ORASCOM CONSTRUCTION PLC

Consolidated Financial Statements

For the nine month period ended 30 September 2023

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Independent Auditors' Report on Review of Interim Consolidated Financial Statements

To the Shareholders of Orascom Construction PLC

Introduction

We have reviewed the accompanying 30 September 2023 interim consolidated financial statements of Orascom Construction PLC ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprises:

- the consolidated statement of financial position as at 30 September 2023;
- the consolidated statements of profit or loss and other comprehensive income for the three month and nine month period ended 30 September 2023;
- the consolidated statement of changes in equity for the nine month period ended 30 September 2023;
- the consolidated statement of cash flows for the nine month period ended 30 September 2023; and
- notes to the interim consolidated financial statements.

Management is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2023 interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG LLP

KPMG LLP

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Date: 28 NOV 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at

$ millions	Note	30 September 2023 (reviewed)	31 December 2022 (audited)
Assets			
Non-current assets			
Property, plant and equipment	(6)	120.3	146.5
Goodwill	(7)	27.7	27.7
Trade and other receivables	(8)	16.6	24.6
Equity accounted investees	(9)	459.5	462.5
Deferred tax assets	(10)	46.8	47.4
Total non-current assets		**670.9**	**708.7**
Current assets			
Inventories	(11)	243.8	247.6
Trade and other receivables	(8)	1,547.4	1,294.0
Contracts work in progress	(12)	631.8	742.5
Current income tax receivables		0.6	0.9
Cash and cash equivalents	(13)	462.3	537.7
Total current assets		**2,885.9**	**2,822.7**
Total assets		**3,556.8**	**3,531.4**
Equity			
Share capital	(14)	110.2	116.8
Share premium		467.3	480.2
Reserves	(15)	(425.7)	(377.5)
Retained earnings		526.4	432.2
Equity attributable to owners of the Company		**678.2**	**651.7**
Non-controlling interest	(17)	22.2	39.6
Total equity		**700.4**	**691.3**
Liabilities			
Non-current liabilities			
Loans and borrowings	(18)	1.0	-
Trade and other payables	(19)	42.9	41.9
Deferred tax liabilities		5.3	5.0
Total non-current liabilities		**49.2**	**46.9**
Current liabilities			
Loans and borrowings	(18)	274.1	212.0
Trade and other payables	(19)	1,347.8	1,438.4
Advanced payments from construction contracts		763.2	777.0
Billing in excess of construction contracts	(12)	347.0	298.4
Provisions	(20)	42.9	31.5
Income tax payables		32.2	35.9
Total current liabilities		**2,807.2**	**2,793.2**
Total liabilities		**2,856.4**	**2,840.1**
Total equity and liabilities		**3,556.8**	**3,531.4**

The notes on pages 7 to 29 are an integral part of these interim consolidated financial statements.
The interim consolidated financial statements were approved by the Board of Directors and authorized for issue on 28 November 2023 and signed on their behalf by:

Chief Executive Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the nine month period ended

$ millions	Note	the nine months ended 30 September 2023 (reviewed)	the three months ended 30 Septemeber 2023 (reviewed)	the nine months ended 30 September 2022 (reviewed)	the three months ended 30 September 2022 (reviewed)
Revenue	(25)	2,365.2	801.7	3,052.7	1,138.1
Cost of sales	(21)	(2,170.0)	(732.8)	(2,791.2)	(1,043.5)
Gross profit		195.2	68.9	261.5	94.6
Other income	(22)	114.8	1.2	4.0	2.3
Selling, general and administrative expenses	(21)	(148.0)	(43.8)	(150.3)	(50.9)
Operating profit		162.0	26.3	115.2	46.0
Finance income	(23)	52.4	24.8	26.2	1.6
Finance cost	(23)	(37.3)	(34.9)	(47.0)	(11.3)
Net finance income / (cost)		15.1	(10.1)	(20.8)	(9.7)
Income from equity accounted investees	(9)	14.4	4.4	5.6	4.5
Profit before income tax		191.5	20.6	100.0	40.8
Income tax	(10)	(40.7)	(2.7)	(29.8)	(11.1)
Net profit for the period		150.8	17.9	70.2	29.7
Other comprehensive income:					
Items that are or may be reclassified to profit or loss					
Foreign currency translation differences		(55.3)	(0.8)	(59.6)	(7.3)
Other comprehensive loss, net of tax for the period		(55.3)	(0.8)	(59.6)	(7.3)
Total comprehensive income for the period		95.5	17.1	10.6	22.4
Profit attributable to:					
Owners of the Company		114.8	16.1	57.8	23.9
Non-controlling interests	(17)	36.0	1.8	12.4	5.8
Net profit		150.8	17.9	70.2	29.7
Total comprehensive income attributable to:					
Owners of the Company		66.6	15.5	8.3	18.3
Non-controlling interests	(17)	28.9	1.6	2.3	4.1
Total comprehensive income		95.5	17.1	10.6	22.4
Earnings per share (in USD)					
Basic and diluted earnings per share	(24)	1.01	0.15	0.49	0.20

The notes on pages 7 to 29 are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the nine month period ended

$ millions	Share capital	Share premium	Reserves	Retained earnings	Treasury Shares	Equity attributable to owners of the Company	Non-controling interests	Total equity
Balance at 1 January 2022 (audited)	**116.8**	**480.2**	**(305.4)**	**346.9**	-	**638.5**	**50.1**	**688.6**
Net profit for the period	-	-	-	57.8	-	57.8	12.4	70.2
Other comprehensive loss for the period	-	-	(49.5)	-	-	(49.5)	(10.1)	(59.6)
Total comprehensive income for the period	-	-	**(49.5)**	**57.8**	-	**8.3**	**2.3**	**10.6**
Dividends	-	-	-	(27.0)	-	(27.0)	(9.0)	(36.0)
Change in non-controlling interest	-	-	-	-	-	-	(2.1)	(2.1)
Other	-	-	-	0.1	-	0.1	-	0.1
Balance at 30 September 2022 (reviewed)	**116.8**	**480.2**	**(354.9)**	**377.8**	-	**619.9**	**41.3**	**661.2**
Balance at 1 January 2023 (audited)	**116.8**	**480.2**	**(377.5)**	**432.2**	-	**651.7**	**39.6**	**691.3**
Net profit for the period	-	-	-	114.8	-	114.8	36.0	150.8
Other comprehensive loss for the period	-	-	(48.2)	-	-	(48.2)	(7.1)	(55.3)
Total comprehensive income for the period	-	-	**(48.2)**	**114.8**	-	**66.6**	**28.9**	**95.5**
Dividends (Refer to note 30)	-	-	-	(21.6)	-	(21.6)	(34.9)	(56.5)
Treasury Shares acquired (Refer to note 16)	-	-	-	-	(19.5)	(19.5)	-	(19.5)
Share capital reduction (Refer to note 14 and 16)	(6.6)	(12.9)	-	-	19.5	-	-	-
Subsidiary disposal	-	-	-	-	-	-	(11.4)	(11.4)
Other	-	-	-	1.0	-	1.0	-	1.0
Balance at 30 September 2023 (reviewed)	**110.2**	**467.3**	**(425.7)**	**526.4**	-	**678.2**	**22.2**	**700.4**

The notes on pages 7 to 29 are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the nine month period ended

$ millions	Note	30 September 2023 (reviewed)	30 September 2022 (reviewed)
Net profit for the period		150.8	70.2
Adjustments for:			
Depreciation	(6)	21.8	34.9
Interest income	(23)	(9.2)	(7.9)
Interest expense	(23)	36.7	28.5
Foreign exchange (gain) loss and others	(23)	(42.6)	0.2
Share in income of equity accounted investees	(9)	(14.4)	(5.6)
Gain from disposal of subsidiaries	(22)	(108.3)	-
Gain on sale of property, plant and equipment	(22)	(0.2)	(0.9)
Income tax expense	(10)	40.7	29.8
Changes in:			
Inventories	(11)	(50.4)	7.6
Trade and other receivables	(8)	(442.5)	(91.6)
Contract work in progress	(12)	(7.6)	242.1
Trade and other payables	(19)	163.7	46.6
Advanced payments construction contracts		97.8	(381.6)
Billing in excess of construction contracts	(12)	81.1	6.7
Provisions	(20)	17.1	(29.6)
Cash flows:			
Interest paid	(23)	(36.7)	(28.5)
Interest received	(23)	9.2	7.9
Dividend from equity accounted investees	(9)	10.9	7.3
Income taxes paid		(8.6)	(46.8)
Cash flow (used in) operating activities		**(90.7)**	**(110.7)**
Proceeds from sale of investment in subsidiaries	(22)	116.7	-
Investments in property, plant and equipment	(6)	(21.0)	(53.6)
Acquisition of subsidiaries, net of cash acquired		-	(28.5)
Proceeds from sale of property, plant and equipment		1.0	7.2
Cash flow from (used in) investing activities		**96.7**	**(74.9)**
Proceeds from borrowings	(18)	101.9	351.0
Repayment of borrowings	(18)	(38.8)	(62.1)
Purchase of Treasury Shares	(16)	(19.5)	-
Dividends paid to shareholders	(30)	(21.6)	(54.0)
Dividends paid to non-controlling interest		(34.9)	(9.0)
Other		1.0	(6.3)
Cash flows (used in) from financing activities		**(11.9)**	**219.6**
Net change in cash and cash equivalents		**(5.9)**	**34.0**
Cash and cash equivalents at 1 January	(13)	537.7	505.7
Currency translation adjustments		(69.5)	(69.2)
Cash and cash equivalents at 30 September	(13)	**462.3**	**470.5**

The notes on pages 7 to 29 are an integral part of these interim consolidated financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. General

Orascom Construction PLC ('OC PLC') is a Public Company, incorporated with registered number 1752 in the Dubai International Financial Center (DIFC) with its head office located at Gate Village-Building 1, DIFC, Dubai, UAE. OC PLC is dual listed on the NASDAQ Dubai and the Egyptian Stock Exchange. The interim consolidated financial statements for the nine month period ended 30 September 2023 comprise the financial statements of OC PLC, its subsidiaries and joint operations (together referred to as the 'Group') and the Group's interests in associates and joint ventures.

OC PLC was incorporated on 18 January 2015 as Orascom Construction Limited, a company limited by shares and converted to a Public Company under the Law, DIFC Law No. 5 of 2018 as at 12 November 2018.

OC PLC is primarily engaged as an international engineering and construction contractor focused on large-scale infrastructure, complex industrial and high-end commercial projects in the United States, Middle East, Africa and Central Asia for public and private clients.

2. Basis of preparation

2.1 General

The interim consolidated financial statements for the nine month period ended 30 September 2023 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and do not include all the information and disclosures required in the annual financial statements. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since 1 January 2023.

The interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2022. The accounting principles used are the same as those used in the consolidated financial statements for the year ended 31 December 2022.

These interim consolidated financial statements have been prepared on the historical cost basis, except when otherwise indicated.

The financial year of OC PLC commences on 1 January and ends on 31 December.

These interim consolidated financial statements are presented in US dollars ('USD'), which is OC PLC's presentation currency. All values are rounded to the nearest tenth million ("in millions of USD"), except when stated otherwise.

These interim consolidated financial statements have been authorised for issue by the Company's Board of Directors on 28 November 2023.

3. New accounting standards and policies

The accounting policies applied in these consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2022.

4. Critical accounting judgements, estimates and assumptions

There were no significant changes in critical accounting judgements, estimates and assumptions compared to the consolidated financial statements for the year ended 31 December 2022.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

5. Financial risk and capital management

Overview

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

These risks arise from exposures that occur in the normal course of business and are managed on a consolidated company basis. This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

Senior management has an overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by the Internal Audit Department. The Internal Audit Department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

5.1 Exposure to credit risk

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures. The carrying amount of financial assets represents the maximum credit exposure. With respect to transactions with financial institutions, the group sets limits to the credit worthiness rating of the counterparty. The maximum credit risk is the carrying amount of financial instruments, for an overview reference is made to the tables of financial instruments by category.

