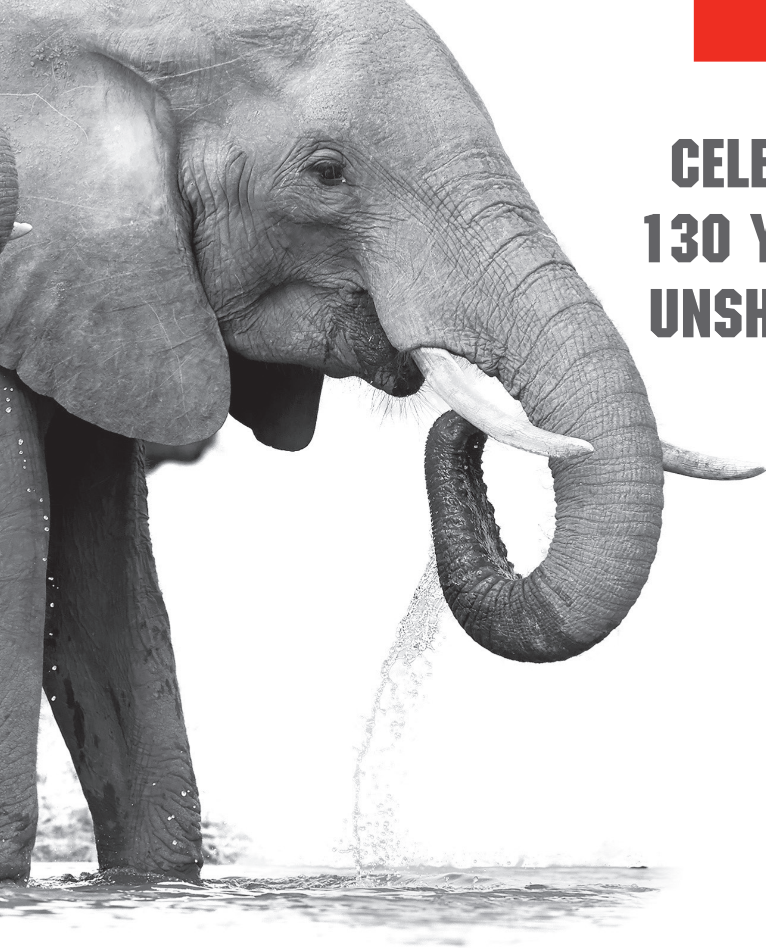

CELEBRATING 130 YEARS OF UNSHAKEABLE

Condensed consolidated financial statements 2022

PPC Summarised financial statements 2022_Proof 8 – 25 June 2022

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FINANCIAL STATEMENTS

FEEDBACK

We encourage feedback on our integrated reporting suite.

Kindly direct feedback to the group company secretary,

Mr Kevin Ross
kevin.ross@ppc.co.za
+27(11) 386 9585

Details for obtaining copies of the integrated report are also available from our group company secretary.

www.ppc.africa

PPC AT A GLANCE

SNAPSHOT OF PERFORMANCE FROM CONTINUING OPERATIONS

R9,9 billion	Group revenue	FY21: R8,9 billion
R1,5 billion	Group EBITDA	FY21: R1,6 billion
(5) cents	Earnings/(loss) per share	FY21: 65 cents
R1,5 billion	Cash generated from operations	FY21: R1,4 billion
R1,2 billion	South African gross debt	FY21: R1,9 billion
R0,4 billion	International gross debt	FY21: R0,7 billion
R1,0 billion	Group net debt	FY21: R2,2 billion

- Resilient financial performance
- Improved cash generation
- Completed capital restructuring project
- Repaid R1,2 billion of debt
- Project finance debt in Zimbabwe has been fully repaid. PPC Zimbabwe is now debt free

OUR PURPOSE

To empower people to experience a better quality of life

OUR VALUES

R – **PPC always does the RIGHT thing**
Holding each other accountable and always acting with integrity

E – **PPC strives for EXCELLENCE**
Striving for excellence in everything

P – **PPC's PEOPLE are its strength**
PPC values its people and recognises that every person is essential to the company's success

P – **PPC has a PASSION for winning**
Inspiring each other with a positive attitude and energy in striving to be the best

C – **PPC is CUSTOMER-focused**
Customers are at the heart of everything as PPC strives to exceed expectations every time

COMMENTARY

Roland van Wijnen, CEO, said:

Our resilient cash generation demonstrates our focus on one of the most important measures of financial performance. These results were further supported by our efforts to drive efficiencies which helped mitigate inflationary pressures. Ultimately, Team PPC was able to reduce net debt by R1, 2 billion and finalise the work to achieve a solid financial position. Furthermore, we have set our decarbonisation strategy in motion and are committed to tackling climate change head on. I extend my gratitude to all our customers for their continued support and to my colleagues who have worked diligently to ensure PPC continues to sustain its purpose of empowering people to experience a better quality of life.

PPC Summarised financial statements 2022_Proof 8 – 25 June 2022

REVIEW OF OPERATIONS

The group, in accordance with IFRS 5 – *Non-current assets held for sale*, continues to account for PPC Barnet as a discontinued operation. Accordingly, the assets, liabilities and profit or loss are reported separately in the financial statements for the year ended 31 March 2022. For the year ended 31 March 2021, PPC Barnet, PPC Lime and Botswana Aggregates were all accounted for as discontinued operations. During the year under review, PPC Lime and Botswana Aggregates were sold with effect from 30 September 2021 and 16 September 2021 respectively. Regarding PPC Barnet, binding long-form agreements for the restructure of the senior lender debt were signed on 19 April 2022 and all the conditions precedent were met on 29 April 2022, from which date PPC will cease to consolidate PPC Barnet.

GROUP PERFORMANCE FROM CONTINUING OPERATIONS

Group revenue for the 12 months ended 31 March 2022 increased by 11 % to R9 882 million (March 2021: R8 938 million). Excluding Zimbabwe, group revenue increased by 5 %. Revenue in PPC Zimbabwe increased by 34 % off the back of a 28 % increase in volumes.

Total costs, being cost of sales together with administration and other operating expenditure, increased by 19 % to R9 360 million (March 2021: R7 887 million). The increase in total costs is significantly affected by an increase in PPC Zimbabwe's costs of 85 %. Other than continuing hyperinflation and the 42 % depreciation of the Zimbabwean dollar (ZWL dollar) against the South African rand (ZAR), the most significant line item was an increase in PPC Zimbabwe's depreciation expense to R386 million (March 2021: R24 million) due to the application of the effective rate method of hyperinflating depreciation in the current year. Costs, excluding depreciation and PPC Zimbabwe, increased by 7 % with efficiency gains offsetting input cost inflation.

Profit before tax from continuing operations decreased from R1 765 million to R186 million, due to the items set out below:

- PPC Zimbabwe incurred a loss before tax of R67 million (March 2021: R263 million profit)
- Excluding PPC Zimbabwe's portion, fair value adjustments and foreign exchange movements resulted in a gain of R18 million (March 2021: R148 million loss)
- Impairments of R38 million (March 2021: R1 317 million reversal)
- An IFRS – *Share-based payment* charge of R36 million (March 2021: R21 million).

Excluding the above in both the current and the prior year, operating profit from continuing operations would have decreased by R43 million or 11 %.

Finance costs decreased by 15 % to R240 million (March 2021: R283 million) due to lower average borrowings. Finance costs in South Africa decreased by 4 % to R155 million (March 2021: R161 million), while finance costs in the international operations decreased by 30 % to R85 million (March 2021: R122 million).

COMMENTARY continued

The group taxation charge for the year amounted to R207 million relative to a charge of R742 million in March 2021.

Discontinued operations, which include PPC Barnet for the full year and PPC Lime and Botswana Aggregates until 30 September and 16 September 2021 respectively, generated a profit of R158 million (March 2021: R1 141 million loss) for the year. The most significant change year-on-year was an impairment of R761 million in the prior year compared to a reversal of R215 million in the current year for PPC Barnet at the consolidated level to reflect the economic position post the restructuring agreements entered into on 31 March 2021.

Earnings per share (EPS) for the period from continuing operations decreased to a loss of 5 cents (March 2021: 65 cents) while headline earnings per share from continuing operations (HEPS) reduced to a loss of 3 cents (March 2021: 3 cents profit).

Group earnings before interest, tax, depreciation and amortisation (EBITDA) decreased by 7% to R1 493 million (March 2021: R1 598 million) with an EBITDA margin of 15,1% (March 2021: 17,9%). Excluding PPC Zimbabwe, the group's EBITDA from continuing operations decreased by 2%.

Cash generated from continuing operations before working capital changes decreased by 3% to R1 516 million (March 2021: R1 559 million). Stringent working capital management resulted in cash generated from continuing operations increasing by 6% to R1 454 million (March 2021: R1 375 million). Cash generation and preservation remains a key performance measure for PPC.

Net cash outflow from investing activities reduced to R72 million (March 2021: R392 million) mainly due to the receipt of R503 million in cash from the disposal of PPC Lime and Botswana Aggregates offset to some extent by an increase in investments in property, plant and equipment of R186 million. Net cash inflow before financing activities improved to R973 million (March 2021: R972 million).

Gross debt amounted to R1 581 million on 31 March 2022 (March 2021: R2 628 million). The R1 047 million decline in gross debt comprises a reduction of borrowings in South Africa of R692 million, CIMERWA Limitada (CIMERWA) of R216 million and PPC Zimbabwe of R139 million.

CEMENT SOUTH AFRICA AND BOTSWANA

Cement sales volumes in the region for the 12 months ended 31 March 2022 were in line with the prior year as demand normalised from a high base. Relative to the 12 months ended 31 March 2020 (pre-COVID-19), cement sales volumes increased by 5% to 9%. South Africa and Botswana cement sales continue to benefit from demand growth in the informal and rural markets, albeit at a "normalised" rate following the post-COVID-19 lockdown spike in demand. Cement sales volumes in the inland region also benefited from pockets of demand from industrial construction and mining activity. As a result, inland region cement sales volumes exceeded pre-COVID-19 levels. Cement sales volumes in the coastal region experienced low single-digit year-on-year demand growth due to a partial recovery in industrial construction demand. However, despite the improvement in demand, cement sales in the region are still below pre-COVID-19 levels.

PPC is well positioned to benefit from a potential boost in cement demand once the government's infrastructure programme gathers momentum. However, PPC has yet to experience any meaningful uplift in cement sales from this programme except for limited road construction and rehabilitation activity. The group can immediately make additional capacity available to capture any upswing in demand.

Cement and clinker imports, mainly from Vietnam, increased by 19% year-on-year and currently exceeds pre-COVID-19 levels. PPC estimates that imports account for approximately 10% of South African cement sales. PPC and the industry continue to engage with the relevant authorities for relief against unfair competition from imports, which threatens the financial sustainability of a vital component of the manufacturing and construction sector and erodes the industry's ability to maintain jobs. PPC is committed to working with all parties within the parameters of the prevailing competition laws to achieve a expeditious outcome.

PPC implemented average price increases of 4% to 7% year-on-year, which partially offset input cost inflation. However, realised selling prices increased by 5% year-on-year due to a change in product mix and a depreciation of the Botswana pula against the South African rand.

