ORASCOM CONSTRUCTION PLC

Interim Consolidated Financial Statements

For the nine month period ended 30 September 2021

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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Statements

To the Shareholders of Orascom Construction PLC

Introduction

We have reviewed the accompanying 30 September 2021 condensed consolidated interim financial statements of Orascom Construction PLC ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise

- the condensed consolidated statement of financial position as at 30 September 2021;
- the condensed consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2021;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2021;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2021; and
- notes to the condensed consolidated interim financial statements.

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

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2021 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG LLP

KPMG LLP

Emilio Pera
DFSA Registration No.: I008702
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Date: 16 November 2021

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at

$ millions	Note	30 September 2021 (reviewed)	31 December 2020 (audited)
Assets			
Non-current assets			
Property, plant and equipment	(6)	182.0	177.2
Goodwill	(7)	13.8	13.8
Trade and other receivables	(8)	48.8	47.0
Equity accounted investees	(9)	422.6	419.4
Deferred tax assets	(10)	38.5	39.0
Total non-current assets		**705.7**	**696.4**
Current assets			
Inventories	(11)	301.6	288.1
Trade and other receivables	(8)	1,403.6	1,473.2
Contracts work in progress	(12)	1,016.7	854.5
Current income tax receivables		0.4	2.5
Cash and cash equivalents	(13)	348.3	473.8
Total current assets		**3,070.6**	**3,092.1**
Total assets		**3,776.3**	**3,788.5**
Equity			
Share capital	(14)	116.8	116.8
Share premium		480.2	480.2
Reserves	(15)	(303.3)	(289.7)
Retained earnings		339.6	288.6
Equity attributable to owners of the Company		**633.3**	**595.9**
Non-controlling interests	(16)	46.7	46.0
Total equity		**680.0**	**641.9**
Liabilities			
Non-current liabilities			
Loans and borrowings	(17)	1.3	19.9
Trade and other payables	(18)	51.6	57.1
Deferred tax liabilities	(10)	3.4	3.3
Total non-current liabilities		**56.3**	**80.3**
Current liabilities			
Loans and borrowings	(17)	202.3	95.3
Trade and other payables	(18)	1,339.9	1,402.8
Advanced payments from construction contracts		1,076.7	1,086.3
Billing in excess of construction contracts	(12)	331.8	383.8
Provisions	(19)	56.0	54.7
Income tax payables		33.3	43.4
Total current liabilities		**3,040.0**	**3,066.3**
Total liabilities		**3,096.3**	**3,146.6**
Total equity and liabilities		**3,776.3**	**3,788.5**

The notes on pages 7 to 27 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 16 November 2021 and signed on their behalf by:

Chief Executive Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the nine month period ended

$ millions	Note	the nine months ended 30 September 2021 (reviewed)	the three months ended 30 Septemeber 2021 (reviewed)	the nine months ended 30 September 2020 (reviewed)	the three months ended 30 September 2020 (reviewed)
Revenue	(24)	2,542.7	857.7	2,443.3	824.5
Cost of sales	(20)	(2,300.3)	(779.8)	(2,197.3)	(741.5)
Gross profit		242.4	77.9	246.0	83.0
Other income	(21)	6.6	1.7	4.4	2.6
Selling, general and administrative expenses	(20)	(138.2)	(45.7)	(133.5)	(44.8)
Operating profit		110.8	33.9	116.9	40.8
Finance income	(22)	9.0	2.6	12.3	0.5
Finance cost	(22)	(18.1)	(6.6)	(22.0)	(8.2)
Net finance cost		(9.1)	(4.0)	(9.7)	(7.7)
Income (loss) from equity accounted investees	(9)	13.6	9.7	(7.7)	10.8
Profit before income tax		115.3	39.6	99.5	43.9
Income tax	(10)	(31.1)	(8.8)	(32.9)	(11.7)
Net profit		84.2	30.8	66.6	32.2
Other comprehensive income:					
Items that are or may be reclassified to profit or loss					
Foreign currency translation differences		(14.5)	(9.4)	16.1	27.3
Other comprehensive (loss) income, net of tax		(14.5)	(9.4)	16.1	27.3
Total comprehensive income		69.7	21.4	82.7	59.5
Profit attributable to:					
Owners of the Company		76.1	28.4	65.0	30.2
Non-controlling interests		8.1	2.4	1.6	2.0
Net profit		84.2	30.8	66.6	32.2
Total comprehensive income attributable to:					
Owners of the Company		62.5	19.1	80.4	56.7
Non-controlling interests		7.2	2.3	2.3	2.8
Total comprehensive income		69.7	21.4	82.7	59.5
Earnings per share (in USD)					
Basic earnings per share	(23)	0.65	0.24	0.56	0.26

The notes on pages 7 to 27 are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the nine month period ended