The major exposure to credit risk at the reporting date was as follows:

$ millions	Note	30 September 2023	31 December 2022
Trade and other receivables (excluding prepayments and supplier advance payments)	(8)	1,273.3	1,164.9
Contract work in progress	(12)	631.8	742.5
Cash and cash equivalents (excluding cash on hand)	(13)	460.5	536.4
Total		2,365.6	2,443.8

The major exposure to credit risk for trade and other receivables by geographic region was as follows:

$ millions	30 September 2023	31 December 2022
Middle East and Africa	811.2	823.1
Asia and Oceania	85.9	95.5
Europe and United States	376.2	246.3
Total	1,273.3	1,164.9

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

5.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. This is also safeguarded by using multiple financial institutions in order the mitigate any concentration of liquidity risk.

The availability of cash is monitored internally at Group level, on an ongoing basis by the corporate treasury department. In addition management prepared at closing date a cash flow projection to assess the ability of the Group to meet its obligations.

The following are the contractual maturities of financial liabilities, including estimated interest payments and exclude the impact of netting arrangements.

At 31 December 2022 $ millions	Note	Carrying amount	Contractual cash flow	6 months or less	6–12 months	1–5 years
Financial liabilities						
Loans and borrowings	(18)	212.0	227.3	111.1	116.2	-
Trade and other payables (excluding lease obligation)	(19)	1,461.1	1,461.1	1,434.0	-	27.1
Lease obligation	(19)	19.2	25.0	2.9	2.8	19.3
Total		1,692.3	1,713.4	1,548.0	119.0	46.4

At 30 September 2023 $ millions	Note	Carrying amount	Contractual cash flow	6 months or less	6–12 months	1–5 years
Financial liabilities						
Loans and borrowings	(18)	275.1	294.6	143.5	150.0	1.1
Trade and other payables (excluding lease obligation)	(19)	1,370.3	1,370.3	1,343.0	-	27.3
Lease obligation	(19)	20.4	16.2	0.2	8.9	7.1
Total		1,665.8	1,681.1	1,486.7	158.9	35.5

The interest on floating rate loans and borrowings is based on forward interest rates at period-end. This interest rate may change as the market interest rate changes.

5.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group is exposed to foreign currency risk arising in separate ways:

Foreign exchange translation exposure

Due to the Group's international presence, OC PLC's Financial Statements are exposed to foreign exchange fluctuations as these affect the translation of the subsidiaries' assets and liabilities presented in foreign currencies to the US dollar (the Group's presentation currency). The currencies concerned are mainly Egyptian Pound, Algerian Dinar and Euro. Foreign exchange translation exposure is considered a part of doing business on an international level; this risk is not actively managed, nor is it hedged.

OC PLC is not exposed to Saudi Riyal, UAE Dirham and Qatar Riyal. These currencies are pegged to the US dollar.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Foreign exchange transaction exposure

The Group entities predominantly execute their activities in their respective functional currencies. Some Group subsidiaries are, however, exposed to foreign currency risks in connection with the scheduled payments in currencies that are not their functional currencies. In general this relates to foreign currency denominated supplier payables due to project procurement, capital expenditures and receivables. The Group monitors the exposure to foreign currency risk arising from operating activities.

The Group is exposed to foreign exchange transaction exposure to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily Euro, US Dollar, Egyptian Pound, Saudi Riyal, Algerian Dinar and UAE Dirham.

The Group uses foreign exchange contracts to manage its foreign exchange transaction exposure. No hedge accounting is applied; therefore all fair value changes are recognised in profit and loss.

The summary of quantitative data about the Group's exposure to foreign exchange transaction exposure provided to management of the Group based on its risk management policy for the main currencies was as follows:

At 31 December 2022 $ millions	EUR	EGP
Cash and cash equivalents (including loans and borrowings)	98.1	(83.1)
Trade and other receivables	395.9	367.1
Trade and other payables	(23.9)	(896.0)

At 30 September 2023 $ millions	EUR	EGP
Cash and cash equivalents (including loans and borrowings)	78.0	(173.8)
Trade and other receivables	20.6	775.1
Trade and other payables	(15.9)	(771.1)

Significant rates

The following significant exchange rates were applied during the nine month period ended 30 September 2023:

	Average 2023	Closing 30 September 2023	Opening 1 January 2023
Egyptian pound	0.0333	0.0324	0.0404
Saudi riyal	0.2665	0.2666	0.2661
Arabic Emirates Dirham	0.2723	0.2723	0.2723
Euro	1.0807	1.0573	1.0705

The following tables demonstrate the sensitivity to a reasonably possible change in EUR and EGP exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities, including inter company positions. The Group's exposure to foreign currency changes for all other currencies is not material.

As of 30 September 2023, if the functional currencies had strengthened/weakened by 10 percent against the Euro and 10 percent against the Egyptian Pound with all other variables held constant, the translation of foreign currency receivables, cash and cash equivalents, payables and loans and borrowings that would have resulted in an increase/decrease of USD 9.4 million of the profit / loss of the nine month period ended 30 September 2023 (31 December 2022: USD 48.4 million).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022 $ millions	Change in FX rate*	Effect on profit before tax	Effect on equity
EUR - USD	10%	47.0	47.0
EGP - USD	10%	1.4	(61.2)

30 September 2023 $ millions	Change in FX rate*	Effect on profit before tax	Effect on equity
EUR - USD	10%	8.3	8.3
EGP - USD	10%	1.1	(17.0)

* Determined based on the volatility of last year for the respective currencies

Interest rate risk

The Group's cash flow interest rate risks arise from the exposure to variability in future cash flows of floating rate financial instruments. The Group reviews its exposure in light of global interest rate environment after consulting with a consortium of global banks.

The Group calculates the impact on profit or loss of a defined interest rate shift. The same interest rate shift is used for all currencies. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

As of 30 September 2023, if the interest rate had strengthened/weakened by 10 percent with all other variables held constant, the interest cost that would have resulted in an increase/decrease of USD 3.7 million of the profit of the nine month period ended 30 September 2023 (31 December 2022: USD 4.0 million).

$ millions	Change in interest rate	30 September 2023	31 December 2022
Effect on profit before tax	10% increase	(3.7)	(4.0)
	10% decrease	3.7	4.0

Categories of financial instruments

	Note	30 September 2023		31 December 2022	
		Financial assets / liabilities at amortized cost	Derivatives at fair value	Financial assets / liabilities at amortized cost	Derivatives at fair value
Assets					
Trade and other receivables (excluding prepayments and supplier advance payments)	(8)	1,273.3	-	1,164.9	-
Contracts work in progress	(12)	631.8	-	742.5	-
Cash and cash equivalents	(13)	462.3	-	537.7	-
Total		**2,367.4**	**-**	**2,445.1**	**-**
Liabilities					
Loans and borrowings	(18)	275.1	-	212.0	-
Trade and other payables (excluding lease obligation)	(19)	1,370.3	-	1,461.1	-
Billing in excess of construction contracts	(12)	347.0	-	298.4	-
Total		**1,992.4**	**-**	**1,971.5**	**-**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Adoption of amendments to IFRS 9 and IFRS 7 Interest Rate Benchmark Reform

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR' reform').

IBOR reforms and expectation of cessation of LIBOR might impact the Company's current risk management strategy and possibly accounting for its financial liabilities. These financial instruments are referenced to LIBOR. The alternative reference for LIBOR is the Secured Overnight Financing Rate (SOFR).

Management successfuly transitianed to alternative rates and there is no significant impact on the interim consolidated financial statements.

5.4 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, share premium, reserves, retained earnings and non-controlling interest of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders. The Group's net debt to equity ratio at the reporting date was as follows:

$ millions	Note	30 September 2023	31 December 2022
Loans and borrowings	(18)	275.1	212.0
Less: cash and cash equivalents	(13)	(462.3)	(537.7)
Net debt		(187.2)	(325.7)
Total equity		700.4	691.3
Net debt to equity ratio		(0.27)	(0.47)

6. Property, plant and equipment

$ millions	Land	Buildings	Equipment	Fixtures and fittings	Under construction	Total
Cost as of 1 January 2022	**13.8**	**104.2**	**313.9**	**147.2**	**18.4**	**597.5**
Additions during the year	-	18.3	27.6	13.4	4.8	64.1
Disposals	-	(2.9)	(6.7)	(3.2)	-	(12.8)
Transfers	0.1	3.6	2.2	0.1	(15.8)	(9.8)
Acquisition of subsidiaries	3.8	1.6	1.4	1.5	-	8.3
Effect of movement in exchange rates	(6.0)	(25.2)	(91.3)	(43.7)	(3.4)	(169.6)
Cost as of 31 December 2022	**11.7**	**99.6**	**247.1**	**115.3**	**4.0**	**477.7**
Accumulated Depreciation as of 1 January 2022	-	**(46.1)**	**(231.1)**	**(121.1)**	-	**(398.3)**
Depreciation	-	(8.0)	(25.1)	(12.5)	-	(45.6)
Disposals	-	1.9	6.3	2.8	-	11.0
Transfers	-	0.1	(0.3)	0.3	-	0.1
Acquisition of subsidiaries	-	(0.7)	(0.7)	(1.2)	-	(2.6)
Effect of movement in exchange rates	-	7.2	61.9	35.1	-	104.2
Accumulated depreciation as of 31 December 2022	-	**(45.6)**	**(189.0)**	**(96.6)**	-	**(331.2)**
As of 31 December 2022	**11.7**	**54.0**	**58.1**	**18.7**	**4.0**	**146.5**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

$ millions	Land	Buildings	Equipment	Fixtures and fittings	Under construction	Total
Cost as of 1 January 2023	**11.7**	**99.6**	**247.1**	**115.3**	**4.0**	**477.7**
Additions during the period	-	2.0	10.5	7.8	5.2	25.5
Disposals	-	(0.2)	(7.1)	(0.5)	-	(7.8)
Transfers	-	0.2	0.1	(0.4)	(0.1)	(0.2)
Divestment	-	(6.2)	(6.8)	(1.5)	(1.0)	(15.5)
Effect of movement in exchange rates	(2.1)	(11.9)	(35.1)	(19.4)	(0.7)	(69.2)
Cost as of 30 September 2023	**9.6**	**83.5**	**208.7**	**101.3**	**7.4**	**410.5**
Accumulated Depreciation as of 1 January 2023	**-**	**(45.6)**	**(189.0)**	**(96.6)**	**-**	**(331.2)**
Depreciation	-	(4.6)	(10.0)	(7.2)	-	(21.8)
Disposals	-	-	6.8	0.2	-	7.0
Transfers	-	0.2	(0.4)	0.5	-	0.3
Divestment	-	2.2	4.1	1.2	-	7.5
Effect of movement in exchange rates	-	6.3	24.5	17.2	-	48.0
Accumulated depreciation as of 30 September 2023	**-**	**(41.5)**	**(164.0)**	**(84.7)**	**-**	**(290.2)**
As of 30 September 2023	**9.6**	**42.0**	**44.7**	**16.6**	**7.4**	**120.3**

'Property, plant and equipment' comprise of owned and leased assets:

$ millions	2023	2022
Owned assets	102.0	128.5
Right to use	18.3	18.0
At 30 September / 31 December	**120.3**	**146.5**

The information about 'Right to use' for which assets of the Group is presented below:

$ millions	Buildings	Equipment	Total
Cost as of 1 January 2022	**20.3**	**7.5**	**27.8**
Additions during the year	12.7	2.1	14.8
Remeasurements	(2.8)	(0.7)	(3.5)
Effect of Movement in exchange rates	(0.4)	(0.1)	(0.5)
Cost at 31 December 2022	**29.8**	**8.8**	**38.6**
Accumulated Depreciation as of 1 January 2022	**(10.1)**	**(6.2)**	**(16.3)**
Depreciation	(5.2)	(1.9)	(7.1)
Remeasurements	2.0	0.7	2.7
Effect of Movement in exchange rates	-	0.1	0.1
Accumulated depreciation at 31 December 2022	**(13.3)**	**(7.3)**	**(20.6)**
As of 31 December 2022	**16.5**	**1.5**	**18.0**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

$ millions	Buildings	Equipment	Total
Cost as of 1 January 2023	**29.8**	**8.8**	**38.6**
Additions during the period	2.0	2.5	4.5
Remeasurements	-	(0.1)	(0.1)
Effect of Movement in exchange rates	(3.2)	(4.0)	(7.2)
Cost at 30 September 2023	**28.6**	**7.2**	**35.8**
Accumulated Depreciation as of 1 January 2023	**(13.3)**	**(7.3)**	**(20.6)**
Depreciation	(2.9)	(1.3)	(4.2)
Remeasurements	-	-	-
Effect of Movement in exchange rates	3.3	4.0	7.3
Accumulated depreciation at 30 September 2023	**(12.9)**	**(4.6)**	**(17.5)**
As of 30 September 2023	**15.7**	**2.6**	**18.3**

7. Goodwill

$ millions	Goodwill
Cost	27.7
At 1 January 2023	27.7
Movements in the carrying amount:	-
At 30 September 2023	**27.7**

On 31 July 2012, the Group acquired the Weitz Company LLC, a United States general contractor based in Des Moines, Iowa, resulting in USD 12.4 million of goodwill. The transaction was completed on 12 December 2012. On 2 April 2015, the Group acquired Alico resulting in USD 1.4 million of goodwill.

