16	(1,281)	(3,686)
Profit/(Loss) for the year	(1,493)	3,454	1,952	4,120	13,175
EBITDA	13,833	19,495	16,460	18,439	28,102
EBITDA Margin	28%	31%	26%	27%	31%

FIVE YEAR FINANCIAL SUMMARY (Continued)

Statement of Financial position	2018 Rwf' m	2019 Rwf' m	2020 Rwf' m	2021 Rwf' m	2022 Rwf' m
Non-current Assets	92,043	86,591	82,069	78,330	74,292
Current Assets	18,718	23,262	30,184	31,240	41,335
Total Assets	110,762	109,853	112,252	109,570	115,627
Total shareholders' equity	52,347	55,628	57,579	61,699	74,874
Non-current Liabilities	44,235	37,246	35,961	27,284	16,831
Current Liabilities	14,180	16,980	18,712	20,586	23,922
Total Liabilities	58,415	54,225	54,673	47,870	40,753
Total Equity & Liabilities	110,762	109,853	112,252	109,570	115,627

GLOSSARY

Revenue
Total revenue net of rebates and discounts excluding VAT.

EBIT
Earnings before interest and taxes and net finance expenses.

EBITDA
EBITDA (earnings before interest, tax, depreciation, and amortization) is an indicator to measure the performance of the Company excluding the impacts of non-recurring items. It is defined as

Net profit
Profit and total comprehensive income for the year (profit attributable to equity holders of the Company).

Free operating cash flow
This represents the total of cash flow from operating activities, cash flow from operational investing activities and cash flow from financing activities.

Earnings per share
Net profit divided by the weighted average number of shares – basic – during the year.

Net Assets
Non-current assets plus net working capital.

Net Working Capital
Current assets minus current liabilities.

Cash and Cash Equivalents
Bank and cash balances net of expected credit loss on cash and cash equivalents.

Net debt
Non-current and current interest-bearing loans and borrowings less bank and cash balances.

DISCLAIMER

The complete annual report for Cimerwa Plc is published in English and is available on www.cimerwa.rw. A printed extract of the annual report is available in English and the English version is legally binding.

This report contains certain forward-looking views that are not historical facts and relate to other information which is based on forecasts of future results and estimates of amounts not yet determinable. By their nature, forward looking statements involve uncertainties and the risk that these forward-looking statements will not be achieved. Although CIMERWA Plc believes the expectations reflected in these statements are reasonable, no assurance can be given that these expectations will prove correct. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, outcomes could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment, other government action and business and operational risks.

Forward looking statements apply only as at the date on which they are made. CIMERWA Plc does not undertake to update or revise them, whether arising from new information, future events or otherwise. While CIMERWA Plc takes reasonable care to ensure the accuracy of information presented, it accepts no responsibility for any damages – be they consequential, indirect, special or incidental, whether foreseeable or unforeseeable – based on claims arising out of misrepresentation or negligence in connection with a forward-looking statement. This report is not intended to contain any profit forecasts or profit estimates.


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www.cimerwa.rw
+250 732 221817
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