For the 12 months ended 31 March 2022, South Africa and Botswana cement revenue increased by 4% to R5 415 million (March 2021: R5 196 million). Relative to the comparable period in 2020, revenue increased by 12%. EBITDA reduced by 5% to R825 million (March 2021: R866 million) with a margin of 15,2% (March 2021: 16,7%). Both EBITDA and EBITDA margins were impacted by higher input cost inflation and weaker volumes in the second half of FY22 due to a more normalised demand and higher than usual rainfall. Relative to March 2020, EBITDA increased by 34,6% and EBITDA margins increased by 2,6%.

COMMENTARY continued

MATERIALS BUSINESS

AGGREGATES, READYMIX AND ASH

After experiencing strong demand in the first half of FY22 due to a recovery in construction activity, the materials business experienced weaker demand in the second half of FY22 as a result of higher than usual rainfall. For the 12 months ended 31 March 2022, sales volumes for the readymix and aggregates businesses increased by 7% and 10% respectively. Fly ash sales volumes decreased by 17% year-on-year off a high base as ash sales benefited from the shortage of alternative extenders like slag in the prior period. Relative to the 12 months ended 31 March 2020 (pre-COVID-19), aggregates and readymix volumes increased by 16% and 3%, respectively, while ash volumes declined by 1%.

Overall, revenue for the materials division increased by 10% to R1 086 million (March 2021: R991 million). Compared to the 12 months ended 31 March 2020, revenue increased by 5%. EBITDA improved to R41 million (March 2021: R8 million loss) for the 12 months ended 31 March 2022.

INTERNATIONAL

Zimbabwe

PPC Zimbabwe continues to trade ahead of expectations even though trading conditions remain challenging due to the macro-economic environment. For the 12 months ended 31 March 2022, cement sales volumes increased by 28% year-on-year due to retail demand and support from government-funded projects. Relative to the 12 months ended 31 March 2020 (pre-COVID-19), volumes increased by 41%.

Revenue increased by 34% to R2 172 million (March 2021: R1 623 million) as a result of increased cement sales volumes. Compared to the 12 months ended 31 March 2020 (pre-COVID-19), revenue increased by 17%. PPC Zimbabwe adjusted selling prices in local currency and US dollar (US$) to reflect currency depreciation and input cost inflation respectively. EBITDA for the 12 months ended 31 March 2022 declined by 18,3% to R393 million (March 2021: R481 million) with a reduced EBITDA margin of 18,1% (March 2021: 29,6%). PPC Zimbabwe incurred additional costs in importing clinker to support volume growth and offset the impact of a planned and unplanned kiln shutdown during the period. The importation of clinker, higher maintenance costs and the depreciation of the ZWL dollar against the ZAR negatively impacted EBITDA. The Reserve Bank of Zimbabwe (RBZ) honoured its obligation to settle PPC Zimbabwe's legacy debt. The debt was fully repaid during December 2021. PPC Zimbabwe is financially self-sufficient and is focused on cash preservation and maximising US$ EBITDA. PPC received US$6,2 million in dividends from PPC Zimbabwe in FY22, plus an additional US$4,4 million in June 2022.

Rwanda

Although COVID-19 related lockdowns unfavourably impacted CIMERWA's cement volumes in the first half of FY22, cement demand rebounded strongly in the second half post the easing of the lockdown restrictions. Retail demand, exports and government-funded projects were the main drivers of the rebound in demand.

For the 12 months ended 31 March 2022, cement sales volumes increased by 20% year-on-year while revenues increased by 7% to R1 209 million (March 2021: R1 128 million). Compared to the 12 months ended 31 March 2020, volumes and revenues increased by 30% and 29%, respectively. The rand strength against the functional currency impacted revenue contribution. EBITDA of R341 million was in line with the prior comparable period (March 2021: R342 million), while the EBITDA margin reduced to 28,2% (March 2021: 30,3%).

RESTRUCTURING AND REFINANCING UPDATE

During the financial year under review, PPC Aggregate Quarries Botswana and PPC Lime Limited were successfully sold and the South African balance sheet de-geared to acceptable levels. The South African debt facilities were also renegotiated to reduce the cost of debt and to ensure an optimal mix of the tenure of the long-term facilities.

Solvency was restored to PPC Barnet's balance sheet through the capitalisation of quasi-equity and historical deficiency funding loans and subsequent to year-end the debt restructuring became effective thereby restoring liquidity to the business.

COMMENTARY continued

OUTLOOK

As PPC experiences a normalisation of cement demand in South Africa following the post-COVID-19 spike, the group will redouble its efforts to improve cost competitiveness through improved industrial performance and operational excellence. To this end, Mokate Ramafoko, former head of PPC International Holdings (Pty) Ltd, has been appointed as the group managing director for Industrial and Innovation, reporting directly to the group chief executive officer (CEO), Roland Van Wijnen. He will be responsible for industrial performance, new business and decarbonisation. PPC's international operations will be managed by the respective in-country boards.

PPC Summarised financial statements 2022_Proof 8 – 25 June 2022

INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of PPC Limited

We have reviewed the condensed consolidated financial statements of PPC Limited (the Group), contained in the accompanying provisional report, which comprise the condensed consolidated statement of financial position as at 31 March 2022 and the condensed consolidated statements of profit and loss, other comprehensive income, statement of changes in equity and cash flows for the year then ended, and selected explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in note 1 to the financial statements, and the requirements of the Companies Act of South Africa, 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.

The Listings Requirements require condensed consolidated financial statements contained in a provisional report to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and *Financial Pronouncements as issued by Financial Reporting Standards Council* and to also, as a minimum, contain the information required by International Accounting Standard (IAS) 34, *Interim Financial Reporting*.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of PPC Limited for the year ended 31 March 2022 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in note 1 to the financial statements, and the requirements of the Companies Act of South Africa.

Deloitte & Touche
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Deloitte & Touche
Registered Auditor
Per: Cathryn Emslie
Partner
24 June 2022

5 Magwa Street
Waterfall City
Waterfall
Johannesburg

PPC Summarised financial statements 2022_Proof 8 – 25 June 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2022

	Notes	March 2022 Rm	Reclassified[a] March 2021 Rm
ASSETS			
Non-current assets		**9 698**	10 147
Property, plant and equipment	2	**9 255**	9 622
Right-of-use-assets		**69**	68
Goodwill		**37**	38
Other intangible assets		**113**	149
Financial assets		**166**	196
Other non-current assets		**32**	50
Deferred taxation assets		**26**	24
Current assets		**2 711**	2 676
Inventories	3	**1 085**	1 111
Trade and other receivables		**1 006**	993
Taxation receivable		**43**	115
Cash and cash equivalents		**577**	457
Assets held for sale and held by disposal groups	4.1	**2 458**	2 984
Total assets		**14 867**	15 807
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	5	**4 575**	3 965
Other reserves		**(4 592)**	(2 731)
Retained profit		**7 049**	5 649
Equity attributable to shareholders of PPC Ltd		**7 032**	6 883
Non-controlling interests		**(121)**	(153)
Total equity		**6 911**	6 730
Non-current liabilities		**3 053**	2 855
Provisions		**211**	219
Deferred taxation liabilities		**1 654**	1 621
Long-term borrowings	6	**1 150**	983
Lease liabilities		**38**	32
Current liabilities		**1 781**	2 923
Provisions		**12**	30
Trade and other payables		**1 256**	1 167
Lease liabilities		**21**	28
Short-term borrowings	6	**431**	1 645
Taxation payable		**61**	30
Other current liabilities		**—**	23
Liabilities associated with assets held for sale and disposal groups	4.2	**3 122**	3 299
Total equity and liabilities		**14 867**	15 807

[a] *Other intangible assets (mineral rights) of R45 million have been reclassified to Property, plant and equipment to align the group accounting policies.*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

as at 31 March 2022

	Notes	March 2022 Rm	March 2021 Rm
Continuing operations			
Revenue	7	9 882	8 938
Cost of sales		(8 352)	(6 877)
Gross profit		1 530	2 061
Decrease/(increase) in expected credit losses on financial assets		49	(3)
Administration and other operating expenditure		(1 057)	(1 007)
Operating profit before items listed below:		522	1 051
Fair value and foreign exchange movements		2	(376)
Fair value gain on Zimbabwe financial asset		56	256
Fair value loss on Zimbabwe blocked funds		(18)	(17)
Net monetary loss on hyperinflation in Zimbabwe		(108)	(200)
(Impairments)/reversal of impairments	9	(38)	1 317
Profit before finance costs, investment income and equity-accounted investments		416	2 031
Finance costs		(240)	(283)
Investment income		10	15
Profit before equity-accounted investments		186	1 763
Profit from equity accounted investments		—	2
Profit before taxation		186	1 765
Taxation	10	(207)	(742)
(Loss)/profit for the year from continuing operations		(21)	1 023
Profit/(loss) for the year from discontinued operations	4.3	158	(1 141)
Profit/(loss) for the year		137	(118)
Attributable to:			
Shareholders of PPC Ltd – continuing operations		(71)	983
Shareholders of PPC Ltd – discontinued operations		159	(794)
Non-controlling interests		49	(307)
		137	(118)
Earnings/(loss) per share (cents)			
Basic – group	11	5	12
Diluted – group		5	13
Basic – continuing operations		(5)	65
Diluted – continuing operations		(5)	65
Basic – discontinued operations		10	(53)
Diluted – discontinued operations		10	(52)

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CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2022

	Foreign currency translation reserve		Financial assets at fair value through other comprehensive income		Retained profit		Total comprehensive loss	
	March 2022 Rm	March 2021 Rm	March 2022 Rm	March 2021 Rm	March 2022 Rm	March 2021 Rm	March 2022 Rm	March 2021 Rm
Profit/(loss) for the year	—	—	—	—	137	(118)	137	(118)
Items that will be reclassified to profit or loss on disposal								
Translation of foreign operations[(a)]	(1 443)	(3 101)	—	—	—	—	(1 443)	(3 101)
Revaluation of financial assets[(b)]	—	—	1	(2)	—	—	1	(2)
Other comprehensive(loss)/ profit net of taxation	(1 443)	(3 101)	1	(2)	—	—	(1 442)	(3 103)
Total comprehensive loss	(1 443)	(3 101)	1	(2)	137	(118)	(1 305)	(3 221)
Attributable to:								
Shareholders of PPC Ltd – continuing operations	(1 433)	(3 065)	1	(2)	(71)	983	(1 503)	(2 084)
Shareholders of PPC Ltd – discontinued operations	—	—	—	—	159	(794)	159	(794)
Non-controlling interests	(10)	(36)	—	—	49	(307)	39	(343)

(a) *The currency conversion guide is presented in note 1.3.*
(b) *Revaluation of financial assets has a tax impact of R0,2 million (2021: R0,6 million).*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