On 2 January 2022, the Group acquired 100% of the total shares “Orascom Trading Company, Orascom Free Zone, National Equipment Company”, resulting in USD 13.9 million of goodwill.

Goodwill is tested for impairment in the fourth quarter of the year or whenever indicators of impairment are present.

8. Trade and other receivables

$ millions	30 September 2023	31 December 2022
Trade receivables (gross)	801.1	695.4
Allowance for trade receivables	(10.6)	(12.3)
Trade receivables (net)	**790.5**	**683.1**
Trade receivables due from related parties (Note 27)	10.9	19.0
Prepayments	16.3	11.5
Other tax receivable	42.0	70.1
Supplier & Subcontractor advanced payments	274.4	142.2
Other investments	7.0	5.6
Retentions	247.6	265.2
Other receivables	175.3	121.9
Total	**1,564.0**	**1,318.6**
Non-current	16.6	24.6
Current	1,547.4	1,294.0
Total	**1,564.0**	**1,318.6**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The carrying amount of 'Trade and other receivables' as at 30 September 2023 approximates its fair value.

Prepayments relate for the largest part to the amounts prepaid to sub-contractors, retentions related for the largest part to amounts withheld by customers resulting from contractual clauses.

The aging of gross trade receivables at the reporting date is as follows:

$ millions	30 September 2023	31 December 2022
Neither past due nor impaired	639.4	411.1
Past due 1 - 30 days	4.1	60.7
Past due 31 - 90 days	26.8	67.1
Past due 91 - 360 days	59.2	94.9
More than 360 days	71.6	61.6
Total	**801.1**	**695.4**

Management believes that the unimpaired amounts that are past due by more than 30 days are collectible in full, based on historic payment behavior and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

The movement in the allowance for impairment in respect of trade receivables during the nine month period ended 30 September 2023 was as follows:

$ millions	2023	2022
At 1 January	(12.3)	**(10.6)**
Provision formed	(1.9)	(3.9)
Provision no longer required	0.1	0.2
Divestment / Acquisition of subsidiary	2.1	(1.6)
Exchange rate differences and other	1.4	3.6
At 30 September / 31 December	**(10.6)**	**(12.3)**

9. Equity accounted investees

The following table shows the movement in the carrying amount of the Group's associates and joint ventures:

$ millions	2023	2022
At 1 January	462.5	426.4
Share in results	14.4	35.2
Dividends	(10.9)	(9.2)
Effect of movement in exchange rates	(6.5)	10.1
At 30 September / 31 December	**459.5**	**462.5**

The entity disclosed under 'Equity accounted investees' that is significant to the Group is BESIX.

BESIX Group (BESIX)

Established in 1909 in Belgium, BESIX is a global multi-service group offering engineering, procurement and construction (EPC) services. BESIX operates in the construction, real estate and concession sectors in 15 countries focusing on Europe, Africa, the Middle East and Australia. Their core construction competencies include buildings, infrastructure and environmental projects, industrial civil engineering, maritime and port works and real estate development. In addition to EPC services, BESIX is active in real estate development and holds concessions in several Public Private Partnerships (PPP) and design, build, finance, and maintain/operate (DBFM) contracts, through which it develops, operates and maintains projects.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The below table summarizes the financial information of BESIX based on the percentage of interest the Group has in it:

BESIX Group 50% $ millions	2023	2022
Non-current asset	421.1	427.9
Current asset	1,387.2	1,389.8
Non-current liabilities	(328.8)	(387.0)
Current liabilities	(1,068.1)	(1,014.2)
Net assets at 30 September / 31 December	**411.4**	**416.5**
Construction revenue	1,367.1	1,296.5
Construction cost	(1,359.7)	(1,303.2)
Net profit / (loss) for the nine month period ended 30 September	**7.4**	**(6.7)**

The Group has interests in a number of equity accounted investees including the following:

Name	Parent	Country	Participation %
BESIX Group	OC IHC3 B.V.	Belgium	50.0
Medrail Ltd.	Orascom Construction Holding Cyprus	UAE	50.0
Sidra Medical Center (see note 26)	Contrack Cyprus	Qatar	45.0
Ras Ghareb Wind Energy	Orascom Egypt Wind BV	Egypt	20.0
Clark,Weitz, and Clarkson	The Weitz Group	USA	30.0
National Pipe Company	OCI Construction Egypt Orascom Construction SAE	Egypt	40.0
El Yamama	OCI Egypt	KSA	50.0
Orasqualia, Orasqualia for Construction S.A.E. and Orasqualia for Maintenance	Orascom Construction SAE	Egypt	50.0

The following table summarizes the financial information of the Orascom Construction Group's share on equity accounted investees including BESIX, El Yamama, National Pipe Company, all of Weitz's associates and Sidra Medical Centre:

$ millions	2023	2022
Non-current asset	498.5	507.7
Current asset	1,443.0	1,442.3
Non-current liabilities	(389.0)	(450.0)
Current liabilities	(1,093.0)	(1,037.5)
Net assets at 30 September / 31 December	**459.5**	**462.5**
Income	1,402.2	1,330.8
Expense	(1,387.8)	(1,325.2)
Net profit for the nine month period ended 30 September	**14.4**	**5.6**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Transaction between Group entities and associates / joint ventures

There are no significant transactions between entities of the group and the associates / joint ventures, except for the investments in and the dividends received from these associates and joint ventures.

10. Income taxes

10.1 Income tax in the statement of profit or loss

The income tax on profit before income tax amounts to USD 40.7 million (30 September 2022:USD 29.8 million) expense and can be summarized as follows:

$ millions	the nine months ended 30 September 2023	the three months ended 30 September 2023	the nine months ended 30 September 2022	the three months ended 30 September 2022
Current tax	(40.0)	(4.1)	(28.4)	(13.9)
Deferred tax	(0.7)	1.4	(1.4)	2.8
Total income tax in profit or loss	**(40.7)**	**(2.7)**	**(29.8)**	**(11.1)**

10.2 Reconciliation of effective tax rate

OC PLC's operations are subject to income taxes in various foreign jurisdictions, the statutory income tax rates vary from 0.0% to 28.0%.

Reconciliation of the effective tax rate can be summarized as follows:

$ millions	30 September 2023	%	30 September 2022	%
Profit before income tax	191.5		100.0	
Tax calculated at weighted average group tax rate	(41.1)	21.4	(34.2)	34.2
Utilization of deferred tax asset	0.7	(0.4)	1.4	(1.4)
Other	(0.3)	0.2	3.0	(3.0)
Total income tax in profit or loss	**(40.7)**	**21.2**	**(29.8)**	**29.8**

10.3 Deferred income tax assets

The majority of the deferred tax assets of USD 46.8 million (31 December 2022: USD 47.4 million) relate to carried forward tax losses. The deferred tax assets recognized in the statement of financial position is expected to be realized in the period 2023 - 2027.

11. Inventories

$ millions	30 September 2023	31 December 2022
Finished goods	20.6	20.0
Raw materials and consumables	207.0	209.6
Fuels and others	5.9	5.2
Real estate	10.3	12.8
Total	**243.8**	**247.6**

As at 30 September 2023, the total write-downs amount to USD 8.8 million (31 December 2022: USD 9.9 million), of which USD 7.6 million related to raw materials and USD 1.2 million related to finished goods

The real estate relates to the land owned by Orascom Industrial Parks Company in Egypt.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

12. Contracts work in progress / billing in excess of construction contracts

$ millions	30 September 2023	31 December 2022
Costs incurred on contracts (including estimated earnings)	22,374.7	23,775.1
Less: billings to date (Net)	(22,089.9)	(23,331.0)
Total	**284.8**	**444.1**
Presented in the consolidated statement of financial position as follows:		
Construction contracts in progress - current assets	631.8	742.5
Billing in excess on construction contracts - current liabilities	(347.0)	(298.4)
Total	**284.8**	**444.1**

13. Cash and cash equivalents

$ millions	30 September 2023	31 December 2022
Cash on hand	1.8	1.3
Bank balances	452.4	510.3
Restricted funds	1.8	1.7
Restricted cash	6.3	24.4
Total	**462.3**	**537.7**

Restricted funds

The restricted amounts mostly relate to letters of guarantee for Orascom Trading Company (USD 0.6 million), OCI Algeria (USD 0.4 million), and Orascom Free zone (USD 0.3 million),

Restricted cash

Restricted cash relates to amounts withheld in relation to amounts restricted for use for an amount of USD 6.3 million as collateral against certain loans and trade finance.

14. Share capital

The movements in the number of shares (nominal value USD 1 per share) can be summarized as follows:

	2023	2022
At 1 January	116,761,379	116,761,379
Share capital reduction*	(6,517,444)	-
At 30 September / 31 December - Fully paid	**110,243,935**	**116,761,379**
At 30 September / 31 December (in millions of USD)	**110.2**	**116.8**

*Based on the decision made in the Annual General Meeting (AGM), held on 31 May 2023, the Company has purchased 6,517,444 of its own shares at a price of USD 3.00 per share, and subsequently, the treasury shares were cancelled through the reduction of both share capital and share premium.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

15. Reserves

$ millions	2023	2022
At 1 January	(377.5)	(305.4)
Currency translation differences	(48.2)	(72.1)
At 30 September / 31 December	**(425.7)**	**(377.5)**

16. Treasury Shares

Based on the decision made in the Annual General Meeting (AGM), held on 31 May 2023, the Company has purchased 6,517,444 of its own shares at a price of USD 3.00 per share, and subsequently, the treasury shares were cancelled through the reduction of both share capital and share premium.

17. Non-controlling interest

$ million	United Holding Company	Orascom Saudi	Orascom Industrial Parks	Other individual insignificant entities	Total
Non-controlling interest percentage	43.5%	40.0%	39.5%		
Non-current assets	4.2	-	10.3	3.2	17.7
Current assets	39.5	98.1	15.2	4.2	157.0
Non-current liabilities	-	(0.4)	(5.6)	(0.1)	(6.1)
Current liabilities	(20.6)	(96.7)	(7.7)	(4.0)	(129.0)
Net assets as of 31 December 2022	**23.1**	**1.0**	**12.2**	**3.3**	**39.6**
Revenue	35.5	0.9	9.9	5.5	51.8
Profit	8.4	(1.5)	4.5	1.0	12.4
Other comprehensive loss	(6.8)	-	(2.8)	(0.5)	(10.1)
Total comprehensive income for the nine month period ended 30 September 2022	**1.6**	**(1.5)**	**1.7**	**0.5**	**2.3**

30 September 2023 $ million	United Holding Company	Orascom Saudi	Orascom Industrial Parks	Other individual insignificant entities	Total
Non-controlling interest percentage	43.5%	40.0%	39.5%		
Non-current assets	0.1	-	8.2	3.9	12.2
Current assets	23.0	96.9	12.6	1.9	134.4
Non-current liabilities	-	(0.4)	(4.4)	-	(4.8)
Current liabilities	(16.3)	(95.3)	(6.0)	(2.0)	(119.6)
Net assets as of 30 September 2023	**6.8**	**1.2**	**10.4**	**3.8**	**22.2**
Revenue	11.9	0.4	4.0	2.5	18.8
Profit	32.7	0.2	1.4	1.7	36.0
Other comprehensive loss	(4.4)	-	(2.4)	(0.3)	(7.1)
Total comprehensive income for the nine month period ended 30 September 2023	**28.3**	**0.2**	**(1.0)**	**1.4**	**28.9**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

18. Loans and borrowings

Borrowing Company	Interest rate	Date of maturity	Long term portion	Short term portion	Bank facilities	Total
Orascom Construction SAE	Multiple rates	Annual	-	-	174.5	174.5
The Weitz Group, LLC	Multiple rates	Multiple	-	1.2	-	1.2
Contrack Watts	Multiple rates	Multiple	-	15.0	-	15.0
Other	Multiple rates	-	-	2.0	19.3	21.3
Total as of 31 December 2022			-	**18.2**	**193.8**	**212.0**

Borrowing Company	Interest rate	Date of maturity	Long term portion	Short term portion	Bank facilities	Total
Orascom Construction SAE	Multiple rates	Annual		-	233.6	233.6
The Weitz Group, LLC	Multiple rates	Multiple	1.0	8.0	-	9.0
Contrack Watts	Multiple rates	Multiple		14.5	-	14.5
Other	Multiple rates	-	-	0.3	17.7	18.0
Total as of 30 September 2023			**1.0**	**22.8**	**251.3**	**275.1**

Information about the Group's exposure to interest rate, foreign currency and liquidity risk is disclosed in the financial risk and capital management paragraph in Note 5. The fair value of loans and borrowings approximates the carrying amount as at the reporting date.