$ millions	Note	Share capital (14)	Share premium	Reserves (15)	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests (16)	Total equity
Balance at 1 January 2020 (audited)		**116.8**	**480.2**	**(304.6)**	**249.5**	**541.9**	**43.8**	**585.7**
Net profit		-	-	-	65.0	65.0	1.6	66.6
Other comprehensive income		-	-	15.4	-	15.4	0.7	16.1
Total comprehensive income		**-**	**-**	**15.4**	**65.0**	**80.4**	**2.3**	**82.7**
Dividends	(28)	-	-	-	(24.5)	(24.5)	(4.3)	(28.8)
Other		-	-	-	(2.4)	(2.4)	-	(2.4)
Balance at 30 September 2020 (reviewed)		**116.8**	**480.2**	**(289.2)**	**287.6**	**595.4**	**41.8**	**637.2**
Balance at 1 January 2021 (audited)		116.8	480.2	(289.7)	288.6	595.9	46.0	641.9
Net profit		-	-	-	76.1	76.1	8.1	84.2
Other comprehensive loss		-	-	(13.6)	-	(13.6)	(0.9)	(14.5)
Total comprehensive income		-	-	(13.6)	76.1	62.5	7.2	69.7
Dividends	(28)	-	-	-	(26.7)	(26.7)	(5.5)	(32.2)
Other		-	-	-	1.6	1.6	(1.0)	0.6
Balance at 30 September 2021 (reviewed)		116.8	480.2	(303.3)	339.6	633.3	46.7	680.0

The notes on pages 7 to 27 are an integral part of these interim consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the nine month period ended

$ millions	Note	30 September 2021 (reviewed)	30 September 2020 (reviewed)
Net profit		84.2	66.6
Adjustments for:			
Depreciation	(6)	35.4	33.6
Interest income (including gains on derivatives)	(22)	(5.5)	(8.7)
Interest expense (including losses on derivatives)	(22)	14.9	17.6
Foreign exchange loss and others		(0.3)	0.8
Share in (income) loss of equity accounted investees	(9)	(13.6)	7.7
Gain on sale of property, plant and equipment	(21)	(2.9)	(0.9)
Income tax expense	(10)	31.1	32.9
Changes in:			
Inventories	(11)	(13.5)	17.6
Trade and other receivables	(8)	77.8	(577.7)
Contract work in progress	(12)	(162.2)	(37.0)
Trade and other payables	(18)	(51.0)	147.3
Advanced payments construction contracts		(9.6)	288.1
Billing in excess of construction contracts	(12)	(52.0)	25.8
Provisions	(19)	1.3	(1.3)
Cash flows:			
Interest paid	(22)	(15.0)	(15.9)
Interest received	(22)	5.4	8.6
Dividend from equity accounted investee	(9)	-	15.0
Income taxes paid		(38.5)	(43.5)
Cash flow used in operating activities		(114.0)	**(23.4)**
Investments in property, plant and equipment	(6)	(41.3)	(27.3)
Proceeds from sale of property, plant and equipment		4.8	4.3
Cash flow used in investing activities		(36.5)	**(23.0)**
Proceeds from borrowings	(17)	110.2	299.4
Repayment of borrowings	(17)	(21.8)	(46.7)
Dividends paid to non-controlling interest		(5.5)	-
Dividends paid to shareholders		(51.2)	(24.5)
Other		(6.5)	(6.8)
Cash flows from financing activities		25.2	**221.4**
Net change in cash and cash equivalents		(125.3)	**175.0**
Cash and cash equivalents at 1 January	(13)	473.8	374.8
Currency translation adjustments		(0.2)	7.5
Cash and cash equivalents at 30 September	(13)	348.3	**557.3**

The notes on pages 7 to 27 are an integral part of these interim consolidated financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. General

Orascom Construction PLC ('OC PLC') is a Public Company, incorporated with registered number 1752 in the Dubai International Financial Center (DIFC) with its head office located at Gate Village-Building 1, DIFC, Dubai, UAE. OC PLC is dual listed on the NASDAQ Dubai and the Egyptian Stock Exchange. The interim consolidated financial statements for the nine month period ended 30 September 2021 comprise the financial statements of OC PLC, its subsidiaries and joint operations (together referred to as the 'Group') and the Group's interests in associates and joint ventures.

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

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

2. Basis of preparation

2.1 General

The interim consolidated financial statements for the nine month period ended 30 September 2021 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and do not include all the information and disclosures required in the annual financial statements. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since 1 January 2021.

The interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2020. The accounting principles used are the same as those used in the consolidated financial statements for the year ended 31 December 2020.

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

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

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

These interim consolidated financial statements have been authorised for issue by the Company's Board of Directors on 16 November 2021.

3. New accounting standards and policies

The accounting policies applied in these consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2020.

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 2020.

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

and managing risk, and the Group's management of capital.

Risk management framework

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

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

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

5.1 Exposure to credit risk

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

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

$ millions	Note	30 September 2021	31 December 2020
Trade and other receivables (excluding prepayments)	(8)	1,441.9	1,507.5
Contract work in progress	(12)	1,016.7	854.5
Cash and cash equivalents (excluding cash on hand)	(13)	346.2	471.5
Total		2,804.8	**2,833.5**

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

$ millions	30 September 2021	31 December 2020
Middle East and Africa	1,114.6	1,163.0
Asia and Oceania	141.8	147.6
Europe and United States	185.5	196.9
Total	1,441.9	**1,507.5**