		Other reserves[a]						
	Stated capital Rm	Foreign currency translation reserve[b] Rm	Financial assets at fair value through other comprehensive income Rm	Equity compensation reserve Rm	Retained profit Rm	Equity attributable to shareholders of PPC Ltd Rm	Non-controlling interests Rm	Total equity Rm
March 2022								
Balance at 31 March 2021	3 965	(3 633)	(4)	906	5 649	6 883	(153)	6 730
Movement for the year	610	(1 421)	1	(441)	1 400	149	32	181
IFRS 2 charges	—	—	—	36	—	36	—	36
Share incentive scheme forfeited	—	—	—	(10)	5	(5)	—	(5)
Sale of shares treated as treasury shares by consolidated BEE SPVs	631	—	—	(550)	—	81	—	81
Disposal of subsidiaries	—	12	—	18	(34)	(4)	—	(4)
Shares purchased in terms of the share incentive scheme	(21)	—	—	—	—	(21)	—	(21)
Other movement	—	—	—	(3)	—	(3)	—	(3)
Zimbabwe hyperinflation impact[c]	—	—	—	68	1 341	1 409	—	1 409
Total comprehensive income/(loss)[d]	—	(1 433)	1	—	88	(1 344)	39	(1 305)
Dividends declared	—	—	—	—	—	—	(7)	(7)
Balance at 31 March 2022	4 575	(5 054)	(3)	465	7 049	7 032	(121)	6 911
March 2021								
Balance at 31 March 2020	3 965	(568)	(2)	795	3 590	7 780	(227)	7 553
IFRS 2 charges	—	—	—	21	—	21	—	21
Reclassification of non-controlling interest on put option	—	—	—	—	(422)	(422)	422	—
Other movement	—	—	—	(24)	14	(10)	—	(10)
Zimbabwe hyperinflation impact	—	—	—	114	2 278	2 392	—	2 392
Total comprehensive income/(loss)	—	(3 065)	(2)	—	189	(2 878)	(343)	(3 221)
Dividends declared							(5)	(5)
Balance at 31 March 2021	3 965	(3 633)	(4)	906	5 649	6 883	(153)	6 730

[a] *Description of other equity reserves:*
The foreign currency translation reserve includes exchange differences arising on monetary items that form part of PPC's net investment in a foreign operation.
Financial assets at fair value through other comprehensive income includes fair value changes and impairment adjustments on fair value through other comprehensive income assets. The cumulative gain or loss is recognised in the statement of profit or loss on derecognition of the financial assets.
Equity compensation reserve represents the increase in equity from the issuance of shares relating to the forfeitable share incentive scheme (FSP) and BEE transactions.

[b] *A negative amount of R282 million will be recycled through profit or loss in FY23 when control is lost over PPC Barnet DRC.*

[c] *Refer to note 1.4 for the hyperinflation impact on PPC Zimbabwe.*

[d] *The reduction in the foreign currency translation reserve is due to the devaluation of the Zimbabwean dollar against the South African rand.*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2022

		March 2022 Rm	March 2021 Rm
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		1 454	1 375
Finance costs paid		(224)	(219)
Taxation paid		(11)	(134)
Cash available from operations		1 219	1 022
Net operating activities from discontinued operations		(174)	342
Net cash inflow from operating activities		1 045	1 364
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in intangible assets		(18)	(16)
Investment in property, plant and equipment (adjusted for capital expenditure accruals)		(553)	(367)
Proceeds from disposal of property, plant and equipment		27	10
Net investing activities from discontinued operations		472	(19)
Net cash outflow from investing activities		(72)	(392)
Net cash inflow before financing activities		973	972
CASH FLOWS FROM FINANCING ACTIVITIES[a]			
Proceeds from sale of PPC Ltd shares held by SPVs		81	—
Purchase of PPC Ltd in terms of the FSP incentive scheme		(21)	—
Repayment of interest rate swap liability		(12)	—
Repayment of borrowings		(1 970)	(538)
Proceeds from borrowings raised		1 000	250
Repayment of lease liabilities		(30)	(39)
Dividends paid to non-controlling interest		(7)	(5)
Net financing activities from discontinued operations		(20)	(5)
Net cash outflow from financing activities		(979)	(337)
Net movement in cash and cash equivalents		(6)	635
Cash and cash equivalents at the beginning of the year		870	398
Effect of exchange rate movements on cash and cash equivalents – continuing operations		(98)	(148)
Effect of exchange rate movements on cash and cash equivalents – discontinued operations		(2)	(15)
Cash and cash equivalents at the end of the year		764	870
Cash and cash equivalents comprise			
Cash and cash equivalents – continuing operations		577	457
Cash and cash equivalents – discontinued operations	4.4	187	413
Group cash and cash equivalents at the end of the year		764	870

[a] *During the period the favourable non-cash changes on borrowings amounted to R68 million (March 2021: R710 million) arising from unrealised foreign exchange differences.*

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SEGMENTAL INFORMATION

for the year ended 31 March 2022

The group discloses its operating segments according to the business units which are reviewed by the group executive committee, who are also the chief operating decision makers for the group. The group executive committee includes executive directors. The operating segments are initially identified based on the products produced and sold and then per geographical location.

The operating segments are South Africa and Botswana cement, international cement, lime, aggregates and readymix and group shared services.

No individual customer comprises more than 10 % of the group revenue.

			Cement				Materials business					
							Lime		Aggregates and readymix		Group services and other[b]	
	Consolidated		South Africa and Botswana		International[a]		South Africa		South Africa and Botswana			
	March 2022 Rm	March 2021 Rm	March 2022 Rm	March 2021 Rm	March 2022 Rm	March 2021 Rm	March 2022 Rm	March 2021 Rm	March 2022 Rm	March 2021 Rm	March 2022 Rm	March 2021 Rm
Revenue												
Gross revenue	**10 170**	9 140	**5 703**	5 398	**3 381**	2 751	**—**	—	**1 086**	991	**—**	—
Inter-segment revenue[c]	**(288)**	(202)	**(288)**	(202)	**—**	—	**—**	—	**—**	—	**—**	—
Total revenue[d]	**9 882**	8 938	**5 415**	5 196	**3 381**	2 751	**—**	—	**1 086**	991	**—**	—
Operating profit before items listed below	**522**	1 051	**418**	587	**98**	638	**—**	—	**(7)**	(84)	**13**	(90)
Fair value and foreign exchange gains movements	**2**	(376)	**20**	4	**(26)**	(260)	**—**	—	**1**	(1)	**7**	(119)
Fair value gain on Zimbabwe financial asset	**56**	256	**—**	—	**56**	256	**—**	—	**—**	—	**—**	—
Fair value loss on Zimbabwe blocked funds	**(18)**	(17)	**—**	—	**—**	—	**—**	—	**—**	—	**(18)**	(17)
Net monetary loss on hyperinflation in Zimbabwe	**(108)**	(200)	**—**	—	**(108)**	(200)	**—**	—	**—**	—	**—**	—
(Impairments)/reversal of impairments	**(38)**	1 317	**(94)**	1 450	**(3)**	2	**—**	—	**60**	(135)	**(1)**	—
Profit/(loss) before finance costs, investment income and equity-accounted investments	**416**	2 031	**344**	2 041	**17**	436	**—**	—	**54**	(220)	**1**	(226)
Finance costs	**(240)**	(283)	**(297)**	(234)	**(85)**	(122)	**—**	—	**(93)**	(26)	**235**	99
Investment income	**10**	15	**356**	158	**5**	5	**—**	—	**39**	13	**(390)**	(161)
Profit/(loss) before equity-accounted earnings	**186**	1 763	**403**	1 965	**(63)**	319	**—**	—	**—**	(233)	**(154)**	(288)
Earnings from equity accounted investments	**—**	2	**—**	—	**—**	—	**—**	—	**—**	—	**—**	2
Profit/(loss) before taxation	**186**	1 765	**403**	1 965	**(63)**	319	**—**	—	**—**	(233)	**(154)**	(286)
Taxation	**(207)**	(742)	**(121)**	(570)	**(68)**	(199)	**—**	—	**(11)**	24	**(7)**	3
Profit/(loss) for the year from continuing operations	**(21)**	1 023	**282**	1 395	**(131)**	120	**—**	—	**(11)**	(209)	**(161)**	(283)
Profit/(loss) for the year from discontinued operations	**158**	(1 141)	**35**	—	**(5)**	(1 098)	**(1)**	(33)	**(11)**	2	**140**	(12)
Profit/(loss) for the year	**137**	(118)	**317**	1 395	**(136)**	(978)	**(1)**	(33)	**(22)**	(207)	**(21)**	(295)
Attributable to:												
Shareholders of PPC Ltd – continuing operations	**(71)**	983	**282**	1 395	**(181)**	80	**—**	—	**(11)**	(209)	**(161)**	(283)
Shareholders of PPC Ltd – discontinued operations	**159**	(794)	**35**	—	**(4)**	(751)	**(1)**	(33)	**(11)**	2	**140**	(12)
Non-controlling interests	**49**	(307)	**—**	—	**49**	(307)	**—**	—	**—**	—	**—**	—
	137	(118)	**317**	1 395	**(136)**	(978)	**(1)**	(33)	**(22)**	(207)	**(21)**	(295)

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SEGMENTAL INFORMATION continued

for the year ended 31 March 2022

			Cement				Materials business					
							Lime		Aggregates and readymix		Group services and other[b]	
	Consolidated		South Africa and Botswana		International[a]		South Africa		South Africa and Botswana			
	March 2022 Rm	March 2021 Rm	March 2022 Rm	March 2021 Rm	March 2022 Rm	March 2021 Rm	March 2022 Rm	March 2021 Rm	March 2022 Rm	March 2021 Rm	March 2022 Rm	March 2021 Rm
Basic EPS – continuing operations cents per share	(5)	65	18	93	(12)	5	—	—	(1)	(14)	(10)	(19)
Basic EPS –discontinued operations cents per share	10	(53)	2	—	—	(50)	—	(2)	(1)	—	9	(1)
Depreciation and amortisation	971	547	407	279	627	165	—	—	48	76	(111)	27
EBITDA[f]	1 493	1 598	825	866	725	803	—	—	41	(8)	(98)	(63)
EBITDA margin (%)[f]	15,1	17,9	15,2	16,7	21,4	29,2	—	—	3,8	—	—	—
Assets												
Non-current assets (excluding equity accounted investments)	9 698	10 147	4 197	4 378	5 515	6 137	—	—	298	240	(312)	(608)
Assets held for sale and held by disposal groups	2 458	2 984	—	—	2 433	2 439	—	467	—	78	25	—
Current assets	2 711	2 676	1 270	1 324	1 094	1 149	—	—	252	221	95	(18)
Total assets	14 867	15 807	5 467	5 702	9 042	9 725	—	467	550	539	(192)	(626)
Investments in property, plant and equipment and intangibles (refer to note 2 and 5)	568	396	265	251	246	108	—	9	41	10	16	18
Liabilities												
Non-current liabilities	3 053	2 855	1 401	652	3 444	4 967	—	—	231	289	(2 023)	(3 053)
Liabilities associated with assets held for sale and disposal groups	3 122	3 299	—	—	3 097	3 114	—	147	—	38	25	—
Current liabilities	1 781	2 923	1 053	2 129	559	499	—	—	211	184	(42)	111
Total liabilities	7 956	9 077	2 454	2 781	7 100	8 580	—	147	442	511	(2 040)	(2 942)
Capital commitments (refer to note 12)	111	144	47	27	61	101	—	—	3	1	—	15

[a] *International comprises Zimbabwe, Rwanda and cross border sales from Southern Africa.*
[b] *Group shared services and other comprises group shared services, BEE entities and group eliminations.*
[c] *Segments are disclosed net of inter-segment transactions.*
[d] *Revenue from external customers generated by the group's material foreign operations is as follows:*
Botswana R471 million (2021: R432 million)
Rwanda R1 209 million (2021: R1 128 million)
Zimbabwe R2 172 million (2021: R1 623 million)
[e] *EBITDA is defined as operating profit before depreciation and amortisation.*
[f] *EBITDA margin is defined as EBITDA divided by total revenue.*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2022

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the provisions of the JSE Ltd (JSE) Listings Requirements for provisional reports, and the requirements of the Companies Act 71 of 2008 (Companies Act) as applicable to the condensed financial statements. The Listings Requirements require the provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council, and contain at a minimum the information required by IAS 34 – *Interim financial reporting*.