19. Trade and other payables

$ millions	30 September 2023	31 December 2022
Trade payables	573.0	612.5
Trade payables due to related party (Note 27)	5.1	4.9
Other payables	168.3	212.1
Accrued expenses	438.0	448.3
Deferred revenues	3.5	5.0
Other tax payables	2.4	7.0
Lease obligation	20.4	19.2
Retentions payables	176.2	167.6
Employee benefit payables	3.8	3.7
Total	**1,390.7**	**1,480.3**
Non-current	42.9	41.9
Current	1,347.8	1,438.4
Total	**1,390.7**	**1,480.3**

Information about the Group's exposure to currency and liquidity risk is included in Note 5. The carrying amount of 'Trade and other payables' approximated the fair value as ay the reporting date.

Retentions payable relate to amounts withheld from sub-contractors.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

19.1 Lease obligations

$ millions	Non-Current lease obligations	Current lease obligations	Total
At 1 January 2022	**8.8**	**3.8**	**12.6**
Movements in the carrying amount:			
Payments	-	(5.7)	(5.7)
Accretion of interest	-	0.9	0.9
Additions	9.6	1.8	11.4
Transfers	(3.6)	3.6	-
As of 31 December 2022	**14.8**	**4.4**	**19.2**

$ millions	Non-Current lease obligations	Current lease obligations	Total
At 1 January 2023	**14.8**	**4.4**	**19.2**
Movements in the carrying amount:			
Payments	-	(4.1)	(4.1)
Accretion of interest	-	0.7	0.7
Additions	3.1	1.3	4.4
Transfers	(2.7)	2.7	-
Effect of movement in exchange rates	0.4	(0.2)	0.2
As of 30 September 2023	**15.6**	**4.8**	**20.4**

20. Provisions

$ millions	Warranties	Onerous contracts	Other (including claims)	Total
At 1 January 2022	7.7	5.9	45.5	59.1
Provision formed	0.1	4.3	8.3	12.7
Provision used	-	-	(5.6)	(5.6)
Provision no longer required	(2.7)	(4.9)	(23.4)	(31.0)
Acquisition of subsidiaries	-	-	3.5	3.5
Effect of movement in exchange rates	(1.8)	(1.4)	(6.6)	(9.8)
Others	-	-	2.6	2.6
At 31 December 2022	**3.3**	**3.9**	**24.3**	**31.5**

$ millions	Warranties	Onerous contracts	Other (including claims)	Total
At 1 January 2023	3.3	3.9	24.3	31.5
Provision formed	-	4.3	15.4	19.7
Provision used	-	-	(0.5)	(0.5)
Provision no longer required	-	(1.8)	(0.3)	(2.1)
Divestment	-	-	(1.3)	(1.3)
Effect of movement in exchange rates	(0.5)	(0.4)	(2.7)	(3.6)
Others	-	-	(0.8)	(0.8)
At 30 September 2023	**2.8**	**6.0**	**34.1**	**42.9**

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Warranties

The warranties are based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

Other (including claims)

The Group is involved in various litigations and project related disputes. In cases where it is probable that the outcome of the proceedings will be unfavorable, and the financial outcome can be measured reliably, a provision has been recognized. Reference is made to Note 26 for detailed information with respect to major ongoing litigations and claims.

21. Cost of sales and selling, general and administrative expenses

i. Expenses by nature

$ millions	the nine months ended 30 September 2023	the three months ended 30 September 2023	the nine months ended 30 September 2022	the three months ended 30 September 2022
Changes in raw materials and consumables, finished goods and work in progress	1,878.2	636.1	2,373.5	904.9
Employee benefit expenses (ii)	342.9	114.6	447.0	157.5
Depreciation, amortization	21.8	6.8	34.9	11.2
Maintenance and repairs	20.5	6.9	30.7	4.2
Consultancy expenses	8.0	2.6	12.7	1.6
Donation expenses*	10.8	-	-	-
Other	35.8	9.6	42.7	15.0
Total	**2,318.0**	**776.6**	**2,941.5**	**1,094.4**

The expenses by nature comprise 'cost of sales' and 'selling and general and administrative expenses'.

* Donation expense represents donation made to an Egyptian development fund based on Board approval and was paid in July 2023.

ii.Employee benefit expenses

$ millions	the nine months ended 30 September 2023	the three months ended 30 September 2023	the nine months ended 30 September 2022	the three months ended 30 September 2022
Wages and salaries	283.8	96.0	367.6	135.9
Social securities	1.2	0.4	2.1	-
Employee profit sharing	7.2	3.3	6.0	5.5
Pension cost	4.8	1.6	6.2	2.4
Other employee expenses	45.9	13.3	65.1	13.7
Total	**342.9**	**114.6**	**447.0**	**157.5**

During the nine months period ended 30 September 2023, the average number of staff employed in the Group converted into full-time equivalents amounted to 21,548 permanent (30 September 2022: 23,341) and 31,830 temporary employees. (30 September 2022: 39,148).

A Long-Term Incentive Plan ("LTIP") to attract, motivate and retain key employees in the organization by providing market competitive compensation packages has been put in place in June 2016. Under the plan target awards will be granted annually to executives and senior management and employees in critical positions or high performers. These awards will carry a 3-year vesting period. They will be focused on EBITDA, cash flow from operations and share performance. The plan is cash-settled; no transfer of equity instruments will take place under this plan.

Some of the Group's subsidiaries in the United States of America contribute to multi-employer defined benefit plans administered by unions that provide pension and post-retirement health and welfare benefits to employees, based on a defined dollar amount per hour. The Group has availed the exemption of IAS 19, para 34, to account for the contributions to these multiemployer defined benefit plans as defined contribution plans, as sufficient financial information is not publicly available with regards to these plans. The contribution to these plans for the 9 month period ended 30 September 2023 is USD 5.1 million and the expected contribution to these plans for the financial year 2023 is USD 5.1 million. The average contribution by Group's subsidiaries to multiemployer benefit plans is assessed to be less than 5% of the total contributions of the respective plans.

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22. Other income

$ millions	the nine months ended 30 September 2023	the three months ended 30 September 2023	the nine months ended 30 September 2022	the three months ended 30 September 2022
Capital gain*	108.3	(1.1)	-	-
Net gain on sale of property, plant and equipment	0.2	0.1	0.9	0.4
Other income	6.3	2.2	3.1	1.9
Total	**114.8**	**1.2**	**4.0**	**2.3**

*In the current period, the Group recognized a gain on the sale of subsidiaries amounting to USD 108.3 million. The sale relates to the subsidiaries that were classified as assets held for sale as of 31 March 2023, the total consideration received is USD 116.7 million.

23. Net finance cost

$ millions	the nine months ended 30 September 2023	the three months ended 30 September 2023	the nine months ended 30 September 2022	the three months ended 30 September 2022
Interest income on financial assets measured at amortized cost	9.2	3.2	7.9	2.3
Foreign exchange gain / (loss)	43.2	21.6	18.3	(0.7)
Finance income	**52.4**	**24.8**	**26.2**	**1.6**
Interest expense on financial liabilities measured at amortized cost	(36.7)	(13.5)	(28.5)	(12.2)
Foreign exchange (loss) / gain	(0.6)	(21.4)	(18.5)	0.9
Finance cost	**(37.3)**	**(34.9)**	**(47.0)**	**(11.3)**
Net finance income / (cost) recognized in profit or (loss)	**15.1**	**(10.1)**	**(20.8)**	**(9.7)**

The above finance income and finance cost include the following interest income and expense in respect of assets (liabilities) not measured at fair value through profit or loss:

$ millions	the nine months ended 30 September 2023	the three months ended 30 September 2023	the nine months ended 30 September 2022	the three months ended 30 September 2022
Total interest income on financial assets	9.2	3.2	7.9	2.3
Total interest expense on financial liabilities	(36.7)	(13.5)	(28.5)	(12.2)

24. Earnings per share

Basic and diluted

	the nine months ended 30 September 2023	the three months ended 30 September 2023	the nine months ended 30 September 2022	the three months ended 30 September 2022
Net Profit attributable to shareholders (million USD)	114.8	16.1	57.8	23.9
Weighted avarage number of ordinary share (million)	114.0	110.2	116.8	116.8
Basic and diluted earnings per ordinary share (USD)	**1.01**	**0.15**	**0.49**	**0.20**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

25. Segment reporting

The Group determines and presents operating segments on the information that internally is provided to the Chief Exective Officer during the period. The Group has three reportable segments, as described below. Each of the segments is managed separately because they require different operating strategies and use their own assets and employees. Factors used to identify The Group's reportable segments, are a combination of factors and whether operating segments have been aggregated and types of products and services from which each reportable segment derives its revenues.

Business information for the period ended 30 September / 31 December 2022

$ millions	MENA	USA	Besix	Total
Total revenue	2,114.5	938.2	-	3,052.7
Share in income / (loss) of equity accounted investees	8.7	3.6	(6.7)	5.6
Depreciation and amortization	(30.2)	(4.7)	-	(34.9)
Interest income	7.9	-	-	7.9
Interest expense	(27.1)	(1.4)	-	(28.5)
Profit before tax for the nine month ended 30 September	93.0	13.7	(6.7)	100.0
Investment in PP&E as at 31 December	48.7	15.4	-	64.1
Non-current assets as at 31 December	192.9	99.3	416.5	708.7
Total assets as at 31 December	2,577.4	537.5	416.5	3,531.4
Total liabilities as at 31 December	2,392.9	447.2	-	2,840.1

Business information for the nine month period ended 30 September 2023

$ millions	MENA	USA	Besix	Total
Total revenue	1,344.6	1,020.6	-	2,365.2
Share in income of equity accounted investees	6.3	0.7	7.4	14.4
Depreciation and amortization	(16.8)	(5.0)	-	(21.8)
Interest income	8.6	0.6	-	9.2
Interest expense	(36.3)	(0.4)	-	(36.7)
Profit before tax for the nine month ended 30 September	166.2	17.9	7.4	191.5
Investment in PP&E as at 30 September	19.0	6.5	-	25.5
Non-current assets as at 30 September	156.2	103.3	411.4	670.9
Total assets as at 30 September	2,598.7	546.7	411.4	3,556.8
Total liabilities as at 30 September	2,398.8	457.6	-	2,856.4

Segment revenues have been presented based on the location of the entity which is managing the contracts.

BESIX is presented as part of 'equity accounted investees', therefore in the above schedule only the income from equity accounted investees and the asset value are reflected. For further information with respect to liabilities, revenues and cost, reference is made to note 9.

The geographic information above analyses the Group's revenue and non-current assets by the Company where the activities are being operated. The Orascom Construction Group has customers that represent 10 percent or more of revenues:

Percentage	30 September 2023	30 September 2022
Egyptian Government	40.6%	52.4%

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

26. Contingencies

26.1 Contingent liabilities

26.1.1 Letters of guarantee / letters of credit

Letters of guarantee issued by banks in favor of Group as at 30 September 2023 amount to USD 1,706.6 million (31 December 2022: USD 1,715.3 million). Outstanding letters of credit as at 30 September 2023 (uncovered portion) amount to USD 100.4 million (31 December 2022: USD 112.5 million).