5.2 Liquidity risk

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

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

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2020 $ millions	Note	Carrying amount	Contractual cash flow	6 months or less	6–12 months	1–5 years
Financial liabilities						
Loans and borrowings	(17)	115.2	123.8	50.2	52.8	20.8
Trade and other payables (excluding lease obligation)	(18)	1,444.0	1,444.0	1,397.8	-	46.2
Lease obligation	(18)	15.9	20.1	2.9	2.9	14.3
Advanced payments from construction contracts		1,086.3	1,086.3	1,086.3	-	-
Total		**2,661.4**	**2,674.2**	**2,537.2**	**55.7**	**81.3**

At 30 September 2021 $ millions	Note	Carrying amount	Contractual cash flow	6 months or less	6–12 months	1–5 years
Financial liabilities						
Loans and borrowings	(17)	203.6	217.9	105.9	110.6	1.4
Trade and other payables (excluding lease obligation)	(18)	1,377.9	1,377.9	1,335.7	-	42.2
Lease obligation	(18)	13.6	18.4	2.2	2.6	13.6
Advanced payments from construction contracts		1,076.7	1,076.7	1,076.7	-	-
Total		2,671.8	2,690.9	2,520.5	113.2	57.2

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, interest rates, commodity prices and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

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

Foreign exchange translation exposure

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

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

Foreign exchange transaction exposure

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

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

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

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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 2020 $ millions	EUR	EGP
Cash and cash equivalents (including loans and borrowings)	29.5	58.6
Trade and other receivables	150.1	52.8
Trade and other payables	(44.3)	(15.9)

At 30 September 2021 $ millions	EUR	EGP
Cash and cash equivalents (including loans and borrowings)	34.0	11.1
Trade and other receivables	238.1	36.3
Trade and other payables	(32.7)	(39.1)

Significant rates

The following significant exchange rates were applied during the nine month period ended 30 September 2021:

	Average 2021	Closing 30 September 2021	Opening 1 January 2021
Egyptian pound	0.0637	0.0636	0.0635
Saudi riyal	0.2666	0.2666	0.2665
Arabic Emirates Dirham	0.2723	0.2723	0.2723
Algerian Dinar	0.0075	0.0073	0.0076
Euro	1.1960	1.1580	1.2299

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

As of 30 September 2021, 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, payables and loans and borrowings that would have resulted in an increase/decrease of USD 24.7 million of the profit of the nine month period ended 30 September 2021 (31 December 2020: USD 23.1 million).

31 December 2020 $ millions	Change in FX rate*	Effect on profit before tax**	Effect on equity**
EUR - USD	10%	13.5	38.3
EGP - USD	10%	9.6	-

30 September 2021 $ millions	Change in FX rate*	Effect on profit before tax**	Effect on equity**
EUR - USD	10%	23.9	37.7
EGP - USD	10%	0.8	-

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

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** Effects are displayed in absolute amounts.

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, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

As of 30 September 2021, 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 1.5 million of the profit of the nine month period ended 30 September 2021.

$ millions	Change in interest rate	30 September 2021	31 December 2020
Effect on profit before tax	10%	(1.5)	(2.1)
	10%	1.5	2.1

Categories of financial instruments

	Note	30 September 2021		31 December 2020	
		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	(8)	1,452.4	-	1,520.2	-
Contracts work in progress	(12)	1,016.7	-	854.5	-
Cash and cash equivalents	(13)	348.3	-	473.8	-
Total		2,817.4	-	**2,848.5**	-
Liabilities					
Loans and borrowings	(17)	203.6	-	115.2	-
Trade and other payables (excluding lease obligation)	(18)	1,377.9	-	1,444.0	-
Advanced payments construction contracts		1,076.7	-	1,086.3	-
Total		2,658.2	-	**2,645.5**	-

5.4 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Equity 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:

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

$ millions	Note	30 September 2021	31 December 2020
Loans and borrowings	(17)	203.6	115.2
Less: cash and cash equivalents	(13)	348.3	473.8
Net debt		(144.7)	(358.6)
Total equity		680.0	641.9
Net debt to equity ratio		(0.21)	(0.56)

6. Property, plant and equipment

$ millions	Land	Buildings	Equipment	Fixtures and fittings	Under construction	Total
Cost	13.8	102.4	280.3	143.7	4.7	**544.9**
Accumulated depreciation	-	(40.7)	(211.5)	(115.5)	-	**(367.7)**
At 1 January 2021	**13.8**	**61.7**	**68.8**	**28.2**	**4.7**	**177.2**
Movements in the carrying amount:						
Additions during the period	-	2.1	20.6	9.2	10.4	42.3
Disposals	-	-	(1.2)	(0.7)	-	(1.9)
Depreciation	-	(5.1)	(19.0)	(11.3)	-	(35.4)
Transfers	-	0.1	1.7	0.3	(2.1)	-
Effect of movement in exchange rates	-	0.5	(0.5)	(0.2)	-	(0.2)
At 30 September 2021	-	(2.4)	1.6	(2.7)	8.3	4.8
Cost	13.8	104.4	292.9	150.0	13.0	574.1
Accumulated depreciation	-	(45.1)	(222.5)	(124.5)	-	(392.1)
At 30 September 2021	13.8	59.3	70.4	25.5	13.0	182.0

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

$ millions	2021	2020
Owned assets	169.6	162.2
Right to use	12.4	15.0
At 30 September / 31 December	182.0	177.2