These condensed consolidated financial statements have been prepared using the historical cost convention except for certain financial instruments which are stated at fair value, the impact of inflation as a result of hyperinflationary economies and assets held for sale that are measured at fair value less costs to sell.

All accounting policies applied in the preparation of these condensed consolidated financial statements are in compliance with IFRS and the accounting policies are consistent with the prior year except where the group has adopted new or revised accounting standards, amendments and interpretations of those standards, which became effective during the year in review. The adoption of any new or revised standards had no significant impact on the consolidated financial statements.

These condensed consolidated financial statements have been prepared under the supervision of B Berlin CA(SA), chief financial officer, and were approved by the board of directors on Friday, 24 June 2022. The directors take full responsibility for the preparation of these condensed reviewed consolidated financial statements.

All monetary information and figures presented in these financial statements are stated in rand, unless otherwise indicated.

PPC Summarised financial statements 2022_Proof 8 – 25 June 2022

1. BASIS OF PREPARATION continued

1.1 SIGNIFICANT JUDGEMENTS MADE BY MANAGEMENT AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with IFRS requires management to make estimates, assumptions and judgements that affect reported amounts and related disclosures, and therefore actual results, when realised in the future, could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgements made by management in applying the accounting policies that could have a significant effect on the amounts recognised in the financial statements are disclosed in the respective notes.

1.2 GOING CONCERN

The directors have considered whether the group can continue as a going concern in the foreseeable future and concluded that it can, taking into account all the considerations mentioned in note 16. On that basis, these consolidated financial statements have been prepared on the going concern basis.

Refer to note 16 for the detailed going concern assessment.

1.3 FOREIGN CURRENCY CONVERSION GUIDE

Items included in the financial reports of each entity in the group are measured using the entity's functional currency. The condensed consolidated financial statements are presented in South African rand, which is the functional and presentation currency of the group. Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. The statement of profit or loss and other comprehensive income, cash flows and financial position of group entities which are not accounted for as entities operating in hyperinflationary economies and that have a functional currency different from the presentation currency of the group are translated into the presentation currency. An entity may have a monetary item that is receivable from a foreign operation. An item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the entity's net investment in that foreign operation. On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income and accumulated in the foreign currency translation reserve.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2022

1. BASIS OF PREPARATION continued

1.3 FOREIGN CURRENCY CONVERSION GUIDE continued

Approximate value of foreign currencies relative to the rand.

	Average rate		Closing rate	
	2022	2021	**2022**	2021
Botswana pula	**1,33**	1,42	**1,27**	1,33
US dollar	**14,94**	16,26	**14,48**	14,77
Rwandan franc	**0,01**	0,02	**0,01**	0,01
Mozambican metical	**0,24**	0,23	**0,23**	0,22
Zimbabwe dollar (ZWL)	**0,10**	0,18	**0,10**	0,18

PPC Summarised financial statements 2022_Proof 8 – 25 June 2022

1. BASIS OF PREPARATION continued

1.4 IAS 29 FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES

Application of hyperinflationary accounting

The general price index used as published by the Zimbabwe National Statistics Agency is as follows:

Date	Base year	General price index	Inflation rate
3/31/2022	2019	**4 766,1**	**72,7**

Hyperinflation impact	31 March 2022 Including Hyperinflation Rm	31 March 2022 Hyperinflation Adjustment Rm	31 March 2022 Excluding Hyperinflation Rm
Statement of profit or loss			
Revenue	9 882	518	9 364
EBITDA	1 493	69	1 424
Profit for the year from continuing operations	(21)	(335)	314
EPS (cents)			
Basic – continuing operations	(5)	(22)	17
Diluted – continuing operations	(5)	(22)	17
Statement of financial position			
Property, plant and equipment	9 255	3 535	5 720
Right-of-use assets	69	2	67
Other intangible assets	113	9	104
Inventories	1 085	67	1 018
Trade and other receivables	1 006	13	993
Retained profit	7 049	6 189	860
Total comprehensive income/(loss)	88	(335)	423
Disposal of subsidiaries	(34)	—	(34)
Share incentive scheme forfeited	5	—	5
Opening balances	6 990	6 524	466
Other reserves	(4 592)	(1 226)	(3 366)
Equity compensation reserve	465	68	397
Financial assets at fair value through other comprehensive income	(3)	—	(3)
Foreign currency translation reserve (FCTR)	(5 054)	(1 294)	(3 760)
Long-term provisions	211	1	210
Short-term provisions	12	—	12
Deferred taxation liabilities	1 654	789	865

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2022

2. PROPERTY, PLANT AND EQUIPMENT continued

	Freehold and leasehold land, buildings and mineral rights[(a)] Rm	Decom-missioning assets Rm	Plant, vehicles, furniture and equipment Rm	Total Rm
March 2022				
Cost	3 172	338	14 576	18 086
Accumulated depreciation and impairments	(937)	(99)	(7 795)	(8 831)
	2 235	239	6 781	9 255
Movements during the year				
Net carrying value at the beginning of the year	2 149	262	7 211	9 622
Additions	30	3	517	550
To enhance existing operations	19	3	508	530
To expand operations	11	—	9	20
Depreciation	(112)	(8)	(786)	(906)
Disposals	(4)	—	(18)	(22)
Impairments (refer to note 9)	(8)	(1)	(3)	(12)
Other movements	39	(2)	(39)	(2)
Hyperinflation impact[(b)]	566	99	1 070	1 735
Translation differences	(425)	(114)	(1 171)	(1 710)
Net carrying value at the end of the year	2 235	239	6 781	9 255

2. PROPERTY, PLANT AND EQUIPMENT continued

	Cost Rm	Accumulated depreciation Rm	Net carrying value Rm
Translation differences comprise:			
Botswana	(6)	5	(1)
Rwanda	(83)	35	(48)
Zimbabwe[(c)]	(2 497)	836	(1 661)
Total	(2 586)	876	(1 710)

[(a)] *Mineral rights include capitalised exploration and evaluation costs.*

[(b)] *Hyperinflation resulted in a R3 535 million uplift of the carrying amount of property, plant and equipment, which comprise:*

	Rm
Hyperinflation impact included in opening balance	*3 719*
Additions	*22*
Depreciation[(d)]	*(366)*
Hyperinflation impact on current year	*1 735*
Translation differences	*(1 575)*
Net impact	*3 535*

[(c)] *As a result of a significant devaluation of the Zimbabwean dollar (ZWL) against the South African rand (ZAR), from March 2021 to March 2022, of ZAR:ZWL 0,18 to 0,10, the group recognised a R1,7 billion decrease in the net carrying value of property, plant and equipment which is included in translation differences.*

[(d)] *During the current year a change in interpretation was determined on the calculation of the hyperinflation impact on depreciation. The change is in line with industry practice in Zimbabwe. Previously, hyperinflated depreciation was calculated by restating the historical depreciation expense using monthly inflation indices at each given reporting period (straight-line method) and in the current year this was changed to the effective depreciation rate method. The interpretation requires depreciation to be calculated on the opening property, plant and equipment balance, including the impact of hyperinflation from the date of acquisition. The change in interpretation was adjusted prospectively in the current year. The prior year depreciation was R29 million using the straight-line method. Overall there is no impact on statement of profit or loss as under the previous method, the difference between opening and closing accumulated depreciation (not accounted for in the depreciation line item) was taken to Net monetary loss on hyperinflation in Zimbabwe line item.*

	March 2022 Rm	March 2021 Rm
Carrying amount of assets pledged as security:		
PPC Cement SA	3 156	2 202
Rwanda	1 086	1 164
Zimbabwe	—	3 955
	4 242	7 321

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2022

2. PROPERTY, PLANT AND EQUIPMENT continued

	Reclassified[(a)] freehold and leasehold land, buildings and mineral rights[(b)] Rm	Decom-missioning assets Rm	Plant, vehicles, furniture and equipment Rm	Reclassified Total Rm
March 2021				
Cost	2 927	353	14 467	17 747
Accumulated depreciation and impairments	(778)	(91)	(7 256)	(8 125)
	2 149	262	7 211	9 622
Movements during the year				
Net carrying value at the beginning of the year	3 194	409	8 902	12 505
Additions	18	11	358	387
To enhance existing operations	14	6	257	277
To expand operations	4	5	101	210
Depreciation	(74)	(6)	(573)	(653)
Disposals	(1)	—	(12)	(13)
Impairments/reversal of impairment (refer to note 9)	(331)	(6)	935	598
Other movements	103	13	(76)	40
Hyperinflation impact	763	157	1 789	2 709
Transfer to assets held for sale and held by disposal groups (refer to note 4)[(c)]	(620)	(16)	(1 081)	(1 717)
Translation differences	(903)	(300)	(3 031)	(4 234)
Net carrying value at the end of the year	2 149	262	7 211	9 622

(a) *Other intangible assets (mineral rights) of R45 million have been reclassified to property, plant and equipment to align the group accounting policies.*
(b) *Mineral rights include capitalised exploration and evaluation costs.*
(c) *Transferred to assets held for sale and held by disposal groups. Refer to note 4.*

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2. PROPERTY, PLANT AND EQUIPMENT continued

	Cost Rm	Accumulated depreciation Rm	Net carrying value Rm
Translation differences comprise:			
Botswana	(18)	15	(3)
Rwanda	(499)	173	(326)
DRC	(826)	362	(464)
Zimbabwe	(5 190)	1 749	(3 441)
Mozambique	(1)	1	—
Total	(2 586)	2 300	(4 234)

	March 2022 Rm	March 2021 Rm
Carrying amount of assets pledged as security:		
PPC Cement SA	**3 156**	2 202
Rwanda	**1 086**	1 164
Zimbabwe	**—**	3 955
	4 242	7 321

3. INVENTORIES

Inventories are initially recognised at cost, determined using a weighted average cost formula. Subsequently, inventories are stated at the lower of cost and net realisable value.

	March 2022 Rm	March 2021 Rm
Raw materials	**139**	194
Work in progress	**201**	162
Finished goods	**439**	366
Consumable stores	**535**	609
Inventory obsolescence	**(229)**	(220)
	1 085	1 111

Inventory written down to net realisable value amounted to R11 million (2021: R46 million) during the year.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2022

4. ASSETS CLASSIFIED AS HELD FOR SALE AND DISPOSAL GROUPS

	Notes	31 March 2022 Rm	31 March 2021 Rm
Non-current assets held for sale	9.1	2 458	2 984
Liabilities associated with assets held for sale and disposal groups	9.2	(3 122)	(3 299)
		(664)	(315)

During the current year, PPC Lime Limited (PPC Lime) and PPC Aggregate Quarries Botswana Proprietary Limited (PPC AQB) were sold. Refer to note 8 for further details.

