ORASCOM CONSTRUCTION PLC

Consolidated Financial Statements

For the three month period ended 31 March 2025

TABLE OF CONTENTS

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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 31 March 2025 interim consolidated financial statements of Orascom Construction PLC ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise:

- the consolidated statement of financial position as at 31 March 2025;
- the consolidated statement of profit or loss and other comprehensive income for the three month period ended 31 March 2025;
- the consolidated statement of changes in equity for the three month period ended 31 March 2025;
- the consolidated statement of cash flows for the three month period ended 31 March 2025; 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 31 March 2025 interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG LLP

KPMG LLP

Mohamed Altatawi
DFSA Registration No: I009750
Dubai, United Arab Emirates

Date: 27 May 2025

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at

$ millions	Note	31 March 2025 (reviewed)	31 December 2024 (audited)
Assets			
Non-current assets			
Property, plant and equipment	(6)	147.1	141.8
Goodwill	(7)	27.7	27.7
Trade and other receivables	(8)	16.5	16.0
Equity accounted investees	(9)	467.6	450.0
Deferred tax assets	(10)	62.5	63.2
Total non-current assets		721.4	698.7
Current assets			
Inventories	(11)	253.3	232.4
Trade and other receivables	(8)	1,690.5	1,422.8
Contracts work in progress	(12)	481.2	575.7
Current income tax receivables		0.7	0.4
Cash and cash equivalents	(13)	1,051.0	1,041.3
Total current assets		3,476.7	3,272.6
Total assets		4,198.1	3,971.3
Equity			
Share capital	(14)	110.2	110.2
Share premium		467.3	467.3
Reserves	(15)	(529.3)	(534.0)
Retained earnings		604.0	578.0
Equity attributable to owners of the Company		652.2	621.5
Non-controlling interest	(16)	29.6	26.0
Total equity		681.8	647.5
Liabilities			
Non-current liabilities			
Loans and borrowings	(17)	8.3	7.5
Trade and other payables	(18)	60.6	53.5
Deferred tax liabilities		4.5	4.3
Total non-current liabilities		73.4	65.3
Current liabilities			
Loans and borrowings	(17)	335.4	305.7
Trade and other payables	(18)	1,486.8	1,460.6
Advanced payments from construction contracts		917.3	873.2
Billing in excess of construction contracts	(12)	635.4	555.6
Provisions	(19)	36.4	37.3
Income tax payables		31.6	26.1
Total current liabilities		3,442.9	3,258.5
Total liabilities		3,516.3	3,323.8
Total equity and liabilities		4,198.1	3,971.3

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 27 May 2025 and signed on their behalf by:

Chief Executive Officer

Board Member

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the three month period ended

$ millions	Note	31 March 2025 (reviewed)	31 March 2024 (reviewed)
Revenue	(24)	847.6	766.3
Cost of sales	(20)	(755.8)	(698.8)
Gross profit		91.8	67.5
Other income	(21)	2.8	1.7
Selling, general and administrative expenses	(20)	(49.0)	(46.3)
Operating profit		45.6	22.9
Finance income	(22)	6.4	84.9
Finance cost	(22)	(25.8)	(39.1)
Net finance (cost) / income		(19.4)	45.8
Income from equity accounted investees	(9)	8.0	2.7
Profit before income tax		34.2	71.4
Income tax	(10)	(7.1)	(21.6)
Net profit		27.1	49.8
Other comprehensive income / (loss):			
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences		4.8	(50.6)
Other comprehensive income / (loss), net of tax		4.8	(50.6)
Total comprehensive income / (loss)		31.9	(0.8)
Profit attributable to:			
Owners of the Company		25.1	46.1
Non-controlling interests	(16)	2.0	3.7
Net profit		27.1	49.8
Total comprehensive income attributable to:			
Owners of the Company		29.8	1.5
Non-controlling interests	(16)	2.1	(2.3)
Total comprehensive income / (loss)		31.9	(0.8)
Earnings per share (in USD)			
Basic and diluted earnings per share	(23)	0.23	0.42

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 three month period ended

$ millions	Note	Share capital	Share premium	Reserves	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance at 1 January 2024 (audited)		110.2	467.3	(421.7)	533.3	689.1	22.3	711.4
Net profit		-	-	-	46.1	46.1	3.7	49.8
Other comprehensive loss		-	-	(44.6)	-	(44.6)	(6.0)	(50.6)
Total comprehensive income		-	-	(44.6)	46.1	1.5	(2.3)	(0.8)
Dividends	(30)	-	-	-	(20.9)	(20.9)	(0.8)	(21.7)
Other		-	-	-	0.3	0.3	-	0.3
Balance at 31 March 2024 (reviewed)		110.2	467.3	(466.3)	558.8	670.0	19.2	689.2
Balance at 1 January 2025 (audited)		**110.2**	**467.3**	**(534.0)**	**578.0**	**621.5**	**26.0**	**647.5**
Net profit		-	-	-	25.1	25.1	2.0	27.1
Other comprehensive income		-	-	4.7	-	4.7	0.1	4.8
Total comprehensive income		-	-	4.7	25.1	29.8	2.1	31.9
Other		-	-	-	0.9	0.9	1.5	2.4
Balance at 31 March 2025 (reviewed)		110.2	467.3	(529.3)	604.0	652.2	29.6	681.8

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the three month period ended

$ millions	Note	31 March 2025 (reviewed)	31 March 2024 (reviewed)
Net profit		**27.1**	49.8
Adjustments for:			
Depreciation	(6)	8.5	7.4
Interest income	(22)	(5.9)	(4.5)
Interest expense	(22)	22.6	17.5
Net foreign exchange loss / (gain)	(22)	2.7	(58.8)
Share in income of equity accounted investees	(9)	(8.0)	(2.7)
Gain on sale of property, plant and equipment	(21)	-	(0.4)
Income tax expense	(10)	7.1	21.6
Changes in:			
Inventories	(11)	(19.9)	(16.0)
Trade and other receivables	(8)	(258.7)	(229.9)
Contract work in progress	(12)	98.3	9.2
Trade and other payables	(18)	42.3	179.8
Advanced payments construction contracts		39.1	278.4
Billing in excess of construction contracts	(12)	77.1	62.1
Provisions	(19)	(1.2)	2.9
Cash flows:			
Interest paid	(22)	(22.6)	(17.5)
Interest received	(22)	5.9	4.5
Income taxes paid		(0.3)	-
Cash flow generated from operating activities		**14.1**	**303.4**
Investments in property, plant and equipment	(6)	(13.2)	(10.6)
Proceeds from sale of property, plant and equipment		1.3	0.6
Cash flow used in investing activities		**(11.9)**	**(10.0)**
Proceeds from borrowings	(17)	37.0	2.8
Repayment of borrowings	(17)	(7.8)	(39.0)
Lease payments	(18.1)	(1.6)	(1.3)
Dividends paid to shareholders	(30)	(24.2)	(20.9)
Dividends paid to non-controlling interest		-	(0.8)
Other		-	0.6
Cash flow generated from / (used in) financing activities		**3.4**	**(58.6)**
Net change in cash and cash equivalents		**5.6**	**234.8**
Cash and cash equivalents at 1 January	(13)	1,041.3	696.6
Currency translation adjustments		4.1	(240.2)
Cash and cash equivalents at 31 March	(13)	**1,051.0**	**691.2**

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 CL1752 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 three month period ended 31 March 2025 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.

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 three month period ended 31 March 2025 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and do not all information and disclosure 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 2025.

The interim consolidated financial statements should be read in conjuction with the consolidated financial statements for the year ended 31 December 2024. The accounting principles used are the same as those used in the consolidated financial statements for the year ended 31 December 2024.

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 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 27 May 2025.

3. New accounting standards and policies

The accounting policies applied in these interim consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2024.

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 2024.

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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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	31 March 2025	31 December 2024
Trade and other receivables (excluding prepayments and supplier and subcontractor advance payments)	(8)	1,287.0	1,103.7
Contract work in progress	(12)	481.2	575.7
Cash and cash equivalents (excluding cash on hand)	(13)	1,049.2	1,039.9
Total		**2,817.4**	**2,719.3**

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

$ millions	31 March 2025	31 December 2024
Middle East and Africa	792.4	616.6
Asia and Oceania	76.1	53.7
Europe and United States	418.5	433.4
Total	**1,287.0**	**1,103.7**

Impairment losses

The following table provides the information above the exposure to credit risk and ECLs for trade receivables as at 31 December 2024:

At 31 December 2024 $ millions	Weighted average loss rate	Gross	Loss allowance
Not due	- %*	470.2	-
0 - 30 days	- %*	53.5	-
31 - 90 days	- %*	31.2	-
More than 90 days	9.9 %	108.7	(10.8)
Total		663.6	(10.8)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The following table provides the information above the exposure to credit risk and ECLs for trade receivables as at 31 March 2025:

At 31 March 2025 $ millions	Weighted average loss rate	Gross	Loss allowance
Not due	- %*	577.0	-
0 - 30 days	- %*	42.1	-
31 - 90 days	- %*	23.5	-
More than 90 days	9.5%	114.6	(10.9)
Total		757.2	(10.9)

*Based on the Group's assessment, the ECL impairment loss on trade receivables is immaterial 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 to 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 2024 $ millions	Note	Carrying amount	Contractual cash flow	6 months or less	6–12 months	1–5 years
Financial liabilities						
Loans and borrowings	(17)	313.2	337.5	160.8	168.7	8.0
Trade and other payables (excluding lease obligation, other tax payable and deferred revenue)	(18)	1,465.4	1,465.4	1,433.4	-	32.0
Lease obligation	(18.1)	27.4	32.5	0.2	5.6	26.7
Total		**1,806.0**	**1,835.4**	**1,594.4**	**174.3**	**66.7**

At 31 March 2025 $ millions	Note	Carrying amount	Contractual cash flow	6 months or less	6–12 months	1–5 years
Financial liabilities						
Loans and borrowings	(17)	343.7	369.1	176.0	184.2	8.9
Trade and other payables (excluding lease obligation, other tax payable and deferred revenue)	(18)	1,511.6	1,511.6	1,471.7	-	39.9
Lease obligation	(18.1)	26.3	27.1	0.7	5.6	20.8
Total		**1,881.6**	**1,907.8**	**1,648.4**	**189.8**	**69.6**

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:

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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 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.