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

$ millions	Buildings	Equipment	Total
Cost	20.4	6.3	26.7
Accumulated depreciation	(7.6)	(4.1)	(11.7)
At 1 January 2021	**12.8**	**2.2**	15.0
Movements in the carrying amount:			
Additions during the period	-	1.0	1.0
Depreciation	(2.3)	(1.6)	(3.9)
Effect of movement in exchange rates	0.3	-	0.3
At 30 September 2021	(2.0)	(0.6)	(2.6)
Cost	20.6	7.3	27.9
Accumulated depreciation	(9.8)	(5.7)	(15.5)
At 30 September 2021	10.8	1.6	12.4

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

7. Goodwill

$ millions	Goodwill
Cost	13.8
At 1 January 2021	13.8
Movements in the carrying amount:	
Additions	-
Impairment	-
At 30 September 2021	-
Cost	13.8
Impairment	-
At 30 September 2021	13.8

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

Goodwill is tested for impairment in the fourth quarter of the year.

8. Trade and other receivables

$ millions	30 September 2021	31 December 2020
Trade receivables (gross)	716.9	824.6
Allowance for trade receivables	(12.0)	(12.1)
Trade receivables (net)	704.9	**812.5**
Trade receivables due from related parties (Note 26)	29.3	22.9
Prepayments	10.5	12.7
Other tax receivable	81.6	75.5
Supplier advanced payments	190.5	194.2
Other investments	3.3	2.3
Retentions	293.1	284.9
Other receivables	139.2	115.2
Total	1,452.4	**1,520.2**
Non-current	48.8	47.0
Current	1,403.6	1,473.2
Total	1,452.4	**1,520.2**

The carrying amount of ‘Trade and other receivables’ as at 30 September 2021 approximates its fair value.

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

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

$ millions	30 September 2021	31 December 2020
Neither past due nor impaired	400.9	458.1
Past due 1 - 30 days	49.9	43.6
Past due 31 - 90 days	75.4	87.2
Past due 91 - 360 days	92.3	114.9
More than 360 days	98.4	120.8
Total	716.9	824.6

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

The movement in the allowance for impairment in respect of trade receivables during the nine month period ended 30 September 2021 was as follows:

$ millions	2021	2020
At 1 January	(12.1)	(12.3)
Provision formed	(0.1)	(1.0)
Provision no longer required	0.1	2.2
Exchange rate differences and other	0.1	0.1
At 30 September	(12.0)	(11.0)

9. Equity accounted investees

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

$ millions	2021	2020
At 1 January	419.4	430.0
Share in results	13.6	(3.2)
Dividends	-	(15.0)
Effect of movement in exchange rates	(10.4)	7.6
At 30 September / 31 December	422.6	419.4

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 based on the percentage of interest the Group has in it:

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

BESIX Group 50% $ millions	2021	2020
Non-current asset	395.6	404.7
Current asset	1,425.9	1,336.7
Non-current liabilities	(329.4)	(353.3)
Current liabilities	(1,115.0)	(1,005.2)
Net assets at 30 September / 31 December	377.1	**382.9**
Construction revenue	1,235.6	1,162.8
Construction cost	(1,230.7)	(1,171.3)
Net profit (loss) for the nine month period ended 30 September	4.9	**(8.5)**

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

Name	Parent	Country	Participation %
BESIX Group	OC IHC3 B.V.	Belgium	50.0
Medrail Ltd.	Orascom Construction Holding Cyprus	UAE	50.0
Egyptian Gypsum Company	UHC	Egypt	28.3
Sidra Medical Center (see note 25)	Contrack Cyprus	Qatar	45.0
Ras Ghareb Wind Energy	Orascom Construction SAE	Egypt	20.0
Clark,Weitz, and Clarkson	The Weitz Group	USA	30.0
Watts - Webcor Obayashi	Contrack Watts Inc	USA	34.0
National Pipe Company	OCI Construction Egypt Orascom Construction SAE	Egypt	40.0
El Yamama	OCI Egypt	KSA	50.0
Orasqualia, Orasqualia for Construction S.A.E. and Orasqualia for Maintenance	Orascom Construction SAE	Egypt	50.0

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

$ millions	2021	2020
Non-current asset	484.8	497.6
Current asset	1,477.5	1,379.8
Non-current liabilities	(406.3)	(436.3)
Current liabilities	(1,133.4)	(1,021.7)
Net assets at 30 September / 31 December	422.6	**419.4**
Income	1,268.0	1,180.3
Expense	(1,254.4)	(1,188.0)
Net profit (loss) for the nine month period ended 30 September	13.6	**(7.7)**

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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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 31.1 million (30 September 2020: USD 32.9 million) expense and can be summarized as follows:

$ millions	the nine months ended 30 September 2021	the three months ended 30 September 2021	the nine months ended 30 September 2020	the three months ended 30 September 2020
Current tax	(30.5)	(9.2)	(31.1)	(8.7)
Deferred tax	(0.6)	0.4	(4.7)	(3.0)
Tax credit	-	-	2.9	-
Total income tax in profit or loss	(31.1)	(8.8)	(32.9)	(11.7)

10.2 Reconciliation of effective tax rate

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

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

$ millions	September 2021	%	September 2020	%
Profit before income tax	115.3		99.5	
Tax calculated at weighted average group tax rate	(29.4)	25.5	(24.8)	24.9
Recognised in deferred tax asset	(0.6)	0.5	(4.7)	4.7
Tax credit	-	-	2.9	(2.9)
Other	(1.1)	1.0	(6.3)	6.3
Total income tax in profit or loss	(31.1)	27.0	(32.9)	33.1

10.3 Deferred income tax assets and liabilities

The majority of the deferred tax assets of USD 38.5 million (31 December 2020: USD 39.0 million) relate to carried forward tax losses. The carried forward losses recognized in the statement of financial position is expected to be realized in the period 2022-2026.