Certain of our sub-holdings have put general performance guarantees for the execution of more significant projects by our subsidiaries.

As of 30 September 2023, mechanic liens have been received in respect of our US projects for a total of USD 4.6 million (31 December 2022 :USD 5.2 million).

26.1.2 Litigations and claims

In the ordinary course of business, the Group entities and joint ventures are involved in some arbitration or court cases as defendants or claimants. These litigations are carefully monitored by the entities' management and legal counsels, and are regularly assessed with due consideration for possible insurance coverage and recourse rights on third parties. In cases where it is probable that the outcome of the proceedings will be unfavourable, and the financial outcome can be measured reliably, a provision has been recognized in the financial statements which is disclosed in note 20 'Provisions'. It should be understood that, in light of possible future developments, such as: (a) potential additional lawsuits, (b) possible future settlements, and (c) rulings or judgments in pending lawsuits, certain cases may result in additional liabilities and related costs. At this point in time, OC PLC cannot estimate any additional amount of loss or range of loss in excess of the recorded amounts with sufficient certainty to allow such amount or range of amounts to be meaningful. While the outcome of said the cases, claims and disputes cannot be predicted reliably, we believe, based upon legal advice and information received, that the final outcome will not materially affect our consolidated financial position as at 30 September 2023 but could be material to our results of operations or cash flows in any one accounting period.

The Group is also a party to certain potential claims from customer and, where necessary, makes adequate provisions against any potential claims. Such provisions are reassessed regularly to include significant claims and instances of potential litigations. Based on the review of opinion provided by the legal advisors / internal legal team, management is of the opinion that no material cash outflow in respect of these claims is expected to be paid by the Group over and above the existing provision recognized as of the reporting date. The Group has elected not to present the complete disclosures as required by IAS 37 "Provision and Contingent Liabilities and Contingent Assets" as management is of the view that since legal claims are sub-judice and are disputed; therefore this information may be prejudicial to their position on these matters.

Certain other contingent liabilities may arise during the normal course of business, which based on the information presently available, either cannot be quantified at this stage or in the opinion of the management is without any merit. However, in the opinion of management, these contingent liabilities are not likely to result in any cash outflows for the Group.

26.1.3 Sidra Medical Center

The contract for the design and build of the Sidra Medical and Research Centre in Doha, Qatar, was awarded by the Qatar Foundation for Education, Science & Community Development (the "Foundation") in February 2008 to the associate owned by Obrascón Huarte Lain (55%) and Contrack Cyprus Limited (45%), for a total contract value of approximately USD 2.4 billion. The project was more than 95% complete and is not part of the Construction Group's backlog as the project is accounted for under the equity method.

In July 2014, the consortium received a Notice of Termination from the Foundation. On 23 July 2014, the Foundation commenced arbitration proceedings against the associate by serving a Request for Arbitration with the ICC (seat in London) dated 23 July 2014. Since 2014, several hearings and expert meetings took place and partial awards have been issued by the tribunal. The most recent hearings were held from 7 March to 28 April 2022, and from 4 to 8 July 2022.

In August 2017, the Foundation again served a Request for Arbitration, this time in parallel proceedings against OCI SAE with the ICC (seat in London). The claims made by the Foundation in this new arbitration arise in connection with a Parent Company Guarantee (the "PCG") issued by OCI SAE on 7 February 2008. The Foundation alleged that the terms of the PCG protect it in respect of liabilities and obligations of Contrack (Cyprus) Limited on the Project. This arbitration is on hold since March 2020 pending decision in the main arbitration in the paragraph above. If claims are awarded against Contrack (Cyprus) Limited in that arbitration, the Tribunal will have to consider its implications on OCI SAE in this arbitration.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

26.1.4 King Abdul-Aziz Airport Development project

Saudi Binladin Group ("SBG") entered into an EPC contract with the General Authority of Civil Aviation of the Kingdom of Saudi Arabia, for the King Abdul-Aziz Airport Development Project - Phase 1 (the "Project"). Orascom Saudi Limited ("OS"), a company which OCI Construction Limited (Cyprus) has a participation of 60%, entered into a series of five subcontracts (the "Subcontracts") with SBG to carry out works related to the project throughout 2011 to 2015. Under the Subcontractors, OS encountered several delays in the commencement, performance and completion of the works against the originally contemplated time schedule resulting in time and cost damages to OS.

On 25 June 2019, OS commenced arbitration proceedings by filing a Request for Arbitration before the ICC Court of Arbitration (seat in Cairo) claiming its entitlement to extensions of time and additional costs. On 8 September 2019, SBG filed its Answer to the Request for Arbitration, counterclaiming that OS was overpaid and seeking recovery of the amount. On 19 September 2019, the Arbitral Tribunal was constituted. In August 2020, OS submitted its Statement of Claim, followed by SGB filing its Statement of Defence and Counterclaim in May 2021. During the months of May through to December 2021, the Parties were engaged in a document production phase, together with the exchange or written submissions on the claims and counterclaims.

During March 2022, the main hearing was held by virtual conference. A second hearing was held in Cairo on 17, 18 and 20 October 2022. The final award is expected in 2023.

27. Related party transactions and balances

The following is a list of significant related party transactions and outstanding amounts:

Related party	Relation	Revenue transactions during the nine month period ended 30 September 2022	AR and loan outstanding at year ended 31 December 2022	Purchases transactions during the nine month period ended 30 September 2022	AP and advances outstanding at year ended 31 December 2022
Ras Ghareb Wind Energy	Equity accounted investee	-	4.5	-	-
Iowa fertilizer Company	Related via Key Management personnel	-	0.8	-	-
OCI SAE "fertilizer"	Related via Key Management personnel	-	5.4	-	-
Other		-	8.3	-	4.9
Total		-	**19.0**	-	**4.9**

Related party	Relation	Revenue transactions during the nine month period ended 30 September 2023	AR and loan outstanding during the nine month period ended 30 September 2023	Purchases transactions during the nine month period ended 30 September 2023	AP and advances during the nine month period ended 30 September 2023
Ras Ghareb Wind Energy	Equity accounted investee	-	3.5	-	-
Iowa fertilizer Company	Related via Key Management personnel	-	0.9	-	-
OCI SAE "fertilizer"	Related via Key Management personnel	-	3.2	-	-
Other		-	3.3	-	5.1
Total		-	**10.9**	-	**5.1**

In addition to the related party transactions in the table above, the company incurs certain operating expenses for immaterial amounts in relation to services provided by related parties.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

27.1 Demerger of Construction and Engineering business

27.1.1 General

The demerger from OCI N.V. was completed successfully in March 2015, with the listing of shares on Nasdaq Dubai as of 9 March 2015 and a secondary listing on the Egyptian Exchange as of 11 March 2015.

After the demerger, OCI N.V. and OC PLC each operate as separately listed companies. There are no cross-directorships, other than Jérôme Guiraud who is a non-executive director in both. The senior management teams of OCI N.V. and OC PLC are different and all agreements between the two companies are executed based on agreed terms.

Services between OCI N.V. and OC PLC Group entities in the areas of accounting, treasury, information technology, etc, are payable on a cost-plus basis.

OC PLC and OCI N.V. are party to continuing commercial arrangements. The existing commercial arrangements were entered into on agreed terms and are not materially different from the terms on which OC PLC has contracted with other customers. The most relevent are listed below:

27.1.2 Conditional sale agreement

On 5 February 2015, OC IHC 4 B.V. (a subsidiary of OC PLC) and OCI MENA B.V. (a subsidiary of OCI N.V.) entered into an Agreement for the Conditional Sale and Purchase of the Share Capital of Construction Egypt. Under the Conditional Sale Agreement, OCI MENA B.V. has agreed to sell to OC IHC 4 B.V. all of the shares it will receive as a result of the Egypt Demerger. These shares (the Construction Egypt Shares) will be shares in an Egyptian joint stock company (Construction Egypt) which, as a result of the Egypt Demerger, will hold the construction projects and construction business of Orascom Construction Industries S.A.E in the Middle East and North Africa which, in order to comply with local law and regulation, cannot be transferred to OC PLC prior to completion of the Demerger. The transfer of the Construction Egypt Shares will be conditional on the completion of the Egypt Demerger, the approval of Egyptian Financial Supervisory Authority (“EFSA”) regarding the issue of the Construction Egypt shares to OCI MENA B.V. and incorporation of Construction Egypt. In addition, OCI MENA B.V. commits to appoint management personnel in the construction operations, such personnel to be nominated by OC IHC 4 B.V.; to appoint accounting personnel responsible for the preparation of the carve out financials of the construction operations, such personnel to be nominated by OC IHC 4 B.V., and to vote on the board of directors of Orascom Construction Industries S.A.E. in matters related to the construction operations based on the recommendation of OC IHC 4 B.V. The Conditional Sale Agreement also provides for the economic benefits/liabilities of the Construction Egypt Shares including the underlying Relevant Construction Projects (together with the right to any dividends) to pass from OCI MENA B.V. to OC IHC 4 B.V. with effect from the date of the Conditional Sale Agreement as if such shares had been in existence since 30 September 2014. This transfer of economic benefit will remain in force until the earlier of completion of the Egypt Demerger and transfer of the Construction Egypt Shares to the Company and completion of all of the Relevant Construction Projects, while any new awards are sought through wholly-owned subsidiaries of OC PLC.

27.1.3 Tax indemnity agreement

On 6 February 2015, OC PLC and OCI N.V. (“the parties”) entered into a tax indemnity agreement which sets out the obligations of the parties in respect of the Tax Claim lodged by the Egyptian Tax Authority (“ETA’) relating to the sale of OCI S.A.E.’s cement business to Lafarge SA in 2007 prior to the demerger in 2015.

Under the tax indemnity agreement, the parties have agreed that, to the extent that any liability is incurred by OCI SAE (“OCI”) in relation to the Tax Claim (including the costs of dealing with the Tax Claim), will be shared between the parties on a 50%/50% basis.

OCI agreed with the ETA whereby EGP 7.1 billion would be paid over a 5-year period. The agreement was followed by the first payment of EGP 2.5 billion in 2013.

In February 2014, OCI was exonerated from the Tax Claim by the Egyptian Public Prosecutor and in November 2014 by the ETA’s Independent Appeals Committee (the “decision”) and accordingly OCI requested ETA to reimburse the first installment paid with regards to this claim. The ETA appealed this decision.

In March 2015, OCI received EGP 1.9 billion from the Egyptian Authorities. In 2016 OCI was required to pay a second installment of EGP 900 million related to the original settlement agreement. OCI has lodged a reimbursement claim for this amount.

In January 2023, a court judgement was issued confirming the previous decision of the ETA’s Independent Appeals Committee in favor of OCI and rejecting the Tax Claim. In May 2023, the judgment became irrevocable. As a result, the EGP 1.9 billion paid to OCI in 2015 may no longer be reclaimed by the ETA and OCI has a claim of EGP 900 million against the ETA.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In June 2023, an agreement was signed between the Group and OCI N.V whereby the Company will receive the 50% share of the net reimbursed amount received by OCI and the assignment of the 50% share in the reimbursement claim against ETA.

27.2 OCI Foundation and Sawiris Foundation

The OCI Foundation invests company resources in educational programs that improve the communities in which the company operates. OCI has cultivated strong ties with several leading universities, including the University of Chicago (Onsi Sawiris Scholars Exchange Program), Stanford (The American Middle Eastern Network Dialogue) and Yale (Master of Advanced Management program and Global Network for Advanced Management program).

Furthermore, the Sawiris Foundation for Social Development also provides grants to fund projects implemented by charitable organizations, educational institutions, local government and private business.

28. Remuneration of the Board of Directors (Key management personnel)

During the 9 month period ended 30 September 2023, we considered the members of the Board of Directors (Executive and Non-executive) and the senior management to be the key management personnel as defined in IAS 24 ‘Related parties’. The total remuneration of the key-management personnel amounts for the nine month period ended 30 September 2023 with amounts to approximately USD 12.0 million (30 September 2022: USD 12.0 million).