Exchange rates used by the Group in the consolidated financial statement are based on the prevailing exchange rates in the market at the time of transactions.

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

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 2024 $ millions	EUR	EGP
Cash and cash equivalents (including loans and borrowings)	196.4	(209.3)
Trade and other receivables	2.9	628.4
Trade and other payables	(0.2)	(629.0)

At 31 March 2025 $ millions	EUR	EGP
Cash and cash equivalents (including loans and borrowings)	181.7	(255.5)
Trade and other receivables	4.2	833.6
Trade and other payables	-	(770.9)

Significant rates

The following significant exchange rates were applied during the period ended 31 March 2025:

	Average 2025	Closing 31 March 2025	Opening 1 January 2025
Egyptian Pound	0.0198	0.0198	0.0197
Saudi Riyal	0.2665	0.2666	0.2662
UAE Dirham	0.2723	0.2723	0.2723
Euro	1.0491	1.0816	1.0410

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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As of 31 March 2025, 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 20.1 million of the profit / loss of the three month period ended 31 March 2025 (31 December 2024: USD 20.0 million).

31 December 2024 $ millions	Change in FX rate*	Effect on profit before tax	Effect on equity
EUR - USD	10%	19.9	19.9
EGP - USD	10%	0.1	(21.0)

31 March 2025 $ millions	Change in FX rate*	Effect on profit before tax	Effect on equity
EUR - USD	10%	18.6	18.6
EGP - USD	10%	1.5	(19.3)

* 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 31 March 2025, 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 2.3 million of the profit of the three month period ended 31 March 2025 (31 December 2024 : USD 7.6 million)

$ millions	Change in interest rate	31 March 2025	31 December 2024
Effect on profit before tax	10% increase	(2.3)	(7.6)
	10% decrease	2.3	7.6

Categories of financial instruments

		31 March 2025		31 December 2024	
$ millions	Note	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 and subcontractor advance payments)	(8)	1,287.0	-	1,103.7	-
Contracts work in progress	(12)	481.2	-	575.7	-
Cash and cash equivalents	(13)	1,051.0	-	1,041.3	-
Total		**2,819.2**	**-**	**2,720.7**	**-**
Liabilities					
Loans and borrowings	(17)	343.7	-	313.2	-
Trade and other payables (excluding lease obligation)	(18)	1,521.1	-	1,486.7	-
Billing in excess of construction contracts	(12)	635.4	-	555.6	-
Total		**2,500.2**	**-**	**2,355.5**	**-**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

5.4 Capital Management

The Board of Director'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	31 March 2025	31 December 2024
Loans and borrowings	(17)	343.7	313.2
Less: cash and cash equivalents	(13)	(1,051.0)	(1,041.3)
Net debt / (cash)		(707.3)	(728.1)
Total equity		681.8	647.5
Net debt to equity ratio		(1.04)	(1.12)

6. Property, plant and equipment

$ millions	Land	Buildings	Equipment	Fixtures and fittings	Under construction	Total
Cost as of 1 January 2024	**9.6**	**89.2**	**218.1**	**100.7**	**5.5**	**423.1**
Additions during the year	-	19.3	40.1	15.7	13.6	88.7
Disposals	-	(3.0)	(8.6)	(9.1)	(2.7)	(23.4)
Transfers	-	1.8	2.9	0.2	(4.9)	-
Disposal of subsidiaries	-	-	(1.5)	(0.6)	-	(2.1)
Effect of movement in exchange rates	(3.4)	(12.2)	(68.7)	(21.8)	(2.4)	(108.5)
Cost as of 31 December 2024	**6.2**	**95.1**	**182.3**	**85.1**	**9.1**	**377.8**
Accumulated Depreciation as of 1 January 2024	-	**(44.4)**	**(166.6)**	**(85.7)**	-	**(296.7)**
Depreciation	-	(6.2)	(18.2)	(7.0)	-	(31.4)
Disposals	-	3.0	7.2	8.8	-	19.0
Disposal of subsidiaries	-	-	1.5	0.6	-	2.1
Effect of movement in exchange rates	-	7.6	48.6	14.8	-	71.0
Accumulated depreciation as of 31 December 2024	-	**(40.0)**	**(127.5)**	**(68.5)**	-	**(236.0)**
As of 31 December 2024	**6.2**	**55.1**	**54.8**	**16.6**	**9.1**	**141.8**

$ millions	Land	Buildings	Equipment	Fixtures and fittings	Under construction	Total
Cost as of 1 January 2025	**6.2**	**95.1**	**182.3**	**85.1**	**9.1**	**377.8**
Additions during the period	-	1.1	1.0	1.7	10.5	14.3
Disposals	-	(3.7)	(0.5)	(1.6)	-	(5.8)
Effect of movement in exchange rates	-	0.3	1.6	0.6	0.1	2.6
Cost as of 31 March 2025	**6.2**	**92.8**	**184.4**	**85.8**	**19.7**	**388.9**
Accumulated Depreciation as of 1 January 2025	-	**(40.0)**	**(127.5)**	**(68.5)**	-	**(236.0)**
Depreciation	-	(2.1)	(4.5)	(1.9)	-	(8.5)
Disposals	-	2.6	0.3	1.6	-	4.5
Effect of movement in exchange rates	-	(0.2)	(1.2)	(0.4)	-	(1.8)
Accumulated depreciation as of 31 March 2025	-	**(39.7)**	**(132.9)**	**(69.2)**	-	**(241.8)**
As of 31 March 2025	**6.2**	**53.1**	**51.5**	**16.6**	**19.7**	**147.1**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

$ millions	31 March 2025	31 December 2024
Owned assets	122.9	115.9
Right to use	24.2	25.9
At 31 March / 31December	147.1	141.8

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

$ millions	Buildings	Equipment	Total
Cost as of 1 January 2024	30.7	7.2	37.9
Additions during the year	11.4	2.2	13.6
Disposals	(0.2)	-	(0.2)
Effect of movement in exchange rates	(5.0)	(1.7)	(6.7)
Cost at 31 December 2024	36.9	7.7	44.6
Accumulated Depreciation as of 1 January 2024	(14.0)	(5.0)	(19.0)
Depreciation	(4.0)	(1.7)	(5.7)
Disposals	0.2	-	0.2
Effect of movement in exchange rates	4.1	1.7	5.8
Accumulated depreciation at 31 December 2024	(13.7)	(5.0)	(18.7)
As of 31 December 2024	**23.2**	**2.7**	**25.9**

$ millions	Buildings	Equipment	Total
Cost as of 1 January 2025	**36.9**	**7.7**	**44.6**
Additions during the period	1.1	-	1.1
Disposals	(3.7)	(1.2)	(4.9)
Cost at 31 March 2025	**34.3**	**6.5**	**40.8**
Accumulated Depreciation as of 1 January 2025	**(13.7)**	**(5.0)**	**(18.7)**
Depreciation	(1.5)	(0.3)	(1.8)
Disposals	2.6	1.2	3.8
Effect of movement in exchange rates	0.1	-	0.1
Accumulated depreciation at 31 March 2025	**(12.5)**	**(4.1)**	**(16.6)**
As of 31 March 2025	**21.8**	**2.4**	**24.2**

7. Goodwill

$ millions	Goodwill
Cost	27.7
At 1 January 2025	27.7
Movements in the carrying amount:	-
At 31 March 2025	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 Integrated Facade Solutions (previously known as "Alico") resulting in USD 1.4 million of goodwill.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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 earlier if there are significant changes in the indicators of impairment.

8. Trade and other receivables

$ millions	31 March 2025	31 December 2024
Trade receivables (gross)	757.2	663.6
Allowance for trade receivables	(10.9)	(10.8)
Trade receivables (net)	746.3	652.8
Trade receivables due from related parties (Note 27)	1.8	4.6
Prepayments	17.6	19.8
Other tax receivable	40.1	37.3
Supplier and subcontractor advance payments	402.4	315.3
Retentions	274.6	249.8
Other receivables	224.2	159.2
Total	1,707.0	1,438.8
Non-current	16.5	16.0
Current	1,690.5	1,422.8
Total	**1,707.0**	**1,438.8**

The carrying amount of 'Trade and other receivables' as at 31 March 2025 approximates its fair value.

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

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

$ millions	31 March 2025	31 December 2024
Neither past due nor impaired	577.0	470.2
Past due 1 - 30 days	42.1	53.5
Past due 31 - 90 days	23.5	31.2
Past due 91 - 360 days	33.0	44.8
More than 360 days	81.6	63.9
Total	**757.2**	**663.6**

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 three month period ended 31 March 2025 was as follows:

$ millions	31 March 2025	31 December 2024
At 1 January	**(10.8)**	(11.6)
Provision formed	-	(3.5)
Disposal of subsidiary	-	0.9
Exchange rate differences and other	(0.1)	3.4
At 31 March / 31 December	**(10.9)**	**(10.8)**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

9. Equity accounted investees

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

$ millions	31 March 2025	31 December 2024
At 1 January	**450.0**	464.7
Share in results	8.0	30.0
Dividends	-	(14.2)
Disposal	-	(1.8)
Effect of movement in exchange rates	9.6	(28.7)
At 31 March / 31 December	**467.6**	**450.0**

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.