PPC Barnet DRC Holdings and its DRC subsidiaries (PPC Barnet)
At 31 March 2021, PPC Barnet was classified as an asset held for sale. The classification remains consistent in the current year. Binding long-form agreements for the restructure of the senior lender debt took longer to conclude than expected at 31 March 2021 and were ultimately signed on 19 April 2022 and all the conditions precedent were met on 29 April 2022, from which date PPC will cease to consolidate PPC Barnet.

During the current year, an impairment reversal of R215 million was recognised (2021: R761 million loss).

4.1 Assets held for sale and by disposal groups

March 2022	PPC Barnet – DRC	PPC Lime environmental trust	Total
Property, plant and equipment[(a)]	1 632	—	1 632
Right-of-use assets	17	—	17
Other non-current assets	166	25	191
Inventory	319	—	319
Trade and other receivables	112	—	112
Cash and cash equivalents	187	—	187
Total assets	2 433	25	2 458
4.2 Liabilities associated with assets held for sale and disposal groups			
Provisions	(52)	—	(52)
Lease liabilities	(11)	—	(11)
Other non-current liabilities	(18)	(25)	(43)
Trade and other payables	(591)	—	(591)
Short-term portion of long-term borrowings	(2 414)	—	(2 414)
Taxation payable	(11)	—	(11)
Total liabilities	(3 097)	(25)	(3 122)
Total equity	(664)	—	(664)

4. ASSETS CLASSIFIED AS HELD FOR SALE AND DISPOSAL GROUPS continued

4.1 Assets held for sale and by disposal groups

March 2021	PPC Barnet – DRC	PPC Lime	PPC Botswana Aggregates	Reclassified[(a)] Total
Property, plant and equipment[(b)]	1 451	250	16	1 717
Right-of-use assets	5	5	—	10
Other intangibles		—	—	—
Financial assets	—	30	—	30
Other non-current assets	183	—	—	183
Deferred taxation assets	—	—	3	3
Inventory	221	79	27	327
Trade and other receivables	187	89	13	289
Taxation receivable	—	12	—	12
Cash and cash equivalents	392	2	19	413
Total assets	2 439	467	78	2 984
4.2 Liabilities associated with assets held for sale and disposal groups				
Provisions	(60)	(22)	(14)	(96)
Deferred taxation liabilities	—	(41)	—	(41)
Lease liabilities	(8)	(6)	(1)	(15)
Other non-current liabilities	(18)	—	—	(18)
Trade and other payables	(544)	(85)	(23)	(652)
Short-term portion of long-term borrowings	(2 482)	—	—	(2 482)
Taxation payable	(2)	7	—	5
Total liabilities	(3 114)	(147)	(38)	(3 299)
Total equity	(675)	320	40	(315)

(a) Other intangible assets (mineral rights) of R96 million have been reclassified to property, plant and equipment to align with the group accounting policies.
(b) The DRC property, plant and equipment are pledged as security.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2022

4. ASSETS CLASSIFIED AS HELD FOR SALE AND DISPOSAL GROUPS continued

			31 March[(a)] 2022 Rm	31 March 2021 Rm
4.3	**Discontinued operations**			
	Revenue		1 318	1 498
	Cost of sales		(1 060)	(1 371)
	Gross profit		258	127
	Expected credit losses on financial assets		(2)	(3)
	Administration and other operating expenditure		(142)	(168)
	Operating profit before items listed below:		114	(44)
	Fair value and foreign exchange loss		(3)	(20)
	Profit on disposal of subsidiaries	8	175	—
	Impairment reversal/(impairment)		215	(761)
	Profit/(loss) before finance costs, investment income		501	(825)
	Finance costs		(343)	(338)
	Investment income		13	10
	Profit/(loss) before taxation		171	(1 153)
	Taxation		(13)	12
	Profit/(loss) for the year from discontinued operations		158	(1 141)
	Attributable to:			
	Shareholders of PPC Ltd		159	(794)
	Non-controlling interests		(1)	(347)
			158	(1 141)
	Profit/(loss) per share (cents)			
	Basic – discontinued operations		10	(53)
	Diluted – discontinued operations		10	(52)

(a) *This includes amounts for PPC AQB until 16 September 2021, PPC Lime until 30 September 2021 and PPC Barnet until 31 March 2022.*

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4. ASSETS CLASSIFIED AS HELD FOR SALE AND DISPOSAL GROUPS continued

		31 March 2022 Rm	31 March 2021 Rm
4.4	**Cash flows from discontinued operations**		
	Net operating cash flows from discontinued operations	(174)	342
	Net investing cash flows from discontinued operations	472	(19)
	Net financing cash flows from discontinued operations	(20)	(5)
	Effect of exchange rate movements on cash and cash equivalents	(2)	(15)
	Net increase in cash and cash equivalents	276	303

5. STATED CAPITAL

	31 March 2022 Shares	31 March 2021 Shares
Stated Capital		
Authorised ordinary shares	10 000 000 000	10 000 000 000
Authorised preference shares	20 000 000	20 000 000
Twenty million preference shares of R1 000 each. No preference shares have been issued.		
	Rm	**Rm**
Stated capital		
Balance at the beginning of the year	3 965	3 965
Shares purchased in terms of incentive scheme	(21)	—
Shares held by BEE SPV entities previously treated as treasury shares[(a)]	631	—
Balance at the end of the year	4 575	3 965
	Shares	**Shares**
Unissued shares		
Ordinary shares[(b)]	8 450 320 020	8 406 885 699
Preference shares	20 000 000	20 000 000

(a) *These shares were owned by BEE SPVs and treated as treasury shares, but sold on the open market during the current year.*
(b) *During the year 39 349 677 shares were repurchased at 1 cent per share.*

PPC Summarised financial statements 2022_Proof 8 – 25 June 2022

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2022

6. BORROWINGS

	March 2022 Rm	March 2022 Rm	March 2021 Rm					
South Africa long-term funding	**Available**	**Utilised**	**Utilised**	**Interest base**	**Interest margin (basis points)**	**Interest payment frequency**	**Final maturity**	**Security**
Amortising loan facility[a]	—	—	350	3-month JIBAR	370	Quarterly	30 Sep 2021	Secured
General banking facility[a]	—	—	800	3-month JIBAR	405	Quarterly	31 March 2022	Secured
General banking facility[a]	—	—	300	3-month JIBAR	425	Quarterly	19 Jun 2023	Secured
General banking facility[a]	—	—	250	3-month JIBAR	445	Quarterly	19 Jun 2024	Secured
Facility A – bullet term loan	400	400	—	3-month JIBAR	284	Quarterly	17 Dec 2024	Secured
Facility B – revolving credit facility	500	—	—	3-month JIBAR	305	Quarterly	17 Dec 2025	Secured
Facility C – amortising term loan[b]	600	600	—	3-month JIBAR	294	Quarterly	15 Sep 2026	Secured
Capitalised transaction costs	—	(4)	(9)					
Capitalised transaction costs written off	—	3	—					
Total	**1 500**	**999**	1 691					
International project funding								
CIMERWA[c]	—	—	140	6-month LIBOR	725	Monthly	31 Mar 2026	Secured
CIMERWA[d]	—	—	323	16%	n/a	Monthly	31 Mar 2026	Secured
CIMERWA new facility[e]	383	383		13, 2% (f)	n/a	Monthly	30 Aug 2024	Secured
Capitalised transaction costs	—	(6)						
PPC Zimbabwe	—	—	139	6-month LIBOR	700	Bi-annually	31 Dec 2021	Secured
Total	**383**	**377**	602					
Total long-term borrowings	**1 883**	**1 376**	2 293					
Short-term facilities								
South Africa	550	205	204					
CIMERWA	—	—	131					
Total short-term borrowings	**550**	**205**	335					
Total borrowings	**2 433**	**1 581**	2 628					

[a] *These facilities were settled during the current financial year and replaced with facility A, facility B and facility C*
[b] *This facility is a term loan with the capital repayable in eight monthly instalments (of R75 million each) commencing in March 2023 and ending in September 2026*
[c] *US dollar denominated loan converted to a new RWF facility during March 2022*
[d] *RWF denominated loan converted to a new RWF facility during March 2022*
[e] *A new RWF facility was secured in March 2022, which is a term loan with equal monthly instalments to cover interest and capital from March 2022 to August 2024*
[f] *Weighted average interest rate across all banks participating in the facility*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2022

6. BORROWINGS continued

Broken down as follows:

	March 2022 Rm	March 2021 Rm
Long-term portion of long-term funding		
South Africa	923	542
CIMERWA	227	441
	1 150	983
Short-term portion of long-term funding		
South Africa	75	1 148
CIMERWA	151	23
Zimbabwe	—	139
	226	1 310
Short-term facilities and bank overdrafts	205	335
	1 581	2 628

7. REVENUE FROM CONTRACTS WITH CUSTOMERS

The group's revenue is derived from the sale of cementitious products to the group's customers. For cementitious products, revenue is recognised when the related performance obligations are satisfied by transferring control of the promised cementitious product to the group's customers. Revenue is disclosed net of indirect taxes, rebates and discounts offered to customers and after eliminating intergroup sales.

The group has the following revenue stream, which is recognised at a point in time:

	March 2022 Rm	March 2021 Rm
Disaggregation of revenue		
Revenue from the sale of cementitious goods	9 882	8 938
Total revenue	9 882	8 938
Major goods and services per primary geographical markets		
Cementitious goods	9 882	8 938
South Africa	6 030	5 755
Botswana	471	432
Zimbabwe	2 172	1 623
Rwanda	1 209	1 128

PPC Summarised financial statements 2022_Proof 8 – 25 June 2022

8. DISPOSAL OF SUBSIDIARIES

8.1 PPC Aggregate Quarries Botswana

At 31 March 2021, management concluded that PPC Aggregate Quarries Botswana (PPC AQB) was a disposal group and was classified as a disposal group held for sale and a discontinued operation as at 31 March 2021. On 16 September 2021, the group disposed of its 100% indirect equity interest in PPC AQB.

The full consideration was received in cash on 13 October 2021. At the date of disposal, the carrying amounts of PPC AQB were as follows:

	16 September 2021 Rm
Property, plant and equipment	10
Other intangible assets	3
Net deferred taxation asset	2
Total non-current assets	15
Inventories	17
Trade and other receivables	14
Cash and cash equivalents	20
Total current assets	51
Total assets	66
Non-current provisions	(14)
Taxation payable[(a)]	—
Trade and other payables	(23)
Current liabilities	(23)
Total liabilities	(37)
Foreign currency translation reserve	(12)
Net asset value before reclassification of foreign currency translation reserve	17
Reclassification of foreign currency translation reserve	12
Net asset value	29
Consideration	64
Gain on disposal	35

Notes

(a) The taxation payable is less than one million.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2022

8. DISPOSAL OF SUBSIDIARIES continued

8.2 PPC Lime Limited

At 31 March 2021, management concluded that PPC Lime Limited (PPC Lime) was a disposal group and should be classified as a non-current asset held for sale and a discontinued operation. On 30 September 2021, the group disposed of its 100% equity interest PPC Lime.