11. Inventories

$ millions	30 September 2021	31 December 2020
Finished goods	3.4	3.1
Raw materials and consumables	264.9	252.2
Fuels and others	5.4	5.3
Real estate	27.9	27.5
Total	301.6	288.1

As at 30 September 2021, the total write-downs amount to USD 10.7 million (31 December 2020: USD 10.3 million), which all related to raw materials.

The real estate relates to the land owned by Suez industrial Development Company in Egypt, which owns and develops an industrial park.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

$ millions	30 September 2021	31 December 2020
Costs incurred on contracts (including estimated earnings)	26,301.0	24,346.1
Less: billings to date (Net)	(25,616.1)	(23,875.4)
Total	684.9	**470.7**
Presented in the consolidated statement of financial position as follows:		
Construction contracts in progress - current assets	1,016.7	854.5
Billing in excess on construction contracts - current liabilities	(331.8)	(383.8)
Total	684.9	**470.7**

13. Cash and cash equivalents

$ millions	30 September 2021	31 December 2020
Cash on hand	2.1	2.3
Bank balances	341.3	467.1
Restricted funds	1.1	0.6
Restricted cash	3.8	3.8
Total	348.3	**473.8**

Restricted funds

The restricted amounts mostly relate to letters of guarantee for OCI Algeria (USD 0.1 million), United Holding Company (USD 0.8 million), and letter of credit for National Steel Fabrication (USD 0.2 million).

Restricted cash

Restricted cash relates to amounts withheld in relation to amounts restricted for use for an amount of USD 3.8 million as collateral against certain loans and trade finance.

14. Share capital

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

	2021	2020
At 1 January	116,761,379	**116,761,379**
At 30 September / 31 December - fully paid	116,761,379	**116,761,379**
At 30 September / 31 December (in millions of USD)	116.8	**116.8**

15. Reserves

$ millions	2021	2020
At 1 January	(289.7)	(304.6)
Currency translation differences	(13.6)	14.9
At 30 September / 31 December	(303.3)	**(289.7)**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

16. Non-controlling interest

$ million	United Holding Company	Orascom Saudi	Suez Industrial Development Company	Other individual insignificant entities	Total
Non-controlling interest percentage	**43.5%**	**40.0%**	**39.5%**		
Non-current assets	8.8	0.3	7.0	1.5	17.6
Current assets	40.3	100.4	21.6	3.8	166.1
Non-current liabilities	-	(0.8)	(11.3)	(0.1)	(12.2)
Current liabilities	(22.2)	(95.5)	(4.7)	(3.1)	(125.5)
Net assets as of 31 December 2020	**26.9**	**4.4**	**12.6**	**2.1**	**46.0**
Revenue	36.9	2.7	2.3	4.3	46.2
Profit	2.1	(1.0)	0.3	0.2	1.6
Other comprehensive income	0.5	-	0.2	-	0.7
Total comprehensive income for the 9 month period ended 30 September 2020	**2.6**	**(1.0)**	**0.5**	**0.2**	**2.3**

30 September 2021 $ million	United Holding Company	Orascom Saudi	Suez Industrial Development Company	Other individual insignificant entities	Total
Non-controlling interest percentage	43.5%	40.0%	39.5%		
Non-current assets	7.7	0.2	7.7	1.6	17.2
Current assets	44.8	100.1	22.1	4.3	171.3
Non-current liabilities	-	(0.7)	(11.6)	-	(12.3)
Current liabilities	(23.4)	(96.2)	(6.5)	(3.4)	(129.5)
Net assets	29.1	3.4	11.7	2.5	46.7
Revenue	34.4	2.5	1.2	5.4	43.5
Profit	8.3	(0.8)	(0.2)	0.8	8.1
Other comprehensive loss	(0.9)	-	-	-	(0.9)
Total comprehensive income	7.4	(0.8)	(0.2)	0.8	7.2

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	18.5	6.5	42.6	67.6
OCI Saudi Limited	Saibor + 1.80%	5/2021	-	3.6	-	3.6
Orascom Construction Industries- Algeria	1 Month TB + 6.0%	5/2021	-	1.7	-	1.7
The Weitz Group, LLC	Multiple rates	Multiple	1.4	15.4	-	16.8
Other	Multiple rates	-	-	16.4	9.1	25.5
Total as of 31 December 2020			**19.9**	**43.6**	**51.7**	**115.2**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Borrowing Company	Interest rate	Date of maturity	Long term portion	Short term portion	Bank facilities	Total
Orascom Construction SAE	Multiple rates	Annual	-	25.0	134.4	159.4
Orascom Construction Industries- Algeria	1 Month TB + 6.0%	5/2022	-	1.6	-	1.6
The Weitz Group, LLC	Multiple rates	Multiple	1.3	12.7	-	14.0
Other	Multiple rates	-	-	11.0	17.6	28.6
Total as of 30 September 2021			1.3	50.3	152.0	203.6

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.