The below table summarizes the financial information of BESIX:

$ millions	2025 100%	2025 Group Share 50%	2024 100%	2024 Group Share 50%
Non-current asset	895.2	447.6	877.2	438.6
Current asset	2,830.0	1,415.0	2,794.0	1,397.0
Non-current liabilities	(677.4)	(338.7)	(646.8)	(323.4)
Current liabilities	(2,187.6)	(1,093.8)	(2,189.8)	(1,094.9)
Net assets at 31 March / December	**860.2**	**430.1**	**834.6**	**417.3**
Construction revenue	1,018.8	509.4	846.0	423.0
Construction cost	(1,012.2)	(506.1)	(845.0)	(422.5)
Net profit for the three month period ended 31 March	**6.6**	**3.3**	**1.0**	**0.5**

The Group has interests in a number of equity accounted investees. The following are the significant interest as of 31 March 2025 :

Name	Parent	Country	Participation %	Net Assets at Group Share $ millions
BESIX Group SA	OC IHC 3 B.V.	Belgium	50.0	430.1
National Pipe Company	Orascom Construction SAE OCI Construction Egypt	Egypt	40.0	13.5
Ras Ghareb Wind Energy SAE	Orascom Egypt Wind BV	Egypt	20.0	7.2
Orasqualia, Orasqualia for Construction S.A.E. and Orasqualia for Maintenance	Orascom Construction SAE	Egypt	50.0	6.0
Red Sea Wind Energy SAE	Orascom Egypt Wind BV II	Egypt	25.0	4.6
Al Ahly for Industrial Development SAE	Orascom Industrial Parks Company	Egypt	25.0	3.5
Clark, Weitz, and Clarkson	The Weitz Group	USA	30.0	2.7

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes the financial information of the Orascom Construction Group's share on equity accounted investees:

$ millions	2025 100%	2025 Group Share	2024 100%	2024 Group Share
Non-current asset	1,763.1	654.4	1,732.2	642.2
Current asset	2,953.3	1,458.9	2,916.1	1,440.1
Non-current liabilities	(1,291.7)	(482.9)	(1,257.7)	(466.9)
Current liabilities	(2,457.9)	(1,162.8)	(2,467.4)	(1,165.4)
Net assets at 31 March / 31 December	**966.8**	**467.6**	**923.2**	**450.0**
Income	1,050.3	519.4	882.3	435.9
Expense	(1,026.4)	(511.4)	(877.4)	(433.2)
Net profit for the three month period ended 31 March	**23.9**	**8.0**	**4.9**	**2.7**

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 7.1 million (31 March 2024 : USD 21.6 million) and can be summarized as follows:

$ millions	31 March 2025	31 March 2024
Current tax	7.0	7.3
Deferred tax	0.1	14.3
Total income tax in profit or loss	**7.1**	**21.6**

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 32.0%.

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

$ millions	31 March 2025	%	31 March 2024	%
Profit before income tax	34.2		71.4	
Tax calculated at weighted average group tax rate	(8.5)	24.9	(19.1)	26.8
(Recognition) / Utilization of deferred tax asset	(0.1)	0.3	14.3	(20.0)
Other	1.5	(4.4)	(16.8)	23.5
Total income tax in profit or loss	(7.1)	20.8	(21.6)	30.3

The UAE has enacted the Pillar Two legislation by way of a Domestic Minimum Top-up Tax ("DMTT") that became effective from 1 January 2025. OC PLC is considered to be in scope of the Pillar Two rules.

OC PLC has assessed the impact of the UAE DMTT for interim reporting for the constituent entities. Based on the assessment, the Group is not liable for any DMTT as the UAE Group meets the transitional safe harbours (effective tax rate above 16%) at interim reporting date.

Management is closley monitoring further developments that could impact its overall Pillar Two tax position on a going-forward basis. OC PLC applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

10.3 Deferred income tax assets and liabilities

The majority of the deferred tax assets of USD 62.5 million (31 December 2024: USD 63.2 million) relates to carried forward tax losses. The deferred tax assets recognized in the statement of financial position is expected to be realized in the period 2025 - 2030.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Deferred tax assets have not been recognized in respect to the carried forward tax losses amounting to USD 702.9 million with a tax effect of USD 182.8 million. The deferred tax was not recognized since the Group assessed that it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom. These tax losses will expire as follows:

$ millions	31 March 2025	Expiry date	31 December 2024	Expiry date
Expire	627.6	2034-2038	627.6	2034 - 2038
Never Expire	75.3	-	75.3	-

11. Inventories

$ millions	31 March 2025	31 December 2024
Finished goods	17.2	17.5
Raw materials and consumables	219.1	204.6
Fuels and others	5.6	5.2
Others	11.4	5.1
Total	**253.3**	**232.4**

As at 31 March 2025, the total write-downs amount to USD 2.6 million (31 December 2024: USD 2.1 million), of which USD 1.8 million related to raw materials and USD 0.8 million related to finished goods.

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

$ millions	31 March 2025	31 December 2024
Costs incurred on contracts (including estimated earnings)	22,077.0	21,439.3
Less: billings to date (net)	(22,231.2)	(21,419.2)
Total	**(154.2)**	**20.1**
Presented in the consolidated statement of financial position as follows:		
Construction contracts in progress - current assets	481.2	575.7
Less: Billing in excess on construction contracts - current liabilities	(635.4)	(555.6)
Total	(154.2)	20.1

Contract balances

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at the reporting date. Contract liabilities relate to the billings in excess of revenue and the advances from customers. Advances from customers pertain to the advance consideration received from customers for the services for which revenue is recognised on performance obligation. The contract assets becomes trade receivables when the rights become unconditional.

The following table provides information about contract assets and contract liabilities from contracts with customers:

$ millions	31 March 2025	31 December 2024
Contract assets (contract work-in-progress)	481.2	575.7
Contract liabilities (billings in excess of revenue)	(635.4)	(555.6)
Contract liabilities (advances from customers)	(917.3)	(873.2)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

13. Cash and cash equivalents

$ millions	31 March 2025	31 December 2024
Cash on hand	1.8	1.4
Bank balances	1,020.2	1,028.3
Restricted funds	1.7	3.8
Restricted cash	27.3	7.8
Total	1,051.0	1,041.3

Restricted funds

The restricted amounts relates to letters of guarantees of Imagro Construction Algeria SPA (USD 0.3 million), United Holding Company (USD 0.5 million), Orascom Free Zone (USD 0.3 million) and Orascom Trading Company (USD 0.6 million).

Restricted cash

Restricted cash amounting to USD 27.3 million relates to amounts restricted for use and withheld as collateral against certain loans and trade finance obligations.

14. Share capital

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

	31 March 2025	31 December 2024
At 1 January	110,243,935	110,243,935
At 31 March / 31 December - fully paid	110,243,935	110,243,935
At 31 March / 31 December ($ millions)	**110.2**	**110.2**

15. Reserves

$ millions	31 March 2025	31 December 2024
At 1 January	(534.0)	(421.7)
Currency translation differences	4.7	(112.3)
At 31 March / 31 December	**(529.3)**	**(534.0)**

16. Non-controlling interest

$ million	United Holding Company - Egypt	Orascom Saudi - KSA	Orascom Industrial Parks - Egypt	Other individual insignificant entities	Total
Non-controlling interest percentage	**43.5%**	**40.0%**	**39.5%**		
Non-current assets	0.1	-	4.4	13.2	**17.7**
Current assets	8.8	96.4	10.5	2.1	**117.8**
Non-current liabilities	-	(0.2)	(2.0)	-	**(2.2)**
Current liabilities	(4.4)	(96.2)	(4.4)	(2.3)	**(107.3)**
Net assets as of 31 December 2024	**4.5**	**-**	**8.5**	**13.0**	**26.0**
Revenue	2.0	0.2	0.3	0.3	2.8
Profit	0.9	-	0.6	2.2	3.7
Other comprehensive loss	(2.1)	-	(3.8)	(0.1)	(6.0)
Total comprehensive (loss) / income for the three month period ended 31 March 2024	**(1.2)**	**-**	**(3.2)**	**2.1**	**(2.3)**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

$ million	United Holding Company - Egypt	Orascom Saudi - KSA	Orascom Industrial Parks - Egypt	Other individual insignificant entities	Total
Non-controlling interest percentage	**43.5%**	**40.0%**	**39.5%**		
Non-current assets	0.1	-	4.1	15.7	**19.9**
Current assets	9.0	96.3	13.4	0.5	**119.2**
Non-current liabilities	-	(0.2)	(3.4)	-	**(3.6)**
Current liabilities	(4.2)	(96.1)	(5.5)	(0.1)	**(105.9)**
Net assets as of 31 March 2025	4.9	-	8.6	16.1	**29.6**
Revenue	1.5	0.2	0.4	-	**2.1**
Profit	0.3	0.1	0.1	1.5	**2.0**
Other comprehensive income	0.1	-	-	-	**0.1**
Total comprehensive income for the three month period ended 31 March 2025	**0.4**	**0.1**	**0.1**	**1.5**	**2.1**