29. List of principal subsidiaries, associates and joint ventures

Companies	Country	Percentage of interest	Consolidation method
Cementech Limited	BVI	100.00	Full
Orascom Construction Industries Algeria Spa	Algeria	99.90	Full
IMAGRO Construction SRL	Italy	49.90	Full
BESIX Group SA	Belgium	50.00	Equity
Aluminium & Light Industries Co Ltd	Egypt	100.00	Full
OCI Construction Limited	Cyprus	100.00	Full
Orascom Construction	Egypt	100.00	Full
Orascom Road Construction	Egypt	99.98	Full
Orasqualia for the Development of the Wastewater Treatment Plant	Egypt	50.00	Equity
National Steel Fabrication	Egypt	99.90	Full
Orascom Industrial Parks Company	Egypt	60.50	Full
Orascom Saudi Company	Kingdom of Saudi Arabia	60.00	Full
Contrack Watts Inc	USA	100.00	Full
Orascom E&C USA	USA	100.00	Full
Orascom Construction USA Inc	USA	100.00	Full
Orascom Investments	Netherlands	100.00	Full
The Weitz Group LLC	USA	100.00	Full
Orascom For Wind Energy	Egypt	100.00	Full
Orascom Trading Company	Egypt	100.00	Full
Orascom Free Zone	Egypt	100.00	Full
National Equipment Company	Egypt	100.00	Full

Furthermore, OC PLC has various holding companies in the Netherlands and the countries it operates in.

30. Dividends

On 24 January 2023, the board of directors’ approved an interim dividend of USD 0.1850 per share amounting to USD 21.6 million which has been paid on 9 February 2023.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

31. Subsequent event

At the Extraordinary General Meeting held on 11 October 2023, the Board of Directors and shareholders approved a dividend of USD 0.2750 per share amounting to USD 30.3 million which had been paid on 31 October 2023.

32. Applicable laws on taxation of corporations and businesses

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116/2022 effective from 2023, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000 [and a rate of 0% on qualifying income of free zone entities].

Current taxes shall be accounted for as appropriate in the financial statements for the period beginning 1 January 2024. In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact has been considered for the interim financial period ended 30 September 2023.

Since the corporate tax was introduced only recently, this may create tax risks in UAE that are more significant than in other countries. The Group has assessed the deferred tax implications for the nine months ended 30 September 2023 and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that it is not expected to be material.

The Group shall continue to monitor critical Cabinet Decisions to determine the impact on the Group, from deferred tax perspective.

Dubai, UAE, 28 November 2023

The Orascom Construction PLC Board of Directors,

Jérôme Guiraud	Chairman
Osama Bishai	Chief Executive Officer
Sami Haddad	Member
Johan Beerlandt	Member
Wiktor Sliwinski	Member
Nada Shousha	Member
Renad Younes	Member

ORASCOM CONSTRUCTION PLC
(the **Company**)

Summary of the Board Resolutions

A meeting of the board of directors of the Company was held on 28 November 2023. After due and careful consideration, **IT WAS RESOLVED**:

(a) that the financial statements of the Company for the period ended 30 September 2023 be approved.

Orascom Construction PLC
(“the Company”)

Separate interim financial statements (unaudited)
For the nine month period ended 30 September 2023

Orascom Construction PLC ("the Company")

Separate interim financial statements (unaudited)

For the nine month period ended 30 September 2023

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Independent Auditors' Report on Review of Separate Interim Financial Statements

To the Shareholders of Orascom Construction PLC

Introduction

We have reviewed the accompanying 30 September 2023 separate interim financial statements of Orascom Construction PLC ("the Company"), which comprises:

- the separate statements of profit or loss and other comprehensive income for the three month and nine month period ended 30 September 2023;
- the separate statement of financial position as at 30 September 2023;
- the separate statement of cash flows for the nine month period ended 30 September 2023;
- the separate statement of changes in equity for the nine month period ended 30 September 2023; and
- notes to the separate interim financial statements.

Management is responsible for the preparation and presentation of these separate interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these separate interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2023 separate interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG LLP

KPMG LLP

KPMG LLP
P.O. Box 3800
Dubai, UAE
Tel: 04 - 4030300

Mohamed Altatawi
DFSA Registration No: I009750
Dubai, United Arab Emirates
Date: 28 NOV 2023

Orascom Construction PLC

Separate statement of profit or loss and other comprehensive income
For the nine month and three month periods ended 30 September 2023

	Note	Nine month period ended 30 September 2023 USD (Unaudited)	Nine month period ended 30 September 2022 USD (Unaudited)	Three month period ended 30 September 2023 USD (Unaudited)	Three month period ended 30 September 2022 USD (Unaudited)
General and administrative expenses	*5*	**(15,924,090)**	(15,774,107)	**(4,103,292)**	(3,831,045)
Finance income	*6*	**12,361,382**	21,434,297	**1,474,224**	4,666,975
Finance expenses	*7*	**(5,837,685)**	(10,882,485)	**(12,990)**	(4,156,432)
Gain on waiver of related party loans	*11.2*	**33,753,547**	-	**-**	-
Reversal of/ (provision for) impairment loss on related party loans and balances, net	*11(ii)*	**43,227,215**	(18,382,674)	**(3,470,672)**	3,274,613
Profit/ (loss) for the period		**67,580,369**	(23,604,969)	**(6,112,730)**	(45,889)
Other comprehensive income for the period		**-**	-	**-**	-
Total comprehensive income/ (loss) for the period		**67,580,369**	(23,604,969)	**(6,112,730)**	(45,889)

The notes on pages 7 to 30 form an integral part of these separate interim financial statements.

The independent auditors' report on review of separate interim financial statements is set out on pages 1 and 2.

Orascom Construction PLC

Separate statement of financial position

As at 30 September 2023

	Note	30 September 2023 USD (Unaudited)	31 December 2022 USD (Audited)
Assets			
Non-current assets			
Investment in subsidiaries	*8*	**787,817,170**	787,817,170
		787,817,170	787,817,170
Current assets			
Prepayments and other receivables	*9*	**650,546**	298,889
Due from related parties	*11*	**597,019**	489,447
Cash on hand and at banks	*10*	**948,962**	10,949,035
		2,196,527	11,737,371
Total assets		**790,013,697**	799,554,541
Shareholder's equity and liabilities			
Shareholder's equity			
Share capital	*13*	**110,243,935**	116,761,379
Share premium		**469,990,308**	483,025,196
Retained earnings		**64,336,738**	18,357,224
		644,570,981	618,143,799
Liabilities			
Non-current liabilities			
Loans due to related parties	*11*	-	107,076,597
Current liabilities			
Due to related parties	*11*	**142,502,943**	70,566,322
Accrued expenses	*12*	**2,939,773**	3,767,823
		145,442,716	74,334,145
Total liabilities		**145,442,716**	181,410,742
Total shareholder's equity and liabilities		**790,013,697**	799,554,541

The notes on pages 7 to 30 form an integral part of these separate interim financial statements.

These separate interim financial statements were approved by the Board of Directors and authorised for issue on 28 November 2023 and signed on their behalf by:

Director

The independent auditors' report on review of separate interim financial statements is set out on pages 1 and 2.

Orascom Construction PLC

Separate statement of cash flows

For the nine month period ended 30 September 2023

	Note	**30 September 2023 USD (Unaudited)**	30 September 2022 USD (Unaudited)
Operating activities			
Profit/ (loss) for the period		**67,580,369**	(23,604,969)
Adjustments for:			
Finance income	*6*	**(12,361,382)**	(21,434,297)
Finance expenses	*7*	**5,837,685**	10,882,485
(Reversal of)/ provision for impairment loss on related party loans and balances, net	*11(ii)*	**(43,227,215)**	18,382,674
Gain on waiver of a related party loan	*11.2*	**(33,753,547)**	-
		(15,924,090)	(15,774,107)
Change in prepayments and other receivables	*9*	**(355,627)**	(222,045)
Change in due from related parties	*11*	**(6,625,887)**	(40,159,054)
Change in accrued expenses	*12*	**(828,050)**	(1,352,187)
Change in due to related parties	*11*	**43,223,134**	46,895,684
Net cash generated from / (used in) operating activities		**19,489,480**	(10,611,709)
Investing activities			
Loans given to related parties		**(2,960,200)**	(520,749)
Collections of the loans given to related parties		**5,522,462**	16,335,935
Finance income received	*6*	**76,628**	49,855
Net cash generated from investing activities		**2,638,890**	15,865,041
Financing activities			
Proceeds from loans given by related party		**8,971,262**	55,775,893
Repayment of loans to related parties		**(48,115)**	(210,016)
Finance expense paid	*7*	**(31,116)**	(57,469)
Purchase of treasury shares	*15*	**(19,552,332)**	-
Dividends paid		**(21,600,855)**	(54,013,814)
Net cash (used in) / generated from financing activities		**(32,261,156)**	1,494,594
Net (decrease) / increase in cash and cash equivalents		**(10,132,786)**	6,747,926
Cash and cash equivalents at the beginning of the period		**10,949,035**	2,952,798
Effects of movements in exchange rates on cash held		**132,713**	(286,919)
Cash and cash equivalents at the end of the period	*10*	**948,962**	9,413,805

The notes on pages 7 to 30 form an integral part of these separate interim financial statements.

The independent auditors' report on review of separate interim financial statements is set out on pages 1 and 2.

Orascom Construction PLC

Separate statement of changes in equity

For the nine month period ended 30 September 2023

	Share capital USD	Share premium USD	Retained earnings USD	Treasury shares USD	Total USD
Balance at 1 January 2022 (Audited)	116,761,379	483,025,196	52,156,911	-	651,943,486
Total comprehensive loss for the period					
Loss for the period	-	-	(23,604,969)	-	(23,604,969)
Transactions with owners, recognised directly in equity					
Dividends *(refer note 14)*	-	-	(27,006,907)	-	(27,006,907)
Balance at 30 September 2022 (Unaudited)	116,761,379	483,025,196	1,545,035	-	601,331,610
Balance at 1 January 2023 (Audited)	116,761,379	483,025,196	18,357,224	-	618,143,799
Total comprehensive income for the period					
Profit for the period	-	-	67,580,369	-	67,580,369
Transactions with owners, recognised directly in equity					
Treasury shares acquired *(refer note 15)*	-	-	-	(19,552,332)	(19,552,332)
Share capital reduction *(refer note 13 and 15)*	(6,517,444)	(13,034,888)	-	19,552,332	-
Dividends *(refer note 14)*	-	-	(21,600,855)	-	(21,600,855)
Balance at 30 September 2023 (Unaudited)	**110,243,935**	**469,990,308**	**64,336,738**	**-**	**644,570,981**

The notes on pages 7 to 30 form an integral part of these separate interim financial statements.

1 Legal status and principal activities

Orascom Construction PLC ("the Company") is a Public Company, incorporated and registered in the Dubai International Financial Centre. The Company is dual listed on NASDAQ Dubai and the Egyptian Stock Exchange. The registered address of the Company is P.O. Box 507031, Dubai International Financial Centre, Dubai, United Arab Emirates.

The Company was incorporated on 18 January 2015 as Orascom Construction Limited, a Company limited by shares and subsequently converted to a Public Company under the DIFC Law No. 5 of 2018.

The principal activity of the Company is holding investments.

The Company hold 100 percent interest in Orascom Holding Cooperatief U.A. which is the parent company of other subsidiaries operating in the construction sector.

The Company also holds 100 percent interest in Orascom Holding Limited.

2 Basis of preparation

Statement of compliance

These separate interim financial statements are for the nine month period ended 30 September 2023 have been prepared in accordance with the International Accounting Standard ("IAS") 34, Interim Financial Reporting, and should be read in conjunction with the Company's last annual separate financial statements as at and for the year ended 31 December 2022. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

Separate financial statements of the Company

The Company acts as a holding company for several subsidiaries mainly operating in the construction sector. The Company and its subsidiaries are collectively referred to as "the Group". These separate financial statements present the financial performance and position of the Company only and do not include the operating results and financial position of the subsidiaries. In these financial statements, the investments in subsidiaries are stated at cost less provision for impairment losses (refer accounting policy on impairment) in accordance with International Accounting Standard 27 *Consolidated and Separate Financial Statements*. In order to have a more comprehensive understanding of the results of operations, financial position, changes in equity and cash flows, the consolidated interim financial statements of the Group for the nine month period ended 30 September 2023 issued separately on 28 November 2023 should be referred to.