Certain covenants apply to the aforementioned borrowings.

18. Trade and other payables

$ millions	30 September 2021	31 December 2020
Trade payables	442.6	555.2
Trade payables due to related party (Note 26)	4.2	4.7
Other payables	210.8	209.3
Accrued expenses	536.4	487.4
Deferred revenues	2.5	3.6
Other tax payables	11.5	14.2
Lease obligation	13.6	15.9
Retentions payables	166.1	165.7
Employee benefit payables	3.8	3.9
Total	1,391.5	1,459.9
Non-current	51.6	57.1
Current	1,339.9	1,402.8
Total	1,391.5	1,459.9

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

Retentions payable relate to amounts withheld from sub-contractors.

19. Provisions

$ millions	Warranties	Onerous contracts	Other (including claims)	Total
At 1 January 2020	10.1	9.2	34.0	53.3
Provision formed	-	3.2	10.8	14.0
Provision used	-	-	(0.4)	(0.4)
Provision no longer required	-	(5.0)	(6.4)	(11.4)
Others	(2.8)	(0.1)	1.3	(1.6)
Effect of movement in exchange rates	0.2	0.1	0.5	0.8
At 31 December 2020	7.5	7.4	39.8	54.7

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$ millions	Warranties	Onerous contracts	Other (including claims)	Total
At 1 January 2021	7.5	7.4	39.8	54.7
Provision formed	-	1.4	4.6	6.0
Provision used	-	-	(1.2)	(1.2)
Provision no longer required	-	(1.0)	(0.5)	(1.5)
Others	0.8	-	(2.6)	(1.8)
Effect of movement in exchange rates	-	-	(0.2)	(0.2)
At 30 September 2021	8.3	7.8	39.9	56.0

Warranties

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

Other (including claims)

The Group is involved in various litigations and project related disputes. In cases where it is probable that the outcome of the proceedings will be unfavorable, and the financial outcome can be measured reliably, a provision has been recognized. Reference is made to Note 25 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	the nine months ended 30 September 2021	the three months ended 30 September 2021	the nine months ended 30 September 2020	the three months ended 30 September 2020
Changes in raw materials and consumables, finished goods and work in progress	1,892.5	644.8	1,827.3	614.8
Employee benefit expenses (ii)	423.2	138.1	384.0	132.9
Depreciation, amortization	35.4	11.9	33.6	10.4
Maintenance and repairs	39.5	14.6	36.1	13.0
Consultancy expenses	12.7	5.2	9.8	3.1
Other	35.2	10.9	40.0	12.1
Total	2,438.5	825.5	2,330.8	786.3

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

ii. Employee benefit expenses

$ millions	the nine months ended 30 September 2021	the three months ended 30 September 2021	the nine months ended 30 September 2020	the three months ended 30 September 2020
Wages and salaries	343.7	112.8	311.4	104.3
Social securities	3.4	1.1	3.1	1.0
Employee profit sharing	3.3	-	0.9	-
Pension cost	5.4	1.6	4.7	1.6
Other employee expenses	67.4	22.6	63.9	26.0
Total	423.2	138.1	384.0	132.9

During the nine months period ended 30 September 2021, the average number of staff employed in the Group converted into full-time equivalents amounted to 21,281 permanent and 43,727 temporary employees.

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

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EBITDA, cash flow from operations and share performance. The plan is cash-settled; no transfer of equity instruments will take place under this plan.

Some of the Group's subsidiaries in the United States of America contribute to multi-employer defined benefit plans administered by unions that provide pension and post-retirement health and welfare benefits to employees, based on a defined dollar amount per hour. The Group has availed the exemption of IAS 19, para 34, to account for the contributions to these multiemployer defined benefit plans as defined contribution plans, as sufficient financial information is not publicly available with regards to these plans. The contribution to these plans for the 9 month period ended 30 September 2021 is USD 5.2 million and the expected contribution to these plans for the financial year 2021 is USD 7.25 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	the nine months ended 30 September 2021	the three months ended 30 September 2021	the nine months ended 30 September 2020	the three months ended 30 September 2020
Net gain on sale of property, plant and equipment	2.9	1.0	0.9	0.2
Scrap and other	3.7	0.7	3.5	2.4
Total	6.6	1.7	**4.4**	**2.6**

22. Net finance cost

$ millions	the nine months ended 30 September 2021	the three months ended 30 September 2021	the nine months ended 30 September 2020	the three months ended 30 September 2020
Interest income on financial assets measured at amortized cost	5.5	1.7	8.7	3.3
Foreign exchange gain	3.5	0.9	3.6	(2.8)
Finance income	9.0	2.6	**12.3**	**0.5**
Interest expense on financial liabilities measured at amortized cost	(14.9)	(5.7)	(16.0)	(5.7)
Fair value loss on derivatives	-	-	(1.6)	-
Foreign exchange loss	(3.2)	(0.9)	(4.4)	(2.5)
Finance cost	(18.1)	(6.6)	**(22.0)**	**(8.2)**
Net finance cost recognized in profit or loss	(9.1)	(4.0)	**(9.7)**	**(7.7)**