17. 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	-	-	235.9	**235.9**
Orascom Road Construction	Multiple rates	Multiple	-	-	32.7	**32.7**
The Weitz Group, LLC	Multiple rates	Multiple	0.6	22.0	-	**22.6**
National Steel Fabrication	Multiple rates	Multiple	-	-	12.5	**12.5**
Fayoum for Warehouse and Depots	Multiple rates	Multiple	**6.9**	-	-	**6.9**
Others	Multiple rates	Multiple	-	-	2.6	**2.6**
Total as of 31 December 2024			**7.5**	**22.0**	**283.7**	**313.2**

Borrowing Company	Interest rate	Date of maturity	Long term portion	Short term portion	Bank facilities	Total
Orascom Construction SAE	Multiple rates	Annual	-	-	291.0	291.0
Orascom Road Construction	Multiple rates	Multiple	-	-	14.7	14.7
The Weitz Group, LLC	Multiple rates	Multiple	0.5	14.3	-	14.8
National Steel Fabrication	Multiple rates	Multiple	-	-	12.1	12.1
Fayoum for Warehouse and Depots	Multiple rates	Multiple	7.8	-	-	7.8
Others	Multiple rates	Multiple	-	-	3.3	3.3
Total as of 31 March 2025			**8.3**	**14.3**	**321.1**	**343.7**

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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Movements of liabilities to cash flow arising from financing activities:

$ million	Loans & Borrowings	Bank Overdraft	Lease Obligation	Retained Earnings	NCI	Total
Balance as at 1 January 2024	22.8	227.0	20.7	533.3	22.3	826.1
Proceeds from borrowings	65.9	56.7	-	-	-	122.6
Repayment of borrowings	(59.2)	-	-	-	-	(59.2)
Lease payments	-	-	(5.9)	-	-	(5.9)
Dividends paid to shareholders	-	-	-	(43.0)	-	(43.0)
Dividends paid to non-controlling interest	-	-	-	-	(5.0)	(5.0)
Other	-	-	-	(6.1)	-	(6.1)
Total changes from financing cashflow	**29.5**	**283.7**	14.8	484.2	17.3	829.5
Liability-related other changes	-	-	12.6	-	-	12.6
Equity-related other changes	-	-	-	93.8	8.7	102.5
Balance as at 31 December 2024	**29.5**	**283.7**	27.4	578.0	26.0	944.6

$ million	Loans & Borrowings	Bank Overdraft	Lease Obligation	Retained Earnings	NCI	Total
Balance as at 1 January 2025	29.5	283.7	27.4	578.0	26.0	944.6
Proceeds from borrowings	1.2	35.8	-	-	-	37.0
Repayment of borrowings	(7.8)	-	-	-	-	(7.8)
Lease payments	-	-	(1.6)	-	-	(1.6)
Dividends paid to shareholders	-	-	-	(24.2)	-	(24.2)
Total changes from financing cashflow	**22.9**	**319.5**	25.8	553.8	26.0	948.0
Liability-related other changes	(0.3)	1.6	0.5	-	-	1.8
Equity-related other changes	-	-	-	50.2	3.6	53.8
Balance as at 31 March 2025	**22.6**	**321.1**	26.3	604.0	29.6	1,003.6

18. Trade and other payables

$ millions	31 March 2025	31 December 2024
Trade payables	453.8	523.2
Trade payables due to related party (Note 27)	0.4	6.9
Other payables	240.8	248.7
Accrued expenses	657.2	528.8
Deferred revenues	1.1	0.5
Other tax payables	8.4	20.8
Lease obligation (Note 18.1)	26.3	27.4
Retentions payables	158.2	156.6
Employee benefit payables	1.2	1.2
Total	1,547.4	1,514.1

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

$ millions	31 March 2025	31 December 2024
Non-current	60.6	53.5
Current	1,486.8	1,460.6
Total	**1,547.4**	**1,514.1**

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 at the reporting date.

Retentions payable relate to amounts withheld from sub-contractors.

18.1 Lease obligations

$ millions	Non-current lease obligations	Current lease obligations	Total
At 1 January 2024	**15.9**	**4.8**	**20.7**
Movements in the carrying amount:			
Payments	(0.1)	(5.8)	(5.9)
Accretion of interest	-	0.9	0.9
Additions	10.6	2.0	12.6
Transfers	(3.9)	3.9	-
Effect of movement in exchange rates	(0.7)	(0.2)	(0.9)
As of 31 December 2024	**21.8**	**5.6**	**27.4**

$ millions	Non-current lease obligations	Current lease obligations	Total
At 1 January 2025	**21.8**	**5.6**	**27.4**
Movements in the carrying amount:			
Payments	-	(1.6)	(1.6)
Accretion of interest	-	0.3	0.3
Additions	-	0.2	0.2
Transfers	(1.3)	1.3	-
As of 31 March 2025	**20.5**	**5.8**	**26.3**

19. Provisions

$ millions	Warranties	Onerous contracts	Other (including claims)	Total
At 1 January 2024	2.0	5.2	33.8	41.0
Provision formed	0.8	9.5	5.2	15.5
Provision used	-	(2.0)	-	(2.0)
Provision no longer required	-	(0.5)	(0.2)	(0.7)
Effect of movement in exchange rates	(0.9)	(2.8)	(8.5)	(12.2)
Other	-	-	(4.3)	(4.3)
At 31 December 2024	1.9	9.4	26.0	37.3

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

$ millions	Warranties	Onerous contracts	Other (including claims)	Total
At 1 January 2025	**1.9**	**9.4**	**26.0**	**37.3**
Provision formed	0.1	-	1.7	1.8
Provision used	-	1.3	(1.3)	-
Provision no longer required	-	(3.0)	(0.2)	(3.2)
Effect of movement in exchange rates	-	-	0.2	0.2
Other	-	-	0.3	0.3
At 31 March 2025	**2.0**	**7.7**	**26.7**	**36.4**

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. This provision includes USD 7.2 million related to a litigation in the US. Reference is made to Note 26 for detailed information with respect to major ongoing litigations and claims.

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

i. Expenses by nature

$ millions	31 March 2025	31 March 2024
Changes in raw materials and consumables, finished goods and work in progress	631.6	566.7
Employee benefit expenses (ii)	142.0	154.8
Depreciation, amortization	8.5	7.4
Maintenance and repairs	7.7	6.1
Consultancy expenses	3.7	2.9
Other	11.3	7.2
Total	**804.8**	**745.1**

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

ii. Employee benefit expenses

$ millions	31 March 2025	31 March 2024
Wages and salaries	115.2	128.7
Social securities	0.2	0.3
Employee profit sharing	7.8	5.3
Pension cost	1.9	5.7
Other employee expenses	16.9	14.8
Total	**142.0**	**154.8**

As of 31 March 2025, the number of permanent and temporary staff employed by the Group is 22,437 (31 December 2024: 21,198) and 35,910 (31 December 2024: 34,921), respectively.

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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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 three month period ended 31 March 2025 is USD 1.8 million and the expected contribution to these plans for the financial year 2025 is USD 8.7 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.

21. Other income

$ millions	31 March 2025	31 March 2024
Other income	2.8	1.3
Net gain on sale of property, plant and equipment	-	0.4
Total	**2.8**	**1.7**

22. Net finance (cost) / income

$ millions	31 March 2025	31 March 2024
Interest income on financial assets measured at amortized cost	5.9	4.5
Foreign exchange gain	0.5	80.4
Finance income	6.4	84.9
Interest expense on financial liabilities measured at amortized cost	(22.6)	(17.5)
Foreign exchange loss	(3.2)	(21.6)
Finance cost	(25.8)	(39.1)
Net finance (cost) / income recognized in profit or loss	**(19.4)**	45.8

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	31 March 2025	31 March 2024
Total interest income on financial assets	5.9	4.5
Total interest expense on financial liabilities	(22.6)	(17.5)

23. Earnings per share

	31 March 2025	31 March 2024
Net profit attributable to shareholders ($ millions)	25.1	46.1
Weighted average number of ordinary share (million)	110.2	110.2
Basic and diluted earnings per ordinary share (USD)	0.23	0.42

24. Revenue

$ millions	31 March 2025	31 March 2024
Revenue from contracts with customers	847.6	766.3
Primary geographical market		
MENA	518.7	359.8
USA	328.9	406.5
Total revenue	847.6	766.3

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

$ millions	31 March 2025	31 March 2024
Major products and service lines		
Construction revenue	828.4	740.0
Revenue from sale of goods	7.5	12.4
Revenue from sale of services	7.8	8.6
Others	3.9	5.3
Total revenue	847.6	766.3
Timing of revenue recognition		
Products and services transferred overtime	828.4	740.0
Products and services transferred at a point in time	19.2	26.3
Total revenue	847.6	766.3

25. Segment reporting

The Group determines and presents operating segments on the information that internally is provided to the Chief Executive 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 three month period ended 31 March / and as at 31 December 2024

$ millions	MENA	USA	Besix	Total
Products and services transferred overtime	333.5	406.5	-	740.0
Products and services transferred at a point in time	26.3	-	-	26.3
Total revenue	**359.8**	**406.5**	**-**	**766.3**
Construction revenue	333.5	406.5	-	740.0
Revenue from sale of goods	12.4	-	-	12.4
Revenue from sale of services	8.6	-	-	8.6
Others	5.3	-	-	5.3
Total revenue	**359.8**	**406.5**	**-**	**766.3**
Share in income of equity accounted investees	2.2	-	0.5	2.7
Depreciation and amortization	(5.8)	(1.6)	-	(7.4)
Interest income	4.2	0.3	-	4.5
Interest expense	(16.9)	(0.6)	-	(17.5)
Profit before tax for the three month period ended 31 March	**58.9**	**12.0**	**0.5**	**71.4**
Investment in PP&E (including right of use asset) as at 31 December	68.2	20.5	-	88.7
Equity accounted investee	30.0	2.7	417.3	450.0
Non-current assets as at 31 December	**156.3**	**125.1**	**417.3**	**698.7**
Total assets as at 31 December	**2,674.3**	**879.7**	**417.3**	**3,971.3**
Total liabilities as at 31 December	**2,764.9**	**558.9**	**-**	**3,323.8**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Business information for the three month period ended and as at 31 March 2025