At the date of disposal, the carrying amounts of PPC Lime net assets were as follows:

	30 September 2021 Rm
Property, plant and equipment	240
Right-of-use assets	3
Other non-current assets	27
Total non-current assets	270
Inventories	74
Trade and other receivables	104
Taxation receivable	26
Cash and cash equivalents[(a)]	—
Total current assets	204
Total assets	474
Provisions	(28)
Deferred taxation liabilities	(41)
Total non-current liabilities	(69)
Inter-company loans	(2)
Lease liabilities	(4)
Trade and other payables	(87)
Current liabilities	(93)
Total liabilities	(162)
Net asset value	312
Consideration[(b)]	452
Gain on disposal	140

Notes

(a) The cash and cash equivalents is less than one million.

(b) On 29 October 2021, an addendum to the sale and purchase agreement for the sale of PPC Lime was signed in terms of which R25,1 million of the purchase price was deferred to 31 March 2022 (Deferred Consideration) to allow for the conclusion of the rehabilitation financial provisioning matters. A further addendum was signed on 11 April 2022 that provided, amongst other things, that the Deferred Consideration would be payable on 25 April 2022. The Deferred Consideration was duly received by PPC on 25 April 2022.
In addition, the sale and purchase agreement provided that if a tax receivable owing to PPC Lime by the South African Revenue Services (SARS) on 31 March 2021 was not refunded to PPC Lime by SARS on or before 31 March 2022, then such tax receivable or the relevant shortfall not refunded by SARS would be refunded to PPC Lime by PPC. As at 31 March 2022, the shortfall amounted to R12,1 million. PPC refunded the R12,1 million to PPC Lime on 12 April 2022.

The consideration of R452 million comprises cash received during FY22 of R439 million plus cash received and paid respectively after year-end of R25 million (the Deferred Consideration) and R12 million (the tax refund).

The R439 million received during FY22 together with the R64 million received for PPC AQB amounts to R503 million and is reflected in the statement of cash flow.

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9. IMPAIRMENTS AND REVERSALS OF IMPAIRMENTS

	March 2022 Rm	March 2021 Rm
Impairment of intangible assets	(29)	(83)
Impairment of property, plant and equipment (refer to note 2)	(100)	(808)
Impairment reversal/(impairment) of right of use asset	3	(8)
Reversal of impairment of property, plant and equipment (refer to note 2)	88	1 454
Reversal of impairment of intangible assets	—	1
Transfer to discontinued operations (refer to note 4 .3)	—	761
Gross impairments and reversals of impairments	(38)	1 317
Taxation impact	11	(369)
Net impairments	(27)	948

Impairment of property, plant and equipment, goodwill and other intangible assets

IAS 36 states that an entity shall assess assets for impairment at the end of each reporting period or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. When an impairment indicator exists, the recoverable amount of an asset is calculated and compared to the carrying value. During the year an impairment loss of R29 million relating to other intangible assets was recognised, R100 million related to property, plant and equipment (refer to note 2).

Impairments of property, plant and equipment and other intangible assets that were raised in the prior year were reversed in the current year, resulting in a reversal of plant and equipment of R3 million relating to right of use assets and a reversal of R88 million relating to property, plant and equipment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2022

9. IMPAIRMENTS AND REVERSALS OF IMPAIRMENTS continued

Impairment losses recognised in prior periods are assessed for any indications that the loss has decreased or no longer exists. Impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount. Impairment losses are reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Impairments and impairment reversals	Rm	Reasons for impairments and impairment reversals
Impairments of CGU's during the current financial year comprise:		
Port Elizabeth plant (PPC Cement SA)	(68)	The Port Elizabeth plant was negatively impacted by increased activity of Importers in the region. The limitations of the rail route for clinker transfers into the Eastern Cape had a further negative effect on cash projections for the business unit. Management has determined that it is appropriate to apply the sensitivity of a 5% increase in the WACC rate to determine the impairment in the current year.
Impairment of individual assets		
Brands in Readymix Gauteng (Pronto Building Materials)	(29)	Previously, Pronto was using the old brands purchased as part of the Pronto business. PPC embarked on rebranding all the Readymix business assets as part of the integration into PPC.
Plant and machinery in Inland Cement (PPC Cement SA)	(28)	PPC Cement SA has impaired plant and machinery on two plants as both were no longer in use.
IT equipment in PPC Group Shared Services	(1)	IT equipment was scrapped in the current year.
Plant in CIMERWA	(3)	CIMERWA impaired the peat plant handling system to 50% of its capacity during the current year.
Impairments reversals of CGU's during the current financial year comprise:		
Readymix Gauteng	56	The Readymix market has significantly improved due to reduced competition, which resulted in an increased market share around Gauteng. The recovery is expected to continue. Management therefore believes it is appropriate to reverse the FY21 impairment.
PPC Aggregates SA	30	The Aggregates business experienced a slow recovery from the COVID-19 impact because the business is based on a different procurement process (tenders) rather than the retail businesses. This resulted in a negative impact on prior year volumes (particularly the second half of 2021). Management is of the view that the business has recovered and an impairment reversal is aligned with a positive outlook based on improved market conditions projected for the business.
Impairment reversals of individual assets		
Inland business unit (PPC Cement SA)	2	PPC Cement SA reversed impairment on land as a result of improved conditions of use.
Readymix Gauteng	3	Impairment reversal of the right-of-use assets for land, vehicles and plant and machinery were as a result of improved business performance, refer to impairment reversal of CGU above for other details.
Net impairment loss	(38)	

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9. IMPAIRMENTS AND REVERSALS OF IMPAIRMENTS continued

Impairment indicators continued

Key assumptions used for value-in-use calculations:	Terminal growth rate 31 March 2022 %	Terminal growth rate 31 March 2021 %	Discount rate 31 March 2022 %	Discount rate 31 March 2021 %
PPC Cement SA	5	4	13	13
PPC Aggregates SA	5	4	17	17
Readymix	5	4	17	17
PPC Botswana Cement	4	5	15	14
PPC Zimbabwe (USD)	5	5	14	17
CIMERWA	5	5	14	16

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2022

9. IMPAIRMENTS AND REVERSALS OF IMPAIRMENTS continued

Impairment indicators continued

In preparing the financial statements, management has considered whether a reasonable possible change in the key assumptions on which management has based its determination of the recoverable amounts of the CGUs would result in the units' carrying amounts to exceed their recoverable amounts. If the discount rate and growth rate increase or decrease by 2,5% or 1% respectively, the impairment charge will (increase) or decrease and the headroom will increase or (decrease) as follows:

Impact on impairment and headroom

	Segment	Recoverable amount	(Impairment) Headroom	**WACC increase 2,5%**	WACC decrease 2,5%	**Growth rate increase 1%**	Growth rate decrease 1%	**Overall cashflows increase decrease by 5%**
31 March 2022 Rm								
Inland business unit	Southern Africa – Cement	8 459	4 892	**(2 001)**	3 775	**921**	(720)	**423**
Coastal business unit	Southern Africa – Cement	2 492	1 594	**(566)**	1 064	**258**	(203)	**124**
Port Elizabeth plant	Southern Africa – Cement	62	(68)	**12**	65	**39**	23	**3**
PPC Botswana Cement	Southern Africa – Cement	168	167	**(21)**	35	**8**	(8)	**8**
PPC Aggregates SA	Southern Africa – Aggregates and Readymix	246	144	**(45)**	67	**16**	(14)	**12**
Readymix – Gauteng Region	Southern Africa – Aggregates and Readymix	244	169	**(43)**	63	**15**	(13)	**12**
Readymix – East Region	Southern Africa – Aggregates and Readymix	20	7	**(3)**	6	**1**	(1)	**1**
Readymix – West Region	Southern Africa – Aggregates and Readymix	61	55	**(11)**	17	**4**	(3)	**3**
Readymix – Nelspruit	Southern Africa – Aggregates and Readymix	2	3	**(3)**	5	**1**	(1)	**—**
Readymix – Projects	Southern Africa – Aggregates and Readymix	19	15	**(4)**	5	**1**	(1)	**1**
Ulula Ash	Southern Africa – Aggregates and Readymix	413	394	**(66)**	98	**23**	(20)	**20**
PPC Zimbabwe	International – Cement	4 571	2 066	**(1 095)**	1 803	**145**	(304)	**232**
CIMERWA	International – Cement	3 071	1 811	**(697)**	1 016	**63**	(230)	**154**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2022

10. TAXATION

	31 March 2022 %	31 March 2021 %
Taxation rate reconciliation		
Effective tax rate	111	42
Prior years' taxation impact	(21)	2
Income taxation effect of:		
Foreign taxation rate differential	3	1
Expenditure attributable to non-taxable income	(7)	(1)
Transfer pricing adjustment	(3)	(1)
Expenditure not deductible in terms of taxation legislation[(a)]	(31)	—
Withholding taxation	(12)	(1)
Fair value adjustments on financial instruments not taxable	4	1
Normalised taxation rate	44	43
Taxation effect of the following transactions		
Deferred taxation not raised	(12)	(8)
Change in tax rate	17	—
Adjusted taxation rate before Zimbabwe	—	35
Expected credit loss provision on Zimbabwe blocked funds	(3)	2
Fair value adjustment on Zimbabwe financial asset	8	—
Tax effect of Zimbabwe hyperinflation and SI 33	(26)	(9)
South African normal taxation rate	28	28

[(a)] *Disallowed expenses in the jurisdictions in which PPC operates including interest, legal and consulting fees that are capital in nature, fines and penalties, non-deductible IFRS adjustments and limitations on the deductible value of telephone, entertainment and public relations.*

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11. EARNINGS AND HEADLINE EARNINGS PER SHARE

11.1 NUMBER OF SHARES AND WEIGHTED AVERAGE NUMBER OF SHARES

	31 March 2022 shares	31 March 2021 shares
Total shares in issue at the beginning of the year	1 593 114 301	1 593 114 301
Shares repurchased and cancelled during the year	(39 349 677)	—
Total shares in issue at the end of the year	1 553 764 624	1 593 114 301
Treasury shares	(14 315 063)	(84 902 185)
Impact on weighting of shares repurchased	3 518 831	—
Weighted average number of shares for calculation of basic earnings per share	1 542 968 392	1 508 212 116
Adjusted for:		
Shares held by consolidated Safika Trust treated as treasury shares	1 354 347	1 354 347
FSP share incentive scheme shares not expected to vest	—	7 450 326
Weighted average number of shares for calculation of diluted earnings per share	1 544 322 739	1 517 016 789

11.2 TREASURY SHARES

The difference between earnings and diluted earnings per share relates to the following treasury shares:

Shares held by consolidated participants of the second BBBEE transaction

Shares issued in terms of the second BBBEE transaction which was facilitated by means of a notional vendor funding (NVF) mechanism, with the transaction concluding on 30 September 2019. These shares participated in 20% of the dividends declared by PPC during the NVF period. With the exception of the Bafati Investment Trust, entities participating in this transaction are consolidated into the PPC group in terms of IFRS 10 – *Consolidated financial statements* during the transaction term. The group is in the process of winding up these Trusts and SPV's. During the current year, the shares held by the Bafati and Masakhane Trusts were repurchased by PPC Ltd at 1 cent per share in accordance with the shareholder approval obtained in 2012 when the BBBEE transaction was approved.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2022

11. EARNINGS AND HEADLINE EARNINGS PER SHARE continued

11.2 TREASURY SHARES continued

Shares held by consolidated BBBEE trusts and trust funding SPVs

In terms of IFRS 10 – *Consolidated financial statements*, certain BBBEE trusts and trust funding SPVs from PPC's first BBBEE transaction are consolidated and, as a result, shares owned by these entities are carried as treasury shares on consolidation. The group is in the process of winding up these Trusts and SPV's. All shares held by the SPV's have been sold during the year.