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

$ millions	the nine months ended 30 September 2021	the three months ended 30 September 2021	the nine months ended 30 September 2020	the three months ended 30 September 2020
Total interest income on financial assets	5.5	1.7	8.7	3.3
Total interest expense on financial liabilities	(14.9)	(5.7)	(16.0)	(5.7)

23. Earnings per share

i. Basic

	the nine months ended 30 September 2021	the three months ended 30 September 2021	the nine months ended 30 September 2020	the three months ended 30 September 2020
Net Profit attributable to shareholders (million USD)	76.1	28.4	65.0	30.2
Number of ordinary share (million)	116.8	116.8	116.8	116.8
Basic earnings per ordinary share (USD)	0.65	0.24	**0.56**	**0.26**

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24. 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 period ended 30 September / 31 December 2020

$ millions	MENA	USA	Besix	Total
Total revenue	1,512.4	930.9	-	2,443.3
Share in loss of equity accounted investees	(1.9)	2.7	(8.5)	(7.7)
Depreciation and amortization	(29.1)	(4.5)	-	(33.6)
Interest income (including gain on derivatives)	8.4	0.3	-	8.7
Interest expense (including loss on derivatives)	(16.0)	(1.6)	-	(17.6)
Profit before tax for the 9 month ended 30 September	**99.5**	**8.5**	**(8.5)**	**99.5**
Investment in PP&E as at 31 December	40.5	5.2	-	45.7
Non-current assets as at 31 December	240.4	73.1	382.9	696.4
Total assets as at 31 December	**2,930.8**	**474.8**	**382.9**	**3,788.5**
Total liabilities as at 31 December	**2,742.0**	**404.6**	**-**	**3,146.6**

Business information for the nine month period ended 30 September 2021

$ millions	MENA	USA	Besix	Total
Total revenue	1,775.9	766.8	-	2,542.7
Share in income of equity accounted investees	3.2	5.5	4.9	13.6
Depreciation and amortization	(30.2)	(5.2)	-	(35.4)
Interest income (including gain on derivatives)	5.5	-	-	5.5
Interest expense (including loss on derivatives)	(13.5)	(1.4)	-	(14.9)
Profit before tax	100.5	9.9	4.9	115.3
Investment in PP&E	39.2	3.1	-	42.3
Non-current assets	253.5	75.1	377.1	705.7
Total assets	2,987.2	412.0	377.1	3,776.3
Total liabilities	2,753.4	342.9	-	3,096.3

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 customers that represent 10 percent or more of revenues:

Percentage	30 September 2021	30 September 2020
Egyptian Government	56.4%	52.9%

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25. Contingencies

25.1 Contingent liabilities

25.1.1 Letters of guarantee / letters of credit

Letters of guarantee issued by banks in favor of Group as at 30 September 2021 amount to USD 2,057.0 million (31 December 2020: USD 1,773.1 million). Outstanding letters of credit as at 30 September 2021 (uncovered portion) amount to USD 81.4 million (31 December 2020: USD 75.3 million).

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

As of 30 September 2021, mechanic liens have been received in respect of one of our US projects for a total of USD 5.0 million (31 December 2020:USD 5.0 million).

25.1.2 Litigations and claims

In the ordinary course of business, the Group entities and joint ventures are involved in some arbitration or court cases as defendants or claimants. These litigations are carefully monitored by the entities' management and legal counsels, and are regularly assessed with due consideration for possible insurance coverage and recourse rights on third parties. In cases where it is probable that the outcome of the proceedings will be unfavourable, and the financial outcome can be measured reliably, a provision has been recognized in the financial statements which is disclosed in note 19 'Provisions'. It should be understood that, in light of possible future developments, such as: (a) potential additional lawsuits, (b) possible future settlements, and (c) rulings or judgments in pending lawsuits, certain cases may result inadditional liabilities and related costs. At this point in time, OC PLC cannot estimate any additional amount of loss or range of loss in excess of the recorded amounts with sufficient certainty to allow such amount or range of amounts to be meaningful. While the outcome of said the cases, claims and disputes cannot be predicted with certainty, we believe, based upon legal advice and information received, that the final outcome will not materially affect our interim consolidated financial position of 9 month ended 30 September 2021 but could be material to our results of operations or cash flows in any one accounting period.

25.1.3 Sidra Medical Center

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

In July 2014, the consortium received a Notice of Termination from the Foundation. On 23 July 2014, the Foundation commenced arbitration proceedings against the associate by serving a Request for Arbitration with the ICC (seat in London) dated 23 July 2014. Since 2014, several hearings and expert meetings took place and partial awards have been issued by the tribunal. The most recent hearings were held in May 2021 and June 2021. The main evidentiary hearing is scheduled for March-April 2022. The final award is not expected before Q3 2022.

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

25.1.4 ERC Refinery Project

In November 2014, Orascom Construction SAE (OC) and GS Engineering and Construction Corp. "Egypt" ("GS"), the main contractor appointed by the owner Egyptian Refining Company (Takrir) SAE, entered into a subcontract agreement and three subsequent amendments for the Civil Works and Structural, Mechanical and Piping works in relation to Areas 1 and 3 of ERC Refinery Plant in Mostorod Egypt. The works were fundamentally delayed and disrupted by GS resulting in OC submitting several Extension of Time and costs claims. In February 2019, GS instructed OC to demobilize and "step-back" from all remaining Works.