$ millions	MENA	USA	Besix	Total
Products and services transferred overtime	499.5	328.9	-	828.4
Products and services transferred at a point in time	19.2	-	-	19.2
Total revenue	**518.7**	**328.9**	**-**	**847.6**
Construction revenue	499.5	328.9	-	828.4
Revenue from sale of goods	7.5	-	-	7.5
Revenue from sale of services	7.8	-	-	7.8
Others	3.9	-	-	3.9
Total revenue	**518.7**	**328.9**	**-**	**847.6**
Share in income of equity accounted investees	4.7	-	3.3	8.0
Depreciation and amortization	(5.5)	(3.0)	-	(8.5)
Interest income	5.6	0.3	-	5.9
Interest expense	(22.6)	-	-	(22.6)
Profit before tax for the three month period ended 31 March	**22.5**	**8.4**	**3.3**	**34.2**
Investment in PP&E (including right of use asset)	14.3	-	-	14.3
Equity accounted investee	34.8	2.7	430.1	467.6
Non-current assets as at 31 March	**168.4**	**122.9**	**430.1**	**721.4**
Total assets as at 31 March	**2,974.8**	**793.2**	**430.1**	**4,198.1**
Total liabilities as at 31 March	**3,052.7**	**463.6**	**-**	**3,516.3**

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 the following customers that represent 10 percent or more of revenues:

Percentage	31 March 2025	31 March 2024
Egyptian Government	29.3%	30.4%

26. Contingencies

26.1 Contingent liabilities

26.1.1 Letters of guarantee / letters of credit

Letters of guarantee issued by the banks for the Group as at 31 March 2025 amount to USD 1,786.7 million (31 December 2024: USD 1,744.4 million). Outstanding letters of credit as at 31 March 2025 (uncovered portion) amount to USD 77.0 million (31 December 2024: USD 84.2 million).

Some of our sub-holdings have provided general performance guarantees for the execution of major projects by our subsidiaries.

As of 31 March 2025, mechanic liens have been received in respect of one of our US project for a total of USD 1.9 million (31 December 2024: USD 1.9 million).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

26.1.2 Litigations and claims

The Group entities and joint ventures, are engaged in various legal disputes, acting either as defendants or claimants. These cases are closely monitored by management and legal counsel, who evaluate them for potential impacts, taking into account possible insurance recoveries and third-party claims. Provisions for potential financial impacts from unfavorable outcomes are recognized in the interim consolidated financial statements in accordance with the requirements of IAS 37 "Provisions, Contingent Liabilities, and Contingent Assets", specifically under note 19 'Provisions'. However, due to uncertainties such as potential new lawsuits, settlements, or court decisions, the Group cannot determine any additional financial loss with certainty. Despite this, based on legal consultations, the management believes these legal matters will not substantially affect the Group's financial position as of 31 March 2025, though they may significantly impact operational results or cash flows in specific periods.

Furthermore, the Group faces potential claims from customers and claims from subcontractors and accordingly sets aside adequate provisions, with these reserves being periodically reviewed to account for any significant claims or litigation risks. Legal assessments suggest that these provisions are sufficient, and no significant additional cash outflows are anticipated beyond what has already been accounted for. In adherence to IAS 37 guidelines on "Provisions, Contingent Liabilities, and Contingent Assets," the Group has chosen not to disclose full details of these legal disputes. This decision is driven by the belief that such disclosures could compromise the Group's position in ongoing and contested legal matters, prioritizing the protection of their legal strategy while managing litigation risks within the framework of IAS 37.

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 Qatar Foundation for Education, Science & Community Development (the "Foundation") in February 2008 to Obrascón Huarte Lain (55%) and Contrack Cyprus Limited (45%), hereinafter referred to as the "JV", for a total contract value of approximately USD 2.4 billion.

In July 2014, when the project was approx. 95% complete, the JV received a Notice of Termination from the Foundation. On or around the same date, the Foundation successfully liquidated the JV's performance bank and advance payment guarantees, receiving a total of QAR 880 million. On 23 July 2014, the Foundation commenced arbitration proceedings against Obrascón Huarte Lain and Contrack Cyprus Limited by serving a Request for Arbitration with the ICC (seat in London). Since 2014, several hearings and expert meetings took place and partial awards have been issued by the tribunal. An award (resolving all claims except interest and costs) is expected by the end of Q2 2025.

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.

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. The arbitration was subsequently suspended while the Parties engaged in amicable settlement discussions.

In March 2025, the Parties signed a Settlement Agreement for the full and final settlement of all claims concerning the Project. The Parties are in the process to submit a request to the Tribunal requesting the Final Consent Award. The arbitration will be terminated only after the consent award is issued.

26.1.5 USA Claims

In addition to the cases identified above, the Group is involved in other disputes of a lower value, namely in the United States, either as defendants or claimants. Provisions are considered in the Group's accounts when deemed appropriate.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

27. Related party transactions and balances

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

Related party $ millions	Relation	Revenue transactions during the three month period ended 31 March 2024	AR and loan outstanding at year ended 31 December 2024	Purchases transactions during the three month period ended 31 March 2024	AP and advances outstanding at year ended 31 December 2024
Ras Ghareb Wind Energy	Equity accounted investee	0.1	-	-	-
Red Sea Wind Energy	Equity accounted investee	-	1.6	-	-
National Pipe Company	Equity accounted investee	-	-	-	4.3
Nile City Investment	Related via Key Management personnel	-	-	0.7	2.5
Other		-	3.0	-	0.1
Total		**0.1**	**4.6**	**0.7**	**6.9**

Related party $ millions	Relation	Revenue transactions during the three month period ended 31 March 2025	AR and loan outstanding at year ended 31 March 2025	Purchases transactions during the three month period ended 31 March 2025	AP and advances outstanding at year ended 31 March 2025
Ras Ghareb Wind Energy	Equity accounted investee	0.1	-	-	-
Red Sea Wind Energy	Equity accounted investee	0.1	1.6	-	-
National Pipe Company	Equity accounted investee	-	-	-	0.3
Other		-	0.2	-	0.1
Total		0.2	**1.8**	-	**0.4**

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.

27.1 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 period ended 31 March 2025, 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 three month period ended 31 March 2025 to an amount of around USD 10.8 million (31 March 2024: USD 12.9 million).

Key management personnel compensation comprise of the following:

$ millions	31 March 2025	31 March 2024
Short-term employee benefits	4.7	2.1
Other long-term benefits	6.1	10.8
Total	10.8	12.9

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

29. List of principal subsidiaries, associates and joint ventures

Companies	Country	Percentage of interest	Consolidation method
Orascom Construction Turnkey Projects LLC	UAE	100.00	Full
Imagro Construction Algeria (SPA)	Algeria	99.99	Full
IMAGRO Construction SRL	Italy	49.90	Full
BESIX Group SA	Belgium	50.00	Equity
Integrated Facade Solutions (Alico)	Egypt	100.00	Full
Orascom Construction Trading - FZCO	UAE	100.00	Full
Orascom Construction SAE	Egypt	100.00	Full
Orascom Road Construction	Egypt	100.00	Full
Orasqualia for the Development of the Wastewater Treatment Plant	Egypt	50.00	Equity
National Steel Fabrication	Egypt	100.00	Full
Orascom Industrial Parks Company	Egypt	60.50	Full
Orascom Saudi Company	KSA	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 6 February 2024, the board of directors approved an interim dividend of USD 0.190 per share amounting to USD 20.9 million which had been paid on 22 February 2024.

On 20 May 2024, at the Annual General Meeting, the shareholders approved a dividend of USD 0.200 per share amounting to USD 22.1 million which had been paid on 21 August 2024.

On 31 December 2024, the board of directors approved an interim dividend of USD 0.220 per share amounting to USD 24.2 million which had been paid on 15 January 2025.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Dubai, UAE, 27 May 2025

The Orascom Construction PLC Board of Directors,

Jérôme Guiraud	Chairman
Osama Bishai	Chief Executive Officer
Sami Haddad	Member
Johan Beerlandt	Member
Nada Shousha	Member
Renad Younes	Member
Hassan Badrawi	Member
Bjorn Schuurmans	Member

ORASCOM CONSTRUCTION PLC
(the **Company**)

Summary of the Board Resolutions

A meeting of the board of directors of the Company was held on 27 May 2025. After due and careful consideration, **IT WAS RESOLVED**:

(a) that the financial statements of the Company for the period ended 31 March 2025 be approved.