Shares held by consolidated Porthold Trust (Pvt) Ltd

Shares owned by a Zimbabwe employee trust company are treated as treasury shares.

FSP incentive scheme

The FSP incentive scheme has matured and no further shares (2021: 23 750 769 shares) are held for participants in this long-term incentive scheme. The shares were treated as treasury shares during the vesting periods of the awards.

Shares held by the Safika consolidated Management Trust

These shares were issued in 2019 in order to retain and incentivise the Safika key management employees. This transaction was also facilitated through a NVF mechanism.

PPC shares held by PPC Zimbabwe

PPC Zimbabwe owns 986 237 (2021: 986 237) shares in PPC Limited shares via the Zimbabwe Stock Exchange.

In terms of IFRS requirements, shares held by subsidiaries, consolidated BBBEE entities and employee trusts are treated as treasury shares. As at 31 March 2022 a total of 0,002% (2021: 5%) of the total shares in issue are thus treated as treasury shares.

11.3 BASIC EARNINGS/(LOSS)

	Discontinued operations		Continuing operations		Group	
	March 2022 Rm	March 2021 Rm	**March 2022 Rm**	March 2021 Rm	**March 2022 Rm**	March 2021 Rm
Profit/(loss) for the year	**158**	(1 141)	**(21)**	1 023	**137**	(118)
Attributable to:						
Shareholders of PPC Ltd	**159**	(794)	**(71)**	983	**88**	189
Non-controlling interests	**(1)**	(347)	**50**	40	**49**	(307)
	158	(1 141)	**(21)**	1 023	**137**	(118)

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11. EARNINGS AND HEADLINE EARNINGS PER SHARE continued

11.4 EARNINGS/(LOSS) PER SHARE

Earnings/(loss) per share						
Basic	**10**	(53)	**(5)**	65	**5**	12
Diluted	**10**	(52)	**(5)**	65	**5**	13

11.5 HEADLINE EARNINGS/(LOSS)

	Discontinued operations		Continuing operations		Group	
	March 2022 Rm	March 2021 Rm	**March 2022 Rm**	March 2021 Rm	**March 2022 Rm**	March 2021 Rm
Headline earnings/(loss)						
Headline earnings/(loss) is calculated as follows:						
Profit/(loss) for the year	**158**	(1 141)	**(21)**	1 023	**137**	(118)
Adjusted for:						
Reversal of impairment of property, plant and equipment and intangible assets (refer to note 21)	**(215)**	—	**(91)**	(1 455)	**(306)**	(1 455)
Impairment of property, plant and equipment, intangible assets and right-of-use assets (refer to note 21)	**—**	761	**129**	138	**129**	899
Taxation on impairments	**—**	—	**(11)**	369	**(11)**	369
(Profit)/loss on sale of property, plant and equipment	**—**	—	**(5)**	4	**(5)**	4
Profit on sale of equity accounted associates	**—**	—	**—**	(1)	**—**	(1)
Profit on disposal of subsidiaries	**(158)**	—	**—**	—	**(158)**	—
Taxation on profit/loss on sale of assets	**—**	—	**1**	(1)	**1**	(1)
Headline earnings/(loss)	**(215)**	(380)	**2**	77	**(213)**	(303)
Attributable to:						
Shareholders of PPC Ltd	**(147)**	(269)	**(47)**	37	**(194)**	(232)
Non-controlling interests	**(68)**	(111)	**49**	40	**(19)**	(71)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2022

11. EARNINGS AND HEADLINE EARNINGS PER SHARE continued

11.6 HEADLINE EARNINGS/(LOSS) PER SHARE

Headline earnings/(loss) per share						
Basic	**(10)**	(18)	**(3)**	3	**(13)**	(15)
Diluted	**(10)**	(17)	**(3)**	2	**(13)**	(15)

12. COMMITMENTS

	March 2022 Rm	March 2022 Rm
Contracted capital commitments	**85**	115
Approved capital commitments	**26**	29
Capital commitments	**111**	144
Lease commitments not reflected in measurement of lease liabilities	**7**	5
	118	149
Capital commitments		
Southern Africa	**50**	43
International	**61**	101
	111	144
Capital commitments are anticipated to be incurred:		
Within one year	**92**	144
Between one and five years	**19**	—
	111	144

Lease commitments

This relates to future cash outflows that the group is exposed to that are not reflected in the measurement of the lease liabilities. This includes exposure from variable lease payments for certain leases, lease payments for low value leases and short-term leases.

Lease commitments		
Land and buildings	**4**	5
Other	**3**	—
	7	5
Lease commitments are anticipated to be incurred:		
Within one year	**3**	5
Between one and five years	**4**	—
	7	5

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13. FINANCIAL RISK MANAGEMENT

Methods and assumptions used by the group in determining fair values

The estimated fair value of financial instruments is determined at discrete points in time, by reference to the mid-price in an active market wherever possible. Where no such active market exists for the particular asset or liability, the group uses valuation techniques to arrive at fair value, including the use of prices obtained in recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

The fair value of unlisted collective investment is valued using the closing unit price at year-end.

The fair value of loans receivable and payable is based on the market rates of the loan and the recoverability.

The fair values of cash and cash equivalents, trade and other financial receivables and trade and other financial payables approximate the respective carrying amounts of these financial instruments because of the short period to maturity.

The PPC Zimbabwe financial asset should be valued using ZWL forward curves, however, these are not available. As a result of there being no other similar available market data the financial asset has been valued at the year-end US$:ZWL$ (2021: US$:ZWL$) exchange rate and further credit risk adjustment was recognised.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2022

13. FINANCIAL RISK MANAGEMENT continued

Fair value hierarchy disclosures

		Carrying amount (by measurement basis)				
	Notes	Amortised cost	Fair value Level 1	Fair value Level 2	Fair value Level 3	Total
2022						
Financial assets						
At amortised cost						
Trade and other financial receivables		755	—	—	—	755
Cash and cash equivalents		577	—	—	—	577
At fair value through other comprehensive income						—
Investment in Old Mutual shares on the Zimbabwe Stock Exchange[(a)]		—	—	3	—	3
At fair value through profit or loss						—
Unlisted collective investments at fair value (held for trading)		—	—	144	—	144
PPC Zimbabwe financial asset		—	—	—	—	—
Zimbabwe blocked funds		—	—	—	32	32
Cell captive investment		—	—	—	19	19
Financial liabilities						—
At amortised cost						—
Long-term borrowings	6	1 150	—	—	—	1 150
Short-term borrowings	6	431	—	—	—	431
Lease liabilities		59	—	—	—	59
Trade and other financial payables		1 256	—	—	—	1 256
At fair value through profit or loss						—
Interest rate swap liability		—	—	—	—	—

13. FINANCIAL RISK MANAGEMENT continued

Fair value hierarchy disclosures continued

		Carrying amount (by measurement basis)				
	Notes	Amortised cost	Fair value Level 1	Fair value Level 2	Fair value Level 3	Total
2021						
Financial assets						
At amortised cost						
Trade and other financial receivables		815	—	—	—	815
Cash and cash equivalents		457	—	—	—	457
At fair value through other comprehensive income						
Investment in Old Mutual shares on the Zimbabwe Stock Exchange		—	—	3	—	3
At fair value through profit or loss						
Unlisted collective investments at fair value (held for trading)		—	—	129	—	129
PPC Zimbabwe financial asset		—	—	—	57	57
Zimbabwe blocked funds		—	—	—	50	50
Cell captive investment		—	—	—	7	7
Financial liabilities						
At amortised cost						
Long-term borrowings	6	983	—	—	—	983
Short-term borrowings	6	1 645	—	—	—	1 645
Finance lease liabilities		60	—	—	—	60
Trade and other financial payables		1 167	—	—	—	1 167
At fair value through profit or loss						
Interest rate swap liability		—	—	23	—	23

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2022

13. FINANCIAL RISK MANAGEMENT continued

Fair value hierarchy disclosures

Level 1 – financial assets and liabilities that are valued accordingly to unadjusted market prices for similar assets and liabilities. Market prices in this instance are readily available and the price represents regularly occurring transactions which have been concluded on an arm's length transaction.

Level 2 – financial assets and liabilities are valued using observable inputs, other than the market prices noted in the level 1 methodology, and make reference to pricing of similar assets and liabilities in an active market or by utilising observable prices and market related data.

Level 3 – financial assets and liabilities that are valued using unobservable data, and requires management judgement in determining the fair value.

Level 3 sensitivity analysis

Financial instrument	Valuation technique	Key unobservable inputs	Sensitivity %	Carrying value (Rm)	Increase or decrease (Rm)
PPC Zimbabwe financial asset	US$:ZWL$ exchange rate	Credit risk adjustment of 50%	1% higher and 1% lower	—	—
Zimbabwe blocked funds	US$:ZWL$ exchange rate	Credit risk adjustment of 90%	1% higher and 1% lower	32	3
Cell captive investment	Net asset value	Cash and cash equivalents, Investment in unit trusts, Insurance fund liabilities	N/A	19	—

Movements in level 3 financial instruments	2022 Rm	2021 Rm
Financial assets at fair value through profit or loss		
Balance at the beginning of the period	114	220
New financial assets recognised	—	15
Fair value adjustments	3	84
Fair value adjustment – credit risk	46	155
Translation differences	(4)	(121)
Repayments	(108)	(239)
Balance at the end of the period	51	114

Remeasurements are recorded in fair value adjustments on financial instruments in the statement of profit or loss.

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14. ADDITIONAL DISCLOSURE

Contingent liabilities and guarantees

The total guarantees issued by the group, by means of a bank guarantee, in favour of the various suppliers were R102 million (2021: R102 million). Included in this amount are financial guarantees for the environmental rehabilitation and decommissioning obligations of the group to the Department of Mineral Resources amounting to R76 million (2021: R76 million).

15. EVENTS AFTER REPORTING DATE

Other than the events listed below, there have been no events after the reporting date that warrant disclosure in these condensed financial statements.

Sale of PPC Lime

PPC and the purchaser of PPC Lime signed a further addendum to the binding sale and purchase agreement deferring the payment of the deferred consideration for PPC Lime from 31 March 2022 to 25 April 2022, which amount was duly received by PPC on such date. Refer to note 8 for further details.

DRC restructuring

On 29 April 2022, all the conditions precedent to the various restructuring agreements with third party lenders for the DRC were met and formal restructuring effective date notices were issued refer to note 4 for details.

Zimbabwe Presidential Announcements

On 7 May 2022, the President of Zimbabwe announced various measures to restore confidence, preserve value and restore macro-economic stability in Zimbabwe. Amongst the various measures announced, the major highlight was on exchange rate management which was subsequently clarified through an Exchange Control Circular No. 3 of 22 to authorised dealers issued on 9 May 2022.