In March 2019, OC filed the Request for Arbitration against GS before the ICC (London). In May 2019, GS filed an Answer and Counterclaim. On 11 July 2019, the Tribunal was constituted. In January 2020, OC submitted its Statement of Case ("SoC"), and GS submitted its Statement of Counterclaim ("SoCC"). In June 2020, OC and GS filed their Statements of Defense to Counterclaims, and in August 2020, OC

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and GS filed their Replies to Statement of Defense to Counterclaim. Expert Reports on Quantum and Delay were submitted in March 2021.

The hearing took place in May 2021 by video conference , and the Tribunal heard witness evidence and expert evidence from both sides. The Tribunal is expected to render the award by Q1 2022.

26. Related party transactions

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

Related party	Relation	Revenue transactions during the nine month period ended 30 September 2020	AR and loan outstanding at year ended 31 December 2020	Purchases transactions during the nine month period ended 30 September 2020	AP and advances outstanding at year ended 31 December 2020
Medrail	Equity accounted investee	-	6.9	-	-
Ras Ghareb Wind Energy	Equity accounted investee	-	5.7		
Iowa fertilizer Company	Related via Key Management personnel	-	0.8	-	-
Natgasoline	Related via Key Management personnel	0.7	-	-	-
OCI SAE “fertilizer”	Related via Key Management personnel	-	2.7	-	-
Other		-	6.8	-	4.7
Total		**0.7**	**22.9**	-	**4.7**

Related party	Relation	Revenue transactions during the nine month period ended 30 September 2021	AR and loan outstanding at period ended 30 September 2021	Purchases transactions during the nine month period ended 30 September 2021	AP and advances outstanding at period ended 30 September 2021
Medrail	Equity accounted investee	-	7.3	-	-
Ras Ghareb Wind Energy	Equity accounted investee	-	6.0	-	-
Iowa fertilizer Company	Related via Key Management personnel	-	0.8	-	-
Natgasoline	Related via Key Management personnel	0.7	-	-	-
OCI SAE “fertilizer”	Related via Key Management personnel	-	3.8	-	-
Other		-	11.4	-	4.2
Total		0.7	29.3	-	4.2

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.

26.1 Demerger of Construction and Engineering business

26.1.1 General

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

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

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between the two companies are executed based on agreed terms.

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

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

26.1.2 Conditional sale agreement

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

26.1.3 Tax indemnity agreement

On 6 February 2015, OC PLC and Orascom Construction Industries S.A.E. (a subsidiary of OCI N.V.) entered into a tax indemnity agreement which sets out the obligations of the parties in respect of the tax claim lodged by the tax authorities in Egypt relating to the sale of the Orascom Construction Industries S.A.E.’s cement business to Lafarge SA in 2007. The parties have agreed that, to the extent that any liability is incurred by Orascom Construction Industries S.A.E. in relation to the Tax Claim (including the costs of dealing with the Tax Claim), this will be shared between the parties on a 50%/50% basis. In addition, to the extent that any recoveries, including interests, are made in relation to the Tax Claim, these will be shared between the parties on a 50%/50% basis (excluding the amount of EGP 2.5 billion for which it was announced that the rights will be transferred to Tahya Misr social fund in Egypt).

26.2 OCI Foundation and Sawiris Foundation

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

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

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

During the 9 month period ended 30 September 2021, we considered the members of the Board of Directors (Executive and Non-executive) and the senior management to be the key management personnel as defined in IAS 24 ‘Related parties’. The total remuneration of the key-management personnel amounts for the nine month period ended 30 September 2021 with amounts to approximately USD 7.5 million.

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28. List of principal subsidiaries, associates and joint ventures

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

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

On 19 May 2021, the shareholders' at the Annual General Meeting had approved a dividend of USD 0.23 per share amounting to USD 26.7 which had been paid in August 2021.

29. Impact of COVID-19

The coronavirus outbreak since early 2020 has brought additional uncertainties in the Group's operating environment and continue to impact the Group's operations in the areas we operate in, with our main activities in Egypt and USA. The Group has formed a Crisis Management Committee to ensure the safe and stable continuation of its business operations which include measures to address and mitigate any identified key operational and financial issues. These contingency measures include amongst others communication plans with our clients, mitigation plans at project level to minimize the impact of possible slowdowns, if any, and measures to safeguard the welfare of our employees and subcontractor staff at our project sites and offices.

Our major projects in Egypt and USA have remained operational throughout the period with minimum disruption based on the initiatives implemented by the Group and supported by the mandates issued by the respective governments. We have also put in place effective business continuity and remote working plans enabled by the right technologies and systems to ensure uninterrupted operations across the Group.

Based on our assessment of the COVID-19 impact, there are no significant impact in its financial position and performance as at and for the nine month ended 30 September 2021. Further, we concluded that significant changes are not required as of 30 September 2021 in its key accounting judgements and estimates from those applied in the last annual consolidated financial statements as of 31 December 2020.

Furthermore, we continue to assess the level of future credit-lines and whether additional lines need to be made available to manage our liquidity. The Group will keep these contingency measures under review as the situation is fast evolving, the effect of the outbreak is by nature subject to certain degree of uncertainty.

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Dubai, UAE, 16 November 2021

The Orascom Construction PLC Board of Directors,

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