Orascom Construction PLC
(“the Company”)

Separate interim financial statements (unaudited)
For the three month period ended 31 March 2025

Orascom Construction PLC (“the Company”)

Seperate interim financial statements (unaudited)

For the three month period ended 31 March 2025

Contents ***Page***

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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 31 March 2025 separate interim financial statements of Orascom Construction PLC ("the Company"), which comprise:

- the separate statement of profit or loss and other comprehensive income for the three month period ended 31 March 2025;
- the separate statement of financial position as at 31 March 2025;
- the separate statement of cash flows for the three month period ended 31 March 2025;
- the separate statement of changes in equity for the three month period ended 31 March 2025; 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 31 March 2025 separate interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG LLP

KPMG LLP

Mohamed Altatawi
DFSA Registration No: I009750
Dubai, United Arab Emirates

Date: 27 May 2025

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Orascom Construction PLC

Separate statement of profit or loss and other comprehensive income

For the three month period ended 31 March 2025

	Note	Three month period ended **31 March 2025** **USD** **(Unaudited)**	 31 March 2024 USD (Unaudited)
General and administrative expenses	*5*	**(2,975,914)**	(3,122,173)
Support and management fees	*12*	**1,100,000**	4,465,245
Provision for impairment loss on loans and amount due from related parties, net	*12 (iii)*	**(50,408)**	(64,971)
Finance income	*6*	**92,577**	6,884,247
Finance expenses	*7*	**(6,865,783)**	(4,427,011)
(Loss) / income before income tax		**(8,699,528)**	3,735,337
Income tax	*8*	**-**	**-**
(Loss) / income for the period		**(8,699,528)**	3,735,337
Other comprehensive income for the period		**-**	**-**
Total comprehensive (loss) / income for the period		**(8,699,528)**	3,735,337
Earnings per share (in USD)			
Basic earnings per share**		**0.23**	**0.42**

**Basic earning per share are computed based on the amount of the consolidated financial statements which includes the earning of the Company and its subsidiaries.

The notes on pages 7 to 31 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 31 March 2025

	Note	31 March 2025 USD (Unaudited)	31 December 2024 USD (Audited)
Non-current assets			
Investment in subsidiaries	*9*	**921,549,637**	921,549,637
Loan due from related parties	*12*	**1,454,369**	1,001,711
Right of use asset		**504,005**	554,405
		923,508,011	923,105,753
Current assets			
Prepayments and other receivables	*10*	**14,595,485**	15,099,079
Due from related parties	*12*	**5,329,146**	8,939,795
Cash on hand and at banks	*11*	**1,816,010**	1,035,853
		21,740,641	25,074,727
Total assets		**945,248,652**	948,180,480
Shareholder's equity and liabilities			
Shareholder's equity			
Share capital	*14*	**110,243,935**	110,243,935
Share premium		**469,990,308**	469,990,308
Retained earnings		**92,022,163**	100,721,691
		672,256,406	680,955,934
Liabilities			
Non-current liabilities			
Loans due to related parties	*12*	**241,746,013**	214,617,009
Lease liability		**305,764**	299,497
		242,051,777	214,916,506
Current liabilities			
Due to related parties	*12*	**23,386,564**	18,898,982
Accounts payable and accrued expenses	*13*	**7,344,489**	8,945,976
Lease liability		**209,416**	209,416
Dividends payable		**-**	24,253,666
		30,940,469	52,308,040
Total liabilities		**272,992,246**	267,224,546
Total liabilities and shareholder's equity		**945,248,652**	948,180,480

The notes on pages 7 to 31 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 27 May 2025 and signed on their behalf by:

Chief Executive Officer

Board Member

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 three month period ended 31 March 2025

	Note	**31 March 2025 USD (Unaudited)**	31 March 2024 USD (Unaudited)
Operating activities			
(Loss) / income for the period		**(8,699,528)**	3,735,337
Adjustments for:			
Finance expenses	*7*	**6,865,783**	4,427,011
Provision for impairment loss on loans and amount due from related parties, net	*12(iii)*	**50,408**	64,971
Finance income	*6*	**(92,577)**	(6,884,247)
Depreciation on right of use asset		**50,400**	**-**
		(1,825,514)	1,343,072
Change in prepayments and other receivables		**(372,905)**	(31,840)
Change in due from related parties		**1,382,787**	(5,622,317)
Change in accounts payable and accrued expenses		**(2,421,531)**	(2,323,063)
Change in due to related parties		**18,964,789**	20,420,981
Net cash generated from operating activities		**15,727,626**	13,786,833
Investing activities			
Additional loan given to a related parties	*12(v)*	**(423,146)**	(1,026,968)
Finance income received		**12,657**	11,120
Net cash used in investing activities		**(410,489)**	(1,015,848)
Financing activities			
Proceeds from loans given by related parties	*12(vi)*	**9,851,468**	8,384,740
Finance expense paid		**(14,905)**	(10,008)
Dividend paid		**(24,253,666)**	(20,946,348)
Net cash used in financing activities		**(14,417,103)**	(12,571,616)
Net change in cash and cash equivalents		**900,034**	199,369
Cash and cash equivalents at the beginning of the period		**1,035,853**	1,502,023
Effects of movements in exchange rates on cash held		**(119,877)**	(87,458)
Cash and cash equivalents at the end of the period	*11*	**1,816,010**	1,613,934

The notes on pages 7 to 31 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 three month period ended 31 March 2025

	Share capital USD	Share premium USD	Retained earnings USD	Total USD
Balance at 1 January 2024 (Audited)	110,243,935	469,990,308	185,080,679	765,314,922
Total comprehensive profit for the period				
Profit for the period	-	-	3,735,337	3,735,337
Transactions with owners, recognised directly in equity				
Dividend declared (refer note 15)	-	-	(20,946,348)	(20,946,348)
Balance at 31 March 2024 (Unaudited)	110,243,935	469,990,308	167,869,668	748,103,911
Balance at 1 January 2025 (Audited)	110,243,935	469,990,308	100,721,691	680,955,934
Total comprehensive loss for the period				
Loss for the period	-	-	(8,699,528)	(8,699,528)
Balance at 31 March 2025 (Unaudited)	**110,243,935**	**469,990,308**	**92,022,163**	**672,256,406**

The notes on pages 7 to 31 form an integral part of these separate interim financial statements.

1 Legal status and principal activities

Orascom Construction PLC is a publicly listed company, incorporated and registered in the Dubai International Financial Centre. The Company is dual listed on NASDAQ Dubai and the Egyptian 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 has 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 owns 100 percent investment in OC Investments Holding Limited, OC International Holding Limited and Orascom Building Material Holding Limited.

2 Basis of preparation

Going concern

The separate interim financial statements have been prepared on a going concern basis notwithstanding the fact that the Company has incurred loss for the period of USD 8,699,528 (2024: income for the period of USD 3,735,337), the Company's current liabilities exceeded its current assets by USD 9,199,828 (2024: USD 27,233,313). Although the Company is incurring losses, its subsidiaries generate enough profit for this Company to continue as going concern. The continuation of the Company's operation is dependent upon future profitable operations of its subsidiaries, and the ability of the Company to generate sufficient level of positive cash flows to meet its obligation as they fall due.

Statement of compliance

These separate interim financial statements 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 2024. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting 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 separate financial statements.

Separate financial statements of the Company

The Company acts as a holding company for its subsidiaries. The Company and its subsidiaries are collectively referred to as "the Group". These separate interim financial statements present the financial performance and position of the Company only and do not include the operating results and financial position of its subsidiaries. In these separate interim 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 as well as contingencies and commitments, the consolidated interim financial statements of the Group for the three months period ended 31 March 2025 issued separately on 27 May 2025 should be referred to.

2 Basis of preparation *(continued)*

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.

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 Material accounting policies

The accounting policies set out below, which comply with IFRS standards, 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.

3 Material accounting policies *(continued)*

Financial instruments *(continued)*

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.

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 – 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.

3 Material accounting policies *(continued)*

Financial instruments *(continued)*

ii. Classification and subsequent measurement *(continued)*

Financial assets *(continued)*

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest *(continued)*

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 at FVTPL

These assets are subsequently measured at fair value. Net gains or losses, including any interest or dividend income, are recognised 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 recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

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.

3 Material accounting policies *(continued)*

Financial instruments *(continued)*

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.

Impairment

i. Non-derivative financial assets

The Company recognises loss allowances for ECLs on loans due from related parties, amounts due from related parties, other receivables 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:

- 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 amounts due from related parties, loans due from related parties and other receivables are always measured at an amount equal to lifetime ECLs.

3 Material accounting policies *(continued)*

Financial instruments *(continued)*

Impairment *(continued)*

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

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.

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

3 Material accounting policies *(continued)*

Financial instruments *(continued)*

Impairment *(continued)*

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

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.

ii. 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.

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.

3 Material accounting policies *(continued)*

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. Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Finance income

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

Finance expense

Finance expense include interest incurred on loans due to related parties, bank charge, unrealised loss on foreign currency exchange forward contracts, interest expense on finance lease and net foreign exchange loss. Interest expense is recognised as it accrues, using the effective interest rate method.

Cash on hand and at banks

Cash comprises bank balances 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 separate 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.

3 Material accounting policies *(continued)*

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.

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.

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:

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

The Company recognizes 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.

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.

3 Material accounting policies *(continued)*

Leases *(continued)*

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, 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.

Income tax

Income taxes have been provided for in the financial statements in accordance with legislation enacted at the reporting date in the United Arab Emirates, where the Company operates and generates taxable income. The income tax charge comprises current tax and deferred tax, recognised in statement of profit or loss and comprehensive income for the year.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect to other years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received the reflects the uncertainty related to income taxes, if any. It is measured using tax rates enacted at the reporting date in the United Arab Emirates.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets arising from deductible temporary differences, unused tax losses, or unused tax credits are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

3 Material accounting policies *(continued)*

Deferred tax *(continued)*

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Global Minimum Top-up Tax

The UAE has enacted the Pillar Two legislation by way of a Domestic Minimum Top-up Tax (“DMTT”) that became effective from 1 January 2025. The Company is considered to be in scope of the Pillar Two rules.