On exchange rate management, the government reviewed the willing-buyer-willing-seller (interbank market rate) foreign exchange system put in place on 1 April 2022 by:

- Increasing the amount that an individual is permitted to purchase on this system to US$5 000 per day with a limited of US$10 000 per week; and
- permitting the pricing of goods and services in the market to be at the prevailing willing-buyer-willing-seller rate (interbank market rate) plus a margin of up to 10%.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2022

15. EVENTS AFTER REPORTING DATE continued

Following this review by the government, management, based on their interpretation of IAS 21 – *The effects of foreign exchange rates*, has concluded that this interbank market rate meets the requirements of a spot exchange rate since it is an exchange rate that is available for immediate delivery through a legal mechanism. Management has therefore discontinued the use of the auction exchange rate and adopted the interbank market rate for financial reporting purposes. Subsequent to the date of the announcement the auction rate has devalued to such an extent that at 30 May 2022 the rate of US$1 : ZWL290.89 is almost equal to the interbank rate of US$1 : ZWL299.68 and as such the impact of the change is not expected to be material to either PPC or the group.

Sale of Habesha

On 27 May 2022, PPC International Holdings (Pty) Ltd, a wholly-owned subsidiary of PPC, entered into a definitive sale agreement to sell 100% of its stake in Habesha for US$900 000. The sale is subject to various conditions precedent customary in nature for a sale and purchase transaction of shares in Ethiopia.

16. GOING CONCERN ASSESSMENT

Introduction

In determining the appropriate basis of preparation of the condensed financial statements, the directors are required to consider whether the group can continue as a going concern for the foreseeable future.

The directors' assessment of going concern has focused on three principal areas, namely:

1. The sustainability, or viability, of the group, or its ability to continue trading as a going concern. The assessment has included, inter alia, current trading trends, basis of budget preparation and key assumptions underpinning the forecasts and the impact of stress testing on such forecasts
2. The solvency of the group: whether the fair value of assets exceeds the fair value of liabilities, including any contingent assets and liabilities to the extent applicable and likewise the ability to settle all debts as they fall due until at least 30 June 2023
3. The liquidity of the group for the next 12 months and beyond, considering whether the group has sufficient liquidity and headroom (the level of unutilised but available facilities) up to 31 July 2023.

Group restructuring and refinancing project

During the financial year under review, certain identified non-core assets were successfully sold and the South African balance sheet de-geared to acceptable levels. The South African debt facilities were also renegotiated to reduce the cost of debt and to ensure an optimal mix of the tenure of the long-term facilities.

Solvency was restored to PPC Barnet's balance sheet through the capitalisation of quasi-equity and historical deficiency funding loans and subsequent to the year-end the debt restructuring became effective thereby restoring liquidity to the business. With effect from 31 March 2021, there is no recourse to PPC Ltd.

16. GOING CONCERN ASSESSMENT continued

More detail on each of the above items is presented below.

Sale of non-core assets

Successful conclusion of the sale of PPC Lime

A key condition of the non-binding term sheets entered into with the SA primary lenders on 27 September 2021 was the completion of the PPC Lime disposal before 31 October 2021 in order for the obligation to undertake an equity capital raise to be removed. As disclosed in the unaudited consolidated financial statements for the six months ended 30 September 2021 (interim financials), this transaction successfully completed on 29 October 2021 for an adjusted purchase price of R475,9 million after an agreed adjustment for net working capital. Payment of R25,1 million of the purchase price was deferred to 31 March 2022, with the balance of the purchase price received on 29 October 2021.

A further addendum was entered into to provide for the deferred purchase price to be payable on 25 April 2022, which payment was duly received on that date. Refer to note 4 for further information on other adjustments to the net profit on disposal of subsidiaries.

Sale of Botswana Aggregates

As disclosed in the Interim Financials, PPC entered into a binding agreement for the sale of 100% of the shares in PPC Aggregate Quarries Botswana (Pty) Ltd (PPC AQB) to a construction and mining company in Botswana. The amount received by PPC Botswana (Pty) Limited pursuant to this transaction was BWP45,5 million. PPC Botswana subsequently declared a dividend to PPC of BWP45 million (R60,5 million) in December 2021 which was applied to further de-gear PPC's South African balance sheet.

Binding agreements with South African lenders

Further to the non-binding term sheets entered into with the SA primary lenders on 27 September 2021, PPC and the SA primary lenders entered into binding long-form agreements, which became unconditional on 15 December 2021 (New Facilities) and were utilised to settle the then existing old facilities in full.

The New Facilities provide for:

- R550 million of short-term banking facilities until 15 December 2022, renewable subject to review by the SA primary lenders. Given the security package for the New Facilities and the headroom available on these facilities, management and the board are confident that the short-term facilities will be renewed.
- R1,5 billion of long-term facilities with facility settlement dates as set out below.

Quantum Rm	Settlement date
400	15 Dec 24
500	15 Dec 25
600	30 Sept 26[(a)]
1 500	

(a) *This facility is a term loan with the capital repayable in eight monthly instalments (of R75 million each) commencing in March 2023 and ending in September 2026.*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2022

16. GOING CONCERN ASSESSMENT continued

Binding agreements with South African lenders continued

The facilities as at 31 March 2022 are shown in the table below:

	31 March 2022 Rm	31 March 2021 Rm
Short-term facilities		
Available	**550**	625
Utilised	**205**	309
Unutilised	**345**	316
% headroom	**63**	51
Long-term facilities		
Available	**1 500**	1 850
Utilised	**1 000**	1 700
Unutilised	**500**	150
% headroom	**33**	8
Total facilities		
Available	**2 050**	2 475
Utilised	**1 205**	2 009
Unutilised	**845**	466
% headroom	**41**	19

The financial covenants relating to the South African facilities are set out in the table below:

Covenant	31 March 2022 to 15 June 2023	Thereafter
Obligor Interest Cover	**>4.0x**	>3.0x
Obligor Gross Debt to EBITDA	**< 2.5x**	<2.00x
Group Gross Debt to EBITDA	**<2.5x**	<2.5x

At 31 March 2022 all financial covenants were met and forecasts indicate that covenants will continue to be met for the foreseeable future.

The New Facilities provide adequate liquidity headroom and management forecasts indicate continuing headroom across total facilities for the foreseeable future.

PPC Summarised financial statements 2022_Proof 8 – 25 June 2022

16. GOING CONCERN ASSESSMENT continued

International operations

DRC

The binding settlement agreement entered into on 31 March 2021 with the DRC lenders terminated PPC's obligations to make further deficiency payments to PPC Barnet. Furthermore, the DRC lenders gave notice to PPC to capitalise its quasi-equity and deficiency loans by 27 December 2021 to restore solvency to PPC Barnet's balance sheet. This was duly effected early in December 2021 and solvency for the PPC Barnet balance sheet has therefore been restored.

In addition, subsequent to the year-end, the conditions precedent for the final binding debt restructuring agreements became unconditional and the formal restructuring of the debt was effective on 29 April 2022. Accordingly, liquidity has also been restored.

PPC Barnet is a going concern on a standalone basis and there is no funding required from PPC Ltd or elsewhere within the group.

Zimbabwe

Despite continuing to operate in a challenging hyperinflationary economy, PPC Zimbabwe generates cash surpluses and operates as a going concern, with no compromises or payment plans required. The Reserve Bank of Zimbabwe met the final debt repayment on a third-party loan in December 2021 and as such PPC Zimbabwe currently has no short or long-term debt. The cash flow forecasts reflect a minimum cash balance in excess of US$12 million, before dividends, over the period to June 2023.

PPC Zimbabwe is a going concern on a standalone basis and there is no funding required from PPC Ltd or elsewhere within the group.

Rwanda (CIMERWA)

CIMERWA continues to trade as a going concern with no expected cash shortfalls in the next 12 months and beyond. A minimum cash balance in excess of US$17 million is forecast over the period to June 2023.

CIMERWA no longer has any exposure to US$ debt as all of its debt was converted to RWF in March 2022 at more competitive interest rates.

In rand equivalent, CIMERWA has R377 million (RWF26.5 million) of debt at 31 March 2022 and R221 million (RWF15.6 million) in cash. Debt will be serviced and repaid from current cash holdings and future operational cash flows.

CIMERWA's debt covenants are summarised below. At 31 March 2022 both financial covenants were met and forecasts indicate that they will continue to be met for the foreseeable future.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2022

16. GOING CONCERN ASSESSMENT continued

Covenant	Required
Net debt to EBITDA	<3.0x
Interest cover ratio	>1.5x

CIMERWA is a going concern on a standalone basis and there is no funding required from PPC Ltd or elsewhere within the group.

Ethiopia (Habesha)

Habesha is an associate of PPC Ltd and is technically insolvent. PPC Ltd has no obligation to support the business nor invest further capital. Subsequent to 31 March 2022, PPC entered into an agreement to sell is shareholding in Habesha.

Group solvency

On a consolidated basis, the fair value of assets exceeds the fair value of liabilities for the group, with total carrying value of assets at R12,4 billion (excluding discontinued operations), compared to total (lender) debt of R1,6 billion (excluding discontinued operations) and total balance sheet liabilities of R4,8 billion (excluding discontinued operations).

The aforementioned is subsequent to detailed impairment testing of PPC's cash generating units (refer note 9).

Operational performance in line with cash flow forecasts

PPC Ltd consistently utilises a detailed liquidity model in its liquidity forecasting. This model and the reasonableness of assumptions contained therein have been reviewed and tested internally, as well as by external consultants and the various lender groups. The forecasts run through this model demonstrate adequate headroom as described above, which addresses the risk of the forecasts not being achieved.

Overall, for the year ended 31 March 2022, the PPC group exceeded its budgets for volumes and revenues. Cash fixed and variable costs exceeded a very tight budget, but were contained at a 5% increase on cash costs for the 2021 financial year. The forecasts for the 2023 and 2024 financial years remain conservative and do not factor in any upside that could come from localisation initiatives or increased government infrastructure spend.

PPC Summarised financial statements 2022_Proof 8 – 25 June 2022

16. GOING CONCERN ASSESSMENT continued

Conclusion

Financial plans and forecasts inherently include uncertainty and any significant deviations in the assumptions made may cast doubt on the group's ability to continue as a going concern and its ability to realise assets and discharge liabilities in the normal course of business.

The directors have considered the financial plans and forecasts in detail, including sensitivity analyses based on various adverse scenarios, and based on the information available to them, are of the opinion that the going concern assumption is appropriate in the preparation of the condensed financial statements.

17. AUDIT REPORT

The group's independent auditor, Deloitte & Touche, have reviewed these condensed consolidated financial statements and their unmodified review conclusion is presented on page 9–10 and is available for inspection at the registered office.

The auditor's review report does not necessarily report on all of the information contained in these reviewed results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should refer to the auditor's review report on page 9–10 or they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

Any reference to future financial performance has not been reviewed by or reported on by the group's auditors.

PPC Summarised financial statements 2022_Proof 8 – 25 June 2022

CORPORATE INFORMATION

PPC LTD
Incorporated in the Republic of South Africa
Registration number: 1892/000667/06
JSE code: PPC ZSE code: PPC
JSE ISIN: ZAE 000170049
"PPC" or "company" or "group"

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