Basis of measurement

These separate interim financial statements have been prepared under the historical cost basis.

Functional and presentation currency

These separate interim financial statements are presented in US Dollars ("USD"), which is the Company's functional currency.

Use of estimates and judgments

The preparation of these separate interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

2 Basis of preparation *(continued)*

Use of estimates and judgments *(continued)*

These estimates and associated assumptions are based on historic experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgement about the carrying value of assets and liabilities that are not readily apparent from the other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of assumptions, estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the separate interim financial statements are discussed in note 19.

3 Significant accounting policies

The accounting policies set out below, which comply with IFRS, have been applied consistently to all periods presented in these separate interim financial statements in dealing with items which are considered material in relation to these separate interim financial statements.

Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (“FVOCI”) – debt investment; FVOCI – equity investment; or fair value through profit or loss (“FVTPL”).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3 Significant accounting policies *(continued)*

Financial instruments *(continued)*

ii. Classification and subsequent measurement *(continued)*

Financial assets *(continued)*

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

3 Significant accounting policies *(continued)*

Financial instruments *(continued)*

ii. Classification and subsequent measurement *(continued)*

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains or losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

3 Significant accounting policies *(continued)*

Financial instruments *(continued)*

ii. Classification and subsequent measurement *(continued)*

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3 Significant accounting policies *(continued)*

Impairment

i. Non-derivative financial assets

Financial instruments

The Company recognises loss allowances for ECLs on:

- Due from related parties; and
- Cash at banks.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables (including lease receivables) are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment that includes forward-looking information.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

3 Significant accounting policies *(continued)*

Impairment *(continued)*

i. Non-derivative financial assets *(continued)*

Financial instruments *(continued)*

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

3 Significant accounting policies *(continued)*

Impairment *(continued)*

i. Non-derivative financial assets *(continued)*

Non-financial assets *(continued)*

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is 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.

Investment in subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investment in subsidiaries is stated at cost less any provision for impairment, if any.

Share premium and treasury shares

Share premium is the excess amount received over the par value of the shares. Incremental costs directly attributable to the issue of new shares are recognised in equity as a deduction, net of tax, from the proceeds. When ordinary shares are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is classified as treasury shares on the statement of changes in equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in 'Treasury shares', and the resulting surplus or deficit on the transaction is presented in share premium.

Retained earnings

The amount included in retained earnings includes accumulated profits and reduced by dividends, and also include transfers of share premium. Dividends are recognised as a liability and deducted from equity when they are approved by the Company's shareholders. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date.

Finance income

Finance income include interest income on loans due from related parties, interest income on bank deposits and net foreign exchange gain. Interest income is recognised as it accrues, using the effective interest rate method.

Finance expense

Finance expense include loss on foreign currency exchange forward contract, net foreign currency exchange loss, interest expense on loans due to related parties, interest expense on bank borrowings, and bank charges. Interest expense is recognized as it accrues, using the effective interest rate method.

3 Significant accounting policies *(continued)*

Cash and cash equivalents

Cash and cash equivalents comprise bank balances, bank borrowings and deposits with maturities of three months or less from the acquisition date (original maturity) that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

Provisions

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Foreign currencies

Transactions in foreign currencies are translated into functional currency of the Company at the exchange rates at the dates of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

Leases

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision- making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

  i. the Company has the right to operate the asset; or
  ii. the Company designed the asset in a way that predetermines how and for what purpose it will be used.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

3 Significant accounting policies *(continued)*

Leases *(continued)*

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets in 'property and equipment' and lease liabilities in 'trade and other payables' in the separate statement of financial position.

Short term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4 Financial risk management and capital management

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

4 Financial risk management and capital management *(continued)*

Overview *(continued)*

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework and is responsible for developing and monitoring the Company's risk management policies.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations which arise principally from the Company's amounts due from related parties, and cash at banks. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each of its related parties. The Company's cash is placed with banks of repute.

The Company establishes an allowance for impairment that represents its estimate of expected losses with respect to amounts due from related parties and loans due from related parties.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk mainly relates to due to related parties, and accrued expenses. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Market rate risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to the changes in foreign exchange rates. The principal currencies in which these transactions are primarily denominated in Egyptian pound and Euro.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the net finance income/ expense of the Company. The Company has exposure to interest rate risk on loans due from and loans due to related parties on which interests are charged at agreed upon rates.

4 Financial risk management and capital management *(continued)*

Capital management

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of change in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders or issue new shares.

Fair value

The fair value of the financial assets and liabilities of the Company approximate their carrying values as at the reporting date.

5 General and administrative expenses

	Nine month period ended		**Three month period ended**	
	30 September 2023 USD	30 September 2022 USD	**30 September 2023 USD**	30 September 2022 USD
Salaries and wages	**11,999,951**	12,013,322	**2,929,018**	2,815,990
Expenses recharged from a related party (refer note 11)	**1,306,077**	1,530,804	**290,789**	377,722
Consultancy fees	**1,166,387**	740,631	**426,321**	171,912
Insurance expenses	**623,302**	694,716	**194,591**	242,025
Rent	**181,574**	171,861	**60,333**	59,947
Travel	**39,214**	20,515	**16,068**	6,039
Communication	**21,090**	22,004	**7,317**	7,562
Others	**586,495**	580,254	**178,855**	149,848
	15,924,090	15,774,107	**4,103,292**	3,831,045

6 Finance income

	Nine month period ended		**Three month period ended**	
	30 September 2023 USD	30 September 2022 USD	**30 September 2023 USD**	30 September 2022 USD
Foreign exchange gain/ (loss) - net	**10,672,210**	21,068,920	**(6,365)**	4,542,960
Interest on loans due from related parties (refer note 11)	**1,612,544**	315,522	**1,474,237**	102,362
Interest income on bank deposits	**76,628**	49,855	**6,352**	21,653
	12,361,382	21,434,297	**1,474,224**	4,666,975

7 Finance expenses

	Nine month period ended		Three month period ended	
	30 September 2023 USD	30 September 2022 USD	**30 September 2023 USD**	30 September 2022 USD
Interest on loans due to related parties (refer note 11)	**5,806,569**	10,825,016	**-**	4,148,411
Bank charges	**31,116**	25,669	**12,990**	8,021
Others	**-**	31,800	**-**	-
	5,837,685	10,882,485	**12,990**	4,156,432

8 Investment in subsidiaries

	30 September 2023 USD	31 December 2022 USD
Orascom Holding Cooperatief U.A.	**930,297,276**	930,297,276
Orascom Holding Limited	**50,000**	50,000
	930,347,276	930,347,276
Less: Provision for impairment (refer note (i) below)	**(142,530,106)**	(142,530,106)
	787,817,170	787,817,170

(i) Based on the management's assessment, there were no new indicators of impairment for the nine months period ended 30 September 2023, which would materially impact the carrying amount of investment in subsidiary.

9 Prepayments and other receivables

	30 September 2023 USD	31 December 2022 USD
Prepayments	**487,041**	243,384
Deposits	**55,505**	55,505
Other receivables	**108,000**	-
	650,546	298,889

10 Cash on hand and at banks

	30 September 2023 USD	31 December 2022 USD
Cash on hand	**2,740**	2,740
Cash at banks – current account	**946,222**	10,946,295
Cash and cash equivalents	**948,962**	10,949,035

11 Related party balances and transactions

The Company, in the ordinary course of business, enters into transactions with other business enterprises that fall within the definition of a related party as contained in International Accounting Standard No. 24. These transactions are carried out at mutually agreed rates. The significant transactions with related parties during the period were as follows:

	Nine month period ended		**Three month period ended**	
	30 September 2023 USD	30 September 2022 USD	**30 September 2023 USD**	30 September 2022 USD
Payable assigned to a related party (refer note (11.1))	**42,408,358**	-	**3,265,492**	-
Gain on waiver of related parties loans (refer note (11.2))	**33,753,547**	-	**-**	-
Payable assigned to related parties (refer note (11.3))	**73,447,116**	-	**-**	-
Reclassification of Payable balance to loans due from related parties (refer note (11.4))	**55,811,020**	-	**55,811,020**	-
Collection of loans given to related parties	**5,522,462**	16,335,935	**1,522,462**	5,001,056
Expenses incurred by related parties on behalf of the Company	**2,868,478**	3,813,852	**418,391**	795,126
Interest expense on loans due to related parties (refer note 7)	**5,806,569**	10,825,016	**-**	4,148,411
Expenses recharged from a related party (refer note 5)	**1,306,077**	1,530,804	**290,789**	377,722
Interest income on loans due from related parties (refer note 6)	**1,612,544**	315,522	**1,474,237**	102,362

11.1 During the period, the Company received funding from Orascom Construction SAE amounting to USD 42,408,358 Orascom Construction SAE entered into an assignment agreement assigning this receivable balance to OCI Construction International BV. As of 30 September 2023, the accumulated balance showing as due to OCI Construction International BV amounting to USD 89,403,416.

11 Related party balances and transactions *(continued)*

11.2 During the period, the Company's loan payable to its subsidiaries; NSF Global Limited and OCI Construction Limited amounting to USD 4,008,944 and USD 29,744,603, respectively were waived off based on the intercompany loan settlement agreement between the parties. Accordingly, a gain on waiver of a related party loan was recognized in the statement of profit or loss.

11.3 During the period, the Company's loan payable to its subsidiary; Orascom Construction SAE amounting to USD 73,447,116 was settled off based on the intercompany assignment agreement between the parties Orascom Holding Limited by amounting to USD 44,733,629, OC IHC 6 BV by amounting to USD 19,170,044 and OC IHC 7 BV by amounting to USD 9,543,443.

11.4 On 1 July 2023, the Company has entered into intercompany loan agreement with one of its related parties Orascom Holding Limited and agreed to transfer an amount of USD 54,845,644 from due from related party to loan due from related parties. This amount is subject to monthly interest where the interest is being calculated on 30-day average SOFR plus 449 basis point.

Also, during the period the Company has made an first amendment to the loan agreement dated 1 May 2019 with one of its related party Orascom Holding Cooperatief U.A, and agreed that interest shall accrue on the outstanding amount of USD 965,376 at an interest rate of equal to the 30 day average SOFR plus 325 basis point. The amount of USD 965,376 was previously reported as due from related parties.

11 (i) Key management remuneration

During the nine month period ended 30 September 2023, we considered the members of the Board of Directors (Executive and Non-executive) and the senior management to be the key management personnel as defined in IAS 24 'Related parties'. The total remuneration of the key management personnel amounts for the nine month period ended 30 September 2023 with amounts to approximately USD 12.0 million (30 September 2022: USD 12.0 million).