The Company has assessed the impact of the UAE DMTT for interim reporting for the Constituent Entities. Based on the assessment, the Group is not liable for any DMTT as the UAE Group meets the transitional safe harbours (effective tax rate above 16%) at interim reporting date.

Management is closely monitoring further developments that could impact its overall Pillar Two tax position on a going-forward basis. Orascom applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

3 Material accounting policies *(continued)*

New and amended standards issued and effective

The following revised new and amended standards have been adopted in the separate interim financial statements.

- Lack of Exchangeability - Amendments to IAS 21

Accounting standards issued but not yet effective

A number of new accounting standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. However, the Company has not early adopted the following new or amended accounting standards in preparing these separate interim financial statements.

- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7
- Contracts Referencing Nature – dependent Electricity – Amendments to IFRS9 and IFRS 7
- Annual Improvements to IFRS Accounting Standards - Volume 11
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Sale or Contribution of Assets between an Investor and its associate or Joint Venture-Amendments to IFRS 10 and IAS 28.

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.

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 loans due from related parties, amounts due from related parties, refundable deposits and other receivables and cash at banks. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each of its related party. 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 Company's loans due from related parties and amounts due from related parties, refundable deposits and other receivables and cash at banks.

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

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 accounts payable and accrued expenses, loans due to related parties, lease liability, dividend payable and amounts due to related parties. 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.

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

	Three month period ended	
	31 March 2025	31 March 2024
	USD	USD
Salaries and wages	**1,780,905**	2,076,494
Professional fees	**432,473**	381,038
Expenses recharged from related parties (refer note 12)	**382,654**	261,189
Insurance expense	**166,918**	162,159
Depreciation of right of use of asset	**50,400**	-
Travel	**10,596**	23,911
Others	**151,968**	217,382
	2,975,914	3,122,173

6 Finance income

	Three month period ended	
	31 March 2025	31 March 2024
	USD	USD
Interest income on loans due from related parties (refer note 12)	**79,920**	76,900
Interest in bank balances	**12,657**	11,120
Foreign exchange gain – net	**-**	6,796,227
	92,577	6,884,247

7 Finance expenses

	Three month period ended	
	31 March 2025	31 March 2024
	USD	USD
Interest expense on loans due to related parties (refer note 12)	**5,606,788**	4,417,003
Unrealised loss on foreign currency exchange forward contracts	**1,224,364**	-
Bank charges	**14,905**	10,008
Foreign exchange loss – net	**13,459**	-
Interest expense on finance lease	**6,267**	-
	6,865,783	4,427,011

8 Corporate income tax

	Three month period ended	
	31 March 2025	31 March 2024
	USD	USD
Taxable (losses) / income	**(8,699,528)**	3,735,337
Effective tax rate	**0%**	0%
	-	-

Reconciliation of tax based on the taxable losses / (income) and tax based on accounting losses:

	Three month period ended	
	31 March 2025	31 March 2024
	USD	USD
Accounting loss before income tax	**(8,699,528)**	3,735,337
Permanent differences	-	-
Temporary differences	-	-
	(8,699,528)	3,735,337

The Company qualifies as a Free Zone Entity under the UAE Corporate Tax regime and is therefore subject to a corporate tax rate of 0%, in accordance with the applicable regulations.

9 Investment in subsidiaries

	31 March 2025 USD	31 December 2024 USD
Orascom Holding Cooperatief U.A.	**921,399,637**	921,399,637
OC Investments Holding Limited	**50,000**	50,000
OC International Holding Limited (refer note (i) below)	**50,000**	50,000
Orascom Building Material Holding Limited (refer note (ii) below)	**50,000**	50,000
	921,549,637	921,549,637

(i) On 30 May 2024, the Company invested an amount of USD 50,000 in OC International Holding Ltd ("OCIHL"). OCIHL was incorporated under the DIFC Law No. 5 of 2018, operates as an holding company and is a 100 percent owned subsidiary of the Company.

(ii) On 31 May 2024, the Company invested an amount of USD 50,000 in Orascom Building Material Holding Limited ("OBMHL"). OBMHL was incorporated under the DIFC Law No. 5 of 2018, operates as a holding company and is a 100 percent owned subsidiary of the Company.

The principal place of business and country of incorporation for Orascom Holding Cooperatief U.A is Netherlands while the rest of subsidiaries are in United Arab Emirates.

Based on the management's assessment, there were no new indicators of impairment for the three month period ended 31 March 2025 or a significant changes to the key assumptions used in impairment assessment as at 31 December 2024, which would materially impact the carrying amount of investment in subsidiary as at 31 March 2025.

10 Prepayments and other receivables

	31 March 2025 USD	31 December 2024 USD
Prepayments	**157,452**	329,228
Refundable deposits	**62,632**	62,632
Unrealised gain on foreign currency exchange forward contracts	**-**	404,394
Other receivables (refer note (i))	**14,375,401**	14,302,825
	14,595,485	15,099,079

(i) During 2024, the Company entered into an agreement to acquire certain assets and assume certain liabilities, commitments and contingencies of one of its subsidiaries. Consequently, certain commitments were assumed and as a result other receivable of USD 14,155,637 had been recorded, representing amount receivable from third party.

11 Cash on hand and at banks

	31 March 2025	31 December 2024
	USD	USD
Cash on hand	**1,922**	2,096
Cash at banks	**1,814,088**	1,033,757
	------------	------------
	1,816,010	1,035,853
	=======	=======

12 Related party transactions and balances

The Company, in the ordinary course of business, enters into transactions with other business enterprises that fall within the definition of a related party 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:

	Three month period ended	
	31 March 2025	31 March 2024
	USD	USD
Net funds received from related party	**30,199,044**	28,346,268
Assignment and transfer of related party payables (refer to (i))	**15,087,410**	47,217,265
Interest expense on loans due to related parties	**5,606,788**	4,417,003
Support and management fees (refer to (ii))	**1,100,000**	4,465,245
Additional loans given to related party	**423,146**	1,026,967
Expenses recharged from related parties (refer to 5)	**382,654**	261,189
Salaries and other expenses recharged from related parties	**203,692**	498,678
Interest income on loans due from related parties	**79,920**	76,900
Expenses paid on behalf of the related parties	**-**	906,946
Conversion of due to related party to loan due to related party (refer to (i))	**-**	112,327,820
	=========	=========

(i) This mainly represents the assignment of loans and related party balances in accordance with intercompany settlement agreements.

(ii) Support and management fees represent corporate charges made by the Company to one of its related party for tax, legal, accounting, treasury management, general management services, information technology and other support services.

Key management remuneration

The Company considers the members of the Board of Directors (Executive and Non-executive), and the senior management to be the key management personnel of the Company.

The remuneration of the key management for the period is as follows:

	Three month period ended	
	31 March 2025	31 March 2024
	USD	USD
Short-term employee benefits	**1,780,905**	2,076,494
	=======	========

12 Related party transactions *(continued)*

	Relationship	Interest terms	Repayment terms	**31 March 2025** Current Portion USD	**31 March 2025** Non-current portion USD	**31 March 2025** Total USD	31 December 2024 Current portion USD	31 December 2024 Non-current portion USD	31 December 2024 Total USD
Loans due from related parties									
OC Investments Holding Limited	Subsidiary	refer note (iv.a)	receivable on 30 June 2028	-	**1,454,369**	**1,454,369**	-	1,001,711	1,001,711
OCI Saudi Arabia	Subsidiary	refer note (iv.b)	receivable on 31 December 2025	**3,548,341**	-	**3,548,341**	3,497,933	-	3,497,933
Total loans due from related parties				**3,548,341**	**1,454,369**	**5,002,710**	3,497,933	1,001,711	4,499,644
Less: Provision for Impairment				**(3,548,341)**	-	**(3,548,341)**	(3,497,933)	-	(3,497,933)
				-	**1,454,369**	**1,454,369**	-	1,001,711	1,001,711
Due from related parties									
Orascom Construction CO2 Abu Dhabi	Subsidiary	no interest	receivable on demand	**2,492,481**	-	**2,492,481**	1,155,000	-	1,155,000
Red Sea Wind Energy SAE	Subsidiary	no interest	receivable on demand	**1,583,878**	-	**1,583,878**	-	-	-
Orascom Egypt Wind II	Subsidiary	no interest	receivable on demand	**855,728**	-	**855,728**	2,439,606	-	2,439,606
Orascom Saudi	Subsidiary	no interest	receivable on demand	**474,121**	-	**474,121**	474,121	-	474,121
OCI Saudi Arabia	Subsidiary	no interest	receivable on demand	**202,219**	-	**202,219**	130,820	-	130,820
Orascom Construction Turnkey Projects	Subsidiary	no interest	receivable on demand	**127,755**	-	**127,755**	63,814	-	63,814
NSF Global Limited	Subsidiary	no interest	receivable on demand	**32,035**	-	**32,035**	29,822	-	29,822
National Steel Fabrication	Subsidiary	no interest	receivable on demand	**20,524**	-	**20,524**	15,532	-	15,532
OCI Construction Limited	Subsidiary	no interest	receivable on demand	**14,526**	-	**14,526**	7,154	-	7,154
Orascom Construction SAE	Subsidiary	no interest	receivable on demand	-	-	-	5,098,047	-	5,098,047
Total amount due from related parties				**5,803,267**	-	**5,803,267**	9,413,916	-	9,413,916
Less: Provision for Impairment				**(474,121)**	-	**(474,121)**	(474,121)	-	(474,121)
				5,329,146	-	**5,329,146**	8,939,795	-	8,939,795

12 Related party transactions *(continued)*

	Relationship	Interest terms	Repayment terms	**31 March 2025** Current portion USD	Non-current portion USD	Total USD	31 December 2024 Current portion USD	Non-current portion USD	Total USD
Loans due to related parties									
OCI Construction International BV	Subsidiary	refer note (iv.d)	payable on 31 December 2029	-	**196,630,591**	**196,630,591**	-	177,597,545	177,597,545
Orascom Holding Cooperatief U.A.	Subsidiary	refer note (iv.e)	payable on 31 December 2027	-	**28,682,401**	**28,682,401**	-	28,145,185	28,145,185
Orascom Construction SAE	Subsidiary	refer note (iv.c)	payable on 31 December 2027	-	**16,433,021**	**16,433,021**	-	8,874,279	8,874,279
				-	**241,746,013**	**241,746,013**	-	214,617,009	214,617,009
Due to related parties									
Contrack Watts Inc.	Subsidiary	no interest	payable on demand	**11,362,373**	-	**11,362,373**	11,044,469	-	11,044,469
Orascom E&C	Subsidiary	no interest	payable on demand	**4,876,370**	-	**4,876,370**	4,607,927	-	4,607,927
Orascom Construction SAE	Subsidiary	no interest	payable on demand	**3,890,757**	-	**3,890,757**	**-**	-	**-**
Imagro Algeria	Subsidiary	no interest	payable on demand	**2,380,884**	-	**2,380,884**	2,349,054		2,349,054
The Weitz Company, LLC	Subsidiary	no interest	payable on demand	**577,356**	-	**577,356**	577,356	-	577,356
Cementech Limited	Subsidiary	no interest	payable on demand	**206,798**	-	**206,798**	220,176	-	220,176
OCIHL	Subsidiary	no interest	payable on demand	**46,013**	-	**46,013**	50,000	-	50,000
OBMHL	Subsidiary	no interest	payable on demand	**46,013**	-	**46,013**	50,000	-	50,000
				23,386,564	-	**23,386,564**	18,898,982	-	18,898,982

12 Related party transactions and balances *(continued)*

(iii) 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:

	31 March 2025 USD	31 March 2024 USD
1 January	**3,972,054**	3,390,878
Provision for impairment during the period	**50,408**	64,971
31 March	**4,022,462**	3,455,849

The net impairment loss on loans and amounts due from related parties presented in the separate statement of profit or loss and other comprehensive income includes the following:

	31 March 2025 USD	31 March 2024 USD
Provision for loan due from OCI Saudi Arabia Limited Company	**50,408**	55,394
Provision for OCI Construction Limited	**-**	9,577
Provision for impairment during the period	**50,408**	64,971

(iv) Interest terms

(iv.a) The loan carries interest at 30-day average SOFR plus 4.49%
(iv.b) The loan carries interest at 30-day average SOFR plus 1.40%
(iv.c) The loan is denominated in Egyptian pounds which carries interest at Egyptian Central Bank Mid Corridor rate plus 1%.
(iv.d) The loan carries interest at 30-day average SOFR plus 3.81%
(iv.e) The loan carries interest at 30-day average SOFR plus 3.25%

(v) Reconciliation of movements of assets to cash flow arising from investing activities

Loans due from related parties	**31 March 2025 USD**	31 March 2024 USD
Balance as at 1 January	**1,001,711**	2,812,011
Additional loan given to related parties	**423,146**	1,026,968
Other asset related non cash changes	**29,512**	(2,790,505)
Balance as at 31 March	**1,454,369**	1,048,474

12 Related party transactions and balances *(continued)*

(vi) Reconciliation of movements of liabilities to cash flow arising from financing activities

Loans due to related parties	**31 March 2025 USD**	31 March 2024 USD
Balance as at 1 January	**214,617,009**	10,557,826
Proceeds from loans given by related parties	**9,851,468**	8,384,740
Other liability related non cash changes	**17,277,536**	154,226,233
Balance as at 31 March	**241,746,013**	173,168,799

13 Accounts payable and accrued expenses

	31 March 2025 USD	31 December 2024 USD
Accrued expenses	**4,024,519**	8,945,191
Other payable	**2,500,000**	-
Unrealised loss on foreign currency exchange forward contracts (refer note (i) below)	**819,970**	-
Accounts payable	-	785
	7,344,489	8,945,976

(i) As at 31 March 2025, the notional amount of the forward contract entered into in 2024 is EUR 40,000,000. The forward contract commitments are expected to occur within one year from reporting date.

14 Share capital

	31 March 2025 USD	31 December 2024 USD
At January 1	**110,243,935**	110,243,935
31 March 2025 / 31 December 2024	**110,243,935**	110,243,935

15 Dividend

On 6 February 2024, the board of directors approved an interim dividend of USD 0.190 per share amounting to USD 20,946,348 which had been paid on 22 February 2024.

On 20 May 2024, at the Annual General Meeting, the shareholders approved a dividend of USD 0.200 per share amounting to USD 22,048,787 which had been paid on 21 August 2024.

On 31 December 2024, the board of directors approved an interim dividend of USD 0.220 per share amounting to 24,253,666 which had been paid on 15 January 2025.

16 Financial instruments

The financial assets of the Company include cash at banks, loans due from related parties, refundable deposit and other receivables and amounts due from related parties. The financial liabilities of the Company include accounts payable, accrued expenses, amounts due to related parties, loans due to related parties, dividend payables and lease liability.. Accounting policies for financial assets and liabilities are set out in note 3.

16 Financial instruments

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:

	31 March 2025 USD	31 December 2024 USD
Cash at banks	**1,814,088**	1,033,757
Due from related parties	**5,329,146**	8,939,795
Refundable deposits and other receivables	**14,438,033**	14,365,457
Loans due from related parties	**1,454,369**	1,001,711
	23,035,636	25,340,720

Apart from the provisions already recognized, management believes that the cash at banks, amounts due from related parties, loans to related parties, refundable deposits, and other receivables are fully recoverable. Accordingly, no additional provision for impairment has been made.

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**
31 March 2025				
Non-derivative financial liabilities				
Loans due to related parties	**241,746,013**	**360,255,500**	**-**	**360,255,500**
Due to related parties	**23,386,564**	**23,386,564**	**23,386,564**	**-**
Lease liability	**515,180**	**541,726**	**209,416**	**332,310**
Accounts payable and accrued expenses (excluding unrealised loss on foreign currency exchange forward contracts)	**6,524,519**	**6,524,519**	**6,524,519**	**-**
	272,172,276	**390,708,309**	**30,120,499**	**360,587,810**
31 December 2024				
Non-derivative financial liabilities				
Loans due to related parties	214,617,009	325,348,850	-	325,348,850
Dividends payable	24,253,666	24,253,666	24,253,666	-
Due to related parties	18,898,982	18,898,982	18,898,982	-
Accounts payable and accrued expenses	8,945,976	8,945,976	8,945,976	-
Lease liability	508,913	541,726	209,416	332,310
	267,224,546	377,989,200	52,308,040	325,681,160

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

	31 March 2025	31 December 2024
	USD	USD
Financial assets	**1,454,369**	1,001,711
Financial liabilities	**(241,746,013)**	(214,617,009)
	(240,291,644)	(213,615,298)

Cash flow sensitivity analysis for variable rate instruments

An increase/ decrease 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 March 2025	
	100 bp increase	**100 bp decrease**
	USD	**USD**
Effect on profit or loss	**(2,402,917)**	**2,402,917**

	31 December 2024	
	100 bp increase	100 bp Decrease
	USD	USD
Effect on profit or loss	(2,136,153)	2,136,153

Currency risk

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

	31 March 2025	
	Euro	**Egyptian pound**
Cash at banks	**285,768**	**8,859,241**
Due from related parties	**13,429**	**-**
Other receivables	**-**	**621,074,896**
Loans due to related parties	**-**	**(830,789,736)**
	299,197	**(200,855,599)**

16 Financial instruments *(continued)*

Currency risk *(continued)*

	31 December 2024	
	Euro	Egyptian pound
Cash at banks	312,937	8,707,310
Due from related parties	6,872	171,999,000
Other receivables	-	621,074,896
Loans due to related parties	-	(451,158,073)
	319,809	350,623,133

Sensitivity analysis

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

	31 March 2025		31 December 2024	
	Average rate	**Spot rate**	Average rate	Spot rate
1 Euro	**1.0491**	**1.0816**	1.0824	1.0410
1 Egyptian pound	**0.0198**	**0.0198**	0.0233	0.0197

1% strengthening of the USD against the Egyptian Pound and/or Euro at 31 March 2025 / 31 December 2024 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:

	31 March 2025 USD	31 December 2024 USD
Euro	**3,236**	3,329
Egyptian pound	**(39,769)**	69,073
	(36,533)	72,402

17 Contingent liabilities and capital commitments

Contingent liabilities

	31 March 2025 Guarantees	31 December 2024 Guarantees
US Dollar	**260,791,840**	277,797,122
UAE Dirhams	**125,000,000**	-
Saudi Riyal	**91,025,234**	90,948,750
Euro	**-**	3,647,293

18 Operating segments

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

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 loans due from related parties, other receivables and amounts 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 amortized cost.

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.

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.

19 Significant accounting estimates and judgements *(continued)*

Impairment losses on receivables *(continued)*

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 90 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 90 days past due. When the Company determines that there have been significant increases in credit risk before contractual payments are more than 90 days past due, the rebuttable presumption does not apply.