Orascom Construction PLC

Notes *(continued)*

11 Related party balances and transactions (continued)

	Relationship	Interest terms	**30 September 2023** Current portion USD	Non-current portion USD	Total USD	31 December 2022 Current portion USD	Non-current portion USD	Total USD
Loans due from related parties								
Orascom Holding Limited	Subsidiary	refer note 11 (a)	**-**	**57,417,427**	**57,417,427**	-		-
Orascom Holding Cooperatief U.A.	Subsidiary	refer note 11 (b)	**-**	**2,752,535**	**2,752,535**	-	-	-
OCI Saudi Arabia	Subsidiary	refer note 11 (c)	**-**	**3,222,038**	**3,222,038**	-	7,030,807	7,030,807
Total loans due from related parties			**-**	**63,392,000**	**63,392,000**	-	7,030,807	7,030,807
Less: Provision for impairment			**-**	**(63,392,000)**	**(63,392,000)**	-	(7,030,807)	(7,030,807)
			-	**-**	**-**	-	-	-
Due from related parties								
Orascom Holding Cooperatief U.A.	Subsidiary	no interest	**525,563**	**-**	**525,563**	655,375	-	655,375
Orascom Saudi	Subsidiary	no interest	**474,121**	**-**	**474,121**	424,654	-	424,654
OCI Construction Limited	Subsidiary	no interest	**69,395**	**-**	**69,395**	-	-	-
OCI Saudi Arabia	Subsidiary	no interest	**41,670**	**-**	**41,670**	5,124	-	5,124
NSF Global Limited	Subsidiary	no interest	**11,833**	**-**	**11,833**	-	-	-
Orascom Holding Limited	Subsidiary	no interest	**-**	**-**	**-**	99,458,595	-	99,458,595
Orascom Construction SAE	Subsidiary	no interest	**-**	**-**	**-**	59,670	-	59,670
Total due from related parties			**1,122,582**	**-**	**1,122,582**	100,603,418	-	100,603,418
Less: Provision for impairment			**(525,563)**	**-**	**(525,563)**	(100,113,971)	-	(100,113,971)
			597,019	**-**	**597,019**	489,447	-	489,447

Orascom Construction PLC

Notes *(continued)*

11 Related party balances and transactions (continued)

			30 September 2023			31 December 2022		
	Relationship	**Interest terms**	**Current portion USD**	**Non-current portion USD**	**Total USD**	Current portion USD	Non-current portion USD	Total USD
Loans due to related parties								
Orascom Construction SAE	Subsidiary	refer note 11 (d)	**-**	**-**	**-**	-	73,937,006	73,937,006
OCI Construction Limited	Subsidiary	refer note 11 (e)	**-**	**-**	**-**	-	29,213,958	29,213,958
NSF Global Limited	Subsidiary	refer note 11 (f)	**-**	**-**	**-**	-	3,925,633	3,925,633
			-	**-**	**-**	-	107,076,597	107,076,597
Due to related parties								
OCI Construction International BV	Subsidiary	no interest	**89,403,416**	**-**	**89,403,416**	46,995,058	-	46,995,058
OC IHC 6 BV	Subsidiary	no interest	**19,170,044**	**-**	**19,170,044**	-	-	-
Orascom Construction Industries SAE	Subsidiary	no interest	**10,090,569**	**-**	**10,090,569**	9,678,190	-	9,678,190
OC IHC 7 BV	Subsidiary	no interest	**9,543,443**	**-**	**9,543,443**	-	-	-
Contrack Watts Inc.	Subsidiary	no interest	**9,515,483**	**-**	**9,515,483**	8,626,134	-	8,626,134
Orascom E&C	Subsidiary	no interest	**3,717,141**	**-**	**3,717,141**	2,909,748	-	2,909,748
The Weitz Company, LLC	Subsidiary	no interest	**598,185**	**-**	**598,185**	463,143	-	463,143
Orascom Construction SAE	Subsidiary	no interest	**233,130**	**-**	**233,130**	-	-	-
Cementech Limited	Subsidiary	no interest	**231,532**	**-**	**231,532**	1,894,049	-	1,894,049
			142,502,943	**-**	**142,502,943**	70,566,322	-	70,566,322

11 Related party balances and transactions *(continued)*

11 (ii) Impairment loss on loans and amounts due from related parties

The movement in provision for impairment with respect to loans and amounts due from related parties during the period is as follows:

	2023	2022
	USD	USD
1 January	**107,144,778**	92,826,469
(Reversal)/ Provision for impairment during the period (refer to below)	**(43,227,215)**	18,382,674
30 September	**63,917,563**	111,209,143

	Nine month period ended		**Three month period ended**	
	30 September 2023	30 September 2022	**30 September 2023**	30 September 2022
	USD	USD	**USD**	USD
Provision for amount due from Orascom Holding Cooperatief U.A.	**2,622,723**	-	**2,312,722**	-
Provision for loan due from OCI Saudi Arabia	**191,231**	228,869	**52,925**	102,362
Provision of amount due from Orascom Holding Limited	**-**	33,818,447	**-**	1,588,900
Provision for loan due from Orascom Holding Cooperatief U.A.	**-**	607,402	**-**	-
Provision of / (Reversal of) amount due from Cementech Limited	**-**	63,891	**(1,466,757)**	35,181
Reversal of provision for loan due from Orascom Holding Cooperatief U.A.	**-**	(11,334,879)	-	-
(Reversal of) / Provision of amount due from Orascom Holding Limited	**(42,041,169)**	-	**2,571,782**	-
Reversal of provision for loan due from OCI Saudi Arabia	**(4,000,000)**	(5,001,056)	-	(5,001,056)
	(43,227,215)	18,382,674	**3,470,672**	(3,274,613)

11 Related party balances and transactions *(continued)*

Interest terms

11 (a) The loan carries interest at 30-day average SOFR rate plus 4.49%.
11 (b) The loan carries interest at 30-day average SOFR rate plus 3.25%.
11 (c) The loan carries interest at 30-day average SOFR rate plus 1.40%.
11 (d) The loan is denominated in Egyptian pounds which carries interest at Egyptian Central Bank Mid Corridor rate plus 1%.
11 (e) The loan is denominated in Euro which carries interest at one-month rate charged by one of the Company's bank plus 0.05%.
11 (f) The loan carries interest at one-month LIBOR rate plus 0.05%.

12 Accrued expenses

	30 September 2023 USD	31 December 2022 USD
Accrued expenses	**2,939,773**	3,767,823

13 Share capital

The movement in share capital during the period is as follows:

	30 September 2023 USD	31 December 2022 USD
At January 1	**116,761,379**	116,761,379
Share capital reduction *	**(6,517,444)**	-
	110,243,935	116,761,379

* Based on the decision made in the Annual General Meeting (AGM), held on 31 May 2023, the Company has purchased 6,517,444 of its own shares at a price of USD 3.00 per share, and subsequently, the treasury shares were cancelled through the reduction of both share capital and share premium.

14 Dividends

On 24 January 2023, the board of directors approved an interim dividend of USD 0.1850 per share amounting to USD 21.6 million which had been paid on 9 February 2023. In 2022, the Board of Directors and shareholders approved a dividend amounting to USD 27,006,907. The dividends declared during 2022 were paid to shareholders in August 2022.

15 Treasury shares

Based on the decision made in the Annual General Meeting (AGM), held on 31 May 2023, the Company has purchased 6,517,444 of its own shares at a price of USD 3.00 per share, and subsequently, the treasury shares were cancelled through the reduction of both share capital and share premium.

16 Financial instruments

The financial assets of the Company include cash at banks and due from related parties. The financial liabilities of the Company include accrued expenses, and due to related parties. Accounting policies for financial assets and liabilities are set out in note 3.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	30 September 2023 USD	31 December 2022 USD
Due from related parties	**597,019**	489,447
Cash at banks	**946,222**	10,946,295
	1,543,241	11,435,742

Liquidity risk

The following are the contractual maturities of financial liabilities including estimated interest payments and excluding the impact of netting arrangements:

	Carrying amount USD	**Contractual cash flows USD**	**1 year or less USD**	**More than 1 year USD**
30 September 2023				
Non-derivative financial liabilities				
Due to related parties	**142,502,943**	**142,502,943**	**142,502,943**	**-**
Accrued expenses	**2,939,773**	**2,939,773**	**2,939,773**	**-**
	145,442,716	**145,442,716**	**145,442,716**	**-**
31 December 2022				
Non-derivative financial liabilities				
Loans due to related parties	107,076,597	137,718,067	-	137,718,067
Due to related parties	70,566,322	70,566,322	70,566,322	-
Accrued expenses	3,767,823	3,767,823	3,767,823	-
	181,410,742	212,052,212	74,334,145	137,718,067

16 Financial instruments *(continued)*

Interest rate risk

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

Variable rate instruments

	30 September 2023	31 December 2022
	USD	USD
Financial liabilities	**-**	(107,076,597)
	========	========

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) net profit by the amounts shown below. This analysis assumes that all other variables remain constant:

	31 December 2022	
	100 bp increase USD	100 bp decrease USD
Variable rate instruments	(1,070,766)	1,070,766
	======	======

Adoption of amendments to IFRS 9 and IFRS 7 Interest Rate Benchmark Reform

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR' reform').

IBOR reforms and expectation of cessation of LIBOR might impact the Company's current risk management strategy and possibly accounting for its financial liabilities. These financial instruments are referenced to LIBOR. The alternative reference for LIBOR is the Secured Overnight Financing Rate (SOFR).

Management successfully transitioned to alternative rates and there is no significant impact on the separate interim financial statements.

16 Financial instruments *(continued)*

Currency risk

The Company's exposure to foreign currency risk as at reporting date is as follows:

	30 September 2023	
	Euro	**Egyptian pound**
Cash at banks	**27,626**	**6,269,701**
Due from related parties	**65,637**	**-**
	93,263	**6,269,701**

	31 December 2022	
	Euro	Egyptian pound
Cash at banks	168,731	6,197,690
Due from related parties	-	506,506,556
Loans due to related parties	(27,290,013)	(1,830,577,036)
	(27,121,282)	(1,317,872,790)

Sensitivity analysis

The following foreign exchange rates were applied by the Company during the period/ year:

	30 September 2023		31 December 2022	
	Average rate	**Spot rate**	Average rate	Spot rate
1 Euro	**1.0807**	**1.0573**	1.0581	1.0705
1 Egyptian pound	**0.0333**	**0.0324**	0.0527	0.0404

1% strengthening of USD against Egyptian Pound and Euro at reporting date would have increased / (decreased) the net profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant:

	30 September 2023 USD	31 December 2022 USD
Euro	**986**	(290,333)
Egyptian pound	**2,029**	(532,289)
	3,015	(822,622)

17 Operating segments

There were no operating segments identified by the management as at the reporting date.

18 Contingent liabilities and capital commitments

Contingent liabilities

	30 September 2023			31 December 2022		
	USD	**SAR**	**Euro**	USD	SAR	Euro
Guarantees	**67,400,065**	**115,398,750**	**-**	3,040,000	69,848,750	-
Letter of Credit	**-**	**-**	**122,809**	-	-	1,958,544
	67,400,065	**115,398,750**	**122,809**	3,040,000	69,848,750	1,958,544

19 Significant accounting estimates and judgements

The Company makes estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment of investment in subsidiaries

The Company determines whether investment in subsidiaries is impaired on an annual basis or whenever there is any indication of impairment. This requires estimation of the "value in use" of the cash generating units. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of these cash flows.

Impairment losses on receivables

The Company's credit risk is primarily attributable to its loan receivable from related parties and due from related parties. In determining impairment losses, the Company recognises loss allowance for expected credit losses on the financial asset that is measured at amortised cost, and trade receivables. At each reporting date, the Company measures the loss allowance for the financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

At each reporting date, the Company assess whether the credit risk on a financial instrument has increased significantly since the initial recognition. When making the assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses.

The Company may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

19 Significant accounting estimates and judgements *(continued)*

Impairment losses on receivables *(continued)*

If reasonable and supportable forward-looking information is available without undue cost or effort, the Company cannot rely solely on past due information when determining whether credit risk has increased significantly since initial recognition. However, when information that is more forward-looking than past due status (either on an individual or a collective basis) is not available without undue cost or effort, the Company may use past due information to determine whether there have been significant increases in credit risk since initial recognition.

Regardless of the way in which the Company assesses significant increases in credit risk, there is a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. The Company can rebut this presumption if it has reasonable and supportable information that is available without undue cost or effort, that demonstrates that the credit risk has not increased significantly since initial recognition even though the contractual payments are more than 30 days past due. When the Company determines that there have been significant increases in credit risk before contractual payments are more than 30 days past due, the rebuttable presumption does not apply.

20 Applicable laws on taxation of corporations and businesses

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116/2022 effective from 2023, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000 [and a rate of 0% on qualifying income of free zone entities].

Current taxes shall be accounted for as appropriate in the financial statements for the period beginning 1 January 2024. In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact has been considered for the interim financial period ended 30 September 2023.

Since the corporate tax was introduced only recently, this may create tax risks in UAE that are more significant than in other countries. The Company has assessed the deferred tax implications for the nine months ended 30 September 2023 and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that it is not expected to be material.

The Company shall continue to monitor critical Cabinet Decisions to determine the impact on the Company, from deferred tax perspective.

21 Subsequent event

At the Extraordinary General Meeting held on 11 October 2023, the Board of Directors and shareholders approved a dividend of USD 0.2750 per share amounting to USD 30.3 million which had been paid on 31 October 2023.